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VIETNAMESE ENTREPRENEURS AND ENTERPRISES
BUSINESSES SPEED UP “GREEN RACE”



VCCI

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Hà Nội, ngày 12 tháng 10 năm 2022



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COLLECTIVE EFFORTS FOR ECONOMIC DEVELOPMENT



General Secretary Nguyen Phu Trong in his meeting with VCCI and business leaders in 2011 said that Vietnamese entrepreneurs are expected to uphold the principles of sustainable development, aligning their business objectives with the social welfare of the nation

Vietnamese Entrepreneurs' Day, celebrated on October 13, recognizes the crucial role of businesspeople in advancing national development through their dedication and contributions. By investing in production and business, creating jobs, and utilizing resources, Vietnamese entrepreneurs have been a key force in restructuring the national economy and accelerating national industrialization and modernization.

QUYNH ANH

Important driving force of the economy

Deputy Prime Minister Le Minh Khai has emphasized that the Party and the State have always acknowledged and valued the role of the Vietnamese entrepreneur force and the business community. They are considered the main material production force of the Vietnamese economy, playing a vital role in the cause of national

construction and development throughout the historical periods of the Vietnamese Revolution.

The Document of the 13th National Party Congress reaffirmed that rapid and harmonious development of all economic sectors and business forms is essential. Private economic development is truly an important driving force of the economy.

The 2013 Constitution reaffirmed that the State



At the 60th anniversary ceremony of VCCI, President Vo Van Thuong, emphasized the business community's vital role in the nation's prosperity, stating that the entrepreneurial and corporate spirit is the main catalyst for promoting the country's industrialization and modernization



At the Outstanding Vietnamese Entrepreneurs 2022 Award Ceremony, Prime Minister Pham Minh Chinh conveyed the Party and State's appreciation and encouragement for the Vietnamese entrepreneurs and business community, affirming that they are the main productive force of the Vietnamese economy and play a vital role in the national development

encourages and facilitates entrepreneurs, businesses, and other individuals and organizations to invest, produce, and do business. It also aims to sustainably develop economic sectors to better support national development. Lawful assets of individuals and organizations that invest, produce, and do business are protected by law and are not nationalized.

Deputy Prime Minister Le Minh Khai has stated that thanks to correct Party and State guidelines and policies, Vietnam's economy has now become the fourth largest in ASEAN and the 40th largest in the world. International trade has reached the world's Top 20 with nearly US\$740 billion. Vietnam is considered one of the most dynamic and open economies in the world.

Vietnam's entrepreneur force is constantly growing in scale and quality, making significant contributions to national construction and defense in many aspects. It acts as a key pioneering force that creates many jobs and livelihoods for workers, thus supporting hunger eradication, poverty reduction, and socioeconomic development of the country.

Currently, Vietnam has nearly 900,000 active enterprises, of which 870,000 are non-state, accounting for nearly 97% of total enterprises. The private

entrepreneur force is growing stronger in both scale and quality. Private enterprises and entrepreneurs are present in most production and business fields and industries. Many have proven their names and brand values not only in the country but also in the region and the world. Vietnam already has dollar billionaire businesspeople. At the same time, the country has seen an emerging young, dynamic entrepreneur force that dares to think, do, and cope with difficulties while successfully starting new and creative business models.

Entrepreneurs always show their social responsibility in addition to production and business activities. Many have actively joined hunger eradication and poverty reduction programs, gratitude programs, and community development programs to support people to overcome natural disasters. This has helped strengthen national solidarity.

VCCI: 60 years dedicated to Vietnamese enterprises and entrepreneurs

According to VCCI President Pham Tan Cong, the Vietnam Chamber of Commerce and Industry (VCCI) has strived to fulfill all tasks assigned by the Party and the State to foster the growth of the Vietnamese business



Vietnam has made great strides in the 37 years since *doi moi* (reform), as Party General Secretary Nguyen Phu Trong once said: “Never before has our country had the opportunity, potential, position, and international prestige it has today.” From a war-torn country ranked among the poorest and most backward in the world, Vietnam’s economy today ranks in the Top 40 globally by GDP and Top 20 by international trade. Among our country’s overall achievements, we are very proud of what VCCI and the Vietnamese business community have contributed.

However, this is just the beginning. Looking to the future, the mission of entrepreneurs is very challenging relative to the goals and aspirations of the nation. In January 2021, the 13th National Party Congress set a goal for Vietnam to become a developed, high-income country by 2045. In December 2021, the 7th VCCI Congress announced its vision: Strong business community - thriving nation. The prosperity of a country is always associated with the robust development of the business community. To achieve this, VCCI needs to further

enhance policymaking and improve the institutional environment to nurture and develop the entrepreneur force and business community. The Party, State, National Assembly, and Government have facilitated business development in the past. But more still needs to be done in the coming time, particularly further comprehensively and synchronously improving the socialist-oriented market economy. Especially in this new period, it is necessary to create a favorable, transparent, fair, secure, and safe business environment for entrepreneurs and businesses of all economic sectors to develop.

VCCI will continue to support and endorse entrepreneurs and enterprises to strive for development and play their core role in the cause of national industrialization and modernization. In addition to fostering quantitative development, it is necessary to cultivate the formation of large enterprises and industry leaders that lead small and medium-sized enterprises to develop and play their roles in building an independent, autonomous economy and advancing successful integration.

Another major focus that VCCI and the business community will strive for in the coming time is to build entrepreneurial ethics and business culture to position their own identity and status in the international business community. Vietnamese entrepreneurial ethics and business culture need to be built by combining the essence of Vietnamese culture with the essence of world business culture. Culture must become a soft power, enlighten, and empower Vietnamese entrepreneurs and enterprises to develop sustainably and have a growing position and prestige, domestically, and internationally.

Excerpt from the speech by Mr. Pham Tan Cong, President of Vietnam Chamber of Commerce and Industry (VCCI), at VCCI’s 60th Anniversary celebration held in Hanoi on April 26, 2023

community and entrepreneur force to make significant contributions to the country’s economic development in the past 60 years.

On that journey, VCCI has initiated and implemented many important activities for business development such as researching Ho Chi Minh’s ideology on enterprises and entrepreneurs. It proactively and jointly proposed the Politburo to issue Resolution 09 on “Building and promoting the role of Vietnamese entrepreneurs in the era of industrialization, modernization, and international integration” - the first document of our Party and the State on entrepreneurs. VCCI has also researched, assessed, and annually released the Provincial Competitiveness Index (PCI) since 2005 to motivate provinces and cities to improve the quality of economic management and administrative reform. It launched and led the startup promotion movement with the National Startup Program since 2002.

VCCI has been a leading force in promoting and

supporting the development of small and medium-sized enterprises (SMEs) and women-owned enterprises since 1994. It has encouraged the construction of progressive labor relations in enterprises, led and fostered sustainable business development, and established the Vietnam Business Council for Sustainable Development (VBCSD) in 2010. VCCI assesses and ranks sustainable businesses every year. In particular, VCCI announced six ethical codes for Vietnamese businesspeople in 2022 and applied these ethical codes in the Vietnamese business community to promote Vietnamese business ethics and culture.

VCCI is an effective bridge between the business community and State agencies. On a monthly and quarterly basis, VCCI synthesizes recommendations, difficulties, and problems of enterprises to report to the Government and Prime Minister. At the same time, it puts forth suggestions and recommendations for settlement and resolution.





At a meeting with the business community at the VCCI headquarters, Mr. Vuong Dinh Hue, Chairman of the National Assembly acknowledged the vital role and position of the business people who are not only endorsed by the Party, State and society but also enshrined in the 2013 Constitution



The VCCI system organizes thousands of trade and investment promotion, business training consulting, and international exchange activities each year to support companies in enhancing their capacity and developing their products. VCCI also serves as a support and connection for business associations throughout the country. From 93 initial members, VCCI's membership has increased to over 200,000 companies and over 200 business associations.

Developing the entrepreneur force in both scale and quality

To achieve the goal of becoming a developing country with a modern industry and an upper middle-income level by 2030 and becoming a high-income developed country by 2045, Vietnam reaffirms that private economic development is truly an important driving force of the economy. The private entrepreneur team is one of the core forces that must constantly grow in both scale and quality and demonstrate their responsibility to society, employees, and the environment to lead the country towards sustainability.

In that spirit, Deputy Prime Minister Le Minh Khai stated that Vietnam needs to focus on addressing several

issues. First, governments at all levels need to further administrative reform, improve the business investment environment, and build a streamlined and effective operating apparatus. They should continue to build and improve institutions, mechanisms, and policies consistent with the new context. They should eliminate inappropriate regulations, especially remove bottlenecks that hinder business operations and development. They should maintain macroeconomic stability, control inflation, ensure major economic balances, develop the domestic market, foster trade promotion, expand export markets, and diversify markets, products and supply chains.

In addition, the government will increase dialogues and consultations with enterprises, resolutely resolve and handle their difficulties and suggestions, and prevent any act of harassing and troubling people and businesses carrying out administrative procedures.

The government will continue to strongly promote scientific and technological applications, build a startup and innovation ecosystem, strengthen labor supply-demand connections, train and develop human resources, especially high-quality personnel. It will speed up national digital transformation and build digital government, digital economy and digital society.

National Conference of Vietnamese Entrepreneurs and Business Associations

VCCI will host a national entrepreneurs meeting program in Hanoi on October 11 to commemorate Vietnamese Entrepreneurs' Day (October 13) and foster the cohesion of the business community.

QUYNH ANH

The program aims to inspire the spirit of Vietnamese entrepreneurs and business associations, enhance solidarity and cooperation among the entrepreneurial and business sectors, communicate and disseminate the Party's policies and new content in the Politburo's Resolution on building and developing the entrepreneurial team in the new period, and create a forum for senior officials of the Party and State and representatives of entrepreneurs, enterprises and business associations to meet, exchange views and discuss solutions for building the entrepreneurial team and advancing the country.

The program consists of two main events: the National Conference of Business Associations and Entrepreneurs 2023 and the Celebration of Vietnamese Entrepreneurs' Day. During these events, representatives of business associations and entrepreneurs will present and discuss solutions to promote the role of the business community as well as strengthen collaboration between business

associations and businesses.

The program will also announce and award prizes in the songwriting competition "Pride of Vietnamese Entrepreneurs" organized by VCCI in coordination with the Vietnam Musicians' Association. The competition was launched on March 16, 2023, and received submissions until July 31, 2023. The Entrepreneurial Culture Center under VCCI was responsible for providing advice and serving as the focal point to assist the VCCI Executive Board in organizing the competition.

As of July 31, 2023, the organizing committee received 347 entries from 320 composers for the competition. Among them, 213 are professional musicians, 90 come from various other professions, and 17 are entrepreneurs. The age range of the composers is from 30 to 85 years old. The jury selected 23 outstanding songs from the submissions and the VCCI Executive Board further narrowed down the list to the three best songs that met the contest criteria. The chosen song conveyed the patriotism, heroism, and spirit of solidarity of Vietnamese businessmen, as well as their determination to build a strong and prosperous country. The song also had a melody that was appropriate for official ceremonies involving businesses and entrepreneurs.

The organizing committee reported that the competition received enthusiastic support from entrepreneurs, businesses, business associations and industry associations. The competition's greatest achievement was the creation of 23 excellent works dedicated to entrepreneurs, a topic that has been relatively scarce in the past. The organizing committee hopes that this will contribute to encouraging and uplifting the spirit of Vietnam's entrepreneurial team - the economic warriors and the backbone of the national economy. ■

Furthermore, the government will enable enterprises and entrepreneurs of all economic sectors to access development resources, especially land resources. It will enable non-state economic sectors to participate in projects and build economic and social infrastructure in the form of public-private partnership. The government will mobilize internal resources, strongly encourage the development of

domestic private enterprises, especially in manufacturing, high technology, and information technology fields. It will form domestic and global supply chains with guaranteed quality and traceability. The government will enhance cooperation between foreign-invested sectors, especially multinational corporations, with domestic enterprises in developing industrial supply chains. ■



On the occasion of the Vietnamese Entrepreneurs' Day 2023, President Vo Van Thuong receives a delegation of outstanding businesswomen at the Presidential Palace, congratulating them on their achievements and contributions to the national economy and society

Advancing the Development of Vietnamese Entrepreneurs and Enterprises

The Vietnamese entrepreneur force and business community have been guided by the Politburo's Resolution 09-NQ/TW, issued on December 9, 2011, which outlines the strategies and policies for building and enhancing the roles of Vietnamese entrepreneurs in the context of industrialization, modernization and international integration.

QUYNH CHI

Establishing the roles and contributions of enterprises and entrepreneurs

Resolution 09 has fostered the development of a dynamic and diverse Vietnamese entrepreneur force, spanning across state-owned enterprises (SOEs), private enterprises, large corporations, small businesses and cooperatives. The Chairman of the Party Central Committee's Economic Commission, Mr. Tran Tuan Anh, recognized the resolution's impact on building and enhancing the roles of Vietnamese entrepreneurs in the process of industrialization, modernization and international integration.

Since the launch of doi moi in 1986, the Vietnamese entrepreneur force has expanded and improved steadily,

contributing significantly to various aspects of national construction and development. As of now, Vietnam has nearly 900,000 active enterprises, about 14,400 cooperatives and about 5.1 million business households. Many Vietnamese enterprises and entrepreneurs have achieved remarkable breakthroughs in corporate governance, production and business, with ambitious projects to reach out to global markets. Moreover, the country has witnessed the emergence of some giant private conglomerates with impressive scale, financial and governance capacity, modern technology and pioneering leadership in key industries and sectors such as food production, automobile manufacturing, aviation, information technology, telecommunications, services, real estate and agriculture.

During the COVID-19 pandemic and the complex international developments, Vietnamese businessmen have demonstrated their resilience and solidarity with the country in overcoming the challenges.

VCCI President Pham Tan Cong stated that Resolution 09 provides a consistent and coherent framework of guidelines, policies and ecosystems for the business community to operate more effectively. The social awareness of the business community regarding its roles and the business environment has also enhanced its development and growth.

With special attention from the Party and the State, the Vietnamese entrepreneur force is growing stronger and making great contributions to the success of the reform, national construction and defense in many aspects. Vietnam currently has millions of businesspeople, including dollar billionaires. Their quality has also improved significantly.

Vietnamese entrepreneurs are a key vanguard force to transform the national economy by investing in production and business, creating jobs, utilizing resources and developing production forces to produce products and services that meet the increasingly diverse needs in domestic and global markets. They implement industrialization and modernization to develop a socialist-oriented market economy that is independent, self-reliant and internationally integrated, bringing the country out of underdevelopment to become a middle-income developing country. The business sector contributes over 60% of GDP and about 70% of State budget revenue.

The majority of Vietnamese business people exhibit honesty, courage, creativity and perseverance in their business endeavors, overcoming difficulties and challenges for reform, development and innovation, and contributing to the realization of aspirations for a prosperous and happy Vietnam. They also demonstrate social responsibility toward their employees, partners, customers and the community. This was especially evident during the COVID-19 pandemic outbreak.

VCCI President Pham Tan Cong identified several areas that need improvement to facilitate the development of the entrepreneur force. These include the slow translation and implementation of Party guidelines and policies into State policies and laws, the formulation and execution of documents and projects on State administration in some areas that still fall short of expectations and requirements, and a business legal system that contains many barriers, obstacles and restrictions on business freedom. Vietnam's competitiveness and business environment remain limited in some aspects while their improvements are unstable and unsustainable, still at an average level of ASEAN and the world, not in the top 3-4 in ASEAN as expected. The promotion of business ethics and culture in Vietnam has not received adequate attention. Business culture "has not truly become a resource and endogenous driving force of the country's sustainable development".

Furthermore, some business people lack business culture and social responsibility, disregard the law, succumb to local and group interests, and even collude with corrupted and degenerated elements in the State administrative apparatus. This leads to more social misconduct.

Fostering a resilient and ethical entrepreneurial culture in Vietnam

The 13th National Party Congress articulated the country's development vision and aspirations: To become a modern industrialized country with a lower middle-income status by 2025 and an upper-middle-income status by 2030. The Congressional Document also stated: "Developing a strong and capable entrepreneur force in terms of scale and quality, with a patriotic spirit, cultural standards, progressive ethics, and excellent business management."

Mr. Pham Tan Cong emphasized the importance of building a strong and competent force of Vietnamese entrepreneurs and enterprises to achieve the country's development vision and aspirations. The entrepreneur force is a key vanguard force to realize national industrialization and modernization, enhance quality, efficiency, and competitiveness, and ensure the independence and autonomy of the economy. Building a strong entrepreneur force with a large scale and high quality, with knowledge and expertise, civic awareness, social responsibility, strong nationalism, strong character, and high adaptability to

international integration is a priority and concern of the Party and the State. Building and enhancing the role of entrepreneurs and enterprises is always synchronously linked with improving development institutions, with the focus being socialist-oriented market economic institutions; ensuring ownership rights and business freedom for entrepreneurs in accordance with the law, and encouraging entrepreneurs to legitimately enrich themselves and the country. It is essential to eliminate all barriers and prejudices and create favorable conditions for private economic development in both scale and quality; encourage the formation and development of large private businesses with strong potential and powerful regional and international competitiveness. Vietnam aims to have at least two million companies by 2030, with the private economic sector's contributions to GDP reaching 60-65%.

VCCI President Pham Tan Cong, emphasized the need for each business to be determined and strategic in the current context of intertwined opportunities, difficulties, and challenges. They must prioritize building internal strength and innovation, applying science and technology as the foundation and driver to enhance governance capacity, labor productivity, competitiveness, and international integration. Vietnamese entrepreneurs and enterprises must foster solidarity and cooperation in production and business, develop value chains and supply chains to reinforce Vietnamese brands in the marketplace for successful international integration; and expand win-win connectivity and cooperation with international partners.

In particular, complying with the law and aligning business and individual interests with national and community interests is essential for resilient and sustainable business development. It is important to inspire, encourage, and strongly promote the entrepreneurial spirit and genuine desire for affluence in society.

To support business development, the Party and the State have been implementing various solutions to support the business community in addressing difficulties; continuously improve the legal framework, accelerate administrative reform and judicial reform, maintain the principle of no criminalization of economic relations, create a favorable, healthy, and safe business environment, facilitate market entry, business startup, and ongoing business development.

According to the VCCI President, VCCI must be a hub, a unifier and a supporter for the business community, enterprises and trade associations, helping Vietnamese enterprises with successful integration.

VCCI must convey the legitimate opinions and aspirations of the business community, production and business practices into the process of building Party policies/guidelines and State policies/laws. VCCI must more actively coordinate with localities to further improve the business environment, enhance provincial competitiveness, build linkage and cooperation models for regional and local economic development. VCCI must continue to uphold the spirit of entrepreneurship and business; protect legitimate rights and interests of entrepreneurs and enterprises, further honor outstanding entrepreneurs and enterprises; and gather, connect, and support Vietnamese companies and businesspeople abroad. VCCI, business associations, and businesses need to take the lead in building and forming business value systems, business ethics, and business culture in accordance with Vietnamese values, ethics, culture, and with the epitome of international business culture. They must uphold national spirit, social responsibility, and aspiration for national development, prosperity, and well-being. ■

Businesses Speed up “Green Race”

Being dedicated to sustainable business development for nearly 20 years, I can confidently assert that the Vietnamese business community is undergoing significant changes, encompassing mindset, perception and action. These changes are aimed at fostering sustainable business practices that generate novel values for society. This trend has been further accelerated by the recent COVID-19 pandemic, which has impacted Vietnam and the world at large.

NGUYEN QUANG VINH

EXECUTIVE VICE PRESIDENT OF VCCI, VICE CHAIR OF VBCSD



In terms of sustainable development, companies have surpassed the realm of corporate social responsibility (CSR). They have embraced a comprehensive understanding of sustainable development, which entails ensuring economic growth in harmony with environmental preservation and long-term social and security development. Vietnamese companies, particularly industry leaders such as Vingroup, Vinamilk, Bao Viet Holdings, BIDV, PAN Group, SASCO, Traphaco, Garment 10, PNJ and TBS, have spearheaded the adoption of sustainable development practices. Many of these companies are currently members of the Vietnam Business Council for Sustainable Development (VBCSD-VCCI).

These companies are actively fulfilling their robust commitments to sustainable development through various initiatives. These include transitioning to circular production and business models, establishing and reinforcing green and sustainable supply chains, cultivating a diverse, equitable, and inclusive (DE&I) business culture, leveraging renewable energy sources in their operations, strengthening sustainable corporate governance practices, and adhering to the environmental, social and corporate governance (ESG) framework.

One of the most compelling pieces of evidence for the transformation of Vietnamese companies in this “green race” is their active participation in the Program on Benchmarking and Announcing Sustainable Businesses in Vietnam or the Corporate Sustainability Index (CSI). This program has been organized annually since 2016 by the Vietnam Chamber of Commerce and Industry

(VCCI) in collaboration with the Ministry of Labor, Invalids and Social Affairs, the Ministry of Natural Resources and Environment, and the Vietnam General Confederation of Labor. Starting from 2023, the Central Economic Committee will also join this initiative.

In the CSI rankings in 2022, domestic companies accounted for 66% of the top 100 sustainable companies, while foreign direct investment (FDI) firms accounted for 34%. In the top 10, domestic companies represented 65%, while FDI firms represented 35%. These figures clearly demonstrate that domestic companies possess immense potential and readiness for “green transformation” that is on par with foreign firms.

From challenges...

However, it is important to acknowledge that Vietnamese companies face numerous obstacles and challenges on this path toward green transformation. During the Vietnam Corporate Sustainability Forum (VCSF) 2023, a prominent dialogue on sustainable business development between the government and the business community organized annually by VCCI since 2014, I was deeply impressed by two stories shared by speakers from Garment Corporation 10 and Vinacapital Company.

A representative from Garment Corporation 10 shared that the corporation operates in three major markets: the U.S., the EU, and Japan. It has hundreds of customers, with 10 large customers requiring the use of 43% recyclable materials in production. However, one of the hardships faced by Garment Corporation 10 is



Deputy Prime Minister Tran Hong Ha and VCCI President Pham Tan Cong, along with other delegates at the Vietnam Corporate Sustainability Forum (VCSF) 2023 - a key platform for dialogue and collaboration between the Vietnamese government and the business community on advancing sustainable development

transformation, companies are grappling with a shortage of skilled professionals for business activities geared toward sustainability. Furthermore, the legal framework has not yet been synchronized and lags behind domestic and international economic changes. As a result, it does

finding recycled materials. The supply of recycled materials in Vietnam is insufficient and heavily reliant on foreign suppliers. Additionally, the corporation must allocate investment resources for technological innovation to ensure “green production” and reduce emissions to meet importers’ requirements. This story highlights the challenges faced by companies in terms of supply chain capacity, technological prowess, and digital transformation as they transition toward responsible business practices.

Vinacapital, an investment group, prioritizes and supports green projects when selecting sustainable business projects. The group has found that companies with clear and transparent information disclosure are preferred by investors and have a higher likelihood of receiving investments. However, this poses a challenge for many Vietnamese companies due to their weak corporate governance practices and limited information disclosure.

Apart from the difficult matters related to sustainable corporate governance, supply chain capacity, digital transformation capabilities, and green technology

not provide effective support for businesses seeking to transition to sustainable business models.

... to opportunities for a green future

In reality, the challenges I mentioned can be resolved when companies address the underlying issues in their business thinking. By changing their mindset and viewing sustainable development as an investment rather than a burden, businesses can effectively transform challenges into opportunities.

The opportunities for companies pursuing sustainable development have been quantified through research and reports published by reputable organizations. According to the Business and Sustainable Development Commission (BSDC), the successful achievement of the 17 Sustainable Development Goals (SDGs) in four sectors - food and agriculture, urbanization, energy and materials, and health and wellbeing - will generate economic gains of at least US\$12 trillion for the private sector by 2030. This figure could potentially be 2-3 times



It is necessary to transition to a circular and sustainable economy

Mr. TAKEO NAKAJIMA

CHIEF REPRESENTATIVE OF THE JAPAN EXTERNAL TRADE ORGANIZATION (JETRO) HANOI

To improve its business environment and attract foreign investment, Vietnam needs to transition to a circular economy and a sustainable development. Specifically, it needs to address the issues of air, water and soil pollution; unsafe and congested roads; deteriorated infrastructure; and waste and toxic substances. These issues affect the health and well-being of the people and the environment.

Moreover, Vietnam needs to innovate for economic development. The rapid changes in finance, health care, education, retail, information and transportation require a recognition that the current system is inadequate, and a willingness to change it. However, in each country, the

current system has some rationality, so transformation requires great efforts.

Finally, Vietnam needs to promote measures that lead to healthy longevity. As Japan has experienced, the aging of society increases the social burden on all aspects, and the benefits of labor are invested more in “preservation” and “maintenance” than in “development”. Vietnam is a young country but one of the fastest-aging countries in ASEAN. The government will need substantial savings from economic development and financial resources to support the elderly.





Innovation and sustainable development as competitive advantages for businesses

Mr. BINU JACOB

CEO OF NESTLÉ VIETNAM, CO-CHAIR OF VCBS

Innovation and sustainable development need to go hand in hand to achieve business goals while addressing social and environmental issues.

For decades, businesses have focused on total shareholder return (TSR). However, for long-term and sustainable development, they need to create value not only for shareholders but also for society as a whole. This is measured by total societal impact (TSI). Nowadays, investors are increasingly concerned about companies that operate effectively and have positive impacts on the environment, society and governance as well as contribute to addressing social and climate change challenges.

For Nestlé, one of the leaders in sustainable development, creating value for society is a driving force. In Vietnam, Nestlé is carrying out many sustainable initiatives to generate positive environmental and societal impacts, with priorities given to physical development and nutrition for children, responsible sourcing, climate action and water management, women's empowerment, and sustainable packaging.

To help boost physical development and encourage a healthy and active lifestyle in the community, especially for children aged 6-17, Nestlé Vietnam and its Nestlé MILO brand implemented the "Vietnam Dynamic" Program. To fulfill its commitment to responsible sourcing, Nestlé Vietnam has implemented the Nescafé Plan for sustainable coffee farming in Central Highlands provinces since 2011, supported more than 22,000 farmer households to access and practice 4C coffee production, trained more than 330,000 farmers, and delivered 63.5 million disease-resistant and high-yield seedlings to



replant old coffee tree areas. As for social issues, fostering women's economic empowerment and status is an important part of Nestlé's approach. Since 2017, the Vietnam Women's Union and Nestlé Vietnam have cooperated in implementing the "Nestlé with Women" Program in 20 provinces and cities nationwide, which attracted 4,600 women members.

It is necessary to consider amending issues in pharmaceutical management

Mr. BUI HONG MINH

CORPORATE AFFAIRS DIRECTOR AT PHARMACITY



To create a suitable legal corridor for the sustainable development of the pharmaceutical retail sector, Pharmacity urges the government to consider revising some aspects of pharmaceutical management to align with the current development realities. Specifically, we propose that the government should recognize the chain business model as a

type of pharmaceutical retail business and create a legal framework to encourage the development of this model in the future to improve public health care quality.

We also suggest that the government should establish legal regulations for pharmaceutical retail business on e-commerce platforms to meet people's growing demand for access to drugs as well as to ensure the safety of drug use and drug management.

Pharmacity is a trusted pharmaceutical retailer, providing customers in Vietnam with the most convenient multi-channel shopping experience. With the aspiration to collaborate with the government in enhancing people's health, Pharmacity is always proactive in working with the Ministry of Health and leading hospitals to further promote the development of the pharmaceutical industry. We believe that the partnership between the government and businesses in developing policies will certainly bring better results in the future.

higher, creating 380 million new jobs, with nearly 90% of these jobs located in developing countries. Additionally, according to Accenture Strategy's estimation model, the circular economy has the potential to generate US\$4.5 trillion in economic benefits on a global scale from 2015 to 2030. These figures represent significant opportunities for businesses to proactively embrace early opportunities

and transform their business models toward a greener, more sustainable approach.

In Vietnam, we have witnessed the emergence of several exemplary businesses that have taken the lead in implementing sustainable development strategies. For instance, Vinamilk Corporation recently announced that

(continued on P.27)

Promoting sustainable agriculture

Mr. NGUYEN TRUNG ANH

DIRECTOR OF RESEARCH AND SUSTAINABLE DEVELOPMENT AT PAN GROUP

Vietnam has achieved remarkable results in agriculture in recent years. The total export turnover of agriculture, forestry and aquaculture reached US\$53.2 billion in 2022 and is expected to surpass US\$54 billion in 2023.

However, Vietnam still faces many challenges in developing sustainable agriculture, such as the low value-added of raw exports, the high cost of input materials, and the environmental degradation caused by unsustainable practices. To address these issues and contribute to the net-zero goal, we suggest the following recommendations to the government:

Firstly, the government should support research and development activities to foster green technology innovation, the use of climate-resilient varieties, the conservation and utilization of rare and valuable genetic resources, and the enhancement of economic value of agricultural products.

Secondly, the government should increase education for farmers on sustainable farming and processing methods. For instance, Vietnam Fumigation Company (VFC) - a member of the PAN Group, has implemented the program "Supporting Farmers" for several years to help farmers adopt modern farming practices, thereby improving productivity, income, and environmental quality. However, this program has not reached all farmers nationwide due to limited resources from businesses. If expanded to a national scale with the collaboration of local authorities and departments, this program would be more effective.

Thirdly, the government should revise agriculture-related policies to ensure the feasibility of sustainable development solutions. One of the key solutions is to consolidate and concentrate land to develop medium-sized farms, which would create a basis for large-scale production and facilitate the application of science and technology to increase efficiency and productivity.

Lastly, the government should provide more support in terms of finance, investment, transportation planning and logistics to enable businesses and farmers to invest in sustainable agricultural projects.



Transforming business models, human development and innovation

Mr. NGO DINH DUC

GENERAL DIRECTOR OF PCOD CONSULTING CORPORATION

To enhance sustainable competitiveness in an unfavorable macroeconomic context, the rapidly evolving Technology 4.0 and fierce market competition, businesses need to take the following steps:

They should reassess their business models for rational changes in organizational patterns and review work processes to respond quickly and flexibly to changes in the business environment. This may include reducing bureaucracy and increasing adaptability in decision-making and project implementation. Organizational redesigning may also include creating multifunctional teams and encouraging collaboration and communication among different departments with software tools.

They should apply new methods and technologies to management and production processes to enhance efficiency and flexibility. Technologies such as artificial intelligence, automation and IoT can be used to optimize manufacturing processes, reduce waste and improve product and service quality.

They should focus on human development investment as an important factor in enhancing sustainable competitiveness. Businesses should concentrate on training and developing employees to raise their knowledge and skills needed for work in a high-tech and competitive environment. At the same time, building an inspiring working environment that encourages creativity and personal development is necessary to attract and retain talent.

They should capture information and survey the market to seize opportunities opened by trade agreements and strategic partnerships signed with the United States. In the meantime, build partnerships and strategic alliances with domestic and foreign partners to share resources and knowledge and create community values.

They should grasp and respond quickly to new trends in the market. Businesses need to regularly conduct market surveys to understand and forecast customer needs as well as monitor technology trends and benefits from trade agreements. This helps them create market-relevant products and services and increase competitiveness.

They should foster creativity and innovation as important factors in enhancing sustainable competitiveness. Businesses need to create an environment that stimulates creativity and innovation, and encourage employees to engage in generating new ideas and testing new solutions. At the same time, they can also cooperate with peripheral partners, research institutes and universities to take advantage of external resources and knowledge.



Fostering Business Ethics and Culture in New Era



Mr. Nguyen Xuan Thang, Politburo member, Director of the Ho Chi Minh National Academy of Politics, Chairman of the Central Theoretical Council, VCCI President Pham Tan Cong, and other delegates emphasized the importance of entrepreneurial ethics and business culture for Vietnamese businessmen as a strategic and urgent task during their meeting with the business community on business ethics and culture

Business culture and business ethics are key factors in creating business philosophy, customer trust and core values for businesses to build, maintain and develop their brands. No strong brand can be built without a solid and attractive corporate culture foundation. In a broader sense, culture is the foundation for business development. When the cultural foundation is strong, the business will develop sustainably.

QUYNH CHI

Business ethics as the essence of business culture

Mr. Nguyen Xuan Thang, Politburo member, Director of the Ho Chi Minh National Academy of Politics, Chairman of the Central Theoretical Council, said that the core of business culture is business ethics. Business culture requires building a businessman with ethics as the root, and aspiration for development as the destination. Business ethics regulates and guides business activities towards civilization and humanity.

Therefore, business ethics and culture not only contribute to promoting businesses to accompany society and demonstrate responsibility to the community and ecological environment, but are also endogenous resources to promote the sustainable development of the businesses themselves.

When good cultural and ethical values permeate economic activities, the development goal of a business will transcend seeking benefits for itself, and become a mission and responsibility to contribute to the prosperity and well-being of the country. In the past, the dedication of patriotic businesses and businessmen was shown by actions of contributing wealth and material to the cause of national liberation and unification. Today, dedication is shown by the efforts and determination of businesses and entrepreneurs to enrich themselves, the community and the country with the overarching goal: rich people, strong country, democracy, justice and civilization.

In particular, culture and business ethics play an increasingly important role in helping businesses overcome difficulties and challenges to develop successfully in a world of rapid change, risks, instability and unpredictability. It is the “pillar” and “fulcrum” that helps businesses stand firm in the face of unexpected events, market shocks and even the profound impacts of the wave of globalization and the storm of digital transformation and the Fourth Industrial Revolution sweeping across every country.

Mr. Nguyen Xuan Thang affirmed that business culture and ethics are the shield that protects the business with persistent efforts to build kindness and credibility to partners

and customers in the face of temptation of illegal business tactics. It was truly a war that pushed many businesses down the abyss, but also brought many businesses to the top of success in the market economy. "It is never too late to start building a cultural foundation and business ethics; and a business based on cultural and ethical practices will always gain the respect and support of other businesses, have a worthy place in the market and always be recognized by society," said Mr. Nguyen Xuan Thang.

VCCI leading the way in building business culture and ethics in Vietnam

Mr. Pham Tan Cong, President of the Vietnam Chamber of Commerce and Industry (VCCI), stated that the Vietnamese business community has made significant contributions to the country's development in both quantity and quality after more than 37 years of innovation. As of now, Vietnam has nearly 900,000 active businesses, about 14,400 cooperatives, and more than five million business households. The number of entrepreneurs in the country has reached millions, playing a key role in managing and organizing production and business activities, creating goods and services to meet national and international demands, and creating new potential for the country.

He added that national business culture governs all aspects of a country's business activities, and is one of the decisive factors in shaping, developing and affirming the national brand in the world. The entrepreneur, as the leader of the business, is the decisive nucleus that drives this process. Therefore, to build Vietnamese business culture, it is necessary to create uniformity of ideology and awareness among businessmen as well as the whole society about the ethical values that businessmen need to adhere to, starting with developing and encouraging the practice of business ethics.

VCCI has identified building entrepreneurial ethics and business culture for Vietnamese businessmen as a strategic and urgent task. Vietnamese entrepreneurs must possess both virtue and talent, with virtue being the root principle in shaping and developing the Vietnamese business community. To promote and encourage entrepreneurs and businesses to follow the path of sustainable development, it is necessary to take business culture and ethics as the basis, and modern science and technology as the competitive edge, thereby asserting themselves and contributing to the implementation of the country's development goals.

VCCI has realized that it must have more responsibility in promoting the building of business ethics and business culture. Since the 7th VCCI National Congress in December 2021, with the vision of building a "Strong Business Community - Thriving Nation", VCCI has set out six key tasks and three strategic breakthroughs that pioneer in building Vietnamese business culture.

"The implementation of this set of rules will strengthen trust and increase the trust of society and the market in Vietnamese entrepreneurs and businesses. The reputation and competitiveness of Vietnamese businesses and products will be enhanced, which is the source of soft power in integration. With 200,000 member businesses and nearly 200 member business associations, VCCI believes that this will be an important basis for ethical codes to come to life," Mr. Cong shared. ■

DIGITAL TRANSFORMATION

EMPOWERING ENTREPRENEURS AND BUSINESSES

Digital transformation is a crucial trend in the current era, creating unprecedented opportunities for localities and businesses worldwide to thrive in the Fourth Industrial Revolution. It enables governments to operate more efficiently and transparently.

GIANG TU

According to a survey conducted by the Vietnam Chamber of Commerce and Industry (VCCI), 92% of Vietnamese businesses have either implemented or expressed interest in digital transformation. Furthermore, 98% of these businesses anticipate changes in their production and business activities, such as cost reduction, less direct contact, and improved product and service quality due to digital transformation.

Challenges remain

According to a report by Vietnam Electricity Group (EVN), they have released 14 application programming interfaces (APIs) connecting to digital platforms since the beginning of 2023. Additionally, 98% of major equipment, equivalent to 1.9 million records of power plants and power grids, have been updated in the PMIS software equipment database. EVN has also achieved 100% online services, which are equivalent to level 4 public services. These initiatives have significantly contributed to EVN's operations becoming more efficient, transparent, and beneficial to electricity customers.

Another example of successful digital transformation is Rang Dong Light Source and Vacuum Flask Joint Stock Company. The company's revenue has increased by 21% per year thanks to basic digital





transformation. According to Mr. Nguyen Doan Ket, Deputy General Director of Rang Dong Light Source and Vacuum Flask Joint Stock Company, they have implemented 4,349 technical innovation initiatives in three years, with 70% of them being applied to practical production and business activities, directly generating value.

However, despite the success stories in digital transformation, many businesses encounter difficulties and struggle to determine where to start. According to a survey conducted by the Vietnam Software and Information Technology Services Association (VINASA), approximately 72% of SME businesses are seeking ways to implement digital transformation to bring new products and services to the market. However, most of them do not know where to start, and 92% of businesses lack knowledge on how to digitally transform.

“Should we start digital transformation from the production or sales department? Where will the finance come from? Which technology should we use? Should we hire a consultant or do it ourselves? These are a series of questions that many businesses face when discussing digital transformation,” shared a director of a commercial company.

For state-owned enterprises, especially large corporations, digital transformation presents numerous challenges due to various barriers in the legal framework. These barriers encompass processes, regulations, mechanisms for change and application, organizational model, business model, data model and operating model. The absence of a well-defined architecture hinders the realization of digital transformation’s full potential in terms of fundamentally and comprehensively transforming businesses into new digital entities.

Supporting substantive and comprehensive digital transformation

Digital transformation is a process, not a model or method. Therefore, there is no specific digital transformation model or method that is adaptable and suitable for all businesses and organizations.

According to Mr. Le Nguyen Truong Giang, Director of the Digital Transformation Strategy Institute, Vietnam Digital Media Association, digital transformation is a paradigm shift, requiring businesses and organizations to proactively innovate and create based on the legal frameworks and principles of the digital transformation process to devise a suitable

transformation strategy and model for their business.

Therefore, digital transformation does not occur instantly and there are many challenges in the implementation process.

Mr. Bui Trung Nghia, Vice President of VCCI, acknowledged that to be successful, businesses need to be equipped with adequate information to properly understand and select an effective digital transformation strategy and roadmap for themselves. Regarding orientation, it must be emphasized that the business strategy of the enterprise is the most important. Digital transformation must be conducted based on the capacity and current situation of the enterprise and must aim at the ultimate goal of enhancing the business performance of the enterprise.

VCCI, as a representative and support unit for the business community, has collaborated with Meta Group to organize numerous awareness-raising activities, application skills training, and experience opportunities for digital tools. These initiatives aim to develop businesses and improve operational efficiency for tens of thousands of Vietnamese businesses.

The Meta Boost Program in Vietnam has supported more than 32,000 businesses across the country by providing useful information for consumers when shopping and for businesses looking for partners and customers.

Mr. Bui Trung Nghia stated that promoting digital transformation in businesses is one of three breakthrough strategies that must be implemented during the term of the seventh VCCI National Congress (2021-2026) with the vision: Strong Business Community - Thriving Nation. VCCI will continue to coordinate with ministries and branches such as the Ministry of Planning and Investment, the Ministry of Science and Technology, or Meta Group to develop more programs and activities that create conditions for businesses to conduct digital transformation. ■



An example of successful digital transformation is Rang Dong Light Source and Vacuum Flask JSC

WORKING COLLECTIVELY TO FOSTER COOPERATION

Prime Minister Pham Minh Chinh and the high-ranking Vietnamese delegation successfully completed their official visit to the United States from September 17 to 23. The visit aimed to attend the high-level General Debate of the 78th United Nations General Assembly session and conduct bilateral activities. The delegation achieved all the objectives and tasks at a high level after working continuously for 113 hours. The visit demonstrated the implementation of the foreign policy of the 13th National Party Congress.

ANH MAI



Vietnamese Prime Minister Pham Minh Chinh presents major solutions to global crises during the general debate of the 78th session of the UN General Assembly in New York

Building trust - reigniting global solidarity

More than 150 country leaders attended the 78th session of the United Nations General Assembly (UNGA) themed “Rebuilding trust and reigniting global solidarity: Accelerating action on the 2030 Agenda and its Sustainable Development Goals towards peace, prosperity, progress and sustainability for all”. During this session, Prime Minister Pham Minh Chinh delivered an important speech.

The speech was themed “Joining efforts to reinforce trust, show sincerity, strengthen solidarity, foster bilateral

and multilateral cooperation, effectively respond to all-people global challenges and promote sustainable development, taking people as the center, the subject, the goal, the driving force and the resource of development.”

Prime Minister Pham Minh Chinh emphasized that only trust, sincerity and solidarity on a global scale, led by the United Nations and engaged by all countries, can help the international community to overcome challenges, promote peace, cooperation and prosperous development in the world and bring happiness and wellbeing to all people.

Evaluating current difficulties and challenges, he further stated that the world currently faces a serious crisis

in trust, multilateral cooperation, principles and resources. He emphasized that it is the duty and responsibility of world leaders to work together to strengthen trust, sincerity, solidarity and promote multilateral and bilateral cooperation; effectively respond to global and all-people challenges; foster sustainable development; and take people as the center, the subject, the goal, the driving force and the resource of development.

Vietnam continues to pursue its independent and self-reliant foreign policy based on diversification and





Prime Minister Pham Minh Chinh rings the bell to open a trading session at the New York Stock Exchange (NYSE)



multilateralization. The country aims to be a good friend, a reliable partner of all countries, and an active, responsible member of the international community. Vietnam is committed to contributing more strongly and responsibly to the United Nations' priorities, such as increasing participation in peacekeeping, achieving net-zero emissions by 2050, and ensuring domestic food security while helping ensure global food security.

During this visit, Prime Minister Pham Minh Chinh had nearly 20 bilateral meetings with leaders of partner countries, international organizations and U.S. politicians, such as the UN Secretary-General, President of the UN General Assembly, President of Cuba, Prime Minister of Thailand, President of Romania, President of Slovenia and President of Finland.

According to Foreign Minister Bui Thanh Son, partners expressed their appreciation for Vietnam's position, role and positive voice. They agreed to increase delegation exchanges and cooperation on politics, diplomacy, economy, trade, science and technology, labor, tourism, education and training, and people-to-people exchanges, as well as mutual support at regional and international forums. Leaders of many countries endorsed the importance of peacefully resolving disputes in the East Sea on the basis of international law, including UNCLOS 1982. They also emphasized ensuring security, safety and freedom of navigation and aviation in the East Sea.

During this visit, Vietnam established diplomatic relations with Tonga. This increased the number of countries having diplomatic relations with Vietnam to 193.

By making effective and substantive contributions in all aspects at multilateral forums, especially at the United

Nations, Vietnam demonstrated its peaceful, active and responsible role in the international community.

Advancing Vietnam-U.S. agreements and commitments

During his official visit to the United States, Prime Minister Pham Minh Chinh conducted a series of bilateral activities in San Francisco, Washington DC, and New York. The visit took place shortly after U.S. President Joe Biden's state visit to Vietnam, which upgraded the bilateral relationship to a comprehensive strategic partnership for peace, security and sustainable development. Therefore, the Prime Minister's

bilateral activities were crucial in concretizing and implementing agreements and commitments reached between senior leaders of the two countries.

Prime Minister Chinh held meetings with the U.S. Vice President, congressional leaders, national security advisor, and other key officials. He also delivered policy speeches at Georgetown University in Washington DC and San Francisco University in San Francisco. The Prime Minister spent time meeting with overseas Vietnamese in the U.S., conversing with the Vietnamese Innovation Network in the U.S., and meeting American friends who loved and supported Vietnam. These meetings reinforced the passion of overseas Vietnamese for their homeland and solidarity with American friends, while strengthening Vietnam's development and cultivating Vietnam-U.S. relations.

In particular, Prime Minister Chinh chaired the Vietnam-U.S. business forum and held talks with U.S. businesses. He paid working visits to world-leading semiconductor chip manufacturers and tech giants in Silicon Valley such as NVIDIA, Synopsys and Facebook. The Prime Minister hosted meetings with leaders of many major corporations

Vietnam-U.S. bilateral trade value has grown at an average rate of 16% per year. It has increased nearly 20 times from US\$6.8 billion in 2005 to nearly US\$125 billion in 2022. The U.S. has invested nearly US\$12 billion in Vietnam, ranking 11th out of 130 countries and territories investing in Vietnam. Meanwhile, Vietnamese investors have invested nearly US\$1.3 billion in over 230 projects in the U.S.



Prime Minister Pham Minh Chinh and other delegates witness the awarding ceremony of several cooperation agreements at the Vietnam-U.S. Business Forum

and investment funds of the U.S. and the world such as Apple, Google and Boeing. He also visited and rang the opening bell at the world's two leading stock exchanges: New York Stock Exchange (NYSE) and NASDAQ.

During his meetings with major U.S. businesses, investors, and financial corporations, Prime Minister Chinh expressed Vietnam's warm welcome to investors, including those from the U.S. The country is committed to accompanying, listening to, and supporting investors while striving to perfect socialist-oriented market institutions. Vietnam aims to advance innovative infrastructure development, both hard and soft infrastructure, with a focus on high-quality human resources training and administrative reform. These efforts aim to boost facilitation, reduce costs, and increase competitiveness for investors in the new context.

In the coming time, Vietnam prioritizes investment projects in new industries and fields such as innovation, green economy, digital economy, circular economy, sharing economy, climate change response, semiconductor production, new energy (such as hydrogen), and renewable energy. Notably, U.S. semiconductor corporations affirmed their high determination to the Vietnamese market and envisaged high prospects for semiconductor cooperation between Vietnamese and U.S. partners in the new era.

Given that Vietnam can and needs to aim for leading positions in high-tech supply chains, businesses have put forth policy recommendations and proposed specific methods and cooperation projects to successfully develop the semiconductor ecosystem in Vietnam. The United States is a leading strategic partner in this regard.

According to Foreign Minister Bui Thanh Son, U.S. partners expressed their appreciation for Vietnam's position, role and positive voice. They agreed to increase delegation exchanges and cooperation on politics, diplomacy, economy, trade, science and technology, labor, tourism, education and training, people-to-people exchanges, as well as mutual

support at regional and international forums. The U.S. responded positively to Vietnam's high priorities on recognizing the market economy status of Vietnam, limiting trade defense measures, further opening the market for some Vietnamese export products, supporting Vietnam in building a semiconductor ecosystem to participate more deeply in the global supply chain, and supporting Vietnam to heal war consequences.

The U.S. business community affirmed its commitment to further expand investment and business in Vietnam. Many cooperation agreements on infrastructure, digital transformation, green transformation, and high technology were signed and exchanged.

This important trip conveyed the great message of the Party, State, and Government of Vietnam to the United States and international friends about a peaceful, cooperative, and integrative Vietnam. It also highlighted more active and effective participation in international processes and important contributions to the Vietnam-UN and Vietnam-U.S. relations in line with the foreign policy adopted by the 13th National Party Congress. ■

After a series of activities in the U.S., Prime Minister Pham Minh Chinh paid an official visit to Brazil with nearly 20 activities there. He held talks with Brazilian President Lula da Silva, had a joint press conference with the President of Brazil, witnessed the signing and handing over of cooperation documents between the two countries, met with the Brazilian Parliamentary Friendship Group and leaders of some Brazilian political parties and friendship organizations, and delivered a policy statement at the Brazilian Ministry of Foreign Affairs.



Chairman of the National Assembly Vuong Dinh Hue and other delegates at the Vietnam Socioeconomic Forum 2023

Enhancing Internal Capacity, Unlocking Resources, and Supporting Businesses to Overcome Challenges

Mr. Vuong Dinh Hue, Politburo member and Chairman of the National Assembly, emphasized the importance of building and fostering strong internal resources to cope with external challenges and uncertainties in the context of the COVID-19 pandemic. He made this statement at the Vietnam Socioeconomic Forum 2023 with the theme “Reinforcing internal capacity, generating drivers for growth and sustainable development,” recently held in Hanoi. The forum was co-organized by the National Assembly’s Economic Committee, the Central Economic Commission, the Ho Chi Minh National Academy of Politics and the Vietnam Academy of Social Sciences.

ANH MAI

Slow and unsustainable economic recovery

He acknowledged that Vietnam’s growth drivers and industrial manufacturing have faced a slowdown since the fourth quarter of 2022 due to the contraction of major export and import markets and the disruption of many supply chains.

He also pointed out the complex and unpredictable global developments; the persistent consequences of the COVID-19 pandemic; the ongoing Russia-Ukraine conflict; the intensifying superpower competition; the record-high inflation in some major economies; the tightening monetary policies in major economies; the weakening aggregate demand; the increasing protection barriers; and the potential risks from public debt, financial, monetary, banking and real estate markets in some countries.

Vietnam’s economy has maintained its growth momentum and become a bright spot in the “gray picture” of the global economy, despite the challenges posed by the COVID-19 pandemic. The economy has achieved macroeconomic stability, low inflation, improved sovereign credit ratings and international position. In the first eight months of 2023, FDI capital, public investment and services showed positive growth. Total retail revenue of consumer goods and services increased by 10% in the eight-month period. International visitor arrivals were expected to surpass the yearly target (8 million visitors) soon. Some key industrial areas recovered or maintained high growth, led by Hai Phong, Bac Ninh and Ho Chi Minh City.

However, the economy still faced numerous difficulties and challenges. The economic growth rate was only 3.72% in the first six months of 2023, close to the lowest growth in 12 years, putting

pressure on GDP growth for the rest of the year. It was extremely difficult for Vietnam to achieve the growth target set for 2023, the 5-year period from 2021 to 2025 and the 10-year strategic period from 2021 to 2030. Many of the key growth drivers of the economy in the first eight months of 2023 showed signs of slowing down, even declining, and faced great external pressures. In particular, merchandise exports continued to drop, down 10% year on year in the first eight months of the year, the largest decline in 12 years. Many key exports, especially phones, electronic components, footwear, apparel and wooden furniture, continued to fall sharply. Major export markets such as China, the U.S., ASEAN, South Korea, the EU and Japan either decreased or increased slightly. The trade surplus widened as imported inputs plummeted, indicating the slowing demand for domestic production inputs. In addition to a sharp drop in world demand, logistics costs and other costs (e.g. labor and inputs) of Vietnam remained high. The slow greening process in some fields made Vietnam's exports less competitive than other countries, for example textile and garment products. Meanwhile, the economic production capacity was still low, dependent on the import demand for most of the technology, machinery, equipment, components and input materials for production.

The FDI sector plays a significant role in the economy, contributing about 20% of the GDP and accounting for nearly 74% of the total export value. However, FDI inflows are not stable. Registered FDI capital decreased in the first six months of 2023 despite a rebound from large projects from South Korea and Singapore. Attracting FDI is challenging, especially for large-scale, high-tech projects that have high impacts on socioeconomic development. Imports of the FDI sector are shrinking, indicating weak linkages and capacity of domestic production.

Public investment is regarded as an important driver for economic growth in 2023. However, public investment capital disbursement has not met expectations nor created spillover effects on private investment. It has not acted as a key factor in stimulating economic growth. The industrial and construction sectors are no longer the main sources of growth for the economy, in which the manufacturing and processing sector used to be the engine of growth for many years, but it is now declining.

Domestic consumption recovery is not consistent. The service sector currently contributes 79% to GDP growth, becoming one of the most important drivers of growth in 2023. Several service support policies were introduced at the beginning of the year, including interest rate cuts, 2% VAT reduction for some items and base salary increases. Total retail revenue of consumer services maintained growth momentum in the first eight months but signs of slowing down have been observed. The domestic market has not been exploited effectively, with the corporate bond market and the real estate market facing potential risks and difficulties.



The speakers at the Vietnam Socioeconomic Forum 2023

Maintaining macroeconomic stability and ensuring major balances

Mr. Nguyen Xuan Thang, Politburo member, Director of the Ho Chi Minh National Academy of Politics, and Chairman of the Central Theoretical Council, stressed the importance of maintaining macroeconomic stability and ensuring major balances as a foundation and a condition for the Vietnamese economy to preserve its development achievements, enhance internal capacity and create sustainable growth momentum. He noted that Vietnam, as a highly open economy, has faced many “headwinds” that have changed directions and produced strong external effects for nearly a year, resulting in great pressures on inflation and exchange rates as well as risks of market contraction, supply chain disruption, labor disruption and price fluctuations of strategic commodities.

He suggested that finding practical, feasible and innovative solutions to restore important growth drivers of the economy was necessary to determine the growth scenario in the future. In particular, he emphasized the need to fully evaluate and actively restore domestic consumption. He recognized that some people were still living in hardship, especially redundant workers or residents in regions affected by extreme weather events, natural disasters, storms and floods, even as the pandemic has passed. He also observed that the post-pandemic pent-up demand for consumer goods and services (such as tourism) of the middle class has slowed down as consumers have cautiously balanced their spending amid the stagnant real estate market and the declining stock market.

He recommended that accelerating the recovery of the stock market, bond market and real estate market should be done to generate spillover effects, create positive signals and restore consumer and investor confidence. He argued that confidence ultimately determined how the financial and banking system controlled risks and stabilized the market in sensitive times, not administrative regulations. He added that strengthening the market should be accompanied by creating a favorable and fair environment to encourage all economic entities to participate in healthy production, business and competition.

He highlighted the need to revive investment inflows. He noted that the investment fund from all economic sectors





Mr. DAO MINH TU

PERMANENT DEPUTY GOVERNOR OF THE STATE BANK OF VIETNAM



Monetary policy management has never been as challenging as it is now. Monetary policies of other countries in the world have influenced Vietnam's monetary policy management, especially after two years of the COVID-19 pandemic and the global production situations.

Interest rate management is the most difficult task in the banking and monetary sectors. Following the direction of the Government and the actual economic situation, the State Bank of Vietnam implemented four policy rate cuts while providing room and liquidity for the market and the economy, especially liquidity for credit institutions to offer low-interest rates.

Credit growth limits are a tool to regulate the economy and generally control credit growth to curb inflation. In 2023, the SBV has significantly expanded and signaled available credit for more businesses. In the coming time, the SBV will continue to maintain such an operating stance. Therefore, it is necessary to find a balance between interest rates and exchange rates and manage them strictly and reasonably. This is also the success of the SBV, to stabilize exchange rates and interest rates to control inflation.

Mr. JOCHEN SCHMITTMANN

RESIDENT REPRESENTATIVE OF THE INTERNATIONAL MONETARY FUND (IMF) IN VIETNAM

The COVID-19 pandemic ended and energy prices and food prices dropped significantly. However, according to IMF forecasts, policy tightening of central banks has affected many economic sectors.

Vietnam's GDP growth slowed to 3.7% in the first months of 2023 but it may recover in the coming time, especially with increased exports and positive signals from the real estate market. However, Vietnam will continue to face disruptions in the global supply chain. Reduced demand for commodities has impacted markets, including the labor market. Therefore, Vietnam needs to have appropriate response solutions, with

increased in the first half of 2023, with the public investment fund rising the most while the private and FDI investment fund grew much lower than that in the same period of 2022. He pointed out that the public investment disbursement was still very slow despite the availability of funds. The slow public investment has created chain reactions that have restrained private investment.

Moreover, he suggested that fiscal policy should be



tighter monetary policies in the near future.

Vietnam needs to implement suitable macro policies to maintain the stability of the financial system. In particular, the State Bank of Vietnam must be very prudent about financial policies, interest rates and the interbank market.

At the same time, Vietnam needs

to strengthen policy enforcement and clear public investment bottlenecks, especially in land use. Specifically, it is necessary to regain the confidence of both foreign and domestic investors in Vietnam; strengthen business restructuring mechanisms; build a framework for business liquidation and debt settlement measures without going to court.

The next important thing is to have stable and consistent investment laws. To enhance business confidence, it is necessary to invest in electricity and infrastructure, reduce taxes and business costs, and improve governance and application of national databases.

Dr. TRAN DINH THIEN

FORMER CHAIRMAN OF THE VIETNAM INSTITUTE OF ECONOMICS

The Vietnamese economy faces major challenges in maintaining its growth momentum. The economy has suffered from a long-term decline of its growth drivers and contradictions in its development process:

Enterprises are resilient and enduring but slow to grow and hard to mature; the economy is "thirsty for capital" but hardly absorbs it; GDP growth is high but inflation is low; and inflation is low but interest rates are high. These obstacles prevent resources from being transformed into "driving forces for development", resulting in a weak, vulnerable and unsustainable economy.

To unlock resources in the market economy, it is necessary to



prioritized, along with targeted monetary and fiscal policies to direct capital flows into major infrastructure projects, national target programs, industries and fields that are likely to recover and develop soon and lead the economy. He also urged to aggressively remove difficulties and restore production and business operations of enterprises. He stressed the importance of effectively implementing these policies and solutions.

limit the resource allocation based on “give and take” and administrative etiquette; and prioritize the development of markets, especially “input” markets, to establish a market-based competitive distribution of resources. The more synchronized the input markets are, the more effective the development is.

Besides, it is necessary to ensure smooth infrastructure, open mechanisms and smart operation. These are principled conclusions but they are, in fact, directly aimed at solving core problems of the Vietnamese economy in terms of creating motivation and unleashing development capacity.

It is well-founded to judge that the key issue of Vietnam’s economy today is how to unlock resources to create a new strong driver for growth and development. To solve that task, the main priority is to develop markets in the right direction and in the right way; and build a smart, market-based and responsible development administration.

Mr. DAU ANH TUAN

DEPUTY GENERAL SECRETARY, DIRECTOR OF LEGAL DEPARTMENT,
VIETNAM CHAMBER OF COMMERCE AND INDUSTRY (VCCI)

Vietnamese businesses face various barriers and difficulties in their development. The quality of infrastructure is improving but it has not yet met the economic development needs. Vietnam ranks low in overall infrastructure quality, roads, ports, air transport, and electricity supply compared to China, India, Indonesia, Malaysia or Thailand.

Furthermore, access to basic production and business resources is not very convenient. Labor quality, access to land and informal charges are other challenges for many companies.

Moreover, high production and business costs reduce competitiveness and capital accumulation of the Vietnamese economy compared to other countries in the region, especially in attracting investment and creating jobs.

Legal quality and enforcement need to be further improved. Businesses suggested some solutions to enhance legal quality and predictability such as increasing consultations and feedback, especially for circulars, master plans and detailed plans. Non-retroactivity principle should be applied more widely, especially to investment projects and constructions that started before new regulations were enforced.

Notably, domestic manufacturers have not developed strongly and lack effective support mechanisms. Domestic private companies are still at a disadvantage compared to transnational firms. State agencies require Vietnamese businesses to comply strictly with regulations on online services while cross-border service providers do not meet these regulations. This creates inequality in business, and causes domestic companies to incur increased costs, prolonged time, and added effort to do business.



Ms. LE HONG THUY TIEN

GENERAL DIRECTOR OF IMEX PAN PACIFIC GROUP

Vietnamese businesses faced various difficulties in 2021-2022, such as disrupted supply chains, social distancing, high inflation, increased gasoline prices and increased transportation costs.

In 2023, they also suffered from slowing global trade growth, mass order cancellations and declined sales. Therefore, they need breakthrough mechanisms and policies to strengthen internal resources and overcome hardships.

In response to this situation, they want to have specific solutions on tax, finance, and interest support policies for different groups of businesses. Independent agencies are needed to evaluate business support to make more effective adjustments. At the same time, it is important to remove barriers for businesses, review unworkable regulations and avoid setting higher standards than the region or the world or higher than reality to prevent wasting corporate resources.

Regarding tourism development policies, there is a need to consider special policies on tourism stimulus such as applying trade policies in non-tariff zones, building and setting up discount sales centers in non-tariff zones and duty-free shops along the street, and allowing the “dual price” policy on duty-free goods.

Regarding policies for financial centers, there are many benefits of establishing financial centers in Vietnam such as attracting capital funds and developing related industries. Therefore, a related policy is recommended to enable Ho Chi Minh City to launch a financial center. It is not that businesses want to “grow slowly” but the lack of sustained strategic policies and mechanisms hinder genuine companies from investing in research and learning ways to grow and mature steadily.



Dr. TO TRUNG THANH

NATIONAL ECONOMICS UNIVERSITY

Administrative procedures and access to support packages are one of the biggest obstacles for businesses today. Therefore, it is necessary to reform, transparently handle subjects and reduce procedures to facilitate access to the support package for enterprises.

To provide the support policy for companies in need, the policy needs to be rationalized and refined in both subjects and scale. Small and medium-sized enterprises (SMEs) face difficulties in accessing support. They have a small business scale, low accounting standards and few collateral assets. On the other hand, banks cannot lower their credit standards. Therefore, specific solutions are needed for SMEs. Regarding industries, because the policy room is being gradually narrowed, it is necessary to focus policies on pervasive industries to use resources effectively. ■

VIETNAMESE BUSINESSES

NAVIGATING CHALLENGES, CAPITALIZING ON OPPORTUNITIES, AND EMBRACING NEW TRENDS

Vietnamese businesses have demonstrated remarkable resilience in the face of the COVID-19 pandemic, unfavorable external environment, and internal economic issues. Despite these challenges, they have managed to overcome difficulties, seize opportunities, and keep up with new trends to not only survive but also create competitive advantages in both domestic and international markets. To learn more about this, our reporter has interviewed **Dr. Vo Tri Thanh**, Director of the Institute for Brand and Competitiveness Strategy (BCSI).

THU HA



How do you evaluate the role and competitiveness of Vietnamese businesses today?

After nearly 40 years of Doi Moi (renovation), the Vietnamese entrepreneur force has grown steadily in both scale and quality to play a more significant role and make bigger contributions to the country's socioeconomic development. Not only increasing rapidly in number, many Vietnamese enterprises and entrepreneurs have achieved breakthroughs in corporate governance, production and business to establish powerful private firms of the world-class and lead many key industries and fields such as agriculture, automobile manufacturing, aviation and information technology. Moreover, entrepreneurs support job creation, social security, hunger eradication, poverty reduction and economic competitiveness enhancement.

However, in general, the development of Vietnamese enterprises has not met the expectations. They are struggling to advance further and their competitiveness is low. There are too few companies with strong capacity, global status, and influential leadership. This reality is attributed to various factors such as the overall environment, their internal capacity (weak governance, finance, resources and technology) and cultural factors as well.

What solutions are required to improve their competitiveness to meet current demands?

This is a very challenging time. The COVID-19 pandemic, global political uncertainties and economic decline, along with

unfavorable access to resources and financial and monetary tightening, are testing the caliber of entrepreneurs.

To overcome difficulties and improve competitiveness, Vietnamese companies need to proactively “defend” themselves by mastering risk management, cash flows and resources. They also need to strive to overcome difficulties to survive, seize opportunities and keep up with new trends.

Not only during COVID-19 but also in the present time, many companies have tried to closely monitor market developments, adapt flexibly to new contexts to create products and access the market. They have also reduced costs and especially changed internal governance methods and partner and customer interaction and connection methods. Remarkably, while addressing hardships, they have started to catch up with new trends.

Many companies that understand the value of green transformation and digital transformation have gradually developed new business models and new products. This is an inevitable trend as well as a market requirement.

However, companies do not separately address difficulties, capture opportunities and keep up with new trends but they must integrate all three factors simultaneously. This also poses many challenges, requiring their efforts to build a management foundation and develop human resources with better skills and management quality to enhance competitiveness.

Besides, the Government and other authorities play a

crucial role. What is your opinion on this?

The government has introduced many direct business support solutions with such messages as “Enabling Government” and “Harmonized benefits, shared risks”. However, the issue is how to implement these policies more quickly, effectively, successfully and transparently.

This is also a demand from businesses and governmental agencies. In fact, to improve business competitiveness, Vietnam has made efforts to diversify markets, sign free trade agreements (FTAs) and promote human resource training. Additionally, the country has further improved the business investment environment and legal framework.

However, the market with new rules requires the government to have stronger institutional changes, especially those relating to innovation, digital economy and digital transformation. This is very challenging. For instance, digital economy alone requires changes and improvements in digital data and digital infrastructure. Or investment attraction also requires policy changes on green infrastructure, green energy and how to attract experts and talented people.

Vietnam is increasingly participating more deeply in the global supply chain. To leverage their advantages, what should Vietnamese businesses focus on?

In the development process where domestic reform is aligned with international integration, there are many signals that indicate the participation and gradual growth of Vietnamese businesses in global supply chains and value chains.

However, as known, the capacity and competitiveness of Vietnamese enterprises is currently quite low. They are mainly engaged in assembling and processing stages, with low added values. This is understandable for a developing country that mainly relies on inherent comparative advantages such as natural resources and human resources. The issue is not to prolong that process too much.

We talk a lot about productivity, quality, technology, Industry 4.0 and digital transformation but the core still lies in three following issues: First, the supply chain is very closely linked to trade, investment and movement of different resources. The government plays a vital role in creating a favorable environment for businesses. Vietnam has integrated deeply with the world's leading partners and markets. This is an opportunity and Vietnamese businesses are encouraged to “learn how to play with people who are better or who are the best” to learn, improve competitiveness and gradually increase the value that they can create.

Second, in a difficult and uncertain context, the risk of supply chain disruption is always imminent. Once

again, risk management, diversification and market adaptation are very important.

Last but not least, every entrepreneur and every business need to have a timely plan to stay ahead of new trends and build their reputation and brand. Digital transformation, scientific and technological application, innovation and personnel quality need to be enhanced. And, the special focus is building culture - the corporate gene and the foundation to ensure their sustainable development.

Vietnam is certainly attractive to investors. That advantage is expressed through reform efforts, integration methods and FTA entries. This is business. By capturing opportunities, companies not only develop and enhance their brand and competitiveness but also help realize the aspiration for a green, powerful and prosperous Vietnam by 2045.

Thank you very much!

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The way to develop each business individually and improve the competitiveness of the entire business community collectively is to utilize the solutions of the state, the social community and the businesses themselves effectively.

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Businesses need to accelerate digital transformation, apply scientific and technological innovations, and enhance human capital quality

Vietnam Exports Bounce Back After Hitting the Bottom

Vietnam's export sector has shown positive growth, particularly the export of key products such as rice, footwear, textiles and seafood.

GIA HUY

According to preliminary statistics from the General Department of Customs, the country's import-export turnover in August 2023 reached US\$62.08 billion, an increase of 8.8% compared to the previous month (equivalent to US\$5.01 billion). Of this amount, exports accounted for US\$32.76 billion, up 9%, while imports reached US\$29.32 billion, up 8.6%.

This indicates that after nearly a year of challenges, Vietnam's export situation has started to improve, especially for rice, footwear, textiles and seafood - items that contribute significantly to the country's total export turnover.

Rice exports rise amid global fluctuations

Vietnam's rice export turnover witnessed a remarkable increase in the first seven months of 2023 compared to the same period in 2022. In 2022, Vietnam's rice export turnover amounted to US\$3.17 billion and ranked 18th among 21 items that each exceeded US\$3 billion. However, in the first seven months of this year, rice climbed to 13th among 30 items that each surpassed US\$1 billion.

According to the Ministry of Agriculture and Rural Development, Vietnam exported nearly 5.9 million tons of rice in the first eight months of 2023, up by 22% compared to the same period in 2022. This resulted in a turnover of US\$3.17 billion, an increase of 36.1%. The largest buyers of Vietnamese rice were the Philippines, China and Indonesia.

The world rice market is expected to continue to fluctuate upward, as some countries have imposed export restrictions amid the global food situation. Specifically, on July 20, India banned the export of non-basmati white rice, which accounts for nearly half of India's rice exports and about 17% of the world's total rice exports. On August 25, India further announced the



The prospects for Vietnamese seafood exports are more positive in the last months of 2023

application of a 20% tax on parboiled rice exports and extended the measure to all non-basmati rice (accounting for 25% of India's total rice exports) until October 16.

These measures were taken by India to control the rise in rice prices and ensure sufficient supply for its domestic market. However, this may reduce India's rice exports and cause global rice prices to increase further. This indirectly benefits Vietnam's rice export price. According to the Vietnam Food Association, the global market demand for Vietnamese rice will increase by at least more than one million tons in 2023, compared to the annual average. Therefore, the market situation remains highly positive from now until the end of the year.

Leather, footwear and garment-textile exports surpass the "bottom"

The garment-textile industry faced many difficulties in the first eight months of 2023. According to the General Department of Customs, Vietnam's garment-textile export turnover during this period reached only US\$22.5 billion, down 14.4% from the same period last year. Exports to key markets declined, with the U.S. market registering US\$10 billion (a reduction of 22.4%), the EU market reaching US\$2.66 billion (a fall of 11.9%), and the Korean market attaining US\$2.08 billion (a decrease of 3%).

However, there are signs of recovery and many good growth opportunities for the textile industry. For example, export turnover to the Japanese market reached US\$2.58 billion in the first eight months of this year, up by 1.7% compared to the same period last year. Textile export turnover in August 2023 reached US\$3.4 billion, which is the highest in the last eleven months and an increase of 5.5%. Moreover, this is the fourth consecutive month that export turnover has increased compared to the previous month.

(from P.12)

In particular, exports to the U.S. have shown signs of recovery with export turnover in August 2023 reaching US\$1.5 billion, up by 2.3% compared to the previous month.

Mr. Than Duc Viet, General Director of Garment 10 Corporation, stated that 2023 has been a challenging year for Vietnam's textile and garment industry. Businesses have faced a shortage of orders throughout the first eight months of the year. However, the textile and garment industry is gradually recovering.

Fisheries industry displays positive signs of recovery

According to the Vietnam Association of Seafood Exporters and Producers (VASEP), Vietnam's seafood exports accumulated to US\$5.79 billion in the first eight months of 2023, down by 24% compared to the same period last year. However, when compared to the same period in 2020 and 2021, this figure increased by 11.2% and 4.1%, respectively. Seafood export turnover in August 2023 is estimated to reach US\$846 million. While this is still 15% lower than August 2022, it is the lowest negative growth in the past six months and sales were much higher than in previous months. This indicates that the market will be more positive in the last months of 2023.

In August 2023, exports of pangasius recorded the lowest plunge in the last six months. By the end of August, Vietnam had achieved nearly US\$1.2 billion from shipping pangasius, down by 34% year-on-year.

Shrimp products have not yet achieved a breakthrough in exports, but sales in the last three months have been significantly higher than in the first months of the year. The U.S. market has demonstrated positive signs, as sales have grown steadily over the months. Shrimp exports to the United States reversed the negative trend of the first six months of the year and registered the first positive growth of 14% in July. Similarly, shrimp exports to China recorded the second consecutive month of positive growth in July, reducing the decline in shrimp exports to this market in seven months to about 9%.

In contrast to shrimp and pangasius, exports of wild-caught seafood products declined moderately, down 15% from the same period last year and maintaining stable monthly sales. The largest seafood consumption market was Japan, accounting for 28.5%, followed by the U.S. with 15%, Korea with 11%, and the EU with 9%.

Tuna products exported to Korea showed a remarkable increase in the first seven months of 2023. According to the statistics, tuna exports to this market rose by 150% compared to the same period in 2022, reaching over US\$7 million. This indicates strong demand for tuna products in Korea and a competitive advantage for Vietnamese exporters.

According to VASEP, Vietnam's seafood export market will experience a more favorable outlook in the final months of 2023, as seafood demand will rise, especially during the festive season of Christmas and New Year. ■

its farms and dairies in Nghe An province have been certified as carbon neutral according to PAS2060:2014 standards. This recognition reflects the corporation's commitment to reducing greenhouse gas emissions and contributing to its Net Zero goal. PNJ, a jewelry company, has been committed to sustainable development for many years and has been a pioneer in the field of Environmental, Social, and Governance (ESG) practices. Despite the challenges posed by the COVID-19 pandemic, PNJ has not only survived but also exceeded expectations by demonstrating remarkable resilience and recovery. This can be attributed to its sustainable business practices. Traphaco, on the other hand, has adopted an inclusive business model and has made systematic and sustainable efforts to develop its raw material supply chain. This has ensured stable production and business activities, thereby creating a strong foundation for long-term growth.

To support and promote the business community in Vietnam in practicing sustainable business more effectively in the future, VCCI and VBCSD will continue to focus on key activities. Firstly, they will put forth policy recommendations and advocate for the business community to the government. This will help create a consistent legal framework that aligns with international practices, enabling businesses to transition to low-emission and circular economic models. Government policies should be predictable and in line with international standards to instill confidence in enterprises regarding investment and development. Secondly, they will foster communication, raise awareness, and provide training to businesses. The aim is to shift their mindset from doing business "for profit" to doing business "for nature". Lastly, they will promote and enhance the capacity of businesses in three strategic areas: transitioning to the circular economy, adopting the ESG framework and sustainable corporate governance practices, and building sustainable supply chains. Given limited resources, it is crucial for Vietnamese companies to identify and focus on strategic directions that can expedite their transformation in the "green race".

VCCI hopes that these activities will be more motivational and practical for businesses striving for sustainable development. Additionally, VCCI aims to collaborate with enterprises and entrepreneurs to achieve ambitious sustainable development goals. It is believed that with the cooperation and cohesion of the Vietnamese business community, encompassing thinking, awareness and action guided by entrepreneurial ethics and sustainable business culture, Vietnamese companies will collectively "move forward sustainably". ■



The General Department of Vietnam Customs (GDC) has offered much support to help businesses, especially regular exporters and importers with a large number of tax declarations, in complying with their tax obligations

CUSTOMS SUPPORTS BUSINESSES THROUGH COLLECTION SYSTEM

The General Department of Vietnam Customs (GDC) has recently upgraded its 24/7 electronic tax payment form and launched a business-authorized electronic tax payment program (debt deduction authorization) to assist businesses, particularly regular exporters and importers with a large number of tax declarations, in fulfilling their tax obligations

HIEN PHUC

Businesses receive a lot of benefits

The Import-Export Tax Bureau official at GDC emphasized the benefits of the electronic tax collection program, stating that businesses who register their participation with customs authorities and authorize debt deduction with banks at their service will not need to perform any other operations for tax payment, liquidity, and debt deduction. These processes are conducted automatically, quickly, securely, and accurately. The business community has responded positively to these benefits. The conditions for participation in the program are stated in Official Dispatch No. 7330/TCHQ-TXNK dated November 25, 2019 of the General Department of Customs.

Seven years ago, GDC launched the 24/7 electronic tax payment and customs clearance form to modernize state budget collection and add more payment channels to facilitate taxpayers. This form

allows tax payment anytime, anywhere, by any means. This helps reduce cash payments while ensuring timely and accurate payment information and shortening tax payment time. At the same time, goods are cleared through customs immediately after tax is paid, reducing the time to complete customs procedures for imported and exported goods to the average level of the ASEAN-4 group of countries

GDC has recently upgraded its 24/7 electronic tax payment form and launched a business-authorized electronic tax payment program (debt deduction authorization) to assist businesses, particularly regular importers and exporters with a large number of tax declarations, in fulfilling their tax obligations. This program allows companies to avoid paying taxes themselves, as customs offices will send declaration information and authorized banks will automatically pay such taxes on their behalf.

Currently, the customs sector is reportedly applying three forms of tax payment at the same time: tax payment at banks that cooperate with tax authorities to collect tax, 24/7 electronic tax payment and customs clearance, and business-authorized electronic tax collection (debt deduction authorization). Taxpayers can choose one of the above tax payment methods to fulfill their tax payment obligation to the state budget.

At present, seven banks have joined the business-authorized tax collection program, including Vietcombank, Vietinbank, BIDV, TPBank, VPBank, MBBank and Techcombank.

Customs authorities enhance tax collection efficiency

The Import-Export Tax Bureau has stated that, with

this program, customs authorities will immediately transfer information on the tax amount payable for each declaration to the banks where companies authorized debt deduction, with the amount and deadline of payment stated, after-tax debt declarations are filed. This tax payment method saves companies time and money.

Regarding management, customs authorities have changed from passively waiting for businesses to transfer tax payments to actively transferring payment requests to banks for tax payments. Thus, this process is shorter than the 24/7 electronic tax payment. For smooth implementation, GDC has requested joining banks to arrange specialized officers to answer complaints from enterprises.

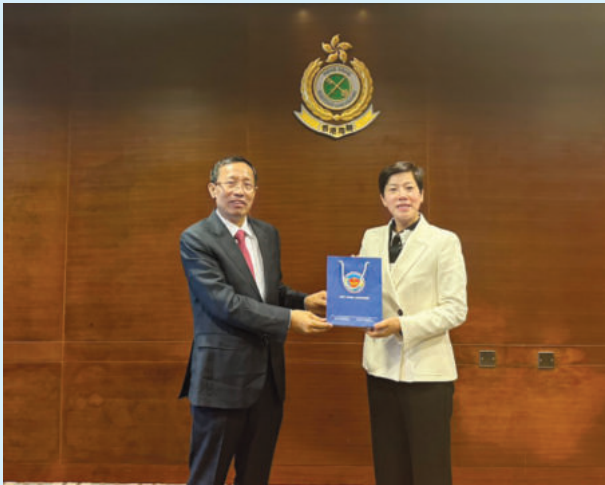
In the coming time, the customs sector will continue to apply Industry 4.0 achievements to develop modern payment services, apply advanced technologies, business models and digital solutions to diversify payment products and services on digital platforms to collect taxes for the State Budget, connect payment service providers and payment intermediaries to carry out Decision No. 1813/QĐ-TTg dated October 28, 2021 of the Prime Minister on ratification of the noncash payment development project in Vietnam in 2021-2025.

Currently, infrastructure and technology for noncash payments are always developed by payment intermediary service providers, especially electronic payments, with improved quality to better meet the increasing payment needs. On that basis, GDC plans to deploy tax payments through intermediary payment service providers to provide more forms of payment for taxpayers in the near future. ■



Seven banks have participated in the business-authorized tax collection program, namely Vietcombank, Vietinbank, BIDV, TPBank, VPBank, MBBank and Techcombank

Vietnam, Hong Kong (China) Join Forces to Combat Smuggling



General Director Nguyen Van Can and Ms. Louise Ho Pui-shan, Commissioner of Hong Kong Customs and Excise Department

The General Director of the General Department of Vietnam Customs, Nguyen Van Can, recently led a delegation to visit and work with the Hong Kong Customs and Excise Department to strengthen cooperation in preventing and combating trafficking, smuggling and trade fraud.

HIEN PHUC

The official meeting between General Director Nguyen Van Can and Ms. Louise Ho Pui-shan, Commissioner of Hong Kong Customs and Excise Department, focused on enhancing their effective cooperation in accordance with the Cooperation Agreement on Mutual Administrative Support in Customs Matters. This agreement was signed by the General Department of Vietnam Customs and the Hong Kong Customs and Excise Department on June 28, 2013.

The two sides agreed on specific professional cooperation and defined key directions for upcoming cooperation. In particular, the two sides will focus on improving their effective cooperation in drug prevention and combat by concretizing information exchanges about suspected subjects, routes, shipments and arrests. This will support each side in investigations to promptly and remotely detect organized, transnational drug crimes.

They also determined to improve cooperation mechanisms in preventing and combating violations of international conventions to which both sides are members such as CITES, illegal transportation of tobacco, and violations of intellectual property enforcement and other customs violations. Accordingly, the two sides agreed to establish contacts in these areas to promptly inform each other and enhance control effectiveness.

The two sides agreed to continue to actively and effectively participate in the Operation Mekong Dragon jointly initiated by Vietnam Customs and China Customs in the fight against illegal transportation of narcotics, wild animals and plants, in regional and interregional matters to further concretize coordinated action in joint control activities as stated in the joint statement reached by the two sides' leaders.



The Vietnamese delegation at a working session with the Hong Kong Customs and Excise Department



The press conference on the 2023 WCO Technology Conference and Exhibition

Vietnam to Host World Customs Event for the First Time

The General Department of Vietnam Customs (GDC) and the World Customs Organization (WCO) will jointly organize the 2023 WCO Technology Conference and Exhibition in Hanoi from October 10-12.

The event, with the theme “Embracing the Digital Age: Leveraging Technology, Fostering Innovation, and Nurturing the Next Generation of Customs Professionals,” is the largest annual WCO event and will take place at the National Convention Center, Hanoi.

The event consists of two components: Conference and exhibition. The conference includes plenary sessions and thematic breakout sessions on technology strategies and applications to address global trade challenges; enhance resilience and continuity of customs operations in the digital era; and ensure cybersecurity and disaster recovery. Moreover, the event will feature a breakout session on how artificial intelligence (AI) supports customs authorities to use big data for better risk management and trade facilitation, and a session on new customs support technologies in cyber security and cargo screening.

The event’s featured speakers are leaders and experts from various customs agencies around the world, including WCO members and developed countries such as the U.S., Australia, the Netherlands, the UK and Japan. The event will also showcase specialists from multinational tech solution corporations such as S2 Global, Leidos, Webb Fontaine, Microsoft, Ultra Global, Crimson Logic PTE Ltd, GUUD International Pte Ltd and GTS.

At the same time, the two customs leaders agreed to enhance their effective cooperation and strengthen control capacity through technical support, seminars, and training on information collection, analysis, and investigation techniques in the coming time. During the working visit, the Vietnam Customs delegation visited and worked at

The Vietnamese side will participate in a session on technologically facilitated trade in the digital era. The session will discuss how innovation and technology can support customs and regulatory border agencies to perform tasks and achieve better, more transparent outcomes and increase cooperation between relevant agencies.

Vietnam will also attend a thematic session on “Green Customs for Sustainable Future: Innovative Solutions for Trade and Border Management”. This session will explore topics such as green logistics, sustainable packaging, circular supply chains or solutions to enhance environmental compliance control and solutions to reduce carbon emissions in customs operations.

The exhibition will showcase booths for companies to introduce new customs-related technologies such as AI-integrated screening technology, network security technology and blockchain technology.

Mr. Hoang Dinh Trung, Deputy Director of the International Cooperation Bureau under the GDC (Ministry of Finance), said that attendees will have the opportunity to learn, access and update customs technology development trends and technologically supported customs management solutions in a vivid and direct manner. This will help customs authorities seek solutions to apply modern technologies to enhance the management of imported and exported goods, thus boosting customs agency capacity and modernization.

“The event is also an opportunity for Vietnam to demonstrate its commitment to digital transformation and application of modern technology toward e-government and digital government,” he emphasized.

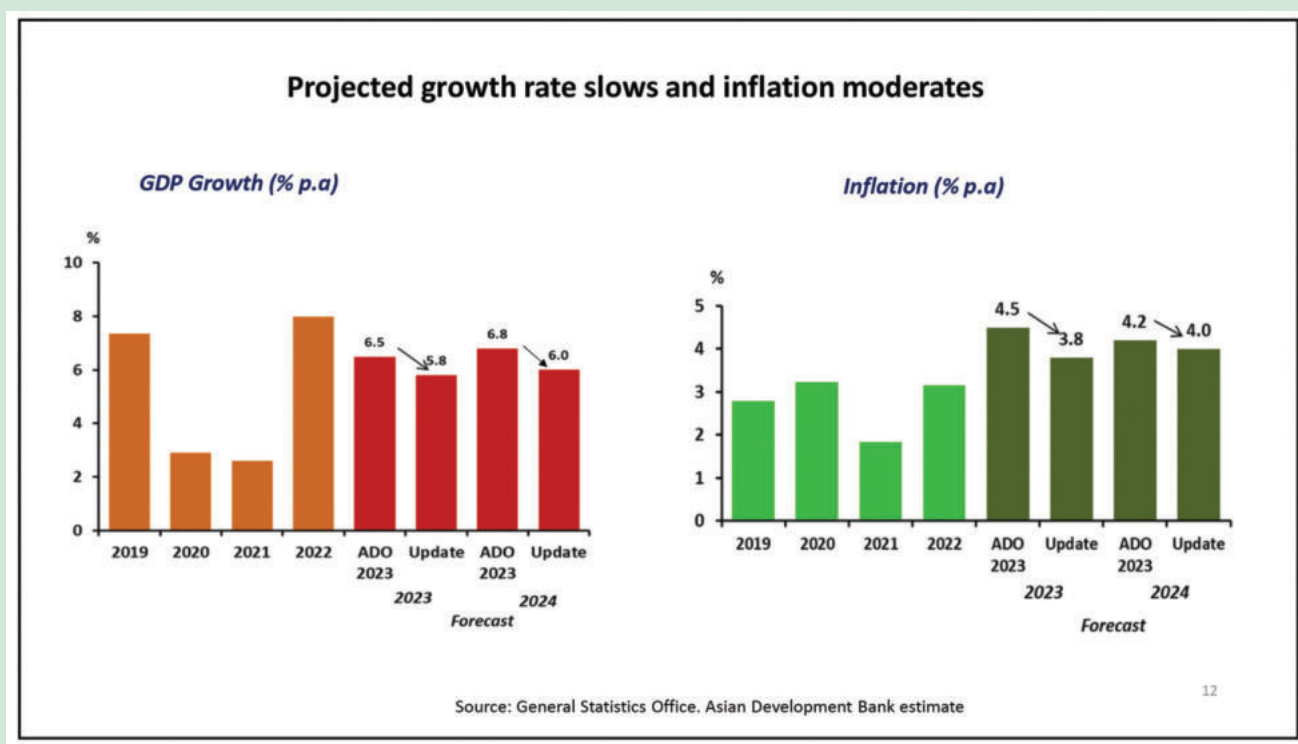
For Vietnamese technology firms, the event is an opportunity to exchange experiences, expand the network of connections with technology solutions providers in customs and international trade fields, and seek cooperation opportunities with global partners.

The World Customs Organization (WCO) is an independent intergovernmental body tasked to enhance the performance of customs administration. Last year, the WCO Technology Conference and Exhibition was held in the Netherlands with dozens of countries participating and hundreds of businesses introducing new technologies that helped modernize customs authorities.

Hien Phuc

Kwai Chung Seaport and Hong Kong International Airport on the control and prevention of drug trafficking, illegal transportation, and smuggling on sea and air routes. This visit aimed to provide a mechanism for cooperation and coordination in timely information sharing in control activities. ■

VIETNAM ECONOMIC RECOVERY PROJECTED



The Asian Development Bank (ADB) lowered its projections for Vietnam's GDP growth from 6.5% to 5.8% in 2023 and from 6.8% to 6.0% in 2024, due to the impact of weak external demand on the economy.

ANH MAI

Its Asian Development Outlook (ADO) Report cites global economic slowdown, monetary tightening in some advanced economies and supply disruptions caused by rising global geopolitical tensions as the main factors affecting Vietnam's economic performance. Inflation forecasts for Vietnam have also been revised down from 4.5% to 3.8% in 2023 and from 4.2% to 4.0% in 2024.

External demand drags Vietnam's economic growth in the first half of 2023

Mr. Nguyen Ba Hung, ADB's Chief Economist, said that Vietnam's economic recovery was hampered by reduced external demand. Economic growth slowed to

3.7% in the first half of 2023, compared to 6.5% in the same period last year. However, domestic consumption remained strong, boosting the service sector by 6.3%, which contributed 2.7 percentage points to the overall growth. International visitors to Vietnam reached 7.8 million in the first eight months of 2023, increasing by 5.4 times compared to the same period in 2022.

On the other hand, export-oriented manufacturing industries suffered from weak external demand. The industrial production index declined by 0.4% in the first eight months of 2023, resulting in a large number of business closures. On average, each month, 15,600 companies exited the market and hundreds of thousands of workers lost their jobs. The industry and construction sectors grew by only 1.1% in the first half of 2023. However, the construction sector grew by 4.7%, higher than the 4.2% growth last year, as most COVID-19 travel restrictions were lifted. The agricultural sector maintained strong growth momentum, reaching 3.1%, thanks to increased agricultural activities after commodity prices rose.

Foreign direct investment (FDI) disbursement reached US\$10 billion in the first half of 2023, equal to the level of the same period last year. However, FDI capital commitments in the first half of 2023 were estimated at US\$13.4 billion, down 4.3% from the same period last year, due to geopolitical tensions and tightening global financial conditions. Weak external demand led to a decline in trade and overall growth.

Inflationary pressure eased slightly in the first eight

TO PICK UP IN NEAR TERM

months of the year, thanks to falling oil prices and stable exchange rates. Although overall inflation averaged 3.1% year-on-year, core inflation - which excludes food, energy and items whose prices are administered by the government - remained high at 4.6%. In response to low growth and moderate inflation, Vietnam's government pursued a pro-growth monetary policy. The State Bank of Vietnam reduced the policy interest rate four times consecutively starting from the end of the first quarter of 2023. However, credit demand remained weak, reflecting the difficulties of the real economy.

Vietnam's economy expected to bounce back quickly in the near future

Mr. Shantanu Chakraborty, ADB's Country Director for Vietnam, said that the sluggish external environment, especially the slow recovery in China, has adversely affected Vietnam's export-oriented manufacturing industries. However, he said that the economy is resilient and is expected to bounce back quickly in the near future, thanks to robust domestic consumption, supported by moderate inflation, faster disbursement of public investment and improved business activities.

Mr. Nguyen Ba Hung said that global demand is declining, affecting the manufacturing and processing industry in Vietnam, and lowering the growth prospects of related industries. He noted that the manufacturing Purchasing Managers Index (PMI) rose above 50 in August 2023 after five consecutive months of contraction, indicating a recovery in the consumption-based manufacturing industry. A reading above 50 signifies an expansion of the manufacturing sector compared to the previous month. He projected that the industry sector will grow by 7.0% in 2023. He also said that the construction sector will grow if large infrastructure projects are implemented as planned.

He added that other sectors are forecast to have good recovery. The service sector is expected to continue to grow, thanks to the revival of tourism after COVID-19. He said that retail sales increased by 7.6% year-on-year in August this year, helping the total sales in the first eight months of 2023 to increase by 10% over the same period. The agriculture sector will benefit from rising food prices, and the sector is forecast to grow by 3.2% in 2023.

On the demand side, Mr. Hung said that domestic

consumption will be supported by moderate inflation and continue to grow in the remaining months of the year. He said that public investment will be the main driving force for Vietnam's economic recovery and growth in 2023. He said that Vietnam's government is committed to disbursing about US\$30 billion this year. He reported that nearly 50% of the year's public investment disbursement plan has been implemented in the first eight months of 2023, up from 33% at the end of June 2023. He expected that the acceleration in public spending would stimulate demand in the remaining months of the year. He also said that foreign investment has shown signs of recovery despite the global economic downturn, with committed FDI capital as of August 2023 reaching US\$18.2 billion, up 8.2% over the same period last year. Disbursed FDI capital increased slightly by 1.3%, reaching US\$13.1 billion.

He said that weakening global demand will negatively affect the trade outlook in the remaining months of 2023 and 2024. However, he noted that exports in August 2023 showed signs of recovery with a value of US\$32.37 billion, up 7.7% compared to the previous month. He forecast that export-import growth would return to a modest level of 5.0% this year and next year, with the recovery of global demand.

However, he also warned that there are many risks to Vietnam's economic prospects. Domestically, he said that systemic problems in the disbursement of public investment capital and structural weaknesses of the economy are the main risks leading to a decline in growth. Externally, he said that a significant slowdown in global economic growth and a poor recovery in China could negatively affect Vietnam's exports, manufacturing activities and employment. He also said that high interest rates in the U.S. and Europe along with a stronger US dollar could make it more difficult to recover external demand, leading to a depreciation of the Dong exchange rate. ■



Global and regional overview

Promoting Resources for Economic Development and Innovation

The main objectives of economic management are to enhance labor productivity and to improve the quality of life of the people by managing the five resources of social and economic development (financial, natural, manufactured, human and social) in a sustainable manner. However, human and social resources are the only ones that can actively foster socioeconomic development and innovation. The effective management of these two resources is the key factor that distinguishes a developed country from a developing one.

Dr. DOAN DUY KHUONG

Human capital is the most valuable asset of any country in building its capacity. This resource refers to the labor productivity of an individual, which is inherited and developed through education and training as well as a conducive

social environment. Moreover, history has shown that humans are social beings. We have evolved to be social with various structures and institutions that form social resources. Social resources are defined as the competitive advantages derived from the way an individual interacts with others, including structures, institutions, networks and relationships (family, neighborhood, community, business, trade union, voluntary socio-political organization, legal/political system and others) that enable individuals to maintain and enhance their human capital in collaboration with others and to be more productive when working collectively than individually.

To promote the key resources effectively, it is essential to build and develop human and social capital to manage other resources efficiently. This was the reason why nearly 80 years ago, on October 13, 1945, more than a month after the National Day of Vietnam, President Ho Chi Minh wrote a letter to the Vietnamese industrialist and commercialist community: "...A prosperous national economy means the business of entrepreneurs is prosperous. Therefore, I hope that the industrialist and commercialist circle will try to advise industrialists and commercialists to quickly join the nation-saving industrialist and commercialist union and make investments that benefit the nation and the people." And this day, officially chosen as the Vietnam Entrepreneurs Day, aimed to highlight the important significance and role of entrepreneurs, enterprises, associations and federations of industry and trade as both a resource and a driving force in the country's socioeconomic development.

Global slump hits Vietnam's economy

The global economy is facing a bleak outlook, which affects Vietnam's economy in three aspects:

Macroeconomy: The economy remains stable, inflation is under control, national credit ratings and international position continue to improve. However, due to the global economic crisis caused by the Russia-Ukraine conflict, the superpower competition and the policy responses to inflation in other countries, especially the Fed rate hikes, Vietnam's economic growth in the first six months of 2023 was only 3.72%, close to the lowest in 12 years, putting immense pressure on the GDP growth prospect of this year. Achieving the growth target in 2023, the 5-year period from 2021 to 2025 and the 10-year strategic period from 2021 to 2030 becomes extremely challenging.

Business community: Corporate bankruptcies reached 15,600 cases in the first eight months of 2023. Moreover, the registered capital of newly established enterprises and



Businesses need to conduct research and participate in networks and alliances with national business associations such as VCCI and local and sectoral associations to leverage social resources

resumed enterprises also decreased by nearly 20% from a year earlier. Meanwhile, total liabilities of State-owned enterprises (SOEs) increased 6% from 2021 to more than VND1,980 trillion (US\$85 billion), equivalent to over half of their total assets. Their average debt-to-equity ratio is 1.09 times. These data indicate that the Vietnamese business community, including SOEs, is encountering many difficulties. Furthermore, in reality, the scale of newly established enterprises has tended to shrink.

Productivity: According to statistics, Vietnam's labor productivity lags behind the region. In 2022, it was only a quarter of South Korea, nearly two-thirds of China and about two-thirds of Thailand. The situation was attributed not only to labor training, but also to slow changes in institutions and structures of Vietnamese social capital sources.

Today's rapidly changing world with new regional and global strategic connection initiatives, along with the fact that Vietnam is now an active member of multilateral economic cooperation organizations such as ASEAN, RCEP and IPEF and has bilateral comprehensive strategic partnerships with the three largest members of the United Nations Security Council (China, Russia and the United States), requires us to employ the most capable people to take advantage of new development opportunities because human resources are the greatest asset of every organization and country. However, simply having the best talent is not enough; it is necessary to ensure that individuals are positioned for optimal success. In other words, hiring the best people is only part of the solution. It is more important to promote the best values of people. Doing so requires unleashing human and social potential by actively building and innovating institutions and organizational structures, including three main elements: people, apparatus and mechanism - to effectively implement the organization's purposes in all three core criteria: cost, standards (technical, environmental and social) and progress.

Competition experts believe that, for developing countries, in addition to immediate socioeconomic development solutions and plans, it is equally important to focus research on construction and innovation strategy, combined with human and social resources development, because these are not only fundamental resources but also capital sources to foster and sustainably manage three remaining resources - environmental, financial and produced - towards a competitive society with increasingly improved labor productivity and quality of life of people.

Fostering enterprise participation and contribution to socioeconomic development

In that process, authorities proposed three notable contents and solutions to effectively utilize enterprises and their capital to actively promote socioeconomic development resources:

Entrepreneurs: The innovative and creative qualities of human capital demonstrated through four industrial revolutions, along with the invention of the market mechanism and the emergence of entrepreneurs have brought about a much more prosperous life and society than our ancestors. Therefore, the "settle-down" policy is a top priority for every country and a core foundation for developing human capital and entrepreneurs. Laws protect the basic needs of entrepreneurs such as production, business, study and personal security from threats like war, conflict, violence and unfair competition. In particular, ensuring trust in justice and law must be one of the core issues in business. Entrepreneurs whose goals are profit and

sustainable growth also need to have a strong belief in the connection of social resources in building a foundation for business ethics and rule of law to maximize personal productivity and achieve the highest business goals over time.

Enterprises: Private enterprises and SOEs need to be aware of new popular business models of the market economy such as joint stock enterprises and social enterprises, as seen in developed market economies. These models, despite being managerially complicated, will increase the financial resource as well as the social resource of enterprises in the long term. Therefore, it is necessary to consider the equitization policy as a basic strategy for development when the business scale will be one of its competitive advantages amid increasing consumer income and more expansive international economic integration.

Businesses need to research and join links and alliances in national business associations such as VCCI and local, sectoral associations to increase social resources. Nevertheless, to meet the actual needs of enterprises amid rapidly changing national and global economies, local and sector-specific business associations need to make changes and, especially in the near term, need to clearly define institutions and organizational structures by public law or private law model to position legal status and representative status to ensure transparent and effective operation and membership before the law.

Social capital development strategy: The 13th National Party Congress clearly defined reform directions and enhanced institutional quality, including institutions and structures of the business community, to perfect market economic institutions of our country.

Domestically, it is necessary to reform the public-private partnership (PPP) mechanism to improve the business environment for three core groups: Commerce, industrial production and banking. In government-business policy dialogues, it is necessary to build a cooperation mechanism with leaders in these three groups, led rotationally on an annual basis, to avoid interest groups, focusing investment on key economic sectors (limiting excessive investment in real estate) consistent with the development cycle of the market economy. In addition, it is important to research and improve the quality of the PPP model in infrastructure development (especially in transportation) as a joint-stock mechanism to enhance the effect of State-owned land use, and reduce State-funded capital and ODA funds to avoid the risk of increasing public debt for the economy and the risk of falling into middle-income trap.

Internationally, with favorable competitive advantages in regional supply chains and comprehensive strategic partnerships with the two largest economies (also high-tech centers and production bases of the world), Vietnamese businesses need to seize opportunities to foster innovations and creativity to develop prestigious product brands that go global to ensure sustainable economic development, thus creating a solid foundation to connect the Vietnamese business community with the international business community by establishing Vietchams in key markets to create new resources for the country in the digital age and high-tech age.

By actively unlocking resources for socioeconomic development through human and social resources development strategies, especially entrepreneurial resources and enterprise resources, in an effective and sustainable way, we will certainly make a practical contribution to commemorating the 80th anniversary of Vietnamese entrepreneurs and move toward a developed and thriving nation as we approach the golden centenary celebration of the first democratic state in ASEAN. ■

Enabling Vietnamese Businesses to Adopt ESG Strategies



Speakers at the seminar “Vietnamese Businesses and ESG Revolution”

Environmental, social and governance (ESG) factors have become increasingly important for businesses around the world, as they reflect their commitment to sustainability and responsible practices. However, many private businesses in Vietnam are still lagging behind in their ESG awareness and readiness, according to a recent report by PwC Vietnam. To address this gap, PwC Vietnam, in collaboration with Vietnam Young Entrepreneurs Association (VYEA) and Phuc Khang Corporation, organized a seminar on “Vietnamese businesses and ESG revolution” on September 29, 2023, in Ho Chi Minh City.

As the global paradigm shifts toward sustainability and responsible business practices, many countries, including Vietnam, have started the move to embrace ESG goals. This transition necessitates enterprises having the right perspective and taking proactive actions on their ESG journey.

However, PwC’s ESG Readiness Report on private businesses in Vietnam indicates an urgent need to enhance awareness of this matter, as 60% cite a lack of knowledge. Additionally, they are facing a significant gap when it comes to ESG governance and reporting, in comparison with the general state in Vietnam. 60% have an informal governance structure or no structure on ESG matters and only 29% establish well-defined ESG targets and metrics, while the country’s figures are 51% and 47%, respectively.

Leveraging inbuilt strengths to embark on the ESG journey

PwC’s report also highlights the imperative for ESG leadership within private businesses. Among those surveyed, 34% reveal that their Board is currently not engaged in ESG matters and 48% mention the absence of a clearly defined ESG leader within their organization. These figures surpass the national averages of 32% and 38%, respectively. On a positive note, PwC’s NextGen report shows a potential shift towards a greater ESG focus in the future, as the next generation takes on leadership roles. 68% of Vietnamese NextGens believe that they have a responsibility to combat climate change and 45% see an opportunity for private businesses to lead the way in sustainable practices. Additionally, 77% expect to be involved in increasing their business’s focus on investments for sustainability in the future, which strongly reflects their ESG ambitions.

“NextGens are considered one of the core catalysts that propel the growth of private businesses and they indeed play a key role in building the ESG narrative. With their innovative spirit and passion for sustainability, NextGens should be encouraged to take a leap forward and forge their own paths through upskilling and driving ESG initiatives. Moreover, compared to public listed companies, private businesses have more flexibility in their operational structure, which will help accelerate the decision-making process and the progress of integrating ESG principles,” said Johnathan Ooi, Entrepreneurial & Private Business Service Leader, PwC Vietnam.

Energy transition to be high on the agenda

Energy transition is of paramount importance in implementing ESG and is seen as making the largest contribution to reducing emissions towards the goal of NetZero by 2050. In this context, the seminar also discussed the barriers presented to businesses when investing in energy transition, one of which is the substantial upfront cost for renewable energy infrastructure and energy-efficient technologies. Smaller businesses may struggle to secure the necessary capital.

Energy transition can provide a competitive edge in the market and foster long-term value creation for businesses. This includes enhancing brand image and attracting investors who are increasingly interested in sustainable investments. Adopting green energy can also help businesses comply with relevant international and national regulations and avoid the costs of carbon emissions in the near future. Experts at the seminar suggested a step-by-step business transformation roadmap for private enterprises to consider. The evaluation involves assessing carbon management options and enablers to reduce emissions throughout the business value chain.

Ms. Luu Thi Thanh Mau, Vice President of VYEA, CEO of Phuc Khang Corporation, stated: “A strategic direction for successful ESG implementation will be one of the core foundations for sustainable development - which will bring greater value not only to businesses, entrepreneurs and the economy, but also to our community and stakeholders. Phuc Khang Corporation has always been committed to aligning its business with the 17 sustainable development goals of the United Nations. Building on a strong foundation of vibrant CSR strategies for the community that have been developed over time, Phuc Khang Corporation continues to enhance ESG strategies on environmental, social and governance aspects, with a clear goal: Creating green buildings, a green community and a green future.” ■

Addressing Four Types of Insurance Fraud and Profiteering

The Vietnam Social Security (VSS) recently issued Official Dispatch 2853/BHXXH-TTKT to the Ministry of Labor, Invalids and Social Affairs, the Ministry of Health, and People’s Committees of provinces and cities. The dispatch aims to intensify leadership in the enforcement of laws and prevention of insurance fraud and profiteering.

HT

To limit acts of defrauding and profiteering from social insurance, unemployment insurance, and health insurance funds, VSS has directed social security agencies of provinces and cities to actively and drastically adopt solutions to prevent, detect, and stop any act breaching laws on social insurance, unemployment insurance and health insurance.

Many violations have been promptly detected and handled. VSS has resolved or compiled many issues, reported them, and proposed them to competent agencies for consideration and resolution. Recently, social security agencies and relevant authorities have unearthed and handled many violations in social insurance, unemployment insurance and health insurance in some localities.

Profiteering from sickness and maternity funds

Some cases of abuse of the social insurance fund involve workers obtaining social insurance benefits by using forged or improperly issued social insurance retirement certificates or medical documents. Some medical facilities also misuse the health insurance fund by charging fees for examinations, medicines and technical services using the health insurance cards of the insured. Some of the violators that have been prosecuted or investigated include private polyclinics in Dong Nai and Dong Van Medical Station in Duy Tien Town, Ha Nam Province.

To exploit the social insurance fund, some workers receive sickness, maternity or health recovery benefits while engaging in paid work, taking vacations, enjoying unpaid leave, taking personal leave, or undergoing treatment for occupational injuries. In some cases, employers and employees collude to pay only six months of social insurance or inflate social insurance premiums to abnormally high levels in the six months before maternity leaves to obtain higher maternity allowances.

Exploiting lump-sum social insurance benefits through authorization

Some entities exploit workers’ urgent needs for one-time early social insurance benefits and the lax regulations governing these benefits. They acquire workers’ social insurance policies through pledges and authorizations. In this practice, workers with social insurance policies grant written authorizations to others to claim one-time social insurance benefits on their behalf. This act constitutes a trade of social insurance policies. It not only deprives workers of their rightful benefits by paying them only a fraction of the actual value of their policies, but also imposes long-term strain on the social security system.

Exploiting unemployment insurance funds

While receiving unemployment benefits, some workers find new jobs (signing official labor contracts with employers) but fail to declare this information to the Employment Introduction Center. After their unemployment benefit period expires, they submit applications requesting social security agencies to collect compulsory social insurance premiums for this period.



Expanding Health Insurance Coverage for Students

The student population in Vietnam accounts for over 20% of the country's total population and is considered the future of the nation. Increasing health insurance coverage for students is crucial not only to achieve the goal of universal health insurance, but also to actively support innovation and national development. In recent years, the health insurance policy has been effectively implemented to ensure that students receive health insurance benefits.

HUONG THOM

Health insurance is a significant policy of the Party and State of Vietnam and is one of the main pillars of the social security system. The implementation of health insurance policies in general, and student health insurance in particular, plays an important role in social security. It aims to protect and enhance healthcare and comprehensively develop the people, especially the young generations of the nation. In recent years, our Party and State have paid great attention to building and improving health insurance policies as well as directing and implementing student health insurance policies.

On November 14, 2008, during the 4th Session of the 12th National Assembly, the Health Insurance Law was passed (effective from July 1, 2009). According to this law, starting from January 1, 2010, students were allowed to switch from voluntary insurance to responsible insurance. When the Health Insurance Law was amended and supplemented in 2014 (effective from January 1, 2015), it stipulated that students are subject to compulsory health insurance. They are supported by the State budget with State-subsidized premiums ranging from 30% to 100%, depending on priority groups. In the roadmap towards universal health insurance, students continue to be selected as a group that needs to be covered by health insurance soon.

The Prime Minister of Vietnam issued Decision 1167/QĐ-

TTg on June 28, 2016, to change health insurance implementation tasks. The decision was based on Resolution 21-NQ/TW dated November 22, 2012 of the Politburo, Resolution 68/2013/QH13 dated November 29, 2013 of the National Assembly, and Directive 05/CT-TTg dated April 2, 2015 on strengthening the implementation of social insurance and health insurance policies and laws. The Prime Minister assigned the Ministry of Education and Training and the Ministry of Labor, Invalids and Social Affairs to direct the development of an action plan for the implementation of student health insurance to ensure that all students have health insurance.

In addition to supporting 30% of health insurance premiums for students using the central State budget, many provinces and cities have used their own local budget plus social resources to provide additional support for student health insurance premiums. In 2022, as many as 27 localities provided additional support for student health insurance premiums. Among them, Ha Giang was the biggest supporter with up to 70% of premiums covered. Hung Yen and Ba Ria-Vung Tau provided support of 30%, while Quang Ngai provided support of 20-30%. Bac Kan, Ca Mau, Hau Giang, Ninh Binh, Son La and Vinh Phuc provided support of 20%.

Moreover, some provinces and cities have separately supported student health insurance premiums for special cases. For example, Ho Chi Minh City has subsidized 100% of premiums; Dong Nai has supported 70% of health insurance premiums for students with disabilities; An Giang and Lam Dong granted 70% of premiums for students from ethnic minorities; while Binh Phuoc has funded 70% for poor students.

In recent years, to concretize the Party's guidelines and laws on health insurance, the entire political system has taken action, especially the active and close coordination of the Vietnam Social Security (VSS) and the education-training sector in effective communication on student health insurance. As a result, the share of health-insured students has gradually increased year after year, to roughly 100% at present. The share rose from 80% of total students in the 2012-2013 school year to over 97% in the 2022-2023 school year, or about 18.8 million health-insured students, a 17% increase after 10 years. Notably, last school year, many localities reported having 100% of students insured, including Ha Nam, Hai Duong, Hung Yen and Ninh Binh.

Determined to have all students insured and assist with universal health insurance, providing health insurance for all students is an important task that gives a stepping stone for Vietnam to achieve the goal of universal health insurance. ■



Exploiting health insurance funds

Medical staff use health insurance cards of their family members or get card codes from insured patients who previously visited hospitals to prepare insurance claim documents or collude with intermediaries to create falsified medical records to take life insurance and health insurance benefits (as seen in Thai An Hospital and Vinh Medical University Hospital, Nghe An province).

Additionally, other forms of health insurance abuse and profiteering were found. For example, medical facilities declared and paid unlawful technical services, filed claims for greater value than actual subscriptions, subscribed to wrong medicines for diseases, and mobilized insurance policyholders to provide unnecessary medical services. Patients also borrowed health insurance cards from other policyholders for medical treatment.

To prevent insurance abuse and profiteering, VSS has promptly and actively grasped situations and provided effective guidance for local social security agencies to strengthen coordination with relevant bodies and sectors, especially inspectorates. However, VSS can only retake wronged claims or recommend competent authorities for further resolution when detecting the above acts. Its solutions are situational as it does not have strong tools to prevent organizations and individuals from committing abusive and profiteering acts.

To address these issues, the social security sector requires support and direction from the Ministry of Labor, Invalids and Social Affairs, the Ministry of Health, and the People's Committees of provinces and cities. This support is necessary to combat abuse and profiteering of social insurance, unemployment insurance, and health insurance funds. ■



Chung niềm tin vững tương lai

Kỷ niệm 60 năm thành lập
Ngân hàng TMCP Ngoại thương Việt Nam
và đón nhận danh hiệu Anh hùng lao động

THAI MINH PHARMACEUTICALS

Pioneer in Medicinal Material Science

Thai Minh Pharmaceutical Joint Stock Company (DPTM) and its subsidiaries have achieved remarkable development milestones over the past 12 years, positioning themselves as a leading enterprise in medicinal material science in Vietnam. The company has invested heavily in research to produce effective and high-quality products for the market, thereby building a strong brand. Vietnam Business Forum had an interview with Mr. **Nguyen Quang Thai**, Chairman of the Board of Directors, about the company's achievements and key development goals for the coming time.

TRAN TRANG



Mr. Nguyen Quang Thai, Chairman of the Board of Directors of Thai Minh Pharmaceuticals

Could you please tell us about the development history of Thai Minh Pharmaceuticals in the Vietnamese market?

Vietnam is a country with a population of 100 million and the fourth-largest economy in Southeast Asia. Vietnam has a rich and diverse natural herbal resource with more than 5,000 species of medicinal plants that have been used in traditional and folk medicine for thousands of years. However, this advantage has not been fully exploited. Thai Minh Pharmaceuticals was founded with the vision of combining science and technology to become the leader and developer of the Vietnamese medicinal material economy.

Thai Minh was established in 2011. Our first step was to distribute functional food products that were thoroughly researched and reputable for their quality and effectiveness. We aimed to provide solutions that help everyone improve their health. Thai Minh does not make “generic supplement” products, but focuses on solving each specific problem that customers may face. As the company grew and generated revenue, we opened a factory and collaborated with scientists and researchers to produce functional food products and cosmetics directly, with the motto “only making products with real quality and effectiveness.”

To date, we have more than 1,000 employees across the country and we are proud to own a series of market-leading products such as Khuong Thao Dan, which supports pathological bone joint tablets, Binh Vi Thai Minh, Vuong Bao, Trang Phuc Linh Plus, etc. We have more than 10,000 points of sale across Vietnam.

What are the main production and business strategies that the Board of Management has implemented to help DPTM establish a strong position in the pharmaceutical market?

Our company has four core areas of expertise: research and production, marketing and distribution, natural cosmetics, and high-tech agriculture.

We produce functional foods at our Thai Minh Hi-tech factory in Thach That Industrial Park - Quoc Oai, Hanoi. Our Testing Department meets the international standards of ISO IEC 17025 and ensures that all our products undergo rigorous quality control before reaching the market.

Our natural cosmetics brand, Co Mem homelabs, is a leader in the industry with one factory and 40 showrooms across the country. We plan to expand our market to Europe



MR. NGUYEN QUANG THAI
Chairman of Thai Minh Pharmaceuticals

PEOPLE CHAMPION AWARD



Mr. Nguyen Quang Thai, Chairman of the Board of Directors of Thai Minh Pharmaceuticals, honored at the Vietnam Excellence 2023 Award Ceremony



Products of Thai Minh Pharmaceuticals

and Northeast Asia in the coming time.

We also grow ginseng in Sin Ho, Lai Chau using high-tech agriculture methods such as greenhouses and self-mixing soil. This allows us to control 98% of the factors affecting plant health and growth. Our goal is to transform Lai Chau ginseng from a forest product into a commercial crop that can be processed into value-added products and provide sustainable income for the local people.

How does Thai Minh Pharmaceuticals approach digital transformation, corporate culture, staff qualification and professionalism?

Our company is committed to using technology and digital transformation to enhance customer experience. We have a strong digital transformation team that has been working for the last three years to help us make data-driven decisions and change the way we work in various departments, from

production to sales and logistics. We do not know the specific practices of other companies in our industry, but we believe that we are ahead of the curve in this regard.

Moreover, we always train our employees to trust our customers completely and not to try to save money for the company at the expense of customer satisfaction. We can afford to lose some money, but we cannot afford to lose our customers' trust and loyalty.

For instance, we have implemented a "Refund if not effective" program for our key products, such as Khuong Thao Dan, Binh Vi Thai Minh, Vương Bảo, Trang Phuc Linh Plus. Customers can compare their health conditions before and after using our products for three months and request a full refund if they do not see any improvement. We have received some skeptical questions about this policy, such as whether we are afraid of being cheated by customers who falsify their medical records. Our answer is that we have faith in our society and our customers, and we are willing to take the risk for the sake of their well-being.

This is how we instill one of our six core values in our employees: "Customer is the center".

Thai Minh has a unique and distinctive corporate culture compared to other businesses in our industry and beyond. We have developed a set of 12 Life Transformation keywords to help each employee grow and improve themselves in their personal, professional, and social lives. We always believe that happy employees lead to happy customers and happy shareholders. In 2022, after many years of building a positive corporate culture and a joyful working environment, we were honored by Anphabe as one of the Top 15 Representative Companies with Happy Workforce.





What are the key development goals that Thai Minh Pharmaceuticals will pursue in the coming time?

In July 2023, Thai Minh Pharmaceuticals received the approval of the investment policy for the Research Institute of Ginseng and Medicinal Materials of Vietnam in Hoa Lac High-Tech Park. This is a strategic project that aims to advance the Vietnamese ginseng industry and the functional food sector with science and technology.

Vietnam has a rich and diverse source of medicinal resources and unique ancient remedies. For the past 20 years, the functional food industry has leveraged this advantage to grow and compete with imported products. However, most businesses in this industry, including Thai Minh, have only used basic methods to process medicinal materials into glue or extract and to combine them with some biotechnology ingredients according to existing formulas. They have not yet standardized, extracted, or purified the active ingredients to create raw materials that have sufficient clinical research, patent protection, or pharmaceutical applications. Therefore, we are still exporting raw medicinal materials instead of value-added products.

The Research Institute of Ginseng and Medicinal Materials of Vietnam will be the spearhead of DPTM in the future, with the vision of elevating the Vietnamese ginseng industry with science and technology. The institute will help us produce pure active ingredients from the core medicinal plants and increase their economic value. We will also be able to provide raw materials and invented drugs to the world instead of relying on imports.

Could you share your personal insights and business philosophy as the “captain” of Thai Minh Pharmaceuticals?

Training is one of my most important tasks. I train all the employees who join Thai Minh for 3-4 months to help them develop a new mindset about life, work, and learning. I also encourage them to adopt healthy habits such as reading, jogging, and exercising.

At Thai Minh, we offer various internal training courses to equip our employees with the knowledge, skills, and attitudes they need for their positions. We aim to help them achieve more satisfaction and harmony in their work and life. Moreover, we foster a common language among all groups based on the cultural values that we aspire to uphold and share.

The thing that I am most proud of about Thai Minh is our staff. They are proactive and responsible in their work. They do not have to worry about how to behave with their boss, because they know that we respect and support them.

I want people to remember Thai Minh as a company with



Thai Minh Pharmaceuticals is actively involved in various initiatives that contribute to the social well-being of the environment and the community

a heart, a company that focuses on quality and human development. Our employees are our most valuable asset, and we invest in their growth and well-being.

Our further goal is to support community development and help solve the health problems that people face. In the long term, Thai Minh not only provides health care products, but also engages in community projects such as promoting reading culture among children.

Thank you very much!

“

In 2022, Thai Minh Pharmaceuticals was recognized by Anphabe as one of the Top 15 Representative Companies with Happy Workforce. In July 2023, Chairman of the Board of Directors, MSc. Nguyen Quang Thai, Pharmacist, received the “Leadership Excellence” award at the Vietnam Excellence 2023 Program. This award honors his outstanding achievements in transforming the business through human and environmental development.

”

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HDBANK PRIORITY CREDIT CARD

Many Exclusive Benefits and Rewards

The HDBank Priority Credit Card - Tinh Tu Phuong Dong (Eastern Star) is a new addition to the credit card market, offering a range of attractive privileges for special customers.

The special customer service of HDBank Priority was officially launched after the epic music night on July 1, featuring impressive performances from Vbiz's top artists and the symphony orchestra. The service attracted attention with a series of service and financial privileges for the high-end customer segment, with total assets under management at HDBank from VND2 billion.

The HDBank Priority - Tinh Tu Phuong Dong credit card is an essential part of the service, as it provides many incentives and privileges worth experiencing. The premium credit card HDBank Priority - Tinh Tu Phuong Dong belongs to the VISA Signature card line, with an impressive wine-red color, and a delicate color scheme with profound meanings from the red, yellow, and green.

With the HDBank Priority - Tinh Tu Phuong Dong credit card, customers can enjoy superior payment solutions with privileges in entertainment, travel, etc., and receive 15% cash back for shopping transactions and 0.5% cash back for other expenses with a total amount of up to VND9.6 million/year. Cardholders also enjoy global travel insurance up to VND12 billion and receive a discount of VND1 million for airport lounge and golf services (maximum 4 times/year for customers who meet the prescribed conditions).

When using HDBank credit cards, customers also enjoy many special incentives of up to 40% from popular brands, in diverse fields such as dining, shopping, travel, and flight tickets.

Enjoy amazing benefits when you pay with HDBank credit cards from now until October 31, 2023. Here are some of the exclusive offers available to you:

GrabFood: Get a VND50,000 discount on orders of VND150,000 or more on Fridays, Saturdays and Sundays; Lazada: Save VND50,000 on purchases of VND500,000 or

more on weekends, and VND200,000 on purchases of VND1 million or more on Mega Sale days and special days; Traveloka: Book your travel with a VND200,000 discount on bills of VND1.5 million or more (Saturday & Sunday); CGV: Watch your favorite movies with a pair of 2D tickets for only VND90,000 on Saturday and Sunday; Shopee: Shop online with a VND30,000 discount on orders of VND150,000 or more every Monday, and a VND50,000 discount on orders of VND200,000 or more every Saturday.

These offers are limited by day and during the promotion period. Hurry up and grab them while they last. For more details, please visit <https://hdbank.com.vn/vi/personal/promotion>



HDBank Offers Competitive Loans for Agricultural and Rural Development



HDBank has signed cooperation deals with many international organizations to stimulate green finance for the Vietnamese agricultural sector

The financial report for the first six months of 2023 revealed that HDBank's credit growth reached 9.3%, twice as high as the industry average.

HDBank maintained its outstanding business performance in the second quarter, with total assets reaching VND483,936 billion by June 30, 2023, a 26% increase from the same period last year. Total capital mobilization reached VND430,123 billion, a 17.4% increase from the beginning of the year, of which customer deposits reached VND309,645 billion, a 44% increase.

HDBank achieved a remarkable performance in the first half of 2023, with a total outstanding loan balance of over VND293,129 billion, an increase of 9.3% compared to the beginning of the year. This was driven by the sustained credit growth and the continued digitalization expansion, which enhanced customer acquisition and operational efficiency. HDBank reported a pre-tax profit of nearly VND5,500 billion in the first six months of the year. With this profit growth trend, 2023 is expected to be the 10th consecutive year of growth for HDBank.

HDBank's continuous growth is attributed to its focus on lending to agriculture and rural areas. According to a representative of HDBank's leadership, the bank successfully implemented financing for large-scale chains in the rural agricultural market, such as Loc Troi chain, CP chain and

Unilever chain. This area also concentrated on small and medium-sized enterprises (SMEs) and business households. HDBank allocated up to VND143 trillion, equivalent to more than 52% of total outstanding loans, to meet their needs as of June 30, 2023.

Investing in this field not only helps to improve the lives of farmers but also contributes to the stability and sustainability of the economy. Banks' prioritization of loan capital plays an extremely important and meaningful role in promoting agricultural and rural development.

In response to the State Bank's orientation in lending for agricultural and rural development, HDBank has been advocating for promoting products and services in the driving force of the economy for many years, including rural agriculture, green credit, production and business, renewable energy, rural agriculture, project lending activities to reduce energy consumption and reduce CO2 emissions, waste treatment/recycling.

In this strategic direction, HDBank also signed cooperation agreements worth hundreds of millions of dollars in capital and consulting activities with many international organizations such as the International Finance Corporation (IFC), the German Development Finance Institution and a subsidiary of KfW Group (DEG), French Development Finance Organization (Proparco) and Affinity International Investment Fund to stimulate green finance for the Vietnamese agricultural sector.

Not only in the current period when the economy faces many difficulties and challenges, but also in the previous period when the COVID-19 pandemic or the financial market faced many shocks due to fluctuations in the real estate and bond sectors, rural agriculture still continued to grow steadily and was the backbone of the economy. By adopting a development strategy associated with this pillar, HDBank has achieved sustainable growth for many years.

Statistics showed that by focusing on agricultural and rural lending in addition to strictly controlling risks and comprehensively applying Basel III, HDBank continued to be the bank with the highest profitability in the banking system with ROAA and ROAE reaching over 2% and over 22% respectively in the first six months of 2023. ■

VNPT - Leading Digital Transformation in Ninh Binh Province

VNPT Ninh Binh has been working with the government and businesses of Ninh Binh province to promote digital transformation in various sectors in the past years. VNPT Ninh Binh offers digital solutions and services that facilitate the development of an electronic government and support health and education activities in the province.



VNPT Ninh Binh's leaders demonstrate the digital solutions deployed by VNPT to the provincial authorities

VNPT is a leader in digital government with key services delivered by the Intelligent Operations Center (IOC) - a centralized database management system that acts as a “digital brain” for smart city operations.

The IOC enables local governments to monitor and manage socioeconomic indicators, public administrative services, electronic documents, electronic single-windows, electronic receipts in health, education and tourism sectors, smart security cameras, traffic cameras, and social network information. The IOC collects, displays and forecasts information and data, helping the government to have an overview and make appropriate real-time decisions. The system also connects citizens with the government and increases public and business satisfaction with the government. In addition, VNPT provides free digital signatures for people to register for public administrative procedures. The company has also developed the My Ninh Binh digital citizen application as assigned by the Ninh Binh Provincial People's Committee.

VNPT Ninh Binh has deployed the Vnedu education ecosystem to all schools in the province, from kindergarten to high school, with three contents pioneered by VNPT: Lesson planning management, initial enrollment and educational records. The high school entrance exam for the 2023-2024 school year is the first year that the Department of Education and Training of Ninh Binh province adopted online exam registration and admission service fee payment. This online registration has many advantages such as openness, transparency and alignment with modern digital transformation trends. It was well received and recognized by society, parents and students.

In addition to building e-government solutions for the province, VNPT Ninh Binh offers digital transformation solutions, and coordinates and supports local businesses in digital transformation and digital technology applications.

As a reputable supplier with the largest market share of digital transformation for corporate customers, VNPT accounts for 32% of electronic invoices, 40% of digital signatures (CA/SmartCA) and 37% of electronic social insurance declaration software.



VNPT Ninh Binh also enhances IT applications and digital services for many different customers. The company communicates with customers, guides them on service extensions, and constantly improves service features.

Leveraging the strengths and resources of a state-owned enterprise with a pioneering role in digital transformation, VNPT Ninh Binh continuously improves the quality of its infrastructure network, services and human resources. Therefore, the company is always

trusted by authorities at all levels in carrying out digital transformation for authorities, agencies and businesses in the province. ■

VNPT Vinaphone Corporation:

Hotline for digital services registration and support:
18001260; 02293.873.661; 0915038038
Website for online registration: <https://onesme.vn>



MS. TRINH THI HONG VAN, DEPUTY GENERAL DIRECTOR OF
KHANH HOA SALANGANES NEST COMPANY, PRESIDENT OF SANVINEST KHANH HOA

Elevating Salanganes Nest Products to New Heights



Ms. Trinh Thi Hong Van, the Deputy General Director of Khanh Hoa Salanganes Nest Company and President of the Board of Directors of Khanh Hoa Salanganes Nest Soft Drink Joint Stock Company (Sanvinest Khanh Hoa), was born in Khanh Hoa, a place known for its mountains and natural beauty. Despite having the option to settle down in Ho Chi Minh City, she chose to return to her hometown to build a career and bring her hometown's bird's nest products to the higher level. Ms. Van is known for her passion for research and has become one of the bravest CEOs. She works tirelessly with Sanvinest Khanh Hoa staff every day to find new products with high nutritional content that cater to the needs of consumers. To find out more information, our reporter had an interview with Ms. **Trinh Thi Hong Van.**

HAN LUONG

With over 16 years of experience in the field of bird's nest product manufacturing, did you come to be in this position as a matter of fate?

I am an Information Technology professional. My current position is not just a matter of fate, but it is the result of my constant effort and striving. For over 16 years, I have worked with the Sanest Sanvinest Khanh Hoa Bird's Nest brand, and I am proud to say that the place I dedicate myself to every day is a unit rich in corporate culture and solidarity. Here, each employee takes pride in the tradition of the Khanh Hoa Bird's Nest profession that has been established for over 700 years. We remind each other to learn from previous generations and to adhere to diversity criteria for productization, as well as sticking to the purpose of protecting, multiplying, and relocating swiftlet flocks. The Khanh Hoa Sanest Sanvinest Bird's Nest brand has developed and been positively received by the market.

Each Sanvinest Khanh Hoa product undergoes rigorous research and quality testing before reaching consumers. The unit has researched ways to improve product quality and introduced more than 10 new product lines under the Sanvinest brand. The genuine Sanvinest Khanh Hoa Bird's Nest product line is especially popular with customers. Recently, after successfully organizing the acceptance of the provincial research project "Building a production process for health protection products from Khanh Hoa natural bird's nest essence", the Company has launched three new product lines to protect the health of children, the elderly, and other ages from natural Khanh Hoa bird's nest essence.

In addition to producing Sanvinest branded product lines, the Company has also invested in developing the Khanh Hoa Bird's Nest restaurant chain Sanvinest Vanz Dimsum and Samba coffee to promote traditional Khanh Hoa Bird's Nest culinary culture. These efforts have contributed significantly to the Company's revenue growth. In 2016, the Company's revenue was approximately VND862 billion, but by 2022, it had increased to more than VND2,100 billion, which is an impressive achievement.

In recognition of my efforts and achievements, I was awarded the Third Class Labor Order in 2021, along with many other noble titles such as "Outstanding Vietnamese Entrepreneur 2022". This is a great motivation for me to continue working hard and striving to be worthy of the values I create.

In the course of business activities, it is common for companies to face periods of crisis.



Has Sanvinest Khanh Hoa experienced any such challenges?

It is important to acknowledge the challenges that the pandemic has brought in the past two years. When social distancing measures affected traditional shopping habits, our Company responded by promoting online sales to meet consumers' health care needs.

Fortunately, bird's nest has high nutritional value and is known to strengthen the immune system, making it a healthy choice for consumers. During the epidemic, Sanvinest products have been sought after by many customers who have come to appreciate their benefits. We believe that this trust will continue to be earned by our Company, even in difficult circumstances.

We understand that you hold multiple positions at Sanvinest Khanh Hoa, including President of the Board of Directors and Deputy General Director of Khanh Hoa Salanganes Nest Company, as well as President of the Women Union of Khanh Hoa Salanganes Nest Company. How do you balance these roles as an entrepreneur?

It is an honor and a great responsibility to take on multiple job positions with different roles. During my many years of working at the Company, I have been truly proud and grateful to have a team that always upholds the spirit of responsibility, solidarity, and mutual trust. This is why all work and development planning of the Company takes place very smoothly and effectively.

In addition, I have had the companionship and enthusiastic help from the leaders of Khanh Hoa province, as well as active support from the management agencies for the Company. This has allowed me to learn a lot about management and administration of a large-scale and important enterprise of the province. My success at work motivates me to confidently participate in more union and social work.

I must admit that today's female entrepreneurs are very young, talented, and many have achieved great things. They know how to exploit their own strengths, especially in the application of digital technology, as well as always know how to take advantage of those abilities to lead and develop businesses. I myself need to learn a lot about this.



Has your business philosophy evolved over time to reflect changes in the industry?

As a member of the Khanh Hoa Bird's Nest family, I have always respected and preserved the traditional values of the Khanh Hoa Bird's Nest industry since the day I first started working at the Company. Our product creates added value for Khanh Hoa Bird's Nest and creates more jobs for local people. In particular, when I was assigned the task of managing Khanh Hoa Salanganes Nest Soft Drink Joint Stock Company, I always believed in researching and producing nutritious products for public health. Over the years, I have participated in many provincial-level scientific projects, accumulating a lot of knowledge and experience. In 2021, my colleagues and I carried out the research project "Building a process for producing health protection products from Khanh Hoa natural bird's nest essence", which was accepted and put into production in 2023 for export.

Before achieving success, I realized that for a business to develop sustainably, in addition to human resources, a stable and good quality raw material source is also an important factor. Therefore, our Company has proactively invested in a high-quality bird's nest house system capable of meeting raw materials for domestic production and export. Besides the strength of top quality bird's nest raw materials, our factory has a modern equipment line system that meets ISO and HACCP international standards. We are committed to ensuring that all products reaching consumers always ensure food safety and hygiene, maintain full nutritional value, and achieve the best quality.

In the coming time, our unit will continue to invest in factories meeting GMP standards to export products to market areas with high technical trade barriers. In November 2023, we will inaugurate and put into operation the Bird's Nest Raw Material Processing Factory meeting GMP standards to serve the export of products to many international markets, especially our target market in China.

Thank you very much!

Sanvinest Khanh Hoa is currently preparing to expand into potential markets, with a focus on completing customs clearance documents and fully preparing facilities for the General Department of Customs of China to rate and approve its products. The Company is ready to export its first shipment to China.



Prime Minister Pham Minh Chinh addresses the working session with the Standing Committee of Kon Tum Provincial Party Committee

KON TUM - HALF TERM OF VIBRANT DEVELOPMENT

After half a term of implementing the resolution of the 16th Provincial Party Congress, Kon Tum province's socioeconomic development has witnessed significant progress. The province's outstanding achievements have further strengthened the confidence of the business community and investors in the judicious and timely leadership and direction of the Provincial Party Committee. It has also enhanced the province's image in the eyes of domestic and international investors.

CONG LUAN

Rapid acceleration on the socioeconomic front

Kon Tum province has made impressive strides in rapid socioeconomic recovery and development in the past term. The gross regional domestic product (GRDP) in 2023 was estimated at VND34,100 billion, which is 1.32 times that of 2020. The annual growth rate was quite good, averaging 8.8% per year in the 2021-2023 period. The economic pattern shifted, with the share of agriculture, forestry, and fishery sectors contracting from 19.75% in 2020 to 19.06% in 2023; while the share of industry and construction rose from 26.83% to 31.26%. GRDP per capita in 2023 was estimated at VND57.8 million, which is 1.24 times higher than in 2020 and 82.53% of the target by 2025. State budget revenue in 2023 was forecast at VND4,500 billion, which is 1.28 times higher than in 2020 and equal to 90% of the target

stated in the resolution.

The agricultural sector developed intensively. In particular, the area of key crops expanded, including: Coffee, 29,018 ha (116% of the target); Rubber, 77,341 ha (110.5%); Macadamia, 3,363 ha (168.15%); Fruit trees, 10,695 ha (106.95%); Ngoc Linh ginseng, 2,284 ha (50.76%); and Medicinal plants, 7,606 ha (76.06%).

The province attracted some high-tech livestock projects linked to value chains like the high-tech dairy farming and processing project in Sa Thay district and a pig farming project in Ia H'Drai district. The One Commune One Product (OCOP) Program was launched with 188 OCOP products certified as three-star or higher class. By the end of 2023, seven more products were expected to be recognized as five-star national class.

Kon Tum province's industry has grown in both scale and quality. The industrial development index rose by an average of 16.51% per year in the 2021-2023 period. Processing industries developed strongly, especially the agricultural, forestry, and fishery processing industry. The province focused on developing and utilizing its potential and strengths of hydropower, wind power and solar power. Kon Tum mobilized and effectively used social resources for socioeconomic infrastructure construction. The road system was invested in and upgraded to smooth regional connectivity. Many urban development and upgrading projects were launched.

The new rural development program brought in positive results. By the end of 2023, the province will have 47 communes certified to meet new rural standards, reaching 78.33% of the target stated in the resolution. Ten communes were recognized as exemplary new rural residential areas, and 19 villages (in extremely poor border communes) were certified to meet new rural standards.

The province also saw significant progress in culture-society, education-training, health, culture-information-sports, and social security. Labor, employment, and sustainable poverty reduction were well implemented, with the poverty rate sliding from 10.29%

in 2020 to 6.32% in 2021 (according to the old standard) and from 15.32% in 2021 to 10.86% in 2022 (according to the poverty standard applied to the 2021-2025 period). Political security, social order, and safety were kept stable. Unity within the Party and among the people was reinforced. Public confidence in the Party leadership, governmental administration, Fatherland Front, and unions continued to increase.



Mr. Y Ngoc, Vice Chairman of the Provincial People's Committee and Major General Nguyen Thanh Nam sign a cooperation agreement

Achievements in investment attraction

Kon Tum province has been a "bright spot" in investment promotion and attraction, administrative reform, and business climate improvement in the past half term.

The province has an attractive investment environment thanks to good incentive policies, available premises, and streamlined administrative procedures. Provincial leaders are always ready to roll out the red carpet to welcome investors. The business community's strong response has effectively improved the province's business and investment environment and enhanced its competitiveness. In 2022, the Provincial Competitiveness Index (PCI) scored 64.89 points, ranking 37th out of 63 provinces and cities, climbing 24 places from 2021 to reach the highest ranking since 2006. This is clear proof of the province's resolve for a better business and investment environment and stronger provincial competitiveness. The investment promotion was reformed and more focused. Many large corporations came to conduct surveys and invest in the province like Sun Group, Intracom Company, Vinaconex Corporation, Vimeco, Alphanam Company, and Vi Tri Vang Company. In the past half term, the province has attracted 53 investment projects with a total registered capital of VND16,226.9 billion. Localities favored by investors include Kon Tum City, Kon Plong, Tu Mo Rong, and Dak To districts. In 2023, the province is expected to have 985 newly established enterprises, equal to 65.67% of the resolution target.

Kon Tum province has achieved impressive figures in socio-economic development by exploring, reforming, and constantly improving the quality of investment promotion and attraction. The Kon Tum Provincial People's Committee worked out an action plan for implementing Resolution 11-NQ/TW dated May 16, 2022, of the Provincial Party Committee on improving the investment environment, enhancing provincial competitiveness, and increasing investment in the province to 2025, with a vision to 2030. The province deployed the District and Department Competitiveness Index (DDCI) firmly. Every month, the provincial

government hosted a business dialogue to grasp investors' difficulties and supported them in conducting surveys, exploring investment opportunities, and quickly carrying out business registration procedures.

The province regularly monitored and captured the progress of investment projects, especially important ones, to promptly remove obstacles and facilitate investors to bring their projects into operation soon. The investment in infrastructure development in existing industrial zones was favorable, especially industrial zones in Dak To district, Dak Ha district, and Kon Tum City, to provide available space for investors. The administrative reform was further accelerated to reduce cost and time for people and businesses. Streamlined administrative procedures made Kon Tum's investment environment more attractive. The degree of satisfaction of investors and businesses with administrative agencies rose. The sense of responsibility of officials and public employees was enhanced.

Rapid, inclusive and sustainable development

The outstanding economic and investment achievements in the past half term are a testament to the leadership, direction, and determination of the Executive Board of the Kon Tum Provincial Party Committee to further boost local socioeconomic development. This success has also created new momentum for the Party, government, and people of Kon Tum province to work harder to successfully fulfill the resolution of the 16th Provincial Party Congress.

To successfully complete its goals and tasks set for the 2020-2025 whole term, in the coming time, the Kon Tum Provincial Party Committee will focus on leading and directing the effective implementation of programs, projects, and plans to execute the resolution of the 13th National Party Congress, Resolution 23-NQ/TW of the Politburo, the resolution of the 16th Provincial Party Congress, the Socioeconomic Development Plan in 2021-2025, and newly issued resolutions, directives, and conclusions. The province will complete and effectively carry out the Kon Tum Provincial Planning for the 2021-





2030 period, with a vision to 2050, and other plans to attract investment capital, particularly for advantageous industries such as agriculture, forestry, pharmaceutical materials, and renewable energy.

Kon Tum province will further upgrade its Provincial Competitiveness Index (PCI) standing; improve the Vietnam Provincial Governance and Public Administration Performance Index (PAPI) and the Public Administration Reform Index (PAR Index). It will create an equitable, open, and favorable environment for all economic sectors to do business; focus on mobilizing investment funds from economic sectors for infrastructure development; and promptly remove difficulties for ongoing projects to be completed as scheduled. The province will effectively unlock and utilize local potential and strengths for rapid and sustainable economic growth with a reasonable structure.

The province will accelerate the development of high-tech agriculture in conjunction with processing and market expansion. It will reorganize the agricultural land to establish large production zones for enhanced agricultural development; diversify and maintain the sustainable development of key crops such as fruit trees, macadamia trees, Ngoc Linh ginseng and other medicinal herbs; and foster high-tech livestock development connected to value chains. Kon Tum will persist in mobilizing and integrating resources for sustainable forest development; cultivate various forms of eco-tourism, exploration and cultural tourism, and improve the quality of tourism services; and advance and construct Mang Den National Ecotourism Area as a national and regional tourist attraction.

Besides economic development solutions, Kon Tum province will persist in effectively restoring, preserving and promoting the values of traditional cultural identities of ethnic minorities and revolutionary historical relics, and publicize tourist routes and destinations. The province will implement sustainable poverty reduction, and fully and timely execute social security policies.

With the utmost political determination of the Provincial Party Committee; with the spirit, responsibility and courage of authorities at all levels and branches along with the high public consensus, Kon Tum province is confident to accomplish the highest goals stated in the resolution of the 16th Provincial Party Congress to create momentum for faster, stronger, more comprehensive and sustainable development in the following years. ■

Prioritized Investment Flows into Four Economic Pillars

Kon Tum province has been accelerating investment attraction into three driving economic regions: Bo Y International Border Gate Economic Zone in Ngoc Hoi district, Mang Den National Ecotourism Area in Kon Plong district, and Kon Tum City. The province has also paid special attention to luring investment capital into four economic pillars: high-tech agriculture, medicinal materials, urban development, and tourism. This effort is aimed at fully unlocking all potential, effectively utilizing resources, and enabling Kon Tum to achieve rapid, strong, inclusive, and sustainable development.

CONG LUAN

Potential advantages

Kon Tum province is located in the Vietnam-Laos-Cambodia Development Triangle, which is an important connection point on the East-West Economic Corridor. The province has a lot of potential advantages for economic development due to its good location, fertile soil, and favorable climate. These factors allow the province to develop agriculture, forestry, and energy industries. The diverse natural landscapes and unique cultural identities of ethnic minorities are favorable for developing tourism. The province has focused on utilizing and maximizing its advantages to strongly develop the economy in both breadth and depth.

In agriculture, Kon Tum province has a production area for vegetables, flowers, cold-weather fruits, and medicinal plants associated with eco-tourism and agri-tourism in Mang Den eco-tourism area, Kon Plong district. The Prime Minister approved the construction planning of Mang Den eco-tourism area and the general planning of Kon Plong urban area to 2030, covering 138,116 hectares. Mang Den Plateau, at an average altitude of 1,100 - 1,200 meters, is blessed with a cool climate all year round (20°C), which is ideal for forming and developing cold vegetables, flowers, and fruits.

According to preliminary surveys, Kon Tum province is home to 853 species of medicinal plants and medicinal mushrooms. Of these, 30 species of medicinal plants are in great market demand and 27 species are grown and widely used by medical facilities due to their high medical value and economic value. In addition, the province grows Ngoc Linh ginseng and other medicinal herbs under the forest canopy in Tu Mo Rong district. Ngoc Linh ginseng is considered one of the rarest ginseng varieties with the highest saponin content and economic value today.

Kon Tum province has devised, directed, and attracted investments for the development of large-scale, high-tech, ecological, and organic commercial agriculture, leveraging its potential advantages in agricultural economy. The province has also pursued the sustainable development of the pharmaceutical industry by enhancing its local strengths, conserving and utilizing natural medicinal resources, and aiming to become a key national medicinal region and a major pharmaceutical production center of



The Kon Tum provincial delegation seeks to acquire best practices for investment attraction for wood processing projects in Tuyen Quang province

the country. A special focus is on the promotion and protection of the brand name of Ngoc Linh ginseng.

The province has implemented effective strategies and solutions to attract large domestic and foreign investors for high-tech and green agricultural production projects, which provide safe and internationally standardized agricultural products to the market. The province has established several production areas for industrial crops, cold-climate vegetables, flowers, and medicinal plants. With the collaboration of the Ministry of Science and Technology, Ngoc Linh ginseng - a national brand - has been successfully bred, cultivated, produced, and branded, and has gained a strong market position.

Kon Tum province has a certified organic coffee production area that meets international standards. Dak Ha coffee, the first Vietnamese coffee product to receive UTZ certification, has been favored by domestic consumers and recognized as one of the top 500 products and services of Vietnam and one of the top 20 trusted products by consumers. The product also won the Golden Cup for public health.

In addition to high-tech agriculture and medicinal herbs, Kon Tum also boasts natural diversity and primitiveness for tourism development. The traditional cultural identity of ethnic minorities is preserved and promoted with many valuable relics and cultural heritages. Therefore, the province has prioritized unlocking local strengths for tourism development. The 16th Kon Tum Provincial Party Congress also identified tourism development as one of the three breakthrough sectors in the 2020-2025 term.

Based on this, the province developed the Mang Den eco-tourism area as a place of interest on the "Central Highlands green road", and developed tourism in the border landmark of three countries in Bo Y International Border Gate linked to the Vietnam-Laos - Cambodia Development Triangle, attracted investors to exploit specific tourist routes and local cultural identities to create distinctive tourism products. The good investment made Kon Tum an attractive destination for tourists. On average, in 2021-2023, visitor arrivals to the province increased by 38.59% annually. In 2023 alone, tourist arrivals were estimated at 1.5 million. Total tourism revenue was forecast at VND450 billion, 3.75 times higher than that in 2020.

Kon Tum has experienced remarkable changes in urbanization that have positively supported local socio-economic development. Its urbanization rate has risen year by year. Many high-rise buildings have been constructed in urban areas. Urban service infrastructure has become more synchronized and modernized. Notably, Kon Tum City - the political, economic, cultural and social center of the province - was recognized as a second-class urban area (according to Decision No. 12/QĐ-TTg dated January 10, 2023 of the Prime Minister) and achieved strong and comprehensive

developments in all fields.

Kon Tum urban system has made a significant contribution to the province's economic growth with a high proportion (more than 50%). Economic growth in urban areas is usually about 1.92 times higher than that in rural areas. Urban incomes, especially Kon Tum City, account for a substantial share of State budget revenue (over 20%). The influential urban system has facilitated the formation of industrial zones such as Bo Y International Border Gate Economic Zone, Hoa Binh Industrial Park and Sao Mai Industrial Park, enabling the economic restructuring from agricultural dominance to industry and services.

Opening door to investors

Kon Tum province has identified four priority pillars to lure investment and foster sustainable growth: high-tech agriculture, medicinal herbs, tourism, and urban development. To attract more investment funds for these four economic pillars, the Provincial People's Committee issued Decision 114/QĐ-UBND on April 6, 2023, to revise and supplement the list of investment projects in search of investors in Kon Tum province from 2021 to 2025. The list features 154 projects, including 69 agricultural and forestry projects, 14 industrial projects, 40 office, trade, services and tourism projects, and 31 urban development investment projects.

In agriculture and forestry, Kon Tum province will entice investors to invest in Kon Tum high-tech pig farm (VND 798 billion) and Kon Tum high-tech agricultural project (VND550 billion).

In urban development, Kon Tum will entice large-scale investment projects such as the new urban area in the west of Tran Hung Dao Street, Kon Tum City (VND690 billion), the urban - eco-tourism and sporting complex (VND859 billion), Plei Kan new urban area (US\$980 billion), and the trade, service and housing complex in the south of Toong Dam Lake, Mang Den town, Kon Plong district (VND685 billion). Notably, the 273-ha urban, service and tourism complex in Mang Den town is one of the largest investment projects with a total investment capital of up to VND8,000 billion.

According to the Kon Tum urban network development plan to 2020, with a vision to 2025, one of the three main areas oriented for development is the eastern region, with Mang Den eco-tourism area as the nucleus and the driving force for urban development in Kon Plong, Kon Ray and Tu Mo Rong districts. In addition, all urban areas in the province are also oriented to develop tourism, trade - services and industry. In 2021 - 2025, the province will focus on developing new urban areas along the border and main traffic routes to create a chain of linked urban areas in the province.

Kon Tum province considers attracting investment funds into four priority pillars (high-tech agriculture, medicinal herbs, tourism and urban development) as a strategic breakthrough and leverage to boost socioeconomic development, hoping that more investment funds beyond State sources will be invested to create a driving force to promote sustainable socioeconomic development and the cause of industrialization and modernization. With its appealing investment policy, Kon Tum province is open to welcome and ready to accompany and facilitate all businesses to cooperate and invest in the province. This also demonstrates new aspirations, strong commitments and support of the provincial government to the business community and investors in Kon Tum, a potentially untapped province. ■

VINH PHUC INDUSTRIAL ZONES MANAGEMENT BOARD

Collaborative Efforts for Sustainable IZ Development

On the occasion of the 25th anniversary of the Vinh Phuc Industrial Zones Management Board, Vietnam Business Forum's reporter interviewed Mr. **Ha Dinh Nha**, Director of the Board, on the achievements and development orientations of Vinh Phuc industrial zones (IZ) in the past 25 years and the coming time.

NGUYET THAM



Mr. Ha Dinh Nha, Director of the Vinh Phuc Industrial Zones Management Board, addresses the Board's 25th anniversary

Could you please briefly introduce the operation and development of the Vinh Phuc Industrial Zones Management Board since its establishment?

Based on the proposal of the Provincial Party Committee and the Provincial People's Committee, on September 29, 1998, the Prime Minister issued Decision 190/1998/QĐ-TTg on establishing the Vinh Phuc Industrial Zones Management Board assigned to perform State management of concentrated industrial zones in Vinh Phuc according to Decree 36/1997/ND-CP dated April 24, 1997 of the Government on Regulations on Industrial Zones, Export Processing Zones and High-tech Zones. This was the first legal basis for the formation, operation and development of the Vinh Phuc Industrial Zones Management Board as it is today.

When it was established, the Vinh Phuc Industrial Zones Management Board had only seven employees, led by the Vice Chairman of the Provincial People's Committee cum the Board Director. It had two departments - the Administration Office and the General Planning Department. After 25 years of development, the board, directly administered by the Provincial People's Committee, has a complete organizational structure and apparatus with 50 employees working in five professional departments and the Investment Support and Service Center.

During the past 25 years, we have received direct and regular support and direction from the Provincial Party Committee, the Provincial People's Council and the Provincial People's Committee, along with the timely support and guidance of central authorities, especially the Ministry of Planning and Investment

(Department of Economic Zones Management); the close coordination of provincial and local agencies and the effort of all employees, the Vinh Phuc Industrial Zones Management Board has continuously demonstrated its responsibility and creativity in carrying out its tasks and building the board into a strong team with many remarkable and proud achievements.

Along with the development of industrial parks, the staff of the board has increased in both quantity and quality, gradually asserted its position, role, and responsibility as a specialized advisor to the Provincial People's Committee and an active enabler of the province's industrial development. The board always successfully accomplishes its assigned tasks. The board and its employees have been awarded many noble trophies from the Party, the government, central agencies and the province. In particular, the board was conferred the Second- and Third-Class Labor Orders by the President of the Socialist Republic of Vietnam.

Could you tell us more specifically how the Vinh Phuc Industrial Zones Management Board has performed its roles in building and developing industrial parks in Vinh Phuc province over the 25-year journey?

During the past 25 years, the board has effectively performed its role of advising on planning, building and developing industrial parks, helping form a coherent system of industrial parks, not only to meet the province's socioeconomic development requirements but also to attract secondary investors.

When it was established, Vinh Phuc had only Kim Hoa Industrial Park - Phase 1 (50 ha). After 25 years, Vinh Phuc province was approved by the Prime Minister to develop 19 industrial zones with a total planned area of 5,487.31 ha. Among them, 16 were established with a total land area of 3,168.02 ha and three are being prepared for construction. Currently, eight are in operation, fully leased by secondary investment projects.

In addition to planning industrial zones, the board has advised the province to gradually improve technical infrastructure inside and outside industrial zones to create infrastructure uniformity; supported the appearance and convenience and increased the attractiveness of industrial parks to better meet investors' needs. In particular, the active use of available land funds with reasonable infrastructure rental prices has created competitive advantages over industrial parks in neighboring provinces and cities and caught the special attention of foreign investors. The board has gradually created a unique, highly competitive investment environment.

As for fully occupied industrial zones, the board always pays attention to solving problems for secondary investors to create a good impression on new investors. As for industrial zones under construction or without infrastructure developers, the board actively proposed to the Provincial People's Committee; actively coordinated with relevant agencies to support infrastructure developers to speed up site clearance to create the available land fund for new investment projects; and actively sought potential infrastructure investors for planned industrial zones.

Currently, to meet development needs and new related legal regulations (like Planning Law and Decree 35/2022/ND-CP), the Vinh Phuc Industrial Zones Management Board incorporated the industrial zone development plan into the provincial master plan in the 2021-2030 period, with a vision to 2050. This content is being appraised by Vinh Phuc province and submitted to the Prime Minister for approval. According to the draft Vinh Phuc Provincial Plan for the 2021-2030 period, with a vision to 2050, Vinh Phuc will have eight more industrial zones by 2050 (bringing its total industrial zones to 27) with a total land area of 10,000 ha.

In addition, the board has effectively carried out investment promotion and improved the quality of investment attraction; encouraged, supported and created a favorable environment for enterprises to invest and do business successfully in industrial zones. Over the past 25 years, to achieve today's results, the board has constantly actively sought and directly participated in many foreign investment promotions to introduce the province's investment environment in general and its industrial parks in particular to foreign corporations. The board has worked directly with many foreign partners and business delegations from South Korea, Japan, China (Taiwan), the United States, India and Singapore seeking for investment opportunities in industrial zones to understand their investment needs and propose the province to offer areas that the province encourages investment.

The board has actively connected with international investment consultants and business representatives (in Europe, America and Asia), business associations and companies in Vietnam and foreign countries to attract investors with financial capacity, advanced technologies from Japan, South Korea, the United States and France as well as multinational corporations. With those efforts, over the past 25 years, investors from 20 countries and territories have come to invest in the province's industrial zones, including giant firms like Sumitomo, Honda, Toyota, Piaggio, Foxconn and Compal.

Moreover, the Vinh Phuc Industrial Zones Management Board always supports businesses in tackling their difficulties to develop further and performs the State management of post-licensed projects. Like investment attraction and industrial zone development planning, the management of post-licensed investment projects is defined as an important task. The board regularly monitors, exchanges information, supports investors, urges the implementation progress of investment projects, coordinates with sectors at all levels to promptly resolve difficulties relating to investment procedures, creates a favorable, transparent, stable and equal business environment for investors, and provides best conditions for investors to carry out their projects.

To further boost investment attraction and sustainable development of industrial zones, what effective tasks and solutions will the board implement in the coming time?

Based on the general goals of the province, to enhance its position and role and boost investment attraction and sustainable development of industrial zones, the Vinh Phuc Industrial Zones Management Board will focus on the following specific solutions:

First, seriously review and revise the planning of established industrial zones, invest in building industrial zones in good locations, develop specialized industrial zones as stated in Decree 35/2022/ND-CP dated May 28, 2022 of the Government on regulations on management of industrial zones and economic zones; improve the quality of industrial zone infrastructure, ensure the synchronization of technical infrastructure, social infrastructure and public utilities that serve industrial zones; connect infrastructure inside and outside industrial zones; call and attract worker housing investment projects; build cultural institutions such as cultural houses, schools, clinics and parking lots in areas where industrial zones are located.

Second, improve the quality of investment flows into industrial zones, prioritize and selectively attract projects/industries with environmentally friendly modern, advanced technologies, key growth-driving industries and industries with local advantageous production; work with infrastructure investors to woo investors by launching investment promotion in potential markets.

Third, strengthen post-licensed investor support; reinforce coordination of provincial agencies to conduct effective inspection of post-licensed investment, construction, labor and environmental protection in industrial zones; guide businesses to adopt universal standards and processes to ensure that tenants can apply on their own in the most convenient way while enhancing compliant responsibility of businesses and regulatory agencies; warn about the risk of law violation instead of imposing sanctions and settlement.

Fourth, further advance administrative reform, especially apply the single-window mechanism for administrative procedures conducted with the Vinh Phuc Industrial Zones Management Board. As more projects and investors are arriving in the province and the personnel is not always sufficient, provincial leaders need to help the board to strengthen its personnel apparatus, and provide enough authority and resources for administering industrial zones under the single-window mechanism to deserve the increasing importance of industrial zones in the province's socioeconomic development.

Thank you so much!

SUCCESSFUL DESTINATION FOR U.S. BUSINESSES



Chairman of Vinh Phuc Provincial People's Committee Le Duy Thanh attends the groundbreaking ceremony of Polaris Vietnam Factory

Vinh Phuc province is an attractive destination for investors from the United States and other countries, thanks to its strategic location, open and supportive business environment, abundant and skilled workforce, and modern and integrated industrial zone infrastructure. Several U.S. projects have invested in Vinh Phuc's industrial parks, contributing to the province's economic development and social welfare.

MANH DUNG

One of them is Weldex Vina Co., Ltd, which established its first U.S. project in Ba Thien II Industrial Zone in May 2019. The company, with a total investment capital of US\$10 million, produces plastic products, electronic components, optical instruments, spare parts and accessories for motor vehicles. Another U.S. project is Vietnam Safety Equipment and Products Co., Ltd, which started its operation in March 2020. The company manufactures and processes helmets, paper and plastic products; and medical equipment for dentistry, orthopedics and rehabilitation. The company has exported millions of products to the U.S. and

European markets and created stable jobs for more than 200 workers with an average monthly income of VND8 - 10 million. The company's representative said that Vinh Phuc's favorable investment policies and convenient transportation system were the main reasons for choosing the province as an investment destination.

The most recent U.S. project in Vinh Phuc is from Polaris Inc., a Top 500 U.S. firm, that assembles motorbike, automobile and vehicle engines. The project, located in Ba Thien II Industrial Zone, is the group's second factory in Vinh Phuc and the 20th factory worldwide. The project has a total investment capital of US\$30 million and was approved and licensed by Vinh Phuc province within just a week. The firm will assemble large displacement motorcycles and will annually earn US\$100 million in early years and US\$500 million by 2030. Mr. Dalton Pierce, Vice President of Polaris Inc., expressed his appreciation

for the active support from governmental agencies at all levels in Vinh Phuc and hoped to receive more assistance for production factory expansion in the future.

Vinh Phuc province has attracted three U.S. projects with a total investment capital of US\$46 million, mainly in export processing. This is a modest figure compared to the US\$7.6 billion of FDI funds from more than 450 projects from 20 countries and territories in the world, but it shows the growing interest of U.S. investors in Vinh Phuc. The province is actively conducting various promotional events to attract more U.S. investment. Therefore, we are confident that Vinh Phuc will welcome more U.S. projects in the future.

As part of its FDI Attraction Strategy for 2022-2030, Vinh Phuc aims to attract an additional US\$2-2.5 billion of FDI funds; attract 1-5 Global Top 500 multinational corporations; and increase the proportion of investment capital from Japan, South Korea, Singapore, France, Germany, the United States, Russia and other countries to over 80% by 2030. The province will focus on promoting investment in technological and financially strong countries, with the U.S. as a priority market. The province will also instruct relevant agencies and localities to be flexible and diverse in attracting investment. Vinh Phuc will also support existing investors to introduce their potential and prospective partners to the province.

Moreover, Vinh Phuc will accelerate the construction progress of industrial zones approved by the Government; reform and simplify administrative procedures; advance digital transformation to make procedures public and transparent, reduce time and costs for companies; and assist post-licensed projects to promptly resolve difficulties and challenges so as to create the most favorable business environment for all companies. ■

Vinh Phuc Reinforcing Support for SME Development



Interflex Vina Company Limited (Ba Thien Industrial Park)

Vinh Phuc province aims to have 1,300 - 1,500 new companies each year in the 2022-2025 period and implements various policies to support local companies, especially small and medium-sized enterprises (SMEs), to overcome difficulties, boost production, advance integration and keep pace with the Fourth Industrial Revolution.

HIEN NAM

According to statistics, Vinh Phuc has over 15,000 businesses, including more than 9,500 active ones, mostly SMEs. Recognizing the difficulties and challenges of local businesses in the context of international integration, especially entry into free trade agreements, the province has introduced many policies to support business development. The Provincial People's Committee instructed relevant bodies to upgrade the information and communication portal and their websites to promptly provide information on planning, business support, investment projects and free advertisement for businesses.

The Department of Planning and Investment is the lead agency for business support. It has provided useful advice for local SMEs. Director Nguyen Van Do of the Department of Planning and Investment said that the department recently invited experts from the Enterprise Development Department under the Ministry of Planning and Investment - the lead advisor on SME support content according to the Law on SME Support and related documents - to the "Conference on Implementation of Vinh Phuc SME Development Support Plan in 2023". The experts shared information, directly answered questions and offered advice on solutions to difficulties faced by business support agencies and businesses in Vinh Phuc province. In 2023, Vinh Phuc province aims to provide consulting support for 200 SMEs and technology support for 300 SMEs. The province will also open 66 human resource development training courses.

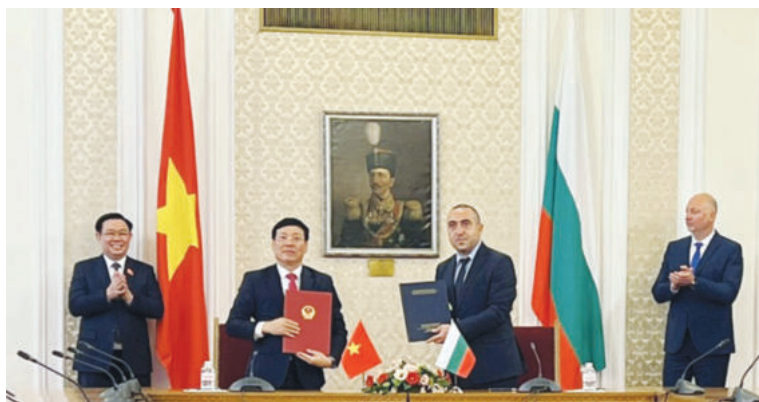
The Department of Planning and Investment has also conducted several surveys to assess the needs of small and medium-sized enterprises. The survey results serve as the basis for implementing support activities in 2023 according to 70/KH-UBND of Vinh Phuc Provincial People's Committee.

The Department of Industry and Trade has accelerated trade promotion, domestic and foreign trade programs and activities. It has increased domestic and foreign market information sharing to help businesses work out production and business plans and activities. The department has also encouraged businesses to establish product distribution chains. The State Bank of Vietnam (SBV) Vinh Phuc Branch has directed credit institutions to actively launch loans to support the economy. They have reviewed eligible subjects for 2% interest rate support according to regulations. According to the SBV, by January 31, 2023, commercial banks lent VND49 trillion to 3,300 companies, accounting for 48.81% of total outstanding loans. This is an increase of 16.36% from the end of 2021. At the same time, they provided VND250 billion in loans for supporting industries and VND21,700 billion for SMEs.

With timely support policies, in the first two months of 2023, Vinh Phuc had nearly 120 companies resume their operations. Many companies expanded their investment and production scale. The labor utilization index of industrial manufacturers rose by 2.96%. The output of key industrial products increased. Revenue from electronic components manufacturing services rose by 1.32% year on year to VND30,300 billion.

To further support businesses amid international integration, the Provincial People's Committee approved the SME Support Project to 2025 at the end of 2022. The project aims to have 100% of newly established companies informed of digital transformation and have over 50% of them use digital platforms. In 2022-2025, SMEs are expected to create new jobs for 7,700 workers each year. They are also expected to increase their contributions to GRDP value by 10-15% annually and tax payments by 7-10% a year. ■

Vinh Phuc Signs MoU on Friendship Relations with Pernik, Bulgaria



Mr. Le Duy Thanh, Chairman of the Provincial People's Committee of Vinh Phuc, and Mr. Ludmil Dimitrov Veselinov, Governor of Pernik Province, Bulgaria, sign an MoU on establishing friendship relations between the two provinces

Mr. Le Duy Thanh, Chairman of the Provincial People's Committee of Vinh Phuc, and Mr. Ludmil Dimitrov Veselinov, Governor of Pernik Province, Bulgaria, signed a Memorandum of Understanding (MoU) on establishing friendship relations between the two provinces. The signing ceremony was witnessed by Mr. Vuong Dinh Hue, Chairman of the National Assembly (NA) of Vietnam, who led a high-ranking NA delegation on an official visit to Bulgaria.

HOANG THAM

Pernik Province is located near Sofia, the capital of Bulgaria, where the MoU was signed. The province has six municipalities: Pernik, Radomir, Breznik, Tran, Batanovtsi and Zemen. Pernik City is the administrative and economic center of the province, with an area of 2,390 km² and a population of 130,000 people. Pernik Province has a strong industrial base, especially in mining, geology,

steelmaking, machine manufacturing and cement production. The province also aims to diversify its economy by developing other sectors such as agriculture, textile and garment, food processing, pharmaceutical production and services, with a focus on modernization and environmental protection.

Pernik Province has a rich cultural and natural heritage, with many attractions such as landscapes, historical and cultural sites, monuments, monasteries and churches. The province is famous for hosting the Surva Carnival every January in Pernik City, which attracts many international artists and was recognized by UNESCO as an

intangible cultural heritage in 2015.

The friendship between Vinh Phuc Province and Pernik Province is based on the traditional friendly relationship between Vietnam and Bulgaria, which has lasted for 70 years. With the support of the two countries, the two provinces have cooperated and exchanged experiences in various fields to foster their mutual development. In line with its policy of enhancing international cooperation and expanding friendly relations with foreign localities to serve socio-economic development, Vinh Phuc Province signed the MoU with Pernik Province to formalize their partnership and cooperation.

The MoU signing is an important milestone that opens up new opportunities for cooperation in all fields of mutual interest. It also facilitates the exchange and collaboration between the governments, businesses and people of the two provinces. The two sides agreed to cooperate in areas such as investment promotion and business survey; high-tech agriculture and food processing; trade; environmental protection; energy development, especially renewable energy; science and technology; cultural exchanges; tourism service development; and high-quality human resource training. This cooperation will also contribute to strengthening the good traditional friendship between Vietnam and Bulgaria.

Mr. Thanh expressed his hope that with the strong support of the two countries and the efforts of the two provinces, the friendly relations and cooperation in various fields will achieve fruitful results in the future. ■

TENANTS RUSH TO COMPLETE ANNUAL TARGETS

In the last months of 2023, tenants in industrial parks in Vinh Phuc province have been promoting creative labor emulation movements and applying technical improvements to increase labor productivity and product quality; connecting and seeking new markets to complete their targets in 2023.

TRAN TRANG

In the year to date, due to adverse impacts of the global economic recession, many tenants in industrial zones have encountered numerous difficulties and challenges on lack of orders and accepted to cut staff. Before this reality, Vinh Phuc province directed all relevant bodies to review and remove difficulties and obstacles against them; urged credit institutions to strictly comply with the State Bank's regulations on interest rates to review and reduce deposit interest rates by 0.5%-3%/year, reduce operating costs to keep stable lending interest rates to support businesses to revive and develop their business activities.

In particular, the Vinh Phuc Industrial Zones Management Board has actively supported and facilitated investors and enterprises to quickly handle administrative procedures to launch investment projects, expand production and business operations, and increase investment capital or carry out procedures for adjusting targets and project implementation progress. Therefore, many businesses have managed to overcome their rough times, maintain stable production and sign new orders.

As a 100% Japanese-invested manufacturer and trader of PP, PE flexible plastic packaging and fittings, to maintain export markets such as Japan, South Korea and the Philippine and about 8% of its revenue in Vietnam, Kohsei Multipack Vietnam Co., Ltd (based in Binh Xuyen Industrial Park) invested in new machinery, equipment and technology; improved labor quality, increased production efficiency, diversified raw material sources; established a business structure with local workers and advanced equipment systems to quickly meet customer needs with the motto "Japanese quality, globally competitive prices, on-time delivery anywhere in the world."

The VAT tax reduction has helped the company with more financial space and easing pressures from bank loans to stabilize production and maintain jobs for nearly 700

workers. To achieve the growth target in 2023 and take care of employees' livelihoods and retain workers, the company continues to build a product structure suitable to customers' needs; upgrade modern machinery and advanced technology to sharpen competitiveness in the market in terms of price, design and product quality.

CNCTech Group Joint Stock Company and PNX Group - a real estate and financial group from South Korea signed a strategic cooperation agreement on development of Nam Binh Xuyen Industrial Park, increasing the former's total industrial land fund to 500 ha in Vinh Phuc province to build a modern, green industrial park to meet high requirements from world-leading manufacturers. At the same time, this also marked its development in the midst of difficulties and challenges.

CNCTech Group was established in 2008. After 15 years of operation, CNCTech has become one of prestigious Vietnamese brands of supporting industrial manufacturing, industrial infrastructure services and technological industry. With 18 member companies and affiliated companies, CNCTech Group is engaged in many key industries such as manufacturing electronic equipment, precision engineering and oil and gas production equipment; manufacturing automation lines; and developing industrial infrastructure. Currently, CNCTech has cooperated with many large tech firms in the world to provide comprehensive infrastructure and integrated production solutions to catch the new wave of production expansion to Vietnam. The group has cooperated with large domestic and international logistics firms to take part in the global value chain in a bid to create sustainable competitive advantages for businesses.

To achieve and exceed its growth target in 2023, CNCTech Group has prioritized investment in technology application, new product development and production optimization; developed many technology chains such as CNC machining technology, high precision casting technology, surface treatment technology and automation; collaborated with many large technology partners to launch mass production of modules and integrated technology products to catch the wave of foreign businesses flowing to Vietnam.

To complete and exceed its targets and goals in 2023, Vinh Phuc has introduced many solutions to support companies to deal with their difficulties in production; accelerated the progress of infrastructure construction in industrial parks to create a good environment and premises for businesses to expand production. At the same time, companies have actively cooperated to consume products of each other and create overall strength to take on big orders. Therefore, they have joined supply chains led by foreign firms and giant corporations to expand production output. ■



Signing ceremony of cooperation agreement between Vinh Phuc Provincial People's Committee and Japan External Trade Organization (JETRO)

JAPANESE INVESTORS INCREASINGLY INTERESTED IN VINH PHUC PROVINCE

With its strategic location, modern infrastructure, abundant workforce, attractive incentives and open investment climate, Vinh Phuc province has become a prime destination for foreign investors, especially those from Japan.

THANH LOAN

The province has hosted 62 Japanese investment projects with a total registered capital of US\$1.8 billion, mainly in the sectors of automobile and motorcycle manufacturing and assembly, industrial processing and manufacturing and supporting industries. Japan ranks second among 20 countries and territories that have invested in Vinh Phuc in terms of registered capital and number of projects. Japanese enterprises operating in Vinh Phuc have made significant contributions to the provincial budget revenue and generated more than 22,000 jobs. Many global corporations such as Honda, Toyota, Nissan, Exedy and Sumitomo have achieved remarkable success in their investments in the province.

One of the recent notable projects is the Vinabeef Tam Dao breeding and processing complex - the first project

in the cooperation plan between Vietnamese and Japanese high-tech agriculture corporations Vinamilk, Vilico and Sojitz. The project is located in Trung My commune of Binh Xuyen district and Minh Quang commune of Tam Dao district, Vinh Phuc province. It covers an area of nearly 76 hectares and consists of two main subdivisions: a cattle farm with a capacity of 10,000 cattle and a beef processing factory with a capacity of 30,000 cattle/year. The total investment for the first phase of the project is VND3 trillion. Vinabeef Tam Dao aims to develop and operate a closed 4-in-1 model that integrates livestock, production, processing and distribution, with the vision of building a stable supply of high-quality beef for Vietnam and Southeast Asia and exporting to leading markets in Europe and America.

Mr. Yoichi Harumoto, General Director of Japan Vietnam Livestock Co., Ltd, praised Vinh Phuc as an ideal investment destination for its strategic location, close to Hanoi and Noi Bai International Airport. He also noted the high demand for beef in the northern market compared to the low supply, which motivated him to choose the region for his project. He expressed his gratitude for the timely support and clear guidance from the provincial government and relevant departments and branches, especially in completing the legal procedures for the project. The Vinabeef Tam Dao breeding and processing complex project is a testament to the growing interest of Japanese investors in Vinh Phuc, not only in the industrial sector but also in high-tech agriculture and other sectors. ■



The groundbreaking ceremony of Vinab Beef Tam Dao

Vinh Phuc Accelerating High-tech Agricultural Investment

Vinh Phuc province's foreign direct investment (FDI) value in the first eight months of 2023 increased by 71% compared to the same period in 2022 and was 27% higher than the full-year target. This impressive result highlights the province's strong appeal to investors.

HIEN NAM

Toward sustainable development

The Department of Planning and Investment announced that Vinh Phuc aims to secure US\$2-2.5 billion of FDI funds from countries such as Japan, South Korea, Singapore, China and the United States in the period of 2022-2030. The province intends to attract 1-5 of the world's leading multinational corporations. Vinh Phuc will prioritize high-tech agriculture, organic fruit and vegetable production, high-tech livestock and poultry farming, and agricultural processing along the value chain. This strategy will ensure sustainable development for Vinh Phuc in the future.

To attract investment capital for high-tech agriculture, Vinh Phuc has concentrated on unlocking many markets worldwide. In early March 2023, Vietnam Livestock Corporation (Vilico) under Vietnam Dairy Products Joint Stock Company (Vinamilk) and Sojitz Corporation of Japan held a groundbreaking ceremony for the VND3,000 billion (US\$125 million) Vinab Beef Tam Dao cow breeding and beef processing complex in Minh Quang commune, Tam Dao district. The complex is the first project to be implemented under the memorandum of understanding (MoU) on a US\$500 million investment signed by Vinamilk, Sojitz Group and Vinh Phuc province in late 2021. The groundbreaking ceremony demonstrated the effort and resolve of these companies and Vinh Phuc province in boosting cooperation in high-tech agriculture and food production and processing.

Vinab Beef Tam Dao is a state-of-the-art facility spanning nearly 76 hectares. It consists of two main subdivisions: a beef cattle farm with a capacity of 10,000 head and a cool beef processing factory with an annual output of 30,000 cows (equivalent to 10,000 tons of products). Scheduled to be operational in 2024, Vinab Beef Tam Dao adopts a closed 4-in-1 process: farming, production, processing and distribution. This integrated approach ensures the delivery of exceptional products, including cool beef that is guaranteed to be fresh, delicious, nutritious and safe for Vietnamese consumers.

With a focus on ecological agriculture and scientific and technological applications, Vinh Phuc province is committed to developing environmentally friendly green agriculture. The province aims to adapt to climate change, reduce rural environmental pollution, and minimize greenhouse gas emissions by 2030. The agricultural sector is projected to grow at an annual rate of 2.5%, while labor productivity within the sector is expected to increase by 5.5-6% per year. By 2045, Vinh Phuc aspires to become a leading province in sustainable and ecological agriculture. It aims

to achieve large-scale operations with high commerciality and added value while establishing strong connections with domestic and international markets. The province will also foster modern agricultural processing and preservation sectors.

Commitments from the government

During discussions with investors and partners, Vice Chairman of the Provincial People's Committee Vu Chi Giang emphasized Vinh Phuc's commitment to improving the quality of administration at all levels. Provincial leaders actively support businesses and investors throughout their investment research and project implementation.

Vinh Phuc aims to become a developed industrial province and one of the industrial, service, and tourism centers of the region and the country. The province hopes to attract many large corporations to invest in the following fields: computer, telephone, and electronics industry; semiconductor industry; automobile industry, electric vehicle industry, pharmaceutical industry, high-tech agriculture, trade and services, and tourism.

To support local businesses, domestic and foreign investors, especially multinational corporations and strategic investors interested in learning about investment opportunities in the province, Vinh Phuc leaders will direct all levels and sectors of government to effectively implement the following measures:

Applying general investment incentive policies for businesses by law.

Introducing local investment support policies and developing sets of policies to diversify investment fields and expand access to investment support for businesses and investors in the province.

Supporting businesses in accessing land quickly by preparing available land funds, directing site clearance, and generating available land for new investment projects.

Supporting businesses in solving labor matters such as worker training and recruitment.

Investing in infrastructure for industrial zones and tourist areas while supporting essential production/business conditions for companies.

Furthermore, the province will quickly resolve investment-related administrative procedures, continue to review and simplify administrative procedures, and radically direct and manage prompt settlement of emerging hardships faced by businesses. ■

RAISING OCCUPANCY RATE OF IZs

Vinh Phuc has made great efforts to improve its administrative reform and investment environment, as well as to invest and develop infrastructure in industrial zones, providing available land for industrial zone developers and secondary investors. As a result, the occupancy rate of Vinh Phuc industrial zones is among the highest in the northern region.

QUYNH NGOC

The Government approved Vinh Phuc province to plan 19 industrial zones with a total area of more than 5,487 ha, of which 16 have been licensed for construction on a total planned land area of 3,157 ha, with 2,314 ha of rentable industrial land. Tenants have leased more than 1,293 ha, for an occupancy rate of 56%. Some industrial zones are fully occupied, such as Kim Hoa, Ba Thien II, Binh Xuyen II - Phase 1, and Ba Thien - Section II. Others have high occupancy rates, such as Khai Quang (96%), Binh Xuyen (97%) and Thang Long Vinh Phuc (86%).

According to the Vinh Phuc Industrial Zones Management Board, in the first nine months of 2023, local industrial zones attracted 29 new projects and 35 existing projects to invest in the province. As of September 15, 2023, the province had 468 valid investment projects from 18 countries and territories in industrial zones, including 107 domestic investment projects with nearly VND32,500 billion of investment capital and 361 FDI projects with US\$6.27 billion. In the year to date, 18 projects have started operation, 13 projects are under construction; and 45 projects are preparing for factory construction. The



Ba Thien I Industrial Park is invested synchronously and modernly

occupancy rate in industrial zones will continue to increase in the near future.

This achievement was attributed to the continuous administrative reform, simplified investment licensing, innovative investment promotion, proactive participation in domestic and overseas central investment attraction workshops to seek opportunities, effective contacts with large corporations, and localized investment promotion. Moreover, besides synchronous modern infrastructure, industrial zone operators have offered attractive incentives and support policies.

To increase the occupancy rate of industrial zones, create jobs, and boost economic growth, in the coming time, relevant agencies and localities with industrial zones need to actively remove difficulties, fully resolve existing obstacles in administrative procedures, support investors and hand over available premises to them amid narrowing land funds in local industrial zones.

At the same time, it is necessary to accelerate the construction progress of new industrial zones, especially those with good locations and connections to attract big corporations to invest in the province. ■

Men's Football Tournament Promotes Solidarity and Physical Exercise

The Trade Union of Industrial Zones held the 2023 Men's Football Tournament for workers in Vinh Phuc industrial parks at the Worker Culture House, Khai Quang Industrial Zone, Vinh Yen City, Vinh Phuc Province. The tournament was part of the celebration of the 15th Provincial Trade Union Congress and the 13th Vietnam Trade Union Congress (2023-2028 term).

The tournament aimed to enhance the well-being of workers by offering them diverse, practical and effective cultural, artistic, and sports activities. The Men's Football Tournament for workers in industrial zones was an annual event organized by the Trade Union of Vinh Phuc Industrial Zones.

The 2023 tournament took place from August 15 to

October 8, with 78 teams and nearly 1,200 players from companies in Vinh Phuc province-based industrial zones.

This annual sports event aimed to foster worker exchanges and connections and create a useful playground to encourage workers to practice physical exercise and sports.

The successful organization of this tournament as well as other cultural, artistic, and sports activities demonstrated the care and support of the Vinh Phuc Labor Confederation, the Trade Union of Industrial Zones and companies for the cultural and spiritual life of workers. It also showed the development of workers' sports movements in Vinh Phuc industrial zones, enhanced the spirit of solidarity, and created cultural beauty and effort in the workplace. The opening ceremony was followed by dramatic and exciting matches.

Tran Ngoc

Nam Binh Xuyen IP Aims to Become the North's Most Advanced Manufacturing Hub



CNCTech partners with a Korean corporation to develop the Nam Binh Xuyen Industrial Park project

Nam Binh Xuyen Industrial Park, also known as Green Park Vinh Phuc, is located in Binh Xuyen district, Vinh Phuc province. The industrial park aims to become the most modern production base in the North, with a strategic location, an integrated infrastructure, and a favorable tax policy. The industrial park has attracted many investors, especially from South Korea.

NGUYET THAM

Nam Binh Xuyen Industrial Park was approved by the Prime Minister in March 2021 and licensed for construction by the Vinh Phuc Provincial People's Committee in January 2022. The project covers a total area of 295.74 ha, of which 200.41 ha are rentable. The project is located in Huong Canh and Dao Duc towns and Phu Xuan and Tan Phong communes, and is divided into two phases. The project is invested by Nam Binh Xuyen Green Park Development Co., Ltd, a joint venture between J&D Partner Co., Ltd and VK Investment Consultancy Co., Ltd, with a total fund of more than VND2,200 billion. The first phase is expected to be completed and ready for infrastructure leasing in October 2024.

On September 15, 2023, PNx Group - South Korea's leading multinational real estate and financial investment group (the parent company of J&D Partner Co., Ltd) signed a strategic cooperation agreement with CNCTech Group on Nam Binh Xuyen Industrial Park development. The agreement aims to build modern industrial park

infrastructure, including an IMS automatic warehousing system, an AI-powered security system and an epidemic prevention control system, a "green park" with a 10-ha regulating lake and a rooftop solar panel system that generates electricity.

At the signing ceremony, Mr. Nguyen Van Hung, Chairman of the Board of Directors of CNCTech, said: "CNCTech has been one of the reputable Vietnamese brands in the technological industry and industrial infrastructure for 15 years. We understand the needs of our customers and adapt to the market demands. We have cooperated with many global tech firms to provide comprehensive infrastructure and integrated production solutions to capture

the new wave of production expansion to Vietnam. We have also collaborated with large domestic and international logistics service providers and gradually participated in global value chains. CNCTech Group's cooperation with PNx Group is not only a breakthrough in developing the industrial infrastructure market, but also helps attract investment, develop industries and boost socioeconomic development of Vinh Phuc province, bringing our total industrial land fund to 500 ha. With our capacity, experience and partnership with PNx Group, we are committed to building Nam Binh Xuyen Industrial Park into a modern, green industrial park in Vietnam in a short time to meet the high standards of the world-leading manufacturers."

Also at the signing ceremony, Mr. Kwak Il Hwan, Vice Chairman of PNx Group, expressed his optimism for the cooperation between the two parties: "We are very impressed by the capacity and vision of CNCTech and hope that the cooperation will make both corporations grow stronger together. PNx will work closely with CNCTech to make Green Park a distinctive and exemplary project of Vinh Phuc province, as well as Vietnam."

To develop Nam Binh Xuyen Industrial Park into the most modern production base in the North and attract manufacturers of electronics, telecommunications, machinery, automobile components, medical equipment, and optical products, the Vinh Phuc Provincial People's Committee has held several meetings with the Vinh Phuc Industrial Zones Management Board, Binh Xuyen District People's Committee, relevant agencies and investors to address challenges in land compensation, site clearance, human resource development and other issues.

With the timely support of Vinh Phuc province and the collaboration between CNCTech Group and PNx Group, Nam Binh Xuyen Industrial Park is expected to become the most modern production base in the North, create breakthroughs in industrial infrastructure market, and contribute to local economic development to bring more benefits to investors, workers and society. ■

Vina Korea Co., Ltd Establishes Grassroots Party Cell



Mr. Bui Huy Vinh, Director of the Propaganda Department under the Vinh Phuc Provincial Party Committee, congratulates Vina Korea Co., Ltd 's Party Cell

The Vinh Phuc Business Sector Party Committee recently organized a ceremony to inaugurate the grassroots Party cell at Vina Korea Co., Ltd, the 10th FDI company in Vinh Phuc province to have a grassroots Party cell.

Mr. Bui Huy Vinh, Director of the Propaganda

Department under the Vinh Phuc Provincial Party Committee, congratulated the Party cell in Vina Korea Co., Ltd and its members and thanked the company's leadership for their care, support and cooperation for the Party and the Trade Union to operate effectively. He advised the Party cell to promptly identify business challenges and other issues and proactively discuss them with the company's leaders for solutions. He also encouraged the Party cell to fulfill Party functions and tasks, respect the company's regulations, work diligently to complete assigned tasks, and expand Party membership. He emphasized that Party members should take the lead and set an example in all activities and be role models for the masses and workers in the company.

Mr. Lim Chae Yong, CEO of Vina Korea Co., Ltd, pledged to provide favorable conditions for the Party cell and the trade union to operate effectively.

The ceremony also witnessed the signing of the Coordination Regulations by the Party cell, the Trade Union and the leadership of Vina Korea Co., Ltd.

Vina Korea Co., Ltd is a South Korea-invested company that produces garment products in Khai Quang Industrial Park, Vinh Yen City, Vinh Phuc Province. The Party cell in the company had four members in 2020 and then 15 members in 2021. The cell was established and affiliated with the Party Committee of the Vinh Phuc Industrial Park Trade Union. After eight local members were admitted, the cell had a total of 23 members and was upgraded to a grassroots Party cell under the Party Committee of the Vinh Phuc Business Sector.

Ngoc Tung

Cammsys Vietnam Launches Many Meaningful Charity Programs

Cammsys Vietnam Co., Ltd, a South Korean company based in Ba Thien Industrial Park, has been investing US\$30 million in Vinh Phuc province since 2014. The company has expanded its investment fund several times to build three factories and increase its production capacity of phone camera modules to 13 million products a month. The company has also become the first supplier of quadruple cameras, achieving impressive breakthroughs in its business.

Besides its business development, Cammsys Vietnam has also engaged in many Corporate Social Responsibility (CSR) programs for the community. On February 10, 2023, the company organized the "Charitable Tet Market" Program at the Vinh Phuc Social Work Center, where it donated presents to people in difficulty. These gifts were funded by the company's employees and brought encouragement and joy to the disadvantaged.

On August 18, 2023, the company participated in the "Connecting Vietnamese Blood" Red Journey Program -



Cammsys Vietnam Company Limited, located in Ba Thien Industrial Park

Vinh Phuc 2023, where many of its employees voluntarily donated their blood. The program was organized by the Trade Union of Industrial Zones and the Trade Union of Cammsys Vietnam Co., Ltd in collaboration with the National Institute of Hematology and Blood Transfusion. This was one of the voluntary blood donation programs at businesses in 2023. With the slogan "Blood donation is a great way to show gratitude for life, compassion and responsibility to society where we can spread care and concern for each other", more than 400 employees of the company

registered to donate blood, resulting in over 200 standard units of blood being collected.

Cammsys Vietnam Co., Ltd is a wholly South Korean-owned company that manufactures, processes and trades electronic components. The company currently employs more than 2,230 Vietnamese workers and contributes positively to the local socio-economic development.

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