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## TOWARD MODERN AND SUSTAINABLE AGRICULTURE ECONOMY

### Positioning Vietnamese Supply Chain



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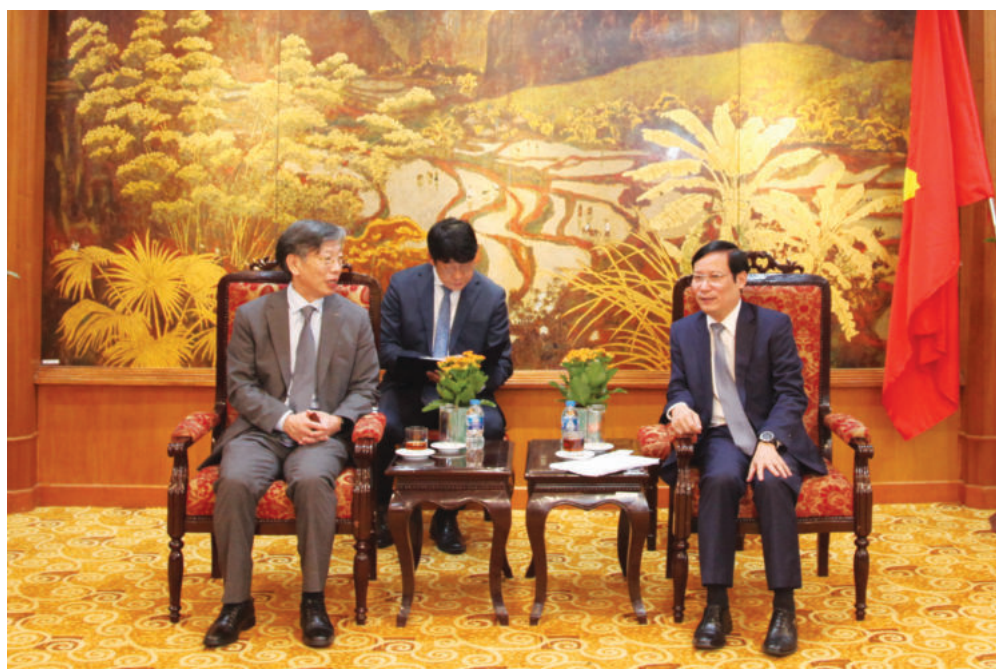
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**Cover photo:** The application of high technology generates tremendous value for the agriculture industry

# VCCI, KOTRA WORKING TOGETHER TO STRENGTHEN VIETNAMESE, KOREAN BUSINESS TIES



VCCI President Pham Tan Cong (R) receives KOTRA President Yu Jeoung Yeol

On October 28, President of the Vietnam Chamber of Commerce and Industry (VCCI) Pham Tan Cong had a working meeting with Mr. Yu Jeoung Yeol, President of the Korea Trade-Investment Promotion Agency (KOTRA) to discuss measures to strengthen the Vietnamese and Korean business cooperation.

HUONG LY

**A**t the meeting, VCCI President Pham Tan Cong noted that Vietnamese and Korean trade cooperation ties have been growing very well. Korea is the largest foreign investor in Vietnam and the third largest trading partner of Vietnam (after China and the United States). The two countries still have much room to develop economic ties, especially when Vietnam has set a goal of becoming a developed nation with a fast-growing economy by 2045. Vietnam targets to have a US\$1 trillion GDP in 5-7 years.

KOTRA President Yu Jeoung Yeol added that the bilateral relationship has increasingly developed, including economy and trade. Korea signed bilateral and multilateral free trade agreements (FTAs) with Vietnam which have facilitated the two countries to develop more firmly and sustainably.

Vietnam and Korea upgraded their relations to a "Strategic Partnership" in 2009. The two countries have already entered into ASEAN-Korea FTA (AKFTA), Vietnam-Korea FTA (VKFTA) and Regional Comprehensive Economic Partnership (RCEP). In addition, the two nations have many cooperation mechanisms such as the Intergovernmental Committee, the Deputy Prime Ministerial Dialogue on Economic Cooperation, the Joint Committee on Energy, Industry and Trade Cooperation, and the Joint Committee on VKFTA Enforcement.

Korea's companies in Vietnam account for over 30% of Vietnam's export value. Specially, its major firms such as Samsung, LG, Hanwha, Doosan, Posco and Korea have played an important role in local development in Vietnam and gradually helped Vietnam join more intensively global value chains, especially in electronics, automotive, mechanics and metallurgy.

KOTRA President Yu Jeoung Yeol hoped to receive VCCI's cooperation in taking advantage of FTAs to soon complete the goal





**VCCI President Pham Tan Cong and the Korean business delegation led by KOTRA President Yu Jeoung Yeol**

☞ of bringing the bilateral trade value to US\$100 billion a year.

Agreeing with his opinions, VCCI President Pham Tan Cong emphasized the need for continued cooperation in bilateral and multilateral frameworks, for information exchange on import and export markets, and for trade promotion activities.

VCCI has a system of branches and representative offices across the country and a nationwide network of business members and business associations ready to connect and cooperate with KOTRA and act as a focal point to connect the two business communities and the two countries for stronger development, he added.

VCCI was assigned by the Government to connect regional economies and support business development, Mr. Cong noted. In the coming time, VCCI will focus on supporting trade promotion and calling for investment for local economic clusters or key economic regions, particularly in Hai Phong, Quang Ninh, Hai Duong and Hung Yen which have full potential and conditions for forming dynamic economic areas, facilitated by large international seaports and land border gates accessible to the world's largest market of China, have abundant human resources and have large economic development spaces.

"The potential and advantages of these four provinces will facilitate and attract more quality investment projects and strengthen cooperation with partners, including those from Korea," Mr. Cong emphasized.



**VCCI President Pham Tan Cong (R) presents a souvenir to KOTRA President Yu Jeoung Yeol**

He also hoped and believed that KOTRA President Yu Jeoung Yeol will give continued support to Vietnam, including VCCI, especially in fostering cooperation on trade and investment and celebratory events of the 30th anniversary of Vietnam-Korea diplomatic relations.■

# Vietnam, Austria Look to Increase Business Cooperation

“This is the right time for Austria and Vietnam to further bolster cooperation and investment,” said Madam Barbara Eibinger-Miedl, Regional Minister for Economy, Tourism, Europe, Science and Research at the State Government of Styria, Austria, at a business seminar held on the occasion of the Styria delegation visit to Vietnam. The event was recently organized by the Vietnam Chamber of Commerce and Industry (VCCI) in collaboration with the Austrian Embassy in Vietnam in Hanoi.

QUYNH ANH



**Ms. Barbara Eibinger-Miedl addresses the event**

Styria is the second largest state in Austria and it has many strong industries. As a leading state in research and development (R&D) in Austria, Styria stands out for its innovative products and services. This creativity and dynamism results from the close and harmonious combination of the education system, research community, business environment and residents in the state of Styria.

Leading Styria companies that came to visit Vietnam this time wished to learn about economic and trade cooperation projects in potential industries such as construction technology, automotive engineering, wood import, cable car, energy, gas, electronic sensor and automation.

Madam Barbara Eibinger-Miedl said Vietnam is a fast and stably growing country, with favorable conditions for Austrian businesses to invest in. In addition, they have great opportunities in Vietnam, especially in sectors where Styria is strong such as energy and environmental technology, design and construction, green technologies, with about 20 world-leading companies in these fields.

“Renewable energy is important these days. In Austria, we have many companies at the forefront of energy transformation,

not only in biomass but also wind and solar energy,” she said.

In order to achieve its goals, Austria has adopted various investment regulations and policies regarding environmentally friendly technologies and innovative and sustainable technologies. Therefore, this can be a potential area for companies of the two countries.

Mr. Nguyen Quang Vinh, Vice President of the Vietnam Chamber of Commerce and Industry (VCCI), said that, driven by fine political relations, Vietnam-Austria economic and trade cooperation has made remarkable progress in recent years. The bilateral trade value reached nearly US\$3.5 billion in 2021. Currently, the Republic of Austria is one of the 10 largest EU trading partners of Vietnam. Cooperation in science, technology, culture, development cooperation and others between the two countries continued to record positive progress.

Vocational training is in great demand in both Vietnam and Austria. According to a survey by the Vietnamese Embassy in Austria, Austria is also currently in high need of labor, especially in the service sector such as restaurants, hotels, care and resorts, as well as in the information technology sector.

“Many large Styria companies are successful with energy and industrial cooperation in Vietnam. Andritz Group has successfully taken part in many key hydropower projects in Vietnam. Magna Steyr and AVL List are designing VinFast cars. With the European Union-Vietnam Free Trade Agreement (EVFTA) in force, Styrian companies will have more opportunities to strengthen and expand cooperation with Vietnam. In the coming time, Styria and Vietnam can bolster cooperation in training, research, tourism and culture and other fields,” he affirmed.

After the recent COVID-19 pandemic, businesses have got to know the positive impact of sustainable business, he noted. This is not just a “guideline” for business development in a steady state but also serves as a beacon for companies to adapt and recover in the face of global crises.

Mr. Vinh said that the EVFTA has provided opportunities for both sides to diversify markets and improve consumer tastes. Acting as a focal point for businesses of the two sides, VCCI will always actively support EU and Austrian businesses.

“We will work closely with you for long-term development and cooperation of the two business communities,” Mr. Vinh said. ■



**VCCI Vice President Nguyen Quang Vinh at a working session with the delegation of Styria led by Ms. Barbara Eibinger-Miedl, Regional Minister for Economy, Tourism, Europe, Science and Research at the State Government of Styria, Austria**

# Promoting Diversity, Inclusion in Sustainable Business in Digital Age



The plenary session of the Vietnam Corporate Sustainability Forum (VCSF) 2022 is scheduled for December 1, 2022 in Hanoi.  
In the photo: Delegates at VCSF 2021

On October 26, the Vietnam Chamber of Commerce and Industry - the Vietnam Business Council for Sustainable Development (VCCI-VBCSD), hosted the workshop "Promoting diversity and inclusion in sustainable business amidst the digital age", which is among a series of seminars under the framework of the Vietnam Corporate Sustainability Forum (VCSF) 2022.

## HUONG GIANG

Delivering an opening keynote speech, Madam Doan Thi Mai Huong, Vice Chair of VBCSD, General Director of Southern Airports Services Joint Stock Company, said promoting diversity and inclusion in sustainable business in the digital age is not only a new trend but also an urgent requirement for business leaders in building corporate culture and establishing sustainable business strategies. She added that since 2018, VCCI, with the core being VBCSD, has actively fostered diverse and inclusive cultural practices in the business through training coordination with partners of the Vietnam Business Coalition for Women's Empowerment (VBCWE) and other partners while developing equality and inclusion indicators in the Corporate Sustainability

Index (CSI) annually announced and applied to corporate sustainability assessment in Vietnam.

Madam Anjanette Saguisag, Policy and Advocacy Chief at UNICEF Vietnam, said the benefits of a diverse and inclusive working environment include boosting the overall revenue of a company; attracting and retaining talents, and empowering and motivating employees. Diversity and inclusion are good for businesses and should be an integral part of their business DNA. Diversity and inclusion promotion policies should be prioritized, purposefully designed and properly monitored to ensure implementation in practice. Special attention should be paid to the circumstances and characteristics of children, young workers, parent workers and caregivers in the workplace. In Vietnam, UNICEF is currently collaborating with VCCI on the project "Promoting Children's Rights and Business Principles in Enterprises in Vietnam".

Mr. Pham Tuan Anh, Sustainable Development Director of Greenfeed Vietnam Joint Stock Company, said sustainable business is a strategic mission of Greenfeed Vietnam in 2022-2025, with a vision to 2030. By constantly perfecting the 3F Plus (FEED - FARM - FOOD) food chain, we have been bringing healthy values from this model to customers, partners and the wider community, especially women and children. Inspired by successful programs like Supporting Farmers and Whole Meals, GREENFEED is committed to implementing more initiatives to build a prosperous, diverse and sustainable ecosystem where each achievement of the company will create a positive impact and share value with the community and society.

In both breakout sessions, speakers emphasized the benefits of embedding diversity and inclusion into strategic planning and business operations, specifically placing people at the heart of all business strategies and activities, with a diverse environment and labor force with better creativity, ability to catch up with demand trends and new consumer habits in the market faster, help solve today's societal challenges more effectively and creatively. Indeed, businesses with diverse and inclusive cultural images will have a better image in the eyes of international investors and will have more advantages in penetrating and operating in foreign markets. Accordingly, attendants were encouraged to integrate diversity and inclusion into corporate culture in order to minimize negative impacts on disadvantaged groups such as women, homosexuals, minorities, or people with disabilities, while increasing harmonized benefits for workers.

The plenary session of VCSF 2022 is expected to be held on December 1, 2022 in Hanoi. The Announcement Ceremony of Sustainable Business in Vietnam (CSI) 2022 will be held on the same day. ■



VIETNAM BUSINESS COUNCIL FOR SUSTAINABLE DEVELOPMENT (VBCSD)

Sustainable Business,  
Prosperous Societies

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# Vietnam Faces Emerging Hardships in Export

According to the Ministry of Industry and Trade, as of October 21, Vietnam's import and export value reached US\$620 billion and brought in a record trade surplus of nearly US\$8 billion.

Currently, Vietnam had 32 exports generating at least US\$1 billion each. Growth was driven by shipments to markets with FTAs to which Vietnam is a signatory, including textile and garment (up 24%) and footwear (up 36%). Some commodities were sold at higher prices than last year, for example chemicals, plastic products, fertilizers and steel.

Besides, businesses effectively utilized FTA advantages to boost their exports. They have fully tapped traditional markets while opening new ones to increase exports.

According to the Ministry of Industry and Trade, in the remaining months of 2022, Vietnam's imports and exports will face a lot of challenges. For instance, gasoline prices may continue to fluctuate. Political tensions may disrupt Vietnam's ability to access important inputs for production and business. High inflation in most countries may result in demand contraction.

The decline in orders is an "early warning" for the textile and garment industry. Weakening demand in many export markets such as the United States, the European Union, Japan, South Korea and China began a fall in orders and

Although the total export value in the first three quarters of the year increased robustly and resulted in a high trade surplus, many of Vietnam's exports are forecast to face unpredictable challenges in the coming time.

HUONG LY

unit prices. The export value of textiles and garments tumbled US\$1.2 billion in September or 27% over August to only US\$3.2 billion.

According to SSI Securities Company, fourth-quarter orders plunged by 25-50% from the strong growth period of the second quarter of 2022 due to high inventories in import markets. Many companies have started to receive orders for the first quarter of 2023 but arrivals are still well below the production capacity of textile and garment producers.

Worse still, exporters are being hit by a stronger US dollar (USD). After the State Bank's move to raise the USD/VND spot exchange rate band from 3% to 5% from October 17, the USD rebounded sharply in recent days. On October 26, the USD/VND exchange rate was quoted at 24,870 on the interbank market. Although exporters are getting certain benefits from rising USD because they receive this currency for their exports, heavy pressures still weigh on input importers. Companies in other manufacturing industries such as plastics, apparel, food and electronics which import many inputs for domestic production said that they are distressed by the rising USD which is already high.

According to experts, although many exporters earn USD revenue, many costs are also paid in USD such as input costs, logistics costs and loan interest expenses. When their sales outlooks turn doom, their business performances will be adversely hit, especially companies with high dollar costs.

Moreover, companies export not only to the U.S. but also to markets where their currencies are depreciating strongly against the greenback such as Europe, the UK and Japan. In addition, some industries are facing the risk of falling orders due to cumbersome administrative procedures, slow VAT refunds that affect their capital turnover and growing labor competition among industries. Imports and exports still depend on large but potentially risky markets, while the export capacity of wholly Vietnamese enterprises, especially small and medium-sized ones, is still not high. ■



Vietnam's textile and garment export value reached US\$35 billion in the first nine months of 2022, up 21% over the same period last year

# FOR CAPITAL MARKET TO WORK

The capital market is an important component of the financial market, a source of medium and long-term capital, and an important foundation for economic growth. In the past years, in addition to spectacular development steps and remarkable results, Vietnam's capital market has also been exposed to various limitations and risks. Despite unpredictable risks and challenges, this market is expected to grow stronger and more balanced in the coming time.

## QUYNH CHI

### Rapid growth

Dr. Vu Nhu Thang, Vice Chairman of the National Financial Supervision Commission, said the rapid, intensive and extensive development of Vietnam's capital market in the past 20 years, coupled with a completed legal framework, rapidly increased scale, product and liquidity, has helped mobilize very important financial resources for the economy, supported and supplemented the traditional capital channel, bank credit.

The size of the stock market expanded rapidly in 2016-2017 and 2020-2021. In June 2022, the market capitalization reached VND7,800 trillion (US\$332 billion) or 78.16% of the country's GDP (In December 2015, the market capitalization was VND2,100 trillion (US\$89 billion) or 41.8% of GDP). Notably, the stock market capitalization accounted for VND6,200 trillion, up 340% from the end of 2015 and the bond market capitalization was VND1,600 trillion, up 111% over 2015.

The rapid growth of the stock market helped narrow the gap with the monetary market (in June 2022, the credit-to-GDP ratio was 113.9%), provided another medium and long-term funding channel for the economy, supported enterprises to access financial resources for business development, especially for scale expansion or technological investment, and reduced risks arising from short-term credit provided by the commercial banking system. As much as VND2,670 trillion (US\$109 billion) was raised via the stock market in 2016-2020, an increase of 133% over 2011 - 2015. Corporate bond proceeds jumped 532% and G-bond proceeds surged 54%. State corporate divestment value soared 712%.

All three markets of banking, securities and insurance, financial products and services have been developed rapidly. Many new products and services have been launched to meet the increasing and diverse needs of customers and investors.



**Vietnam's stock market capitalization is 78.16% of GDP, much lower than that of other countries in the region which ranges between 93% and 243% of their GDP**

In particular, products are increasingly integrated with new technology because information technology (IT) application in the financial sector has been accelerated.

Nonetheless, Vietnam's capital market has still faced numerous challenges that need to be addressed. Vietnam's market structures are smaller than those in regional countries and its market components are not balanced, Dr. Thang said.

As of June 30, 2022, Vietnam's stock market capitalization was 78.16% of GDP, less than others in the region (ranging between 93% and 243% of GDP, except for Indonesia). About 35% of the market capitalization came from State-owned enterprises whose ownership and liquidity was limited. Besides, the bond market value (47% of GDP) was much smaller than the stock market and its peers in the region. Supplies on the capital market are not varied enough and their quality is not guaranteed. Listed companies in highly cyclical industries such as finance (banking, securities and insurance), real estate and construction accounted for 65% of the market capitalization and liquidity. Not many technology, healthcare, logistics and services companies were

# MORE PRODUCTIVELY



listed. Some deliberately falsified their capital increase before floating their shares, or raised funds in the stock market for the wrong purposes. Stock prices did not reflect the business performance of their companies.

In addition, according to many experts, the domestic investor base is still weak and the long-term fundraising function of the capital market is not linked to insurance and social security systems. Individual investors account for 80-85% of transactions in the stock market and they mostly make their own investments rather than entrust professional investment funds. This greatly affects the sustainability of VN-Index (which was sometimes among the best performers and sometimes among the worst performers in the world).

Notably, the unaudited financial statements of some listed companies are significantly different from their audited ones. Some material items are not fully accountable, untransparent, or audited for exceptions. Reports on the use of mobilized capital are not fully disclosed, making it difficult for shareholders, bondholders and authorities to monitor the capital use of such companies.

Moreover, Vietnam still has difficulty meeting some criteria for upgrading to an emerging stock market. There are heightened interconnection risks between the capital market (corporate bond market and stock market) with the credit institution system and the real estate sector.

## Further perfecting the legal framework and establishing a regional financial center

To develop a safe, transparent, effective and sustainable capital market in order to perfect and synchronize market economy institutions, stabilize macroeconomic performance, and mobilize resources for socio-economic development, Vietnam needs to further improve the legal framework for the capital market, develop the investor base by completing regulations on professional investors based on market practices; and encourage individual investors to invest through professional funds by offering lower tax and fee, said Dr. Vu Nhu Thang.

At the same time, it is necessary to scale up the stock market and diversify products in 2021 - 2025. Accordingly, it is important to research and introduce preferential policies to encourage joint stock companies to float their shares on the stock market (supporting information disclosure costs and audit costs for listed companies; offering corporate income tax incentives in a given time for medium-sized or larger enterprises in development-prioritized industries, coupled with economic restructuring, such as renewable energy, green economy and supporting industries). In 2022 - 2025, Vietnam will need to further research and introduce regulations on consumer protection of financial products, instruct adoption of Fintech in the securities sector; resolutely require equitized State-owned enterprises (SOEs) that are eligible to float their shares on the stock market.

Remarkably, it needs to seriously reform requirements on information disclosure and corporate governance, toughen sanctions for erroneous, delayed information disclosure; intensify inspection of financial statements and audits conducted by auditors; and add information disclosure requirements applied to companies that are not public companies or non-public companies that issue corporate bonds.

Specially, according to Dr. Thang, it is necessary to soon approve the establishment of regional and international financial centers (in Ho Chi Minh City and/or Da Nang City) according to the resolution of the 13th National Party Congress on the study and construction of specific policies for developing Ho Chi Minh City into an international financial center, as well as to the resolution on the 5-year socio-economic development plan in 2021-2025 that points out locations and cities with special advantages for the construction of competitive economic and financial centers that connect with major economic centers in the region and the world. ■

# Embracing EVFTA, EVIPA to Attract More EU Investors

The EU's investment capital into Vietnam in recent years has still been very limited, shy of the potential of the two sides. The European Union-Vietnam Free Trade Agreement (EVFTA) and the European-Vietnam Investment Protection Agreement (EVIPA) are expected to improve the quality of foreign direct investment (FDI) from EU member states to Vietnam.

GIANG TU

## EU investment in Vietnam is still modest

Addressing the workshop "FDI flows from the EU to Vietnam in the context of EVFTA and EVIPA", Dr. Nguyen Thi Thanh Mai from Hanoi National University said, as of August 2022, 25 EU countries invested US\$27.59 billion in Vietnam in 2,378 projects.

However, Mr. Nguyen Chien Thang, Director of the Institute for European Studies, said the scale of EU investment projects is still small. The quality of the EU's FDI projects in Vietnam is still low. In terms of capital, the EU's FDI into Vietnam accounts for less than 6.41% of the total capital attracted by Vietnam.

In terms of projects, it only accounts for about 6.69%. This is a very small percentage compared to the potential of cooperation between Vietnam and the EU. In particular, according to statistics from Eurostat and the General Statistics Office, the proportion of investment in Vietnam only ranges from 2-5% of the total FDI capital allocated by the EU in the world.

The EU's FDI projects in Vietnam focus mainly on the manufacturing and processing industry. EU enterprises have invested in 18 out of 21 industries in the national economic sub-sector system in Vietnam. Three main industries include the processing and manufacturing industry; electricity production and distribution and real estate business. Recently, EU businesses tend to be interested in service industries such

as logistics, post and telecommunications, finance, offices for rent, retail, clean energy, supporting industries, food processing, and high-tech agriculture.

Ms. Hoang Thi Hong Van, Head of the External Relations Department (EuroCham Vietnam), said too high logistics cost is also a main obstacle. Labor and infrastructure are also among many issues that need to be improved.

Dr. Nguyen Thi Vu Ha from the University of Economics under Hanoi National University expressed her concern that Vietnam might potentially become a destination for low-quality FDI projects.

"Vietnam may be deeply trapped in the processing and assembly trap and in a disadvantageous position in the global supply chain due to its low level of technology and low quality of labor. At the same time, the lack of strict environmental regulations effects project's capacity to manage and monitor environmental impacts," said Ms. Ha.

## More competition to attract FDI

The implementation of the EVFTA and EVIPA is of great significance to attract FDI flows from the EU to Vietnam as the former is currently Vietnam's potential and big economic partner. EVFTA is a new-generation FTA with commitments beyond tariff elimination. EVFTA is expected to bring opportunities for Vietnam to attract high-quality FDI through institutional, policy and investment environmental reforms.

The EVFTA is expected to promote the next wave of FTAs into Vietnam and also help improve the quality of FDI projects. This is consistent with Vietnam's orientation in Resolution 50-NQ/TW of the Government on attracting high-quality FDI.

However, the implementation of the EVFTA and EVIPA also brings Vietnam many challenges in attracting investment from EU businesses, especially in the new context of the world economy in general and the EU economy having many current volatilities.

In particular, the advantages that EVFTA brings are only short-term, especially when the main competitors in ASEAN are competing with Vietnam in attracting FDI from the EU, such as Thailand, Indonesia, and Malaysia; while the EU is aiming for a common FTA with the whole ASEAN region. In addition, the implementation of this agreement also leads to pressures and costs related to institutional and policy reforms, or even reduces FDI flows to Vietnam, especially in the context of declining global FDI flows.

In the report "FDI flows from the EU to Vietnam in the context of EVFTA and EVIPA," the Hanoi National University research team proposed a solution package to enhance the efficiency of attracting this capital in the coming time, including strengthening research, propaganda and dissemination on EVFTA and EVIPA; improving institutional reforms; improving the quality of the business and investment environment; improving the types of consulting services and facilitate investment; focusing on training human resources; and improving the quality of infrastructure. ■



DEEP C Industrial Zones developed by Belgian investor Rent-A-Port is home to many big investors including those from the EU

# 42% of European Businesses Plan to Increase Investment in Vietnam

**R**ecently, in a survey by the European Chamber of Commerce in Vietnam (EuroCham), the EuroCham Business Climate Index (BCI) of European businesses in Vietnam, which was published by YouGov Decision Lab, declined for the second consecutive quarter at 62.2 percentage points, decreased by 6.4 percentage points from Q2 and decreased by 10.8 points from Q1/2022.

“This is a time when global economic conditions remain volatile due to the escalating conflict in Ukraine, persistent inflationary pressures, global labor shortages and slow growth,” said the EuroCham report.

Obviously, the BCI results for Q4 of this year have shown that the confidence of European businesses has decreased slightly. Only about 42% of survey respondents predict that the economy will stabilize or improve in Q4 of 2022. This is a decrease of 18 percentage points from the first quarter of this year. Similarly, the rate of those predicting a recession rose 7 points to 19%.

“The decline in the BCI may reflect the instability of the Vietnamese economy, although it is still seen as a positive indicator of growth as the country is recovering,” the report said.

However, in terms of foreign direct investment (FDI), the report found that 17% of enterprises surveyed said that they had moved at least part of their operations from China to Vietnam, reflecting the change in the supply chain more widely with some enterprises choosing the “China plus one” strategy. Among them, up to 59% of surveyed enterprises said that their company's FDI in Vietnam may increase to some extent.

At the end of September, the European Union Chamber of Commerce in China, with a group of more than 1,800 companies, expressed a negative view of China's anti-pandemic policy. In particular, up to a quarter of companies consider moving current or planned investments out of China, the highest percentage in the past decade.

In fact, China's “inflexible and consistent” anti-pandemic policy has been crippling the business activities of foreign enterprises including European ones and also creating opportunities for foreign investors from other countries, including Vietnam.

At least 42% of European businesses in Vietnam said they would increase their investment capital by the end of 2022, despite confidence being dampened by the uncertainty of the global economy.

However, also in the survey by EuroCham, the key to increasing the level of FDI in Vietnam also means that Vietnam must consider minimizing administrative procedures and promoting infrastructure development. This is followed by improved human resource capacity, making it easier for foreign professionals to obtain visas and lower tax rates for foreign companies.

“Vietnam can increase this level of FDI by reducing administrative difficulties (68%), improving infrastructure (53%), developing human resource capacity (39%) and reducing market barriers for foreign experts (39%),” the report said.

“Vietnam offers great investment opportunities for European businesses and we are excited about the country's prospects in the medium and short term. Through the EU-Vietnam Free Trade Agreement and our shared commitment to sustainable development, Vietnamese and European companies have a lot of growth potential,” EuroCham President Alain Cany commented.

Meanwhile, CEO of YouGov Decision Lab, Thue Quist Thomasen also appreciated Vietnam's potential. “By curbing inflation, improving credit ratings and continuing to grow GDP, Vietnam's story becomes less pessimistic globally,” he said. BCI in Vietnam declined, but this is still above average, showing that businesses are still optimistic about future development prospects. ■



Vespa scooters manufactured at the Piaggio factory in Vinh Phuc province

# Efforts to Accomplish Budget Revenue



Customs departments are deploying many solutions to achieve their assigned budget revenue target

In order to accomplish the assigned budget revenue target, the General Department of Vietnam Customs required leaders of provincial/municipal customs departments to effectively carry out their assigned tasks; focus on analyzing and evaluating monthly revenue increase/decrease and forecasting revenue trends in the remaining months of the year; prevent revenue loss using tax codes, prices and post-clearance inspections; and review overdue tax and refunded tax.

HIEN PHUC

**B**udget revenue collected by the customs sector obtained good achievements in the first nine months of the year, but the sector will still need specific solutions for the highest results.

Particularly, the customs sector will focus on promptly solving problems for enterprises, improving the business environment, facilitating enterprises to develop stably and firmly, attracting investment capital, expanding production capacity, fostering economic growth, increasing budget revenue; intensifying information and communication on policies and administrative procedures, diversifying forms of business support at all stages, agencies and fields by changing methods, diversifying forms of communications and supporting taxpayers.

In addition, according to the General Department of Vietnam Customs, it is necessary to regularly assess budget revenue, review and grasp revenue sources, analyze and assess monthly increase/decrease and forecast budget revenue trends in the last months of the year.

In addition, to enhance the effect of State management and budget loss prevention in 2022, it is necessary to concentrate on collecting and analyzing information inside and outside the tax

sector, identifying risk signals to have inspection, supervision and control measures; conducting post-clearance inspection and specialized inspection, fighting against smuggling and commercial fraud; and strengthening inspection and control of imports and exports. In particular, the General Department will direct relevant units to check quantity, value, code, origin and other parameters to resolutely prevent revenue loss.

The customs sector will review and check commodity names, codes and tariff rates at customs clearance and post-clearance stages to detect and handle incorrect declaration of codes, disguised declarations of commodity names or falsified goods declarations to obtain lower tax rates or enjoy special preferential duty. The focus will be given to checking items on the list of imports and exports exposed to risks of tax classification and application.

The sector will intensify value inspection in customs clearance for goods and enterprises exposed to high-value risks; avoid omissions and mistakes of shipments with low, unreasonable declared prices. The sector will brace up strict control of goods/companies as guided by the General Department of Customs as well as imported and exported commodities (raw materials, minerals and metal scraps).

The General Department will also request concerned bodies to review and classify groups of receivable debts and uncollectible debts; collect and settle overdue debts; and freeze and write off tax debts as per Articles 83 and 85 of the Law on Tax Administration 38/2019/QH14, Resolution 94/2019/QH14 dated November 26, 2019 and Circular 69/2020/TT-BTC. In this work, the agency will require underperforming units to analyze and clarify reasons for their underperformance in the first nine months of the year as well as to propose solutions to address shortcomings to collect more tax than a year ago.

At the same time, it is also necessary to strictly control tax refunds, adopt anti-fraud solutions in tax refunds; coordinate with domestic tax agencies and other forces in the fight against VAT refund fraud and ensure tax refunds to the right beneficiaries. ■

## Facilitating Customs Clearance for Imported Petroleum

The General Department of Customs recently requested local customs authorities to facilitate customs clearance for key petroleum importers. In case issues are beyond their power, they are supposed to make reports for further guidance.

The Ministry of Industry and Trade recently requested the Ministry of Finance to review and adjust petroleum import costs, business expense limits and profit limits to make accurate and adequate calculations of base prices of petroleum products, maintain operations for petroleum traders and encourage petroleum importers to supply products to the market.

At the same time, the General Department of Vietnam Customs facilitates leading petroleum firms to clear imported petroleum products to promptly supply the domestic market. The agency always quickly settles customs procedures for imported petroleum products - essential inputs for production and consumption.

To further facilitate and reduce the clearance time and promptly supply imports onto the market, the General Department issued Document 3642/TCHQ-GSQL dated August 31, 2022 to direct local customs authorities to quickly carry out customs clearance for imported petroleum products.

At the same time, they need to arrange officers to handle customs procedures, inspect, supervise and tackle problems with imported petroleum products, even beyond work hours, to ensure customs clearance around the clock. They need to actively grasp and solve emerging problems and strictly deal with harassing cases for enterprises.

## Highly Valued Agricultural Products Exported through Lao Cai Border Gate

Agricultural products were the biggest exports through Lao Cai International Border Gate in the year to October 12, earning US\$39.8 million. Key exports included cassava, watermelon and banana.

Million-dollar agricultural exports were watermelon (nearly US\$8 million, banana (US\$2 million) and lychee (nearly US\$1.5 million).

Notably, one of the biggest exports shipped through Lao Cai International Border Gate Customs Branch was dragon fruit, which earned nearly US\$12,000. Meanwhile, in 2021, the branch cleared customs procedures for nearly 400,000 tons of dragon fruit, nearly 80,000 tons of watermelon, roughly 70,000 tons of banana and more than 106,000 tons of cassava.

The decline in key exports was attributed to the

zero-COVID policy of China, which caused many business locations to shut down.

The Lao Cai International Border Gate Customs Branch also carried out export procedures for more than 34 tons of durian in the year to October 12. This was the first export of durian products across Lao Cai customs offices.

The customs branch fetched nearly US\$700 million from exports and imports via its customs agencies, including more than US\$500 million directly handled via the branch and more than US\$150 million stored at bonded warehouses (filed customs declarations to other units) and US\$48 million of temporary imports which were set to be exported.

## Collecting Opinions on Information Sharing at NSW

Customs authorities worked with nine ministries and central agencies on the draft list of information to be connected and shared through the National Single Window (NSW).

On October 25, the Customs Information and Statistics Department and the Risk Management Department had a meeting with the Vietnam Chamber of Commerce and Industry (VCCI) and some business associations to collect opinions on the draft list of connected and shared information of central and local authorities via the National Single Window.

At the meeting, the Customs Information and Statistics Department reviewed the action roadmap and outstanding results of the National Single Window; illustrated directions of all-level leaders and roadmaps for developing a draft decree on information sharing at the National Single Window and drafting the list of connected and shared information of central and local agencies at the National Single Window.

Despite impressive achievements, the National Single Window also revealed certain shortcomings that need to be addressed to further improve the quality of public services delivered by governmental agencies; bring administrative procedures to this window; reduce compliance costs and time for businesses but still ensure the efficiency and effectiveness of state management.

Mr. Ho Ngoc Phan, Deputy Director of the Risk Management Department, said that customs authorities worked with nine ministries and agencies to complete the draft list of information.

At this meeting, customs authorities hoped to receive more comments from VCCI and business associations in a bid to realize the goal of making a list of shared information and help create favorable conditions for the business community and enhance the performance of central and local agencies.

**Le Hien**



# Positioning Vietnamese Supply Chain

To quickly capture opportunities in world trade development and utilize Vietnam's important geographical position in the region, Vietnam needs to have a strategy to position itself in the global supply chain.

Dr. DOAN DUY KHUONG

In the world, globalization is advancing strongly with market economy development and the Fourth Industrial Revolution. Today, it is not only referred to as the natural law of "universal gravitation" but also the artificial law of "the internet of things" driven by scientific and technological advancements. Emerging technologies, coupled with a world climate emergency and growing trade tensions among the United States, China, Russia and Europe, are holding back advanced economies and disrupting supply chains, resulting in global economic decline when two-

thirds of world trade is now taking place in global value chains - international operating systems for production and supply of goods and services. But what happens to these systems when the above risks start to affect supply chains? According to the World Economic Forum (WEF), the absence of effective solutions to global supply chain disruptions can lead to losses of up to 30% across the entire value chain.

With an open, fast-growing economy, Vietnam has bilateral economic relations with more than 230 countries and territories, as well as multilateral relations within 16

free trade agreements (FTAs) with 60 economies. In 2021, the total merchandise export and import value amounted to US\$670 billion, nearly double the gross domestic product (GDP). According to the latest Global Economic Forecast Report released by the Institute of Chartered Accountants of England and Wales (ICAEW) and Oxford Economics published in June 2022, Vietnam is forecast to have high growth prospects in the region, over 6.5% in 2022. Vietnam also lies in the heart of ASEAN - an area that has undergone 55 years of development and is moving toward the ASEAN Economic Community (AEC). Meanwhile, ASEAN is located in an important geopolitical position in the Indo-Pacific supply chain, boosted by the formation of the IPEF Initiative together with the construction of the Kra Canal in Thailand. The Kra Canal would be a major project providing a new maritime route that connects the Gulf of Thailand and the Andaman Sea and links the Indian Ocean and the Pacific Ocean. It would enable big cost savings, higher levels of safety and security, and shortened distance and time compared to the voyage through the Straits of Malacca.

Perhaps, standard and product supply chains are most concerned in global trade. For Vietnam, this is a great opportunity to actively build a national economic development strategy amid shifts in the global supply chain. In other words, it is necessary for Vietnam to position itself in the product supply chain of multinational corporations, starting from virgin material production and ending with product delivery to consumers. Vietnam's position in the supply chain must ensure cost optimization and a more efficient production cycle so that multinational corporations can reduce costs and stay competitive because they become more dependent on efficiently organized supply chains, including complex logistics, when they grow and expand (regionally, internationally or even globally). This element of the supply chain is important not only to developing large corporations, but also to improving performance and profitability for small and medium-sized enterprises (SMEs) as well as individual investors.

Driven by digital development, logistics plays an increasingly central role in the supply chain not only because of huge investment costs (logistics on average accounts for about 5% of gross domestic product and 20% of the cost price of goods) but also because of its determination to the quality of international trade as every customer wants their products to be delivered quickly and perfectly regardless of distance. The OECD estimates the potential benefit to ASEAN (including Vietnam) from reduced freight costs among countries in the region, from increased competition and trade, at US\$4.5 billion a year. The value will increase to a higher level if this area takes proactive action for this. ASEAN is built on trade relationships - the main engine of the region's phenomenal growth and logistics is the bottom of the pyramid necessary for all that trade.

However, like other countries in the region, Vietnam

has a lot of shortcomings in logistics development and improvement strategies, including legal environment and investment capital as well as the capture of shifting trends of global supply chains, especially for high-tech products, energy and consumer markets.

According to the 2018 report by the World Bank (WB), Vietnam ranked 39th out of 160 surveyed countries, first among emerging markets and highest among lower middle-income countries.

To effectively seize opportunities for world trade development and its important geographical position in the region, Vietnam needs to have a strategy to position itself in the global supply chain with three main contents:

First, developing ASEAN economic integration and regarding this as a focus for international negotiations and construction of a national supply chain strategy to ensure Vietnam's important position in the region. Particularly, special attention is paid to the Kra Canal project as it will certainly change the landscape of the ASEAN maritime industry and international transport, especially commercial ships on Indo-Pacific routes. The new canal is beneficial to Vietnam in all aspects (especially southern provinces and cities) in terms of economic factors. The natural strengths of the project's geographical characteristics are the reason for economic strategists to seriously study and propose a maritime business plan to reposition Vietnam's supply chain in the National Master Plan for the 2021 - 2030 period, with a vision to 2050.

Second, actively taking part in integration programs with major markets in the region such as RCEP, ASEAN-India, IPEF and CPTPP to capture and connect market development, technology and transformation trends of product and service supply chains.

Third, it is necessary to place the East Sea at the heart of the synchronous infrastructure development strategy, including transportation infrastructure. One, researching, establishing and developing seaport connectivity and post-port supporting services systems with airways, roads, railways and inland waterways by applying solutions to attract and separate goods flows to effectively operate Hai Phong international port (Lach Huyen), Cai Mep-Thi Vai Port, Van Phong Port (Khanh Hoa), Quy Nhon Port (Binh Dinh), Cai Lan Port (Quang Ninh), Saigon Port, Cua Lo Port (Nghe An) and Dung Quat Port (Quang Ngai). Two, improving the business investment environment to enhance business development, applying digital technology and attracting investment in logistics infrastructure development to ensure all five sources of capital - financial, human, social, environmental and physical - to reasonably participate in relevant national projects in the context of the limited financial resources of the Government. Particularly, special attention is paid to the participation of social resources (capital) because this capital will certainly bring trust and social connection, as the ultimate purpose of all projects is to bring satisfaction to the people in society and sustainable national development. ■

## LOGISTICS 4.0

# Breakthrough Opportunity for New Period



Tan Cang-Cat Lai Port in Ho Chi Minh City

Up to now, 17 key state-level science and technology programs and national technological innovation programs have been launched to support enterprises to improve their scientific and technological capacity, reduce import values and increase high localization rates. Domestic and foreign technological demonstrations, introduction and dissemination can be applied and deployed to boost logistics service development. STATI led the construction of two influential projects on logistics development which were submitted to the Prime Minister for approval.

However, logistics service companies are still finding it hard to apply science and technology, she said, detailing awareness of

Digital transformation and new tech applications allow logistics businesses to improve their operation, helping them to cope with the increasing demand in trade and rising customer expectations

## Facilitating hi-tech deployment

At the breakout session themed “Opportunities for a breakthrough in the new era” at the “Vietnam Logistics Transformation” Forum held by the Business Forum Magazine in collaboration with Vietnam Logistics Business Association (VLA) and SEA Logistic Partners (SLP Vietnam), Ms. Tran Thi Hong Lan, Deputy Director of the State Agency for Technology Innovation (SATI) under the Ministry of Science and Technology (MOST), said the Ministry of Science and Technology has launched much support for research, application and transfer of science and technology to develop logistics industries and services.

digital transformation - roles and benefits, the interrelationship between business models and technological application and innovations; difficulties in choosing solutions and managing technology projects; insufficient human resources with appropriate digital skills and capital; and inadequate public service systems.

In the coming time, one of the tasks prioritized for deployment by the Ministry of Science and Technology is supporting research, development, application and transfer of new and advanced technologies in logistics activities in the direction that business needs must be placed at the center and value chain matters that help boost capacity for organizations and form strong logistics research centers.

Moreover, the ministry will implement the “Seeking and Transferring Foreign Technologies in 2021-2030” Program and the National Technology Innovation Program to 2030 to support and promote reception, operation and development of foreign technologies in industries and fields, including logistics services; support enterprises to innovate and upgrade technology, create products of high quality and high added value; train scientific and technological human resources for

technological transfer, innovation and improvement.

Furthermore, the ministry will support the manufacture and development of equipment for testing, measuring and verifying measuring instruments to ensure accuracy and honesty in goods delivery and receipt; coordinate with concerned ministries and branches to review, revise, develop and issue TCVN and QCVN standards in logistics operations by harmonizing regional and international standards; promote technological demonstration, connection, supply and demand (Techdemo) on local, regional, inter-regional, domestic and international scales; and provide a database of technology, technology experts, technology supply and demand connection in combination with some logistics service and supply chain stages.

### **Three solutions to boost digital transformation**

Agreeing with these points of view, Mr. Le Quang Trung, Deputy General Director of Vietnam Maritime Corporation (VIMC), shared more about current situations and difficulties in digital transformation in State-owned enterprises (SOEs) because of differences and disparities in natural conditions, facilities, historical issues or information technology (IT) applications. Additionally, some mechanisms and policies for research and development, testing and application of new technologies are insufficient or unclearly regulated; some legal regulations on electronic authentication, data sharing and identification are not specified.

To further accelerate digital transformation, concerned parties need to consider building a technology alliance to enhance exchange, sharing and support for large-scale corporations, he said, adding that, in doing so, powerful tech firms like Viettel and FPT can participate more strongly in the digital transformation of logistics enterprises.

Besides, building a logistics hub and developing shared processes on technological platforms are also necessary steps, according to Mr. Trung. "Logistics is a chain of handling customer complaints and customer care. Think of building common platforms for booking or chain services, especially applying AI in complaint settlement and customer care," he added.

Finally, regarding human resources, Mr. Trung suggested building a board of experts to consult on and connect digital transformation, from which to exchange and give appropriate directions for the business community, create favorable conditions for IT investment, and provide appropriate application platforms for customers and users.

Despite many existing difficulties, VIMC is making efforts to become a leader in digital transformation in logistics in Vietnam, he noted.

### **Businesses still face difficulties in digital transformation**

Remarking on difficulties and obstacles in digital transformation in business, Ms. Le Thi Ngoc Diep, Commercial Director of SLP Vietnam Company, said Vietnam has over 5,000 logistics companies but most of them are small in size. Many act as subcontractors for professional logistics firms in the supply chain.

"In digital transformation, the biggest problem is, in my

opinion, the connection and integration of current logistics service delivery systems," she said.

Applying Industry 4.0 is assertively one of the supporting tools for businesses to enhance capacity and efficiency, but what matters is how to reduce costs while ensuring efficiency and creating logistics values.

"In my opinion, modernizing the logistics management operation system to create a professional management system is a combination of not only modern infrastructure combined with technology application, but also the integration of modern and professional logistics service providers to create values for the logistics industry so that logistics can adapt and develop more strongly," Diep noted.

### **Strong logistics research centers needed**

Mr. Vu Duc Thinh, General Director of Lazada Logistics Vietnam, a leader in digital transformation, affirmed that, to capably handle hundreds of thousands of orders a day, digital transformation, technological-driven management, automation and artificial intelligence are mandatory requirements at Lazada. In the past time, Lazada has always applied digitalization to logistics. "We might not need to use computers to handle our work and control quality and service, instead we do it on our phone," he added.

According to Lazada's successful experience, to have a successful digital transformation, there is a need for standard processes to simulate in a digital environment and automation technology application to handle a large number of orders, he emphasized. In 2017, Lazada was one of the first companies to apply automatic sorting technology to Ho Chi Minh City. At the end of this November, the firm will put into operation a selection center, applying the latest technologies.

#### **Connection for stronger development**

This statement is made by Mr. Nguyen Cong Bang, Deputy Director of the Transport Department under the Ministry of Transport at the Forum "Vietnam Logistics Transformation" Forum. Transport accounts for 57% of logistics, he said. Local governments and businesses are supposed to join efforts to develop infrastructure, attract revenue and develop competitive logistics.

"However, in my opinion, instead of competing with each other and attracting logistics investment, localities and businesses should work together for synchronous connection and joint development," he said.

Connecting localities and businesses not only helps develop the logistics industry but also brings synchronous and unified operations, including infrastructure.

"Logistics, combined with digital transformation, is extremely important. This is the modern way to connect manufacturers, transporters and consumers as well as traders. This will subsequently create a transparent, fair investment environment for freight transportation to be increasingly modernized," he added.

Also at the forum, Mr. Bang noted that the transport sector has recently developed and announced specialized plans for railways, roads, waterways and airways. Enterprises can fully look at these plans for reference to have appropriate orientations and working plans for further future development. ■

# SUGAR INDUSTRY RESOLVED TO

This information was released at a review conference on sugarcane production in the 2021/22 crop year and production plans in the 2022/23 crop year recently organized by the Vietnam Sugarcane and Sugar Association (VSSA).

**Vietnam's sugar industry strives to restore the sugarcane area of 250,000 ha by 2025 and expand it to 300,000 ha by 2028.**

raw sugarcane.

In 2021, the Ministry of Industry and Trade issued Decision 1578/QĐ-BCT dated June 16, 2021 on the introduction of anti-dumping measures and official anti-subsidy tax on some cane sugar products originating from Thailand and sugar mills that raised the sugarcane purchase price

## Continued competition in sugarcane purchases

According to a report by the Department of Agricultural Product Processing and Market Development (Agrotrade), the total sugarcane growing area in the 2021/22 crop was 146,938 ha, shrunk by 3.9% over the 2020/21 crop (152,891 ha). The average sugarcane yield in the 2021/22 crop was 64.6 tons per hectare, 2.5% higher than in the 2020/21 crop (63.0 tons per ha). However, due to cultivated area contraction, the sugarcane output in the 2021/22 season was 9,496,358 tons, down 1.4% over the 2020/21 crop (9,635,607 tons).

Regarding mechanization in sugarcane cultivation, according to the survey of localities, currently the rate of tillage mechanization is very high (over 90%) but tending, weeding, fertilizing and harvesting states are not much mechanized.

Some large firms which can consolidate and exchange land plots to create large fields have invested in machinery and equipment to perform relatively synchronous and professional mechanization from soil preparation to highly efficient and cost-effective harvesting. Currently, the country has over 50 combined sugarcane harvesting machines capable of harvesting about 15% of sugarcane.

Some sugarcane companies have applied Technology 4.0 in sugarcane production and used satellite image data, drone images, weather and agronomic data specific to each sugarcane growing area to set up multimedia or utility applications on tablets and smartphones, making it easy for companies and farmers to access and use such data to determine the time of tillage, fertilization, pesticide spraying and harvesting based on weather forecasts for each area.

Currently, less than 10% of sugarcane areas are using disease-free cane cuttings in the country while the rest mainly still uses cane bud chips. Using seeding canes is exposed to risks of pests and diseases as well as reduced yield and quality of

by VND100,000-150,000 per ton in the 2021/22 crop season. This is also a motivation for farmers to increase investment in intensive farming and raise sugarcane yield.

A report by VSSA says, "Due to area shrinkage and competition among buyers, the price of sugar and sugarcane looked up in many regions, including the Southern Central Coast, the Central Highlands and the Mekong Delta. Sugar mills had to offer incentives such as storage, freight and watering support for farmers in order to purchase sugarcane.

## Transparency is needed in analyzing sugarcane quality

According to VSSA data, in the 2021/22 season, 7,523,728 tons of sugarcane was harvested, an increase of 11.64% over the 2020/21 crop (6,739,417 tons of sugarcane). 24 sugar mills manufactured 949,219 tons of sugar, including 746,899 tons made from sugarcane and the rest manufactured from imported sugarcane (202,320



# RESTORE MATERIAL AREA

tons). The output increased by 57,069 tons, or 8.27 % over the previous season.

In the 2022/23 season, these mills have a total designed capacity of 122,200 tons of sugarcane a day. The growing area of 151,305 ha is expected to harvest 8,764,277 tons of sugarcane. The sugar output is forecasted at 870,930 tons.

Sugar producers agreed on solutions to focus on in the next crop year. To ensure sustainable development, the Vietnamese sugar industry needs to take appropriate measures to strengthen and develop the sugarcane production chain, especially amid increasing crop competition in localities.

It is necessary to transparently analyze the quality of commercial cane sugar (CCS), measure the impurity of sugar mills and build farmers' confidence in sugar mills. Therefore, farmers are assured to invest in intensive farming to increase productivity and commercial cane sugar, bringing benefits to both sides. It is necessary to ensure the harmonization of interests among farmers, processors and consumers.

It is necessary to develop principles for the agreement of VSSA on measures to deal with unfair purchasing competition among sugar mills.

Previously, the sugarcane area exceeded 300,000 ha in peak times. But, more than half of the sugarcane area has been converted to other crops by farmers. Hence, it is necessary to regain land for sugarcane. The Vietnamese sugar industry has striven to restore the sugarcane area to 250,000 ha by 2025 and 300,000 ha by 2028.

VSSA aims to develop highly sugaring varieties to achieve 95% of Thailand's current sugar recovery rate by 2025 and 100% by 2030.

In order for Vietnam's sugar industry to successfully implement the above development goals, the association recommended the Ministry of Agriculture and Rural Development prioritize allocating annual funding for research on sugarcane varieties and support the implementation of disease-free cane seeds in key sugarcane production areas.

Sugarcane is recommended for being added to the group of insured crops against natural disasters according to Decree 58/2018/ND-CP dated April 18, 2018 of the Government on agricultural insurance.

The association also requested the Government and the Ministry of Agriculture and Rural Development to support VSSA to establish a national traceability management system for sugar products in order to manage, evaluate and identify smuggled and fraudulent sugar products on the market. ■



**Vietnam strives to expand the sugarcane area to 300,000 ha by 2028**

*“Sugar firms also need to join hands to build and develop a healthy sugar market. Trade remedies for the sugar industry have been established, not only to prevent dumping and anti-subsidy, but also ensure supply/demand balance and market stability.”*

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***Mr. Nguyen Van Loc, Chairman of  
Vietnam Sugarcane and Sugar Association***

# Disbursements for Transport Projects Aggressively Accelerated



The Ho Chi Minh City-Trung Luong Expressway (part of the North-South Expressway)

The Ministry of Transport of Vietnam is aggressively disbursing VND20,194 billion, or 40.1% of its planned budget, before the disbursement period ends, with a focus placed on key projects such as North-South Expressway and ODA-funded projects.

**T**he ministry is expected to disburse about VND30,134 billion by the end of October, or 59.9% of the full-year plan assigned by the Prime Minister, including VND2,991 billion out of VND4,877 billion of ODA fund (61.3% of the plan) and VND27,143 billion out of VND45,451 billion of domestic capital (59.7% of the plan), as heard at the ministry's October briefing on key tasks in the last two months of the year.

The disbursement rate remained higher than the average of ministries, central agencies and the national median of 51.34%, the figure reported by the Ministry of Finance.

However, the outcome was smaller than the given plan by VND655 billion and slower than the pace in 2021 (66.1%).

In October, the Ministry of Transport started two projects, including the upgrading of National Highway 12A - Construction Component 1 and the bypass of Ba Don Town; and the upgrading of National Highway 2C - Section Km217+150 - Km247+100, Tuyen Quang province.

On disbursement for North-South Expressway in 2017-2020, the cumulative disbursement value was VND11,574.9

billion out of the planned VND15,484.7 billion (75% of the annual plan). The disbursement will go to some component projects like Mai Son - National Highway 45, Vinh Hao- Phan Thiet and Cam Lo - La Son.

As for North-South Expressway projects in the 2021 - 2025 period, the cumulative disbursement has reached VND2,087.4 billion out of VND8,591.8 billion, 56% higher than the required plan and equal to 24% of the plan. The remainder of VND6,504.4 billion will need to be disbursed.

The fund was mainly spent on site clearance by localities, expected to be sped up in the last two months of 2022 and the first month of 2023. Investors of some projects will need to concentrate on accelerating execution and disbursement

progress such as Quang Ngai-Hoai Nhon, Van Phong- Nha Trang and Can Tho-Hau Giang sections.

Given the disbursement result by the end of October, the Ministry of Transport is supposed to spend VND20,194 billion from now until the end of 2022, or 40.1% of the plan.

Accordingly, North-South Expressway alone is given VND10,414.2 billion, accounting for nearly 52% of the disbursement plan. Specifically, 12 component projects of the second-phase expressway need to expend VND6,504.4 billion, mainly for site clearance; and 11 component projects of the first-phase expressway need to spend VND3,909.8 billion.

From now till the end of this year, relevant units will focus on completing documents and procedures to start the North-South Expressway (2021-2025 period) before December 31, 2022.

In addition, Vietnam needs to disburse VND2,494 billion for ODA projects; VND1,513.9 billion for important and urgent projects, and VND5,470 billion for the rest of the traffic projects.

Because the disbursement deadline for public investment projects in 2022 is only three months left (November and December of and January 2023), however, the remaining value is as big as VND20,194 billion or VND6,731 billion a month on average while the rainy and stormy season is approaching, which will pose grave challenges to the transport industry to complete the plan.

Concluding the meeting, Minister of Transport Nguyen Van Thang requested related units to focus on completing tasks assigned by the Ministry of Transport and the Government. He stressed that the remaining time of 2022 is very short, urging relevant units to work harder to complete their tasks as planned. ■

# Business Ethics and Corporate Branding

For any corporate entity, profit is always the first determining factor in business. However, in the context of international competition and integration, in order to achieve sustainable development, companies must pay attention to business ethics and branding because these two factors have a close relationship and add value to each other.

## QUYNH ANH

### **Brand value is promoted by business ethics**

According to Dr. Bui Hoai Son, a standing member of the Committee for Culture and Education of the National Assembly, business ethics is necessary for branding because the latter is important and companies thus always seek to build and protect their brands. In fact, they have launched many community and social activities, pledged environmental protection or financially supported humanitarian programs for their branding purposes. For example, Vinamilk raised the Milk Fund "Growing up Vietnam" and Viettel sponsored the "Heart for you" Program as actions toward the community that demonstrates business ethics and builds up their brands.

Besides quality competitiveness, branding is becoming more important amid deep international integration. Therefore, Vietnamese businesses have invested a lot in branding to gradually catch up with global investment trends in intangible values. In 2016, Brand Finance, a brand rating agency, released a report on Vietnamese corporate brands. Vinamilk was the most valuable brand worth US\$1.01 billion, followed by Viettel Telecom with US\$973 million. PVN was the third most valuable brand with US\$564 million. This assessment made Vietnamese companies more aware of branding development.

For a company, profit is always an important purpose. However, pursuing profit in business does not mean ignoring all standards, values, principles of integrity and life quality of the community. On the contrary, only when a company respects the moral values of the community and follows societal standards, will it be able gradually to establish its name and brand, which are really important factors for effective business. In fact, when it only runs after profit regardless of moral consequences caused to the community, it will confront problems and its brand name will be seriously stained, even coming to resultant bankruptcy. Therefore, corporate branding must be based on business ethics as the foundation of value, an integral part of the business. To achieve sustainable development, business ethics must really be applied in all stakeholder relationships

such as businesses, partners, customers and society.

### **Business ethics must be illustrated in the business philosophy of leaders**

In Vietnam, the awareness of adopting business ethics for branding is not really sufficient, resulting in ethical violations at different levels, Mr. Son said. To build up the brand, business ethics should be established in every specific activity and area where companies work, he added.

"Business ethics must be illustrated in the business philosophy of leaders. Each company, with its own characteristics, will have different business philosophies. However, these philosophies also need to be universal as well, meaning that its leader's determination to respect ethical values is a driving force and belief for all the company to follow and carry out," he said.

On the other hand, the company needs to develop a unified code of ethics to specify problems faced by it, which clearly states requirements for ethical performance; its commitment and responsibility to employees; ethical values and responsibilities that employees must perform to colleagues, managers, customers, authorities and the community; and ways to solve ethical matters in business.

Also according to Mr. Son, companies need to adopt the code of ethics in business through their training to make their employees know how to properly handle problems and avoid feeling embarrassed about emerging problems. They can set up a separate department or assign personnel in charge of the code of conduct. Whenever there are any problems, they can ask this department how to handle them.

Resolution 35/NQ-CP on business support and development to 2020 emphasizes that "Enterprises must uphold the spirit of national pride, sense of law compliance, and practice integrity in business; build corporate culture, business ethics and corporate social responsibility; and conduct fair competition, cooperation, innovation and competitiveness improvement". Thus, the Government states that entrepreneurs and enterprises play an important role in national development. The development of each business and the sense of uprising of each entrepreneur will contribute positively to the upward development of Vietnam in the coming years. In the increasingly integrated and competitive world, business ethics becomes a factor that makes a company distinctive and friendly to the community and customers. For that reason, business ethics and corporate branding are closely interrelated and facilitate each other. According to many experts, in their operations, businesses need to have a clear sense of this attachment so that their corporate culture will create a driving force for sustainable development. After all, social development is cultural development. Hence, business development in general and corporate culture in particular are the basic prerequisites to ensure the sustainable development of the country. ■

# TH GROUP NAMED TOP 10 GREEN BRANDS 2022



The trophy and certificate recognizing TH Group as one of the Top 10 Green Brands 2022

TH Group was recently honored as one of the Top 10 Green Brands 2022 for its sustainability strategy and green growth efforts. This trophy is part of the “Vietnam's Strong Brands” Program launched by Vietnam Economic Times - VnEconomy.

Explaining the reason for naming TH a Top 10 Green Brand, VnEconomy stated: “Over the years, TH Group has made a strong impression on the business community as well as millions of Vietnamese customers as it has always been a trailblazer in developing green and sustainable agriculture in Vietnam. TH is also the first to adopt organic farming to produce organic fresh milk of European standards. The firm takes the lead in applying and offering eco-friendly consumer solutions such as renewable materials and energy.”

## Consistent with the “Treasuring Mother Earth” philosophy

TH understands that applying high-tech science and advanced management science is not to exhaust resources or replace the power of nature, but to promote production while taking better care of nature to serve people better.

Since its inception, “Completely from nature” and “Environmentally friendly - Innovative thinking” are two of five core values that TH Group has consistently pursued. TH's investment projects focus on applying high technology, combining technology and management science to create better products for consumer health. Up to now, the group has launched more than 130 fresh and organic products such as TH true MILK fresh milk, TH true NUT milk, TH true

HERBAL tea and TH true WATER.

## Sustainability strategy with six pillars

TH always sees sustainability as a “guideline” for all production and business activities, with six pillars of sustainability based on the United Nations Sustainable Development Goals (SDGs), including Nutrition & Health, Environment, People, Education, Community and Animal Welfare.

Among the six pillars, specially the environment, TH carries out a series of practical actions to minimize adverse impacts on nature, notably by increasing renewable energy production, protecting water resources and protecting natural resources and a range of sustainable production and consumption solutions.

A typical example is its exploitation of heat and sunlight of hot Nghia Dan (Nghe An) to produce green solar energy, which both improves production and business efficiency and reduces greenhouse gas emissions to protect the environment. Currently, electricity from the solar panel system has met most of the electricity demand at TH's farms and factories, and has been connected to the national grid.

TH is also an innovative founder of major organizations in Vietnam seeking to reduce plastic waste, such as Vietnam Packaging Recycling Organization (PRO Vietnam), Vietnam Business Alliance for the Environment (VB4E), Retailers Alliance for Reduced Consumption of Disposable Plastic Bags.

Besides, TH persistently carries out environmental protection with detailed and specific solutions like ending use of disposable plastic bags throughout the TH true mart system, replacing plastic bags with bio-plastic alternatives; encouraging customers to use sustainable canvas bags; using yogurt spoons made from biological materials; reducing by 50% disposable spoons provided with TH true YOGURT products; removing plastic shrink films for 350ml TH true WATER bottle caps; and sponsoring a survey project for coral conservation in Cat Ba National Park (Hai Phong).

## Economic revolution under the forest, preserving herbal essence

Living a healthy life with “prevention is better than cure” approach is an increasingly popular trend, resulting in an 8-10% annual growth of the world pharmaceutical market. Meanwhile, the world is using up to 80% of synthetic chemical products and only 20% is extracted from nature.

With the desire to protect the forest and develop forest values, TH has chosen to follow the niche market with only 20% of it in order to shape and change consumer habits towards a healthier approach.

Madam Thai Huong, Founder and Chairwoman of the Strategy Council of TH Group, once said at a scientific workshop on “Business ethics and Vietnamese business culture in a new context” that “I think that protecting nature, including forests and seas, is a key factor for Vietnamese businesses to make a breakthrough.”



**Solar power on the roofs of TH farms in Nghe An province**



**Ingredients of TH true HERBAL tea are grown and harvested naturally in forests in Muong Long, Nghe An province**

“TH creates a business revolution under the forest canopy: Gathering natural herbs and growing them organically under the forest canopy, creating favorable conditions for economic development, hunger eradication and poverty alleviation for people.”

To achieve that goal, TH is strongly conserving and developing indigenous medicinal plants of Vietnam in many localities across the country, starting with Muong Long in Ky Son district, Nghe An province. Recently, the group launched a set of TH true HERBAL tea bags made from natural medicinal sources combined with knowledge of the nation's traditional medicine treasure in line with the group's "Completely from nature" approach. ■

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*This year, for the first time, the Vietnam Strong Brands Program (organized by VnEconomy) grants Top 10 Green Brands to businesses with the most positive and effective solutions to "green" the economy. Besides TH, other Top 10 Green Brands 2022 include HD Bank, PetroVietnam Fertilizer & Chemicals Corporation, The Green Solutions, TBS Group and Baoviet Holdings.*

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# BIDRICO

## 30 YEARS OF GLORY

In October 2022, Tan Quang Minh Manufacture & Trading Co., Ltd (Bidrico) solemnly celebrated its 30th anniversary and expressed gratitude to the employees and loyal customers attached to the company throughout that time. Over thirty years, all the Bidrico leadership and employees have willingly spared no effort to lay solid bricks for Bidrico to grow strong and compete equally with giant multinational firms of the world.

ANH DAO



**Bidrico honors the employees who have significantly contributed to the company**

The self-contained production factory, covering 15,000 square meters in Vinh Loc Industrial Park, Binh Chanh, is well furnished with 12 modern production lines imported from Europe and Taiwan, powered by automatic filling technology, UHT sterilization technology, and fully automated hot extraction technology, cared for and administered by company leaders for quality. Therefore, Bidrico products ensure food safety and hygiene when launched onto the market. And, no food safety incidents have ever been reported.

### The 30-year journey of development

Established in 1992 from the passion and aspiration of entrepreneur Nguyen Dang Hien, Bidrico beverage brand emerged when Vietnam was still a poor economy. Starting with 26 employees and inadequate facilities, with constant efforts and innovative decisions, Bidrico's leadership and staff have gradually laid a solid foundation with an effective marketing strategy, starting with the countryside and then advancing into cities. This unique and different path has enabled Bidrico to grow from a tiny entity in the Vietnamese beverage industry and beat its competitors in the market and become one of the most prestigious beverage brands.

Mr. Nguyen Dang Hien said, as a leader of a beverage company, I always assure customers with 3-no standards (no harmful chemicals, no preservatives and no lead compounds). This rigorous standard is applied to more than 54 product lines, derived from nature and diversified in designs and flavors, for consumers' health. All Bidrico products are manufactured according to ISO 9001-2015 standards, controlled according to HACCP, Halal, cGMP quality standards and certified by FDA, FCE and SID of the United States. One of Bidrico's endorsed brands is purified drinking water, a 19L bottle product sold by more than 1,000 agents in Ho Chi Minh City and surrounding areas. The product was selected as the

official drink for the 2017 APEC Summit.

Currently, Bidrico holds a top market share of purified water in Ho Chi Minh City. Its bottled purified water output has increased exponentially year by year (Bidrico sold 3,000 barrels a day in 1999; 4,000 in 2000; 18,000 in 2006; 24,000 in 2010; and 28,000 in 2020).

In addition to purified drinking water and carbonated soft drinks, Bidrico prioritizes the development of highly nutritional natural products such as bird's nest drink, squash tea, bird's nest drink with aloe vera, salty lemonade and fruit juice. Particularly, Salanganes Nest drink and Restore salty lemonade were voted as "Typical products and services of Ho Chi Minh City" in 2019 - 2020. Restore salty lemonade was a key product of Ho Chi Minh City in 2018-2020 according to the Municipal People's Committee.

With the operating principle of "Taking customer satisfaction as a measure of product quality, price affordability, reputation and sustainable relationship", Bidrico always upholds the spirit of innovation and a strong commitment to product quality, illustrated by its efforts to constantly invest in modernizing machinery, equipment and technology; prioritizing human resource development, doing good governance, strictly controlling production, business and distribution processes, and protecting consumer interests. This responsible in-depth investment has helped Bidrico-branded beverage products gain customer trust in the past years. Indeed, the company has never received any complaints from customers about product safety and quality.

## Tripod strategy for sustainable development

According to Mr. Nguyen Dang Hien, the success of Bidrico comes from solidly tripoded pillars: The right development strategy; enthusiastic staff, strong distributor network and sustainable relationships with partners and customers; and corporate culture and working environment, exercise of corporate responsibility to the community and society.

With its insightful knowledge of consumers, each strategy in each development stage has helped Bidrico conquer the market and build a foothold in the fiercely competitive market. Besides improving management capacity, the company's leadership always looks for ways to optimize production, create unique and quality products, and maintain double-digit annual growth. Even difficulties during the COVID-19 outbreak like input supply disruption or market contraction by nearly half, Bidrico carried out many consistent solutions like recounting its market share, accelerating digital transformation and technological transformation, rebuilding supply chains, focusing on suitable product lines, improving productivity, and reducing costs to stabilize production output and gradually overcome difficulties. This strategic approach helped keep Bidrico's product prices and sales stable during the most difficult time of the epidemic and stabilize jobs and incomes for employees, a task very difficult for any company during the epidemic outbreak.

Apart from its nationwide sales and distribution system, Bidrico's efforts to make inroads into foreign markets also bear "sweet fruits" when the company's products are successfully exported to quality-demanding markets in Asia, Europe,

America and Africa. This is also a worthy reward for the ongoing efforts of all Bidrico employees who have never stopped innovating and improving the competitiveness, prestige and brand position even as the Vietnamese beverage market hosts severe competition from multinational giants.

## Be grateful

Feeling very touched during the customer appreciation ceremony on the occasion of the 30th anniversary, Mr. Hien emphasized that "Bidrico's current success and glory, alongside reliable companionship of its partners and customers, come from significant contributions of all employees, that I am very grateful for, who have been working day and night together for the constant development of Bidrico. Their silent sacrifices and dedications will always be remembered and cherished by Bidrico. Looking to the future, we will certainly have to face numerous difficulties and challenges ahead. But, 'fire proves gold, adversity proves men', no matter how difficult they are, the leadership and all the staff will still persistently pursue stated missions, goals and sustainable development strategies, each step towards a value-added chain model where customers and the community will be the biggest beneficiaries. I believe that, with solidarity, determination and unremitting efforts, Bidrico employees will together create new milestones, conquer new heights to go deeper and deeper into the international market, and confidently enroll a prestigious Vietnamese brand in the race with big global players."

He awarded certificates of appreciation and medals to people who have been with Bidrico for 30, 25, 20 and 10 years. ■

*Bidrico's dedication and efforts in the past 30 years have been well rewarded as it has been honored with many prestigious international awards such as the International Star for Leadership in Quality Award in Paris - France; Century International Platinum Quality Era Award in Geneva - Switzerland; International Quality Crown Award in London - the United Kingdom; and Diamond International Quality Summit Award in New York - the United States. Other domestic and regional titles and awards include the Third-class Labor Order; National Quality Award; ASEAN Renowned Brand Award, Vietnam Gold Star Award; Typical Products and Services Award; Gold Grand Award in 2021; Top 10 Nonalcoholic Beverage Company Awards voted by Vietnam Report in 2017, 2019 and 2022; and Ho Chi Minh City Golden Brand Award.*

*Bidrico was also selected by the Government as an official supplier of drinking water for the 2017 APEC Summit - where quality standards, food safety and hygiene were always the top priority. These were "golden" guarantees for Bidrico as an environmentally friendly and responsible business that moves toward a sustainable green economy, and makes positive contributions to the socio-economic development, industrialization and modernization of the country.*

## PHUGATEX

WEATHERING THE STORM  
FOR STRONGER BRAND

After 14 years of development, Phu Hoa An Garment and Textile Joint Stock Company (Phugatex) has constantly expanded its scale, improved its production capacity and increased its reputation, thus gradually joining more deeply in the global textile supply chain, Mr. **Le Hong Long**, Chairman of the Board of Directors, General Director of Phugatex, said in an interview with Vietnam Business Forum.

**Could you introduce your outstanding business performance in 2021 and the first half of 2022?**

Phugatex was established on June 8, 2008 and put into official operation on January 1, 2010 with six sewing lines and 300 workers. In the past 14 years, we have taken advantage of every opportunity and utilized every resource to invest in production expansion and business capacity building.

Currently, we have four factories with 50 sewing lines and 2,200 employees. All factories are equipped with modern machines such as cutting machines, automatic spreading machines, single-needle sewing machines, two-needle sewing machines, overlocking machines and lacing machines supplied by famous brands such as Bullmer, Brother, Juki and Siruba. Phugatex adopts FOB production, directly makes jackets, polo-shirts, T-shirts, nightwear, and men's and women's underwear for popular fashion brands such as Champion, Polo-Lauren, Gear, Oxford, Columbia and Carhartt. Every year, the company exports 10-15 million products (for US\$30 million) to the United States, Japan and other countries.

In 2020 and 2021, hard hit by the COVID-19 pandemic, we managed to foster business operations to ensure stable jobs and incomes for employees. In particular, in 2020, we also started construction of a new garment factory and put 24 sewing lines into operation in the fourth quarter of 2021, creating 600 more jobs.

In 2022, Phugatex has

continued to follow closely, and embrace market trends, demands and prices to opt for optimal product structure, maximize capacity, and ensure the highest business efficiency.

**The construction of Export Garment Factory 2 in August 2020 amid the raging COVID-19 pandemic was a rather risky decision. Would you share more about this project?**

To strengthen production capacity and competency to meet customer requirements, domestic and foreign market demands, and contribute to the sectoral growth, Phugatex started construction of Export Garment Factory 2 with a workshop area of 17,500 square meters. The factory was kicked off in August 2020 in the context of the complicated development of the COVID-19 pandemic, which was a difficult and risky decision. During the construction period, we faced numerous challenges but, with the utmost determination and endeavor, we managed to complete the project on schedule.

In September 2021, the factory was basically completed and gradually put into production. Upon its completion, the company rearranged its entire production site and warehousing system and equipped it with automatic machinery to take any new orders. At the same time, as the pandemic raged viciously in Ho Chi Minh City and southern provinces, many workers in Thua Thien Hue province lost their jobs and returned to their homeland.

In just a short time (the fourth quarter of 2021), Phugatex recruited 600 more workers, meeting its production orders and easing problems for southern manufacturers which had to halt their production to contain the pandemic contagion. Overcoming these challenges to

Items	Unit	Year 2021	H1, 2022
1. Revenue	Million VND	260,212	167,836
2. Tax	Million VND	11,448	2,621
3. Profit after tax	Million VND	25,750	10,623
4. Monthly income per capita	Million VND	8.30	8.35
5. Employees	Person	1,700	2,000



stand on firmer ground, the successful factory inspired and created confidence and strong motivation across the company and affirmed Phugatex's reputation in the market.

**Could you tell us about your brand building?**

To continue building a brand name and become a prestigious producer in the global textile and garment supply chain, we have adopted technological innovations, and invested in modern machinery and equipment to enhance product quality and labor productivity such as automatic spreading machines and cutters made by Bullmer of Germany; programmed bag sewing and dissecting machines; modern automatic sewing machines made by Brother, Juki Siruba, Shingling, Jack and Zoje; Jack large and small format programming machines; and Tashima embroidery machines (Japan).

In addition, we have cooperated with universities and colleges to organize skill training for team managers, intermediate vocational training for technicians, quality control staff and specialists; and with Vietnam National Textile and Garment Group (Vinatex) to open management training courses.

Phugatex always steadfastly pursues its goals. We have built a sustainable development strategy based on our actual performance and forecasts of the industry's development. We have been flexible, creative and adaptive to actual situations.

By continuously improving technology and seeing labor productivity enhancement as an important factor to ensure



stable wages for workers and efficiency for businesses, the company always achieves high productivity, increases price competitiveness and builds credibility with customers.

In particular, Phugatex always receives the attention and support of the local authorities, and relevant agencies, particularly when it carries out new investment projects, enabling it to complete and bring its projects into operation quickly.

**Thank you very much!**

# Public, Private Sectors Partner to Reduce Emissions for Sustainable Agriculture



Mr. David Rennie, Deputy Executive Vice President and Head of Coffee Brands, Nestlé Group addresses the conference

The promotion of multi-stakeholder partnerships, including Public, Private and supply chain partners, is essential to achieve the goal of restructuring and promoting the quality and value-based agricultural sector to become a transparent, responsible and sustainable food supplier for the world and a good implementation of the Government's commitment at COP26 to achieving net zero emissions by 2050.

## GIANG TU

Addressing the conference "Ecological agriculture: Practical solutions to reduce emissions and develop sustainable agriculture" organized by the Ministry of Agriculture and Rural Development (MARD), Mr. Le Quoc Doanh, Deputy Minister of Agriculture and Rural Development, said that agricultural production had obtained remarkable achievements in recent years. Its biggest achievement has been ensuring national food security and developing commodity agriculture to a significant position in the region and in the world.

"After the COVID-19 pandemic, the agriculture sector

has been able to demonstrate its role as the pedestal of the economy in difficult times as ensuring the supply of food, food and essential goods is an important basis for the implementation of security and people's safety during the pandemic," Deputy Minister Doanh added.

However, despite these positive contributions, agricultural production is a source of emissions, especially those activities related to cultivation, animal husbandry, land management, and fertilization, among others. Notably, nearly 70% of CO<sub>2</sub> emissions come from cultivation activities.

At COP26, Vietnam's Prime Minister made a commitment that Vietnam will strive to achieve net zero emissions by 2050 as well as two other commitments that are closely related to the agricultural industry. The first was the commitment to join the Global Methane Reduction Initiative, which aims to reduce methane emissions by 30% by 2030. The other was to implement the "Glasgow Leaders' Declaration on Forests and Land Use."

To bring these commitments into action, in January 2022, MARD submitted to the Government the "Strategy for Sustainable Agriculture and Rural Development for the period of 2021 - 2030, with a vision to 2050" which was approved by the Prime Minister.

According to Deputy Minister Doanh, MARD is also developing a plan to reduce greenhouse gas emissions in agriculture and rural development in the period of 2021 - 2030, with a vision to 2050.

Mr. David Rennie, Deputy Executive Vice President and Head of Coffee Brands, Nestlé Group, highlighted: "Climate change is one of society's greatest challenges. It is also one of the greatest risks to producing the ingredients that go into our food and beverage products. We are acting now to become a net zero company and accelerate the move toward regenerative food systems at scale."

"We have just announced the Nescafé Plan 2030, the sustainability ambition and regenerative agriculture journey, for our largest coffee brand, Nescafé," added Mr. Rennie. "We are working with farmers to help them transition to regenerative coffee farming practices and to look for the best-tailored solutions that are right for their regions and crops."

The conference participants agreed that the implementation of Vietnam's international commitments as well as the deployment of the Strategy for Sustainable Agriculture and Rural Development require great efforts not only from the Government but also from the private sector and organizations that directly participate in the implementation at varying scales, to unlock investment resources of the whole society. ■

# Joint Effort Needed for Appropriate Renewable Energy Price Framework

**O**n October 21, 2022 in Hanoi, the Electricity Regulatory Authority (Ministry of Industry and Trade) and Vietnam Electricity (EVN) held a meeting with investors of renewable energy projects on the implementation of calculation of electricity generation price brackets for transitional wind and solar power plants.

The meeting took place in face-to-face and online forms, connecting to about 500 investors in renewable energy projects.

According to the content of Circular 15/2022/TT-BCT dated October 3, 2022 (Circular 15) stipulating the method of building electricity generation price bracket of transitional solar and wind power plants, within 15 days from the effective date of the Circular (from November 25, 2022), the investors of terrestrial solar power plants and floating solar power plants who signed power purchase contracts before January 1, 2021, and the investors of inland wind power plants, offshore wind power plants that signed power purchase agreements before November 1, 2021 will be responsible for providing feasibility study reports or technical designs to EVN.

Within 45 days from the effective date of Circular 15, EVN will be responsible for synthesizing and building the electricity generation price bracket of terrestrial solar power plants, floating solar power plants, inland wind power plants, and offshore wind power plants that would be sent to the Electricity Regulatory Authority (Ministry of Industry and Trade) for appraisal.

At the meeting, Mr. Nguyen Anh Tuan, Director of the Electricity Regulatory Authority, emphasized that the

In order to build an electricity generation price bracket for transitional wind and solar power plants, Vietnam Electricity (EVN) needs to have the full parameters of the feasibility studies, and technical design of the power plants that have been approved by the competent authority. However, as of October 21, 2022, only 59 out of 293 units/projects have sent their feedback to EVN.

Electricity Regulatory Authority and EVN were making great efforts to speed up the work progress according to Circular 15. To build a price bracket, EVN needs to have full parameters of the feasibility studies, and the technical design of the power plants approved by the competent state agencies.

Although Circular 15 will not take effect until November 25, 2022, in the spirit of avoiding the waste of resources of renewable energy projects, the Electricity Regulatory Authority and EVN are looking forward to getting the calculation results of the electricity generation price bracket for transitional renewable energy projects soon.

Recently, the Electricity Power Trading Company (EVNEPTC), authorized by EVN, sent an urgent document 7135 dated October 12, 2022 to 293 units/projects that had signed contracts with EVN, requesting the early supply of data with the desire to receive information from investors no later than October 21, 2022.

However, until October 21, 2022, EVNEPTC received feedback from 59 units/projects (accounting for more than 20%). Through the preliminary assessment, some units/projects submitted insufficient or incomplete information as requested.

Speaking at the meeting, Mr. Nguyen Anh Tuan expected that through this meeting, investors would actively cooperate, soon provide all necessary information for EVN to synthesize and develop a price bracket to submit to the Electricity Regulatory Authority for appraisal and the Ministry of Industry and Trade for issuing.

Also, within the meeting, the leaders of the Electricity Regulatory Authority and EVN specifically explained to the investors the information and documents that needed to be provided in accordance with Circular 15. At the same time, they exchanged and discussed the order of building and promulgating the electricity generation price bracket for renewable energy power plants.

EVN General Director Tran Dinh Nhan asked investors to urgently cooperate in providing information. EVN will try to process information as quickly as possible to expeditiously develop a price bracket for electricity generation, and promptly report it to the Ministry of Industry and Trade. ■



# CLOSER PUBLIC-PRIVATE COLLABORATION

“Vietnamese companies are strengthening their cyber defenses and regulators are applying pressure to improve cyber resilience and build public trust,” said Mr. Pho Duc Giang, Director, Data Trust and Cybersecurity Services, PwC Vietnam Cybersecurity Services Company. “It’s clear from our survey that a higher level of public-private collaboration is needed to address the increasingly complex cyber threat landscape,” he recommended.

One in four companies (27%) globally have suffered a data breach that cost them US\$1- 20 million or more in the past three years, according to PwC’s annual Global Digital Trust Insights Survey, which surveys more than 3,500 senior executives across 65 countries.

Despite cyber-attacks continuing to cost businesses millions of dollars, fewer than 40% of executives surveyed say they have fully mitigated cybersecurity risk exposure in a number of critical areas. This includes enabling remote and hybrid work (38% say the cyber risk is fully mitigated); accelerated cloud adoption (35%); increased use of internet of things (34%); increased digitization of the supply chain (32%) and back-office operations (31%).

Senior executives worry that their enterprise isn’t fully prepared to address heightened threats. Topping the 2023 list of rising organizational threats are cybercriminal activity (65%); mobile devices (41%), email (40%), cloud-based breaches (38%); and business email compromise/account takeover (33%) and ransomware (32%).

For operations-focused executives surveyed, cybersecurity of the supply chain is a major concern. Nine in ten expressed concerns about their organization’s ability to withstand a cyber-attack that disrupts their supply chain, with 56%

extremely or very concerned.

Mandatory disclosure of cyber incidents is favored

Four in five organizations (79%) surveyed state that a comparable and consistent format for mandatory disclosure of cyber incidents is necessary to gain stakeholder confidence and trust. Three-quarters (76%) agree that increased reporting to investors will be a net benefit to the organization and the entire ecosystem. Further, the same percentage agree that governments should be expected to use the knowledge base from

## Percent who plan to increase these resources in the next 12 months



# NEEDED TO ADDRESS DATA BREACHES



Organizations worry about more threats and cyber events in 2023

mandatory cyber-attack disclosures to develop cyber defense techniques for the private sector.

While there is a clear preference for mandatory disclosure of cyber incidents, fewer than half (42%) of executives surveyed are fully confident their organization can provide required information about a material/significant incident within the specified reporting period. There is also a hesitance to share too much information – 70% said greater public information sharing and transparency poses a risk and could lead to a loss of competitive advantage.

Mr. Pho Duc Giang, Director, Data Trust and Cybersecurity Services, PwC Vietnam Cybersecurity Services Company, said, “Data breaches are a pervasive threat in today’s digital world. In recent years, the Vietnam government has issued numerous regulations in its effort to strengthen the local cybersecurity landscape. Vietnamese companies are strengthening their cyber defenses and regulators are applying pressure to improve cyber resilience and build public trust. It’s clear from our survey that a higher level of public-private collaboration is needed to address the increasingly complex cyber threat landscape – companies are calling for increased information sharing and transparency as well as a consistent format for mandatory disclosure of cyber incidents.”

## Most organizations are increasing cyber budgets

The majority of executives surveyed said their organizations are continuing to increase their cyber budgets – 69% said the budget increased in 2022 and 65% plan to spend more on cyber in 2023. Increasing budgets reflect the fact that cybersecurity tops the agenda for resilience planning. According to the survey, a catastrophic cyber-attack ranks higher than global recession or another health crisis for organizations’ resilience planning.

Concern with cyber extends to the top of organizations. Most CEOs surveyed are planning to ramp up action to address cybersecurity in the coming year - 52% said they will drive major initiatives to improve their organization’s cyber posture. Many CFOs surveyed are also planning to increase their cyber focus, including cyber technology solutions (39%), focus on strategy and coordination with engineering/operations (37%) and upskilling and hiring of cyber talent (36%).

## CFOs support more resources to improve their organization’s cyber posture

It’s not hard to see why cyber continues to move up the corporate agenda. The cost of cyber breaches goes much further than direct financial costs, according to marketing-oriented execs surveyed. The range of harm organizations have experienced due to a cyber breach or data privacy incident over the past three years includes loss of customers (cited by 27%), loss of customer data (25%) and reputational or brand damage (23%).

Ms. Nguyen Phi Lan, Partner, Risk Assurance Services, PwC Vietnam shared: “Despite all the progress that organizations have made in improving their cybersecurity programs, our survey shows there is a lot more to do. Vietnam businesses need to invest more in cybersecurity to get the right amount of cyber risk reduction. Also, there are three things that need to be put in place to keep pace with digital transformation and help build public trust: a strategic risk management program, continuity and contingency planning, and clear, consistent external reporting.”

D.H



Electronic equipment manufacturing at Seong Ji Vina Co., Ltd in Thuan Thanh Industrial Park, Bac Ninh province

## VIETNAM LABOR MARKET

# TOWARD INT'L STANDARDS

### Developing in terms of scale, quality and structure

According to Dr. Bui Sy Loi, former Vice Chairman of the National Assembly's Social Affairs Committee, after more than 35 years of national renewal, the labor market in Vietnam has made remarkable progress in terms of scale, quality and structure, this is a significant step forward on the path of development, innovation and integration.

In particular, the legal system has been completed relatively synchronously and comprehensively, the Labor Code 2019, the Law on Occupational Safety and Health 2016, the Law on Vocational Education 2014, the Employment Law 2013, the related laws and the guiding documents for implementation have been amended and supplemented to ensure suitability with practical requirements for human resource quality development.

The supply of labor in the labor market has been constantly developing in both quantity and quality. The labor force increased from 27.874 million people (1986) to 38.64 million (2000) and 51.4 million (the second quarter of 2022); the rate of trained workers increased from 49% (2014) to 67%

The Vietnamese labor market is considered to be gradually approaching international standards in a proactive and positive manner.

QUYNH ANH

(the first six months of 2022). The rate of wage workers increased from 34.5% in 2010 to 52.93% in the second quarter of 2022, more than 27 million people are working in economic, administrative and public non-business establishments. In the period 2011-2019, on average, 1.5 - 1.6 million jobs were created each year; the overall unemployment rate always remained below 3% and below 4% for the urban unemployment rate. In 2020 and 2021, due to the impact of the COVID-19 pandemic, about 1.3 million jobs were created each year; the unemployment rate of the working age was 3.22% (up 0.54%); the urban unemployment rate was 4.42%, but the labor market continued to recover strongly in the first eight months of 2022.

In particular, the labor market has become a driving force to promote the transformation of labor structure in line with economic restructuring in the process of industrialization and modernization of the country, strongly shifting agricultural labor to working in commodity production, economic sector and labor relations. According to a report by the General Statistics Office, by 2020, the labor force working in the agricultural sector decreased to only 32.8%; the proportion of workers working in industry and services accounted for about

77.2%. Workers had many job opportunities.

However, despite achieving remarkable results, the Vietnamese labor market still has many limitations. According to Dr. Bui Sy Loi, the labor market has not developed synchronously; the labor market policy is incomplete and not strong enough to fully release all resources for investment in economic development, creating many jobs in a sustainable direction. There are still barriers in management and administrative procedures that have not created a fair and equal playing field.

In addition, the labor market has fragmentation among regions, areas and industries and occupations leading to an imbalance in labor supply-demand. Especially, during the COVID-19 pandemic, the labor market was disrupted due to social distancing, workers returning to their hometowns caused the supply-demand relationship of labor to be partially unbalanced, and the number of employed workers fell to the lowest level in many years and tended to have a negative shift in employment structure. The labor supply-demand relationship in the labor market is not suitable in terms of quantity, quality and structure to meet the labor demand of the flexible, modern and integrated economy. The mechanism for dialogue, negotiation and agreement of parties in enterprise-level labor relations has not been completed; the institution for the settlement of labor disputes and strikes is not consistent with reality, so most of the strikes are not in accordance with the provisions of the law. The systems of social insurance and unemployment insurance are incomplete and not closely linked with the social security system, have not yet adapted to the aging process of the population and the emergence of new economic forms, such as circular economy, sharing economy, free economy on online platforms.

### **National management science on the labor market**

To develop a flexible, sustainable, modern, integrated and effective labor market, suitable to the characteristics of each region and each locality as the basis and driving force for the country's socio-economic development, according to Dr. Bui Sy Loi, Vietnam needs to continue to improve institutions, policies and laws in a synchronous and unified manner, creating a labor supply to meet the market demand in terms of quantity, quality and industry structure, especially the trained labor rate. It is important to increase labor demand through business development, production and services in all economic sectors.

"It is necessary to develop the science of national management of the labor market, towards building a comprehensive, synchronous and completely integrated model of labor market management. It is important to modernize human resource management, build a national-level database on employees aged 15 and over, as a basis for determining human resource training needs, connecting supply and demand in the labor market is essential to optimize the use of labor resources," said Dr. Loi.

Besides, Dr. Loi said that it was necessary to improve the effectiveness and efficiency of state management of labor relations, formalize the labor market in the informal sector in order to gradually move labor from the informal sector to the formal sector; support to create income-generating jobs for disadvantaged groups such as migrant workers, workers with difficult circumstances, poor workers, ethnic minority workers, people with disabilities, people affected by environmental natural disasters, epidemics, climate change in accordance with the context of the industrial revolution 4.0. At the same time, it is crucial to develop mechanisms and policies to import labor to meet the requirements of high-quality human resources and the aging trend of population; adjust labor export policies toward maintaining and expanding developed and high-income markets. ■



**A training course on assembling electronic circuits**

## DUNG QUAT ECONOMIC ZONE

# Set to Become Dynamic, Modern, and Sustainable Economic Region

In its project representation, consultant VIUP said, the revised construction master plan of Dung Quat Economic Zone, Quang Ngai province to 2025 was approved by the Prime Minister in Decision 124/QĐ-TTg dated January 20, 2011. After 10 years of implementation, it should be reviewed and adjusted to match local situations in the new period.

The consulting company said that the economic zone covers 45,332 ha, including 33,581 ha of land, 1,039 ha of Ly Son Island and 10,711 ha of seawater surface. It is bordered by the East Sea to the east; North-South Railway to the west; Quang Ngai City to the south; and Quang Nam province to the north.

The revised planning is aimed to build Dung Quat Economic Zone in line with the national development strategy in general and Vietnam's sustainable marine economy development strategy in particular; and to be developed into a dynamic, disruptive, modern, efficient and sustainable economic development region to act as a driving economic center of the Central Key Economic Zone, the Southern Central Coast and the whole country.

Dung Quat Economic Zone is planned to be a general multi-sector economic zone comprising industry, commerce, tourism, service, urban areas, agriculture, forestry and fishery.

The core is the oil refining and petrochemical industry,

The Ministry of Construction recently hosted a review conference on the revised construction master plan of Dung Quat Economic Zone, Quang Ngai province, to 2035, with a vision to 2050.

chemical industry and heavy industry. Key sectors are steel rolling, shipbuilding and other industries along with deep-water port operations. This will be an urban area; a national energy and petrochemical refining center; an industrial, service and tourism hub of the central key economic region; one of the transportation, and merchandise exchange hubs. It plays an important role in national security and defense.

Regarding spatial development, Dung Quat Economic Zone is divided into five functional subdivisions:

North Dung Quat urban, industrial and service subdivision; Chau O-Binh Long urban, industrial and service subdivision; South Dung Quat urban, industrial and service subdivision; Southeast Dung Quat urban and service subdivision; and Ly Son urban subdivision. Overall, the economic zone will develop a modern, attractive and distinctive urban space based on landscape structures and natural ecosystems comprising hills, rivers, lakes, sea and islands.

Regarding the urban development strategy for 2026 - 2035, Ly Son district will strive to become a fourth-grade urban area and Binh Son urban center will basically meet third-grade urban area criteria. In the 2036 - 2050 period, Quang Ngai province will invest in completing synchronously advanced urban infrastructure to form Binh Son and Ly Son cities under Quang Ngai province and gradually establish a northern





dynamic urban area of Quang Ngai province and the central key economic region.

At the conference, experts and members of the Appraisal Council agreed on the reasons and needs for the formation and revision of the construction master plan of Dung Quat Economic Zone, Quang Ngai province. During the implementation process, the consulting company closely coordinated with relevant agencies of Quang Ngai province and closely followed directions in the Prime Minister's Decision on planning tasks. However, in order to complete the project, the Quang Ngai Provincial People's Committee needs to direct the consultant to research and fully absorb remarks by the council. ■



# Energy Transition for Vietnam's Oil and Gas Industry

Vietnam's oil and gas industry is currently facing risks in the context of the energy transition that requires long-term visionary policies and strategies of the Government. Meanwhile, it is hard to call for and attract investment funds for oil and gas search and exploration.

QUYNH CHI



## Energy transition trend

Mr. Pham Van Long, representative of the Research Group for "Energy transition trends and policy implications for Vietnam's oil and gas industry", said the energy transition trend in the world is driven by environmental motivation and socioeconomic motivation. Vietnam is also not out of that trend when it has joined other countries to limit global warming and bring emissions to net zero by 2050 as pledged at the COP26 Conference. In order to fulfill its commitments, in the long term, Vietnam will have to come up with many strategies to limit carbon dioxide emissions, the most important of which is to shift energy from fossil fuels to recyclable energy.

The energy transition trend is associated with rapid economic growth, urbanization and industrialization in the past 30 years in Vietnam, which relies heavily on coal

and oil energy sources that have produced a huge amount of greenhouse gas (GHG) emissions, one of the main causes of climate change. According to estimates by the World Bank, Vietnam lost US\$10 billion in 2020, equivalent to 3.2% of its GDP due to climate change effects.

According to statistics, economic development and CO<sub>2</sub> emissions from fuels in Vietnam changed markedly over time. Specifically, fossil energy played a role in ensuring energy security for economic development in 1990-2020. In 1990, coal and oil accounted for 95% (20 million metric tons of CO<sub>2</sub>eq) of total emissions of all fuels. In 2020, coal and oil accounted for only 73% but increased more than 9 times (to 185 million tons of CO<sub>2</sub>eq) of total emissions.

In 2021, Vietnam ranked 61st out of 115 countries by readiness for the energy transition in the World Economic



Forum's Energy Transition Index with a score of 54/100 points, an increase of 8 places and 3 points from 2020. Vietnam was one of the first countries to submit an update of its Nationally Determined Contribution (NDC) to the UNFCCC in 2020 on commitments to greenhouse gas emissions reduction. Energy sectors such as the electricity and transport sector tend to witness most changes in response to Vietnam's commitments to GHG emission reduction. The oil and gas industry, key fuels for these above industries, is also facing opportunities and challenges amid the global energy transition.

### **Energy transition in the oil and gas industry**

The Oil and Gas Law was first promulgated in 1993. The Government had full authority over oil and gas activities. The law was amended and supplemented in 2000 and 2008, with regulations only restricted to

upstream operations, limited to field prospecting, exploration, development and production. Midstream (oil and gas transportation, storage and distribution) and downstream (processing, refining and petrochemical) stages are governed by other laws.

According to studies, the draft Law on Oil and Gas (amended) that was put forward for comments did not mention the context of energy transition while the oil and gas industry is directly affected. The new law only regulates upstream activities, not midstream and downstream activities. This will cause conflicts and overlaps in managing the oil and gas value chain.

In addition, the current law only refers to the settlement of disputes between PVN and partner contractors, not the dispute settlement mechanism between the state of Vietnam and international investors.

The Ministry of Industry and Trade also proposed amending the law regarding tariffs and cost recovery rates to attract foreign investment because signed oil and gas contracts recently declined. The proposed maximum cost recovery of up to 80% is applied to oil and gas blocks that are granted special investment incentives. For projects with special incentives, investors can apply a corporate income tax reduction from 25% to a maximum of 50%. Tax incentives are not a factor to enhance investment appeals.

Before this reality, according to experts, it is necessary to include regulations on midstream and downstream oil and gas activities in the draft law. Tax incentives are not key to strengthening investment magnetism. A better business environment is decisive to the investment choices of foreign investors.

In addition, it is necessary to supplement and legalize dispute settlement mechanisms between the state of Vietnam and international investors to create a foundation for quick dispute settlement and avoidance of prolonged disputes that may cause damage to the state budget. It is essential to study and supplement regulations on prospecting, exploration and exploitation of unconventional oil and gas. Unconventional oil and gas have relatively different distribution and chemical characteristics from conventional ones. Thus, prospecting, exploration and extraction methods are also different, requiring specific regulations and instructions.

On the other hand, Vietnam needs to boost the production of potential gas fields instead of maintaining current output as presently proposed in Power Plan VIII because gas power is still an important factor to gradually replace coal-fired power and support the transition from fossil energy to renewable energy.

According to Dr. Nguyen Hong Minh, former deputy director of the Vietnam Petroleum Institute (VPI), five oil and gas areas must make transition, including Renewable energy, CO2 landfill, energy efficiency for the oil and gas value chain, business investment, and hydrogen production. ■



## Toward Modern and Sustainable Agriculture Economy

Vietnam has set an objective to build a modern and sustainable agriculture economy during the 2021-2030 period. The objective is to transform Vietnam's rural areas into modern, developed agricultural production centers that employ advanced and environmental-friendly technology by 2050. The National Target Program for New Rural Development in the 2021-2025 period is designed to spur economic development, preserve rural identity, promote traditional culture, and improve people's living standards in rural areas.

### MINH NGOC



New rural development is one of the three national target programs expected to enable agricultural transformation, improve the life quality of farmers and rural people, bring sustainable values to the countryside in the new period, and approach the goal that Vietnam will basically become a modern industrial country by 2030. The National Target Program for New Rural Development in the 2021-2025 period is designed not only to build a system of infrastructure, facilities, and hard institutions, but also to pay much attention to economic development, preserve rural identity, promote traditional culture, and improve residential community capacity in rural society. The program closely and consistently combines economy, culture and society in rural areas.

### Creating individuality and diversity in localities

Chief of the Central Coordination Office for New Rural Development Mr. Ngo Truong Son said the National Target Program for Rural Development aims to have at least 80% of communes meeting rural development standards by 2025, including 40% of communes meeting advanced rural development and at least 10% of communes achieving exemplary rural development standards. No communes will have less than 15 criteria. The income per capita of rural people will increase by at least 1.5 times over 2020. Besides, the set of rural development criteria for the 2021-2025 period has also been revised and supplemented to be more suitable for the period. Specifically, new rural communes necessarily meet 19 criteria with 57 targets (an increase of eight targets over the 2016-2020 period).

Advanced new rural communes will fulfill 19 criteria with 75 targets (an increase of 18 targets over 2016-2020): Raising the quality of 35 targets, adding 34 new targets and revising six targets to match new requirements.

In 2021-2025, new rural districts will meet 22 more targets and advanced new rural districts will be added 12 targets. According to Decision 320/QĐ-TTg dated March 8, 2022, the Prime Minister assigned the Ministry of Agriculture and Rural Development to coordinate with relevant agencies to research and guide the implementation of exemplary new rural districts to utilize local potential and advantages.

Minister of Agriculture and Rural Development Le Minh Hoan, Deputy Director of the Steering Committee for the National Target Program for New Rural Development, said that the program cannot be applied the same in all localities. The image of new rural areas should be based on local traditional values and local specificities, thus diversifying planning ideas and rural landscape architecture. The countryside is characterized by open space, sociable people and nature-loving people. So, it is necessary to pay attention to blending green constructions and areas to create living spaces for the community, exchange and connection of rural residents and open access to urban areas.

Accordingly, localities will have many initiatives to introduce



*(continued on P.42)*

# OCOP Program Promotes Rural Economic Development

The One Commune One Product (OCOP) Program has introduced strong and positive impacts on rural economic development. It has helped awaken land potential, products, comparative advantages, especially regional cultural values to form "multi-valued" OCOP products. Many OCOP products are likened to "ambassadors" conveying local humanistic product stories. The (OCOP) Program has fostered livelihood development in disadvantaged areas and groups such as ethnic minorities and women.

## BAO DAN

**T**he results of the OCOP Program are based on Decision 919/QĐ-TTg dated August 1, 2022 and Decision 922/QĐ-TTg dated August 2, 2022 of the Prime Minister on ratification of the OCOP Program and the Rural Tourism Development Program in new rural construction in 2021-2025.

### **Carrying sharp local/regional values**

According to the Ministry of Agriculture and Rural Development, the OCOP Program in 2021-2025 will be implemented flexibly and appropriately in the direction that OCOP product value chains are developed together with local raw material regions. Accordingly, the program focuses on developing specialties and traditional products, promoting cultural values, and forming multi-valued products carrying local advantages and cultural values, especially traditional handicraft products and rural tourism services. It also steps up the development of products processed from local inputs, cultures and indigenous knowledge.

In the coming period, training will be promoted, with a focus on production skills; administration; product innovation and creativity; quality management and food safety; packaging design, labeling and product design skills; intellectual property, traceability along the value chain; marketing and market development. Particularly, the focus will be placed on reforming training methods and guidance for product development based on local resources. Quality management of OCOP products will be intensified. Product supervision and inspection will be enhanced after being assessed and classified, especially food quality and safety. Upon expiration of accreditation, products will be reviewed, checked, evaluated and classified in order to raise awareness and responsibility of owners toward consumers.

Mr. Ngo Truong Son, Chief of Office of the Central Coordination Office for Rural Development, said, after more than four years of implementation, the OCOP Program has been influentially, consistently and effectively carried out by localities. At present, the country has 8,478 OCOP products assigned 3-star class or higher, of which 65.4% are 3-star, 33.4% are 4-star, 1% are likely 5-star and 0.2% are 5-star. "The country has more than

4,351 OCOP producers of 3-star class or higher, of which 38.3% are cooperatives, 26.1% are enterprises, 33.3% are household producers, and the rest are working teams. Through the program, many localities have actively developed rural tourism products, services and destinations. Currently, 65 OCOP products are recognized as community-based tourism services and tourist attractions," he added.

### **Substantial contribution to rural development**

Speaking at the conference on OCOP Program and the Rural Tourism Development Program in 2021-2025, Minister of Agriculture and Rural Development Le Minh Hoan said, the OCOP Program and the Rural Tourism Development Program aim to create economic development space for rural areas and farmers and make new rural areas more effective and practical. "By the end of this phase, it is not a matter of how many new rural communes or advanced new rural communes or exemplary new rural communes we will have, but what makes us proud is how many rural heritages have been formed, preserved, developed and recommended to visitors," he emphasized.

Referring to the ways Japanese people do agriculture, Minister Hoan said, "In fact, it is not too much to say that this is a revolution of new rural development because when Japanese people grew organic vegetables, they also said that was a revolution. Furthermore, we are building a new countryside - a place to live and a place to return to. If cities are places for comparing the degree of civilization of one nation with another, then the countryside is the place for them to compare national identity with each other. The value of new rural construction is not limited to what we have done but also includes many cultural and historical values of the country.

According to Minister Le Minh Hoan, OCOP products and rural tourism still have much room for development. Localities need to change their thinking, invest more in building featured products to make a difference in order to enhance product value; invest in rural physical foundations, infrastructure structures and social institutions; develop agricultural and rural economic space; and develop markets for OCOP products, agricultural and rural tourism services.

He also noted that programs should be flexibly and suitably carried out for each locality by unlocking potential advantages to develop agriculture, handicraft villages, culture and ecological environment. These will help improve the material and spiritual life of rural people; foster economic restructuring; and sustain agricultural and rural development. ■



# Promoting OCOP Products on E-Commerce Platforms



Localities have constantly reformed and changed their business mindset and business strategies to perfect and improve OCOP product quality in the past time.

**2**022 is defined as an important year of the OCOP Program in the 2021-2025 phase. The effectiveness of the program will bring in better income in rural areas and help realize the task of new countryside development.

When the National Program for One Commune One Product (OCOP) for the 2021-2025 period was launched, localities began to step up digital transformation and promote the circular economy. Accordingly, they have actively invested in technical infrastructure, encouraged digital transformation, and brought OCOP products to e-commerce platforms, which is considered a launchpad for OCOP products in the next five years with the goal of raising people's income, avoiding unfair pricing from traders, preserving cultural values, protecting rural landscape and environment, and building a sustainable countryside.

Strong information technology development and online shopping trends have pushed localities to support people, producers and business households to promote and build product brands and marketing channels on e-commerce platforms. This is really a remarkable development of the localities, especially cooperatives. E-commerce channels can help cooperatives introduce products to the broad market and to most customers. These advantages of e-commerce will assist farmers to sell their products and make significant contributions to local overall economic development and new rural construction.

Nghe An province has 63 OCOP products of 3-star class or higher listed for sale on reputable e-commerce platforms across the country. Besides, the province has established 11 district-level booths to sell 300 products on e-commerce floors. Hence, Nghe An's OCOP products are widely promoted to reach many customers in both domestic and foreign markets. As a result, online sales have grown more rapidly than traditional methods.

Accordingly, to have all OCOP products assigned 3-star class or higher and sold on e-commerce platforms as per Plan 2345 of the Nghe An Provincial People's Committee, Nghe An province has worked with OCOP producers to select qualified products to sell on e-commerce platforms. Postal service companies provide training courses on e-commerce knowledge for producers; support account activations on e-commerce exchanges and online payment accounts for smallholding entities seeking to bring their qualified products to e-commerce platforms.

Long An province also defines 2022 as a "Year of taking actions, creating a strategic turning point in digital transformation". The Long An Provincial People's Committee released the Action Plan for OCOP Program in 2022, aiming to have 44 more OCOP products recognized to reach 3-star class at the provincial level or higher. The province's 2022 OCOP Plan has also supported likely OCOP products. The province established strong connectivity in a bid to sell more OCOP products; and created Zalo groups with given criteria to help enterprises and entrepreneurs exchange experience and expand consumption markets.

In Bac Ninh province, in order to actively connect and expand the market, the provincial government also has launched many activities to support local OCOP products on e-commerce channels. Information technology application and digital transformation are widely accelerated by Bac Ninh through information and communications on the OCOP Program. The program management software has been developed with such features as OCOP product data management, record digitization, product classification, and specially connection with e-commerce platforms for selling OCOP products.

However, to date, only 25 localities are selling 100% of their OCOP products of 3-star class on e-commerce platforms like Postmart and Seashell. In order to sell more OCOP products via e-commerce platforms. To do this better in the future, authorities need to further train and guide producers and traders with the necessary skills to sell their products on e-commerce platforms; raise awareness of producers of making safe agricultural products and ensure quality committed to e-commerce platforms. Furthermore, authorities need to further connect to more e-commerce platforms to expand the market for Vietnamese agricultural products. ■

*Since 2019, the Central Coordination Office for New Rural Development has researched and developed pilot digital platforms to support entities developing e-commerce for OCOP products. To date, many programs have worked effectively and positively to boost OCOP sales. Many OCOP producers and localities also actively bring OCOP products to e-commerce platforms such as Voso, Postmart, Lazada, Tiki, Shopee, Sendo and Ocopmall.*

# Vibrant Rural Economic Development



Ha Tinh province started implementing the New Rural Development Program with a low starting point. After more than 12 years of ongoing construction, the province has greatly improved the material and spiritual life of the people.

DINH BAO

**H**a Tinh province has been selected by the central government as an example of building new-style rural areas in the 2021 - 2025 period.

## Bright picture of countryside

The National Target Program for New Rural Development has produced many important results, helped promote socioeconomic development, ensured national defense and security, and built a strong political system. The countryside's face has brightened, and the material and spiritual life of rural people has been improved. In 2021, the income per capita in rural areas of Ha Tinh province reached VND36.6 million, an increase of 4.33 times over 2010, the poverty rate decreased to 3.03%, and the quality of healthcare and education progressed markedly. The rural landscape and environment have changed positively; public awareness and thinking have been increasingly enhanced. The political system has been consolidated and the capacity for effective leadership, direction and organization has increasingly grown.

Ha Tinh defined that the New Rural Development Program is a central task of the political system, and must become a great campaign to change the face of the countryside and improve the material and spiritual life of the people. With creative ways, the drastic and synchronous participation of the political system and the consensus of the people, Ha Tinh has achieved important results.

Mr. Nguyen Huy Oanh, Deputy Director of the Department of Agriculture and Rural Development, Chief of the Provincial Rural Development Coordination Office, said: By September 2022, nine out of 13 districts, cities and towns and 177 out of 181 communes has fulfilled new rural development standards, with 50 out of 181 communes reaching advanced new rural development standards and seven out of 181 communes meeting exemplary new rural development standard, and 914 rural residential areas were certified to meet new rural development standards. The province is striving to have all communes fulfill

new development standards by the end of 2022 and all districts reach this status in 2023.

Coming to Ha Tinh rural areas today, wherever we are, we will be immersed in peaceful, prosperous and constantly changing villages; see urbanized streets in the village with spacious and modern electric lights, roads, schools, traffic stations and green blooming spaces in four seasons. At night, electricity lights up all streets and living spaces, evoking the truest feelings about the countryside. That is clearly illustrated, first of all, in the strong rural economic transformation toward industrialization and modernization. Localities have uniformly converted and accumulated land and opened ways for production development. The agricultural production force shifted sharply from manual labor to mechanization and electrification. Agricultural labor productivity indicators have picked up rapidly.

Besides a beautiful outlook and prosperous economy, the rural cultural life in Ha Tinh province is still imbued with a locally distinctive identity. Rural security is maintained. The environmental landscape is greener, cleaner, and nicer.

## Continued new rural development

Ha Tinh province is advancing a new rural construction movement with many dynamic, drastic and effective new methods. Nghi Xuan district is trying to become a model rural district in terms of culture and tourism. Vu Quang district and Huong Son district are endeavoring to consolidate and improve higher criteria. Ky Anh town and Loc Ha district have basically completed new rural development criteria, expected to finish them in 2022. Ky Anh district and Huong Khe district, with direct guidance and practical support from the province, are making their best to meet new rural development standards in 2023.

However, the new rural development movement in Ha Tinh province has exposed many limitations. There is a big question that needs to be answered: How certified localities must really be typical of agricultural and rural development, have strong economic development, and bring progress to all



☞ aspects of people's lives. Then, the province clearly defines its goal to 2025 of achieving new rural development standards, characterized by quality, effect and sustainability, to lay the foundation for development to 2030 (Centennial celebration of Party founding) and to 2045 (100 years after national founding).

To accomplish that great goal in the light of Resolution 26 of the Party (10th term) and Resolution of the 19th Provincial Party Congress (2020-2025 term), Ha Tinh province will promote its results achieved and lessons learned. First of all, the province will necessarily focus on leading and directing continued improvement of new rural development standards, advanced new rural development standards and exemplary new rural development standards towards quality, efficiency and sustainability.

To meet that requirement, the province will need to have policies to support farmers to access technology, introduce machines to every stage of production, re-allocate labor and expand professions to realize the goal that each commune will have at least one well-branded key product. The agricultural economy is largely associated with land, so it is necessary to keep a close eye on labor sources and land demand and move towards land consolidation, by means of transferring use rights, leasing, or joint stock company, to pave the way for large-scale commercial production. ■

*(from P.38)*

their images to other localities and even to the world, he said. The Ministry of Agriculture and Rural Development also asked the Ministry of Construction to jointly host annual awards for rural landscape planning and architecture in the coming time.

### Ensuring harmonious and sustainable development

Deputy Minister of Agriculture and Rural Development Tran Thanh Nam said: After more than 10 years of implementing the National Target Program for New Rural Development, we see the need for focused improvement of people's living standards, first of all, incomes in rural areas. To achieve this target, it is necessary to foster vocational training, and focus on agricultural and rural economic development. The One Commune One Product (OCOP) Program, launched in 2018 to date, has approximately 7,200 OCOP products, proving that this is the right policy of the Party, the State and the Government in raising incomes, creating jobs, improving people's living standards, and developing the rural economy. This program has aroused the potential, advantages and capacity of local people. We see this as a key program that needs to be further promoted in the coming time.

According to Minister Le Minh Hoan, building new-style rural areas must be harmoniously combined with economic benefits and traditional values. Therefore, provinces and cities need to actively introduce specific mechanisms and policies in order to accelerate the progress and improve the quality of the program in accordance with actual local conditions.

Capital sources will not be enough to achieve all goals of an inclusive program that builds infrastructure, and combines economic development with culture and society in rural areas. For that reason, in addition to the central budget, it is necessary to mobilize local capital and call for other social capital sources to entice businesses to the countryside and create space for startup businesses in each locality. These are new aspects as compared to the past period but they will ensure harmonious and sustainable rural development featuring rich identity, profound knowledge and life quality for local people when they have access to education, healthcare, nutrition and gender equality, he emphasized. ■



### Hanoi Issues Regulations on New Rural Commune Criteria

The Hanoi People's Council adopted Resolution 21/NQ-HDND detailing fund allocation to support the National Target Program for New Rural Development. The Hanoi People's Committee introduced two sets of criteria for advanced new rural communes and districts and exemplary new rural communes in Hanoi City in the 2021-2025 period.

Accordingly, Hanoi's new rural commune criteria in the 2021-2025 period will have the following criteria: Planning; traffic; irrigation and natural disaster prevention and control; electricity; education; cultural infrastructure; rural commercial infrastructure; information and communication; residential housing; income; multidimensional poverty; labor; rural economic production and development; education and training; healthcare; culture; environment and food safety; political system and access to the law; and defense and security.

Its advanced new rural commune criteria in the 2021-2025 period must meet the following

criteria: Planning; traffic; irrigation and natural disaster prevention and control; electricity; education; culture; rural commercial infrastructure; information and communication; residential housing; income; multidimensional poverty; labor; rural economic production and development; healthcare; public administration; access to law; environment; living environment quality; and defense and security. Exemplary new rural communes must fulfill mandatory criteria (income, smart countryside model) and optional criteria (one of the following areas: Security and order, environment, production, health, culture, education and training, tourism, digital transformation).

The set of new rural commune criteria for the 2021-2025 period is a basis for local authorities to work out plans for building new rural communes, advanced new rural communes and exemplary new rural communes in 2021-2025; verify, assess and request recognition of communes that achieve criteria imposed to new rural communes, enhanced new rural communes and exemplary new rural communes; and launch emulation movements for new rural development in the 2021-2025 period.

**Minh Ngoc**

## **OCOP Program Fosters Phu Tho Provincial Rural Development**

Phu Tho is known to have a lot of indigenous agricultural products and specialties, and is endowed with a lot of advantages for the implementation of the One Commune One Product (OCOP) Program. The province's typical OCOP products include Doan Hung pomelo, green tea, Thanh Son sour meat, Tan Son spur rooster, yellow banana, seedless persimmon, Ga Gay sticky rice and yellow potatoes.

According to the Phu Tho Department of Agriculture and Rural Development, the province is home to 52 provincially certified OCOP products of 29 producers, including 18 4-star products and 32 3-star products. Phu Tho targets to have 282 certified OCOP products assigned 3-star or higher, including 11 5-star certified products - national items, 75 4-star products and 142 3-star products - provincial items.

The department said that, to achieve given goals, it is necessary to strengthen the role and responsibility of all stakeholders from provincial to the grassroots levels in carrying out the program; have mechanisms and policies to support and encourage small and medium-sized enterprises, cooperatives, and production households to join the OCOP Program to promote their products on e-commerce platforms in the province such as GiaoThuong.net.vn or nongsan.phutho.gov.vn. Provincially certified OCOP products are promoted on the National OCOP Product Management and Monitoring System (ocopvietnam.gov.vn) of the Ministry of Agriculture and Rural Development.

**Ngoc Dan**

## **HCM City Embeds OCOP into Rural Tourism**

The One Commune One Product (OCOP) Program of Ho Chi Minh City for the 2021-2025 period underlines the need for standardizing and developing OCOP products along the value chain. Special emphasis is placed on building agricultural and rural experience tourism services linked to OCOP production areas.

The OCOP Program is determined to be inextricably linked with the New Rural Development Program. In the 2021 - 2025 period, new rural construction must be substantively linked to urbanization towards sustainability and conducted by rural residents to make their life better. Rural economic development linked to new rural construction is a strategic, central and long-term task that requires many appropriate and creative solutions and policies. Therefore, the OCOP Program is identified as a key task that needs to be carefully implemented. This program is connected to rural tourism development.

According to HCM City Department of Agriculture and Rural Development, locally typical OCOP products have been well-branded, including Can Gio dried catfish, Can Gio dried croaker, Can Gio mango, Can Gio bird's nest and Phu Hoa Dong rice paper. Some OCOP products are over-demanded.

In the coming time, if OCOP manufacturing can be linked with tourism routes and destinations in the city, it will help improve the product value.

**Dinh Bao**

## **Dong Thap Launches Sci-Tech Program for Rural Development to 2025**

Dong Thap Provincial People's Committee recently introduced Plan 351/KH-UBND on the implementation of the Science and Technology Program for New Rural Construction by 2025.

To effectively carry out programs according to Decision 923/QĐ-TTg dated August 2, 2022 of the Prime Minister and to meet the requirements and objectives of the Science and Technology Program for Rural Development to 2025, the province clearly defines work contents, action roadmaps, time, schedule and responsibility of relevant bodies in implementing programs. The consistent, detailed, practical and close coordination of relevant bodies has generated positive changes for the better life of people in Dong Thap province in 2021 - 2025. By 2025, at least 70% of models deployed in the program will continue to be deployed and scaled up by localities; and at least 80% of agricultural and rural economic development models in the program have multi-sectoral linkages and value chain linkages.

Accordingly, the Provincial People's Committee also assigned specific tasks and solutions to relevant agencies and localities to actively work out plans to concretize goals, tasks and solutions for the plan to bring about practical results. Accordingly, the Department of Science and Technology coordinated with other stakeholders to transfer new research results and technical advances to organizations to build science and technology models and tasks according to the Science and Technology Program for New Rural Construction.

**Bao Ngoc**

# VINH PHUC STRIVES FOR BETTER



After many years of upheavals, in 2021, Vinh Phuc returned to one of the five best performers of the Provincial Competitiveness Index (PCI).

## LE HIEN

**S**haring about Vinh Phuc province's efforts to return to the fifth position on the PCI rankings 2021, Mr. Le Duy Thanh, Chairman of the Provincial People's Committee, said that it was an extremely difficult and challenging journey. In particular, the biggest challenge in implementing and improving the PCI Index is changing the mindset and approach of public employees.

### Efforts for higher PCI rankings

To improve the PCI Index, in 2020, Vinh Phuc province set "three good" goals: Good and comprehensive legal

environment, good technical infrastructure and good business services. In particular, reforming administrative procedures is considered by local authorities a key task and drastic approach to reduce time and simplify procedures.

For example, the province pledged to reduce the time for checking VAT refunds at the headquarters of taxpayers to 40 working days and streamline administrative procedures to fulfill tax payment obligations to less than 115 hours a year.

Vinh Phuc province has also built and operated a modern, interconnected single-window mechanism for all three levels of administration. The province's hotline system was established and operated effectively in five languages, Vietnamese, Chinese, English, Japanese and Korean, to best support businesses and investors working in the province and exploring the local investment and business environment.

"Vinh Phuc is also one of the first localities to establish and effectively run the workgroup responsible for assisting the Chairman of the Provincial People's Committee in order to remove difficulties for businesses. In 2021, the workgroup synthesized 97 groups of business opinions, directly guided administrative procedures for investors, and recommended competent authorities to deal with emerging problems reported by enterprises," Mr. Thanh said.

In 2021, competent bodies under the Provincial People's Committee conducted eight major surveys, including five online surveys to collect and respond to difficulties faced by businesses such as commodity distribution, access to credit information, labor and solutions to business support policies amid the COVID-19 outbreak.

These efforts helped Vinh Phuc improve sub index scores and rankings such as time cost (ranked 3rd), informal charges (ranked 3rd), fair competition and access to land (ranked 7th).

### Goals for years to come

In particular, 93.9% of enterprises in Vinh Phuc province rated administrative procedure-handling officers as effective

# BUSINESS CLIMATE



(6th highest) and 89.5% agreed that the settlement time of administrative procedures was shorter than prescribed.

The above results helped Vinh Phuc achieve spectacular progress in the PCI rankings, from 29th in 2020 with a score of 63.94 points to 5th position in 2021 with 69.69 points.

Mr. Le Duy Thanh added that local authorities need to take more responsibility in maintaining and improving the PCI Index in 2022 by further improving administration quality in order to serve and facilitate business conditions for enterprises.

Accordingly, in 2022, Vinh Phuc will pay special attention

to the transparency index because "Institutional transparency and guidance for businesses to access and accompany the government in institutional compliance will be the most important matter and determine other component indicators," Mr. Thanh affirmed.

Besides transparency, governmental dynamism is another indicator that Vinh Phuc province cares for this year since the government will understand and care more about businesses and take more radical actions to support businesses and create synergized forces for Vinh Phuc to enhance the PCI Index in particular and the economic growth as a whole.

Assessing the potential for investment attraction, Director of the Department of Planning and Investment Nguyen Van Do said, to accommodate capital inflows that tend to shift out of China to Southeast Asian countries, Vinh Phuc needs to create an open, attractive and competitive business and investment environment. Specially, the focus is on timely support and solutions to tackle difficulties for businesses. The province will continue to accelerate administrative reforms by scaling up the single-window mechanism at the Provincial and District Public Administration Service Centers. It will strengthen State management of industrial zones; adopt solutions to restructure vocational training facilities; plan, train and develop high-quality human resources for projects with advanced technologies and new know-how. ■

## Phu Yen Vows to Fully Support Businesses

This statement was delivered by Chairman Tran Huu The at a recent business conference organized by Phu Yen Provincial People's Committee in collaboration with the Phu Yen Entrepreneurs Association. The conference was attended by more than 150 businesses and investors in Phu Yen province.

**A**t the conference, the Phu Yen Department of Planning and Investment reported that as many as 452 new companies with investment capital of more than VND3,948 billion were licensed in the first 9 months of 2022. The province is now home to 4,122 active companies that registered to invest over VND75,823 billion. Their revenue was over VND27,850 billion in the 9-month period and their tax payment was over VND1,330 billion. They employed 79,985 workers.

Phu Yen province licensed 19 projects with a combined investment capital of more than VND2,660 billion and allowed 17 existing projects to change their capital base in the first nine months of 2022. In addition, Phu Yen province has contacted and worked with many investors to explore investment opportunities in tourism, real estate, golf courses and high-tech aquaculture, among other fields.

Mr. Ngo Da Tho, Chairman of the Phu Yen Business Association, said the province has adopted business and investor support policies but the performance of the PCI Index and PAPI Index is not very satisfactory. Governmental information on socioeconomic performance, especially on large and sensitive projects, is sometimes not timely. This is a difficult matter to draw investment flows into Phu Yen province.

The conference also heard recommendations of local enterprises to the Phu Yen Provincial People's Committee for improving the Provincial Competitiveness Index (PCI), supporting businesses in digital transformation to enhance operational performance, and upgrading transport infrastructure. Many companies also reported that delayed site clearance affected project progress.

At the event, Mr. Tran Huu The, Chairman of the Phu Yen Provincial People's Committee, affirmed that the province will accompany, support and promptly remove obstacles for businesses in legal procedures in a bid to build a favorable, enabling, fair, transparent and open business investment market. Phu Yen province will assist enterprises in digital transformation to enhance operational efficiency, facilitate organizations and individuals to establish companies and carry out investment procedures.

In addition, he requested relevant local agencies to further accelerate administrative reform and improve the investment and business environment for enterprises in the coming time. At the same time, local enterprises and entrepreneurs need to actively prepare resources, expand their industries, pay attention to manufacturing industries to create branded, high-quality products that meet customer needs and market demands; and fully and strictly comply with laws in investment and business. ■



Tuna processing at Hong Ngoc Seafood Co., Ltd



# Phu Yen Unlocking Potential Advantages, Attracting Investments

Phu Yen province has spared no effort to improve the business environment, unlock potential advantages, and support local sustainable economic development based on current conditions.

## TRAN TRANG

**L**ike other central coastal provinces, Phu Yen lies on the southern central coast where all potential advantages of economic development meet together. In order to support investment projects in the province, besides current general investment incentives under the Investment Law, Phu Yen province has directed and adopted several solutions like concentrating resources to invest in essential infrastructure, creating a clean land fund for potential investors to invest in the province; introduce preferential policies on land use for socialization projects involved in education-training, vocational training, health, culture, sports, environment and judicial assessment. These contents have been approved by the

Provincial People's Council.

At the same time, the province has further fostered the performance of the Provincial Public Administration Service Center, moved toward more comprehensive e-government, and completed operation centers and data integration centers to better provide information for investors and quickly process the information sent by investors. Phu Yen province has updated and integrated a construction planning, forestry planning and land-use planning database.

Besides, the Provincial People's Committee has regularly requested departments, branches and localities to facilitate, monitor and grasp the activities of investors to provide prompt guidance and support for them to tackle difficulties to keep their project progress on schedule; and used information technology tools to monitor and solve their difficulties.

Additionally, to introduce the province's image, potential and investment opportunities to investors seeking to invest in the province, the Provincial People's Committee has organized many working delegations to some countries such as France, Italy, Hungary, South Korea, Japan, the United States, Thailand and Laos, and paid working visits to large corporations to introduce new projects to direct their attention to investment opportunities in the province. ■

# Improving Land Access for Greater Provincial Competitiveness



The construction site of a bridge across the Thuan An estuary

In 2021, the Provincial Competitiveness Index (PCI) of Thua Thien Hue province scored 69.24 points to secure 8th place among 63 provinces and cities to stand in the group of good performers. Its Land Access Index rose by 0.72 points to 7.05 points.

## Accelerating administrative reform

In recent years, Thua Thien Hue province has defined administrative reform as one important solution for improving the business environment. Currently, administrative reform at the Department of Natural Resources and Environment has been productive, basically facilitating administrative transactions for organizations and individuals.

Accordingly, the department has intensified the review and simplification of administrative procedures. In particular, the department regularly reviews and promotes online public services of Level 3 and Level 4 in order to reduce costs and time for organizations and businesses. Up to now, the agency has brought online 10 out of 116 online public services of Level 2, 18 out of 116 services of Level 3, and 88 out of services of Level 4.

In addition, the Thua Thien Hue Department of Natural Resources and Environment has actively updated and promptly published the list of administrative procedures under its jurisdiction on its website and other portals of the

province, as well as developed an electronic process, order and method for implementation in order to create favorable conditions for organizations and individuals to access, learn and comply with regulations. Since 2019, the department has integrated a number of administrative procedures on the National Public Service Portal and tested interconnected records from the National Public Service Portal and the Provincial Public Service Portal.

Specially, the interoperability of certificate applications from Land Registration Offices to the Department of Natural Resources and Environment via the electronic network environment has reduced the time of sending documents by post by 3-4 days. The reception and processing of documents and return of results are carried out with a given process that is highly trusted and appreciated by organizations, enterprises and individuals.

## Raising Land Access Index

According to statistics, the Land Access Index of Thua Thien Hue province has picked up over the years but remained unstable. Specifically, the index respectively scored 6.46 points, 7.07 points, 6.66 points, 6.33 points and 7.05 points in 2017, 2018, 2019, 2020 and 2021.

To further raise the Land Access Index, the Department of Natural Resources and Environment will continue to work with relevant agencies and localities to carry out solutions for better land compensation, site clearance, and resettlement support in the coming time. Particularly, the agency will continue to review and advise the Provincial People's Committee to complete regulations on land compensation and resettlement support with reference to local situations; train, guide and disseminate legal regulations on land, compensation and resettlement support policies.

The department will direct the Land Registration Office and the Natural Resources and Environment Information Technology Center to well perform cadastral mapping for site clearance of investment projects and ensure accuracy, timeliness and lawfulness of this work; direct the Land Fund Development Center to focus on land clearance of assigned projects and ensure the scheduled progress.

In addition, the agency will promptly guide localities or advise and report to the Provincial People's Committee on solutions to deal with emerging problems and shortcomings in land compensation, resettlement support and land prices to calculate land compensation prices to speed up the site clearance, thus enabling projects to be deployed and put into operation sooner and creating confidence for enterprises and investors when they do business in Thua Thien Hue province. ■

# Many Solutions to Stimulate Job Creation

Identifying vocational training as one of the important tasks to boost socio-economic development and rural development, Tien Giang province has focused on creating jobs for rural workers toward sustainable poverty reduction goals and developing a technical and vocational education and training (TVET) network to meet increasing social requirements.

## DUY BINH

**T**ien Giang province currently has 25 TVET facilities, including three colleges (one centrally run school), three intermediate schools, eight vocational training centers and 11 other facilities (including five run by enterprises). All districts, cities and towns have at least one TVET facility each. TVET institutes train 42 professions and occupations such as health, economics, information technology, mechanics, industrial electricity and electronics. Annually, they enroll 3,000 - 4,000 intermediate and college students and 8,500 elementary trainees. They also provide short-term training (less than 3 months) for enterprises and employees.

In 2016-2020, the Provincial People's Committee and the Ministry of Labor, Invalids and Social Affairs invested in expanding the scale and improving the training quality of Tien Giang Medical College, Tien Giang College and three intermediate schools. In 2021-2025, the province will continue to invest in Tien Giang College and approve training expansion projects for two intermediate TVET schools: Go Cong School and Cai Be Professional Technology School, to increase their training capacity from 900 students to 1,500 students.

To create more jobs for local workers, since the beginning of the year, the province has actively carried out many positive solutions like collecting labor market information regarding job search and recruitment needs of local employers from different sources such as unemployment registration centers, employment

announcements by companies, and direct visits to industrial zones to update recruitment needs, newspapers, radio and internet.

Moreover, the province has reviewed and grasped the aspirations of workers who returned from major provinces and cities after the pandemic to counsel and recommend jobs to businesses that are restoring production and having high recruitment demand.

In addition, Tien Giang has organized career days to connect the supply side and the demand side, with a focus on online sessions; promoted counseling, job introduction, communication and vocational training support for unemployed workers; and distributed recruitment leaflets.

In the year to date, the province has organized 15 job days, 10 days more than a year-ago period, engaged by a total of 60 companies seeking to hire over 21,700 employees. The Department of Labor, Invalids and Social Affairs has also counseled and introduced jobs for over 14,600 workers, fulfilling 73% of the yearly target; advised over 500 laborers wishing to work abroad, up 12.2% over the same period last year.

In particular, the department has actively informed local workers about overseas work contracts on mass media such as radio channels, newspapers, websites, leaflets, banners and billboards in densely populated places. It has also expanded its selection of reputable companies that send workers to work abroad to recruit local workers.

The agency has coordinated with companies, TVET institutions and local mass organizations to find labor sources, provide information and support for workers seeking to work abroad. ■



# DAI AN SAI GON INDUSTRIAL ZONE

UNDER MOC BAI BORDER GATE ECONOMIC ZONE - TAY NINH PROVINCE  
SCALE 300 HECTARES & 18.76 HECTARES OF VERDURE FOR ISOLATION  
LOCATION AN THANH COMMUNE - BEN CAU DISTRICT - TAY NINH PROVINCE



## INVESTMENT INCENTIVES

**10% of enterprise income tax** within **15 years** since projects come into operation. And **Exemption** from enterprise income tax within **4 years** and **50% of the tax** within **9 following years** since taxable income.

**Deducting 50% of personal income tax.**

**Exemption from import tax within 5 years.**

Commodities produced, processed, reprocessed or assembled in non-tariff areas of border-gate economic zones and exported abroad **are exempt from export duty.**

Other investment incentives of **Value-added tax**, **Excise tax** are complied with the Law.

## STRATEGIC LOCATION

- To Tan Son Nhat Airport 45Km
- To Cat Lai Port 70Km
- To Moc Bai - HCM Highway 4Km
- To Moc Bai Border Gate 8Km
- To Ho Chi Minh City 50Km
- To Tay Ninh City 35Km

## STRATEGIC LOCATION

Dai An Sai Gon IZ is a multi-sector Industrial Zone which attracts domestic and foreign investment, especially offer the priority to: auxiliary industrial fields; projects applied modern and high technology; non-polluted environment projects and strictly environmental treated projects; projects with cleaner production technology; friendly to environment and energy-saving technology.



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