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IMPRESSIVE GROWTH IN SEAFOOD EXPORTS
SUSTAINABLE DEVELOPMENT AND
NEW BUSINESS MINDSET

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VCCI President Pham Tan Cong receives Egyptian Ambassador Amal Abdel Kader Elmorsi Salama

FURTHER ENHANCING VIETNAM - EGYPT BUSINESS RELATIONS

Vietnam and Egypt have many strong products, but the trade turnover between the two countries is still limited. VCCI President Pham Tan Cong and Ambassador of the Republic of Egypt Amal Abdel Kader Elmorsi Salama agreed that it is necessary to promote economic cooperation between the two countries in the coming time.

GIANG TU

At the working visit with the Vietnam Chamber of Commerce and Industry (VCCI) on May 19, Ambassador of the Republic of Egypt Amal Abdel Kader Elmorsi Salama applauded the socioeconomic achievements of Vietnam in recent years and highly appreciated the increase in trade volume between the two countries, despite the impact of the pandemic, and looked forward to further promoting the trade and investment relations in the future.

Ambassador Amal Abdel Kader Elmorsi Salama said that Egyptian products exported to Vietnam include

vegetables and fruits; scrap iron and steel; fertilizer; chemicals, textile raw materials, leather shoes, and wheat.

The ambassador said that the potential for cooperation between the two sides is great, but the trade turnover between the two countries is still modest.

Ambassador Amal Abdel Kader Elmorsi Salama suggested the business communities of both sides participate in exhibitions and trade fairs held in both countries and establish a joint business council to advance business connectivity.

In response, VCCI President Pham Tan Cong said that Egypt is one of the most important trade partners and a potential market of Vietnam in North Africa. The VCCI President affirmed that VCCI will work with the Egyptian Embassy and the Egyptian Chamber of Commerce to develop cooperation programs, and organize forums and seminars between Vietnamese and Egyptian businesses to enhance understanding, thereby expanding market opportunities, and further promoting trade ties.

The VCCI President also suggested that tourism is a potential field where the two sides can promote cooperation. Both countries are very famous for their culture and scenic spots. VCCI President Cong also hoped that the two countries will soon have direct flights to create more favorable conditions for tourism development.

At the meeting, the ambassador also proposed joint activities to be held next year in the framework of celebrating the 60th anniversary of the diplomatic relations between Egypt and Vietnam. ■



VCCI Secretary General Tran Thi Lan Anh at a working session with a delegation of International Finance Corporation (IFC)

VCCI, IFC COOPERATE TO SUPPORT PRIVATE SECTOR DEVELOPMENT

The opening meeting was intended to share information for IFC to develop its national strategy and increase resources for the private sector in Vietnam in the coming time.

At the meeting, Ms. Tran Thi Lan Anh, Secretary General of the Vietnam Chamber of Commerce and Industry (VCCI), informed IFC about limitations and difficulties faced by enterprises, especially after the COVID-19 pandemic, including labor shortage, policy and institutional matters, management capacity, land-related production space, insufficient finance for technology investment, and inadequate fund for manufacturing and business operations.

She also highly appreciated IFC's cooperation projects with organizations in Vietnam to foster support for SMEs to access capital and participate in agricultural supply chains during Prime Minister Pham Minh Chinh's visit to the United States to attend the U.S.-ASEAN summit.

Mr. Pham Ngoc Thach, Deputy Director of the VCCI Legal Department, shared his view on surveys of more than 10,000 businesses on COVID-19 pandemic impacts in 2020 and 2021, showing that more than 87% (in 2020) and 92% (in 2021) of interviewed enterprises were negatively affected, forced to scale down operations and reduce employees. Private companies, both doing business in the domestic and export markets, faced more difficulties than FDI firms, he said. Institutional and policy matters caused many difficulties for them, from business establishment registration, sub-licenses and legal cost burdens. In addition, they struggled with resource allocation, including access to capital, land - procedures, planning, and human

VCCI Secretary General Tran Thi Lan Anh recently hosted a working session with a delegation of International Finance Corporation (IFC) led by Mr. John Nasir, chief specialist on private sector development.

HUONG LY

resources, especially highly qualified technical workers.

VCCI experts also affirmed that the Government has made efforts in policy support to create a more level playing field for private enterprises by reducing barriers to market entry, reforming procedures, and slashing sub-licenses.

Mr. John Nasir, chief specialist on private sector development, introduced IFC's private business support projects through direct investments, including a US\$32 million project for local agribusiness.

IFC is considering increasing resources for the private sector selectively, he said. For small and medium-sized enterprises (SMEs), IFC can provide training programs to improve business capacity, especially in corporate governance and

transparency of financial health, to enable them to have easier access to IFC's capital.

In the coming time, IFC will focus on medium-sized private enterprises in Vietnam. For example, in the energy sector, in addition to capital, IFC can provide capacity-building training and technical support for them as well as design appropriate funding support programs.

He hoped that VCCI will cooperate in disseminating IFC's likely programs and projects to potential customers who are medium-sized private enterprises.

In agreement with Mr. John Nasir, VCCI experts said that they can work with IFC to recommend IFC's support programs on capital access to suitable businesses.

At the end of the meeting, IFC thanked VCCI for useful information and wished to have more meetings with VCCI's relevant professional departments to discuss closely private business support that the two sides can engage in. ■



VCCI Vice President Nguyen Quang Vinh (R) and Chief Representative of Singapore Business Federation Amy Wee

VCCI Vice President Receives Chief Representative of SBF

On May 25, VCCI Vice President Nguyen Quang Vinh received the Chief Representative of Singapore Business Federation (SBF) in Vietnam Amy Wee.

The meeting aimed to promote trade and investment between Vietnam and Singapore.

Ms. Amy Wee said that even during the difficulties of the last two and half years, more Singapore companies are still coming to invest in Vietnam. Ms. Amy Wee suggested that VCCI and SBF need to discuss renewing the Vietnam-Singapore Business Council (VSBC), including the operational function of the organization and the function of dividing business support by priority industry groups.

Mr. Nguyen Quang Vinh expressed his pleasure to welcome Ms. Amy Wee, and emphasized that the collaboration mentioned during the recent visit of VCCI President Pham Tan Cong to Singapore and SBF former Vice Chairman Douglas Foo is expected to further advance relations by strengthening activities between VSBC, the Vietnamese community and the Singaporean community in the years to come.

Building policies of VSBC and expanding membership of VSBC were among the topics of discussion between the two sides.

During the meeting, Ms. Amy Wee also announced that the CEO of SBF will come to Vietnam to attend the 3rd ABAC meeting and he will plan to visit VCCI in Hanoi on this occasion.

Giang Tu

VCCI Announces Code of Business Ethics for Vietnamese Enterprises

The Vietnamese Code of Business Ethics consists of six principles, which are the basic ethical qualities that are required and should be widely practiced in the Vietnamese business community, according to President of the Vietnam Chamber of Commerce and Industry (VCCI) Pham Tan Cong.

VCCI President Cong made the remarks at a ceremony to announce the code of business ethics held in Hanoi on May 19 on the occasion of the 132nd birth anniversary of President Ho Chi Minh.

The code of ethics was completed based on the business ethics rules of organizations and businesses around the world as well as domestic information sources such as the set of business culture criteria developed by the Vietnam Association for the Business Cultural Development.

The set of business ethics includes six key principles such as creating economic value for society; compliance with the law; transparency, fairness, and integrity; creativity, cooperation, and mutual development; respect for nature and environmental protection; being patriotic and responsible to both society and the family.

The first two rules are ethical principles and fundamental obligations of enterprises to ensure their legitimacy and existence.

The next two rules are standards in doing business, in operating a business and interacting with domestic and international partners. The last two rules are the qualities required for dealing with nature, the environment, the nation, the society and the family.

The VCCI will take the practice of the code of business ethics as a prerequisite in reviewing, voting and awarding the annual Outstanding Vietnamese Entrepreneur Award.

NDO

SUSTAINABLE DEVELOPMENT AND

Many companies have gradually shifted their approach and strategy from “business for profit” to “responsible business,” said Mr. **Nguyen Quang Vinh**, Vice President of VCCI, in an interview granted to our reporter. **Huong Ly** reports.



What do you think about the efforts to promote and enforce sustainable development on the business community?

For businesses, sustainable development can be simply understood as a corporate governance strategy adaptable to all circumstances, built on the harmony of economic benefits (profit and revenue) and benefits of employees and environmental protection, thus helping them strengthen competitiveness and achieve long-term sustainable growth. Therefore, in recent years, many companies have gradually shifted their approach and strategy from “business for profit” to “business for responsibility.”

Over the past 10 years, VCCI has importantly helped the Vietnamese business community to change business thinking, and pursue and adopt a sustainable business strategy through activities carried out by the Vietnam Business Council for Sustainable Development (VBCSD-VCCI), most notably the Corporate Sustainability Index (CSI). After six editions, we have noticed that more Vietnamese enterprises are joining the CSI Program. Most recently, in 2021, Vietnamese and foreign

companies accounted for 55% and 45% in the Top 10 sustainable companies, respectively. In the Top 100, the respective shares were 63% and 27%. This is showing readiness, transformation and business progress to increasingly strong and progressive sustainability of Vietnamese enterprises.

After four COVID-19 pandemic outbreaks, the Government and the business community have all understood more clearly the role of sustainable development. This is not only a “compass” for business development in a good time but also plays an important role in leading businesses to get out of crisis to recover. Companies having sustainability strategies and applying the Corporate Sustainability Index (CSI) have shown much better resilience than others. As a result, their resilience is stronger.

Could you tell us about the new features of the Program for Benchmarking and Ranking Sustainable Businesses in 2022?

This year's program continues to be implemented under the direction of the Ministry of Natural Resources



VIETNAM BUSINESS COUNCIL FOR SUSTAINABLE DEVELOPMENT (VBCSD)

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NEW BUSINESS MINDSET



CSI award ceremony honoring the top sustainable companies

and Environment, the Ministry of Labor, Invalids and Social Affairs, the Vietnam General Confederation of Labor and the Vietnam Chamber of Commerce and Industry (VCCI). At the same time, the program also continues to use the Corporate Sustainability Index (CSI) as the basis for assessing corporate sustainability. With 130 indicators, CSI Index 2022 is adapted to a new approach toward responsible business as specified in relevant laws and regulations: Respect for legitimate rights and interests of employees and other stakeholders in the community, based on the revised Labor Code 2019, effective from January 1, 2021; Law on Environment 2014 and revised Law on Environment 2020 related to commitments on climate change adaptation and voluntary nationally determined contributions (NDC) at COP-21 and COP-26; GRI and ESG sustainability reporting standards; ISO26000 social responsibility standards, and finally new-generation free trade agreements like EVFTA, CTPP, RCEP and UKFTA.

This year, in addition to evaluating and announcing the Top 100 sustainable businesses, we will also award outstanding businesses for fostering the circular economy, response to climate change, women's empowerment and gender equality in the workplace, and responsible business for human rights and children's rights.

In the new CSI standards, you have just mentioned ESG. Would you mind telling us more about this standard?

At the ASEAN-U.S. Summit, part of the Prime Minister's

visit to the United States, one of the issues raised to boost Vietnam – U.S. bilateral trade relations is businesses are challenged by environmental, social and governance (ESG) matters. By integrating ESG into the new edition of the CSI Index, businesses will have a more intuitive approach to their governance through three aspects:

The first is business-environment interaction, evidenced by businesses' actions to combat climate change, conserve biodiversity, protect natural resources, reduce carbon emissions, and mitigate air and water pollution.

The second is the impact of enterprises on society and the community through programs to protect occupational health and safety, improve working conditions, and fulfill their legal obligations to protect human rights in the workplace and secure the privacy and data security of customers and partners.

And finally, principles need to be applied when building the governance apparatus at each enterprise, including transparent governance, ethical business, and increased ownership of shareholders and employees, independence of the Board of Directors, and ultimately building a diverse, inclusive culture in the workplace.

Thus, needless to say, the above factors are important to constitute a detailed governance framework that businesses of different sizes can rely on to build governance and development strategies. That is also our goal of building the CSI Index 2022, a sustainability assessment tool for every business, irrespective of their sizes, from giant to micro.

Thank you very much!

Program on Benchmarking and Announcing Sustainable Businesses in Vietnam in 2022 Kicked Off



Delegates at the Kick-off Ceremony of the CSI 2022 Program

The Program on Benchmarking and Announcing Sustainable Companies in Vietnam (CSI 2022 Program) was officially launched on May 26, marking the 7th consecutive year of its successful implementation, even in difficult conditions caused by the COVID-19 pandemic.

LIEN LY

This year, the Vietnam Chamber of Commerce and Industry - VCCI (with the core being the Vietnam Business Council for Sustainable Development - VBCSD) continues to coordinate with the Ministry of Labor, Invalids and Social Affairs, the Ministry of Natural Resources and Environment and the Vietnam General Confederation of Labor to organize the CSI 2022 Program to benchmark, gather and praise businesses that well conduct responsible business and production activities in all three aspects: economy - society - environment.

The Kick-off Ceremony of the CSI 2022 Program attracted around 200 offline and online participants from local and international organizations, diplomatic corps, business associations, media agencies and the business community.

In his opening remarks for the Kick-off Ceremony, Mr. Nguyen Quang Vinh, VCCI Vice President and VBCSD Chairman asserted: "After two years of persistent disease, our business community has more clearly contemplated the essential role, inevitable trend and positive impact of the sustainability-oriented production and business model. Sustainable development is not only a lodestar for businesses' growth in a stable condition, but also

an anchor to stand firm and a wheel to adapt and recover when facing tsunamis of crisis. Aside from the compliance with legal policies and regulations of authorities, the pursuit and implementation of responsible business is now motivated by actual market demands. Along with the economic growth, higher income and people's intellectual level and global integration, Vietnam consumers have had higher awareness and responsibility in choosing green products and services produced by green production and business processes. Therefore, sustainable business helps businesses fulfill customers' demand, thereby bringing long-term benefits to businesses."

The CSI 2022 Kick-off Ceremony also welcomed Ms. Robyn Mudie, Australian Ambassador to Vietnam. In her welcome speech, Ms. Mudie said: "The Australian Government is proud to be supporting the Australian Human Rights Commission and

VCCI in the development of a new business and human rights indicator in the Corporate Sustainability Index. Businesses can play a key role in advancing and promoting human rights within their organizations and the wider community, which is essential to creating an effective, inclusive and stable business environment."

At the ceremony, representing the Program Organizing Committee, Mr. Nguyen Tien Huy, Director of the Office for Sustainable Development Business, introduced the Program and the 2022 Corporate Sustainability Index (CSI). This year, the CSI continues to be used as a basis for benchmarking the sustainability of enterprises participating in the Program.

With 130 indicators, the CSI 2022 Index is divided into 5 parts: Enterprise overview; Main results of the economic - environment - labor and social activities; Governance Indicators; Environmental Index; and Labor - Social Index. The basis for building the CSI 2022 Index is based on the revised Labor Law 2019 effective from January 1, 2021; Environmental Law 2014 and some provisions of the Environmental Law Amendment 2020 related to commitments to climate change adaptation and voluntary national commitments (NDC) COP21 and COP26. GRI and ESG Sustainability Reporting Standards; ISO 26000 social responsibility standard; and trade commitments in new-generation multilateral and bilateral trade agreements such as CPTPP, EVFTA, UKVFTA, RCEP, etc. Indicators related to anti-discrimination, diversity and inclusive development, implementation of gender equality, respect for human rights; inventory of greenhouse gas emissions of businesses (excluding the entire supply chain); transformation to the circular economy model; or related to solid waste management in industry are also boldly and clearly integrated in the CSI Index 2022. With 68% of indicators related to legal compliance requirements and 32% of indicators related to sustainable business initiatives, the CSI Index is considered a very scientific and practical tool to support the business community in sustainable corporate governance. The CSI can effectively support strategic planning and business



Australian Ambassador Robyn Mudie addresses the Kick-off Ceremony of the CSI 2022 Program

planning, reviewing gaps in production and business activities, thereby helping businesses operate better and promptly seize new business opportunities.

In 2022, the Program will accept applications from businesses of all sizes and fields through online applications and will not collect any fees from businesses. This is also a difference compared to previous years, requiring businesses to submit documents online only helps create favorable conditions, increase transparency and objectivity for both businesses and the judging panel in the declaration and judging process. In addition to benchmarking and announcing 100 sustainable businesses, the CSI 2022 Program also builds award categories to honor businesses with good achievements in promoting the implementation of the circular economy model, responding to climate change; enhancing women empowerment and gender equality in the workplace; and responsible business for Human Rights and Children's Rights.

In the presentation on "Incorporating the responsible business and human rights into sustainable development in business", Ms. Nicole D'Souza, Senior Program Officer - International Engagement, Australian Human Rights Commission, shared: "The Australian Human Rights Commission provided technical assistance to VCCI in the review of the Corporate Sustainability Index for 2022, concerning the inclusion of new indicators on business respect for human rights. The Commission notes the significance of the new human rights indicator, which is aligned with the UN Guiding Principles on Business and Human Rights (UNGPs) and will certainly encourage greater awareness and action by businesses to 'respect, protect and remedy' human rights, as called for by the UNGPs."

Also within the event framework, Ms. Dinh Thi Thu Hoai, Executive Director of Vietnam Business Coalition for Women's Empowerment (VBCWE) insisted: "In addition to the existing indicators of gender diversity policy in the leadership, the regulation of gender non-discrimination in the process of recruitment, selection, appointment and promotion, training program, and mentoring of female leaders, this year the Index has many new criteria related to the flexible working regime, equal income policy, child care support for employees. This is an important step that demonstrates the efforts of both VBCSD and VBCWE in supporting Vietnamese businesses to get closer to global labor standards, thereby attracting and retaining talent and developing sustainably."

The CSI 2022 Kick-off Ceremony will also be held directly in Ho Chi Minh City on May 30, 2022. Following the Kick-off Ceremony, the Program Organizing Committee will organize face-to-face/online training courses on corporate governance in general and applying the CSI Index in corporate governance in particular from June to August 2022. The deadline for the Program application is August 31, 2022. More information can be found at <http://vbcscd.vn/csi.asp>. ■

Amchams of Asia Pacific Business Summit 2022: Expectations for Trade and Investment Expansion

In conjunction with U.S. President Joe Biden's first visit to Asia, AmCham leaders in the Asia Pacific gathered in Hanoi on May 20 to discuss important issues faced by U.S. businesses in the region.

Delivering a keynote to the Business Summit, Mr. Steven Okun, AmCham representative for the Asia Pacific, said, "AmCham members from all over Asia discussed the best ways to support strengthening the economy and trade of the United States in the region, while thoroughly solving outstanding difficulties in each industry."

AmCham Hanoi CEO Adam Sitkoff said, "Today marks our first meeting in person after more than three years of the global pandemic."

"We are honored to welcome so many of our friends from all over the world to Hanoi. Many of them are on their first visit back to Vietnam since the pandemic began," he added. Mr. Sitkoff also commended the leaders of the Vietnamese Government for enabling international tourism in Vietnam.

After the Hanoi visit, CEOs spent their weekend in Hue City, visiting cultural sites and meeting with provincial officials as part of AmCham Hanoi's program. This program aimed to introduce American investors to different regions of Vietnam. **T.N**

Japan Provides Vietnam with ¥18,871 Mln ODA Loan for Responding to Disasters

The Japan International Cooperation Agency (JICA) recently signed a loan agreement with the Vietnamese government to provide a Japanese ODA loan of up to ¥18,871 million for the Project for Disaster and Climate Change Countermeasure using Earth Observation Satellite.

This project will enhance Vietnam's risk reduction for and response to disasters and climate change by providing the financing to procure an earth observation satellite, equipment, and related facilities for satellite development. It will also promote the utilization of data acquired from the satellite, and develop the capabilities of related personnel in Vietnam to operate and maintain the facilities and equipment, thereby contributing to improving living and social conditions in Vietnam.

This project will contribute to the achievement of Sustainable Development Goals and Goal 13 (Climate Action).

For the overall project, funds of ¥7,227 million were allocated under the first loan in November 2011. The present loan is secondary to the afore-mentioned loan.

This project allows for the application of Japanese technology under Special Terms for Economic Partnership (STEP), including quick delivery of small, cost-efficient, and high-performance synthetic aperture radar to be utilized in the satellite procured under this project. **G.Tu**

Continued Improvement of Investment

Foreign direct investment (FDI) enterprises highly appreciate positive improvements in the Vietnamese investment environment such as easing burdens of inspection and examination and positive changes in administrative procedure reforms.

However, Vietnam still needs to work harder to further reform the business investment environment to be an attractive destination for FDI flows.

The survey of foreign-invested enterprises in 2021 conducted by the Vietnam Chamber of Commerce and Industry (VCCI), a part of the business survey for the Provincial Competitiveness Index (PCI), showed that, despite being negatively impacted by the COVID-19 pandemic, Vietnam continues to be an attractive destination for foreign investors. In 2021, FDI inflows to Vietnam rose 9.2% year on year to US\$31.15 billion.

Optimistic business prospects

The 2021 survey showed that 47.7% of FDI firms planned to expand operations in Vietnam, significantly higher in 2020 when only 40.8% planned this for the next two years. The renewed optimism of FDI enterprises was observed in most industries, both export-oriented and domestic.

According to the report, among the 22 provinces where the survey was administered, three in the Red River Delta had the highest share of firms planning to expand: Ha Nam (65.4%), Quang Ninh (65%) and Hai Phong (60%).

The two others in the top five on this list were the northern mountainous province of Thai Nguyen (59.3%) and Bac Giang (58.1%). It is noteworthy that some provinces with a large concentration of foreign firms reported a below-average share of firms planning to expand, including Ha Noi (46.1%), Binh Duong (45.9%), HCMC (44.6%) and Bac Ninh (44.1%). Some provinces recorded rates of planned FIE expansion significantly lower than the national average, including Binh Phuoc (21.4%) and Da Nang (34.4%).

In addition, the COVID-19 pandemic changed the customer structure of FDI enterprises in 2021. The proportion of customers in Vietnam and exports to the country of origin decreased while there was a significant increase in the share of exports to third countries. According to the survey, the majority of FDI firms exported back to countries of origin (27.3%) or to third countries (31.2%).

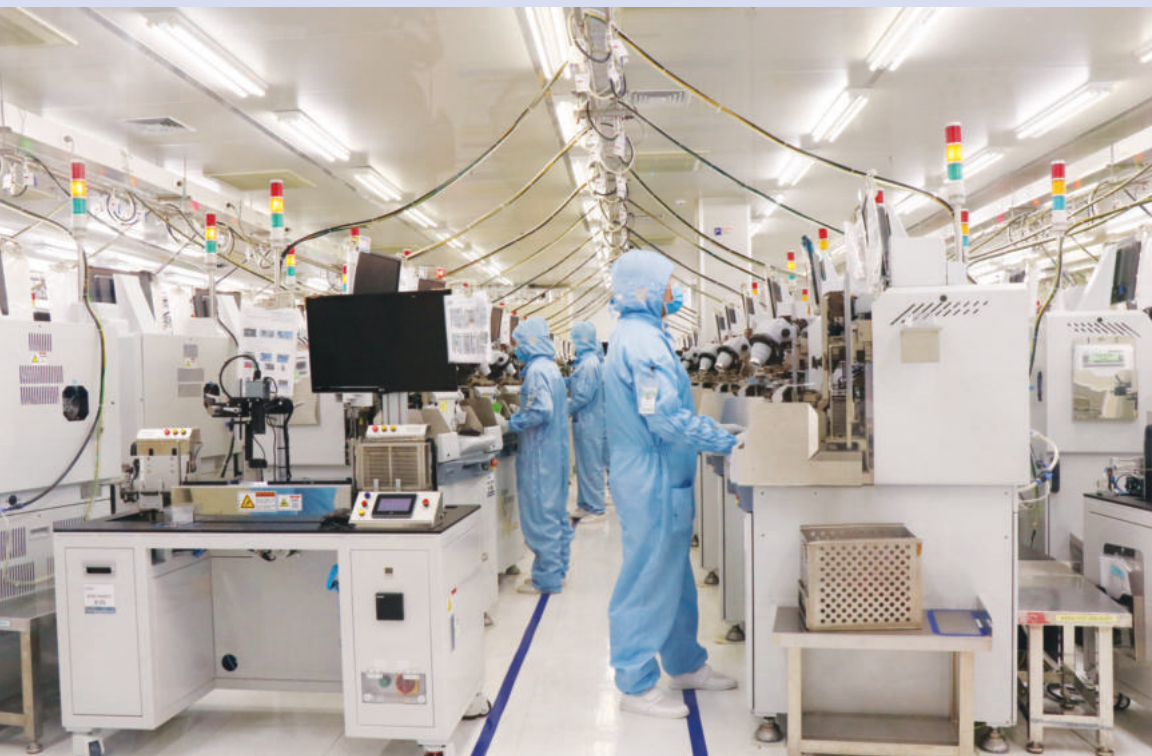
The share of FDI firms supplying State-owned

enterprises (SOEs) in Vietnam declined significantly from 9.2% in 2020 to 5.2% in 2021. The main customers of FDI firms are still other FDI firms in Vietnam, accounting for 48.4% in the face of a certain decrease from the previous year.

About 32.8% and 13.1% of FDI companies supply their products and services to domestic private enterprises and Vietnamese consumers, respectively.

Obstacles

Foreign investors reported mixed experiences with the regulatory burden in 2021. The median number of inspections



Production line of ITM Semiconductor Vietnam Co., Ltd at VSIP Bac Ninh

Environment to Lure FDI Inflows

dropped to zero in 2021, down from one visit in 2020 and two visits in 2019. The share of firms undergoing harassment (five inspection visits or more) drastically declined from 6.3% in 2020 to just 3.2% in 2021. These remarkable improvements likely resulted from the Vietnamese government's Resolution 01/NQ-CP, dated 1 January 2021, on the key tasks and solutions to implement the socioeconomic plan and estimated state budget.

However, in 2021, when the pandemic developed complicatedly, companies were hard hit due to different understanding and interpretation of pandemic prevention and control regulations from locality to locality.

This caused many companies to incur an increased burden of compliance costs even though the central government always advocated effective adoption of the "dual goals" of pandemic prevention and socioeconomic development.

The share of firms spending more than 5% of executives' time to ensure bureaucratic compliance leaped sharply from 32.9% in the previous year to 60.6%. The median time for export clearance increased from one day in 2020 to two days in 2021. Similarly, the median number of days for imports to clear customs rose significantly from 2 days in prior years to 3 days in 2021.

While some areas saw easing administrative procedures, others were still exposed to more problems in 2021 than in 2020. Businesses struggled with such procedures as obtaining construction permits (36.9%), securing appraisal of fire prevention and firefighting (36.4%), writing environmental impact assessment reports or getting approval of environmental protection plans (35.7%), and decision on investment policy (28%).

The burden of informal costs tended to decrease but 1.7% of firms still reported paying more than 10% of business revenue in bribes in 2021, marginally increasing from 1.2% the preceding year.

Similarly, 5% of firms in 2021 spent five to ten percent of revenue to pay informal charges while only 2.1% did so in 2020. These findings indicate the continued necessity of the administration's stronger commitment to combating corruption.

Specifically, the report showed that informal costs incurred by FDI firms were involved in import and export procedures (38.9%) and inspection (25.4%).

Notably, up to 21.1% of FDI firms had to pay informal charges for land procedures, a sharp increase compared to 10.3% in 2020. Pessimistically, according to the survey, 60.4% of respondents said that the work was solved as expected after paying informal charges.

Another difficulty faced by FDI companies was underestimated worker quality. Only 15% said that local workers are completely satisfied, 37% said that the quality of



Despite being hard hit by the COVID-19 pandemic, Vietnam continues to be an attractive destination for foreign investors

labor is acceptable and about 5% reported that it fails to meet employment demands.■

Despite making many improvements, Vietnam still needs to focus on reforming administrative procedures that are relatively troublesome for businesses, particularly relating to example, tax, fire prevention, import and export, investment registration and social insurance.

Vietnam also needs to create more favorable conditions for businesses to carry out procedures for investment projects with constructions: Building permits, fire prevention, and environmental impact assessment.

The fight against corruption and bad deeds should be further intensified, especially in some areas such as import and export, inspection, court proceedings and land administration. Infrastructure quality also needs to be further improved in the coming time. The quality of human resources needs to be further enhanced to ensure labor supply. These are also expectations of FDI enterprises for localities.

VCCI's survey continued to reflect the fact that a majority of FDI firms are still small and medium in size, showing that many foreign investors are aiming to become satellites for large ones in Vietnam.

The survey also recorded declining rates of FDI firms using three groups of domestic suppliers in 2021 as compared to 2020 and 2019. This signal showed that domestic companies are struggling to take part in supply chains led by FDI firms in Vietnam.

Therefore, Vietnam needs to have more effective policies to facilitate domestic enterprises to integrate into global value chains as well as to take advantage of opportunities to connect with FDI firms to access modern technology and governance.

For an Efficient and Sustainable Corporate Bond Market



VCCI Vice President Hoang Quang Phong delivers a speech at the corporate bond market conference

With strong development in the past few years, the corporate bond market has been playing an increasingly important role in the capital market structure, meeting the medium and long-term capital needs of enterprises. However, in the first three months of 2022, the corporate bond market showed signs of cooling down because of several new policies, reducing opportunities for businesses to access capital, thereby hindering their recovery, and slowing down the national program on socio-economic development recovery 2022-2023.

QUYNH ANH

Strong growth and many potential risks

According to Mr. Hoang Quang Phong, Vice President of Vietnam Chamber of Commerce and Industry (VCCI), in the last five years, the Vietnamese corporate bond market has enjoyed an average growth rate of 46%/year. Despite such a growth rate, the size of Vietnam's bond market only accounts for about 15% of GDP, much lower than that of other countries in the region, such as Malaysia (56% of GDP), Singapore (38% of GDP) and Thailand (25% of GDP).

According to the report by the National Assembly's Finance Committee, in 2021, the total value of corporate bonds issued reached VND720 trillion, an increase of 52.5% compared to 2020. This is also the year of applying the latest

regulations on corporate bonds, specifically Decree 153/2020/NQ-CP on private placement of corporate bonds in the domestic market and the offering of corporate bonds to international markets (The decree took effect from January 1, 2021). Therefore, 2021 was also a booming year for the privately issued corporate bond market; in which, finance-banking was the leading industry group, accounting for 42% of total issuance value; the real estate industry accounted for 34.8%, up 36.2% compared to 2020.

Dr. Can Van Luc, a finance-banking expert, said that the Vietnamese corporate bond market had great potential. According to the Financial Strategy to 2030, outstanding bond loans should reach 47% of GDP by 2025 (of which, corporate bonds will reach 20% of GDP)

and 58% of GDP by 2030 (of which, corporate bonds will reach 25% of GDP). Moreover, Vietnam's macroeconomic prospects are still assessed well, with a growth target of 6.5-7% by 2030 (according to the 13th National Congress).

Vietnam has a great need for infrastructure investment, so it needs medium and long-term capital (in addition to bank credit capital, from now to 2030, Vietnam needs to mobilize VND700 to 1,000 trillion per year in medium and long-term capital), and the corporate bond market is a high potential capital mobilization channel.

However, the reality shows that the "hot" growth of the corporate bond market comes with certain risks and vulnerabilities that may appear in the market.

On April 11, 2022, the Prime Minister issued Official Dispatch 311/CD-TTg on measures to stabilize the stock market and corporate bond market with the requirements of relevant agencies to correct and stabilize the operation of the corporate bond market, ensuring the market's safe, efficient, and transparent operation. In Official Dispatch 304/CD-TTg dated 7/4/2022 on rectification of corporate bond market activities and land use right auction, the issue of controlling the corporate bond market was also drastically directed.

The Ministry of Finance has continuously requested functional agencies in the financial sector to strengthen inspection and supervision, in order to correct and strictly handle violations in the issuance and provision of services on corporate bonds. The 5th draft amending Decree 153 aimed at completing the legal corridor for the corporate bond market.

However, measures, warnings and forecasts about risks and new regulatory possibilities also set new requirements for the corporate bond market, including both the issuer side and the investor side. Investors, businesses, and experts are all worried about policies that may be too tight, leveled, causing difficulties for businesses. If the bond market is not protected and developed, businesses will face disadvantage because of the lack of an important capital mobilization channel.

Protecting investors is legitimate, but at the same time, it can cause investors to lose investment opportunities and slow down Vietnam's capital market.

How to make the market healthy?

According to Dr. Can Van Luc, the commercial banking system is overwhelmed in providing long-term loans. Therefore, the channel to raise capital through the bond market is extremely important, the problem is how to regulate the corporate bond market for healthier development.

To make the market healthy, according to Dr. Luc, it is necessary to both develop the market and control the risks. In the immediate future, it is necessary to completely solve the existing difficulties to strengthen investor confidence as well as avoid creating a bad precedent. It is also necessary to soon complete the appropriate legal framework, soon amend Decree 153/2020/ND-CP on private placement of corporate bonds, Decree 156/2020 on sanctioning of administrative violations in the securities sector; Reviewing the Securities Law 2019, in which professional investor standards should be raised. In particular, it is necessary to consider the appropriate level of regulation on collateral, underwriting and distribution of bonds.

In addition, Mr. Luc said that there should be regulations on credit rating to help investors easily determine the quality of the business and the level of risk of the issued bonds. Accordingly, it is necessary to identify the mandatory cases, the cases where the credit rating is encouraged; There should be regulations to ensure that credit rating companies have sufficient professional capacity and ethics, etc.

In addition, there should be solutions to increase the quality of corporate bonds. It is necessary to consider more specific regulations on the size, frequency and conditions of issuance; support and facilitate public issuance activities (simplifying the process, and shortening the time to process documents); improve the infrastructure of the corporate bond market, such as establishing a centralized secondary market for corporate bonds, and stipulating the application of international accounting standards; and upgrade information technology infrastructure, database. We should also continue to develop the Government bond market as a rating standard for corporate bonds.

According to Mr. Luc, it is necessary to develop a diversified and professional stock investor base; encourage the development of investment funds, open-ended funds, and pension funds; encourage investment entrustment; improve the transparency of information for investors, and offer products suitable for individual investors. In particular, it is necessary to improve the mechanism and the quality of management and supervision of the corporate bond market, and strengthen inspection and supervision.

The standard of bond issuers is not high

Mr. DAU ANH TUAN

DEPUTY SECRETARY GENERAL, DIRECTOR OF
LEGAL DEPARTMENT OF VCCI

Regarding the individual bond market, the total private issuance volume in 2021 was VND605 trillion, up 38.8% compared to 2020. In the first quarter of 2022, the volume of credit bonds issued by private sectors continued to increase to VND105.5 trillion. Over VND5 trillion of corporate bonds were sold to the public. Credit institutions were the largest issuers, accounting for 36.2%, and real estate businesses accounted for 33.26% of the total issuance volume.

However, while the corporate bond market grows rapidly, it incurs many risks; the standards of issuers are not high; and the financial situation of some issuers is still limited. Many bond investors are only interested in interest rates rather than getting to know the capacity of the insurer.

There has been a situation where the issuer uses capital inconsistently with its announced information. Professional investors (insurance companies, investment funds, pension funds) have not played a dominant role in the individual bond market.

Using capital by issuing bonds is not necessarily rigid

Mr. LE HOANG CHAU

CHAIRMAN OF HCM CITY REAL ESTATE
ASSOCIATION

Implementing a corporate credit rating organization is very important and it is necessary to have a roadmap to enforce credit rating for corporate bonds. By doing so, not only can we control information provision of issuers and market transparency, but also reduce risks for investors, and promote the participation of resources from corporate bond issuance.

Besides, the use of capital from bond issuance is not necessarily rigid, for the specific purpose of the project given when issuing the bond. Because the implementation progress of a project can last from 3-5 years, it is necessary to thoroughly understand the issue of using capital after issuing





corporate bonds. When an enterprise meets the standards of Vietnamese and international enterprises, investors and public agencies only need to base on the enterprise's accounting statement to understand the capital use mechanism from corporate bond issuance.

It is recommended that agencies continue to consider amending and supplementing Decree 153/2020/ND-CP in the direction of increasing transparency to reduce risks for investors, increase the responsibility of issuers and increase the supervisory role of management agencies and corporate credit rating units.

It is necessary to improve power for management agencies

Dr. NGUYEN TRI HIEU

BANKING AND FINANCE EXPERT

The corporate bond market in Vietnam is going through a difficult period, and investor confidence has fluctuated because of recent incidents. Although the market has not yet fallen into a crisis, the incidents have proved that the market needs a strong correction and reform.

The private market will grow stronger than the public issue market, but it is a riskier market because the regulations on issuance are not as strict as that of the public issue market. Therefore, Vietnam needs to improve the control capacity and power of the market management agencies and state audits in performing the obligations of market management and control.

Many people are concerned that the tightening of the market by regulatory agencies will hamper market development. In my opinion, effective market control will be the premise for sustainable development in the future. Of course, it will create difficulties for the market, but it will

restore confidence in the market.

In addition, it is necessary to establish a separate office under the Ministry of Finance on credit rating to supervise the credit rating companies, to control compliance with regulations on credit rating, and the conflict-of-interest cases between members of the rating company and the rated bonds.

It is necessary to analyze according to the characteristics of each industry

Mr. PHAM XUAN HOE

FORMER DEPUTY DIRECTOR OF THE INSTITUTE OF STRATEGY, STATE BANK OF VIETNAM

After the recent "controversial" cases in the financial market, the views on the corporate bond market are shifting from the extremes of openness to strict management. That is not reasonable with market principles and if it continues like this, it will be difficult for Vietnam to have a healthy bond market, or reach the target of 20% of GDP. Therefore, the overall approach of the market must be very open, following the principles of the market economy, in order to balance capital between the long-term and short-term markets, and balance risk and market development.

Notably, the Draft amending and supplementing Decree 153 mentions that the enterprise's debt limit should not exceed three times the equity, but that approach is not appropriate. Previously, the International Monetary Fund or the World Bank recommended the overall level of debt to businesses, including bonds, stocks, and loans from other organizations, that each type of enterprises will have a different debt ratio. For example, the commercial sector is financed by 70% capital and 30% is equity, while the industrial sector 50-50%. Thus, we must analyze according to the specific industry to limit the debt ratio.

JICA Supports Vietnam to Apply Int'l Financial Reporting Standards

The Accounting and Auditing Supervisory Department (AASD) under the Ministry of Finance (MOF) and the Japan International Cooperation Agency (JICA) recently organized the second workshop on International Financial Reporting Standards (IFRS) application in Vietnam, to support related entities from the very beginning steps of IFRS application process, with the participation of the consulting partner Deloitte.

The event follows the success of the first joint workshop on "IFRS conversion - The golden time for businesses to breakthrough". This is under the Project for "Promotion of Application of IFRS in Vietnam" jointly implemented by the AASD under MOF and JICA. The project is funded by the Government of Japan through JICA.

The important contents of the workshop are shared by Deloitte experts from Japan and Vietnam, including the introduction of the differences between rule-based and principal-based; between VAS and IFRS, and the first-time adoption of IFRS. This workshop also opens the

forum for participants to discuss concerns and difficulties as well as find ways in the IFRS application journey.

This workshop is believed to help stakeholders in public, private, and academic fields in Vietnam to deepen their understanding of the differences between VAS and IFRS, as well as accelerate exchanging opinions on the IFRS application roadmap.

Mr. Vu Duc Chinh, Head of the AASD, said: "We highly appreciate consultancy from Deloitte Japan and Vietnam in bringing relevant plans and proposals to implement necessary activities. Along with the sharing of consultants on differences among those systems, through the feedback of organizations and individuals attending the forum, it is certain that problems in implementation will be analyzed and the most basic way to deal with it could be found. With the experience of a country like Japan that has implemented IFRS under flexible improvisation options, we hope that the consultant will give valuable recommendations on appropriate scope, targeted entities, roadmap, etc. which are in line with Vietnam's conditions and practices in the coming period, ensuring efficiency and feasibility."

Giang Tu



Impressive Growth in Seafood Exports

The seafood industry's export orders worth billions of USD in the second quarter have been filled, promising an unprecedented acceleration in the coming time.

HUONG LY

Spectacular increase

After two years of being affected by the COVID-19 pandemic, the demand in the markets has recovered and exploded strongly while the seafood supply in the markets is not enough and price has increased. The conflict between Russia and Ukraine has made the global seafood supply more unstable. In that context, Vietnamese seafood enterprises have seized "golden opportunities" to sign contracts with much higher prices compared to the same period last year.

According to the Vietnam Association of Seafood Exporters and Producers (VASEP), seafood businesses are very confident with long-term orders in large quantities. Seafood exports in the second quarter are growing strongly and are forecast to reach US\$3 billion - a record milestone in quarterly export value of Vietnam's seafood. Mr. Tran Dinh Luan, Director of the General Department of Fisheries, forecast that the target of exporting US\$9 billion of seafood in 2022 is feasible.

Data from VASEP shows that Vietnam's seafood exports in April reached US\$1.13 billion (up 50.6% over the same period last year), bringing the total export value in the first four months of the year to more than US\$3 billion (up to 46.8%).

Specifically, with shrimp, exports in April reached US\$406 million, bringing the export value of four months to US\$1.36 billion (up 41.5% over the same period last year). It is expected that shrimp export output will increase even more in the second quarter when officially entering the harvest season with the largest output of the year, lasting until the end of the third quarter.

Pangasius exports in the first four months of the year reached US\$950 million (up 94%), nearly double compared to the same period last year. Many pangasius markets are growing spectacularly such as China (up 161%); the U.S. (128%) and Canada (69%). The U.S. and China are the key markets, which are decisive for maintaining the growth rate of seafood exports in the coming months.

In the U.S. market, the decrease in U.S. catfish production, high inflation and anti-dumping tax in the 17th administrative review of anti-dumping tax (POR17) have benefitted many pangasius businesses. The number of pangasius enterprises allowed to export to the U.S. has increased and the average export price of pangasius to the U.S. has peaked. Those are the main factors that made pangasius exports to the U.S. in the first four months of this year increase dramatically, reaching US\$232 million, up 128%.

As for the Chinese market, there is a shortage of seafood supply for export processing and domestic consumption, so the demand is forecast to be very large. According to Ms. Le Hang, China's "Zero Covid" policy has not had much impact on Vietnamese seafood exports because businesses have adapted to this in the past two years. Seafood exports to China in the first four months of the year reached US\$578 million, with pangasius products accounting for 53% of seafood exports to this market.

Exports to the European market are also rising impressively as consumer demand increases due to competitive pangasius prices, and can fill the gap in some products that are in short supply from Russia.

Potential risk of costly input

Although export orders are abundant, production activities recover, and labor is stable, the main manufacturing industries are struggling in a "price storm" due to the sharp increase in input costs. The cause is due to the double impact of the pandemic and the Russian-Ukrainian conflict. In China, the "Zero Covid" policy caused Chinese ports to be congested, and the supply chain slowed down, pushing freight rates to remain high.

According to the Import-Export Department, Ministry of Industry and Trade, sea freight rates continuously set new peaks, increasing by 4-6 times and showing no sign of cooling down. Specifically, sea freight to the U.S. from US\$3,000/container before the COVID-19 pandemic has now increased to US\$13,000-14,000/container to the West Coast, and to the East Coast US\$17,000/container.

Input costs from raw materials, feed, and packaging have all increased, combined with high sea logistics costs, which is the biggest challenge for most businesses. Although costs increase, it is difficult for businesses to raise prices because they have signed export contracts in advance. According to experts, businesses need to be careful of the "price storm" as revenue may grow strongly but net profit may decrease due to high costs. ■



The net profit margin of commercial banks increased by more than 39% in 2021

Financial Markets Remain Resilient Thanks to Solid Economic Fundamentals

According to Mr. Andrew Jeffries, ADB's Country Director for Vietnam, despite difficulties and challenges from the pandemic, Vietnam's financial market still maintains resilience in 2021 and 2022 thanks to the strong economic foundation. However, risks are emerging in financial markets. Nonperforming loans are expected to increase rapidly when some regulatory policies expire. Recent frauds in the corporate bond market highlight shortcomings in corporate governance and legal loopholes.

QUYNH CHI



Vietnam's economy is expected to recover strongly in 2022 and is expected to grow even higher in 2023.

However, the global economic and geopolitical context is riskier and more complicated. Higher prices of goods and services, especially rising global oil prices, disruption of global value chains and rapid contraction of fiscal and monetary policies of developed economies have increased inflationary pressures, slowing the global economic recovery and increasing financial-monetary risks.

In that context, Vietnam's financial market maintained its growth momentum thanks to a stable macro-economy. The net profit margin of commercial banks increased by more than 39% in 2021 compared to 2020. The capitalization of the stock market increased by 48% in 2021 compared to 2020. The insurance market also grew, up 19% in 2021 compared to 14% growth in 2020.

According to Report "Vietnam's financial market 2021 and prospects for 2022" by the Institute for Training & Research - Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV) and the Asian Development Bank (ADB), in 2022, the world economy is forecast to continue to recover, but it will be

slower (growth of 3.2-3.6%) due to complicated disease developments, the Russia-Ukraine conflict along with sanctions will continue to disrupt the supply chain, push prices of goods and services higher and prompt global inflation (from 3.8% in 2021, possibly to 6% in 2022), forcing countries to officially shrink their main monetary and fiscal policies, raising interest rates, slowing the recovery momentum and increasing financial-monetary risks. The stock market has adjusted down (from the beginning of the year until now, the global stock index - MSCI ACWI has decreased by 13%), towards more stability.

For Vietnam, the report said with the process of opening the economy, sticking to the strategy of "safe coexistence with COVID-19", the country has adopted many solutions to minimize the negative impacts of the Russia-Ukraine conflict and control the inflation, along with the implementation of the program of socio-economic recovery and development 2022-2023. Vietnam's economy is forecast to recover better in 2022, likely to achieve 5.5-6% (base scenario) and higher in

2023. However, inflation is forecast to increase quite strongly, possibly to 3.8-4.2% in 2022 and 4% in 2023.

In that context, Vietnam's financial market in 2022 will also benefit from this recovery, but there will also be downward corrections along with the general momentum of world stocks, along with the impact of policies to correct the market by the Government and the authorities, the market is expected to develop stably, healthily and sustainably.

As for the banking market, according to the report, the profit of the whole industry is expected to grow by an average of 20-25% compared to 2021 with credit growth expected at 14-15%. Institutional improvement (including bad debt settlement mechanism, new business model management), coordination of policies to control macro stability (inflation, exchange rate, interest rate), capital increase, digital transformation and implementation of the recovery program of the banking system will continue to be focused on.

The stock market is forecast to have necessary adjustments, and become more stable and healthier, with the VNIndex possibly increasing slightly (+8% to 1,610 points, according to the positive scenario) or decreasing slightly (-4% to 1,440 points, according to the negative scenario). Government bond issuance volume is expected to remain unchanged compared to 2021 due to the lower maturity scale of government bonds compared to previous years, contributing to reducing the pressure of issuing more government bonds to restructure public debt. The corporate bond market is forecast to continue to develop in a more transparent and healthy direction when regulations are issued in a stricter direction along with enhanced management and supervision to reduce risks. Meanwhile, the insurance market is forecast to maintain its growth momentum, with premium revenue increasing by about 18-20%, of which life insurance acts as the main driver of growth. Along with that, the process of institutional improvement, digital transformation and green finance is promoted. Systematic risks (especially the spillover between banking - securities - insurance - real estate) are forecast to be under control, which is also a necessary step to stabilize and healthy the market.

Dr. Can Van Luc, BIDV's chief economist and director of the BIDV Training and Research Institute, said that the risks of the financial market in Vietnam come from both objective and subjective factors (adjustment, speculation, leverage, crowd psychology). However, there is still plenty of room and opportunity to develop a safer and more sustainable market. The process of ensuring market health is necessary, but the approach should be "maintaining development, but still controlling risks".

According to many experts, in order for the financial market to develop safely and sustainably in the coming time, it is necessary to create conditions for credit institutions to increase capital; improve the legal framework and policies related to bad debt settlement, ensure healthy stock market, corporate bond market; strengthen risk management of the financial system; accelerate the building of institutions and legal corridors for the management and development of the digital economy, finance - digital banking; encourage the development of green finance such as green credit, green bonds. ■

CREATING MOST FAVORABLE CONDITIONS FOR BUSINESS COMMUNITY

The Customs Development Strategy to 2030 was approved by Deputy Prime Minister Le Minh Khai under Decision 628/QĐ-TTg dated May 20, 2022.

HIEN LE

The overall objective of the Vietnam Customs Development Strategy to 2030 is to build a modern Vietnam Customs on par with that of developed countries in the world, leading in the

implementation of the Digital Government, with the models of Digital Customs and Smart Customs. The service quality will be improved to serve people and businesses in carrying out customs procedures and managing customs. The tax collection will be managed to ensure effective import and export activities. It is important to facilitate cross-border legal trade, tourism and transportation, to create a transparent and fair import and export environment, thus contributing to improving national competitiveness. It is essential to prevent and combat smuggling, trade fraud and illegal cross-border transportation of goods, thereby contributing to ensuring social security and safety and protecting national interests and sovereignty.

According to Decision 628 of the Prime Minister, the Customs Development Strategy to 2030 has set out the requirements and development perspectives of Vietnam Customs.

That is, the development of Customs must ensure the leadership of the Party and the management of the State; complying with the provisions of the law; ensuring synchronization and in line with the country's socio-economic development orientation and the State administrative reform program; according to international standards and practices on Customs development; implementation of international commitments to which Vietnam is a member.

At the same time, it is important to develop customs to facilitate trade activities, effectively combat smuggling and trade fraud; fully and comprehensively implement international commitments on import-export tax, customs and trade facilitation that Vietnam has signed; effectively respond to changes related to trade remedies in the context of increasing protectionism trends; improve the effectiveness and efficiency of the State management of customs and contribute to improving the national competitiveness.

It will develop customs by inheriting, developing the reform and modernization achievements that have been achieved, promoting the application of scientific achievements of the fourth industrial revolution, and continuing to comprehensively modernize the State management of Customs.



Building a modern Vietnam Customs, on par with that of developed countries is among the top objectives in the Customs Development Strategy to 2030

It will take reform and modernization as the basis, modernizing the customs management model as the focus, promoting the implementation of digital transformation in the customs industry as the foundation for the development of customs in the new period.

It will aim toward the goal of 100% of customs procedures to be digitized and carried out electronically; 95% of the documents in the customs will be converted to digital data (5% will be in special records such as confidential records, records used when the system has problems); 100% of basic customs control records will be converted to electronic data, moving toward digitization. Regarding tax management, tax debt management will be completely performed electronically by modern management methods.

The Customs Development Strategy to 2030 also sets seven goals for Vietnam Customs. In particular, the highlight is building a centralized, intelligently integrated customs information technology system to ensure the requirements of system information security, with a digital platform, it will be in line with the e-Government design, Digital government, international standards, ensuring strong application of scientific and technological achievements of the fourth industrial revolution. It will focus on building a system of modern infrastructure, machinery and equipment to meet the requirements of State management of customs in the new situation, implementing the National Single Window, the ASEAN Single Window, connecting with Vietnam's trading partners in order to maximize the centralization of handling administrative procedures, connection, exchange and sharing of information between customs authorities and ministries, sectors and functional agencies which are subordinate units and under the ministries, sectors and State management agencies at the border gate and relevant units participating in the supply chain to meet the requirements of comprehensive State management of customs from the beginning to the ending phase of export, import and transit of goods; exit, entry and transit of transport means. ■

Sharp Increase in ASEAN Sugar Imports

Sugar imports showed signs of unusual development as shipments from ASEAN countries with similar or lower levels than Vietnam soared in the first quarter of 2022 (from 187,251 tons to 391,468 tons, or a growth of 109%, according to data from the General Department of Vietnam Customs. The Vietnam Sugar and Sugarcane Association said this did not result from competitiveness but from the benefits of ASEAN Trade in Goods Agreement (ATIGA) with a preferential duty of 5%.

LE HIEN

The sharp increase in imported sugar coupled with fraudulent trade across the Southwest border flooded the market due to ineffective management measures and resumed sugar production and weak demand in the wake of the post-COVID-19 recovery resulting in oversupply, pulling the market price of sugar below production cost and causing growing inventories.

According to a report released by the Vietnam Sugar and Sugarcane Association, cheaper sugar smuggled and sugar imported from ASEAN countries overwhelmingly flooded the market in the second half of April 2022. The output deadlock is seriously threatening sugarcane supply chains and price hikes of agricultural inputs are challenging Vietnam's sugar industry.

Thai sugar export to Cambodia and Laos (according to export data announced by Thailand) soared sharply in the first quarter of 2022, said the report. Specifically, Cambodia imported 163,821 tons of sugar from Thailand, up 25% year on year, while Laos imported 112,251 tons, up 172%. Laos' import volume of Thai sugar in the first three months of 2022 was almost equal to the amount in the whole year of 2021.

"According to the data on sugar import in the first quarter of 2022 released by the General Department of Customs, Vietnam officially imported 57,310 tons of sugar from Cambodia and 68,988 tons from Laos, accounting for less than 50% of their imports from Thailand, while most of the remaining sugar was reportedly smuggled into Vietnam

at the same time. This explained rampant smuggling of Thai sugar into the Vietnamese free sugar market," said the association.

The captured volume was tiny relative to the smuggled volume because Thai and Cambodian sugar (actually Thai sugar packed in Cambodia) appeared to be cheaper than Vietnamese one, it noted. The sugar is packed in 12-kg and 1-kg packages.

A representative from the General Department of Vietnam Customs said, although the market watchdog has taken various activities to prevent commercial fraud, the boom in smuggled sugar since late December 2021 showed ineffective actions taken by authorities and loopholes exploited by smugglers. ■



No Tax Loss with Imported Gift Cars



Press conference on management of cars imported under gift scheme

Customs authorities affirmed that there is no tax loss on vehicles imported into Vietnam in the form of gifts.

HIEN LE

That confirmation was addressed by customs authorities in the press conference to this effect on May 25. Right after Deputy Prime Minister Le Minh Khai asked the Ministry of Public Security and the Ministry of Finance to verify that poor households were reportedly presented with supercars from abroad. Shell companies disappeared from their registered addresses as soon as vehicles were cleared from ports.

At the press conference, Mr. Au Anh Tuan, Director of Customs Supervision and Administration, affirmed: “Customs authorities will strictly handle violations in licensing, there will be no cover-ups”, adding that no tax loss has occurred to the State Budget from imported gift cars. A total of more than VND12,600 billion of tax was collected from imported gift cars since 2016. In addition to import and export duty, special consumption tax, and value-added tax, importers are also subject to extraordinary income tax.

Mr. Tran Bang Toan, Deputy Director of the Import-

Export Tax Department under the General Department of Vietnam Customs, added that, importers declared more than 1,000 gift cars valued at VND3,300 billion from the beginning of 2021 to the end of the first quarter of 2022.

However, after conducting probes, customs authorities determined the payable tax would be VND4,745 billion, claiming back more than VND1,400 billion for the State Budget.

Currently, no tax incentives are applied to imported gift cars, with commercial cars

imported by domestic firms. No companies have ever reported inequality between these two types of imports. The volume of imported gift cars accounted for less than 1% of total imported cars of fewer than nine seats in the last five years. About 1,000 gift cars were imported into Vietnam every year in the 2016-2017 period. The figure declined to 213 vehicles in 2019 and to 480 in 2020. However, it jumped to 795 units in 2021 and 160 units in the first five months of 2022.

According to Circular 143, each organization or individual in Vietnam is allowed to import a vehicle as a gift from a foreign country a year (not for commercial purposes) if it proves its relationship with a foreign partner. After showing import and export declarations, payment documents, contracts and emails, the vehicles are cleared and recipients can use or transfer such gift vehicles. But according to Decree 116, only companies that have automobile warranty and maintenance facilities or have a lease contract signed by an enterprise and belong to a system of authorized dealers are eligible for importing cars for selling.

While affirming no tax loss, Mr. Au Anh Tuan said that the General Department of Customs proposed amending Circular 143 to end its responsibility for licensing imported gift cars because this authority is given to specialized ministries such as the Ministry of Industry and Trade, while the Ministry of Transport provides management measures on quality standards. ■



Hai Phong Customs: Trade Value Tops US\$10Mln/Month for First Time

The Hai Phong Customs Department processed customs procedures for US\$10.036 billion of exports and imports in April, for the first time exceeding the US\$10-billion level a month. Of the sum, exports accounted for nearly US\$4.95 billion, up 27.5% year on year. Taxable exports are valued at US\$46.59 million, up 98.7%.

Imports were worth nearly US\$5.1 billion in the month, up 12.1% over April 2021, and taxable imports reached US\$2.18 billion, up 26.5%.

Well-performing exports included automobiles that brought home US\$105.98 million, up 0.6% year on year; auto parts and components (US\$84.12 million, up 21.0%); motorcycle parts and accessories (US\$1.88 million, up 0.4%); gasoline (US\$75.31 million, up 7.4%); beer and wine (US\$1.25 million, up 12.8%); iron and steel (US\$368.40 million, up 40.5%); and cosmetics (US\$920,000, up 27.8%).

Thus, April was the first month of this year that the trade value surpassed US\$10 billion at Hai Phong Customs Department. The value in January, February and March was US\$9.54 billion, more than US\$7.6 billion and US\$9.993 billion, respectively.

100% Customs Documents to Be Digitized

The customs sector is determined to complete building smart customs by 2030, according to the Customs Digital Transformation Plan to 2025 and further to 2030.

The sector will also achieve other important goals to move towards smart customs: All customs documents will be digitized; all key international ports and border gates will be installed with automatic cargo monitoring and management systems, equipped with a cargo and baggage scanning system, a camera surveillance system and customs supporting devices. Results, images, and information are transmitted directly to centralized customs processing centers and shared with relevant ministries, branches, and units at the border gate.

All high-risk commodities transported by containers are subject to customs supervision, monitored by modern technical means, and their data is connected to centralized customs processing centers.

All overland border gates are installed with pre-declared export and import information reception and processing systems before transport means cross border gates. All prioritized enterprises, export processors, outsourcers and export manufacturers connect and share production management data with customs authorities.

The sector will improve the effectiveness of tax debt management. 100% of importers and exporters with tax debts will be automatically monitored and updated on the customs electronic system. 100% of customs control records are digitized.

At least 95% of companies are satisfied with customs administrative procedures, including access to and settlement of customs administrative procedures, as well as service of customs officers.

Hien Le

Over 1,600 Export Processors Complete Customs Monitoring Conditions

As many as 1,607 out of 1,676 export processing companies completed conditions for customs inspection and supervision as of April 25, 2022, the deadline for completing conditions for customs inspection and supervision by export processors established prior to the enforcement of Decree 18/2021/ND-CP, which took effect on April 25, 2021, according to the latest statistical report released on May 23 by the General Department of Vietnam Customs.

Provincial/municipal customs authorities have actively coordinated with, supported and guided companies to fulfill conditions for customs inspection and supervision. By May 12, nine more export processors were qualified for customs inspection and supervision conditions.

According to the General Department of Vietnam Customs, among the unqualified export processors, 40 face prosecution, operational suspension, pending dissolution, relocation of business and conversion to non-export processors; 11 were newly established export processors and are building factories; one is producing software and has no import-export activity; and 17 cannot complete inspection and supervision conditions due to objective reasons.

Currently, eight export processors are still improving customs inspection and supervision conditions due to financial shortages, current factory situations or some other objective reasons.

HCM City Customs Clears US\$53 Bln of Goods

Ho Chi Minh City Customs Department carried out customs clearance procedures for imports and exports worth over US\$53 billion in the first five months of 2022, an increase of 11.2% over the same period in 2021.

Both exports and imports enjoyed good growth. Exports totaled US\$23.925 billion, up 8.76% year on year, while imports were valued at US\$29.536 billion, up 13.25%.

The value of exports was US\$5.61 billion below the import value in this period.

In order to facilitate import-export activities, Ho Chi Minh City Customs Department continues to implement the Project on facilitation of customs procedures in logistics and prevention of goods congestion at Cat Lai Port according to Decision 2318/QĐ-HQHCM; ensures 24/7 operation of hotlines, and maintains problem-solving teams at customs offices to promptly receive and handle complaints and recommendations from individuals and organizations

The department will provide online public services of Level 3 and Level 4 for all customs procedures delivered by the department and sub-departments on the HQ36a Online Public Service System, the National Single Window.

Le Hien

Seeking Solutions to Speed Up Privatization of SOEs

Policy bottlenecks in equitization and divestment of State capital in enterprises have been removed by authorities with various solutions. Besides good outcomes, many limitations and problems still remain. Therefore, finding solutions to clear existing problems to boost the country's socioeconomic development and effective restructuring is a long-term goal that Vietnam needs to achieve.

QUYNH CHI

Not very effective

The restructuring of State-owned enterprises (SOEs) has produced positive results over the past time. With SOE restructuring plans, with a focus placed on State-owned corporations/groups, and SOE equitization and divestment plans in 2016-2020 according to the Prime Minister's decisions, the number of SOEs decreased sharply as compared to the 2011-2015 phase. Despite accounting for only about 0.08% of total active enterprises in the country as of December 31, 2020, SOEs still hold many important economic resources.

SOE equitization and divestment have helped improve financial capacity, adopt modern corporate governance methods, achieve better operation than before, and pay more tax to the State Budget. This process has also basically helped achieve the goal of harmonizing the interest of the

government, businesses, investors, employees and other stakeholders.

As the world and domestic economies are struggling with numerous difficulties caused by the COVID-19 pandemic, SOEs have affirmed their key position in the economy and played an important role in stabilizing macroeconomic performance and fostering socioeconomic development. SOEs are always at the forefront of adopting social security policies, overcoming the consequences of natural disasters and epidemics, and ensuring security and defense tasks.

However, many objectives of SOE restructuring have not achieved desired results. Mr. Pham Van Duc, Deputy Director of the Corporate Finance Department under the Ministry of Finance, said that 180 SOEs were approved for equitization by competent authorities with a total business value of VND489.69 trillion in 2016-2020, including VND233,792 billion of State capital. Nevertheless, among 180 SOEs subject to equitization, only 39 out of 128 SOEs were equitized according to Official Letter 991/TTg-DMDN and Decision 26/2019/QD-TTg of the Prime Minister (reaching 30% of the plan). Regarding divestment, the total divested par value of VND27,312 billion brought in proceeds of VND177,397 billion in 2016 - 2020. According to statistical results, many enterprises did not complete equitization and divestment. State interest in SOEs remained high after equitization, resulting in the failure in corporate governance changes.

Finance Minister Ho Duc Phoc said existing problems in equitization and divestment include slower progress than expected by the Government and lower equitization proceeds than planned. Particularly in 2021, the National Assembly assigned the Government to collect VND40 trillion from equitization but the eventual value was less than VND2 trillion, meaning that equitization was very slow. In addition, business value determination was reportedly inaccurate, often lower than the real value, resulting in losses and waste. After



being audited, the value increased many times, 2.8 times on average. This showed that business valuation is imprecise but the biggest risk arises in determining land value.

Furthermore, land and housing arrangement lacks clear regulations on the determination of commercial advantages and joint ventures, among other factors. The role of SOE leaders is not decided, giving rise to unsatisfactory progress.

Focus on perfecting institutions and policies

In the unpredictably changing international and domestic context, production and business capacity, competitiveness and sustainable development of the business community, including SOEs, will be seriously affected. To foster the sustainable development of SOEs, unlock their strengths and potential, and prove their really important material force on the state economy, Party and State policies on renovation and capacity building continue to be affirmed. The latest is the Project on SOE Restructuring in 2021 - 2025, issued together with Decision 360 /QD-TTg dated March 17, 2022 by the Prime Minister.

To speed up equitization and divestment, the Ministry of Finance proposed improving the performance and competitiveness of SOEs in the coming time, driven by modern technology, innovations, and international governance standards, to effectively lead business development in other economic sectors to mobilize, allocate and effectively use social resources for socioeconomic development and strictly manage, preserve and develop State capital and assets at enterprises.

It is also important to reshuffle SOEs, mainly focusing on important and essential areas in terms of national defense and security and on sectors where other enterprises do not invest; conduct focused restructuring of weak and loss-making companies; basically handle belated projects, inefficient investment, and prolonged losses of SOEs.

Moreover, the Ministry of Finance proposed perfecting institutions and policies to speed up decentralization and empowerment to businesses in the coming time while tightening supervision, control and inspection of power, reforms, publicity and transparency in SOE restructuring, equitization and divestment; reviewing and researching regulations on the exclusion of land value in business valuation. In particular, it is necessary to change implementation methods linked to the responsibility and accountability of business leaders and enhance the activeness of SOEs and their relevant authorities that manage SOEs.

According to Mr. Pham Van Duc, the focus on institutional improvements in 2021 - 2025 is revising the Law 69/2014/QH13, which will complete building the legal framework for management and investment of State capital in enterprises; harmonize the market-based relationship of the State and enterprises, effectively use State investment fund, create motivation and pressures to promote SOEs to accelerate active reforms to play a leading role in driving the development of domestic enterprises. The SOE sector is really an important force in the economy and socioeconomic development.

Mr. NGUYEN TAN THINH

DIRECTOR OF PUBLIC PROPERTY MANAGEMENT DEPARTMENT - MINISTRY OF FINANCE

Improving policies and laws on land and housing rearrangement and handling

To date, central and local agencies across the country have reported and proposed plans for handling 202,647 housing and land establishments, with a total area of 7,287.1 million square meters of land and 276.4 million square meters of houses. Competent authorities have approved the plan to rearrange and handle 159,870 establishments with 3,368.3 million square meters of land and 230.1 million square meters of houses.

According to the summary report on property declaration released by the Ministry of Finance, centrally administered enterprises are currently managing and using about 17,564 houses and land, equivalent to 130 million square meters of land. Up to now, the plan has been approved by competent authorities for rearrangement and handling of 15,976 houses and land, equivalent to 124 million square meters of land.

Housing and land rearrangement and settlement of SOEs have produced positive results in recent years, but many difficulties and obstacles remain. Specifically, housing and land management is still complicated and difficult to handle. Relevant authorities, agencies and enterprises have not yet fully reshuffled and handled land and housing, while relocation policies are carried out slowly.

To resolve the above difficulties and obstacles, it is necessary to continue to review and perfect policies and laws on land and housing rearrangement and handling and policies on SOE equitization to speed up this process.

Besides, it is necessary to amend the Land Law to enable equitized enterprises to only apply annual land rents and not to change land-use purposes. In case they do not need to use it, it will be returned to the State and will be compensated and supported by law.

Mr. NGUYEN MANH HUNG

STANDING MEMBER OF THE NATIONAL ASSEMBLY'S ECONOMIC COMMISSION

Separating land valuation from equitization


The inclusion of land-use right value into business value has many interpretations and lacks a convincing basis, especially when equitization and divestment processes may be lengthy and losses may occur. Thus, this may frustrate the public and cause the public to misunderstand equitization.

Meanwhile, the value of land-use rights only increases when land-use purposes are changed given that the land-use form of enterprises before and after equitization remains unchanged. The State still allocates and leases land. After equitization, the conversion of land-use purpose (if any) must conform to the planning approved by competent authorities and comply with relevant laws.

The necessity of including land and housing treatment and arrangement plans into equitization and divestment processes is unclear, causing difficulties in SOE equitization and divestment, while reviewing the current status of land use is a regular task of competent authorities in line with land laws, performed both before and after equitization, in order to ensure the purpose and effect of land use and avoid wastefulness.

Therefore, it is proposed to exclude the determination of land-



 use right value from SOE equitization and divestment because the State still allocates or leases land to enterprises before and after equitization and divestment. So, the value of land-use rights does not increase in equitization or divestment but only when there is a change in land-use purposes. After equitization, the conversion of land-use purpose (if any) must conform to the planning approved by competent authorities and comply with relevant laws.

Mr. NGUYEN HONG LONG

DEPUTY DIRECTOR OF THE STEERING COMMITTEE FOR INNOVATION AND BUSINESS DEVELOPMENT

One-time payment of land lease must be taken out of business valuation

Currently, business valuation is performed under Decree 126/2017/ND-CP dated November 16, 2017 and Decree 140/2020/ND-CP dated November 30, 2020 by the Government. These two documents also clearly stipulate which land with one-time annual rent is included in business valuation. This is a very difficult matter.

The one-time payment of land rentals must be taken out of business valuation to remove a major "bottleneck" to accelerate equitization. Theoretically, it must be determined by market value and what the market price is when the bidding has not been announced. Even when there is an auction, it remains uncertain whether it is a market price or not, either too high or too low. So, to exclude land out of business valuation, there must be a mandate on this content.

On land-use plans, it is not right to think that equitization and divestment will end land ownership. The core is the loss of State budget revenue. Therefore, it is necessary to reconsider the land-use plan and regard this as the core. For example, when preparing for equitization of the Bank for Agriculture and Rural Development, thousands of land plots are rearranged for use, but just more than 94% have been completed. This will result in a failed equitization.

Ms. NGUYEN THI THU BINH

DEPUTY DIRECTOR OF ADMINISTRATION OFFICE, COMMITTEE FOR MANAGEMENT OF STATE CAPITAL AT ENTERPRISES

Further separating State administration and State ownership

In 2016-2020, policies on SOE restructuring, equitization and divestment still faced many obstacles in enactment while being slowly amended and supplemented. In late 2020 and early 2021, regulatory hindrances were basically removed. Besides, divestment is difficult due to the small market size. It is hard to absorb all the capital that SOEs sell in a given period of time. The interest of the market and investors in enterprises in some industries is still weak, leading to unsuccessful divestments despite the Committee's active direction for the development and implementation of divestment plans.

To remove obstructions and speed up SOE equitization and divestment, it is necessary to consider thoroughly separating State administration and State ownership, both institutionally and organizationally. In addition, there is a need for further completing the legal framework on the sale of shares to strategic investors; promoting sustainable development of the stock market; and improving the business legal system to gradually apply the corporate governance framework in line with international standards.

The Committee will request the Ministry of Finance soon integrate the opinions of relevant agencies, and draft the revised law on the management and use of state capital invested in enterprises. Competent agencies will review and propose amendments to inadequate or unclear legal provisions on SOE restructuring, equitization and divestment. For its part, the Ministry of Planning and Investment will complete and submit enterprise rearrangement plans in 2021-2025 to the Prime Minister for consideration and approval. ■

Vietnam Fosters Blockchain Development

The Vietnam Blockchain Association has become the first official legal entity to bring together enthusiasts to conduct blockchain research and application throughout Vietnam.

Given its transparent, sustainable information sharing and high security, blockchain is one of the technology megatrends that have engaged governments, scientists and the business community. In recent years, Vietnam has also witnessed the rapid introduction and development of blockchain technology.

Among the Top 200 blockchain companies, 5-7 were established by Vietnamese.

Currently, there are about 10 innovative blockchain startups founded by Vietnamese people, with a market capitalization of over US\$100 million. Besides, Vietnamese tech unicorns have started to appear on the global blockchain market.

Speaking at the launch ceremony of the Vietnam Blockchain Association, Nguyen Huu, Vice President of the Vietnam Blockchain Association, said Vietnam is not inferior to the world in this blockchain wave.

BLOCKCHAIN

ĐANG ĐƯỢC ỨNG DỤNG Ở VIỆT NAM NHƯ THẾ NÀO?

13H30 - 14H

17/5/2022



MR. CRIS DUY TRẦN
GD Quỹ Khởi nghiệp Quốc gia
kiêm GD Chiến lược M3TA Inc



MR. PHẠM THẾ TRƯỜNG
Nguyên TGD Microsoft
Việt Nam



MR. NGUYỄN LÊ THÀNH
Chủ tịch HĐQT Verichains



MR. HUY NGUYỄN
Đồng sáng lập, kiêm
CEO tại Kardia Chain



HOST: MR. TRẦN DINH
CEO AlphaTrue



Speakers at the launch ceremony of the Vietnam Blockchain Association

"I believe that at the current rate of development, in just five years, blockchain will spread to every corner of life and come into life in a very normal way," he said.

To do this, two resolute factors need to be taken into account, including official support for blockchain from the community and blockchain applications with practical value in life.

"It all needs a smooth coordination of the community, policy and business agencies," he said, believing that the Vietnam Blockchain Association will play an extremely important role in strengthening the development of the blockchain industry, and creating sustainable values for the country. "Then, it will attract large investment funds in the world and specially high-quality human resources from all over the world," Huy added.

At the first congress, Mr. Hoang Van Huay, President of the Vietnam Blockchain Association, said that the Vietnam Blockchain Association is committed to raising public awareness and advising the development of legal

frameworks, standards and regulations for application and development of blockchain-based products and services.

In the coming time, the Vietnam Blockchain Association is expected to bring together businesses, organizations and individuals who are passionate or active in blockchain technology in Vietnam to share experiences and resources together to promote blockchain development to successfully implement national digital transformation and digital economy development in Vietnam.

In addition, the association and its members will mobilize resources and cooperate effectively with research institutes and universities in Vietnam to jointly form scientific and technological projects and tasks in blockchain industry to develop, master and create Vietnamese technology products accepted by the global blockchain market, and develop human resources for the blockchain industry. ■

Development Opportunities for Vietnam's Blockchain Market

The global blockchain market in general and the NFT (Non-Fungible Token – digital asset) segment, in particular, are achieving a record growth rate. Vietnam has emerged as a phenomenon of blockchain in the world, promising to attract more investment capital into this field.

THU HA

Lots of room for development

The year 2021 marked the success of the global blockchain industry as a record amount of capital flowed into the market. The figure of US\$25 billion, an increase of nearly 700% compared to 2020, proved the attraction of blockchain to investors, while many domestic businesses and funds were part of the game.

The NFT segment alone recorded an increase of 13,000% from US\$37 million in 2020 to US\$4.8 billion in 2021. The above growth rate showed that investment funds, including traditional funds and long-standing ones, were also interested in the blockchain sector.

Vietnam has emerged as a blockchain phenomenon in the world. Of the Top 200 blockchain companies in the world, there are seven companies from Vietnam. Vietnam is also in the group of five leading countries in blockchain technology with the index of acceptance of this new technology five times higher than in the U.S. According to a recently released report by Markets and Markets research firm, the blockchain-related market in Vietnam is expected to reach a value of nearly US\$2.5 billion by 2026, 5 times that of 2021. Therefore, opportunities are opening up for Vietnamese businesses.

Over the past time, not only in the financial sector, blockchain has been applied in many other fields. There is a new wave of traditional businesses that want to apply blockchain technology to many different fields, for example, in the field of E-commerce, typically Tiki and Fado.

In the field of real estate, Hung Thinh Corporation and Moonka have also applied blockchain technology by splitting (tokenizing) their real estate projects. The development of entertainment, sports and art is boosted by applying blockchain technology. Other fields such as agriculture and logistics are also considering the application of blockchain in the ecosystem.

In particular, according to many experts in this field, Vietnam is in the midst of a digital transformation process - a step forward with a huge technological element. Some technologies, if applied at the beginning, will create a favorable start for the future process. Currently, each year, Vietnam creates more than two million workers, of which about 300,000-400,000 people graduate from technology majors. This is also a great potential for blockchain development in Vietnam.

Soon to complete the legal basis

At the blockchain conference held at the recent inauguration ceremony of the Vietnam Blockchain Association, Mr. Pham The Truong, Director of NGS Technology Investment Joint Stock Company, said that Vietnam had all the favorable conditions, and would have the opportunity to become a strong blockchain country. However, the biggest barrier to the widespread adoption of blockchain technology is the regulatory corridor.

"The rapid development of technologies has gradually blurred the boundaries of countries, causing conflicts among technology businesses and lack of legal guidance, leading many businesses to set up companies abroad, but still operating in Vietnam," said Mr. Truong.

Also at the recent launch event of the Vietnam Blockchain Association, Deputy Minister of Science and Technology Tran Van Tung said the Ministry would review and complete the legal corridor of the science and technology industry to create favorable conditions for the research and development, and application of Blockchain technology in Vietnam. They would also consider and prioritize resources for researching and developing blockchain technology.

Currently, the Ministry of Science and Technology is implementing the national key program for the period up to 2025 "Supporting research, development and technology application of industry 4.0", code KC-4.0/19-25, in which blockchain is one of the key technologies of industry 4.0 prioritized by this program.

Mr. Phan Duc Trung, Standing Vice Chairman of the Vietnam Blockchain Association, affirmed that the establishment of the association would act as a focal point between regulatory agencies and develop the management orientations in this industry.

Besides legal issues, human resources is also one of the important pillars to help Vietnam develop into a strong blockchain country. Over the past year, there have been over 4,000 job opportunities for the blockchain industry. These opportunities not only come from big players in traditional industries that are transforming to access blockchain technology like Tiki, Ahamove, etc., but also from other foreign companies investing in Vietnam.

According to Mr. Tran Manh Huy, co-founder, CEO of V.B.P.O Joint Stock Company/Dean of Information Technology Faculty of Da Nang University of Architecture, it is forecast that in the next five years, Vietnam's blockchain market will develop strongly and the demand for human resources will be enormous. Therefore, students studying blockchain need to improve their professional knowledge, foreign languages, basic knowledge of machines and information technology.

Currently, some organizations like the Vietnam Blockchain Association are aiming to cooperate with a number of schools such as Da Nang University of Architecture, and University of Science and Technology to build methodical and formal training programs for students. However, a blockchain business requires teams of communication, Search Engine Optimization (SEO), and recruitment.

"Therefore, in addition to purely specialized training programs, there should be more training programs for other positions in order to create synchronization as well as produce high-quality human resources," said CEO of V.B.P.O Joint Stock Company. ■

LOCATION - DECISIVE FACTOR TO INCREASE PROPERTY VALUE



TNR Stars City Luc Yen is orientated toward a model ecological urban area

When location is a guarantee for property value

A well-located product will help investors easily lease, transfer or sell because of the growing value over time. So, what elements make a real estate product well-located?

Connectivity and infrastructure are the first elements to be watched by investors. A real estate project located in an area that is fully connected to electricity, traffic, schools, hospitals and other facilities will, first of all, satisfy settlement needs. Furthermore, convenient connectivity to surrounding utilities will add the value of a property and therefore open up sustainably profitable investment opportunities. Besides, planning is also a necessary factor to ensure long-term real estate development. When lying in planned urban areas, residential areas, or economic - administrative centers, projects will certainly have a higher value than other ones.

When referencing these standards to metropolitan cities such as Hanoi and Ho Chi Minh City, the pricing difference is often large between the real estate of the same class with different locational advantages. There is no difference between these traditional markets with emerging ones. Therefore, what concerns investors today is how to choose a well-located project with a softer price in emerging markets to achieve a high-profit margin.

Location is perhaps a crucial factor in making a property deal. In any market circumstance, location is always an important factor that determines the value and profitability of a product.

Yen Bai province - A bright rendezvous for investors

Among investor-attractive emerging markets, Yen Bai province occupies an important position because it possesses more competitive advantages than other ones. An increasingly complete transport infrastructure system, potential regional economic development and "reasonable" pricing are plus points that make Yen Bai attractive to large investment flows in both primary and secondary markets.

The strategic location as a gateway to the Northwest region has quickly given a completely new face to Yen Bai urban areas. Being aware of its locational advantage with Noi Bai - Lao Cai Expressway, the Yen Bai Provincial People's Committee promptly built and completed Au Co Boulevard linking this expressway to National Highway 32C. Au Co Boulevard is invested with a 40m wide road

surface, showing its important role as an intersection linking Yen Bai with other key economic regions such as Hanoi, Vinh Phuc and Phu Tho. This cross-regional transport construction system has facilitated property investment flows into the vicinity of Yen Bai City.

For example, TNR Stars Yen Bai City Project in front of Au Co Boulevard is highly appreciated by investors for its prime location. Located at the new administrative center of the province, dwellers in this project can easily get to regional service and utility systems such as Yen Bai City downtown, Van Phu Railway Station, Yen Bai General Hospital, the tuberculosis hospital, vocational colleges and golf courses. At the same time, from this traffic axis, they can quickly access Hanoi - Lao Cai Highway to reach neighboring provinces.

Not only having convenient traffic access, but TNR Stars Yen Bai City is also marked by modern planning and trendy product lines such as townhouses, shophouses and villas, with residents granted long-term ownership certificates. Reportedly, TNR Holdings, the investor of the project, is rushing to construct infrastructure and offer land for sale at a very attractive price. Maritimebank will provide loans equal to up to 70% of the deal value, bearing zero interest for 18 months.

As the available land fund in big cities is increasingly narrowed and investors are forced to seek opportunities in more distant places, TNR Stars Yen Bai City deserves to be a safe investment rendezvous where profitability is guaranteed to be multiplied in the near term. ■



Pangasius By-products Become "Gold Mine" for Processing Industry

Not only premium fish filets are reaching fastidious markets, but "secondary" products such as fishmeal, fish fat, fish oil, bones and fish offal are also unbelievably attracting customers. Domestic and foreign markets are "thirsty" for these products because they are inputs for high valued products in many industries like pharmacy, healthcare, nutrition, animal feed and fertilizer.

NGUYEN KHIEM

Especially given that the price of imported raw materials is currently very high, actively looking for an alternative source from pangasius by-products with a high nutritional value and competitive price is considered a "gold mine" for the processing industry.

Imported input prices soar

Complicated epidemic development and the Russia-Ukraine conflict are seriously causing prices of imported inputs for the processing industry to keep growing. This development has left many manufacturers in difficulty.

According to the latest report from the Ministry of Industry and Trade, the Industrial Production Index rose 7.5% year on year in the first four months of 2022. However, in some industries, due to scarcity of raw materials, high prices have restrained output growth.

The increase in raw material prices has produced a significant impact on the development plans of businesses on the recovery trajectory from the pandemic. Even big players are facing this challenge.

According to the Ministry of Industry and Trade, the price of imported biodiesel oil in this reporting period continued to increase from the previous 15-day period. Input prices in other processing industries also soared. Particularly, the price of fishmeal jumped 49% and the price of vegetable oil, shortening and margarine leaped 12 - 17%, causing many food businesses to have to refuse some customers. Notably, many producers could not make a profit and even incurred losses on rising expenses.

To resolve input difficulties for the processing industry, the key is to find solutions to reduce imported inputs and actively link domestic input suppliers. If this nuisance can be solved, it will help businesses reduce costs and increase product prices, said the Ministry of Industry and Trade.

Cooling with domestic ingredients

As a leading supplier of new products made from pangasius by-products in Vietnam and in the world, Trisedco anticipated and proactively arranged input production for processing industries in a bid to bring completely new added value to consumers, especially in this time of scarcity. Accordingly, Trisedco prioritizes the equal development of four main product categories:

Food: Cooking oil, shortening and margarine from fish fat, used as ingredients in food production, helping increase flavors and provide natural nutrition for humans. This is a big step forward in the aquatic industry when pangasius by-products can replace flavorings and synthetic additives that are harmful to human health.

Animal feed: Pangasius fishmeal is a very good ingredient for the animal feed industry because it contains many useful nutrients and is a source of protein and amino acids that are extremely important in cattle and fowl development.

Pharmaceutical: Fish fat is rich in omega 3, 6, 9, Vitamins A, E and trace minerals, used as food to protect human health. For example, Ranee omega 3-6-9 fish oil tablets and Collagen + Omega pills help brighten eyes, strengthen the heart, enhance beautiful complexion and prevent inflammatory symptoms. In particular, it helps strengthen the immune system of the body, improve health and repel diseases.

Microorganic fertilizers: Pangasius by-products (heads and bones), after being crushed within 24 hours of hydrolysis can be used to mix with other nutrients to make organic fertilizers for plants to achieve high yield.

Trisedco products are carefully selected through a closed and tight process, from inspection of inputs to finished product, to make the most optimal products, powered by European technology and administered by quality management system standards such as HACCP and ISO 9001-22000.

With strong aspirations and quick business sense, Trisedco has continuously launched a series of superior products. It helps form an extremely unique source of raw materials for domestic industries, reduce dependence on imported sources, improve product competitiveness and lift the position of Vietnamese enterprises in global value chains. ■



SNP Deploys Pioneer Logistics Solution to Facilitate Business Development

With a “customers centric” goal, the dialogue is one of SNP’s series of customer appreciation events in Dong Nai province. The dialogue acts as a channel for policy updates, administrative reformation, customs department modernization; and exchanging effective and sustainable logistics solutions, facilitating local enterprises to optimize cost, stay proactive in procedures, and support import-export activities.

The dialogue attracted nearly 300 participants both online (via Zoom, Facebook and Youtube) and offline in Dong Nai province.

Dong Nai province is witnessing impressive development and is considered one of the strongest and most effective provinces in recovery after the Covid-19 pandemic, with an import-export turnover of 2021 reaching over US\$36 billion (a 22% increase compared to 2020). In 2022, even though the world is affected by the Russia-Ukraine conflict, import-export activities of Dong Nai enterprises achieved a turnover of over US\$6.2 billion in the first quarter, a nearly 14% increase compared to the same period last year. Import-export activities are forecast to continue the uptrend in the coming time, as global demand for Vietnamese goods continues to grow when the supply chain is disrupted in some countries, especially in China with its zero-Covid strategy.

Despite the positive outlook of the import-export market, Dong Nai enterprises still face many obstacles. Fuel prices and raw material prices are rising, affecting production costs as the export prices cannot increase as much as the input price. Therefore, they need a comprehensive and sustainable logistics solution, to boost inner strength and motivate the growth of the import-export activities.

Saigon Newport Corporation (SNP) and Dong Nai province Customs Department recently held a dialogue on “Accompanying Enterprises” both physically and virtually in Bien Hoa city, Dong Nai province.

VAN LUONG

With the motto “Diversifying services, pioneering in solution, accompanying customers”, SNP determines that Dong Nai province is one of the key markets in Southern Vietnam. Through this dialogue, SNP and local authorities pointed out orientation for specialized logistics services development, following the market’s trend, bringing the most benefits for customers, through the complete ecosystem at Tan Cang Long Binh ICD (TCLB ICD) and Tan Cang Nhon Trach ICD (TCNT ICD) - one of the biggest ICD systems in Vietnam.

Advantageously located among key industrial parks of Dong Nai province, TCLB ICD and TCNT ICD are pickup points for cargoes and empty containers, directly connected to gateway ports (17.7% empty container supply regionally); the best place for offloading Tan Cang Cat Lai terminal, conveniently connected to Cai Mep terminals in reefer container handling, which can save cost and time up to 35 - 90% for factories in 2-20km radius. With various services and SNP’s standard of service quality, TCLB ICD and TCNT ICD are the trusted partners of international companies, including Nestle, H&M, Pepsico, Hyosung, Texhong, Formosa, Pacorini, Brenntag, and DB.

Envisioned to be the logistics center, the key import-export points in Dong Nai province connecting to gateway ports, with the support of local authorities, the customs department and associations, TCLB ICD and TCNT ICD continue to perfect existing services, open new services, provide full-package services, contributing to the regional economic development, supporting logistics network of Dong Nai province to reach out strongly, meeting customers’ demand and bringing the most added-benefits to customers. ■

Bringing Green Innovation into Rice and Mango Value Chains



The Green Innovation Project in the rice and mango value chains in the Mekong Delta will connect 20,000 farming households with businesses to improve the quality of agricultural products and ensure environmentally sustainable production, thereby increasing the income of farmers.

In order to create a playing ground for businesses, cooperatives and international partners to cooperate in developing agricultural value chains, the Ministry of Agriculture and Rural Development has just coordinated with the German Corporation for International Cooperation (GIZ) to organize a Workshop on “Promoting innovation in the agriculture and food sector in the Mekong Delta”.

Sustainable rice and mango cultivation

Mr. Le Quoc Anh, Vice Chairman of the People's Committee of Kien Giang province, said that in the past time, the implementation of a collective economic model such as the "Big field" model associated with product consumption links was not sustainable. Part of the reason is that farmers' production practices are still small and have not yet created a large raw material area.

On the other hand, when the market price fluctuates frequently, it leads to a breach of contract. There has not been a common voice between businesses and farmers on sharing profits and risks; the low rate of linking is due to the lack of a system of production and consumption, which leads to the chorus of "lower price when having an abundant crop".

Mr. Oemar Idoe, Deputy Country Director of GIZ, said that agricultural production in the Mekong Delta was facing many challenges due to the impacts of climate change. Without changing production, agriculture would be more difficult.

"In these challenging times, dialogue, coordination and cooperation are urgent, especially since food security is facing many challenges on a global scale," said Mr. Oemar Idoe.

According to Mr. Oemar Idoe, with the support of the German Federal Ministry of Economic Cooperation and Development, a project to establish a Green Innovation Center in Agriculture and Food in Vietnam (GIC Vietnam) has been implemented by the Ministry of Agriculture and Rural Development in collaboration with GIZ to support innovation in the rice and mango value chains.

“The project will help improve farming systems in a sustainable way, thereby improving the efficiency of management and use of natural resources, while enhancing the ability to adapt and withstand the impacts of climate change of two key agricultural product value chains in the Mekong Delta,” said Mr. Oemar Idoe.

Together with the Ministry of Agriculture and Rural Development and the Departments of Agriculture and Rural Development in the six target provinces, the GIC Vietnam project has identified key innovations for the rice and mango value chains.

They are technical and organizational solutions in production, processing and marketing, in line with market needs, which can include the promotion of high-demand rice varieties, improved agricultural standards, food safety compliance and quality certification, and providing services to small business-oriented households.

The project has also implemented initiatives to reduce environmental impacts in agriculture, reduce greenhouse gas emissions, and recycle straw and rice husks.

With the mango value chain, innovations including improved orchard management and crop health, and reduced post-harvest losses have been implemented through the mango development hub model.

“The GIC project and its partners want to reach out to businesses, stakeholders in the food-agriculture sector and the general public to introduce an innovative approach in agriculture, and at the same time identify specific opportunities for cooperation and discuss priorities and goals for the future,” said Mr. Oemar Idoe.

Formulation of five key areas of agricultural products

Mr. Tran Thanh Nam, Deputy Minister of Agriculture and Rural Development, said that in March 2022, the Ministry of Agriculture and Rural Development approved a pilot project on building a standard agricultural and forestry material area serving domestic consumption and export in the period 2022 - 2025. The project will be implemented in 46 districts and cities of 13 provinces, including 5 provinces in the Mekong Delta.

The overall goal of the project is to form five key areas to produce raw materials for agricultural and forestry products on a concentrated scale, with products meeting quality standards.

The total area of these five pilot areas is expected to reach 167,000 hectares, including fruit trees in the northern mountainous region; forest timber having sustainable certification in the Central Coast region; coffee in the Central Highlands; rice in the Long Xuyen Quadrangle; and fruits of Dong Thap Muoi area.

According to Deputy Minister Tran Thanh Nam, there have been many projects and schemes, but each is supported separately. This project is designed to reorient to follow a



complete value chain from seeding and sowing, to harvesting, preliminary processing and processing of finished products to the market.

The successful application of innovations in agriculture required close coordination among all stakeholders in the value chain. Innovative and competitive solutions are needed along with building application capacity.

“Each province must determine where the raw material areas are, how many hectares, and what problems to focus on. A specific plan must be made, and it is important to improve the quality of activities of the community-based agricultural extension groups and their participation in order to complete projects,” Deputy Minister Tran Thanh Nam requested. ■

Mr. Tran Thanh Nam, Deputy Minister of Agriculture and Rural Development

“Innovation in agriculture is innovation in the production process, production organization, and market connectivity to improve the value of products, especially paying attention to household producers. The main players of this product value chain are farmers, cooperatives and businesses”.

Ample Opportunities to Invest in



The press conference on Hau Giang Investment Promotion Conference 2022

“Success of businesses is also Hau Giang’s success,” affirmed Chairman of Hau Giang Provincial People's Committee Dong Van Thanh at the press conference on Hau Giang Investment Promotion Conference 2022. This affirmation is a strong commitment of the provincial government to the domestic and international business communities doing business in Hau Giang province.

MY CHAU

Speaking at the press conference, Mr. Tran Ngoc Hung, Director of Hau Giang Department of Planning and Investment, said, Hau Giang province has defined investment attraction as one of key solutions and leverages to boost socioeconomic development. It is expecting to draw more private and foreign investment funds to create a driving force for sustainable local socioeconomic development. The Provincial People's Committee will open the Hau Giang Investment Promotion Conference 2022 to introduce prioritized industrial, agricultural, urbanization and tourism projects seeking investment funds. In addition, the conference is a channel for trade and tourism promotion to recommend local potential strengths, and facilitate potential domestic and foreign investors to approach and study local investment incentive policies and mechanisms.

Regarding potential advantages for investment attraction, traffic to Hau Giang is very convenient, both by waterway and by road, he said. In

order to create momentum for Mekong Delta economic development, the Government, the National Assembly and the Politburo have given top priority to transport infrastructure development here, especially expressways. According to approved plans, Hau Giang will have three passing highways (Can Tho - Ca Mau, Chau Doc - Can Tho - Tran De (Soc Trang) and Ha Tien - Rach Gia - Bac Lieu), opening up great opportunities for its investment attraction and economic development. With this golden opportunity and the Investment Promotion Conference in 2022, Hau Giang hopes to attract investors into its locally advantageous fields such as industrial zone infrastructure development, green industrial production, high-tech organic agriculture, urbanization and tourism. Licensed projects must be influential, high-tech and environmentally friendly. In addition, the province gives priority to renewable energy projects (e.g. wind power and solar power).

According to a report by the Ministry of Finance, Hau Giang was one of seven localities with the highest investment disbursement rate in the country in the first quarter of 2022. This result showed that Hau Giang had seriously carried out the Government's regulations on disbursement and

Hau Giang Province

determined accelerated disbursement of public investment as a key political task in 2022. The province is always open to welcome and actively support investors. After working with several large potential domestic corporations such as Him Lam Group and Novahome Group, Hau Giang launched a mission to study successful experience in investment promotion in the Northern region (e.g. to Bac Ninh, Bac Giang, Quang Ninh and Hai Phong) and successfully attracted some investors. This good sign is showing that Hau Giang's efforts to diversify investment promotion forms have brought practical effect.

Highlighting the province's support efforts and commitments to investors, Chairman of the Provincial People's Committee Dong Van Thanh said that Hau Giang is attracting investment funds into locally strong fields such as agriculture, industry, urbanization, tourism and energy. The province always rolls out the red carpet to welcome and actively support and facilitate them to

Hau Giang Province Investment Promotion Conference 2022 is scheduled for June 16-17, 2022 at the Provincial Convention Center. The Prime Minister is expected to attend and address the conference. The event will also receive representatives of central governmental agencies; representatives from Hanoi, Ho Chi Minh City and 13 Mekong Delta provinces and cities, and domestic and foreign companies.

The conference will include many large-scale activities including the Digital Transformation Week for Regional Economic Development in 2022; Hau Giang Trade Fair; and five workshops on Hau Giang potential and development investment opportunities in industry, agriculture, urbanization, tourism and information technology.

cooperate in business investment because their success is also the success of Hau Giang province. For that reason, the Provincial People's Committee decided to establish the Steering Committee for Investment Promotion and Support in charge of advising, and providing businesses and investors with necessary information on local investment; guiding and quickly supporting them to deal with investment administrative procedures; and promptly assisting them to tackle emerging difficulties.

"Through this Investment Promotion Conference, we expect investors to transparently and specifically approach local advantages, potential and key projects. The event also is an opportunity for the provincial government to show its strong will and determination to lead Hau Giang to a trajectory of rapid and sustainable development, to be a relatively developed province of the Mekong Delta and the whole country," Chairman Dong Van Thanh stressed. ■



Renewable energy is among Hau Giang province's priorities for investment attraction

LONG KHANH

STRONG DEVELOPMENT AFTER BEING UPGRADED TO CITY



According to the general construction planning project at the scale of 1/10,000 by 2040, with a vision to 2050, Long Khanh city is determined to become the industrial and supporting industry center of Dong Nai province and the Ho Chi Minh City region.

The push from being upgraded to city and regional planning

In 2019, Long Khanh town officially became a city with five wards: Xuan Tan, Bao Vinh, Xuan Lap, Suoi Tre and Bau Sen. Long Khanh city has a natural area of 192km², a population of nearly 175,000 and 15 commune-level administrative units (including 6 wards and 9 communes) - in which the annual economic growth rate is over 15%/year; GRDP per capita is about VND125 million, a high level compared to the national average.

The positive transformation of Long Khanh city in terms of economy, traffic, and infrastructure; especially, the construction planning event of Long Thanh Airport (Dong Nai) has made a strong connection of the regional economy, helping Long Khanh gradually become an important player of the Southern key economic region.

In particular, with a strategic location as the gateway at the administrative center and the new center of Long Khanh city, Bao Vinh ward is one of the highlights of the synchronous development of the city with a series of investment projects contributing to changing the face of investment and industrial development towards "industrialization - modernization" of the city.

In addition, in the adjustment of the planning of Ho Chi Minh City to 2030 with a vision to 2050, the Government has identified Long Khanh urban area as the key growth pole in the East of the region. Long Khanh will also be the center of industry, commerce, service, logistics, the key of the new administrative urban area of Dong Nai province and progressing to become a class-II urban area.

Long Khanh city is also identified as a regional traffic hub, a trade gateway linking provinces in the Southeast region and the Central Highlands; and is an urban center that plays an important role in the national defense and security strategy of the province and the Southeast region.

In April 2022, AEON Mall Group confirmed that it would invest US\$268 million in building a commercial center complex in Dong Nai province, combining the development of the raw material area, connecting manufacturers with distributors, and exploiting competitive products of the province. This is an opportunity for Long

Khanh to develop the city's fruit distribution channel in a professional and synchronous manner, and promote the city's brand to attract investment.

Giving priority to investment in regional linkage projects

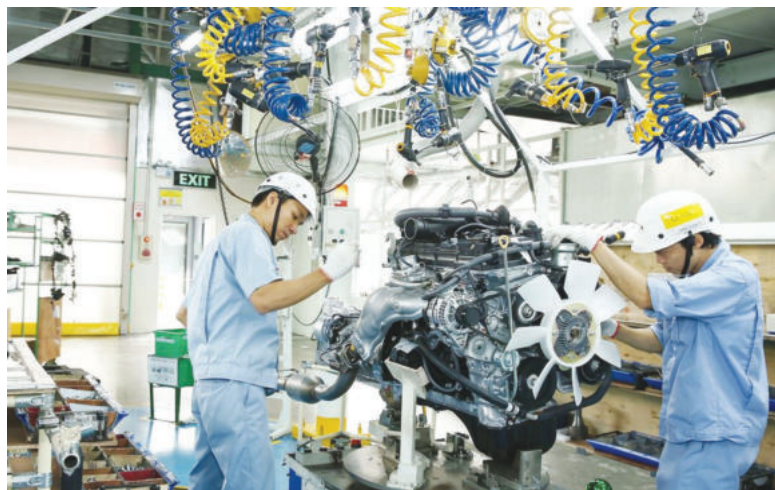
On April 19, the People's Committee of Long Khanh City held a conference to announce the overall adjustment project of the general construction planning and land use planning of Long Khanh under the decision of the People's Committee of Dong Nai province approving the task of adjusting the overall construction master plan with the scale of 1/10,000 in Long Khanh City to 2040, with a vision to 2050. This is also an opportunity to introduce the potential and advantages of Long Khanh City to investors.

Accordingly, Long Khanh City will give priority to investment in key projects that play the role of linking and developing the region including the project of bypassing National Highway 1 through the city; ring road 1; ring road 2; and the public administration center project.

To meet the upcoming needs of planning and development, Long Khanh City is calling for investment in a series of large projects such as the Urban area in Suoi Tre Ward (with a scale of about 150ha); the Urban area along the bypass of National Highway 1 - Long Khanh (about 300 ha); the Urban area along Ring Road 1 - Long Khanh in Suoi Tre and Bau Sen wards (about 200ha); the Mixed urban area in Xuan Binh and Bau Sen wards (about 100 ha); Hang Gon urban area (about 200ha); the University area in Suoi Tre Ward (about 200 ha); Hang Gon fitness and sports area (about 160ha); Long Khanh commercial and residential center in Xuan Binh ward (2.1ha); the Residential and resort area in Hang Gon commune (about 50 ha); Hang Gon industrial park (about 300 ha); and Hang Gon industrial cluster (about 70ha).

Mr. Do Chanh Quang, Chairman of the People's Committee of Long Khanh City, affirmed that the city would promote administrative reform, creating favorable conditions for investors and businesses to access and implement administrative procedures and regulations on investment, land and construction. ■

Modernizing, Adapting Institutions Likely to Be Key to Vietnam's Success



For Vietnam to realize its aspiration to reach high-income status by 2045, the country will need to shift its economic growth model and sharply improve the government's capacity to coordinate and implement economic policy reforms and public investments.

ANH MAI

This is a remark of the World Bank Group in its recent Systematic Country Diagnostic Update themed: "How Will Vietnam Blossom? Reforming Institutions for Effective Implementation".

According to the report, Vietnam's traditional growth model faces major challenges from the COVID-19 pandemic, slowing globalization, and the country's increasing vulnerability to external shocks, especially climate risks. After identifying a series of policy responses and reform priorities, many of them are not new.

According to World Bank Country Director for Vietnam Carolyn Turk, Vietnam's GDP per capita has increased fivefold over the past three decades, while its institutions have not adapted at the same speed since the Doi Moi (reform) of the late 1980s. A series of institutional reforms can help the country avoid the middle-income trap by increasing its efficiency to respond to new and complex global and domestic challenges.

Vietnam has implemented its development priorities unevenly over the past 35 years. Therefore, according to the World Bank, Vietnam needs a specific approach to

institutional reform following a simple but intuitive methodological model. The starting point is that institutions should be designed to ensure that the country's development priorities are implemented with the greatest efficiency and effectiveness. Institutions need to adapt to new and complex development challenges arising in the rapidly changing domestic and world context. Regrettably, Vietnam's performance outcomes - determined by the gap between aspirations and actual implementations - have been uneven over the past decade. Despite very effectively implementing priorities on trade openness, digital transformation and social inclusion, Vietnam has not made much progress in implementing other priorities such as green growth, financial inclusion and infrastructure upgrading. In addition, since the transition from a low-middle-income status to a high-middle income status is more difficult than the transition from low

to middle-income, the overall implementation outcome needs to be more than three times what was achieved in the period from 2010 to 2020 for Vietnam to achieve its development aspirations. Adapting and modernizing existing institutions is a key priority of the socioeconomic development strategy adopted by the Party Congress in February 2021.

According to the report, improving Vietnam's implementation performance will require five institutional reforms. Vietnam will need to create a solid institutional anchor that will transform development priorities into concrete actions; streamline administrative processes to increase the effectiveness of government at all levels; use market-based instruments to motivate public and private stakeholders; enforce rules and regulations to enhance motivation, trust, and fairness; and engage in participatory processes to secure greater transparency and accountability.

Thanks to these series of five institutional reforms, Vietnam will lay the foundation for its economic development vision, strengthen its capacity to implement national strategies and boost motivation to achieve higher economic growth in several key areas - green growth, digital transformation, financial inclusion, social protection and infrastructure upgrading - thus helping the country achieve its development goals.

The key to Vietnam's future development success is adaptable institutions that can implement new and increasingly complex development priorities, said the report authors. For example, green growth currently lacks a clear institutional foundation. Some strategies and plans were concurrently developed but lacked consistency with each other. The relationship between central and local governments is still unclear. Market signals are also not clear when subsidized resource prices are encouraging irresponsible behaviors while legal documents are not always enforceable. In combination, these inadequacies are barriers to the decision-making process and effective enforcement of the national green agenda. ■



The closing ceremony of SEA Games 31

SEA Games 31 Successfully Wrapped up

Many unexpected results at the SEA Games 31

According to Mr. Tran Duc Phan, before the SEA Games 31, everyone had thought that the post-pandemic gathering would be very difficult. Many people asked us whether the SEA Games would be held or not and if the audience could watch it directly. As we approached the SEA Games, we were able to open the doors to welcome fans. Not only in the main venue in Hanoi, but also in the competition venues in other localities.

Thus, it can be said that despite many difficulties, Vietnam managed to hold the 31st SEA Games more successfully than originally planned.

Regarding the achievements of the Olympic sports group, Mr. Phan commented that this was the SEA Games with fierce competition between Vietnam and strong countries in the region such as Thailand, Indonesia, Malaysia, and the Philippines. Therefore, the medal quota target was also carefully calculated.

After deciding to organize a SEA Games with all Olympic and ASIAD sports, the Vietnamese Sports Delegation set a goal of winning 145-185 gold medals. "When speaking at relevant meetings, we only targeted 140 gold medals or more because this is also enough for us to rank first among the teams," said Mr. Phan.

In the end, the Vietnamese Sports Delegation won an outstanding achievement when it bagged 205 gold medals, 100 gold medals higher than the Thai delegation (2nd place). Therefore, many people asked, "How was Vietnam able to beat the target number of gold medals?"

Great efforts

Mr. Tran Duc Phan said: The pandemic had affected the preparations of delegations in the region. The sports

"SEA Games 31 was successfully organized," confirmed Mr. Tran Duc Phan, Head of the Vietnamese Sports Delegation at the SEA Games 31, at the press conference summarizing the Games held on May 23.

delegations from other countries discussed and acknowledged that due to the COVID-19 pandemic, their athletes' preparation was disrupted. However, that was a general impact. Vietnamese athletes were also affected, but they still focused on their efforts in training for the past two years and they performed well.

This year, all athletes had the opportunity to compete when most of the important sports (Olympic, ASIAD) were included.

Vietnam only had the home-field advantage when it received enthusiastic cheers from the audience. Absolutely, the professional issues could not be interfered with. Therefore, most of the delegation leaders recognized that Vietnam had successfully organized the 31st SEA Games.

According to Mr. Phan, the Vietnamese Sports Delegation has made professional statistics of the Olympics, ASIAD and SEA Games. In 2003, we were the host of the 22nd SEA Games and also the best team. This year, we outperformed the second-ranking country.

"This time, we competed fairly in all Olympic and ASIAD sports. The achievement belonged to athletes. Athletes have done their best to win medals, without any interference," said Mr. Tran Duc Phan.

Mr. Tran Duc Phan quoted Deputy Prime Minister Vu Duc Dam, Head of the National Steering Committee for organizing the 31st SEA Games, as saying: "All athletes of the delegations must compete fairly with a noble and honest sportsmanship."

"In fact, that's what happened, and if the Vietnamese team had an advantage, it was the cheers from the local audience in the home field without any professional advantage," Mr. Phan reiterated. ■



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