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LEVERAGING EVFTA TO BOOST EXPORT GROWTH

Attracting Private Investment into PPP Projects

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CONTENTS

VCCI

- 03 Chambers of Commerce in the World Step up Cooperation
- 04 VWEC Ongoing Innovation and Renovation for Development
- 06 Women's Empowerment Principles Award Launched

BUSINESS

- 07 Leveraging EVFTA to Boost Export Growth
- 08 How to Reap Benefits of EVFTA?
- 10 EVFTA: The Door Is Wide Open but Challenges Remain
- 12 E-commerce: Jumpstart for Exports during Pandemic
- 13 Support Needs to Go to Right Businesses
- 16 Approaching Smart Customs Model
- 18 Attracting Private Investment into PPP Projects

20 Vietnam - Appealing Investment Destination in Asia-Pacific

21 Giant Foreign Investment Projects Land in Vietnam

22 Where Are Vietnamese Banks on Asian Map?

23 VSS Donates VND2 Bln to Support Fight against COVID-19

24 What Special Policy Is Proposed for Van Phong EZ?

25 Telecom Revenue Drops Sharply

27 Career Succession or Startup

ENTERPRISE

28 Corporation 28 Surmounting Tough Times

30 ANHUCO Goes Green with Textile and Garment Industry



SUSTAINABLE DEVELOPMENT

32 Ha Nam Prepares to Accommodate New Wave of Investment

34 Dak Lak Province: Effort for Strong Digital Transformation

26



CHAMBERS OF COMMERCE IN THE WORLD STEP UP COOPERATION

Attendants to the WCF Board Meeting discussed and proposed a mechanism to foster cooperation and build a global network of chambers of commerce and the business community of participating countries, thereby helping MSMEs address challenges and grasp opportunities of globalization, and especially as the world is being heavily affected by the COVID-19 pandemic.

During the meeting, members also discussed global action plans and roles of Chambers of Commerce in effectively supporting the world economic recovery. To achieve the above objectives, WCF established strategic working groups for five sectors including ICC/WCF arrangement and action coordination; tools and platforms for Chambers of Commerce connectivity; plans for the organization of the World Chamber of Commerce Meeting; and Chamber of Commerce branding and Industry 4.0 Chamber of Commerce.

Other issues of concern and discussion among the delegates included the current status and possibilities for improving trade facilitation services such as the ATA Carnet system and the certificate of origin (CO) system with a desire to improve the capacity of ATA Carnet and CO agencies and

VCCI President Vu Tien Loc, Member of the Board of Directors of the World Chambers Federation (WCF) and the Secretariat of International Chamber of Commerce (ICC) Vietnam, attended the Online WCF Board Meeting together with leaders of the ICC, the Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI) and leaders of national chambers of commerce around the world.

ANH MAI

provide maximum support to global businesses, especially MSMEs.

The meeting also reported on preparations for the World Chambers Congress, scheduled to be held in Dubai, UAE, from November 23-25, 2021. This event is the gathering of Chambers of Commerce Presidents, CEOs of leading businesses, leaders of international organizations and governments, distinguished scholars and the brightest minds around the globe to meet and discuss cooperation toward a more prosperous and meaningful future for all.

The ICC, established in 1919, represents enterprises around the world to build and develop systems of rules to regulate trade, investment and financial relations. ICC currently represents more than 45 million companies in more than 130 countries in the world, including giant corporations, small and medium-sized businesses, industry associations and

chambers of commerce.

The ICC's mission is to help businesses around the globe do business every day, anywhere, and ensure peace, prosperity and opportunity for all. The ICC has a long history of developing international rules that are widely adopted by businesses around the world - from the Incoterms® international trade rules to the Uniform Customs and Practice for Documentary Credits (UCP 600).■

Ongoing Innovation and Renovation for Development



Vietnam Women Entrepreneurs Council (VWEC), the first and largest agency representative of female entrepreneurs and women-owned businesses in Vietnam, has made valuable contributions to the growth of the women-owned business community in the past 20 years. To find out more information, our reporter has an interview with Madam **Nguyen Thi Tuyet Minh**, Chairwoman of VWEC. **Quynh Anh** reports.

Vietnam is increasingly integrating into the world, including signing many free trade agreements. How has VWEC been involved in this process?

One of VWEC's functions and tasks is to advise the Executive Committee of the Vietnam Chamber of Commerce and Industry (VCCI) to propose to the Party and the Government relevant legal and policy issues; and protect the legal and legitimate interests of female entrepreneurs in domestic and international business relations. When Vietnam is negotiating free trade agreements, the council gathers opinions of member enterprises and consults VCCI to give constructive ideas to the negotiator teams.

In the context of deep integration with the world economy and Vietnam signing many new-generation free trade agreements, VWEC has coordinated with partners to organize conferences and seminars to improve knowledge, updating information for female entrepreneurs, identifying challenges and opportunities, locating businesses and determining priorities in their development strategies when FTAs take effect; cooperated with relevant agencies and invited experts to introduce FTAs, their advantages and challenges, and suggest ways to approach such advantages and prepare to respond to those challenges to women-led enterprises.

Digital transformation is not only a trend but an

inevitable development course of global economies, including Vietnam. How are women-led businesses in Vietnam grasping this trend?

Vietnam currently ranks third in ASEAN in the size of the digital economy. Digital technology has also been strongly applied in Vietnam's industry, agriculture and service. However, the level of readiness for the digital transformation of Vietnamese enterprises is still generally low.

The survey on the digital transformation of women-owned micro, small and medium-sized enterprises (MSMEs) conducted by VWEC in March 2021 showed that most women-owned MSMEs (99% of respondents) are interested in investing in technology initiatives to enhance business performance but, in fact, they are still confused about how to deploy, pick appropriate technology solutions, determine breakthrough stages and carry out steps and rules for digital transformation. Only 18.45% responded that they have integrated digital transformation into their business development strategies, while 17.5% applied technologies to automate key activities such as purchasing, inventory management and 30% applied information technology software to financial management, accounting and human resource management. Despite being aware of opportunities and benefits of digital transformation, women-owned MSMEs are still facing numerous challenges and difficulties such as insufficient understanding, knowledge and skills in digital transformation,



Women entrepreneurs and distinguished delegates at ASEAN Women CEO Summit 2020

limited financial resources and technical personnel.

The Government of Vietnam already issued the National Digital Transformation Program to 2025, with a vision to 2030 (Decision 749/QĐ-TTg dated June 3, 2020); the National Strategy on Industry 4.0 to 2030 (Decision 2289/QĐ-TTg dated December 31, 2020) and the Business Support Program for Digital Transformation in 2021-2025.

VWEC also grasped the digital transformation megatrend very early, actively put forth proposals to relevant bodies and coordinated with domestic and international partners to launch skills training courses on digital technology, online marketing skills and capacity building for women entrepreneurs in the digital economy. VWEC is supporting women-owned enterprises to improve their capacity and adapt to the changing environment in the context of Industry 4.0 such as organizing seminars/forums to exchange digital transformation methods and processes for businesses, as well as training digital employees.

On the occasion of the 20th founding anniversary of the Vietnam Women Entrepreneurs Council, what would you like to share with the Vietnamese women-led business community?

Vietnam Women Entrepreneurs Council (VWEC), founded by VCCI, is the first and largest representative agency for female entrepreneurs and women-owned businesses in Vietnam. Today's VWEC growth results from the highly professional enabling working environment of VCCI, the solidarity and cooperation of VCCI units, and

the position and reputation of VCCI in the country and in the world. That professionalism has built up trust with governmental agencies, international friends, the business community and business associations nationwide, including Vietnamese women entrepreneurs. We especially treasured the contribution of the first Chairwoman, Hoang Thi Duong Ha, who laid the foundation for VWEC establishment, and Chairwoman Tran Thi Thuy, who elevated the VWEC status. I am just a successor who is trying to uphold and preserve the "legacy" left by them and bring that "legacy" to its true value.

The 20-year VWEC development indispensably results from the direction and leadership of the Party, the Government, the Party Committee, the VCCI Executive Committee, especially President Doan Duy Thanh and President Vu Tien Loc of VCCI, the effective cooperation and support of central and local agencies, and domestic and international partners. Particularly, VWEC has received the support and cooperation of the business community, women entrepreneurs in Vietnam, ASEAN and APEC. The trust and enthusiastic participation in VWEC-organized activities is greatly motivational for us to constantly innovate and reform our activities to match members' needs and expectations.

On this opportunity, I would like to express my deep gratitude to leaders, partners and the Vietnamese women business community for guiding, supporting, coordinating and responding to VWEC's activities.

Thank you very much!

Women's Empowerment Principles Award Launched



UN WOMEN Representative in Vietnam
Elisa Fernandez Saenz addresses the launching ceremony



Madam Nguyen Thi Tuyet Minh, Chairwoman of VVEC delivers a speech at the event

The Vietnam Women Entrepreneurs Council - VCCI and the UN Women recently hosted an online launch of the “Women’s Empowerment Principles Awards” (WEPs) in a bid to recognize efforts of companies with innovations and action plans for gender equality and women's empowerment; raise awareness and engage more and more companies to apply Women's Empowerment Principles in their businesses.

LAN ANH

In 2020, the Vietnam Women Entrepreneurs Council and the UN Women debuted the Women's Empowerment Principles Awards in Vietnam, which drew enthusiastic responses from many companies. 2021 is the second edition of this award.

The WEPs Award 2021 has six categories: Leadership commitment on gender equality; Young leadership commitment to promoting gender equality; Gender equality in the workplace; Gender equality in the market; Gender equality through community engagement and partnerships; and Transparency report on gender equality.

All businesses, regardless of their size or industry, have the best programs and practices for fostering gender equality that meet one or more of the Awards' categories and have an Executive Director or a business leader (current or former) signed or intended to sign Endorsement Statement for Women's Empowerment Principles. They can apply for up to two of the six award categories.

The organizers will start accepting registration applications from May 31, 2021, at the website www.asiapacificwepsawards.org and the deadline for



registration application is July 31, 2021.

Domestic awards ceremonies will be organized in seven WeEmpowerAsia member countries and the event in Vietnam is scheduled for October 2021 in Hanoi. The regional award ceremony will take place online in November 2021.

WeEmpowerAsia (Enhancing Economic Empowerment of Asian Women) is a joint program between the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and the European Union (EU). The Joint Strategic Plan for the 2017-2021 period was signed between the Government of Vietnam and the United Nations in Vietnam.

The overall goal of WeEmpowerAsia is to increase the number of women who lead and participate in the private sector business toward sustainable development. The program is being implemented in seven middle-income countries in the Asia-Pacific region, including China, India, Indonesia, Malaysia, the Philippines, Thailand and Vietnam. The Vietnam Women Entrepreneurs Council is currently the national partner of UN Women to implement the program in Vietnam.

One core WeEmpowerAsia activity is engaging companies to commit to and apply WEPs in the workplace, initiated by the UN Women and the UN Global Compact in 2010. This toolkit consists of seven principles to help businesses realize gender equality in the workplace, in the market and in the community. ■

Leveraging EVFTA to Boost Export Growth

The EU - Vietnam Free Trade Agreement (EVFTA), which took effect on August 1, 2020, has gradually lifted tariff barriers and opened the door for Vietnamese goods to quickly and effectively penetrate the EU market.

HUONG LY

Although the COVID-19 pandemic is still complicatedly developing in many countries around the world, Vietnam's import and export performance in the first four months of 2021 still recorded the highest growth in 10 years. According to the Ministry of Industry and Trade, the merchandise export value reached US\$103.9 billion in the four-month period, an increase of 28.3% year on year. In particular, the April export value soared 44.9% from a year ago. The trade surplus amounted to US\$1.29 billion in the January-April period.

After nearly nine months of EVFTA enforcement, the door for Vietnamese goods to enter the EU has really opened. According to the Ministry of Industry and Trade, in the first five months of enactment, from August to December

2020, Vietnam's export shipments to the EU rose by 3.8%. In the first four months of 2021, the value expanded by 18.1% to US\$12.55 billion.

According to the Ministry of Industry and Trade, Vietnamese enterprises have quickly approached and grasped EVFTA opportunities to bring the trade surplus in the first two months to US\$4 billion, 36.3% higher than the same period of 2020. Highest-growing exports to the EU in the first five months of EVFTA being in effect are plastic materials, rubber products, computers, electronic devices and components, iron and steel, and chemicals.

From August 1, 2020 to April 4, 2021, relevant agencies granted more than 127,296 certificates of origin (C/O) Form EUR.1 for over US\$4.78 billion to 27 EU countries. In addition, exporters to the EU also self-certified origin for nearly 3,585 shipments



The EVFTA is expected to fuel the growth of Vietnam's textile and garment industries by 6 and 14 % by 2030



valued more than US\$10.88 million, enjoying preferential tariffs under the EVFTA. C/O Form EUR.1 is mainly granted to footwear, seafood, apparel, agricultural products, cereals and electronic devices.

With a trade value of about US\$41.3 billion, the EU is currently one of Vietnam's largest trading partners and Vietnam is the 16th largest trading partner of the EU. On the other hand, ASEAN is also the EU's third-largest trading partner outside of Europe after the United States and China.

The EU's main exports to Vietnam are high-tech products, including machinery, electrical equipment, aircraft, vehicles and pharmaceuticals, while Vietnam's key exports to the EU are telephones, electronic products, footwear, apparels, coffee, rice, seafood and furniture.

Seafood exports climbed over 6% year on year to US\$2.39 billion in the first four months of the year. The EVFTA is the largest catalyst and stimulator to Vietnam's export growth of 16% to this market.

Experts predict that the EVFTA will boost Vietnam's export value to the EU by 42.7% in 2025 and 44.37% in 2030, as compared to the non-EVFTA scenario.

By single market, Italy and Germany are two main EU members with very close trade and investment cooperation relations with Vietnam. Germany is currently Vietnam's largest EU trading partner, with a fourfold bilateral trade growth in 10 years. In the first two months of 2021, Vietnam exported more than US\$1 billion to Germany and imported US\$527.8 million of goods from this market, taking a surplus of US\$515.8 million. Vietnam's top 10 exports to Germany in the first two months of 2021 accounted for US\$846.7 million, or 81% of its total export value to this market. Three exports brought home over US\$100 million.

Besides, the Nordic market tends to strongly increase imports from Vietnam. Ms. Nguyen Thi Hoang Thuy, Vietnam Trade Counselor in Sweden and Northern Europe, said that Nordic countries continue to focus their resources on post-COVID-19 economic recovery and pent-up consumer demand for goods and services expected to boom. Many forecasts showed that trade growth of Nordic countries will be 5% in 2021, with Iceland soaring 17%.

While the world is being heavily undermined by the COVID-19 pandemic and other pandemic consequences such as shortages of empty containers, increases in shipping rates, and the congestion incident in the Suez Canal, Vietnam has made long strides in trade performance with the EU since the beginning of the year, driven by important industries such as electronics, apparels, footwear, machinery and equipment and agricultural products.

Vietnam-EU trade is expected to boom in the near future when the EVFTA is enforced in a more comprehensive and effective manner. The EVFTA will facilitate Vietnamese exports to penetrate partner markets with preferential tariffs. ■



Vietnam's processed cashew nuts benefit a lot from EVFTA's preferential tax rate

How to Reap Benefits of EVFTA?

Agricultural products, apparels and services are entitled to a lot of advantages from the EU - Vietnam Free Trade Agreement (EVFTA), according to the Ministry of Industry and Trade.

HUONG LY

Data from the Multilateral Trade Policy Department (Ministry of Industry and Trade) showed that the EVFTA is expected to increase Vietnam's export value to the European Union (EU) by 42.7% in 2025 and 44.37% in 2030, as compared to the non-EVFTA scenario. Regarding Vietnam's global exports, the value is expected to rise by an average of 5.21-8.17% in the first five years of enforcement, by 11.12-15.27% in the next five years, and by 17.98-21.95% in another five-year period.

Overall, the EVFTA will help diversify Vietnam's markets to reduce dependence on a single market, thus ensuring Vietnam's economic security.

According to the "Report on EVFTA impacts on listed industries and companies" released by SSI Securities Corporation, rice, fruit and vegetable, chemical, cashew, coffee, seafood and apparel products are expected to benefit from the EVFTA. The timber

industry will receive light impact, while the dairy industry will be a little negatively affected.

Agricultural products

The Ministry of Industry and Trade forecast that, among agricultural products, rice will expand by 65% by 2025, sugar by 8%, pork by 4%, forest products by 3%, meat by 4%, and beverages and tobacco by 5%.

The EVFTA will give a strong boost to Vietnamese seafood exports. However, there are a lot of short-term and long-term difficulties (input source, broodstock, illegal fishing and antibiotic) and high non-tariff barriers in the EU are very challenging.

Seafood exports to the EU will expand by an average of 2% a year in 2020-2030, while imports from the EU may grow higher (by 2.8%-5%).

The import tariff reduction will encourage rice companies in Vietnam to build a closed rice production model, improve quality and boost their brands globally. Before the EVFTA, import duties on Vietnamese rice were from 5-45%. According to the roadmap for tariff elimination under EVFTA, the rate will be slashed to 0%. In addition, import tariffs will be eliminated on broken rice after five years and rice-originated products after 3-5 years.

Before the EVFTA, Vietnamese vegetables and fruits exported to Europe enjoyed the GSP preferential tax rate but the tariff was still as high as 0-20%. According to the EVFTA implementation roadmap, tariffs for about 94% of the total 547 tax lines for fresh and processed vegetables and fruits will be slashed to zero. The EVFTA has no restrictions on the value and quotas of fruits and vegetables, as long as they meet all standards, including Global GAP and origin.

Processing and manufacturing

The Ministry of Industry and Trade estimated that the processing and manufacturing sector will expand by 67%, with textile by 67%, apparel by 81%, and footwear by 99%, as compared to that before EVFTA.

The textile and garment export value to the EU market will increase rapidly by about 67% by 2025 as compared to the non-EVFTA scenario. On output, the EVFTA will have a positive impact on output, with 6% for the textile industry and 14% for the garment industry by 2030. The pact will substantially expand leather footwear exports to the EU. The export growth to the EU is expected to double by 2025, with an increase in the leather shoe shipment by 34% and the output by 31.8%.

Before the EVFTA, Vietnam's textile-garment and leather-footwear exports to the EU were granted GSP preferences, with garment and footwear imports from Vietnam being imposed 9.6% duty and 11.9% duty, respectively. Most textile and garment products will be imposed zero tax according to the EVFTA's 5-year roadmap (77.3% of the export value) or 7-year roadmap (22.7% remaining). Right after the EVFTA came into effect, most leather and footwear products were immediately reduced to zero tax.

For the electronics and computer industries, according to the EU's current tariff schedule, import duties on computers and

electronic products will be almost 0% or below 10%. The EVFTA is also a driving force to attract FDI from the EU and other countries to Vietnam when the country has underdeveloped supporting industries and focuses on high-tech industries.

Regarding the machinery and parts industry, Vietnam is a large importer of machinery and equipment and the EU is the fourth-largest supplier of machinery and equipment for Vietnam. Therefore, Vietnam's removal of import tariffs on EU machinery and equipment will boost imports from this market. As EU machinery and equipment are more advanced than some other traditional markets, this could create an opportunity for Vietnam to improve its domestic production technology.

EVFTA commitments on pharmaceutical tariffs may not make any major changes in the near future for the export and import of pharmaceuticals between Vietnam and the EU. However, pharmaceutical commitments in other aspects will have a significant impact on the market and Vietnamese pharmaceutical companies in the following direction: EU pharmaceuticals will enter Vietnam more smoothly, easily and directly; intellectual property protection for pharmaceuticals will be strengthened, causing a slower pace of price reduction of some drugs; competition will be fiercer in bidding packages to supply drugs to Vietnamese hospitals (in sectors committed to opening to EU contractors).

Services

The Ministry of Industry and Trade estimated that the shipping industry has room to expand by 100%, air transport by 141%, finance and insurance by 21%, other business services 80% (excluding effects caused by the COVID-19 pandemic).

For financial, banking and insurance services, the EVFTA will open up opportunities to foster the liberalization of Vietnam's financial, banking and insurance services. The opening of these sectors will boost demand and cooperation opportunities with EU businesses. By 2025, Vietnam's exports of financial and insurance services will increase by about 21% and imports will be boosted to 9.65%. However, competitive pressures are heavy and, at the same time, pressures on macro stability will be even greater because the opening of these services make Vietnam more sensitive to external shocks.

The EVFTA may affect logistics development prospects in two ways: Vietnam and the EU's commitment to opening the transportation market; and commitments on sectors that affect the logistics service market capacity in terms of scale, quality, demand for capacity expansion and service performance. ■



EVFTA

THE DOOR IS WIDE OPEN
BUT CHALLENGES REMAIN

The first concern of enterprises is the awareness of EVFTA commitments, particularly rules of origin and conditions, to enjoy export tariff preferences. The next is about import procedures and other necessary documents they carry out to enjoy preferential treatments when importing goods from the European Union (EU). Besides, they are also concerned about whether labor and environmental standards will increase to raise barriers to businesses after the EU - Vietnam Free Trade Agreement (EVFTA) comes into effect.

QUYNH CHI

This is one of the latest remarks by Dr. Nguyen Thi Thu Trang, Director of the WTO and Integration Center under the Vietnam Chamber of Commerce and Industry (VCCI) on difficulties faced by Vietnamese companies upon the enforcement of EVFTA commitments.

Despite being widely known to have lower tariffs, according to most Vietnamese enterprises, this trade pact raises a lot of technical barriers to trade and tightens phytosanitary measures. Besides, it is not easy to fully meet rules of origin to enjoy preferential tariffs, especially for agricultural products imported for processing.

For example, for rice, the EU imposes strict regulations on product quality and environmental standards, according to the Ministry of Agriculture and Rural Development. It is mandatory to provide proof of origin when completing customs procedures. The EU is a very "fastidious" market for strain and traceability. The certification illustrates the quality, prestige, value and brand of Vietnamese rice. Exporters must have GlobalGAP certification, adapt to new cultivation methods, build a production, processing and consumption chain that meets international standards (e.g. ISO and HACCP). When exporting fragrant rice to the EU, to be exempt from quota-based import duties, exporters must have certification of a registered variety issued by a competent Vietnamese agency.

Therefore, according to experts, enterprises need to research, improve technology and have closed production lines meeting international quality standards such as HACPP, HALAL or BRC to export products to demanding markets like the EU. Besides, obtaining other popular certificates in the EU will give them more opportunities to export rice to this market.

For seafood, one strong export of Vietnam, exporters need to have ASC-certified farming areas to enjoy preferential tariffs on shrimp in the EU. This

Vietnam's seafood sees an improved access to EU market via either duty-free quotas or the full liberalization of tariff structures



international certification certifies that seafood is raised responsibly, with the least adverse impacts on the environment, the ecosystem, the community and ensuring good labor laws. This standard is achieved by very few businesses. Even when certified, the cultured area is not very large because of strict regulations on land and water sources from the Aquaculture Stewardship Council (ASC) and is subject to irregular inspections by this agency every year.

Besides, the European Commission's (EC) imposition of "yellow card" on Vietnam's seafood in recent years has troubled the seafood industry and entangled many shipments with paperwork on input source certification owing to failure to fully meet EC's Illegal, unreported and unregulated (IUU) fishing regulations.

For fruits, enterprises need to have certificates like GlobalGAP farming areas, ISO 9001:2015 and HACCP factories, SMETA social certificate and environment certificates to start negotiations on exports to the EU, according to Vina T&T Group Company, a strong fruit exporter that has shipped its products to many countries in the world. Then, they need to maintain their certifications and fulfill their commitments. When making inroads into Europe, almost 100% of orders will be checked for pesticide residues. If violations are found, shipments will be canceled and prohibited from exporting into this market.

These requirements, if met, can only be achieved by businesses with good financial health because GlobalGAP certification costs VND200 million per growing area code of a fruit variety. Meanwhile, these certificates are not valid forever, but only for a limited time, and must be renewed every year. This means that every year they spend the same amount as the original and must meet approval requirements.

A representative of Vina T&T Group admitted that this extremely arduous journey distresses many companies in terms of finance, effort and energy. Without determination and passion and without a relatively good financial capacity and technological foundation, it is very difficult to reach the destination to take advantage of EVFTA tariff preferences.

Besides, according to trade experts, when tariff barriers are no longer an effective tool to protect businesses, importers often tend to apply anti-dumping, anti-subsidy or safeguard measures to protect domestic production.

As a result, enterprises must first understand general requirements and then carry out right and complete requirements, depending on individual conditions of each importing partner. In the event that their human resources lack legal knowledge, fulfilling commitments becomes an insurmountable barrier. Let alone, commitments on technical measures to trade relating to labor, environment and fair competition require them to update and comply in detail.

To deal with these matters, according to the Vietnam SMEs Association, the Government needs to further accelerate administrative procedure reforms, review and perfect institutions and policies, submit proposals to changes to the National Assembly for quick ratification of important laws such as the Law on Investment, the Law on Enterprises, the Law on Environmental Protection, the Labor Code and tax laws to match EVFTA requirements.

In addition, the Government should direct relevant ministries and sectors to actively strengthen communications on EVFTA contents and instruct how to fulfill EVFTA commitments and regulations through training courses to raise understanding and awareness and help them effectively implement the pact. ■

Vaccine Availability Is Top Issue for U.S. Businesses

The American Chamber of Commerce in Hanoi (AmCham) recently surveyed their members about the business impact of the ongoing coronavirus outbreak in Vietnam.

The survey focused on business operations, travel and activity restrictions, burdensome procedures for in-bound arrivals, and the availability of vaccines in Vietnam.

"The coronavirus outbreak is causing anxiety and uncertainty across all business sectors in Vietnam," said AmCham Executive Director Adam Sitkoff. Over 90% of AmCham members responding to the survey said the current outbreak has affected their business operations here.

The biggest challenges are a lack of available vaccines to protect their team members, and not being able to bring necessary people here due to burdensome travel requirements and paperwork.

Over 70% of respondents say their company is currently restricting work travel in Vietnam. Mr. Sitkoff added that around 90% of AmCham members have cancelled work or personal travel due to the current outbreak that has found infections in 30 cities and provinces here.

"The health and safety of people in Vietnam should remain the government's number one priority. At the same time, it is important to recognize that in-bound travel brings in the foreign experts and business people necessary to facilitate new investment, efficient operations, key infrastructure, education of Vietnamese children and more. Survey results found that 81% of members say their company would bring more people to Vietnam if the mandatory quarantine period was reduced from 21 days down to 7 days. The pandemic is likely to continue causing disruption and locking people inside a room for many weeks might seem like a good idea today, but Vietnamese policymakers need to think seriously about a safe and simple system of documentation that will facilitate international arrivals here. Vaccines have proven safe and effective. AmCham encourages authorities to implement less burdensome entry procedures for fully vaccinated business people, foreign experts, and maybe even tourists," Sitkoff said.

In the survey responses, AmCham members repeatedly stressed the need to get more people vaccinated. In fact, 88% of respondents said they or their company would pay money to receive a high-quality vaccine here. The AmCham Executive Director again offered to gather financial resources from companies if the government would guarantee quick vaccine availability for their team members. Sitkoff added that vaccine availability is the top issue on the minds of AmCham members right now and that until many more people get vaccinated, we will likely see additional outbreaks and disruption from the virus here.



While global economic growth is being undermined by the COVID-19 pandemic, Vietnamese exporters have flexibly grasped advantages of applying digital technology in e-commerce platforms and preferential treatments from free trade agreements, including EVFTA. Vietnam Business Forum's reporter has an interview with Ms. **Lai Viet Anh**, Deputy Director of the Vietnam E-commerce and Digital Economy Agency - Ministry of Industry and Trade, on this matter. **Huong Ly** reports.

E-COMMERCE

JUMPSTART FOR EXPORTS DURING PANDEMIC

What do you think about Vietnamese exports via e-commerce platforms?

With global B2C e-commerce revenue expected to reach US\$2,883 billion in 2023, cross-border e-commerce will be an extremely effective tool for businesses to expand their market. Vietnam has the fastest cross-border e-commerce development in the world. This is an effective way for Vietnamese businesses to join global supply chains, minimize risks exposed to supply chain disruptions or stalls caused by the COVID-19 pandemic.

Some exports are expected to benefit greatly from the EU - Vietnam Free Trade Agreement (EVFTA). Could you tell us what businesses need to do to access demanding markets like the EU through e-commerce?

The COVID-19 pandemic has forced businesses to change. Despite the advantages of FTAs, they still have to adapt to new trends where Vietnamese goods are well connected to the global market. To export their products through cross-border e-commerce channels, they need to adapt to new customer needs and e-commerce policies.

In addition, joining an e-commerce platform, they need to study regulations and ways to export products meeting the required standards imposed by importing countries, shipping methods and delivery time. All these

factors affect product price.

Companies must continuously apply and improve digital technology, transform their business models into the online environment, and connect directly with consumers. Effectively using online export methods not only requires policies, but also platform support from major worldwide e-commerce exchanges.

What are barriers to exporters on the e-commerce channel?

The first is knowledge and skills. Apart from knowledge about export, import and procedures, businesses must understand specific e-commerce tools. The second is cultural and language barriers. The final is product branding and positioning. As exporting via e-commerce is aimed at end users, including foreigners, businesses must know how to appeal to their tastes.

90% of Vietnamese enterprises are SMEs. Do they face difficulties competing with giant exporters?

Many large enterprises in Vietnam have been very successful in the online environment such as Trung Nguyen Coffee or Bitis. They are experienced in deploying on e-commerce platforms like Alibaba and Amazon. However, the e-commerce playground is a fair

playing field where opportunities are also for small and medium-sized enterprises (SMEs) to expand. Many dynamic SMEs have joined this playground and obtained initial successes. Most are involved in handicrafts, agricultural products, foodstuffs and confectioneries.

Surprisingly, SMEs have a great advantage to customize their products to customers' needs. Typically, the deal size on e-commerce is not large. Many orders require suppliers to design and customize products according to specific requirements from buyers. Therefore, SMEs have an advantage over larger ones in customized production. That is also a helpful direction for them to be more successful in reaching customers through e-commerce.

How can enterprises sharpen their competitive edge in cross-border e-commerce?

The quality and competitiveness of Vietnamese goods on e-commerce platforms is very strong. Many big sellers have actively imported goods from Vietnam. However, the volume of Vietnamese goods traded via e-commerce platforms is not large and there are no strong branded products. Therefore, what we need to improve is to strengthen commitment, focus efforts to use digital tools, improve competitiveness and build their own brands.

Notably, e-commerce is a helpful channel for us to boost our brands and identity to reach potential customers. Therefore, businesses need to pay more attention to building and developing brands, investing in product design and packaging. Nevertheless, to be successful, products must rely on intrinsic product quality. They also need to comply with strict standards on contracts, import and export conditions, delivery, packaging and labels as required by importing countries.

E-commerce helps us promote our brands very quickly. But if there is any problem, it can seriously damage our brand. Special attention should be paid when we use digital tools to export our goods through e-commerce.

Thank you very much!

SUPPORT NEEDS TO GO TO RIGHT BUSINESSES

Vietnamese businesses will weaken over time if the COVID-19 pandemic persists. Therefore, it is necessary to have an immediate solution to support businesses to restore production and business.

According to surveys, business performance in Vietnam was still very worrying in the first months of 2021. Many companies had to suspend or stop operations. The number of companies that withdrew from the market increased from 22,000 in the first four months of 2019 to 41,000 and 51,500 in the corresponding periods of 2020 and 2021. In addition, the number of temporarily suspended enterprises jumped to 28,000 from just 16,000 in the four-month period of 2019.

Experts at the recent Workshop on "Businesses Well Overcome COVID-19 Troubles", attributed this reality to COVID-19 pandemic outbreak. Even the fourth wave of COVID-19 contagion is still very dangerous with its impact on two economic bases - medical facilities and industrial parks - that the Government has tried to maintain over the past time.

More efforts needed

Businesses will weaken over time if the COVID-19 pandemic continues. Therefore, it is necessary to have an immediate solution to support enterprises to restore business operations.

Mr. Than Duc Viet, General Director of Garment 10 Corporation, expressed his concern that the corporation has a total of 12,000 employees working at 18 factories in many provinces and cities. This is a difficult issue when it has to fulfil the dual goal of preventing the pandemic and bolstering business operations.

The fourth outbreak of the plague is likely to cause enormous impacts on the corporation's business performance and its employee health. What is happening in 2021 is very different from 2020. In 2020, when affected by COVID-19, Garment 10 Company had its supply and demand disrupted because 90% of its products were exported to the U.S., Europe and Japan.

On the contrary, this year, Garment 10 has a lot of orders and cannot receive all. Regulations on pandemic prevention are very harsh, but the corporation does not know how to maintain manufacturing and prevent the pandemic at the same time.

"Currently, we have 200 employees categorized as F2 and F3 contacts and they have to stay at home. But if it takes a long time, it will be very difficult for us to maintain production," he said with concern. Mr. Viet thus expected to have more specific regulations on physical distancing.

Sharing the same view, Mr. Nguyen Xuan Phu, President of





Sunhouse Group Joint Stock Company, said that when the pandemic broke out, Sunhouse leadership had to figure out specific action scenarios for narrow lockdowns, city lockdowns and regional lockdowns.

He emphasized, “If lockdowns are partial, we will divide our warehouses to avoid supply disruptions. Factories are also split to cover each other in case one is locked for disease disinfection. Having different channels and markets will help the company work well. In addition, we pay attention to balancing loans and hedge funds. In particular, savings are only allowed to be used during extremely difficult or risky periods. With these strategies, at the end of the financial year, Sunhouse still made revenue and profit growth of 15% after covering all risks.”

He confidently said that “The pandemic broke out all over the world and we thus need to be ready to take risks wisely. Pandemic prevention does not mean we can avoid it, but we must learn how to live with it wisely.”

Financial support

To support businesses to overcome the COVID-19 crisis, Mr. Viet said that the most important support package is the VND60 trillion package initiated in 2020. However, Garment 10 has not been able to access this package to date because its access conditions include a 30% drop in revenue and a 50% reduction in staff. Indeed, if these criteria were met, the company would have already gone bankrupt.

Therefore, he hoped that this financial policy would be divided into support packages and beneficiaries. In addition, support packages should focus on resilient

businesses that need worthy support for recovery which will in turn bolster economic growth. For companies already closed for a long time, different support packages are taken into account.

“Countries support enterprises based on tax contributions and insured employees. This encourages them to do business transparently and pay enough taxes. Meanwhile, Vietnam currently only focuses on assisting troubled ones. This incites them to deliberately fall into difficulty or give wrong evidence to seek support, while good taxpayers have to close their business. Many small and medium-sized businesses are very depressed because they only work in one field and have one business location. So, when the pandemic breaks out, they close their operations immediately,” Mr. Phu said.

For this reason, he proposed to divide the support fund into two groups. First, companies in locked-down areas need immediate assistance according to their contribution to the State budget. Second, the support goes to companies in difficulty. We should group businesses to build support packages. Large enterprises, which account for 80% of state budget revenue, need other types of support like opening the market and assisting companies to receive foreign experts amid pandemic outbreaks.

“If the Top 500 businesses in the country receive effective support policies, they will create a spillover effect for satellite companies. Medium enterprises, most of which are satellite vendors for large enterprises, need other policies. The last group includes micro and small companies that need immediate assistance, based on their contributions, in case of lockdowns. Meanwhile, unlucky companies need to call for social help,” Phu proposed. ■





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Approaching Smart Customs Model



The General Department of Vietnam Customs is proposing to amend some decrees for smart and digital customs development aligned with the implementation of the Overall Customs Information Technology System Reconstruction Project and the framework for the Customs Development Strategy.

HIEN PHUC

The Vietnamese customs sector adopts a smart information technology system for management of export-import activities

Needs from practice

To match with ongoing processes and future development plans, some decrees need to be revamped, according to the General Department of Customs.

Assessing the enforcement of Decree 08/2015/ND-CP, which is amended and supplemented in Decree 59/2018/ND-CP, the General Department of Customs said the decree has helped accelerate administrative reforms, create a favorable environment for investment, import and export activities, improve customs performance and ensure state management of customs.

However, Decree 08/2015/ND-CP revealed some matters which are no longer consistent with current management practices or overlap with new regulations. Especially, carrying out Decision 97/QĐ-BTC dated January 26, 2021 of the Ministry of Finance on the policy of hiring information technology (IT) services for digital customs, the General Department is building smart customs and digital customs management models aligned with the implementation of the Overall Customs Information Technology System Reconstruction Project and the framework for the Customs Development Strategy on the basis of exercising centralized management, applying new technological achievements in line with international standards, meeting requirements of smart administration, trade facilitation, integration, connection, sharing and exchange of customs data with related parties. Therefore, it is extremely necessary and important to amend and supplement Decree 08/2015/ND-CP and Decree 59/2018/ND-CP.

Further procedural simplification

Currently, the General Department of Customs is studying amendments and supplements to decrees to unify contents of effective legal documents such as the Law on Tax Administration; Decree 85/2019/ND-CP dated November 14,

2019 of the Government on implementation of administrative procedures under the National Single Window, the ASEAN Single Window and specialized inspection for exports and imports; Decree 82/2018/ND-CP dated May 22, 2018 of the Government on management of industrial zones and economic zones and the draft Decree on State inspection of quality and safety for imported goods.

The amendment aims to simplify administrative procedures, ensure implementation transparency of administrative procedures, and facilitate export and import, as well as entry and exit of transport means for enterprises. Amendment and supplementation must be consistent with international commitments and treaties on customs to which Vietnam is a signatory.

In particular, amending and supplementing regulations to approach smart and digital customs models aligned with the implementation of the Overall Customs Information Technology System Reconstruction Project and the framework for the Customs Development Strategy on the basis of exercising centralized management, applying new technological achievements in line with international standards, meeting requirements of smart administration, trade facilitation, integration, connection, sharing and exchange of customs data with related parties.

The smart customs model is integrated into existing working systems, powered by cutting-edge technologies of the Fourth Industrial Revolution for information exchange and sharing, data management, automatic data analysis, visualization and supply chain management. Therefore, the decree will stipulate validity principles for the enactment of the Smart Customs Management System, and at the same time, ensure its enforcement when this system is not available, for example, regulations on digitization of customs documents; result notification of commodity flow at the border; automatic customs clearance upon receipt of

Vietnam, Japan Foster Cooperation in Smart Customs Development



Deputy Director General of Vietnam Customs Mai Xuan Thanh co-chairs the workshop on the smart customs model

Deputy Director General of Vietnam Customs Mai Xuan Thanh and Deputy Director General of Japan Customs Ghenshin Hideaki recently co-chaired a workshop on the smart customs model.

Deputy Director General Mai Xuan Thanh emphasized that Japan has provided Vietnam Customs valuable support over the past two decades. This support has helped Vietnam Customs to reach a new level of sustainable development. In particular, Vietnam Customs highly appreciated the VNACCS/VCIS electronic customs clearance system along with technical support and human resource training and development of Japan Customs.

The General Department of Vietnam Customs chose to study the experience of Japan Customs because the latter is one of the most modern customs agencies in the region and the world, he said. The Vietnam Automated Cargo and Port Consolidated System/Vietnam Customs Intelligence Information System (VNACCS/VCIS) supported by Japan is an achievement in the reform and modernization process of Vietnam Customs, making a significant contribution to the development of the country.

Vietnam Customs wished to promote the valuable experience of operating the VNACCS/VCIS System to develop modern smart customs. Vietnam Customs wished to learn more about the experience of Japanese Customs in building a smart customs model to be used as a reference

and applied in the process of designing and developing a smart customs model in the future.

According to Deputy Director General of Japan Customs GHENSHIN Hideaki, over the past years, to facilitate trade and meet management requirements, Japan Customs has upgraded the NACCS/CIS system and has integrated with the National Single Window System to facilitate import and export activities.

In the new development trend, in 2020, Japan Customs built a medium- and long-term development orientation through the Intelligent Vision 2020, which focused on using artificial intelligence (AI) in customs operations.

Pointing to smart customs targeted by Vietnamese and Japanese customs authorities, he suggested that the two sides continue to hold more seminars and information exchange sessions to achieve the most effective cooperation.

FDI Import-Export Value Rises 37% in Jan-May

Vietnam's merchandise import and export value reached US\$25.7 billion in the first half of May 2021, down 6.8% (equivalent to US\$1.87 billion) from the second half of April 2021, according to the latest preliminary statistics released by the General Department of Customs.

The import and export value of foreign direct investment (FDI) companies climbed to US\$163.49 billion from January to May, up 37% (equivalent to US\$44.17 billion) and the import and export value of domestic companies was US\$70.46 billion, up 22.8% (US\$13.09 billion) over the same period in 2020.

Vietnam's merchandise export approximated US\$116.8 billion, an increase of 30.9% (US\$27.57 billion) year on year.

Strongly growing merchandise included machinery, equipment, tools and parts (rising by 76.9% or US\$5.8 billion); computers, electronic products and parts (rising by 30.2% or US\$4.11 billion); telephone and parts (by 21.4% or US\$3.52 billion).

Meanwhile, the merchandise import value in the first period of May 2021 expanded from the second half of April 2021. Key imports consisted of machinery, equipment, tools and parts (rising by 9.9% to US\$188 million); and fabric (by 7.7% or US\$56 million). In total, Vietnam's imports valued at US\$117.15 billion, up 34% year on year (or US\$29.69 billion).

Phuc Hien

specialized inspection results from the National Single Window Portal; the use of container scanning images; and prevention of duplicate bill of lading information.

In addition, the General Department of Customs will study and propose amendments to regulations on customs records, physical inspection of goods and paper declarations in Decree 08/2015/ND-CP and Decree 59/2018/ND-CP which are aimed at reforming and facilitating trade. Regarding specialized inspection, customs authorities will review regulations on specialized inspection of exported and imported commodities, eradicate

overlapped contents with Decree 85/2019/ND-CP dated November 14, 2019 of the Government and the draft decree on state inspection of quality and safety of imported goods.

Many matters arising in practice were also studied and considered, including management of outsourced goods and export-oriented production; customs procedures for goods in transit; places for customs clearance for goods that are temporarily imported for re-export (including goods used for sports competitions); tax policy issues, customs value issues and new contents of Decree 18/2021/ND-CP. ■

Attracting Private Investment into PPP Projects

Public-private partnership (PPP) investment has become one productive cooperation model between the government and the private sector in infrastructure development in Vietnam.

HUONG LY

Private sector's roles

The Global Infrastructure Outlook showed that Vietnam will need more than US\$600 billion to meet its infrastructure targets by 2040. Against the backdrop of rising public debt and limited access to multinational development banks, the government will need to mobilize new investment flows.

According to the World Economic Forum on the Global Competitiveness Index, Vietnam's

rate of paved roads is much lower than that of countries such as Malaysia, India and Indonesia. The Asian Development Bank (ADB) estimated that Vietnam's infrastructure investment needs will be about US\$480 billion in 2017-2030. This is a large investment and a financial burden for Vietnam.

According to a report from ADB, PPP projects can be effectively funded by the private sector. Many governments are facing pressure to



Private investment is critical in financing infrastructure development

balance their finances to develop and maintain infrastructure due to population explosion and accelerating urbanization. Furthermore, infrastructure services often have high costs and slow capital recovery. Therefore, mobilizing private capital for infrastructure development is a good solution. PPP projects will attract private investment, increase productivity and use available resources more efficiently, and reform and reallocate roles, incentives and accountability.

The purpose of the private sector's entry into a public-private partnership is to profit from its business management capabilities and experience (especially in public services). The private sector will recover capital by appropriate service fees and return on investment from the government.

The Public-Private Partnership Committee - National Council on Sustainable Development and Competitiveness Improvement stated that attracting private investment will effectively offset shortfall and increase investment resources. Moreover, expanding public-private partnership (PPP) also helps the Government take advantage of expertise and update technology from the private sector into the construction and management of infrastructure and public services; thus people enjoy improved services at a reasonable cost, while infrastructure development enables economic growth and generates many socio-economic benefits.

Investment incentive mechanism

According to the 2019 Global Infrastructure Investor Survey conducted by the EDHEC Singapore Infrastructure Institute, Vietnam is among the top five emerging countries worldwide for infrastructure market potential in the next five years, together with India, China, Brazil, and Indonesia. However, the Asian Development Bank's private sector development and PPP experts observed that only 10% of Vietnam's infrastructure is financed by the private sector, much lower than many other middle-income countries in Asia.

Recommending solutions to encourage private investment in PPP projects, the Vietnam Chamber of Commerce and Industry (VCCI) as well as the Public-Private Partnership Committee - National Council for Sustainable Development and Competitiveness Improvement, said that it is necessary to have a favorable investment environment and favorable conditions as well for investors to achieve a suitable reward/risk rate. This requires legal and policy reforms to create a consistent and sustainable foundation for public-private partnership.

In particular, the Law on PPP Investment 64/2020/QH14, ratified by the 14th National Assembly at its 9th session and enforced from January 1, 2021, has 11 chapters and 101 articles. This is one important tool to create a mechanism to attract PPP investment.

Regarding regulations on investor selection, in the past, the investor selection for PPP projects was governed by the Law on Tender, but is now governed by the Law on PPP Investment to ensure consistency, integrity and continuity of the PPP project implementation. A new important mechanism that has not been found in previous regulations is that the Law on PPP Investment stipulates sharing mechanisms for revenue increase (by more than 125%) and revenue reduction (by less than 75%) to minimize risks for PPP projects, especially risks from changes from the government. In addition to the traditional capital mobilization channel from banks, the Law on PPP Investment allows PPP investors to issue corporate bonds to mobilize capital for their PPP projects. This new content ensures compliance with international practices and creates favorable conditions for businesses to call for capital. ■

Preferential Export-Import Tariff Schedule Issued for UKVFTA Enactment

The Government recently issued Decree 53/2021/ND-CP outlining Vietnam's preferential export tariff and special preferential import tariff scheduled along with the implementation of UK - Vietnam Free Trade Agreement (UKVFTA) in the 2021-2022 period.

The decree has two appendices. Appendix I features Vietnam's preferential export tariff structure for the implementation of the UKVFTA, which includes merchandise codes, merchandise descriptions and preferential export tariffs for each commodity code when exported to the United Kingdom of Great Britain and Ireland. Appendix II clarifies Vietnam's special preferential import tariff structure to implement the UKVFTA, which includes merchandise codes, merchandise descriptions, and special preferential import tariffs for each merchandise code when imported into Vietnam from the United Kingdom of Great Britain and Ireland.

Goods exported from Vietnam will be eligible to enjoy the preferential export tariffs when they are imported into the United Kingdom of Great Britain and Ireland, have transport documents (copies) showing the UK as their destination, and have import customs declarations as shipments of Vietnam-originated goods.

Import merchandise, to be eligible for special preferential import tariffs, must be imported into Vietnam from the United Kingdom of Great Britain and Ireland, specified in Appendix II.

In addition, goods must meet regulations on the rules of origin and have documents certifying the origin of goods as set out in the UKVFTA.

Ha Linh

Appealing Investment Destination in Asia-Pacific

In the recently published German Business Policy for the Asia-Pacific, the Asia-Pacific Committee of German Business (APA) calls on the European Union (EU) to strengthen its presence and trade and investment cooperation in Asia.

According to APA, Europe needs to focus on economic development in the Asia-Pacific region. It needs to draw all attention to this important economic sector and diversify its economic ties with the region through a flexible and assertive foreign economic policy.

Colossal investment strategies in key areas, such as sustainability and innovation, will make Europe a potential partner of the Asia-Pacific region. A comprehensive strategy for the Asia-Pacific region needs a clear roadmap to elevate the relationship commensurate with its growing position in the context of ongoing strategic competition between the United States and China.

APA President Joe Kaeser said this will be an important strategy to elevate the relationship on par with its growing position in the region in the context of ongoing strategic competition between the United States and China.

In addition to China, German businesses need to recognize the strategic and important position of Asia-Pacific markets in the future. The supply chain diversification strategy does not mean relocating production out of China, but this strategy requires Europe to soon establish a comprehensive economic development strategy to access potential markets in this region in the most effective manner. Thus, APA called on the European Union to soon complete a unified, effective and flexible foreign and economic policy for the Asia-Pacific.

While calling on Europe to focus on economic development in the Asia-Pacific region, APA also emphasized that Vietnam is viewed by German economists as an important investment destination in the region and an important partner in the Asia-Pacific supply chain diversification strategy, bolstered by its important advantages gained from the EU - Vietnam Free Trade Agreement (EVFTA), an inclusive, high-quality new-generation pact.

This is also very clearly reflected in a survey

Vietnam is recognized by German economists as an attractive investment destination and an important partner in the Asia-Pacific supply chain diversification strategy, bolstered by its important advantages gained from the EU - Vietnam Free Trade Agreement (EVFTA), an inclusive, high-quality new-generation pact.

THU HA

on German business confidence in Vietnam released recently by the German Chamber of Commerce and Industry in Vietnam. According to the survey, German businesses assessed that EVFTA and CPTPP will help Vietnam's GDP expand by 3.2% in 2021-2030. Vietnam will become a strategic investment destination for global and regional supply chains which are being restructured and a potential market to attract international corporations.

Being optimistic about the business performance in Vietnam, many German companies said that they will expand investment and recruit more employees in the next 12 months. Specifically, 47% of German companies in Vietnam tended to expand their business; 50% of them intended to recruit more personnel in 2021/2022; more than 40% expected to keep their

current level and only less than 10% planned to cut their staff.

In addition to foreign economic policies in the Economic Policy of German Business in the Asia-Pacific, the APA emphasized the importance of focusing on further improving Europe's investment environment. To effectively attract the attention of investors from the Asia-Pacific, Europe needs to boost investment in industries of the future such as innovation and sustainable development. ■





The investment certificate granting ceremony for the O Mon II thermal power plant project with the investment capital of US\$1.31 billion

Giant Foreign Investment Projects Land in Vietnam

During the five-month period, the total newly registered and supplemented FDI capital posted nearly US\$14 billion, up 0.8% over the corresponding period last year.

Five “blockbuster projects” in early 2021

According to the Ministry of Planning and Investment (MPI), foreign investors registered to invest in five gigantic industrial projects in Vietnam in the first five months of 2021.

As the strongest magnet to FDI flows in the first months of 2021, in addition to the US\$3.1 billion Long An I and II LNG Power Plant Projects (Singapore) that produce, distribute and transmit electricity (licensed on March 19, 2021), Long An province is already home to 1,111 FDI projects with a total registered capital of more than US\$9.17 billion, of which 588 operational projects account for US\$3.624 billion or 39.4% of the total registered capital.

Can Tho City was the second-largest recipient of FDI funds. In the 5-month period, O Mon II Thermal Power Plant (Japan), registered to cost over US\$1.31 billion for investment, will supply electricity for the regional grid and the national grid. Can Tho granted a business registration

The disbursement of foreign direct investment (FDI) capital from early this year to May 20 was estimated at US\$7.15 billion, an increase of 6.7% over the same period in 2020, according to the Ministry of Planning and Investment.

certificate to it on January 22, 2021.

Hai Phong City was also a top address for FDI flows. LG Display Hai Phong Project (South Korea) increased its investment fund by US\$750 million (licensed on February 4, 2021).

In Quang Ninh province, the Jinko Solar PV Vietnam Photovoltaic Cell Technology Project (Hong Kong) registered to invest US\$498 million to manufacture photovoltaic panels and other electrical equipment production. The investment registration certificate was granted on March 29, 2021.

Radian tire manufacturing project (China) in Tay Ninh province raised the investment fund by more than US\$312 million, licensed on January 6, 2021.

Rapidly growing FDI scale

According to the Ministry of Planning and Investment (MPI), in the first quarter of 2021, FDI inflow to Vietnam (invested in new projects, added to existing projects and spent on share purchases) reached US\$12.25 billion, of which US\$8.46 billion was spent on 451 newly-licensed projects, up 24.7% in value but down 54.2% in projects from the same period last year.

As many as 67 countries and territories invested in Vietnam in the first four months of the year. Singapore took the lead with over US\$4.8 billion, accounting for nearly 39.6% of the total.

Japan ranked second with over US\$2.5 billion, accounting for 20.5% of the total. The investment from Singapore and Japan was mainly for fresh projects, accounting for 91.1% and 71.5% of their registered funds, respectively.

South Korea was the third-largest foreign investor in the Southeast Asian nation with nearly US\$1.5 billion, accounting for 12.1% of the total, followed by China, Hong Kong and the United States.

According to Dr. Nguyen Thuong Lang from the National Economics University, as for FDI sustainability, Vietnam is experienced in assessing and choosing environmentally friendly projects.

According to the Ministry of Construction, in 2021, three areas of investor interests include residential real estate, office real estate and industrial real estate. Especially in 2020 and 2021, the demand for offices grew strongly.

By the end of the first quarter of 2021, the total investment fund for the real estate sector was US\$600 million, up 56% year on year, accounting for 5.9% of the total FDI invested in Vietnam in the period. ■

Where Are Vietnamese Banks on Asian Map?



VP Bank is named Best Customer Experience at the Asian Banker Vietnam Awards 2020

Three-quarters of Vietnamese state-owned banks were downgraded in Asia's top bank rankings.

Two years ago, the State Bank of Vietnam (SBV) held a conference on the Banking Sector Action Program for implementation of the Vietnam Banking Development Strategy to 2025, with a vision to 2030. The event aimed to realize the objectives of the banking industry approved by the Prime Minister, with 2020 and 2025 taken as milestones.

According to the strategy, by the end of 2020, at least 1-2 banks would be ranked in the Top 100 largest Asian banks and 2-3 banks in the following five years. At the same time, the SBV expected that 3-5 banks would be listed on foreign stock markets by 2025.

The 2020 milestone has elapsed. The target was not achieved although financial indicators of many credit institutions picked up. According to The Asian Banker, no Vietnamese banks are present in the Top 100 by total assets, based on data as of June 30, 2020.

Huanan Bank of Taiwan was the 100th largest bank with total assets of US\$94.8 billion.

Meanwhile, Agribank, the biggest bank of Vietnam, climbed six places to No. 136 with total assets of US\$63.2 billion, 8.5% more than the latest rankings. BIDV ranked No. 138, down one place despite its assets rising 3.3% to US\$62.2 billion.

Other two State-owned banks, VietinBank and Vietcombank, ranked No. 162 and No. 168, respectively, down nine places and two places compared to the end of 2019.

In the lower group, private commercial banks all made rapid progress in the rankings. For example, Saigonbank climbed up 44 places from No. 295 to No. 251 with total assets of US\$25.8 billion, 11% more than the previous year. Sacombank also went up 47 places to No. 288 with US\$20.7 billion of assets. MB advanced by 40 ranks,

VPBank by 57 ranks and ACB by 53 ranks.

Although the total assets of Vietnamese banks kept expanding in the second half of 2020, the goal of entering the Top 100 Asian banks by total assets is still distant.

Given their scale, State-owned banks are central for the SBV to realize its goal. However, these lenders had slower growth than private banks. This made them unable to lift their Top 500 Asian lender rankings. The difficulty in raising registered capital of Agribank, BIDV and VietinBank, the largest banks by assets, was attributed to this slowness. While private lenders had more room for increasing the registered capital, State-owned banks were restricted from issuing shares for stock dividends or imposed minimum State ownership.

Late last year, the Government issued Decree 121/2020 amending and supplementing Clause 2, Article 12 of Decree 91/2015 dated October 13, 2015 on investment, management and use of State capital in enterprises. Banks were allowed to increase their registered capital, applied to joint stock banks where the State holds more than 50% of stake.

This adjustment legally permitted VietinBank, Vietcombank and BIDV to pay stock dividends and issue bonus shares from surplus capital to increase registered capital and improve capital adequacy ratio.

In late 2020, Agribank was approved to raise its registered capital by VND3.5 trillion, while VietinBank was recently approved by the Government to add nearly VND7 trillion from dividend shares paid to State shareholders. This lender planned to issue shares to pay a 28.8% share dividend, from its net profit in 2017, 2018 and 2019 after setting aside provisional funds and cash dividends. BIDV, after offering 15% of interest to KEB Hana, is also planning to offer shares and pay share dividends. Vietcombank also took a similar step.

In 2021, many banks plan to raise the share capital. According to SSI Research Center, 16 banks planned to increase their share by VND82.7 trillion, 31% higher than a year earlier, of which VND61.8 trillion will be raised from stock splits, VND18.3 trillion from private placement and/or secondary stock offering, and VND2.6 trillion from ESOP stock options.

Some banks planned to strongly boost their share capital. ABBank expected to scale up its registered capital by 65% and MB by 40%. VietinBank will pay 28.8% stock dividend for the 2017-2019 period and 12% for the fiscal year 2020 (if the stock dividend payment for 2017-2018 is finished) or 17% (if the action is not finished). VPBank plans to increase its registered capital to VND75 trillion in 2022 from VND25.3 trillion at present.

The successful capital increase will be the basis for banks to expand their business operations and boost credit growth while still ensuring the capital adequacy ratio stipulated by the SBV. Although it still depends on many external factors, with the current growth rate, the goal of one or two banks ranked in the Top 100 largest Asian banks by total assets by 2025 as stated in the Vietnam Banking Development Strategy to 2025, with a vision to 2030, will soon be achieved, said Dr. Can Van Luc. ■



VSS General Director Nguyen The Manh (on the left) gives VND2 billion to the Central Committee of the Fatherland Front to support anti-pandemic efforts

VSS DONATES VND2 BLN TO SUPPORT FIGHT AGAINST COVID-19

On May 27, at the virtual launching ceremony of the nationwide donation campaign for COVID-19 prevention by the Central Committee of the Vietnam Fatherland Front, after the announcement of State President Nguyen Xuan Phuc, General Director of Vietnam Social Security (VSS) Nguyen The Manh, on behalf of all civil servants and employees of Vietnam's social security, donated VND2 billion to support the fight against COVID-19.

This is the voluntary contribution of all civil servants of Vietnam's social security industry, demonstrating the spirit of solidarity and sense of responsibility with the desire to contribute efforts, join hands with the Party and State in the fight against the pandemic, ensuring social security, life safety and people's health.

In the face of the complicated and prolonged COVID-19 pandemic situation, in addition to ensuring the full implementation of benefits for participants of social security, health insurance and unemployment insurance, Vietnam Social Security always closely monitors the situation of COVID-19 prevention to promptly make proposals to facilitate maximum support for participants in enjoying social insurance, health insurance and unemployment insurance policies. As soon as the 4th

wave of the COVID-19 pandemic broke out, Vietnam Social Security promptly urged provincial social insurance departments to proactively coordinate with relevant units to best ensure health care benefits for health insurance holders; pay pensions and social insurance benefits for May-June 2021 in the same payment period to beneficiaries. Vietnam Social Security proposed that the Ministry of Health agree on the use of the health insurance card image on the "VssID - Digital Social Insurance" application in health care and health insurance nationwide, from June 1, 2021, and integrated supplementing public services of the sector (re-issuance of social insurance books / health insurance cards; relocation of pensions; registration of transaction accounts for children) on VssID application to help people conduct online transactions, restrict travel and interaction in transactions; thereby contributing to the whole political system to actively fight the COVID-19 pandemic. Particularly in 2020, Vietnam Social Security adopted flexible solutions such as coordinating with the Department of Health and medical facilities in the area to create the most favorable conditions for patients with health insurance cards to receive timely medical treatment; supporting the temporary suspension of social insurance contributions to the retirement and survivorship fund for businesses affected by the COVID-19 pandemic; and implementing unemployment insurance for employees who are unemployed due to the pandemic. Also in 2020, Vietnam Social Security also donated VND2 billion to support the "COVID-19 pandemic prevention fund" through the Central Committee of the Vietnam Fatherland Front. This activity contributed to deepening the tradition of mutual love and affection of all civil servants in Vietnam's social insurance industry for people throughout the country to overcome difficulties and the pandemic together. ■

What Special Policy Is Proposed for Van Phong EZ?

Boston Consulting Group (BCG) of the United States, in collaboration with the Institute for Regional Sustainable Development (IRSD) under the Vietnam Academy of Social Sciences, has proposed many specific policies for Van Phong Economic Zone.

On May 25, the Chair and vice chairs of Khanh Hoa Provincial People's Committee continued to listen to reports on progress and contents on planning work and formulation of a scheme on development mechanisms and policies for Van Phong Economic Zone. BCG introduced many specific policies for economic development in Van Phong EZ.

Creating distinctions

According to BCG - IRSD, Vietnam has 19 coastal economic zones, 17 of which have non-tariff zones where corporate income tax is exempted for four years and 50% off for nine years and import duties are exempted for some products that cannot be produced domestically. Non-tariff zones exempt export and import duties for goods imported and exported inside or transported between non-tariff zones and a 30-day visa exemption is applied to foreign visitors

(as applied in Phu Quoc). Compared with some economic zones and free trade zones in some countries, these zones receive great incentives from the central government, especially those related to mainstream industries (Hainan Free Trade Area - China) or focus on simplifying transshipment and import-export procedures to develop the logistics industry (Jurong- Singapore).

Therefore, BCG - IRSD proposed 5 "keys" for Van Phong Economic Zone to set it apart from others to lure investment capital for economic development. Specifically, Van Phong EZ should first take advantage of a multizone model with Hon Gom functioning as a free trade zone, aimed at developing priority sectors with attractive policies and mechanisms. Second, the proposed free trade zone model for Van Phong EZ replaces the current non-tariff zone model in order to differentiate it from its peers in Vietnam.

Third, the zone enjoys a flexible and realistic policy strategy, including both fiscal and non-fiscal policies; area-wide and industry-specific policies. Fourth, BCG and IRSD proposed preferential mechanisms and policies for Van Phong EZ, taking into account both the impact and feasibility of each policy, based on current laws and domestic and international precedents.

Fifth, central support for EZ infrastructure construction will be included in the strategic framework to diversify the province's economy and accelerate economic recovery due to the impact of the COVID-19 pandemic.

Leverage

BCG - IRSD proposed 22 mechanisms and policies that have the most positive impact on Van Phong EZ. Specifically for the overall industrial development, Van Phong EZ needs three policies, including CIT exemption for six years and 50% reduction for the next 13 years; land and water surface rent exemption for 19 years for priority projects; and 50% reduction of personal income tax for experts, scientists, managers and workers residing in Khanh Hoa province. To have a stable and highly skilled labor source, it is necessary to have a training support policy of VND10 million a person and add Van Phong EZ to the list of government support for basic infrastructure.

Regarding infrastructure development goals, four

Van Phong EZ is expected to attract many big investors



Top 10 in Competitiveness

Mr. Nguyen Hai Ninh, Secretary of Khanh Hoa Provincial Party Committee, emphasized that specific mechanism and policy proposals for Van Phong EZ must be consulted by central agencies and submitted to the Government and National Assembly. Particularly for Van Phong EZ, it is necessary to add Xuan Son commune to the planning to utilize local advantages.

Mr. Nguyen Hong Son, Deputy Director of the Central Economic Commission, said in a recent meeting with Khanh Hoa province that Van Phong EZ needs to have a long-term vision, to be able to compete with not only other domestic economic zones but also with those in Hong Kong (China) and Singapore. Khanh Hoa has enough resources for success. And, the most important is developing a modern, sustainable, inclusive, green economy; developing industry clusters that are economically interactive and upgraded for global connectivity. The competitiveness of the business investment climate must be Top 10 in the country.

Telecom Revenue Drops Sharply

Vietnam currently has more than 123.6 million mobile subscriptions among 97.6 million people. Telecom revenue plummeted by 13.6% to VND 315.2 trillion in 2020 as a result of COVID-19 pandemic outbreak.

Vietnam is one of the fastest-growing telecom markets in the region and the world in recent years.

According to the General Statistics Office, Vietnam had only 15.8 million telephone subscribers by the end of 2005, including 8.7 million mobile phone subscribers, 7.1 million landline phone subscribers and 210,000 internet subscribers. Only five years later, the country had 125.9 million phone subscribers, nearly 8 times higher, including: 111.5 million mobile subscribers, 12.8 times higher; 14.4 million landline subscribers, 2 times higher; and 3.7 million internet subscribers, 17 times higher.

But after that, telephone subscribers declined gradually, with the biggest drop being landline subscribers. In 2012 - 2015, subscriber growth was 0.5% a year, with mobile subscribers rising by 2.1% and landline subscribers shrinking by 17.7%. In contrast, broadband Internet subscriptions still strongly expanded by nearly 16% a year, reaching 7.7 million subscribers in 2015.

In recent years, traditional telecommunications services have reached market saturation. The number of landline subscribers has tended to decline sharply. By the end of 2020,

Internet subscribers quickly increased to 16.7 million, 2.2 times higher than that in 2015, representing an annualized growth of 16.9%.

only 3.2 million subscribers were active, down 41% from 2015 and 78% from 2010.

Landline telephone services are now in moderation, mainly used by governmental agencies and businesses.

By the end of 2020, Vietnam had 123.6 million telephone subscribers, quite close to the figure in 2015. In addition to the recent decrease in demand, this is attributed to carriers' actions to remove spam SIMs as required by the Ministry of Information and Communications.

The growth of the telecom market is also illustrated by revenue data. In 2010, telecom revenue was VND177.8 trillion, maintaining annualized growth of over 40%. In 2011 - 2015, post and telecom revenue kept growing steadily, with the figure in 2015 nearly 60% higher than that in 2010, or rising nearly 10% a year on average.

In 2016 - 2018, telecommunications revenue increased nearly 8% year on year. In 2019, it expanded by just 2.6%. Notably, in 2020, it plunged 13.6% to VND315,200 billion due to the COVID-19 pandemic outbreak.

The telecom market share fiercely competes with carriers that are optimizing value-added services for current subscribers. In addition, revenue from traditional telecom services is also strongly affected by the popularity of OTT (over the top) messaging applications and voice applications.

The Prime Minister's Decision 749/QĐ-TTg dated June 3, 2020 on ratification of "National Digital Transformation Program to 2025, with a vision to 2030" made Vietnam one of the first countries in the world to launch a national program to this effect, which will facilitate businesses to actively grasp opportunities brought by the technological revolution.

Realizing the goals: "Vietnam is one of 70 leading countries in E-Government Development Index (EGDI)", "Digital economy accounts for 20% of GDP", "The fiber optic

broadband network infrastructure covers over 80% of households, 100% of communes" and "Universalizing 4G/5G mobile network services and smart phones", carriers and digital businesses have much room for growth. ■

policies are needed, namely CIT exemption and preferential credit policy with low lending rates, simple mortgage procedures for industrial infrastructure construction and business projects; and construction of Tuy Hoa - Van Phong expressway and Buon Ma Thuot - Nha Trang expressway.

Tourism development needs four policies: Foreign visitors to the trade area and domestic visitors staying 24 hours or more are allowed to buy duty-free goods; granted a 30-day visa exemption in Van Phong EZ; and licensed for casino business open to both foreigners and Vietnamese. At the same time, tourist attractions are added to the tourism master plan, including Doc Let, Diep Son, Mui Doi - Hon Dau and Hon Ngang.

On logistics development, it is necessary to upgrade Hon Gom from a non-tariff area to a commercial area. Accordingly, goods are transshipped through two international ports of Bac Van Phong and Nam Van Phong for export, which are allowed to participate in the single-window customs policy; goods are not subject to tax when stored in the commercial area for two years; no strict inspection is subject after valid declaration; and import and export customs clearance and management of goods are simplified.

Regarding shipbuilding, fisheries development and other goals, seven more policies are needed: Projects providing materials and components are exempted from corporate income tax (CIT) for six years and reduced by 50% in the next 13 years; and customs duties are exempted for raw materials and components used for manufacturing and repairing ships. The State supports 70% of wastewater treatment costs for seafood processing, provided that they have at least 30% of local workers and 60% of local aquatic materials; aquaculture projects are entitled to the highest incentives according to current regulations. Projects on high technology, clean technology and investment projects in free trade zones are entitled to a 10% CIT reduction during the operation period.

Mr. Hoang Dinh Phi, Director of Van Phong Economic Zone Authority, said that the planning revision project is carried out in parallel with the planning task. So far, it has completed 80% of the volume, expected to be completed on June 10, and will be then consulted by relevant departments and sectors. The consulting panel is putting forth groups of specific solutions with locally-based priority industries in the economic zone and Khanh Hoa province. It expects to shape a model economic zone as compared with its peers. ■

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**MINH HUNG
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Career Succession or Startup

Parents always expect their children to follow them in their business. But to properly guide their children's careers, they must understand the meaning of succession clearly.

In the seminar on "Offspring Career Guidance in Changing World: Succession or Startup?" hosted by Olympia Schools in Hanoi, the presence of corporation presidents and educators provided parents with practical advice on offspring career guidance. This was an opening talk show for a series of seminars on offspring career guidance organized by Olympia Schools and attended by famous speakers.

Ms. Ha Thu Thanh, Chairwoman of the Board of Directors of Deloitte Vietnam, said, whether starting or carrying on a business, parents need to tell their children to start up a business and create their own career. Citing a Deloitte research, she redefined that career succession is inheriting family fortune. Legacy inheritance is different from career succession or value inheritance. Career succession means continuing the development of inherited fortune or bringing that fortune for business startup. Parents should not put too much pressure on their children to carry on their family wealth when the concept of inheritance extends to values continued through generations.

"No matter what career you choose or who you want to be, you must be firm in life, first of all. That steady standing must come from your belief in your choice. Therefore, career guidance in a VUCA world needs to be changed as well. Instead of asking the question "How do I know that my child's choices align with my direction?", just ask "How do I know my direction is right for him/her?"

Ms. Do Thuy Duong, CEO of TalentPool Company, affirmed that parents should let their children decide the future path, whether it is succession or startup. But, that does not mean leaving future orientation to children alone. Guidance not only helps children have a clearer view of the future, but also helps parents better understand their children.

"Not every parent is lucky enough to have an inheritance for their children, but they have things for their children to inherit."

Dr. Pham Dinh Doan, President of Phu Thai Group, Chairman of the Vietnam Family Business Council, emphasized that parents are only one of the factors that affect their children's future. Parents need to consult and combine with many other sources such as schools and society to shape their children appropriately.

The thinking of young people, regardless of their age - at high school, university or even after graduation - may still be immature. Their interests and thoughts help us understand each child better, but we need to have the right direction. Success depends a lot on their own competence, not just passion. Passion is only a sufficient condition and the core must be competence.

"We should separate wealth ownership management and business administration. Not every child can succeed us when



wealth ownership management skills and business administration skills are two different concepts."

Dr. Nguyen Chi Hieu, Academic Director of Olympia Schools, said that during 15 years of working with many students, over 50% of students follow a very different path from their parental guidance on career, from high school to university. Many even change their vocational subjects in college or do something else after graduation.

"In my opinion, two things are very important in career guidance. First, let's create conditions for children to be exposed to many experiences, connect them with many environments and people at many touchpoints. Second, let's help them develop core competencies that can be transferred across many future careers as well as the values and qualities we give to a child."

Closing the issue, Ms. Ha Thu Thanh also agreed with the view that career guidance for children should start very early, with the cooperation of families and schools. Importantly, pay attention to who your children will be and how successful they are, not just what they do for a living or if they take on the family business.

"Success is not measured by position and money but by value. The richest man can only be measured by wealth, not the most successful one." ■



CORPORATION 28

SURMOUNTING TOUGH TIMES

In 2020, the COVID-19 pandemic disrupted textile and garment manufacturers, including Corporation 28. In that context, the corporation adopted many consistent solutions to deal with difficulties and managed to seek input sources and consumer markets to ensure manufacturing and employment for employees. These efforts have helped the corporation get through the devastating pandemic in a spectacular way, with no employees left unemployed or unpaid a single day - something that is inherently difficult for labor-intensive businesses.

THANH TUNG

Fire proves gold, adversity proves men

In the past year, Corporation 28 has successfully completed its business tasks assigned by the General Department of Logistics, with revenue and profit fulfilling 105% of the plan and excellently manufactured military supplies. To fulfill its orders won through public tenders in a short delivery time, the corporation has mobilized all available production resources to satisfy quantity and quality requirements and deliver products on schedule. When some orders were delayed or canceled, Corporation 28 actively shifted to produce facemasks used against coronavirus infections, thus ensuring full employment and stable income for their employees. The corporation has also actively sought all measures to minimize the damage caused by the pandemic: rearranging facilities and restructuring products and customer base to restore production soon.

In business, the corporation has actively and quickly responded to

all market fluctuations, and taken full advantage of opportunities to have more fabric and uniform customers for both textile and garment businesses. Particularly, it manufactured and supplied more than 2 million square meters of antibacterial fabric for making masks for the market, signed contracts to make 10 million antibacterial cloth masks for the Department of Industry and Trade of Ho Chi Minh City through the Saigon Co.op supermarket chain, contributing to the success of Ho Chi Minh City in disease prevention. This also uplifted the corporation's brand and reputation. Another encouraging success is its Belluni fashion brand - an upmarket fashion product line for office workers, businesspeople, successful people and middle-aged men. The brand is increasingly popular with consumers.

Petroleum trading and warehousing infrastructure services have been stable, helping the corporation to complete its business tasks and guarantee income and jobs for employees. In 2020, the parent company made a

total revenue of VND3,324 billion (127% of the plan), a profit of VND105 billion (105% and an average monthly income of an employee of VND11.6 million.

The corporate culture of Corporation 28 features solidarity and devotion. The more difficulty the corporation faces, the more united the employees become to surmount every difficulty. In addition, communication is focused on by the Board of Directors to keep their employees more confident and assured at work. It also regularly launches emulation movements, engaged by all departments, to boost productivity, product quality and exports; constantly takes care of the material and spiritual life of employees to ensure policies for employees; pays good motivational rewards and bonuses to employees at the year's end; supports workers in difficulty with their families affected by natural disasters, storms and floods; and presents New Year gifts to all employees. These noble activities also partly explain why all the employees have always seen Corporation 28 as their second home, and devoted themselves to the development of the corporation, helping uplift Corporation 28 to a strong position in the Vietnamese textile and garment industry and in the eyes of customers and partners.

Grasping opportunity

Since the beginning of 2021, the domestic textile and garment industry has made a positive recovery, shown by increasing orders and soaring export value in the wake of global COVID-19 vaccination deployment that built up the trust of consumers. Moreover, the sector is seeing great opportunities for development from free trade agreements (FTAs), thereby not only creating a driving force for growth but also enhancing its appeal to foreign investors. According to the leadership of Corporation 28, the wave of foreign investment will increase business cooperation, especially when foreign investors seek input sources in Vietnam to reduce dependence on China. This will give a strong boost to the corporation's textile business.

Taking advantage of this opportunity, in 2021, Corporation 28 will exert all its effort on business operations; ensure productivity and product quality; fully complete all business plans, with revenue, profit and income rising by over 5% over 2020, and ensure jobs and incomes for employees. The corporation is determined to complete all tasks with respect to manufacturing fabrics and military equipment ordered by the Military Supplies Department; advertise the Belluni fashion brand and textile trade, especially uniforms in the domestic market to increase the value; and promote digital marketing and online marketing according to modern consumer trends.

By defining its competitiveness elements, including facilities, human resources and technologies, in the coming time, Corporation 28 will also give priority to developing human resources and technologies to meet digital development requirements; using technology investment as the foundation for training and developing highly qualified human resources to adapt to the Fourth Industrial Revolution. Given that the COVID-19 pandemic is still developing complicatedly across the world and posing potential outbreaks in the country at any time, the corporation has figured



development scenarios for 2021 to actively respond to any situation. It will try its best to keep the pandemic at bay and keep itself safe and sound in all aspects. "It is important that, in any situation, we always give top priority to ensuring jobs and income for employees, because people are a precious asset, a key to the success of every business," a top executive of Corporation 28 stressed.■



ANHUCO GOES GREEN WITH TEXTILE AND GARMENT INDUSTRY

With 15 years of operation (2006 - 2021), An Hung Joint Stock Company (ANHUCO) has established a solid foothold in the textile and garment market and become a major textile and garment company of Phu Yen province and of Vietnam as a whole. This success came from its prestige and product quality, and from its focus on investment for technological equipment, increased application of modern scientific advances to production and high value-added product lines to meet the rising standards of customers.

THANH TUNG

ANHUCO, officially established in 2006, manufactures and trades garment products for export to global markets; and imports and exports machinery, equipment and inputs for the textile and garment industry. After 15 years of development, ANHUCO has heavily invested in modern factories, gradually expanded its production scale and market and increased production capacity. From 12 sewing lines with about 500 employees at the beginning, the company now has 2,376 employees and five affiliated enterprises (An Hung, An Phu, An Thinh, An Phat and Veston) with 47 sewing lines that manufacture nearly 5 million products a year. In 2020, ANHUCO put into operation the Factory Cluster 1 - Veston Factory in An Hung Factory Cluster Project, which makes 300,000 upmarket suites a year and An Thinh 2 Factory with 20 sewing lines in Dong Phuoc village, Hoa An commune, Phu Hoa district.

With its intensive investment, ANHUCO's production system has been increasingly upgraded to meet the standards and requirements of partners, especially from the United States. The company's products are granted the certificate for self-quality

inspection from JCPenney. With outstanding quality, ANHUCO has quickly become a prestigious partner of domestic and international customers. Its products are exported to the United States (accounting for 85%), Europe and Asia. Its major customers include Gap and JCPenney.

Compared to the first 5-year operation, ANHUCO's revenue increased by 5.8 times, the export value by 5.3 times, the workforce by 1.8 times, and the worker salary by 4.23 times. In 2016-2020, by actively capturing and serving market demand and approaching and expanding into potential new markets, ANHUCO has made comprehensive and sustainable development and deeply integrated into the global supply chain to make an average revenue growth of 10.17% a year; an average export growth of 5.21%, and average income growth of 15%. In the past 15 years, the company has always successfully fulfilled its financial obligations to the State budget. ANHUCO was honored with the Third Class Labor Order, the Second Class Labor Order and many other prestigious national and international awards in recognition of its important contributions to the industrial production development of Phu Yen province and Vietnam.

Ms. Huynh Thi Khiết,

Chairwoman of the Board of Directors and General Director of ANHUCO, said, to have this success, ANHUCO has always ensured its prestige, highest product quality and delivery time for customers. In addition, the company focuses on investing, building synchronous infrastructure, advanced machinery and equipment, applying modern science and technology to production to create high value-added products and adopting the Green Program of the Vietnamese textile and garment industry to better meet stringent quality requirements of customers.

Revealing the future development, she said that in order to stand firm in the context of fierce competition in the current garment market, ANHUCO has been, and will be, promoting investment in facilities and automatic equipment; modernizing production to meet increasingly high quality standards. It has established an advanced and professional production system, ensured the delivery schedule, and strengthened the company's reputation for domestic and international customers. The company has also focused on investing in building the infrastructure system, and created a friendly and positive working environment with increasingly modern equipment and technology to meet increasing design standards. This is also a decisive factor for the sustainable and effective development of ANHUCO as a leading textile and garment company of Vietnam on the international arena. ■



Ha Nam Province Prepares to Accommodate New Wave of Investment

With open policies, Ha Nam has become one of the top 10 provinces and cities attracting the highest foreign direct investment (FDI) in the country in recent years. In the period of 2021-2025, Ha Nam province is determined to focus on improving the business investment environment to attract investment in key industries, creating a driving force for local economic growth.

LINH VU

Driving industrial parks in line with the planning approved by PM

Over the past time, the construction and development of industrial parks in Ha Nam province has achieved positive results, contributing to the achievement of the province's socio-economic development goals.

In order to be able to accommodate investment waves, especially FDI enterprises from all over the world and approach FDI enterprises looking for new investment markets, in the period of 2021-2025, the province intends to submit to the Government the draft of planning and development of 15 industrial parks by 2025 with an area of 6,014 ha (increasing by 3,480 ha), including expanding four more IPs with an additional area of 1,020ha, and establishing six new industrial parks with an area of 2,210 ha.

In 2021, Ha Nam will focus on speeding up infrastructure investment, and attracting investment in Thai Ha Industrial Park (phase 1), expanded Dong Van I Industrial Park, Dong Van IV Industrial Park and Thanh Liem Industrial Park (phase 2) to get ready a clean land fund to call for investment.

Focus on supporting businesses

In the context of being heavily affected by the COVID-19 pandemic, the Provincial People's Committee has put forth solutions to implement Resolution 02 of the Government, Directive 11 of the Prime Minister on urgent tasks and solutions to remove difficulties for production and business and ensure social security amidst the COVID-19 pandemic.

In addition, Ha Nam province has aggressively reformed administrative procedures and



improved the business environment. The province has also supported enterprises in recruiting workers, carrying out procedures for registration of seal samples, tax codes, etc. Ha Nam province also considers priority mechanisms for projects with large investment capital and high technology.

With the motto "Always stand by the side of investors and businesses", the provincial authority has regularly maintained contacts and dialogues with businesses in order to promptly handle difficulties and problems of projects which are in operation, ensuring that the projects operate effectively and on schedule, which strengthens the confidence of businesses and investors in the local business and investment environment, and creates a spillover effect and positive impact on new investors.

The Resolution of the 20th Ha Nam Provincial Party Congress determined that, in the period of 2021 - 2025, the province will continue to focus on developing supporting industries, processing and manufacturing; promoting the attraction of modern and highly effective technology projects. The province will still focus mainly on traditional markets such as Japan and South Korea, and expand to Taiwan and countries that are members of CPTPP, EU, etc.

For the industry, Ha Nam prioritizes attracting foreign investors, especially those from Japan, Korea and Taiwan. The province will also reserve land for investors in supporting industries. Ha Nam prioritizes attracting investment projects that are environmentally friendly, have advanced technology and ensure investment efficiency, in which priority is given to a number of industrial production areas such as mechanical engineering, assembly, electronics, telecommunications, information technology, supporting industries and other industrial fields.

Along with attracting investment in industry, Ha Nam will also promote investment attraction in hi-tech agriculture, such as building hi-tech agricultural zones; growing organic vegetable, tubers and fruit products, planting high-tech rice;

processing and preserving agricultural products, food, beverages, milk; raising clean pigs, dairy cows, beef cattle and processing products from pork and beef.

At the same time, the province will attract investment in urban infrastructure development, commerce, tourism, services, health, education and training. Currently, Phu Ly city has been recognized as a grade II city and Duy Tien town has also been recognized as urban area grade IV. In order to successfully achieve the above goals, the province has urged departments, branches and districts to promote detailed planning, and create a mechanism to attract projects on urban infrastructure development and construction, vocational schools, high-quality hospitals, trade and service centers, such as planning and attracting investment in Nam Cao University Area with an area of 754 ha, a high-quality medical center area with an area of 940 ha and Tam Chuc National Key Tourist Area with an area of more than 5,000 ha. ■



Dong Van Industrial Park



The factory of YOKOWO Vietnam Co., Ltd in Dong Van Industrial Park



EFFORT FOR STRONG DIGITAL TRANSFORMATION



Standing Vice Chairman of Dak Lak Provincial People's Committee Nguyen Tuan Ha introduces the province's digital transformation process

Knowing that digital transformation is an invaluable opportunity, Dak Lak province is determined to make a specific roadmap and a well-prepared investment plan to inspire innovation and breakthrough development for better service to the people. In the next five years, digital transformation will reshape the mindset and actions of the government, people and businesses, and create momentum to boost socioeconomic development towards a “digital government - digital economy - digital society”.

KIM BAO

Breakthrough selection

At the seminar on “Digital transformation of development trends”, Deputy Minister of Information and Communications Nguyen Huy Dung said that digital transformation is a journey built on three main pillars: Digital transformation in the governmental office, digital transformation in business and digital transformation among the people. Therefore, he suggested Dak Lak province define digital transformation as a long journey, starting from a specific step.

In 2021, Dak Lak should focus on solving the following key issues: The digital government chooses a breakthrough point of bringing 100% of public

services of Category 4 online prior to June 30, 2021, he recommended. “The province can set a target that 50% of online public services will produce records and 50% of administrative procedures will be settled online. We can do this as Ben Tre and Tay Ninh have done.”

“The digital economy chooses a breakthrough point: Developing a traceability platform and a digital data platform enabling individualization of each coffee tree, each step of shifting from selling raw coffee to selling experience and selling products of higher added value. This is a long-standing issue for the province. Digital businesses will help the province deal with this.

“The digital society

chooses a breakthrough point: Deploying mobile health applications, allowing each person to have a personal online doctor; deploying an online education platform for each student to learn lessons delivered by excellent teachers regardless of geographical distance,” said Deputy Minister Nguyen Huy Dung.

VND20 billion a year for digital transformation

Nguyen Tuan Ha, Standing Vice Chairman of the Provincial People's Committee of Dak Lak, said that defining digital transformation as an inclusive transformation process in all administrative, economic and social aspects to a new high, Dak Lak province advocates cooperation and utilization of all social resources, striving to achieve steady and effective digital transformation. By 2025, the Digital Transformation Index of Dak Lak province will reach the Top 20 in the country.

“As for budget, in the 2021-2025 period, Dak Lak province plans to allocate about VND330 billion, sourced from the fund for basic construction, and about VND20 billion a year from the administrative fund for deploying digital transformation tasks. In addition to formulating policies and completing technical and technological infrastructure, Dak Lak province also set two key tasks: Training and developing digital human resources, promoting digital application for economic activity of the business community and fostering digital application in society and community,” he emphasized.

The roadmap for digital transformation in Dak Lak province will be annualized, he added. Specifically, in the 2021 - 2022 period, Dak Lak will build digital government, digital economy and digital society models. The digital government will focus on providing digital services; the digital economy will focus on digital agriculture, energy, logistics and environment; and the digital society will focus on education, healthcare and community development. In the 2023 - 2024 period, the province will assess performance results in 2021 - 2022 to scale up these models in key areas. In 2024 - 2025, the province will evaluate and replicate effective models to the entire society.

In addition, based on its current information technology, potential and advantages, Dak Lak defined five



unified crosscutting points in digital transformation.

First, seeing cognitive transformation to play a decisive role: People of all walks of life need to be informed to have full and proper knowledge of content and nature of digital transformation in order to have new thinking and actions.

Second, actively carrying out digital transformation with available local resources, considering it a breakthrough solution with appropriate steps and roadmap, an opportunity for Dak Lak province to make breakthrough economic and social development. This task is specially strategic, urgent and long-term for the entire political and social system of the province.

Third, the goal of digital transformation must adhere to directions of the central government and the provincial government and to socioeconomic development goals of the province. Carrying out consistent and extensive digital transformation to all levels, branches, businesses and people in the province; adding specific digital transformation objectives and tasks suitable to local socioeconomic conditions.

Fourth, placing the people at the heart of digital transformation. Digital transformation must really create new opportunities and values to promote economic development. It is necessary to identify areas that have social impact on people, change perceptions in the fastest manner, bring efficiency, and save costs for digital transformation.

Fifth, digital transformation must be aligned with information security. The province will always prioritize and focus on mastering digital infrastructure, technology and cyberspace and protecting national digital sovereignty. ■



TỔNG CÔNG TY 28

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LĨNH VỰC HOẠT ĐỘNG

- Sản xuất, mua bán hàng may mặc, sản phẩm ngành dệt.
- Kinh doanh vật tư thiết bị, phụ tùng, nguyên liệu, hóa chất phục vụ ngành dệt, nhuộm và ngành may.
- Đại lý bán buôn, bán lẻ xăng dầu.
- Đầu tư phát triển các công trình hạ tầng khu công nghiệp, cụm công nghiệp. Cho thuê kho, xưởng, bãi đậu xe, văn phòng.



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