

BUSINESS FORUM MAGAZINE

VIETNAM  
**Business Forum**

THE VIETNAM CHAMBER OF COMMERCE AND INDUSTRY - **VCCI** VOL. 01, NO. 07 (1280), JUNE 30 - JULY 13, 2020  
ISSN 1859-0632



**Vietnamese Businesses Stay Resilient to Covid-19 Pandemic**

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**VIETNAM BUSINESS FORUM**  
Published by VCCI

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Available on **Vietnam Airlines**

Licence No.58/GP-BTTTT dated February 18, 2020

Printed by the Trade Union Printing Company

PRICE: VND25,000



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## ASEAN COMMUNITY

# Rising above Challenges and Sustaining Growth

Leaders of the Association of the Southeast Asian Nations (ASEAN), on June 26, participated in the 36th summit of the grouping and adopted the “ASEAN Leaders’ Vision Statement on a Cohesive and Responsive ASEAN: Rising above Challenges and Sustaining Growth”.

**BICH HANH**

This is ASEAN’s regular high-level summit which was held online for the first time in ASEAN’s 53-year history. The senior leaders of 10 ASEAN member countries, ASEAN Secretary General, representatives of foreign diplomatic missions, international organizations in Hanoi and representatives of Vietnam’s ministries, departments and sectors attended the opening ceremony of the summit.

At the meeting, appreciating the role of Vietnam’s Chairmanship, the countries shared their assessment, with encouraging initial results in the fight against Covid-19 and initiatives such as establishing the Covid-19 Response Fund, setting up reserve warehouses for medical supplies, standard procedures for epidemic response, developing a comprehensive recovery plan after the epidemic, ASEAN has sent a strong message about a regional organization that is cohesive, responsive and playing a nuclear role in regional processes. They also agreed to enhance ASEAN’s resilience, both to effectively control the epidemic and to restore economic, international and regional trading activities, thereby stabilizing the lives of peoples and enterprises. At the same time, the leaders said that the completion and signing of the Regional Comprehensive Economic Partnership (RCEP) in 2020 would be a strong message to affirm ASEAN’s support for the multilateral trading system, trade and investment liberalization and also an important contribution to the region’s post-epidemic recovery.

Some ASEAN leaders also proposed measures to relax restrictions to ensure uninterrupted circulation of goods and supply chains in the region, paving the way for the recovery process in the post-epidemic period. In this process, the transition to digital economy, especially the application of scientific and technological achievements, plays an important role. The leaders also mentioned training and improving skills of labour in the new era, considering this an important factor in the development of ASEAN.

Talking about the international and regional situation, the countries upheld ASEAN’s principle stance in ensuring peace, security, stability, safety and freedom of navigation in the East Sea, underscoring the need to uphold the rule of law, promoting cooperation in building trust, using peaceful measures based on international law, fully implementing the Declaration on the Conduct of Parties in the East Sea (DOC) and making efforts to establish an effective Code of Conduct in the East Sea (COC) between ASEAN and China, in accordance with international law and the 1982 United Nations Convention on the Law of the Sea (UNCLOS). Many countries believed that the pandemic has affected the COC negotiation process; however, ASEAN should resume this process soon, thereby asserting a central role and contributing to peace and stability in the region.

Addressing the summit, Prime Minister Nguyen Xuan Phuc highly appreciated ASEAN’s recent cohesion and response, especially creating and proposing initiatives, promoting the role of ASEAN while attracting support and assistance of the international community in the common fight against the Covid-19. The Prime Minister affirmed that ASEAN should focus on effective control of the pandemic and implement the priorities in building the community, expanding and deepening the relations with external partners.

At the summit, the leaders announced the Leaders’ Statement on the outcome of the 36th ASEAN Summit, adopting the Declaration “Vision on a Cohesive and Responsive ASEAN: Rising Above Challenges and Sustaining Growth” and the ASEAN Declaration on Human Resource Development for a changing work world and recognizing nine other documents.

The Summit then continued with Special high-level dialogues on women’s empowerment in the digital age, Dialogues between ASEAN leaders and leaders of the ASEAN countries with the ASEAN Inter-Parliamentary Assembly (AIPA), ASEAN youth representatives and ASEAN Business Advisory Council (ASEAN-BAC). ■

# Vietnam Coordinates with ASEAN to Launch Covid-19 Epidemic Response Initiatives

As the chair of ASEAN 2020, Vietnam has been working closely with ASEAN, proactively and actively implementing initiatives to cope with the complicated situation of the Covid-19 epidemic.

**GIANG TU**

The 28th meeting of the Senior Officials' Committee for the ASEAN Socio-Cultural Community (SOCA) was held via video conference under the chair of the Ministry of Labour, Invalids and Social Affairs (MoLISA) on June 22.

Addressing the meeting, Director of MoLISA's Department of International Cooperation and head of the Vietnamese SOCA delegation Nguyen Manh Cuong said, 2020 is an important year for the bloc as all of its specialised bodies have been reviewing activities implemented in the current period and preparing to build work plans for the next phase so as to achieve the ASEAN Community Vision 2025.

This is also a special year for social and cultural activities as all member states have been hit by Covid-19, he said, noting that the pandemic has affected not only people's health but also their livelihoods, especially vulnerable groups.

As ASEAN Chair in 2020, Vietnam has been coordinating closely with the ASEAN Secretariat and other member countries to actively and proactively carry out activities and initiatives in response to the pandemic's complex developments, matching the adopted theme of "Cohesive and Responsive", Cuong noted.

Participants discussed priority activities and fields for 2020. They agreed to push ahead with effectively carrying out specialised work plans and

reviewing the implementation of those plans over the last five years, to assist the mid-term review of the implementation of the ASEAN Socio-Cultural Community Blueprint 2025 at the national and regional levels.

The review report is to be submitted to the 37th ASEAN Summit, slated for November.

The officials also highlighted the need to speed up discussions with Timor-Leste on relevant specialised issues so as to learn more about the country's readiness and capacity to meet ASEAN's expectations.

The Vietnamese delegation also gave participants insight into its priorities during the 2020 ASEAN Chairmanship, including in terms of the ASEAN Socio-Cultural Community, to help secure the support and consensus of member nations.

Accordingly, Vietnam is set to promote discussions on the priority areas of labour and human resources development, social welfare and development, healthcare, communications and information, ASEAN culture, youth, the environment and climate change, and the mid-term review of the implementation of the ASEAN Socio-Cultural Community Blueprint.

During the session, the ASEAN Secretariat provided a summary of activities being carried out or planned for the Community that are in line with regional leaders' decisions and statements on a collective response to the pandemic.

Participants also agreed to submit two documents to the 23rd meeting of the ASEAN Socio-Cultural Community Council, so that the council will later propose them to ASEAN summits for approval: an ASEAN statement on human resources development in a changing world of work, and the reference provisions of the ASEAN Council for Technical and Vocational Education and Training.

The Socio-Cultural Community is one of the three pillars of the ASEAN Community, together with the Political-Security Community and the Economic Community. ■

## Discover Pasta Cuisine through "True Italian Taste"

The Italian Chamber of Commerce in Vietnam (ICHAM) recently, in collaboration with Italian Embassy in Vietnam, conducted a press conference introducing the program "True Italian Taste". The event was attended by ICHAM Chairman Michele D'Ercole, Italian Ambassador Antonio Alessandro and Brand Ambassador of True Italian Taste - Pageant Ms. Ngoc Han.

True Italian Taste is a national culinary promotion project that have been operating in 40 countries and territories since 2018. In line with four main activities of the project during the year 2020 in Vietnam, the first event of the year "True Italian Taste" was held on June 3, 2020 at Caravelle Saigon hotel to provide food-bloggers and food-lovers of Italian cuisine with the most accurate and detailed knowledge as well as information about the world of Italian famous pasta.

"Through this event, we aim at providing food importers, food distributors, Horeca-related companies as well as customers the precise and sufficient knowledge on this renowned dish. From there, customers could make a more reasonable choice and use authentic Italian product instead of falling into the "Italian sounding" trap - a method in which foreign producers take advantage of the Italian-like phrases to name the brand, causing confusion among consumers about its origin and hence, increase the product sales," shared Mr. Pham Hoang Hai, Executive Director of ICHAM.

**Phan Dong**

# World Bank, Australia to Support Vietnam Mitigate Impacts of Covid-19 and Facilitate Economic Recovery



**Australian Ambassador Robyn Mudie and the World Bank Country Director for Vietnam Ousmane Dione at the signing ceremony on the extension of their strategic partnership in Vietnam**

The World Bank Group and the Australian Government have agreed to extend their strategic partnership in Vietnam with a commitment of a further AUD5 million to support Vietnam's economic recovery and protect the most vulnerable from the negative impacts of the Covid-19 pandemic.

**T**he funds, provided by the Australian government and administered by the World Bank Group, are additional financing to the ongoing Australia-World Bank Group Strategic Partnership - Phase 2 (ABP2) that focuses on supporting Vietnam's development agenda through knowledge sharing and advising policy-making.

"The additional funding will help address emerging challenges and critical needs of Vietnam, post Covid-19," said Ousmane Dione, the World Bank Country Director for Vietnam. "By providing support in key areas such as private sector development, trade integration and innovation, the program aims to help the country's economy gain back its full potential in the fastest and most sustainable way."

"Vietnam should be very proud of how it has tackled Covid-19. The next challenge for Vietnam, as for Australia, will be to replicate the successes of the health response in the economic response," said H.E Robyn Mudie, Australian Ambassador to Vietnam. "I am proud of the role the Australia-World Bank Group Strategic Partnership is playing in Vietnam's economic recovery. It will continue providing world class economic advice and

analysis for Vietnam's leaders and policy makers to accelerate economic recovery, with an increasingly strong focus on gender equality and social protection."

The Government of Vietnam has been effective in containing the Covid-19 pandemic with a limited number of cases and no registered deaths. The pandemic, however, has shaken the country's traditional resilience to external shocks with economic growth in the first quarter reaching only 3.8% compared to projected growth of 6.5% prior to the crisis. In order to mitigate economic and social impacts of Covid-19, it is critical for the government to target sectors and activities that create jobs and improve long-term productivity and growth, such as infrastructure, innovation, social protection, health, and education.

To address the potential loss of human capital from Covid-19, the activities to be funded will protect and support vulnerable groups, including by strengthening social safety nets with more efficient and effective delivery of social security payments; narrowing human capital gaps, particularly for ethnic minorities, with a well-designed ethnic minority national targeted program; and improving gender equality in legal frameworks.

The funds will also be directed towards economic recovery activities, including accelerating the execution of the investment program while deepening trade integration, supporting the private sector strengthening resilience against future shocks through structural reforms, and taking advantage of the digital agenda by reducing transactions costs for the government, people, and businesses.

This program of work takes forward part of the AUD10.5 million commitment from Australia toward Vietnam's Covid-19 recovery efforts, discussed in a meeting between Australian Ambassador to Vietnam, H.E Robyn Mudie, and Vietnam's Minister for Planning and Investment, H.E Nguyen Chi Dung on 5 June 2020. The ongoing ABP2 program, signed in April 2017, aims to support Vietnam's key national reforms, which are intended to gradually benefit millions of Vietnamese people and help the Southeast Asian country reach its ambition of becoming a high-income economy by 2045. ■

L.A

# SPREADING SUSTAINABILITY VALUE TO BUSINESSES



## Toward MSMEs

Speaking at the meeting, Dr. Vu Tien Loc, President of VCCI, Chair of VBCSD, said, the sustainable development approach is not only an issue for giant corporations but also for micro, small and medium enterprises (MSMEs).

The post-Covid-19 world will see economic restructuring and corporate restructuring towards sustainability values, he said. The conundrum for each business now is “To be or not to be, to grow sustainably or to be left behind”. Each business needs to develop sustainably, balance economic benefits with social development and environmental protection in the long term to control the home market, rise to a higher level on the international playfield and take advantage of FTA opportunities. Every country needs a strong business community to increase its resilience, independence and freedom.”

“In the past five years, VCCI has implemented the Corporate Sustainability Index (CSI), very practicable, not abstract at all,” said Dr. Loc. The CSI includes 127 indicators, based on three pillars, namely economic, social, and environmental, to guide the sustainability for the business community. However, the CSI is suitable for large enterprises rather than small and micro enterprises.

The Vietnam  
Business Council for  
Sustainable Development  
(VBCSD-VCCI)  
successfully hosted the  
General Assembly of  
VBCSD Executive Board  
(2020-2023 tenure)  
on June 23.

“MSMEs cannot fulfil all 127 indicators. Some indicators are neither appropriate nor necessary for micro and small businesses. How to make a roadside noodles stall able to take part in sustainable development,” said the VCCI President. Therefore, he believed that at least three sets of indicators are needed for three different types of business.

The Government is making an effort to reform institutions and create a level and favorable playing field for businesses, added Dr. Loc. The country is transformational. VBCSD-VCCI also needs to transform itself stronger. VBCSD needs new breakthrough ideas and promotes the role and mission of a leading guiding sustainability agency in the business community.

## Approach of action

The VBCSD Executive Board Meeting (2020-2023 term) elected members for the new term. The board is chaired by VCCI President Vu Tien Loc and co-chaired by Mr. Binu Jacob, Managing Director of Nestle Vietnam Co., Ltd.

Organized once every three years, the Executive Board Meeting is of great importance and significance to orient operations in the new term. The year 2020 marked the 10th year of operation of VBCSD-VCCI, which have brought



VIETNAM BUSINESS COUNCIL FOR SUSTAINABLE DEVELOPMENT (VBCSD)

Sustainable Business,  
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**Deputy Prime Minister Vu Duc Dam addresses the meeting with VBCSD Executive Board**

*On June 23, the VBCSD Executive Board and representatives of VBCSD official members had a working meeting with Deputy Prime Minister Vu Duc Dam, Chairman of the National Council on Sustainable Development and Competitiveness Improvement. Deputy Prime Minister Vu Duc Dam highly appreciated the persistent efforts, creative thinking and active spirit of VBCSD-VCCI for many years and suggested that VBCSD should further promote existing advantages to join hands with the government to build a sustainable business community. Vietnam Business Forum would like to excerpt some opinions of attending delegates.*

## **DEPUTY PRIME MINISTER VU DUC DAM**

I want the business community, including VBCSD, to strongly spread sustainability values throughout the society. Many businesses are still operating sustainably towards circular economy, emission reduction and social security, but they are not aware of their responsibility to spread good things.

All government policies are geared towards sustainable development. Recent successes of Covid-19 disease prevention and control are showing that if we want to overcome great challenges, we must have the effort and consensus of the whole society. So do sustainable enterprises. To proliferate these values, we most importantly need consensus, from environmental protection to participation in addressing social issues and human issues among other things.

In the coming time, in order to disseminate sustainability values more strongly, VCCI needs to build sustainability criteria for all 150,000 member enterprises to self-assess. Awards and honors need to be integrated with sustainability criteria.

Spreading sustainability values means connecting and supporting businesses as much as possible, not necessarily

many outstanding achievements in advancing sustainable business development. Especially in the 2017-2020 term, the council has obtained specific milestones like admitting 25 more new members; advancing sustainable corporate governance through the Program on Benchmarking and Announcing Sustainable Companies in Vietnam and the Corporate Sustainability Index (CSI). In furtherance of the Prime Minister's Decision 1362/QD-TTg dated October 11, 2019, on ratification of sustainable private sector development to 2025, with a vision to 2030, VBCSD-VCCI will also submit to the Prime Minister a project on scaling up the CSI in the business community in 2020.

Fostering dialogues on sustainable development through major forums and conferences such as the National Corporate Sustainability Forum (2017) and the National Conference on

expanding the network. To that end, sustainability values and activities must be easily understood for all to join and apply.

## **Mr. BINU JACOB**

MANAGING DIRECTOR, NESTLE VIETNAM CO. LTD

Sustainable development is a very important matter and Nestle has committed to using 100% recyclable materials. We are currently a big purchaser of agricultural products in Vietnam, with 20-30% of coffee output, expected to rise to 40% in the near future. We also have established cooperation with 230,000 coffee farmers in

Vietnam. Joining VBCSD will create many opportunities for us to achieve sustainable development goals as this is a forum for businesses to connect and cooperate on sustainable development. We are also willing to share experiences consistent with best international practices for sustainable development

## **Ms. HA THI THU THANH**

CHAIRWOMAN OF THE BOARD OF MEMBERS, DELOITTE VIETNAM CO., LTD

Deloitte has joined VCCI and VBCSD in sustainable development programs with three main roles: Building the CSI (80% of compliance indicators, including transparency and governance); enhancing the identity and understanding of sustainable development model is the competitiveness of each business (the business is regarded as a value and an investment, not cost); and training businesses to take the lead in applying sustainable development models in the future.

This year marks the 20th anniversary of the stock market but I find that the number of listed businesses that incorporate sustainability into their operation plans is quite a few. If listed companies adopt sustainable development, the financial market and the capital market will be further developed.

## **Mr. DO THAI VUONG**

VICE PRESIDENT OF SUSTAINABLE BUSINESS AND COMMUNICATIONS, UNILEVER VIETNAM INTERNATIONAL CO., LTD

This year, Unilever celebrates the 25th anniversary in Vietnam, so we are determined to realize our commitments to sustainable development and contribute positively to the society.



Sustainable Development (2018 and 2019). Highlights of these activities are reflected in a sustainable development directive issued in 2020; a resolution on sustainable development expected to be issued in 2020; the partnership for circular economy, sustainable energy and sustainable SMEs; and a series of policy recommendations on sustainable business development. Besides, VBCSD-VCCI has carried out many programs and activities on its four core pillars: awareness raising, research, training and international cooperation.

In the 2020-2023 term, VBCSD-VCCI will focus on: Supporting businesses to carry out the circular economy; supporting public-private partnership for sustainable development; completing Vietnam's sustainability reporting standards based on the CSI Index; and putting forth policy recommendations for a sustainable business environment.

MEMBERSHIP OF THE VBCSD EXECUTIVE BOARD IN THE 4<sup>th</sup> TERM (2020-2023)

VCCI President Vu Tien Loc presents flowers to VBCSD Co-chair Binu Jacob

### 1. VBCSD Chair

+ Dr. Vu Tien Loc - Chairman & President of the Vietnam Chamber of Commerce and Industry (VCCI)

### 2. VBCSD Co-chair

+ Mr. Binu Jacob - Managing Director, Nestle Vietnam Co. Ltd

### 3. VBCSD Vice Chair cum General Secretary

+ Mr. Nguyen Quang Vinh - General Secretary of VCCI

### 4. VBCSD Vice Chairs

+ Ms. Doan Thi Mai Huong - General Director, Southern Airports Services Joint Stock Company (SASCO)

+ Ms. Le Tu Cam Ly - Legal & Foreign Affairs Director, Indochina Region, Coca-Cola

+ Mr. Piyapong Jriyasetapong - Country Director, SCG Vietnam

+ Mr. Denis Brunetti - President, Ericsson Vietnam, Myanmar, Cambodia and Laos

+ Mr. Do Thai Vuong - Vice President of Sustainable Business and Communications, Unilever Vietnam International Co., Ltd

+ Ms. Cao Thi Ngoc Dung - Chairwoman, Phu Nhuan Jewelry Joint Stock Company (PNJ)

+ Ms. Ha Thi Thu Thanh - Chairwoman, Deloitte Vietnam Co., Ltd

+ Mr. Matt Wilson - Corporate Relations Director, Heineken Vietnam Brewery Limited Company

+ Mr. Nguyen Duc Thuan - President, TBS Group

### 5. Members of the Executive Board

+ Mr. Nguyen Hoai Son - Manager of Public Affairs and Government Affairs, Dow Chemical Vietnam LLC

+ Ms. Bui Thu Huong - Regulatory & Corporate Affairs Manager, FrieslandCampina Vietnam Co., Ltd

+ Ms. Nguyen Thi Dan Phuong - Director of Marketing & Digital Customer Experience, Cluster Countries Vietnam and Philippines, Schneider Electric

+ Mr. Do Quoc Thinh - Director of Sustainable Development Department, PAN Group Joint Stock Company

+ Mr. David Stone - Managing Director, AES TKV Mong Duong Power Co., Ltd

+ Ms. Tran Thi Phuong Thao - Deputy General Director of Strategy and Business Development, Prudential Vietnam Assurance Private Ltd

+ Ms. Le Thi Hong Nhi - Senior Manager of Sustainability and Foreign Affairs, Unilever Vietnam Co., Ltd

+ Mr. Bui Hong Minh - Corporate Affairs Manager, Suntory Pepsico Vietnam Beverage Company

+ Ms. Nguyen Thanh Hoa - Brand Communications Director, Baoviet Holdings



Recently, we, together with Dow Chemical Group of Vietnam, SCG and the Ministry of Natural Resources and Environment, have signed a memorandum of understanding to establish public and private partnership on building a circular economy in plastic waste management in Vietnam. This partnership was established to boost knowledge sharing, technology transfer, raise public awareness and promote innovation and creativity to solve the problem of plastic waste on a national scale. Currently, we also work together with a number of urban environmental companies to implement waste treatment projects. Unilever has also implemented a five-year waste collection program in Hanoi and has continued to expand it to other localities.

During the Covid-19 epidemic, Unilever has implemented many programs to support the community to improve sanitation and protect people's health, donate medical supplies, etc.

#### Ms. TRINH NHU QUYNH

DIRECTOR OF CORPORATE AFFAIRS, BRAND & MARKETING, STANDARD CHARTERED BANK

The way we approach sustainable development is to

build sustainable communities with the promise of good things (Here for good). Standard Chartered Bank has a global initiative to set up a development fund for education, vocational training and entrepreneurship training, aiming at imparting knowledge to young people, people living in remote areas and small and medium enterprises.

During the Covid-19 pandemic, we launched a US\$1 billion financial package to provide capital to global businesses in the field of producing epidemic prevention equipment, at preferential interest rates and some Vietnam businesses have already accessed this financial package. We have donated US\$200,000 in the anti-epidemic phase in Vietnam and will continue to fund the post-Covid-19 response.

At the global level, we are committed to not sponsoring any projects or businesses that have activities that adversely affect the environment. Every year, we evaluate and rank our customers. Businesses which meet the sustainable development criteria will have a higher index than other businesses and will be eligible for loans from our bank with more favorable interest rates as well as gain an easy access to training and support programs from Standard Chartered. ■

## **EABC Chair Vu Tien Loc: RCEP needs consensus and India's participation**

Recently, business leaders representing 13 East Asian countries, including 10 ASEAN countries and three partners, China, Japan, and South Korea, attended the 47th East Asia Business Council Meeting (EABC), held online in the context of the Covid-19 pandemic.

Dr. Vu Tien Loc, President of the Vietnam Chamber of Commerce and Industry (VCCI), Chair of East Asia Business Council, presided over the conference.

Dr. Loc elaborated on existing challenges caused by the Covid-19 pandemic to economies and proposed three main issues of discussion: Regional Comprehensive Economic Partnership (RCEP), digital economy, and micro, small and medium enterprise (MSME) support.

VCCI President Loc said the meeting reached a high consensus:

Regarding RCEP, the council recommended that governments accelerate the process of finalizing and signing the RCEP agreement. The council re-emphasized the principle of consensus and full participation of all countries, including India - a potential economy and an important partner in the

region. India's participation will benefit all parties.

On the digital economy, the council agreed to foster private sector cooperation in sharing information, spreading good practices and setting the foundation for advancing digital transformation in businesses and the economy. EABC highly appreciated the cooperation of JETRO (Japan) with VCCI in the initiative of implementing Digital STARS Project, designed to build an ASEAN startup network.

On MSME development, the council affirmed that MSMEs are the backbone of economies in the region and a key driver for economic recovery and development for the post-Covid-19 pandemic period. The council is committed to continuing initiatives on MSME development, including the development of electronic manuals on customs procedures, trade facilitation, e-commerce promotion, and increased access to credit for MSMEs. At the same time, the council encouraged the implementation of new initiatives such as the establishment of single-window centers that provide legal advice, market development and innovation services for MSMEs.

The 48th East Asia Business Council Meeting is scheduled to be held in August 2020.

**Giang Tu**



## **Heineken Proposes to VCCI President Many Initiatives for Sustainable Development**

On June 24, Dr. Vu Tien Loc, President of Vietnam Chamber of Commerce and Industry (VCCI) had a meeting with representatives of Heineken Vietnam Brewery Co., Ltd. with a focus on sustainable development issues.

Dr. Vu Tien Loc shared that the Covid-19 outbreak increasingly showed the importance of sustainable development. In the coming time, VCBSD and VCCI will gather resources to support enterprises in implementing the circular economic model, support public-private partnership models in sustainable development, and propose policies to help build the business environment that facilitate sustainable business.

On the business side, Mr. Alexander Koch, Chief Executive Officer and Mr. Matt Wilson, Corporate Affairs Director of Heineken Vietnam expressed their thanks for VCCI's efforts in strengthening administrative reforms to improve the business environment in Vietnam as well as the support for the sustainable development activities of Heineken Vietnam.

Heineken Vietnam has supported the creation of 212,000 jobs (direct and indirect) and contributed 0.95% of Vietnam's total GDP; in which nearly all packaging materials are supplied domestically, creating an economic value of nearly VND5.7 trillion per year.

Heineken Vietnam wishes to receive VCCI's support in proposing the Government to adopt policies to encourage manufacturers such as Heineken Vietnam to continue researching and developing non-alcoholic products, helping reduce harm of alcoholic beverages.

Dr Vu Tien Loc highly appreciated the effective support and coordination between VCBSD and Heineken Vietnam, as well as Heineken Vietnam's efforts in realizing the commitments of sustainable development in the recent time. Dr. Loc hopes that Heineken Vietnam will continue to promote sustainable development activities in the coming time as well as share perspectives and methods of sustainable development with businesses and customers in the supply, production, consumption chains of Heineken.

**H. Ly**

# Vietnamese Businesses Stay Resilient to Covid-19 Pandemic

Vietnam is having a good opportunity to restart the economy and make a stronger return as it has contained the Covid-19 pandemic and returned to its normal state earlier than other countries. In the coming time, the Government will continue to work on the implementation of the “double goal” of fighting pandemic cases imported from other countries and reviving the economy. Vietnam Business Forum has an interview with **Dr. Vu Tien Loc**, President of the Vietnam Chamber of Commerce and Industry (VCCI), on this issue.



**The survey, released by VCCI in early May, showed a much better business performance than that in the survey conducted one month earlier. However, businesses are still struggling with outstanding difficulties needing to be addressed soon. Could you please share about this?**

Once again, the resilience of Vietnamese businesses in difficult conditions and crisis was demonstrated. Respectably, despite having no profit, even suffering loss or revenue decline, many businesses are still trying with their greatest effort to take care of their employees. The very high employment rate is showing the social responsibility of enterprises and entrepreneurs - the job generators of the economy - who dare to sacrifice their own and their family's peace to enrich the nation and improve people's livelihoods.

Immediately after the Covid-19 pandemic broke out, evolved rapidly, and directly impacted economic and business performances, the Vietnam Chamber of Commerce and Industry conducted several surveys and organized online briefings with businesses and trade associations to capture their business hardship.

To date, VCCI has collected more than 200 proposals and recommendations from enterprises, of which more than 50 were reported very early to the Prime Minister and reflected in the Prime Minister's Directive 11/CT-TTg. Nearly 150 new recommendations were gathered after the Prime Minister issued Directives 11,15 and 16; Decree 41/2020/ND-CP, and Resolution 42/NQ-CP.

These new proposals and recommendations are mainly about supplementing and amending business support mechanisms and policies to adapt to new contexts post-Covid-19.

Although business performance has picked up,

companies are still in difficulty. Thus, timely support measures from the Government are extremely important. Given tight State budget, the Government has spent unprecedented fiscal and credit packages to support businesses. What the business community wants is the Government and the National Assembly to consider reducing and exempting more taxes and fees; extending the deadline for payables to be settled; and loosening room and lifting the cap on credit growth.

But most importantly, what enterprises need is relevant agencies promote the quick, effective, transparent and fair implementation of the support packages. A little support in a hard time is like a giant help in the good time. A day sooner may help a company survive, one day later may kill it and then support measures are useless.

**After the Covid-19 pandemic, the world will witness a major change in business operations to adapt to the current situation. There is a likely shift in investment flows and there are signals and Vietnam will likely have a lot of opportunities to receive these investments. What do you think about this?**

Regarding more radical and longer-term solutions in the coming time, Vietnam must understand and grasp the opportunity from the largest relocation of global supply chains in human history, currently targeting Vietnam as a safe destination.

To seize this opportunity, Vietnam needs to accelerate institutional reforms, realize the goal of bringing Vietnam to the Top 3 - 4 ASEAN by competitiveness and business environment. Transparency and simplicity of administrative procedures to reduce time and compliance costs are sustainable solutions for businesses.

The Government needs to persist in this goal and regard it as a measure of political performance of leaders at all levels, sectors and localities to improve competitiveness of Vietnamese enterprises, especially small and medium-sized enterprises, to become potential partners for giant transnational corporations. This is also the decisive factor for the success or failure of Vietnam's economy.

The Government has established a legal diligence taskforce to work out plans to submit to the National Assembly and the Government to eliminate overlaps and irrationalities, ensure the transparency and consistency in the current legal system, especially laws on investment and construction to facilitate the rapid deployment of business projects and infrastructure development.

The very transparency and simplicity of administrative procedures to minimize the time and compliance costs is a sustainable solution for businesses. The quick settlement of procedures and the disbursement of financial aid this year could generate an important boost for the economy. If promoting institutional roles and mobilizing all social capital sources in this way, Vietnam can achieve a GDP growth of over 5% this year.

VCCI kindly requested the Government to assign ministries and agencies to coordinate with VCCI, localities and the business community to soon deploy a national strategic investment promotion campaign to contact businesses in global supply chains to convince them to bring their appropriate, higher value-added

**“** *The business survey, released by VCCI in early May, shows that 55% of businesses said they will maintain current production scale in the third quarter, 22% will have expansion plans and only 21% will narrow the scale or suspend operations.* **”**

manufacturing into Vietnam rather than passively waiting for them to come.

**To enhance the competitiveness of Vietnamese enterprises, especially SMEs, helping them to become potential partners of transnational corporations, what does Vietnam need to do?**

VCCI has proposed building and implementing the supporting industry development strategy and the national program for governance capacity improvement for the business community, enabling enterprises to invest in improving human resource quality, fulfil internationalization and

digitalization requirements, adopt sustainable, innovative and responsible business approaches. An enabling government together with a creative and socially responsible business community will be the dual wings for Vietnam's economy to fly high. VCCI is willing to work with ministries and trade associations to develop and implement this important program.

For the time being, the biggest difficulty for Vietnamese businesses comes from the consumption market. We need to launch movements to encourage Vietnamese people to buy Vietnamese goods and make Vietnamese people proud to use Vietnamese goods in high-demand months, at least from now to the end of this year, to support Vietnamese enterprises.

In order to carry out consistent solutions to restart the economy and support enterprises to restore business operations after the Covid-19 period, we have proposed the Prime Minister set up a steering committee and a taskforce for economic recovery, led by the Prime Minister, to coordinate efforts of relevant agencies, from central to local levels. Representatives of trade associations may be installed into the steering committee and the taskforce to scale the program in the business community. The steering committee has the right to make specific decisions as in the wartime to ensure that decisions are enforced immediately on the front of recovery to prevent economic recession and unemployment.

**Thank you very much!**



**Businesses urgently need timely support measures from the Government to overcome this tough time**

# GOLDEN OPPORTUNITY TO CATCH FDI WAVE



With its successful containment of the Covid-19 pandemic, Vietnam has become a bright spot for world investment flows. Besides, investment flows have started to move out of China. Many foreign business delegations have already arrived in Hai Phong, Dong Nai and Binh Duong to seek investment opportunities.

This is a golden opportunity for Vietnam to catch this redirected FDI wave. Our reporter has an interview with Mr. **Do Nhat Hoang**, Director of the Foreign Investment Agency (FIA), the Ministry of Planning and Investment (MPI). **Ha Thu** reports.

## What do you think about FDI attraction into Vietnam over the past time amid the Covid-19 pandemic?

The Covid-19 pandemic has caused a negative impact on the world economy, in which stalled production, disrupted global supply chains, increasing global costs, and preventive measures (such as lockdowns, social distancing and business closure) have immobilized social and economic activity in many countries. The United Nations Conference on Trade and Development (UNCTAD) and the Organization for Economic Cooperation and Development (OECD) both agreed that the pandemic is expected to reduce global FDI by at least 30% in 2020-2021, the lowest level in two decades.

In Vietnam, hit by Covid-19, potential investors delayed their work to explore investment opportunities, including (i) exploring investment opportunities at seminars, business forums, investment promotion forums and other events; (ii) the entry and travel of investors; and (iii) the transfer of capital, machinery, equipment and production lines. However, with its drastic and effective solutions, highly appreciated by the world, foreign investment flows into Vietnam are expecting to rebound toward the end of the year and generate momentum for 2021.

As of May 20, 2020, the total foreign investment capital reached US\$13.89 billion, 83% that of the same period in 2019. Disbursed investment is estimated at US\$6.7 billion, 91.8% that of the same period of last year. The above result is lower than that of the same period, but given the context of the sharp global investment decline due to the impact of the Covid-19 pandemic, it is better than that of many other countries, showing the attractiveness of Vietnam in the eyes of international investors.

By value, the registered capital is still higher than that of the same period in 2016-2018 (40.3% higher than in 2018,

11.5% higher than in 2017 and 36.7% higher than 2016). The average value for a registered project increased from US\$4.7 million in 2019 to US\$6.1 million in 2020. Newly registered capital increased by 15.2% and additional capital increased by 31.4% over the same period in 2019.

## Regarding current FDI flows, among Southeast Asian countries considered by investors as new destinations, what are Vietnam's competitive advantages?

The shift of supply chains and investment restructuring of multinational corporations have been taking place for years, but become more vibrant in recent years due to: (i) trade conflicts among major economies, and; (ii) risk avoidance of dependence on the supply chain in a country or a partner. The recent Covid-19 pandemic has accelerated this transition process, quickened the investment repatriation to home countries or redirected investment to other countries with a competitive advantage.

In Asia, China still attracts most foreign direct investment (ranking second in the world only behind the United States in 2019). However, in the context of multilateralization and diversification trends, multinational corporations are still looking to other new economies such as India, Indonesia and Vietnam to restructure the supply chain to optimize return on investment. In this trend, Vietnam is highly appreciated by the international community as an attractive and safe investment destination.

According to international experts and investors, Vietnam has outstanding competitive advantages like stable political background, high and stable economic growth for many years, competitive investment costs and high incentives as compared to regional countries, extensive integration into the world economy with active entry into and signing of new generation free trade

agreements, and an abundant dynamic and skilled workforce that accounts for 65% of the population. Other pluses include a giant market of nearly 100 million people, ranking 15th in the world by population, of which the middle class is increasing; active administrative reforms and investment environment improvement; and a strategic geographic location in the heart of Asia that bridges China and ASEAN countries. Furthermore, it takes 3-5 hours to fly to major and dynamic economic centers such as China, India, Singapore, Japan, South Korea, Taiwan and ASEAN countries.

According to recent remarks by international organizations, the business investment environment in Vietnam has improved dramatically and gained high appreciation. The magazine U.S. News & World Report ranked Vietnam No. 8 among the 20 best economies in the world for investment in 2019, climbing 15 places over 2018. In October 2019, the World Bank ranked Vietnam's ease of doing business at No. 70 out of 190 economies in 2019-2020. According to the World Economic Forum (WEF) in October 2019, Vietnam's Global Competitiveness Index 2019 ranked No. 67 out of 141 economies, 10 places higher than in 2018).

With the successful containment of the Covid-19 pandemic, Vietnam has been highly appreciated by the international community and become a safe and attractive investment destination for foreign investors.

To recover and develop the economy in the post-Covid-19 period, to facilitate enterprises to invest and do business, the Government issued Resolution 84/NQ-CP dated May 29, 2020, on tasks and solutions to further tackle difficulties against enterprises, increase public investment disbursement and ensure social security and Resolution 68/NQ-CP dated May 12, 2020, on the regulatory reduction and simplification program for business in 2020-2025.

Recently, the National Assembly of Vietnam also ratified the EU - Vietnam Free Trade Agreement (EVFTA) and the EU - Vietnam Investment Protection Agreement (EVIPA). These agreements, together with the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), effective from January 2019, opened vast room for cooperation, formed an expressway connecting Vietnam with major economies in the world. Made-in-Vietnam products will be entitled to special tariffs in member states.

In the latest gathering, the lawmaking National Assembly adopted some laws concerning investment and business such as the amended Law on Investment, the amended Law on Enterprises, and the Law on Public-Private Partnership (PPP). These laws are very important to socio-economic development of Vietnam. Particularly, the amended Law on Investment supplements clear, transparent regulations, simplified procedures, increased decentralization, and added special preferences for quality investment projects. Priority is given to high-tech, innovation, influential investment projects that pledge to engage Vietnamese enterprises into supply chains and cooperate in human resource training; have high added value and contribute positively to the socio-economic development of Vietnam.

With all of these competitive advantages, along with strong and determined reforms of the entire political system, I believe that Vietnam will be regarded by foreign investors as an attractive, safe and effective investment destination.

### **Despite being proven to have many opportunities, this FDI flow shift also poses numerous challenges. What do you think about the challenges?**

The movement and restructuring of FDI flows will open up opportunities for many countries including Vietnam in the coming time. However, there are still many difficulties and challenges.

The biggest challenge from the Covid-19 epidemic is the decline in FDI flows amid rising demands for FDI, expressed by following six manifestations: (1) delaying new investment decisions, adding investment fund to existing investments or expanding investments; (2) affecting movement and restructuring plans of multinational corporations; (3) M&As/takeovers of troubled enterprises; (4) increasing trade fraud, origin and shadow investment; (5) the risk of receiving low-tech, resource-intensive and environmentally-unfriendly projects in the wave of supply chain shifting and restructuring; and (6) fiercer competition for FDI among countries during the Covid-19 period.

Vietnam will face challenges to its absorption and selection of FDI flows, as expressed in nine following bottlenecks: (1) Lack of stability and diversity of inputs, increasing investment costs; (2) Ineffective industry-specific economic development strategies, absence of independent supply chains; (3) insufficient supply capacity and competitiveness of domestic enterprises; limited ripple effects and connectivity; (4) shrinking land bank with available industrial infrastructure for industrial production; (5) technical and social infrastructure behind globalization trends; low logistics capacity; (6) Shortage of skilled labor force; (7) no "outstanding, flexible" incentive packages to catch the fancy of projects moving away from China; (8) the slow application of electronic investment procedures, low ratio of online investment procedures implemented; and (9) unsatisfactory answers to questions raised by FDI enterprises.

### **What should Vietnam do to capture this shifting FDI flow?**

To catch investment flows of large-scale corporations in the world, Vietnam has been preparing to: (1) make clean land fund for industrial investors; (2) train skilled and qualified human resources; (3) adopt policies on domestic business development and upgrade for engaging in supply chains; (4) amend laws and policies to provide special preferential packages for new investment projects or investment transfers to achieve the goal of selective foreign investment cooperation, and; (5) establish a working group to advise the government on investment mechanisms, policies, criteria, and standards in international competition, and approach and negotiate with large corporations with advanced technologies, lead or operate value chains (supply chains and distribution chains) in order to mobilize, promote and fulfil Vietnam's mutual benefit requirements of investment cooperation.

With the above positive preparations, plus efforts for a better business investment environment in the coming time, Vietnam will actively approach and readily support large corporations and foreign investment projects in line with the foreign investment attraction orientation to carry out favorable and effective business investment activities in Vietnam.

**Thank you very much!**



# Trade Promotion in New Normal Status

With respect to trade promotion in the context of the Covid-19 pandemic, Vietnam Business Forum had an interview with Mr. **Le Hoang Tai**, Deputy Director of Vietnam Trade Promotion Agency. **Huong Ly** reports.

## How do you assess the impact of the Covid-19 pandemic on domestic and foreign trade activities over the past time?

Since the beginning of 2020, due to the impact of the Covid-19 epidemic, trade promotion activities of enterprises, associations and localities across the country have faced many difficulties. Trade promotion is implemented in many countries/regions, and requires high connectivity and direct interaction between manufacturers, distributors, consumers, exporters and importers. Therefore, in the context of the Covid-19 epidemic, traditional trade promotion activities such as conferences, seminars, trade and exhibitions aimed at promoting trade and investment in Vietnam and important export markets like China, South Korea, Japan, EU and United States basically have had to be cancelled or postponed.

Trade promotion activities on the domestic market could not be done due to the social distancing requirements that have been lifted recently. According to statistics, 74 trade promotion projects in the National Program on Trade Promotion in 2020 (accounting for 30% of the total number of approved projects) have had to be canceled or delayed until the epidemic is under complete control.

## Could you please tell us some solutions to support businesses to overcome difficulties caused by Covid-19?

With the firm guidance of the Minister of Industry and Trade, the Trade Promotion Agency has quickly piloted and renovated trade promotion support methods, helping export enterprises adapt to the circumstances, maintain connection with foreign partners on the spot as well as maintain activities of supply-demand connection in localities. With flexible, effective and timely adaptation to trade promotion, it has contributed to helping Vietnamese exporters and farmers to overcome difficulties from Covid-19.

Flexible trade promotion activities include: Enhance the application of information technology in trade promotion to improve the connection between enterprises and importers, consumers, trading systems; Build and provide databases on import-export enterprises urgently and promptly; Organize and coordinate online trade in the country and abroad; Build

platforms to support enterprises in applying IT to connect supply and demand and export promotion.

In addition, the Trade Promotion Agency regularly guides and recommends localities, business associations, trade promotion organizations to immediately apply effective trade promotion methods during the Covid-19 pandemic, such as trade promotion through the digital platform, e-commerce environment, exploiting IT applications such as computer software, phone applications, e-commerce websites, electronic trading platforms in trade promotion activities; speeding up information, communication activities to promote export products, connecting online trade between Vietnamese enterprises and partners wishing to import, propagating and promoting Vietnam's businesses and products in the country and the world. These are trade promotion activities less affected by the disease, replacing the traditional trade promotion activities which are stalled, and also a preparation step to promote export promotion activities right after the pandemic is controlled.

**The central issue in trade promotion activities is to enhance the capacity of enterprises and the competitiveness of products to participate deeply in the**





**global value chain. Could you please tell us about related business support mechanisms in the long term?**

In the long term, we will focus on implementing many groups of solutions to improve the capacity of enterprises and export products of Vietnam. First of all, we will coordinate with the concerned ministries and branches in connecting local material areas with manufacturers and exporters to increase the value and processing content for export products.

On the other hand, a cooperation program with the Ministry of Agriculture and Rural Development and other relevant agencies is being strongly implemented to enhance propaganda and application of the Global Gap cultivation model to help businesses expand market with high requirements; encourage producers and enterprises to apply harvesting and post-harvest methods and techniques, raise technical standards on quality and deep processing content for Vietnamese export products.

The promotion of brand names, market and product information has also been strengthened to help businesses restructure production, improve product quality and meet export technical standards in markets that Vietnam has signed free trade agreements (FTAs) with.

In the framework of international cooperation projects, we focus on training, traceability consulting, consulting businesses on sustainable standards and green finance for businesses, and consulting on packaging design for businesses and cooperatives.

**Even in the context of the Covid-19 epidemic, you have pioneered many online trading sessions to introduce Vietnamese products to partners such as the U.S., China and Singapore. How do you assess these programs?**

We have organized many online trade programs for a variety of Vietnam's products to many markets in the world such as Guangxi, Yunnan, Shandong, Chongqing (China); the United States, Singapore and India. Online connection is an effective way to help Vietnamese businesses maintain contacts and transactions with foreign partners, thereby looking for opportunities to boost trade and expand the export market while reducing efforts, time and promotion costs. Moreover, the form of online connection not only helps businesses find partners, but also helps businesses stabilize production, ready to boost export goods as soon as the epidemic ends and the market reopens.

At the online trade programs, many Vietnamese businesses have initially connected, cooperated and signed contracts. These are positive signals to help businesses with production incentives to boost exports.

In the coming time, we will continue to organize online trade programs with businesses from other provinces and cities of China such as Zhejiang and Guangzhou, and other countries such as Japan, Korea, Turkey and the Netherlands, to support more Vietnamese businesses to increase access to partners and foreign markets.

**Thank you very much!**

**Vietnam needs flexible trade promotion solutions to boost exports in the post- pandemic period**



# Working together to Address Post-Pandemic Challenges

Vietnam Business Forum would like to quote the recommendations by international associations, organizations and businesses on how Vietnam can respond to the Covid-19 pandemic to help the country's economy gain back its full potential in the fastest and most sustainable way.

## Mr. FRANCOIS PAINCHAUD

IMF RESIDENT REPRESENTATIVE FOR VIETNAM AND LAO PDR

Covid-19 has inflicted tragic human cost and a severe blow to global economic activity. For 2020, the world economy is expected to contract sharply by 3.0%, with significant downside risks to the outlook. This is much worse than during the Global Financial Crisis and the Asian Financial Crisis. Almost 90% of the world, 170 countries, will be worse off with lower per capita income at the end of 2020. However, as the pandemic fades and containment measures are lifted, the global economy is projected to grow by 5.8% in 2021, helped by policy support.

Vietnam had a remarkable response to Covid-19. Timely and robust measures have contained the spread of the virus domestically. Economic and financial policies have also been implemented to help the Vietnamese economy. The SBV has maintained abundant liquidity, eased monetary policy, and encouraged banks to show flexibility to borrowers affected by Covid-19. The Government has introduced fiscal measures to help businesses, the poor and self-employed affected by Covid-19. It is also scaling-up public investment to support economic activity, which should be accompanied by improvements in public financial management.

Despite its policy response, Vietnam has not been immune to the economic impact of Covid-19. Vietnam's growth is expected to slow from about 7.0% in 2018-19 to 2.7% in 2020, reflecting both weak external and domestic demand and the impact of strict containment measures, which have now been lifted. Growth is expected to gradually pick up, reaching 7.0% in 2021, supported by government policies, Vietnam's macroeconomic fundamentals and the global recovery. Additional government support may be necessary to protect the most vulnerable and prevent long-lasting economic damage, if downside risks materialize.

SMEs could be hit particularly hard by Covid-19. They are estimated to contribute 42% of output in Vietnam but more than 80% of employment. They are thus critical to secure a sustained and inclusive recovery. Prior to



Covid-19, SMEs were typically less leveraged and productive than larger firms but had lower liquidity buffers. Covid-19 has hit hard in some sectors where SMEs are very active (e.g. services) and falling profitability could exacerbate liquidity pressures. Here, measures introduced by the Government and the SBV will help viable businesses, including SMEs, navigate through the crisis.

Further unlocking access to finance for viable SMEs would help, including via fintech. A comprehensive approach for debt resolution and restructuring should be developed, including a simple and flexible insolvency regime.

Robust and inclusive medium-term growth will require structural reforms to boost productivity. Economic duality remains high in Vietnam with FDI firms much more productive than non-FDI firms, including SMEs. To help secure robust inclusive growth and reduce duality, Vietnam needs to improve its institutions, property rights, competition, corporate governance, infrastructure and connectivity; strengthen labor skills to meet businesses' needs; and further reduce corruption, non-tariff barriers and the regulatory burden. Reforms along these lines would help all Vietnamese firms and should be supplemented by policies to facilitate technology spillovers, and the development of linkages between FDI and domestic suppliers. It would also be important that resources (land, financing, and labor) are freed from less productive SOEs for more efficient use, for example, by productive SMEs with growth potential.

Policies to support the recovery should encourage a greener, smarter and fairer world, including in Vietnam. Vietnam can undertake public investment and introduce incentives to support low-carbon and climate-resilient growth while promoting a job-rich recovery. The digital economy was resilient during the crisis and the digital divide should not be allowed to widen and leave behind communities. There is also an opportunity to build fairer societies by investing in people through better schools and training and expanding social programs.

## Mr. SHIMIZU AKIRA

CHIEF REPRESENTATIVE OF JICA VIETNAM OFFICE

My first assignment at the JICA Vietnam Office was 10 years ago, from March 2010 until February 2014, and this return is my second assignment in Vietnam. When I first arrived in Vietnam, I was overwhelmed by crowded streets with lots of people and the noise of motorcycle horns, but at the same time, I also felt the people's energy, which seemed to be saying: "Today is better than yesterday and tomorrow must be better than today". Just as I felt, Vietnam has made remarkable progress in socio-economic development and various other aspects.

For many years, JICA has been making its best efforts to contribute to the development of Vietnam and to strengthening the bilateral ties between Vietnam and Japan through cooperation schemes such as: Technical Cooperation, provision of ODA loans and Grant Aid. For sustainable development of Vietnam in the future, JICA's support for infrastructure development remains as important as ever.

Meanwhile, to enhance the sustainable and strong bilateral relationship between Vietnam and Japan, human resource development projects, as well as collaboration with Japan's local governments and NGOs are also essential. Also, we will continue to work on expanding the development projects by utilizing Japanese companies' knowledge. Moreover, on the basis of the ties my predecessor Mr. Konaka and former Chief Representatives have built, I would like to further strengthen a robust and good relationship with Vietnam.

On the other hand, on the occasion of this second assignment, I discovered a new aspect of this country. Until now, Vietnam has reported no deaths from Covid-19, and has successfully contained community transmission. It seems to me that people are very calm even under social distancing measures. I have been wondering how they have managed to respond to this new threat and where the calmness of these people comes from, and I felt the immense power of the people in this country.

I myself, working under the organization which is implementing international cooperation, have been considering each country, Japan and Vietnam, as partners and working with a focus on building the relationship between the two countries through ODA. But through the situation I experienced this time, I began to think that I myself need to learn from our partner country more than ever, and work together to tackle the challenges of the new post-corona world.

Though we have to wait for a while to overcome the influence of Covid-19, I strongly believe that in the near future, we all will be involved in the dynamic social changes of this country.



## Mr. KOEN SOENENS

GENERAL SALES & MARKETING DIRECTOR, DEEP C INDUSTRIAL ZONES

The pandemic has raised serious concern over concentrating all manufacturing capabilities in one single market and created the huge urge for companies to diversify their operations. Being a Covid-19 success story itself, Vietnam has become a safe and sound destination for foreign capital to flow in.

It is now going into the stage of gradual economic recovery and the new influx of foreign direct investment is expected to help it build the necessary momentum for a swift and decisive rebound.

Vietnam needs to take actions because it is not every day that we are given such a great opportunity. I see some aspects that Vietnam can make improvements on.

With the EVFTA coming into force, Vietnam should come up with an appropriate national action plan to make the most of this important pact, and raise the quality of FDI projects that it will take in. At the same time, Vietnam needs to enhance its ease of doing business by continuing to perfect the legal system and administrative procedures. Actually, Vietnam is making progress in this aspect with the recent digital transformation in public administration, but it needs to be done more thoroughly.

As the demand for industrial real estate is rising rapidly with companies exiting China, Vietnam should also guarantee the sufficient supply of ready properties and completed modern infrastructure connecting properties with ports. After all, one of the most important factors for manufacturers is getting the raw materials in and products out of the factory.

## Mr. STEVEN NGUYEN

CRITEO'S SENIOR REGIONAL MANAGER FOR SOUTHEAST ASIA

In Vietnam, online retail remains strong compared to the same period in 2019, however, recently it is getting close to what we have observed in 2019. As for the rest of Southeast Asia, online retail keeps growing - as based on our data on the impact of Covid-19 in Asia-Pacific, online retail sales in Southeast Asia are experiencing a higher uplift this year compared to 2019, with the highest sales uplift seen in the week of May 3 at 106%.

We see the increase in online shopping in Southeast Asia spanning various product categories, from health and beauty to consumer electronics, food and beverage to biometric monitors.

The global health crisis continues to affect countries, and measures like social distancing and travel restrictions limit people's activities and movements, it is quite inevitable that their daily needs and routines have changed as well.

In Vietnam, 76% of the survey respondents said they plan to do more online purchases compared to their usual - while only 15% and 9% of respondents said they will do the same amount of shopping or shop less, respectively. 62% and 50% of the Vietnamese



☞ survey respondents also said they will be doing more online purchases of groceries and beauty/personal hygiene products.

As more and more consumers turn to e-commerce to shop for essentials and beyond, retailers now have to leverage their in-store brand equity and be able to present their offerings online in different ways to get engagement that brands must establish strong relationships with their clientele offline and on.

With online stores now the destination of consumers, retailers should also rethink the customer experience via more engaging campaigns that will not only draw loyal customers but create new ones.

Brands can think of creating programs that will help customers build long-term relationships with their own online shopping channel or application. These can include running app retargeting campaigns for high-demand products and features that the app offers, or loyalty programs and incentives for top engaged users.

And as consumers also face their new normal, retailers must ensure that their own efforts to promote their products remain sensitive to their consumers' current situation.

## Dr. SU NGOC KHUONG

SENIOR DIRECTOR, SAVILLS VIETNAM

Facing severe impacts of the Covid-19 pandemic on a global scale and on every corner of daily life, the retail industry is struggling with numerous challenges and difficulties, especially for supermarkets or commercial centers.

The market has witnessed the farewell or closure of branches of many big retailers such as Auchan, Parkson and Big C. This failure may come from many different factors like changed buyer tastes, market competition amid the advent of many new trendy shopping centers with attractive tenants/brands. In addition, the rigidity of development strategies has left investors and operators of shopping malls behind and reduced competitive advantages against other competitors should be also taken into account.

Popular fashion brands have focused on both online and traditional stores, but there is an undeniable outcome that the upmarket fashion sector (high-end, mid-range, brands) still make 70-80% of total sales from physical locations.

Except for some other industries that are thoroughly utilizing and optimizing online channels such as using applications and online ordering systems, fashion brands still have to balance online and offline channels to maximize profits when physical sales channel is still dominant. And this is an opportunity for department stores and retail supermarkets to survive and develop, especially in high-end and mid-range product lines.

As the Covid-19 epidemic is still deeply affecting all aspects of life, in the retail segment, most shopping centers and retail supermarkets are reducing rentals by 30-100% for tenants. If Covid-19 lasts longer worldwide, for example three months longer, many brands will go into bankruptcy and abandon their retail spaces as a result. And, retailers may face bankruptcy if their financial capacity



is not stable. Except for some industries that can take advantage of this pandemic for development such as professional health care, essential products, supermarket delivery services, and affordable foods, the rest are struggling to survive.

The question is how long and what strategies retailers and companies take to overcome this tough period. Business strategies are a core factor to the success of trade center developers. Their strategies include business planning, brand positioning, tenant positioning, marketing mix tools and product diversification. Besides, companies should combine and strengthen online sales to have good revenue and operational costs in Vietnam market.

## Mr. NGO HUU TIEP

CHAIRMAN OF GIZA ENGINEERING AND CONSTRUCTION JOINT STOCK COMPANY

Giza Engineering and Construction Joint Stock Company is an industrial general contractor, specializing in the design and construction of factory projects in industrial parks, export processing zones. Our market segment is FDI projects, so when trade was restricted, social isolation was enforced, our business was hard hit.

Accordingly, as the pandemic has prevented foreign investors from entering Vietnam during the first half of 2020, new investment projects have been stalled. The progress of construction works have also been affected due to limited traffic, harder recruiting workers; many subcontractors have declared dissolution as they could not survive.

Regarding solutions to support businesses, in my opinion, the guidelines and solutions to support enterprises of the Government, ministries and agencies have been issued very timely in the recent time, initially put into practice. These solutions have actively supported business community to overcome difficulties, stabilize production and business.

However, in the coming time, it is expected that the Government will continue to have more practical policies and measures to create favorable conditions for businesses to access capital sources, extend loans and reduce interest rates to ensure production and business. In addition, businesses are also waiting for solutions to improve the investment environment to attract more investors and large FDI corporations to Vietnam in order to catch the wave of investment movement from other countries to Vietnam.

In addition to the support from the Government, in the new normal state, enterprises must clearly identify the groups of solutions to overcome the Covid-19 challenges. Especially, they need to take advantage of capital incentives under the State's policies to be ready to break out with new opportunities.



# Strong and Proactive Response to Covid-19 Pandemic



The Covid-19 pandemic has seriously affected Vietnam's economy in general and the private economy in particular. Therefore, it is extremely necessary to restart the economy and support businesses to stabilize and stimulate growth after the Covid-19 epidemic, said Mr. **Nguyen Quang Huan**, Vice Chairman of the Vietnam Private Business Association (VPBA), Chairman of Halcom Vietnam Joint Stock Company. **Nguyen Mai** reports.

## Could you tell us the effect of the Covid-19 pandemic on enterprises, especially for private enterprises?

The Covid-19 pandemic has affected every aspect of social life. For businesses, social distancing or trade restrictions have disrupted some global supply chains and obviously reduced the production output of one group of companies and the input of another one. Import and export stalled, production stagnated, unemployment increased in all countries, especially worst affected countries. That is the overall picture of businesses across the globe after the pandemic.

In Vietnam, private enterprises are mainly small and medium in size, even micro. These companies are little integrated into the world economy and less dependent on supply chains, but importing and exporting firms are obviously affected, for example, manufacturers of apparels and home appliances and importers and exporters of agricultural and aquatic products. When countries are ravaged by the pandemic, their shrinking demand and weakening consumption reduce our exports. Worse still, specialists from foreign partners are not allowed to enter Vietnam and the inspection of goods before export is also stuck.

Some domestic manufacturers and suppliers also had shrinking markets and reduced revenue. Many laid off workers or even closed their operations. Companies are supported with a VND62 trillion credit package but they have difficulty accessing this loan for many reasons.

Before this reality, they must find a way out. It may be necessary to change the way of working, meet online more, find alternative raw materials or localize supply chains, focus on the Vietnamese market, reduce payrolls or adjust revenue plans.

## What is the most effective measure to support private enterprises?

Government support measures such as unemployment benefits, tax rescheduling and debt postponement will help businesses in the tough time to a certain extent but they must essentially act on their own.

The support must come in time, transparently and fairly. Every company needs to be informed well of this support and has procedures simplified to access the government support package more quickly and effectively. As the Government lacks database about businesses, it will be harder to review, evaluate and decide support measures while the time is a deciding matter to survival of businesses. At the same time, setting too many criteria or increasing oversight and supervision will discourage businesses and slow support.

## Could you please reveal some bright spots of private enterprises in this tough time?

Optimistically, in the current tough period, the private business community has strongly upheld solidarity and shared difficulties with the Government in the fight against the Covid-19 pandemic. Unquestionably, in the present time, businesses are quite active to seek ways to overcome obstacles in the way. Although no business has so far been able to borrow anything from the VND62 trillion package, they are still managing to stay alive on the market. The number of 36,000 businesses leaving the market is too large but we must accept and hope that the rest will be more resilient and grow. New businesses will enter the market, with lessons learned from old ones to develop more sustainably.

**Thank you very much!**



## NATIONAL SINGLE WINDOW

# Breakthrough in Administrative Reform

The deploying of the National Single Window (NSW) mechanism helps businesses reduce time and costs to settle most procedures as compared to the traditional form, some administrative procedures recorded 93% less expense.

THU HA

The Vietnam Chamber of Commerce and Industry (VCCI), the General Department of Vietnam Customs under the Ministry of Finance, and the United States Agency for International Development (USAID) in Vietnam recently announced the survey on “Business satisfaction and time needed to carry out administrative procedures through the National Single Window”. The survey was made from feedback from nearly 3,100 businesses dealing with 12 administrative procedures - most frequently implemented public service through the NSW - in the last 12 months, dated from the launch of the survey (late November 2019). This effort aimed to promote trade facilitation for enterprises to conduct export and import administrative procedures.

According to the survey, most basic functions on the NSW are currently working well. The rates of respondents that rated easy/relatively easy to carry out basic features such as “account creation and login” and “view and print records” are 95% and 93%, respectively. Up to 93% and 89% of enterprises rated easy/relatively easy to implement “records management” and “view and print licenses/certificates” features.

Basically, the NSW has positively reduced time and costs for settling administrative procedures for businesses. The NSW system has recorded positive changes in many aspects of service time for administrative procedures and service personnel for these. Up to now, the system has carried out 198 procedures on a total

of 250 and connected 13 ministries and agencies. It has completed more than 3 million records filed by more than 39,000 enterprises, helping facilitate trade and improve national competitiveness. As for customs clearance, the service time has been reduced by 7-8 days. The value of saved expense amounted to more than US\$4.55 billion (VND106.9 trillion).

Administrative personnel in nine out of 12 companies decreased by half.

However, the survey also pointed out that a significant share of companies found it difficult to use the portal. Procedures provided by the Ministry of Health, the Ministry of Transport and the Ministry of Science and Technology are said to be more difficult to be handled than those provided by other ministries and branches. In addition, 27% of respondents are not satisfied with the unstable operation of the NSW due to connection errors while about 20% of businesses complained about slow responses on the system.

Besides, 26% of companies encountered trouble with “import quality check” procedure. 34% and 29% of respondents respectively found it hard to deal with “granting import license for medical equipment” procedure and “granting the receipt number of the announcement paper for imported cosmetic products” procedure provided by the Ministry of Health. And, a meaningful rate of enterprises saw positive progress in implementing procedures provided by the Ministry of Health on the National Single Window as compared to the old one.

Mr. Dau Anh Tuan, Director of Legal Department, VCCI, said, existing difficulties are largely attributed to the service system of joining ministries and agencies which are reportedly not completely electronic. Some applicants are requested to modify their records for many times, while ministries and agencies spend relatively much time processing dossiers submitted by some enterprises.

From what they have experienced with the NSW, companies recommended that ministries, branches and agencies accelerate electronic payment, remove difficulties for enterprises in using digital signatures, upgrade Q&A functions, and provide some additional utilities to support businesses on the portal.

Representing the research team, Mr. Tuan also recommended the necessity to deal with digital signature registration and use problems; upgrade Q&A functions to better help enterprises handle administrative procedures; and add value-added business support services.

Besides, they need to boost the development of a centralized information technology system for the NSW mechanism, technical upgrades and regular maintenance for the NSW to operate stably and speed up task handling and solving technical problems.

**Mr. TRAN THANH HAI**

DEPUTY DIRECTOR OF IMPORT-EXPORT DEPARTMENT, MINISTRY OF INDUSTRY AND TRADE



The Ministry of Industry and Trade is one of the first three ministries to join the NSW but it has so far brought only 11 procedures to the system and has six more procedures to be connected.

The participation of ministries and agencies is necessary but the most important role is played by the NSW operator. The operator is like an axis and ministries and branches are spokes connected to it. We are totally ready. Basic procedures have been brought into the ministry's public service portal but they have not worked as well as expected on the NSW.

The goal of the NSW is to facilitate businesses and ministries/agencies themselves. Nevertheless, information sharing among ministries and agencies through this mechanism has not been done so far, first of all from customs authorities. This important factor needs to be improved in the near future.

**Dr. LE DANG DOANH**

ECONOMIST



The NSW's procedural contribution is remarkable. However, the NSW needs to synchronize software and equipment among ministries and build a centralized information technology system to really help enterprises. Currently, each set of different software, even different technology vendor, is not fully compatible in execution.

In addition, single-window connectivity is a key point in international economic integration and in global competition. In the coming time, the NSW enforcement agency should focus on integration-related policies as Vietnam is about to enforce the EU - Vietnam Free Trade Agreement (EVFTA) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) with many stringent requirements for institutional synchronization to comply with international regulations.

In addition, periodic surveys are needed to make a basis for comparison with other countries in the region from which more suitable changes will be made.

**Mr. TRUONG VAN CAM**

VICE CHAIRMAN OF THE VIETNAM TEXTILE AND APPAREL ASSOCIATION



As the textile and garment industry has a huge export and import value, companies in this industry have to do a lot of procedures, especially those related to import and export. We have great expectations on the NSW mechanism. In fact, up to now, textile and garment companies have used the NSW a lot.

In the coming time, carrying out administrative procedures through the NSW needs to be smoother and more inclusive, especially in three important stages: Technology and equipment, personnel and law.

We have amended a lot of documents but many regulations are still complex, sometimes difficult to be

implemented on the NSW. If companies still complain, more things will be done to make it perfect. Therefore, we believe that the engagement of all stakeholders is necessary for the NSW to operate effectively and smoothly.

Last but not least, the technology and equipment for the whole system need to be synchronized to work smoothly.

**Mr. NGUYEN VAN SON**

CHAIRMAN OF VIETNAM PESTICIDE ASSOCIATION



Pesticide producers and traders in Vietnam are regularly using in the national public service portal. However, many companies reportedly lack specific instructions and face many problems to be solved immediately. They have to carry out procedures again and again to complete. Therefore, we hope that this issue will be further improved.

Besides, we are concerned about document confidentiality. Securing information builds business confidence.

In addition, we expect that contributions and recommendations proposed by the report as well as remarks from delegates will be received, and competent authorities reply, as soon as possible.

**Mr. NGUYEN TUONG**

DEPUTY GENERAL SECRETARY OF THE VIETNAM LOGISTICS ASSOCIATION



The single-window mechanism is an important step to reform administrative procedures by simplifying procedures, thereby raising the quality of public services concerning import and export activities while reducing administrative procedures and enhancing the competitiveness of the business community. Nonetheless, the single-window system must be made more stable and reliable. If the system breaks down when electronic declaration is being made, companies will have to solve the mess and spend more time, effort and cost to do it again.

Furthermore, a single form should be used. Ministries should try to give up paper records. If both electronic declaration and paper declaration are in place at the same time, it will be very cumbersome, complicated and costly for businesses.

**Ms. NGUYEN THI CUC**

PRESIDENT OF THE VIETNAM TAX CONSULTANTS ASSOCIATION



We and the business community appreciate the efforts of the Ministry of Finance in recent years, especially to reform tax, customs and insurance administrative procedures. This helps reduce the time needed for customs clearance or tax payment for businesses. However, the connectivity varies among ministries and agencies. Some have excelled this but some have not seriously cared about and made effort for the NSW.

Ministries and agencies should unify forms and paper and reduce requirements that lead to duplications and multiplications. What enterprises need most is the list of administrative procedures, the service time limit, record log and clear information for rejection.

# VIETNAM CUSTOMS TO REDUCE EXPORT-IMPORT TAXES AND FEES



In the action plan to accelerate administrative reform and support exporters and importers during and after the Covid-19 epidemic, one of the measures undertaken by the General Department of Vietnam Customs is reviewing and reducing export and import taxes and fees.

LE HIEN

The General Department will continue to review and complete the legal basis and customs procedures concerning imported and exported goods and transport means of entry and in transit to simplify procedures and submission methods: GDC will annul regulations on submission of unnecessary documents already posted on websites of ministries/agencies or on the National Single Window (NSW) and limit submission of paper documents.

The first and only submission and presentation of customs documents is required by customs authorities when carrying out export and import procedures.

The General Department said that customs documents will be basically submitted through the electronic system and applicants do not need to hand over to customs officers.

The declaration and submission of paper customs documents is an electronic copy on the system where applicants are not required to sign and seal.

In addition, the General Department will further reduce and simplify customs procedures and processes. For example, administrative procedures are not required to be carried out on the online public service portal if they are

already done on the electronic customs data processing system.

At the same time, it will review and abolish the proposal and approval of tax exemption in customs clearance for each customs declaration, applied to export processing and production in the course of tax exemption, tax reduction, tax refund and no tax collection.

The GDC will simplify the delivery of goods subject to customs supervision in case the handover is performed in the same customs branch while ensuring strict management and conformity with local characteristics.

In order to reduce the time for customs clearance and release of goods, the GDC will introduce solutions to furnish equipment and machinery to assist customs officers to perform physical inspection of goods and supervision of goods in transportation. Typical equipment includes container scanners, cruise monitoring equipment, electronic seals, quality inspection equipment and food safety inspection equipment.

It will apply risk management to customs operations, reduce the rate of yellow (warning) flows and red (rejected) flows, while increasing the rate of green (passed) flows; review, amend and abolish directives to

enhance management and inspection; strengthen inspection, only applied to a certain period of time to specific businesses and fields; research and implement business support programs for better compliance with customs laws.

The GDC will cut down cases that require sampling for analysis, assessment and classification of goods; reduce the time for returning samples, and raising the rate of timely or sooner notification of analysis and classification results.

Specially, the GDC will continue to review and cut export and import taxes and fees like cutting costs relating to customs procedures for imported and exported goods; storage and yard costs at the border.

The agency will study and submit to competent authorities proposals for reduced late payment for manufacturers which import commodities as fixed assets subject to VAT assessment by customs offices and already paid the VAT value in full set March 1, 2020 but still had overdue tax.

Solutions adopted by the General Department of Customs are aimed to support enterprises and remove difficulties against their business operations; fulfil the goal of improving the business environment and enhancing national competitiveness. ■



# CONTINUING MEASURES AGAINST ORIGIN FRAUD

The official implementation of EU-Vietnam Free Trade Agreement (EVFTA) will surely open up many opportunities for Vietnamese businesses to penetrate the global playing field. However, there are also many challenges for Vietnamese goods in terms of competition, origin of goods and especially on trade remedies.

## HUONG HAU

**T**he data show that, in the process of implementing the policy of proactive integration in the period of 2000-2016, there were 15 cases investigating avoidance of trade remedies on Vietnamese exports (one case per year on average). In particular, only from 2017 to the first quarter of 2020, there were seven new cases (an average of two cases per year). This trend is expected to continue to increase as Vietnam increasingly asserts its position in the global supply chain. Without positive measures to deal with the problem of illegal evasion of trade remedies, especially through origin fraud, it may affect domestic businesses and industries; in the long run, there will also be a negative impact on the competitiveness of the economy in the context that the country has participated in a series of FTAs with

high requirements on origin, such as EVFTA.

Recently, the Prime Minister signed Decision 824/QĐ-TTg on promulgating a Project to strengthen state management in fighting against evasion of trade remedies and origin fraud, which set out two main target groups. State management should be enhanced for export and import activities; early warning, preventing evasion of selective trade remedies and origin fraud; promoting fighting against goods origin fraud by strengthening the effectiveness of issuing and inspecting certificate of origin (C/O). On the other hand, it is necessary to improve the efficiency of State management by perfecting the regulations on consideration and settlement of foreign investment registration, and management of foreign investment projects in the fields of manufacturing and trading commodities likely to evade trade remedies and origin fraud. It is essential to enhance the effectiveness of law enforcement on fighting evasion, origin and customs by improving the coordination among ministries, industries, localities and business community; strengthening propaganda activities, disseminating regulations on rules of origin, combating evasion, risk of countries applying measures of preventing evasion to increase response capacity of industries.

Especially in 2020, customs authorities will promote the propaganda to people and businesses about the harms and consequences of fraud, counterfeiting C/O, labeling Vietnamese goods for export and illegally transporting goods to Vietnam. Anti-smuggling customs agency strengthens close cooperation with countries' customs agencies and the Regional Intelligence Liaison Office for Asia and the Pacific to promptly collect information and coordinate in verifying C/O having signs of fraud. ■

## **Guidance Regarding Documents Certifying Origin in CPTPP Agreement**

The General Department of Customs instructed provincial/municipal customs departments in declaring reference numbers of CPTPP certificates of origin on import customs declarations. Accordingly, Article 5 of Circular 38/2018/TT-BTC dated April 20th, 2018 of the Ministry of Finance on indentifying the origin of export and import goods (amended and supplemented in Circular 62/2019/TT-BTC) stipulates that the declarant declares the reference number and date of issuing certificates of origin of goods on the customs declaration.

However, Point 3, Clause 4, Article 1 of Circular

62/2019/TT-BTC guiding the minimum requirements for documents certifying the origin of goods under CPTPP form does not specify the reference number as mandatory information on documents certifying the origin of goods.

Accordingly, the General Department of Customs guides provincial/municipal customs departments as follows: In case a customs declarant submits documents certifying the origin of goods in CPTPP form with a reference number, they need to guide the declarant to comply with Article 5 of Circular 38/2018/TT-BTC.

In case a customs declarant submits the certificate of origin in CPTPP form without a reference number, they need to guide the declarant to declare "none" on the import customs declaration.

**Le Hien**

PROCESSING,  
MANUFACTURING INDUSTRY

## An Approach to Escape Middle- Income Trap

Adjusting the industrial development policy towards increasing the capacity of the private enterprise sector will help Vietnam avoid the middle income trap.

THU HA

According to Dr. Nguyen Thi Tue Anh, representative of the research team for the Report "Industrial capacity of Vietnam's private enterprise sector: Suggestions to adjust industrial policies to avoid middle-income trap", Vietnam's industrial development policies have gone through three main stages. In particular, in the third period from 2001 to the present, industrial policy has continued to be export-oriented and it has been adjusted according to international commitments and associated with the policy of economic restructuring in general and industry restructuring in particular for sustainable development.

One of the special features of this period, according to Dr. Nguyen Thi Tue Anh, is that the integration commitments have cast a great impact on both the processing-manufacturing industry and the domestic private sector, especially commitments without export subsidies and localization subsidies. Along with that is expanding business rights for foreign-invested enterprises (FDI), as well as eliminating discrimination in the application of special consumption tax, cutting import tax and gradually eliminating non-tariff barriers that private enterprises have suffered most.

At the conference announcing the research report "Industrial capacity of Vietnam's private enterprise sector:



Suggestions to adjust industrial policies to avoid middle-income trap" by the Central Institute for Economic Management (CIEM), the research team pointed out that, over the past time, private enterprises in the manufacturing and processing industry have grown rapidly in number, but mainly small and medium-sized enterprises, concentrated in the low-tech industry. Its industrial capacity is still quite low in terms of added value, labor productivity, exports, technology capacity, management capacity and development strategies skills.

In addition, the adjustment of industrial policies in stages, especially the export orientation, has facilitated the participation of private enterprises in the

manufacturing and processing industry; paving the way for them to participate in export-oriented industries. The tools of industrial policy have a positive influence on the expansion of the area, but little to changes in labor productivity. These policies have the effect of increasing industrial capacity for private enterprises through incentives and support, but industrial policies still face many shortcomings, for example private enterprises have difficulty participating in priority sectors. Besides, the tools of industrial policy are scattered, insufficient and not focused.

Also according to the research team's data, currently in the fields of processing - manufacturing, domestic private enterprises rank second in terms of using labor, after the FDI sector with the proportion of 47.8% (2019). If the number of employees in the FDI sector focuses mainly on labor-intensive fields such as computers, electronics, footwear, private enterprises dominate in sub-sectors such as producing wood and bamboo products, non-metallic mineral products, medical equipment, and food processing.

International experience shows that, for countries to develop sustainably and overcome the middle income trap, the industry, especially the manufacturing and processing industry, must be considered the leading engine and an important driving force for growth. However, to play such a role, it is necessary to rely on the domestic sector, especially the private sector. Therefore, besides policies and identifying priority sectors, solutions are needed to support the domestic sector to increase its capacity to participate in this process.

Therefore, Dr. Nguyen Thi Tue Anh emphasized that the position of the domestic sector should be considered a main focus of industrial policy.

The report proposes that the adjustment of industrial policies should be in line with Resolution 10 (developing private economy to become an important driving force of the economy) and implemented synchronously with the Socio-economic Development Strategy for 10 years. At the same time, the adjustment should facilitate to take advantage of the opportunities provided by Industry Revolution 4.0.

In addition, it is necessary to improve the industrial capacity of enterprises in general and private enterprises in the processing - manufacturing sector in particular through preferential tax and credit policies, combined with environmental improvement, simplifying administrative procedures; and encourage associations and industries to train, transfer standards of quality management and product quality to enterprises, especially SMEs.

Therefore, for businesses to have the opportunity to develop, it is necessary to have a synchronous and uniformly implemented policy from the central to local levels, especially in the context of Vietnam participating in many large and open free trade agreements such as CPTPP or EVFTA. This is a motivation and a great opportunity for businesses of all economic sectors. ■

# AGRIBANK JOINS HANDS TO CUSHION COVID-19 SHOCKS, REVIVE SOCIO-ECONOMIC DEVELOPMENT

Recently, the Bank for Agriculture and Rural Development of Vietnam (Agribank) has actively joined hands with the banking industry to carry out many social security programs, many credit support policies, and various solutions to realize the dual goal of “repelling the epidemic and reviving socio-economic development”. Our reporter has an interview with Ms. **Nguyen Thi Phuong**, Deputy General Director of Agribank, on this issue. **Nguyet Tham** reports.



**What are your efforts to curb the Covid-19 pandemic and join with the Government to revive the economy?**

The Covid-19 pandemic has disrupted and halted many socio-economic activities, negatively affecting Vietnam's economy. As directed by the Government and the State Bank of Vietnam (SBV), we have proactively and seriously carried out consistent, aggressive and effective measures to support customers affected by the pandemic.

By the end of May 2020, we carried out solutions worth US\$41,908 billion under Circular 01/2020/TT-NHNN, including VND35,650 billion to restructure loans to 9,155 customers and VND6,258 billion to exempt and reduce interests for 953 customers. In addition, we have made new loans of VND42 trillion to 16,000 customers adversely affected by the Covid-19 outbreak and lowered interest rates for 54,000 customers with outstanding loans of nearly VND40 trillion. At the same time, in order to share difficulties with customers, we have four times exempted and reduced service fees for customers amid the pandemic outbreak to ease their burdens to cope with the contagion.

In addition, the whole Agribank system has actively implemented many social security activities with a budget of tens of billions of VND, showing the spirit of solidarity, joining hands with the community to overcome difficulties in the fight against the pandemic.

**For the support policies to be effective, what strategies and solutions have you taken?**

Like other enterprises, banks have been also affected by the Covid-19 pandemic. In the context of a complicated pandemic outbreak, we have built detailed scenarios to ensure smooth banking operations in all circumstances, maintain and stabilize the operation of 2,300 ATMs and electronic banking services to meet people's banking demands.

Right since the Covid-19 pandemic started to hurt socio-economic activities, we have actively worked with affected customers to promptly apply support measures, publicize contact hotlines at all branches to receive customer feedback and support them to cope with emerging hardships. We determined that this is an important and urgent task that the Government and the State Bank of Vietnam have assigned commercial banks. Therefore, we have strived to streamline administrative procedures, provided the most favorable conditions for people and businesses to access capital for recovering, stabilizing and developing production and business activities while not relaxing or lowering financing conditions and ensuring its support policies reach the right persons in time and ensure operational safety.



**Could you please tell us your experience and solutions for businesses in general and Agribank in particular to stay immune from the Covid-19 pandemic?**

According to many economic experts, the crisis caused by the Covid-19 pandemic is considered a resilience test for companies. To overcome the crisis and deal with the "double" effect of the pandemic, many

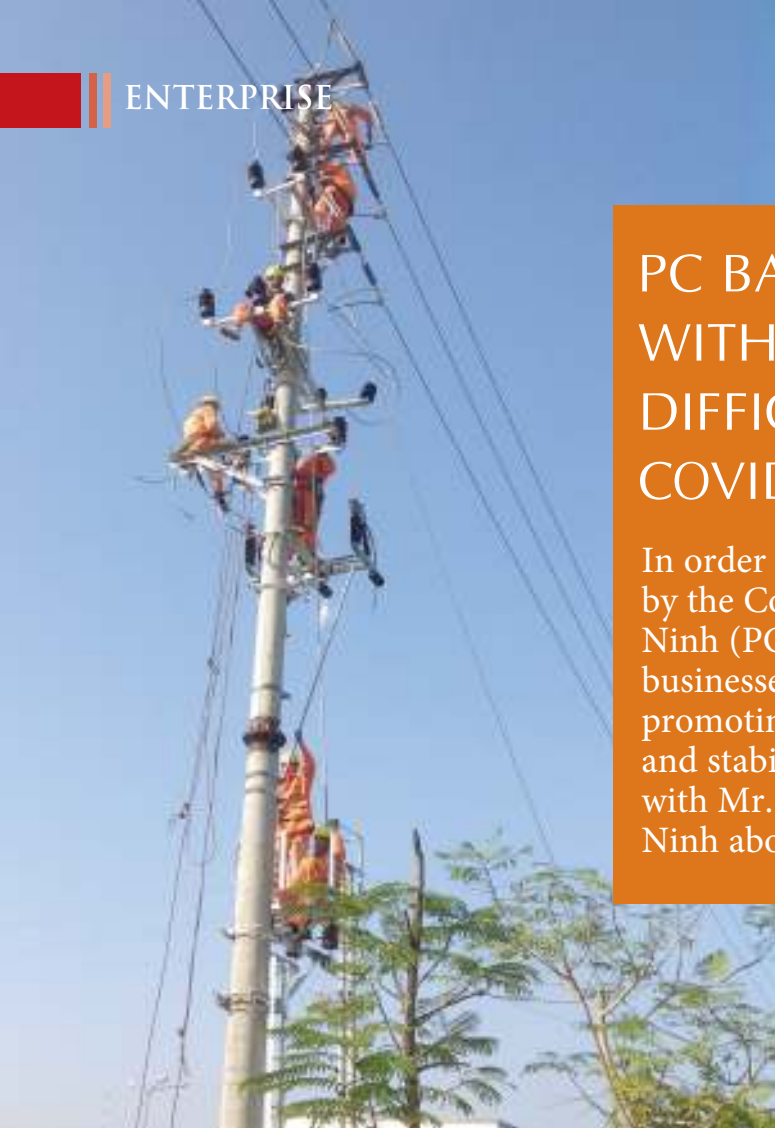
businesses have proved their resilience by weighing up adaptive solutions and other business alternatives.

In addition to Government supports, businesses have proactively strived to seek solutions to overcome hardships and improve their "health" with effective solutions like reorganizing production activities, restructuring the market, developing the domestic market, diversifying input sources, improving the processing content and increasing value-added products, boosting trade promotion, bringing Vietnamese products to major supermarket chains, and tapping the potential domestic market of nearly 100 million people.

Agribank itself is also an enterprise engaged in finance and monetary industry and it was also affected by the Covid-19 pandemic. Agribank and the banking industry have firmly carried out many solutions to execute Circular 01/2020/TT-NHNN on restructuring debt repayment terms, exempting and lowering interest rates, and effectively supporting troubled people and hard-hit businesses to maintain trust of the community and affirm our key role in agriculture, rural development and the whole economy.

We have sought to enhance our resilience by constantly improving financial capacity, governance quality, credit quality and bad debt handling, while promoting our internal strength, fostering the system-wide determination for successful equitization under the direction of the Government, and turning challenges into opportunities. In this journey, in addition to the support of the Party, the Government, the State Bank, and central and local agencies, we still need more support from the community, the media and law enforcement agencies. Agribank wants to have the support as soon as possible to expand loans to agricultural development and rural farmers, while ensuring the system safety imposed by the SBV: Increasing the registered capital. Whether this wish of Agribank will come true depends on the support and assistance of the Government and the National Assembly.

**Thank you very much!**



## PC BAC NINH PARTNERS WITH CUSTOMERS TO OVERCOME DIFFICULTIES CAUSED BY COVID-19 PANDEMIC

In order to share difficulties with customers affected by the Covid-19 pandemic, Power Company of Bac Ninh (PC Bac Ninh) has joined hands with businesses and people to overcome difficulties, promoting production and business development and stabilizing life. Our reporter had an interview with Mr. **Nguyen Luong Kim**, Director of PC Bac Ninh about this issue. **Duy Anh** reports.

**As directed by the Government on solutions to remove difficulties against enterprises and people due to the Covid-19 pandemic, the electricity industry will officially reduce prices for customers. So how will it be implemented in Bac Ninh province?**

Implementing Resolution 41/ND-CP dated April 9, 2020 of the Government on its regular meeting in March 2020, considering the proposal of Vietnam Electricity Group in Official Letter 2015/EVN-KD dated April 1, 2020 and Official Letter 2288/EVN-KD dated April 14, 2020, based on the opinions of the Ministry of Finance, the Ministry of Justice, and the Commission for the Management of State Capital at Enterprises (CMSC), the Ministry of Industry and Trade issued Document 2698/BCT-DTDL dated April 16, 2020 on support of electricity price and electricity charge reduction for electricity users affected by the Covid-19 pandemic in three months including May, June, July of 2020.

In order to have a basis for implementation, PC Bac Ninh has reported to Bac Ninh People's Committee on the policy of reducing prices for electricity users and suggested providing a list of facilities for Covid-19 quarantine, medical examination and treatment, tourist accommodation areas to enjoy electricity reduction. We have directed power companies at district levels to review and make statistics on customers who would be supported with electricity bills, propose solutions to ensure stable and safe power supply for these subjects during the anti-

pandemic period. At the same time, we have mobilized sufficient personnel and material resources to immediately implement the price reduction for customers affected by the pandemic. According to statistics in the province, more than 420,000 customers have had their electricity bills reduced, including more than 358,000 households; more than 64,000 agencies and businesses, and 46 Covid-19 treatment and quarantine facilities, with the total amount of support for electricity price and electricity charge reduction estimated at VND294 billion.

**So which customers will get electricity reduction?**

Based on the guiding documents of the Ministry of Industry and Trade, Vietnam Electricity Group and the



Northern Power Corporation, for customers in the administrative sector, the current electricity selling price will remain unchanged, while other customers using electricity for daily life, manufacturing, trading and tourist accommodation establishments will receive support for electricity charges in the entire period of May, June and July 2020.

Specifically: PC Bac Ninh reduces electricity price 10% for production and business customers in all time frames; provides 10% discount on the retail price of daily-life electricity from grade 1 to 4 (under 300kWh per month). Customers who are tourist accommodation establishments are entitled to a discount on electricity prices from the retail price of electricity applied for business to the same price. For wholesale electricity prices in rural areas; wholesale prices for collective quarters and residential clusters; wholesale prices for commercial-service-daily life complexes: the wholesale electricity prices are applied 10% discount from grade 1 to 4 of daily-life price; the wholesale electricity prices for other purposes are eligible for a 10% discount. For the wholesale electricity price of industrial parks and markets: a 10% reduction from the current wholesale price is applied.

In particular, PC Bac Ninh reduces electricity bills 100% for facilities (not hotels) used to isolate, examine and treat patients suspected of being infected or already infected with Covid-19. It provides a 20% discount on electricity bills for health facilities used for examination, testing and treatment of patients suspected to be infected or already infected with Covid-19, and a 20% discount on electricity for hotels and tourist accommodation establishments used to isolate suspected cases of infection and already infected patients is applied.

All customers purchasing electricity for daily-life will have a discount applied for the May, June and July 2020 electricity bills; For customers buying electricity for non-daily-life activities, the discount will be applied from the latest invoice period from April 16, 2020.

**With this policy, how will you organize the implementation so that all customers using electricity can receive a discount under the direction of the Prime Minister?**

Immediately after receiving the guidance on support for electricity price and electricity charge reduction by the



Ministry of Industry and Trade, Vietnam Electricity Group, the Northern Power Corporation, we synchronously implemented many measures with the aim of supporting discounts for all related subjects to ensure compliance with the regulations as soon as possible, specifically:

We have organized a training course, instructed the directive documents of the superiors, provided software supporting the discount program for all employees in the company to understand and carry out the guidance, propaganda, make accurate calculation of electricity bill for customers subject to electricity price and electricity charge reduction. We have reported to Bac Ninh Provincial People's Committee on the program of supporting electricity price and electricity charge reduction, requesting the Provincial People's Committee to direct related agencies, departments and sectors to coordinate monthly to provide PC Bac Ninh with a list of facilities used to isolate, examine and treat Covid-19 patients, and tourist accommodation establishments in the province in order to promptly provide support to customers. At the same time, we have been working with television and radio stations of the province, districts and communes to make announcements on support of electricity price and electricity charge reduction, as well as necessary procedures for assistance on local television and loudspeaker systems, so that customers can know.

Along with reducing electricity prices for customers, we have also enhanced the maintenance and repair of the grid system in the area to ensure stable and quality electricity supply in the peak months of the hot season, helping enterprises and people to boost production and business, and stabilize life.

**Thank you very much!**



## HIGHLIGHT IN NEW COUNTRYSIDE DEVELOPMENT

Launched in May 2018, the One Commune One Product (OCOP) Program has produced many positive outcomes. By May 2020, 61 out of 63 provinces and cities had approved their OCOP schemes/plans with 1,711 products qualifying under OCOP program standards.

**MINH NGOC**

**A** report released by the Central Office of New Rural Development at the National Conference on Rural Development 2020, by the end of May 2020, the country had more than 5,000 communes meeting standards of new countryside; 61 provinces and cities participated in the OCOP programs. The National Target Program on New Rural Development completed the 5-year goals (period 2016-2020) sooner than assigned by the Party, the National Assembly and the Government. Many good, creative, effective, practical and quality-assured methods are increasingly being developed and scaled up to mark a qualitative shift in the implementation of the National Target Program.

These positive results come from the awareness of the Party, government at all levels, the business community and cooperatives about the position of the program in rural economic development.



Localities have drastically focused on tapping distinctive advantages for product development. OCOP products are highly rated for quality, variety of designs, packaging, assurance of conditions, certification stamps, labels, and traceability. Many products, after being evaluated and classified, have been purchased in large quantities by distributors, retailers, and e-commerce sellers. Joining economic organizations are strengthened and developed. Many young, qualified business owners and cooperative owners are quick-moving with market mechanisms.

Speaking at the conference, Deputy Minister of Agriculture and Rural Development Tran Thanh Nam said, "In practice, localities have done quite well with OCOP products which are locally characteristic. However, they need to further tap potential product advantages, inspire the community spirit of people, and upgrade products along the value chain." The OCOP program requires many factors, especially actors. Main actors of the program are households, cooperatives, and small and medium enterprises, which necessarily move toward the value chain and support each other with the community spirit. "Once the value chain is successfully built, products will be gradually improved, not only in design and quality, but also in pride," he said.

Mr. Nguyen Minh Tien, Chief of the Central Coordinating Office for New Rural Development, said, the OCOP program was launched not long ago but it has produced many positive results thanks to heightened awareness of the society, the Party, the government at all levels, the business community, cooperatives about the position of OCOP program in rural economic development. To date, certified OCOP products have made progress in quality, variety of designs, packaging, assurance of conditions, certification stamps, labels, and traceability. After being evaluated and certified, many OCOP products have been purchased in large quantities by distributors, retailers, and e-commerce sellers (e.g. BigC Trade Center, Vinmart and VNPost). Sales of star-ranked products have increased significantly year after year.

In the coming time, Vietnam will continue to scale up the OCOP program with heightened focus on quality as its principles and nature; further enhance the participation of communes, people and businesses in the OCOP cycle; and promote the development of locally unique, competitive products on the market.

At the recent OCOP training conference, a roadmap and development goals were introduced, with emphasis on completing OCOP standardization and recognition in 2020. Besides adjusting OCOP evaluation and certification criteria, localities will accelerate the progress of the program in 2020; develop 500 new small and medium-sized OCOP enterprises, especially cooperatives; consolidate all businesses and cooperatives joining the program; and scale up experience tourism and countryside tourism together with promoting and preserving traditional cultural values. ■



# Border Commune Strives to Meet Standards of New Countryside

**C**o Ba commune, Bao Lac district, Cao Bang province, is striving to achieve the standards of new countryside by 2025. Sharing the borderline with China, Co Ba has nine administrative hamlets, with seven with 545 households adjoining the borderline. Being a border commune with many difficulties, Co Ba commune has a low starting point to become a new countryside with a high poverty rate and a poor infrastructure system. With the effort and solidarity of the local government and the people, after nearly 10 years of carrying out the new rural development program, Co Ba has achieved many positive results and successfully raised people's livelihoods. For sustainable development, the Co Ba Party Committee and people have strongly focused on restructuring crop and animal production and building efficient and sustainable agricultural economic models.

Ngo Thi Mi's family in Lung Vay hamlet is one of the households escaping from poverty in 2020, thanks to the project of scaling up a cow-farming model launched by the province's Fatherland Front. Her family was lent VND15 million to buy a cow. After seven months, her cow is now expected to start reproduction next month.

The cow-farming expansion project designed to create livelihoods for poor and near-poor households to escape poverty was launched by the province's Fatherland Front in October 2019. Accordingly, 23 poor and near-poor households in Na Tao and Lung Vay hamlets in Co Ba commune were funded VND375 million to buy cows. This is one of support projects and programs launched in Co Ba commune to help poor households improve their livelihoods and escape poverty, enabling the commune to fulfill income and poverty criteria in the new rural development program.

In the past years, the Party and the State have launched many programs and projects on infrastructure construction, social policies for the poor, and preferential capital sources for people to develop the economy and build the countryside. Under the leadership and direction of the Party Committee and

It is very difficult for mountainous areas to bolster new countryside development and it is even much more difficult for border communes. For this mission, in addition to their own efforts, border communes still need the support of the Government and the helping hand of the social community.

DUC BINH

the government from district to commune levels, together with the effort of the people to escape poverty, Co Ba has made tremendous progress in economic development, infrastructure investment, political security and social order. Up to now, the commune has completed 12 out of 19 new rural development criteria. Rural roads from the administrative center of the commune to hamlets and villages are capable of supporting cars to travel all year round. 30% of roads in villages and alleys are paved with concrete for convenient transportation. 60% of irrigation canals are solidified to ensure water service for 82% of rice cultivation area. The income per capita is VND18 million a year. The poverty rate is 38.5%. 65% of livestock households have breeding facilities to ensure environmental sanitation.

Currently, the commune still has seven uncompleted criteria, namely: school, housing, income, poverty,

education and training, culture and environment. These are all important criteria that directly relate to the life and economy of the people, forcing the Party Committee and authorities to seriously focus on finding solutions to achieve these criteria in the coming time. In particular, the commune drastically removes existing hardships to raise people's income with following solutions: Engaging people to restructure plant and animal production, encouraging hill-based production forms, and expanding fruit tree areas. The commune has collaborated with district agencies and specialized bodies to organize training courses to improve agricultural production know-how for households.

In the coming time, Co Ba commune will select easier criteria first and harder ones later to achieve 1-2 new countryside criteria a year. It will fulfil 17 out of 19 criteria by 2025 and all 19 criteria by 2030, with the two last being income and environment. To do this, in addition to the determination and effort of local authorities and the support of the people, Co Ba commune needs assistance from all levels and branches of the province and district, as well as the business community to accelerate the progress of new rural development. ■

## NEW COUNTRYSIDE DEVELOPMENT

# IMPROVING QUALITY AND SUSTAINABILITY



The National Conference on New Rural Development, recently held in Quang Tri province, put forth core contents in the coming period: developing national criteria for new rural areas at all levels, striving for all districts in the country to have certified new countryside communes and developing rural economy.

MINH NGOC

According to a report by the National Coordination Office (NCO) of the National Target Program on New Rural Development (NTP-NRD), more than VND2,115.6 trillion has been mobilized for the new rural development program in five years (2016-2020), an increase of 2.5 times that of the 2011-2015 period. With many creative methods, effective models, useful practices and quality assurance, 37 provinces and cities across the country have completed and exceeded the 5-year plan (2016-2020) approved and assigned by the Prime Minister. The country now has 5,177 communes certified to meet new countryside standards, with a commune reaching an average of 16.2 criteria; 126 out of 664 district-level units recognized by the province to achieve this status. Nine provinces and cities have 100% of communes certified to meet new rural development standards.

In addition, the One Commune One Product (OCOP) program has produced positive outcomes so far. The awareness of the public, the Party, authorities at all levels, the business community and cooperatives about the position of OCOP program for rural economic development has also been raised. To date, 61 out of 63 provinces and cities across the country have participated in the OCOP Program/Plan and 32 of them have evaluated and certified 1,711 OCOP products made by 986 entities joining the program.

Stressing the objectives set for 2020, Mr. Tran Thanh Nam, Deputy Minister of Agriculture and Rural Development, said, improving the quality of new countryside development for districts is the effort to raise the quality of material and spiritual life for the people beneficiary from the new rural development program. Incomes must be increased, and education and health insurance must meet people's needs. Criteria are flexibly applied to each locality. At the conference, Deputy Minister Tran Thanh Nam praised and highly appreciated the effort of people working for the National Coordination Office (NCO) of the National Target Program on New Rural Development (NTP-NRD) for completing and outdoing their tasks, but also ensuring the quality and efficiency of their tasks, helping direct localities to accelerate the progress of increasingly sustainable new rural development. He also hailed them for advising on key tasks for the Party Central Steering Committee and the Prime Minister, such as regulations on model new countryside commune, the support project for poor villages and hamlets in poor communes, the OCOP program, rural development and new

countryside development program, and scientific and technological application to new countryside. National Coordination Office has worked closely with ministries, branches and localities to well perform the coordinating role in new rural development.

2020 is a very important year as many very important tasks must be achieved to fulfil the goal of having 50% of communes nationwide meeting new countryside standards and having no communes with less than five criteria. Coordination offices at all levels need to soon complete their advisory tasks and help the Party Central Steering Committee to identify objectives and tasks beyond 2020. They need to build working plans, closely coordinate with the ministries, branches and localities, and direct localities to launch new rural development tasks in the year to come. In addition to reviewing and discussing lessons learned, this conference also spent time conducting field surveys and assessed the status by paying field trips to some typical rural development models in Quang Tri province.

From the achievements in the past 10 years, the next goals of the New Rural Development Program in the 2021-2025 are improving the material and spiritual life of rural people, building modern synchronous rural socioeconomic infrastructure aligned with the urbanization process and adaptation to climate change; speed up information technology application to new countryside construction, ensuring bright, green, clean,

beautiful and safe rural environment and landscape; and making the countryside a worthy living space. By 2025, at least 80% of communes will meet new countryside construction standards and no communes fulfil less than 15 criteria. Certified localities (communes, districts and provinces) continue with advanced rural development models. The average income of rural people will increase by at least 1.36 times over 2020.

The well-organized vertical working apparatus of coordination offices of rural development at all levels is really helpful to the process of managing and administering the National Target Program on New Rural Development. In particular, the work of advising and directing the implementation of the program at district and commune levels has improved dramatically, promoted the responsibility and roles of the Steering Committee members, and engaged all branches and levels in the program from provincial to grassroots levels. ■



# Restructuring Agriculture, Speeding Up Rural Development



Mr. Nguyen Van Hung, Secretary of the Quang Tri Provincial Party Committee, visits a local vegetable garden

## From the grassroots

To engage the entire political system and to accelerate new countryside development, in early 2019, the Executive Board of the Provincial Party Committee of Quang Tri province issued Notice 605-TB/TU requesting Party cadres administered by the Provincial Party Committee not to have Saturdays off but go to localities to press on new countryside development and motivational projects. Earlier, the Quang Tri Provincial Party Committee also promulgated Resolution 04-NQ/TU dated April 20, 2017, on accelerating agricultural restructuring and the National Target Program on New Countryside Construction in 2017-2020.

Mr. Nguyen Van Hung, Secretary of the Quang Tri Provincial Party Committee, said, the “Saturdays for new countryside” and “Saturdays for motivational projects” movements have fundamentally changed the awareness of cadres and civil servants who not only worked in regulatory service time but readily worked on Saturdays and Sundays to fulfil their tasks. This is an opportunity for each officer to have more experience and knowledge to help the grassroots cope with challenges and overcome difficulties.

In the coming time, the province will strive to have 55-60% of poor villages in poor communes and border communes listed in Project 1385 to meet new countryside standards. In the longer period (2025 - 2030), Quang Tri will endeavor to have 85% of communes and one more district to meet the standards. To achieve these goals, the province will continue to boost communications on new countryside and review and revise rural development plans at all levels to work out the overall deployment plan for each year and the whole period. Quang Tri will also give priority to support value chain linkages, especially organic agricultural production; define the One Commune One Product

(OCOP) program as a key task to speed up new countryside construction and agricultural restructuring. “For certified communes, we will regularly review them to maintain and improve the quality of new countryside construction. We must be certain that certified communes must be true in nature and the status is measured by public satisfaction. We will never choose to follow the number of achieved targets but their nature, as we really want to make the countryside a worthy living place,” he said.

## Good outcome

A Doi commune in Huong Hoa district, Quang Tri province, is an extremely poor remote border locality, located about 40 km south of the district center. A Doi is home to different ethnic groups like the Pa Co, Van Kieu and Kinh people. The Van Kieu people account for 65.3% of the commune's population. Mr. Ho Xa Cach, Chairman of A Doi Commune People's Committee, said, “The poverty rate is 46% and the commune has completed only nine out of 19 new countryside construction criteria. In 2020, A Doi will endeavor to have 16 criteria achieved, with Dong Tam and Khanh Thanh villages particularly reaching the village-level standards”. He told us about hardships in carrying out new countryside construction in a border commune, stating inadequate infrastructure, inconvenient transportation, underdeveloped economy, low per capita income and high poverty rate.

It is very difficult for the commune to mobilize investment resources, especially from organizations, businesses and the people. We visited Ly Van Chinh in Dong Tam village who has more than one ha of rubber. By growing rubber trees, his family can build a strong spacious house. Each year, his family earns VND50-60 million from selling rubber latex. Pointing to the concrete road in front of his house, Chinh said, “This road was built under the new countryside program. It has facilitated human travelling and commodity transportation.”

Coming to Vinh Moc, an unbeatable wartime stronghold and a current leader in new countryside in Quang Tri province, Mr. Nguyen Duc Dien, Secretary of the Party Committee of Kim Thach commune (Vinh Linh district), excitedly said, Kim Thach was established by merging Vinh Kim and Vinh Thach communes in March 2020. “We determined that, to build a new sustainable countryside, the people must have jobs and higher incomes. For that reason, we have focused on agricultural restructuring, with priority given to locally advantageous crops and livestock like rubber (500 ha) and pepper (280 ha) which grow well on basaltic red soil, cows and aquatic creatures,” he noted.

Duong Van Tai from An Le village, Kim Thach commune took us to visit a one-ha pepper garden, which was about to be harvested, saying that “This year, my family harvested about three tons of pepper and sold for about VND150 million. We earn VND300 million more from other crops.” The new countryside program is giving a facelift to the countryside landscape. “That is the pride of our commune, he said. ■

As a poor province with a low starting point, Quang Tri province has managed to obtain good outcomes in its rural development.

DUY ANH



The Asian Development Bank (ADB) forecast that Vietnam's economic growth will be 4.1% in 2020, 0.7 percentage points lower than its estimate in April, but still the highest expected in Southeast Asia.

QUYNH CHI

## VIETNAM LIKELY TO HAVE FASTEST GROWTH IN SOUTHEAST ASIA

**E**conomic activity in Southeast Asia is expected to contract by 2.7% in 2020 before growing by 5.2% in 2021 as growth decline is forecast in key economies as containment measures to address the Covid-19 pandemic have affected domestic consumption and investment, including Indonesia (-1.0%), the Philippines (-3.8%), and Thailand (-6.5%).

Remarking on Vietnam's economic resilience in the post-Covid-19 period, Mr. Eric Sidgwick, ADB Country Director for Vietnam, once said that Vietnam has a very convenient position. Vietnam has made good growth, achieved high socio-economic development, and ensured macro-economic stability for many years. Although it witnessed a decline in GDP growth, the degree was less than many other countries. Vietnam's growth decelerated to 3.8% in the first quarter of 2020 from 7% a year ago but this was still a positive growth while many countries in the region are going into recession. In addition, with its success in controlling the epidemic, Vietnam carefully restored its manufacturing and business activity.

Notably, foreign investment in Vietnam has kept rising in recent years. Right before the outbreak of Covid-19, Vietnam welcomed FDI flows redirected to the country amid US-China trade tensions. In 2019, the FDI value into the country reached US\$38.02 billion, 7.2% more than in 2018. The disbursed FDI value was projected at US\$20.38 billion, up 6.7% over 2018.

However, in the first five months of 2020, foreign investors registered to invest US\$13.98 billion, down 17% year on year. Their disbursed value was forecast at US\$6.7 billion, down 8.2% year on year.

Foreign direct investment is contracting in the world but Vietnam still shows its appeal to foreign investment. global

capital flows are still seeking a destination and companies will find a good country to invest in. Vietnam already has many advantages for foreign investment flows. Having successfully controlled the disease, much better than other countries in the world, Vietnam still needs to consolidate its advantages to attract FDI flows in the future.

Contrary to Vietnam's growth outlook, ADB estimated that developing Asia will hardly grow in 2020 as containment measures to cope with the Covid-19 pandemic are hindering economic activity and weaken external demand. The ADB projected growth of 0.1% for the region in 2020, down from the 2.2% forecast in April, which will be the slowest pace for the region since 1961 (The growth this year was projected at 6.2% in April. Gross domestic product (GDP) in 2021 will be lower than previous forecasts and below the pre-crisis period.

"Economies in Asia and the Pacific will continue to feel the blow from the Covid-19 pandemic this year, even as lockdowns are slowly eased and select economic activities restart in a 'new normal' scenario," said ADB Chief Economist Yasuyuki Sawada. While we see a higher growth outlook for the region in 2021, this is mainly due to weak numbers this year and this will not be a V-shaped recovery. Governments should undertake policy measures to reduce the negative impact of Covid-19 and ensure that no further waves of outbreaks occur.

Nevertheless, this outlook is still at risk of decline. Another breakout of Covid-19 pandemic may occur in the coming period and financial crises and public debt cannot be eliminated. Risks also come from new escalations in US-China trade tensions. ■



Chairman of Hanoi People's Committee Nguyen Duc Chung chairs a meeting on Covid-19 response

## HIGHLIGHTS IN POST-COVID'S RESPONSE

Not only joining hands with the Government in effective pandemic prevention, localities across the country have timely introduced many solutions to support businesses in their areas to quickly recover and develop after the Covid-19 pandemic.

**GIANG TU**

### **Bright spots in the epidemic prevention**

In the complicated situation of the Covid-19 pandemic, in addition to following the general direction of the Government, localities were also flexible in designing appropriate solutions to prevent the spread as well as minimize the impact of the pandemic on social and economic life. Hanoi and Ho Chi Minh City are considered two bright spots in effective disease prevention.

Being the most heavily affected area of the Covid-19 pandemic with the highest risk from both outside and inside and the highest number of cases nationwide, Hanoi has taken drastic, thorough and effective solutions.

As soon as the first case was discovered, Hanoi City had an emergency meeting in the night to handle the situation. With the decisive and quick actions of the authorities, people from bewilderment and anxiety have returned to a state of balance and trust. In less than two months, the city's Steering Committee for

Prevention and Control of Covid-19 has continuously met at about 40 online sessions with districts, towns and departments, agencies and sectors to direct drastic implementation of measures in order to prevent and control the pandemic. In particular, quickly zoning and isolating infected and suspected cases are the first step and the most important one.

Along with that, effective propaganda measures, turning each citizen into an "anti-pandemic fortress" with the motto "fighting the pandemic like fighting the enemy" has been promoted in the community, the anti-pandemic forces from the wards, communes and groups have to come to residential quarters as soon as there is a suspected case to find out the cause, and carefully investigate the health status, travel route and those who have contacted the suspected case to take measures to isolate and set up health checkpoints. In Son Tay Town alone, the local authorities have established 115 health checkpoints, 18 mobile control teams, 5 mobile teams to patrol in order to control people entering and

leaving the village, reminding everyone to wear masks and restrict travel.

At the same time, in the spirit of "no one will be left behind", as of April 22nd, the Fatherland Front Committee received donations in cash and goods worth over VND101 billion and promptly transferred sympathies and hearts of all strata to the frontline forces participating in the pandemic prevention. On the other hand, the "rice ATM", "0 dong supermarket" or the gift points with banner "Anyone in needs, please come and take some" have increasingly appeared, not only helping increase resources, but also being the most obvious evidence for the participation of both the political system and the people of the capital in joining hands to create the victory over the pandemic.

Similar to Hanoi, Ho Chi Minh City is also one of the bright spots in the prevention of pandemic. This is the first locality to close restaurants and bars. With the characteristic of having many industrial zones in the area, in order to both prevent pandemics and minimize negative impacts on the economy, Ho Chi Minh City has issued a set of indicators to assess the risk of SARS-CoV-2 virus infection at enterprises in the area, including 10 component indices. It states that if an enterprise has an infectious risk index of 80% -100%, then it has to stop production, while if the index is less than 80%, businesses will be allowed to operate but must take measures to reduce the risk. Based on this set of indicators, the HCM City People's Committee had grounds to request PouYuen Vietnam Co, Ltd in Binh Tan District to suspend production activities for two days from April 14 to 15 to handle the situation. Also from this set of pioneering infectious risk indicators, the districts have grounds to review and grade enterprises to ensure labor safety.

In addition, there are 16 main station posts and 46 sub-station posts located at the gateways, wharves, bus stations, and terminals where vehicles travel in and out of the city to strictly control the compliance with regulations on pandemic prevention.

Besides, Ho Chi Minh City is also the first locality to have a policy to support more than 600,000 workers who lost their jobs due to the pandemic, through spending VND2,753 billion to combat Covid-19 pandemic, of which VND1,800 billion used to support the unemployed workers.

## **Supporting businesses to recover**

In the context of the serious global economic downturn caused by Covid-19 pandemic, Vietnamese enterprises have also suffered very negative and heavy impacts. In order to support businesses, localities across the country have quickly grasped directives from the Government, flexibly applying them to local situations to come up with appropriate policies and solutions.

Prime Minister Nguyen Xuan Phuc has identified five frontier points to restart the economy including: Enhancing investment attraction of domestic economic sectors, especially private investment; Enhancing the attraction of foreign direct investment (FDI); Increasing

exports; Promoting disbursement of public investment; Encouraging to increase domestic demand. Ministries and agencies must join efforts while localities must remove difficulties for enterprises.

In addition, the Government has been and will continue to have many policies to support businesses and people affected by the pandemic, such as monetary support packages (about VND30 trillion), fiscal support packages (about VND180 trillion), social security support packages (over VND62 trillion), electricity price support packages (about VND12 trillion), telecommunication price support packages (about VND15 trillion).

The management agencies and local administrations will consider and supplement additional taxes and fees to be exempted or reduced; extend the delay of payable amounts of enterprises; and loosen the ceiling on credit growth limit. The authorities need to implement consistently and thoroughly the reform of administrative procedures and improve the business investment environment. At the same time, they need to accelerate the disbursement of public investment and control monopoly status, promoting connection between manufacturers and distributors, banks and businesses; well exploiting new opportunities from new free trade agreements; enhancing trade promotion; formulating and implementing supporting industry development strategies and national programs to improve the management capacity of the business community.

Following the directions of the Government, the Hanoi Tax Department has quickly come up with solutions to support taxpayers, restore production and business activities, thereby generating revenue to offset the damage caused by the pandemic. Along with that, it has promoted propagation, guidance for businesses and taxpayers to comply with the provisions of tax policies and laws. It has also promptly supported and answered problems in order to remove difficulties and create conditions for enterprises to restore and develop production and business. In Ho Chi Minh City, right after the social distancing measures eased, many businesses have gradually brought production activities back to normal, and actively taken measures to promote sustainable development. The city is also preparing infrastructure, helping to accelerate the production and supply chain, as well as preparing for the wave of investment flows from other countries to Vietnam. Banks should give priority to lending sufficiently and facilitate the provision of capital to enterprises having investment projects on infrastructure, technological innovation, products and markets. At the same time, many groups of specific support solutions have been introduced to reduce production and business costs for enterprises, support and encourage production to replace imported goods, especially advantageous materials and equipment in local areas, expand the technology chain for production and business, and speed up the digitization process in enterprises.

Other provinces and cities across the country also

*(continued on P.44)*

# Structural Reform with Digitalization and Participation in Global Value Chain

The current crisis due to the impact of the Covid-19 pandemic has exacerbated structural weaknesses of Vietnam's economy. According to a report by the World Bank (WB), these weaknesses can be overcome by accelerating the pace of reform identified by the Government in the national development strategy. One focus on structural reforms is to digitalize the economy and bring Vietnam's economy to the global value chain.

QUYNH ANH

## Effective online training strategy and e-commerce development

The assessment by the World Bank shows that Vietnam is at risk of falling behind other countries in the region in terms of developing the digital economy. The development of digital operations not only reduces transaction costs and ensures the efficiency of the entire economy, but also mitigates the nation's vulnerability caused by restrictions with movement of people and goods.

Therefore, according to the World Bank, the Government can adopt various solutions such as investing more in online education and learning systematically. Some social media platforms, such as Zalo and Viber, are used by parents and teachers to assign online exercises to pupils and students. However, these platforms work only in urban areas with developed connectivity infrastructure and high levels of smart device usage. Meanwhile, in rural areas, they are less effective. And more importantly, these platforms are not designed to serve the learning goals of teachers and students. Therefore, in reality, students do receive homework but cannot interact with teachers to acquire new knowledge.

This issue will open up opportunities for the Government to systematically invest in the strategy of developing online education and training for public schools, with innovative platforms and methods to support online teaching and learning. An effective online training strategy will improve teaching methods in the current context, creating an important foundation for Vietnam to promote the benefits that the digital economy will bring.

In addition, Vietnam needs to encourage e-commerce and e-payment to offset the

growing barriers to physical mobility. This will help ensure that households and businesses continue to receive supplies of food, medicine and other goods and services. E-commerce is growing in Vietnam and is expected to increase from US\$2.8 billion in 2018 to US\$15 billion in 2025.

In order for e-commerce to be effective in the current context, according to the World Bank's analysis, Vietnam needs to limit the use of cash to conduct transactions through electronic channels to limit person-to-person contact and restrict access to cash via ATMs and banks. Most e-commerce transactions in Vietnam are paid by cash. This rate in Vietnam is 90% compared to 51% and 48% in Indonesia and Malaysia respectively. Therefore, Vietnam needs to promote the encouragement and use of electronic payment in the field of e-commerce through regulatory reforms and encouraging innovation. The recent developments in the field of e-wallets and Fintech are encouraging, but the adoption of e-payment platforms needs to be accelerated.

Notably, the process of developing a digital economy needs to be supported by a digital government based on data. An effective data and information system will assist the Government in making timely and adaptive decisions. The effective sharing of information and data will enable the government to stay informed about shortcomings in the production chain, which areas are most affected by the disease,





which areas need the immediate support of the Government and the optimal way to minimize disruptions. Similarly, well-interactive information systems with time records can also identify bottlenecks throughout the decision-making process. These can be public investment, disbursement or management of public sector personnel. Updated and reliable data can support credible reforms to help unleash the potential for further growth of Vietnam's economy, whether in a time of crisis or not. The urgent issue is that the Government needs to emphasize the importance of data to the business model.

### Promoting FDI and integration into global value chains

The ongoing U.S.-China trade tensions have created opportunities for Vietnam to attract foreign companies that want to shift production and business activities from China to other countries like Vietnam to access the U.S. and global market. There is evidence that some foreign companies have begun to move in this direction, especially in the field of electronics manufacturing. Foreign direct investment (FDI) in Vietnam continues to increase, including capital investment in domestic companies. FDI from China, especially newly committed investment, seems to be increasing. The current Covid-19 outbreak has shown the growing dependence of global trade on the input supply chain from China. As one of the most open economies in the world and an organic link in the global value chain, Vietnam is one of the countries that are most vulnerable to disruptions in the supply chain. While many companies participating in the global value chain only maintain sufficient reserves for a short period of time, Vietnam's economic activity is "importing for export", so the current crisis is very concerning.

The data of OECD's inter-country input-output (ICIO) tables presenting the import content as a percentage of total exports, show that Vietnam has the highest import ratio in the region (mostly from China) at 44.6%. The industries most dependent on input materials in Vietnam are textiles, fabricated metals and automobiles. In the short term, the current disruption in the supply chain from China indicates a threat to Vietnam's economy due to the lack of input materials for the factories. In the medium-to-long term, this could be an opportunity for Vietnam to encourage global value chains to reduce and manage the risks of high dependency on factories in China by identifying Vietnam as a competitive destination among input suppliers. This requires Vietnam to shift from current low-skill assembly production to value-added production with higher-skill.

To achieve this, Vietnam needs to address some major issues such as increasing the number of skilled workers, especially technical skills (welders, mechanics, etc.) through innovation post-secondary education; encouraging and introducing preferential policies to apply more technology, especially in small and medium enterprises. In addition, it is necessary to continue improving the business environment, promoting more services in production and application of services (research and development, design and integrated logistics services and solutions) which are increasingly playing an important role in production competitiveness and account for the majority of added value in products. ■

## VSS Guides Replacement of Misplaced, Damaged Health Insurance Card on National Public Service Portal

Over the past years, the Vietnam Social Security (VSS) has built professional software programs for most activities by developing multimedia interaction systems for people and businesses, notifying the process of receipt and settlement of administrative procedures for people and businesses to substantially reduce the service time.



The social insurance industry has upgraded the social insurance electronic transaction system integrated with the National Public Service Portal to replace misplaced and damaged health insurance cards since December 9, 2019. To request the reissuance of a health insurance card without any change to personal information, the insured only need an internet-connected electronic device (computer or smartphone) to access the address <https://www.dichvucong.gov.vn> to file the application for reissuance. After six months of deployment, 690 applications have been submitted and processed through the National Public Service Portal.

With this public service, people only need internet-enabled computers or smartphones to file the application for replacement of displaced and damaged health insurance cards without having to leave home. VSS has uploaded a motion graphic "Instructions for replacement of lost/damaged health insurance cards on the National Public Service Portal" at the link <https://www.youtube.com/watch?v=Cc7EpxOSYlo> to guide account registration and file the application for replacement.

In addition, VSS is cooperating with the Government Office to bring other public services of the insurance sector to the National Public Service Portal to facilitate people and businesses when they join and enjoy benefits and policies of social insurance, health insurance and unemployment insurance. ■

H.T

# Vinh Phuc Removing Difficulties against Businesses Affected by Covid-19

Facing the complicated, uncertain development of the Covid-19 epidemic, many companies in Vinh Phuc province are struggling with labor issues. Restrictions on entry have led to shortages of experts and highly qualified workers, shrinking consumption and export markets and short inputs for manufacturing activity. They may face operational suspension on shortage of inputs. Facing that situation, Vinh Phuc province has soon introduced solutions to remove difficulties for businesses.

TRAN NGOC

For the automobile and motorbike industry, apart from two giant manufacturers, Honda and Toyota, which halted production from the end of March, Piaggio Vietnam also reduced its capacity by 50% due to shrinking domestic and export markets and ceased entire operations from April 15 to 20, 2020. The output of these three manufacturers is forecast to decline by 20-30% as compared to 2019 and force parts vendors to cut an equal output. Meanwhile, electronic component manufacturers are estimated to slash the output by 15-20% over 2019. Construction material producers are forecast to reduce the output of ceramic tiles by 20% against 2019. Leather and footwear companies are most hurt by the Covid-19 pandemic as they may have to cut their production by 40-50% in 2020 from a year earlier.

The output of steel billet and steel production projects is expected to fall by 20%. Agricultural companies engaged in fertilizer and animal feed production may reach 80% of the output in 2019. The trade and service sectors may accomplish less than 30% of revenue in 2019. In addition, about 100,000 workers may face employment and income threats due to the Covid-19 pandemic.

Before this reality, the Vinh Phuc Provincial People's Committee has directed relevant agencies and units to focus on solving hardships and obstacles against businesses. In particular, the State Bank of Vietnam - Vinh Phuc Branch has instructed local commercial banks to restructure debts, reduce interest rates, and extend and postpone debt repayment for businesses affected by the plague. The Vinh Phuc Tax Department has assisted local enterprises to extend the deadline for paying taxes and land rents. Relevant agencies have promptly supported laborers laid off by the pandemic; supported enterprises to borrow money to pay wages to their laid off employees or allowed them to delay contributions to the retirement or survivorship fund.

At the same time, Vinh Phuc Provincial People's Committee has asked localities to carry out consistent solutions to remove difficulties for businesses, focused on streamlining administrative procedures for investors, promptly settled proposals relating to business activities; supported investors of industrial zone infrastructure and projects approved by the Provincial People's Committee to tackle emerging problems in land compensation and ground clearance to accelerate the progress of projects. ■



# Joining Forces to Improve Competitiveness Index

In 2019, Vinh Phuc's Provincial Competitiveness Index (PCI) ranked 17th among 63 provinces and cities with 66.75 points in total, an increase of 2.2 points but down four grades compared to 2018.

QUYNH NGOC

In order to achieve the goal of being in the top 10 localities with the best governance quality in the whole country, Vinh Phuc People's Committee has just issued Plan 101 on improving the Provincial Competitiveness Index in 2020.

Accordingly, the People's Committee of Vinh Phuc province has requested departments and industries of the province; People's Committees of districts and cities to build specific plans to improve and raise component indicators; to focus on improving component indices with low rankings and low scores based on their assigned functions and tasks. They need to promote the operational efficiency of the center for public administration of the province and districts, applying electronic signatures (digital signatures) for administrative procedures involving many levels and sectors; strengthening the application of information technology and providing online public services at level 3 and level 4 for some administrative procedures. It is important to make publicly available

planning information, legal regulations of the State, especially information that businesses are interested in. It is necessary to focus on removing difficulties and obstacles for businesses, especially issues related to land, labor, tax and administrative procedures under the responsibility of State management agencies.

At the same time, the People's Committee of Vinh Phuc province has assigned the provincial Business Association to continue the organization of the survey, collect opinions of enterprises on the difficulties and problems; research and coordinate with the Vietnam Chamber of Commerce and Industry (VCCI) to propose to the Provincial People's Committee a plan to deploy to gather opinions of businesses on the provincial mechanisms and policies, the dynamic, creativeness and working attitude of departments, agencies, and localities in order to adopt District and Department Competitiveness Index (DDCI) to rank departments and committees of the province and People's Committee of districts in 2020. ■



VIETNAM PRECISION INDUSTRIAL NO. 1 CO., LTD

# Aligning Business Development with Employee Care



Vietnam Precision Industrial No. 1 Co., Ltd (VPIC1), based in Khai Quang Industrial Park, Vinh Phuc province, is a wholly Taiwanese invested manufacturer of auto and automobile components, sleds and medical equipment for domestic market and for export. With the goal of aligning business development with employee care, the company always has practical activities to take care of employees' livelihoods, protect their legitimate rights and interests, and help employees feel secure to work for the company in the long term.

THANH LOAN

Over the years, VPIC1 has constantly improved their technological lines and upgraded modern machinery and equipment. Particularly in 2017, VPIC1 invested a handsome amount of money in

one more laser cutter and a hot stamping line to reduce manual work and raise productivity by 2-4%. In late 2017, to expand business, VPIC1 started to build the nearly US\$20 million fifth factory covering nearly four ha.

By focusing on improving product quality to build credibility and trust with customers and partners, the company strictly applies the quality policy of "No accepting defective products, no producing defective products and no selling defective products". VPIC1 has been granted TCVN, ISO/IS 16949, ISO9001; ISO14001 and ISO13485 certification. In the last five years, the company's revenue increased steadily, from VND2,700 billion in 2015 to VND3,910 billion in 2019. The company is creating stable jobs for 4,100 employees, each of whom is paid an average of VND12 million a month. In 2019 alone, VPIC1 paid VND142 billion into the State Budget and bought social insurance, health insurance and unemployment insurance policies for employees. The company's traditional customers are manufacturers of cars and motorcycles like Toyota, Honda, Piaggio, Ford, Ducati, France Bed, Polaris and Yamaha Vietnam. Its products are sold in the domestic demand and exported to European and American countries.

In the coming time, VPIC1 will further invest in production expansion, boost exports to Japan, Italy, Americas and Europe, gradually increase income for employees, and ensure welfare for them. In 2020, the company will endeavor to achieve revenue of VND160 million, pay an average of VND13 million for each employee a month, and buy social insurance, health insurance and unemployment insurance policies for them.

In addition to investing, expanding and boosting manufacturing and business activity, VPIC1 has constantly taken care of employees' livelihoods. With a people-centered business strategy, VPIC1 pays special attention to training and developing human resources. Every employee, after being recruited to the company, is not only trained in labor skills and equipment operations but also educated to adapt to the professional working manner to improve productivity and labor quality. Besides, attention is paid to insurance, occupational health and safety, fire prevention and environmental protection. On average, VPIC1 spends VND120 million on social security each year.

With the care of the Trade Union and VPIC1, employees are inspired to work harder for the business success of the company. ■



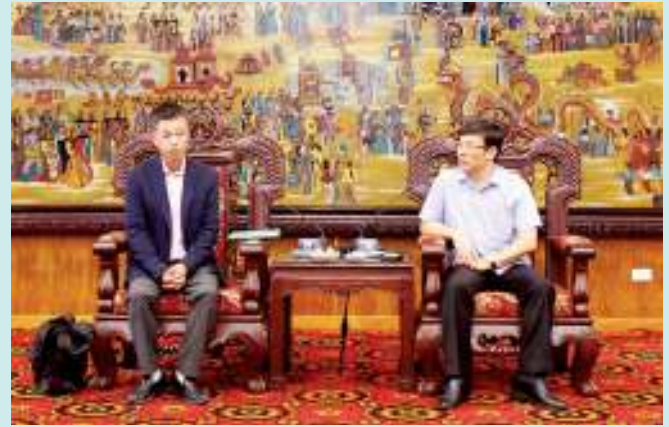
## Vinh Phuc Strives to Attract 35 Projects into Industrial Parks Each Year

Determining investment attraction as a key solution and leverage to promote socio-economic development in the period of 2020 - 2025, Vinh Phuc strives to attract about 35 projects each year and create more than 6,000 jobs for local workers.

According to data from the Vinh Phuc Industrial Parks Authority, it is expected that by the end of 2020, the whole province will attract 25 more FDI projects into industrial parks and there will be 20 projects increasing capital with the total additional capital of US\$100 million, bringing the total number of FDI projects in the 2016-2020 period to 198 projects. It is expected that by the end of 2020, the whole province will attract 10 direct domestic invested projects with a total registered capital of VND2,900 billion, bringing the total number of DDI projects in the period 2016-2020 to 40 projects, with a total investment of more than VND7,800 billion.

To achieve this goal, in the coming time, the province will continue to offer many solutions to complete policies to attract investment and build a transparent financial mechanism, consistent with the requirements of promoting socialization of investment, creating favorable and fair conditions for domestic and foreign investors; attracting selective investment, focusing on prioritizing hi-tech, high-quality and prestigious projects.

At the same time, it will continue to review and cut unnecessary administrative procedures; shorten the time for handling administrative procedures related to business investment. The province will innovate investment promotion in the direction of having a focus and central point; strengthening the coordination between State agencies and investors in infrastructure of industrial parks and industrial clusters in approaching and mobilizing investment promotion. It will well implement the investment promotion activities on the spot, quickly solving difficulties against enterprises in the province.



## Japanese Investors Seek Investment Opportunities in Vinh Phuc Province

Recently, Mr. Le Duy Thanh, Permanent Vice Chairman of Vinh Phuc People's Committee, had a working meeting with Japanese investors who wanted to explore investment opportunities in the province.

Representatives of Japanese investors expressed their desire to invest in Vietnam in general and Vinh Phuc province in particular. The guests are interested in initiating education and training cooperation through the multi-level education model in Vinh Phuc (from preschool to tertiary education system). Besides, Japanese investors also want to explore more investment opportunities in some other fields, such as banking, health, mechanical and engineering.

Permanent Vice Chairman Le Duy Thanh highly appreciated the investment and cooperation capacity of Japanese businesses and considered them an important partner in attracting investment with positive contributions to the socio-economic development of the province in recent years.

Currently, Vinh Phuc is an ideal destination for many Japanese investors, including many large enterprises such as Honda and Toyota.

Mr. Le Duy Thanh said that the province is giving priority to calling investment into an international standard school for children of investors living and working in Vinh Phuc province so that they can enjoy peace of mind when their children have the best educational environment. Vinh Phuc province always ensures a safe business environment with good incentive policies and satisfaction for investors who come to the province.

After the meeting, Japanese investors conducted a field survey in Thang Long 3 Industrial Park in Binh Xuyen district in Vinh Phuc province.

**Nguyet Tham**



granted investment certificate, CNC TECH Joint Stock Company adjusted to increase the investment capital from VND293 billion to VND306 billion to build a factory, import more modern equipment to support electronics, telecommunications, automobiles, motorbikes, manufacturing, processing metal products, precision engineering and molds.

According to the statistics of Thang Long Vinh Phuc Industrial Park Co., Ltd - the investor and developer of infrastructure of Thang Long Vinh Phuc Industrial Park, for nearly four years, as of the end of May 2020, Thang Long Industrial Park has attracted 20 investment projects with total registered

## Thang Long IP Leads in Attracting Investment in Vinh Phuc Province

With a convenient location, synchronous and modern technical infrastructure, Thang Long Industrial Park is leading the province in attracting new foreign and domestic investment in the first five months.

According to the report by Vinh Phuc Industrial Parks Authority, the total registered capital of nine newly licensed FDI projects in Vinh Phuc is over US\$24.9 million in the first five months of the year. Thang Long Industrial Park attracted two projects, with total registered capital of US\$16.8 million, accounting for nearly 68% of the total investment in the province in the period. By Japanese investors, these two projects operate in supporting industries. In addition, Thang Long Industrial Park has also attracted a domestic investment project, CNC TECH Thang Long, with total investment of VND293 billion. Especially, right in the month of being

capital of over US\$323.8 million, the occupancy rate reached nearly 51%. In which, 14 projects have been licensed, and 6 projects registered for reservation. In addition to investors from Japan, this industrial park also attracts a number of projects from Taiwanese and Vietnamese investors operating mainly in the fields of high-tech industries and supporting industries for cars, motorcycles and electronic components.

The attraction of geographical location, comprehensive technical infrastructure and open investment policies and mechanisms have helped Thang Long Vinh Phuc Industrial Park increase its occupancy rate, from approximately 30% in December 2019 to approximately 51% in May 2020, only about 12% lower than the average occupancy rate on leased or registered industrial land of industrial parks in Vinh Phuc province.

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have many positive solutions to support enterprises to restore production and business. Ca Mau province has implemented many specific solutions and programs: the State Bank branch in Ca Mau province has directed credit institutions to balance, fully and promptly meet the capital demand for production and business. At the same time, reforming administrative procedures, shortening the time to review loan applications, improving the ability to access loans for businesses have been prioritized.

Quang Ninh province has organized an online conference to all localities in the province, with the participation of representatives of more than 400 enterprises, investors at home and abroad with production and business activities in the province.

Accordingly, in order to solve the difficulties against enterprises, Quang Ninh province has continued to facilitate access to capital, credit, finance, tax, trade, electronic payment for enterprises, review and reduce administrative procedures, costs for people and businesses, create favorable conditions for production and business, promote production and import; quickly restore and develop the tourism and service industry; and accelerate implementation and disbursement of investment capital.

It can be said that, with their agility and creativity, localities have well implemented pandemic prevention, and at the same time, greatly assisted businesses in the area to recover and take advantage of the "golden opportunity" to make a breakthrough in development, thus soon stabilizing the socio-economic situation. ■

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