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## CSI 2025

10 YEARS OF SUPPORTING  
BUSINESSES IN ADVANCING  
SUSTAINABLE PRACTICES



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- 8 Providing legal advice and representing for settlement of IPRs infringement and anti-counterfeits in Vietnam and foreign countries
- 9 Providing legal services and representing for Recordal of license/assignment of IPRs and technology transfer



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# CSI 2025

## 10 Years of Supporting Businesses in Advancing Sustainable Practices



The kick-off ceremony for the 2025 CSI program

The Vietnam Chamber of Commerce and Industry (VCCI) recently launched the 2025 Program on Benchmarking and Announcing Sustainable Companies in Vietnam (CSI 2025). Marking its 10th consecutive year under the direction of the Government, the program continues to honor enterprises that practice sustainable development, while fostering the growth of a responsible and inclusive business community.

### HUONG LY

The program is organized by the Vietnam Chamber of Commerce and Industry (VCCI) and led by the Vietnam Business Council for Sustainable Development (VBCSD), in coordination with the Party Central Committee's Commission for Policies and Strategies, the Ministry of Agriculture and Environment, the Ministry of Home Affairs, the Vietnam General Confederation of Labor, and, for the first time this year, the expected participation of the Ministry of Finance.

The Corporate Sustainability Index (CSI) remains the official benchmark for evaluating corporate sustainability. In 2025, the program will recognize 100 sustainable businesses, including a

Top 10 list for manufacturing and trade-services. To mark the program's 10th anniversary, it will also honor companies with consistent placements in the Top 10 and Top 100 rankings.

Mr. Nguyen Quang Vinh – Vice President of VCCI, Chairman of VBCSD and Deputy Head of the Steering Committee for the CSI 2025 Program emphasized: “The year 2025 marks the 15th anniversary of VBCSD and the 10th year of implementing the CSI Program. We identified at an early stage that strengthening corporate governance capacity - the ‘G’ component within the ESG criteria - constitutes a fundamental cornerstone for the successful execution of sustainable development strategies. The CSI index and the CSI Program, which have been developed and implemented over the past decade, stand as testament to this steadfast commitment.”

Mr. Vinh said that the ethos of the CSI Program aligns with the private sector development priorities set out in 68-NQ/TW, adding that the recognition of efficient, sustainable, and socially responsible enterprises contributing to the community has been clearly affirmed, highlighting the program's relevance and practical value in the current context.

During the ceremony, the CSI Program introduced the organizational regulations and operational structure, comprising the Steering Committee, the Evaluation Council, and the

Secretariat. The program places particular emphasis on transparency, fairness, and impartiality through a stringent evaluation process involving three rounds of application screening based on the CSI index, validation by competent authorities, and final approval by the Steering Committee. The Evaluation Council is an independent body, comprising representatives from central government agencies, professional organizations, media institutions, and experts. All information provided by enterprises is guaranteed to be held in strict confidence.

The CSI 2025 Program has also been adjusted and updated to align with major recent policy directives, including Resolution 68 on private sector development, Resolution 57 on breakthroughs in science, technology, innovation, and digital transformation, as well as Resolutions 138 and 139 issued in May 2025. These updates are expected to significantly accelerate the sustainable development process within Vietnam's business community.

The 2025 CSI is structured into seven main components: Corporate Information; Organizational Structure and Key Personnel; Analysis of Material Issues; Performance Indicators over the Past Three Years; Governance Index; Environmental Index; and Labor – Social Index. The total number of indicators has been streamlined to 145, a reduction of eight compared to 2024, comprising 85 core indicators (C – compliance-oriented, accounting for 59%) and 60 advanced indicators (A – reflecting practical initiatives, accounting for 41%).

According to Mr. Nguyen Tien Huy, Director of the Vietnam Business Office for Sustainable Development and Head of the Program Secretariat, the adjustment of the index structure reflects the organizers' strategic focus. He said that, after a decade of implementation, there is a clear need to promote innovation in sustainable development practices. Increasing the weight of advanced indicators and raising the maximum bonus points for initiatives to 10% of the total score is intended to encourage businesses to move from a compliance mindset to proactively creating value.

Additionally, to broaden participation from the private sector, especially among small and micro enterprises, CSI 2025 introduces a streamlined version specifically tailored for this group. The simplified index comprises 87 indicators divided into six sections, with compliance indicators accounting for 84%. This approach makes the program more accessible to small businesses, while gradually familiarizing them with sustainable development requirements suited to their scale and resources.

For medium and large enterprises, a notable new feature of CSI 2025 is the inclusion of a "Material Issues Analysis" section. This helps businesses proactively identify strategic sustainability issues aligned with stakeholders' expectations, thereby providing appropriate guidance to enhance adaptability, improve risk management effectiveness, and support long-term development.

A key highlight of the CSI 2025 Program is the intensified application of technology and artificial intelligence (AI) throughout the implementation process. This innovation aims to optimize the user experience for enterprises and enhance the program's operational efficiency.

Specifically, the online application platform has been redesigned to be more user-friendly, ensuring transparency and convenience for both participating businesses and the independent Evaluation Council. Furthermore, the Secretariat has developed visual instructional videos that enable enterprises to easily understand the submission process and related regulations. These videos can be revisited multiple times, significantly reducing the workload for the program's technical and administrative support teams.

Notably, instead of relying on an index handbook as in previous years, CSI 2025 employs AI to provide clear explanations of each indicator directly on the online platform.

This feature helps businesses accurately and fully comprehend the requirements before submitting information, thereby improving data quality and increasing reliability throughout the evaluation process.

All business profile information will be systematically organized as interconnected data, ensuring confidentiality while facilitating easier participation in future assessment rounds. This also lays the foundation for enterprises to progressively develop sustainability reports when needed.

In 2025, the program will continue to expand its eligibility criteria, with no restrictions on the size or sector of participating businesses, and notably, it will not charge any fees to enterprises. In addition to the annually announced list of the top 100 sustainable enterprises, CSI 2025 will introduce special award categories to recognize and encourage pioneering companies in sustainable development practices. The specific content of these categories will be selected by the Evaluation Council, based on international trends and local realities in Vietnam, ensuring alignment with strategic priorities at each phase.

Highlighting the pivotal role of the CSI index in strengthening sustainable governance, Ms. Dao Thuy Ha, Board Member and Deputy General Director of Traphaco Joint Stock Company, a nine-year consecutive CSI honoree, noted that Traphaco has adopted the CSI index as a self-assessment tool to review its management systems. She emphasized that the Index serves not only as a scoring framework but as a reflective tool for comprehensively evaluating business performance across financial, human resources, environmental, supply chain, and innovation dimensions.

According to Ms. Ha, applying the CSI has helped Traphaco clearly identify its strengths to build upon and areas needing improvement. Beyond merely meeting certification requirements or standards, Traphaco proactively leverages the data obtained through the CSI evaluation process to adjust business strategies, improve operational efficiency, and create sustainable added value for all stakeholders, from employees and customers to shareholders and the community.

A representative from the Deep C Industrial Park Complex also shared their journey of integrating sustainable development into the strategy for building green and smart industrial infrastructure, particularly emphasizing the CSI index's role in shaping the normative framework for developing eco-industrial parks in Vietnam.

Following the launch workshop, the Program Organizing Committee will conduct both in-person and online training sessions on Sustainable Corporate Governance in general, and on the application and implementation of the CSI index in corporate governance specifically, scheduled from June to August 2025. The deadline for enterprises to submit entries is August 15, 2025. Businesses can find more information and register for the program at <http://vbcsd.vn/csi.asp>. ■

**Vietnam Business Council for Sustainable Development (VBCSD)**



**Sustainable Business,  
Prosperous Societies**

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Vietnam's commitment to green growth is yielding significant results, shown by improvements in environmental management. The average provincial green index (PGI) across Vietnam's provinces and cities rose by 3.9 points, from 21.00 in 2023 to 25.39 in 2024 - a 17% increase in just one year.

QUYNH ANH

The PGI 2024 results showed that Hai Phong ranked first overall, achieving outstanding scores in all four sub-indices with a total of 29 points. It was followed by Vinh Long (28.16 points), Ha Nam (28.04 points), Bac Ninh (27.78 points) and Binh Duong (27.64 points).

### Tracking the level of improvement

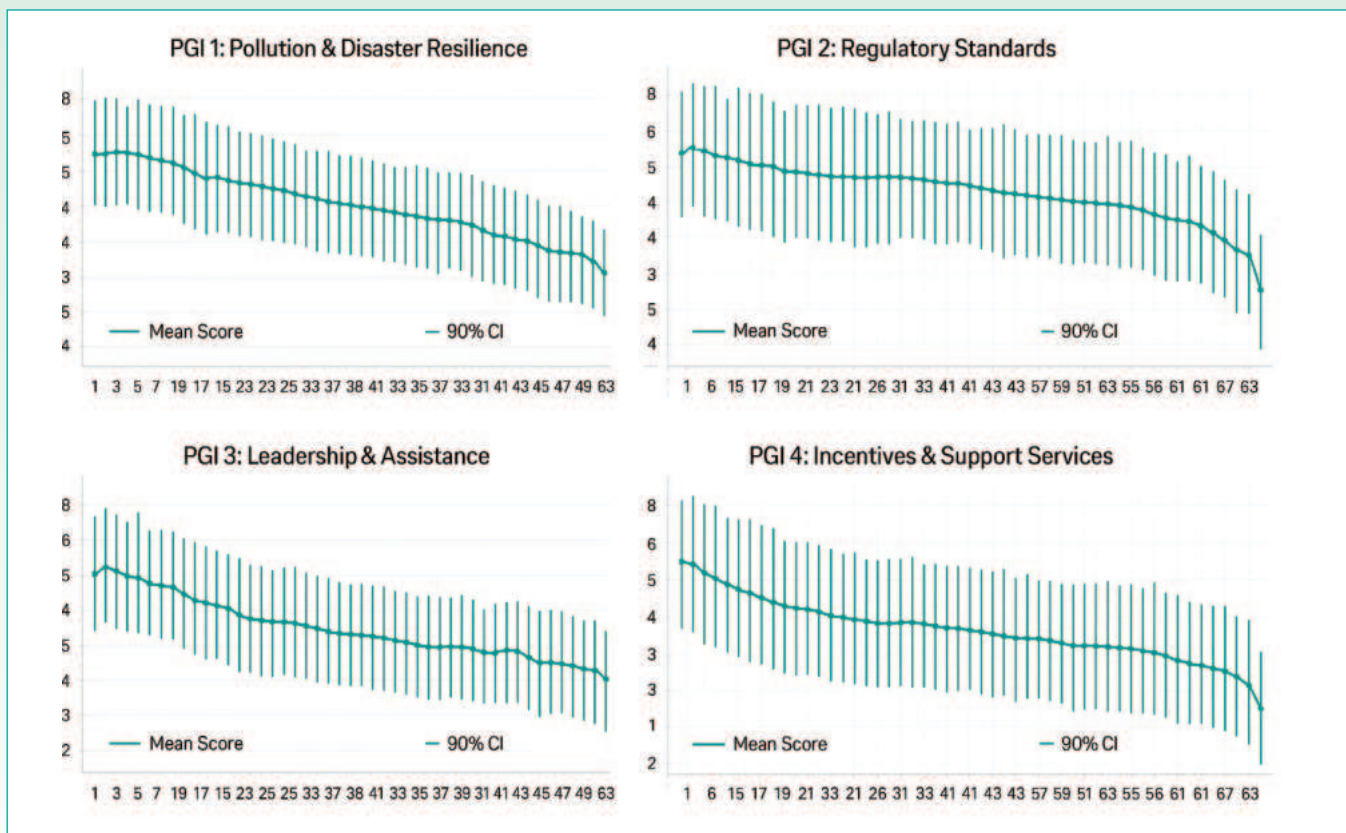
The Provincial Green Index (PGI) is coordinated by the Vietnam Chamber of Commerce and Industry (VCCI), in partnership with the U.S. Agency for International Development (USAID) and private partners, to assess the role of environmental protection within Vietnam's development strategy. Developed and refined over the past six years, the PGI, like the PCI, gathers business perceptions and conveys the collective voice of the business community regarding the quality of environmental management to authorities at all levels.

According to Mr. Dau Anh Tuan, Deputy General Secretary of VCCI and Director of the PGI Initiative Project, a locality is considered to have good environmental management quality when it makes efforts to prevent and minimize pollution and the negative impacts of climate change (subindex 1); implements regulations and reasonable measures to ensure compliance with environmental laws without imposing a heavy burden on businesses (subindex 2); promotes and widely shares green practices, including green purchasing (subindex 3); and encourages the greening of production and business models through specific policies and support programs (subindex 4).

## Significant Improvements in Environmental Management Quality



Many companies are actively working to develop a sustainable ecosystem



The results of PGI 2024 showed that the median score of provinces and cities increased from 21.9 points in 2023 to 24.9 points this year. Notably, all 63 provinces and cities in this year's PGI ranking showed improvement across all four subindices compared to 2023, revealing two significant trends. The greatest improvements were in subindex 4, which measures incentives and support services (up 1.3 points), and subindex 2, which covers regulatory standards (up 1.14 points). Subindex 3, related to leadership-assistance, also increased by nearly 1 point, while the smallest improvement, 0.15 points, was in the subindex for minimizing pollution and preventing natural disasters and climate change.

The evaluation report showed that the implementation of environmental regulations at the provincial level is being strengthened, resulting in higher levels of environmental compliance among enterprises. In subindex 1, 59% of enterprises reported good environmental quality, up from 57% in 2023; 31% of businesses noticed a decrease in pollution, compared to 29% last year; and 56% said pollution is no longer a problem - an increase of 11 percentage points from 2023. In subindex 2, the tightening of enforcement is evident: in 2024, 53% of enterprises were inspected by environmental authorities, up from 46% the previous year; 81% said localities strictly sanctioned environmental violations, an increase of nearly 6.9 percentage points; and 78% of enterprises agreed that local authorities acted promptly to address pollution issues, up 7.3 percentage points.

PGI 2024 data, along with previous evidence, showed that tightening regulations is a strong motivation for promoting green upgrades, especially among businesses targeting the domestic market. In subindex 3, 20% of businesses say that legal requirements are the main reason for their green upgrades, up from 14.3% in 2023. Consequently, improved enforcement is linked to 49% of enterprises upgrading green practices (subindex 3) and 36% operating in the green industry (subindex 4), increases of 10 and 5 percentage points respectively compared to previous benchmarks.

## Unofficial costs and environmental pressure on businesses

According to the PGI 2024 report, as the number of inspections and the strictness of regulations increased, businesses expressed greater frustration with procedural burdens and the fairness of inspections and related activities. In 2023, only 5% of enterprises believed that environmental inspection officers imposed excessive regulations, but this figure more than doubled to 11.5% in 2024. Only 1.1% of enterprises reported coordination between inspection teams from different agencies to reduce procedural burdens, a slight decrease from the previous year. About a quarter of enterprises considered the inspections fair based on criteria such as the validity of the issues raised, detection of violations, sanction decisions and fine levels, an increase of 5 percentage points from the low of 30% in 2023.

More alarmingly, the percentage of enterprises reporting unofficial fees during inspections and environmental checks has more than doubled: 50% of businesses nationwide confirmed paying such fees in 2024, compared to only 22% the previous year. Therefore, although inspection activities have played an important role, much effort is still needed to convince businesses that inspections are necessary by improving the quality of procedures and regulations that businesses must follow.

Vietnam's economic growth has reached a critical turning point. Despite impressive achievements in improving the national average ranking, these gains are threatened by rising environmental issues and natural disasters that damage infrastructure, disrupt production and business activities, and jeopardize people's livelihoods. The report emphasized the urgent need for Vietnam to establish a robust management system enabling policymakers to effectively address these challenges while balancing the convenience and competitiveness of the business environment with controlling pollution and climate change, failing which sustainable economic development could be at risk in the long term. ■



# VIETNAM - U.S.

## Collaborating to Remove Agri-Forestry-Fisheries Trade Barriers



Vietnam's agriculture, forestry, and fisheries sectors are facing growing pressure from the looming threat of high countervailing duties imposed by the U.S., along with increasingly tightened non-tariff barriers. Complex quarantine procedures, strict requirements for raw material traceability, and rigorous environmental standards are placing the sector under unprecedented challenges.

HUONG LY

**Vietnamese consumers will have a wider choice for fresh fruit imported from the U.S.**

### Mounting challenges for exporters

The agriculture, forestry, and fisheries industries are facing a wave of barriers that are making it increasingly difficult for businesses to retain their market share in the U.S. The U.S. National Oceanic and Atmospheric Administration (NOAA) has issued warnings of an import ban on shrimp, tuna, and crab starting in 2026 if Vietnam fails to meet marine wildlife protection standards, adding further pressure on the seafood industry.

Nguyen Thi Thu Sac, a representative of the Vietnam Association of Seafood Exporters and Producers (VASEP), said: "Quarantine procedures and food safety standards in the U.S. are becoming more complex, increasing both costs and delays for exporters."

Tran Quoc Toan, CEO of An Giang Agricultural Products Import-Export JSC, added that domestic demand for meat and dairy in Vietnam was rising, creating great opportunities for U.S. products. However, he said that logistics costs and import tariffs remained major obstacles.

In fact, logistics costs surged by 55–73% in Q1/2025 due to disruptions in maritime transport, according to a report by the Ministry of Industry and Trade, further eroding the competitiveness of Vietnamese agricultural products.

Despite impressive export figures, the wood sector is also under pressure due to strict requirements for Forest

Stewardship Council (FSC) certification. Nguyen Quoc Khanh, representing the Vietnam Timber and Forest Product Association, said that they could import U.S. wood for value-added processing and export finished furniture back to the U.S. However, he emphasized that favorable financing and improved logistics infrastructure were needed to compete effectively.

Minister of Agriculture and Environment Do Duc Duy warned that the U.S. demanded absolute transparency in origin and production processes. He cautioned that without significant improvements, the risk of losing this market would be very high. These challenges, compounded by competition from countries with lower costs, demanded bold and rapid innovation from Vietnamese businesses in order to survive and grow.

### Strategic solutions for Vietnamese enterprises

To overcome existing barriers and unlock the potential of the U.S. market, Vietnamese enterprises must adopt a long-term strategy





**Vietnamese businesses inked 20 MoUs to import up to US\$3 billion in U.S. agrifood**

supported by coordinated government action. Minister Do Duc Duy emphasized: “We have launched the Export Promotion Project to the U.S., focusing on supply chain transparency, digital traceability technologies, sustainable branding, and green transformation.” This initiative prioritizes the transparency of material sourcing regions, digitized quality control, and the development of sustainable brands to meet stringent standards set by the U.S., EU, and Japan. The Ministry of Agriculture and Environment aims for 50% of export products to meet traceability standards by the end of 2025, utilizing platforms such as blockchain.

Vietnam is working to maintain its position in its largest export market while increasing imports from the U.S. to balance the bilateral trade. Recently, Minister of Agriculture and Environment Do Duc Duy attended a roundtable conference joined by leading enterprises and corporations under the U.S.-ASEAN Business Council. During the event, the two sides signed eight cooperation agreements with a total value of up to US\$1.1 billion. The largest deal, worth US\$380 million, was signed between Khai Anh Binh Thuan Joint Stock Company and Cargill. Under the deal, Khai Anh committed to importing 1.2 million tons of grain from the U.S. for animal feed production, including corn, wheat, and soybean meal. Together with previous Memoranda of Understanding (MOUs) signed in the states of Iowa, Ohio, and Maryland, the total value of agricultural import agreements between Vietnam and the United States has reached nearly US\$3 billion.

Mr. Ted Osius, President of the U.S.-ASEAN Business Council, said that the signed MoUs reflected the favorable business environment and political relations between the two sides. He added that many of the products came from agricultural states in the U.S., such as Ohio and Iowa, where farmers' livelihoods depended heavily on agricultural exports. He believed this would draw the attention of the White House, the Department of the Treasury, the Department of Commerce, and the U.S. Trade Representative to Vietnam's goodwill efforts in addressing U.S. concerns regarding the

trade balance.

Minister of Industry and Trade Nguyen Hong Dien stated: “Importing agricultural, forestry, and seafood products from the U.S. not only addresses short-term needs such as satisfying consumer preferences and helping to balance trade, but also serves as a foundation for long-term cooperation between Vietnam and the U.S. in high-tech, circular, and sustainable agriculture.”

With imports from the U.S. reaching US\$3.8 billion in Q1/2025, mainly cereals, meat, and dairy, Vietnam has an opportunity to reduce trade deficit. The Minister of Industry and Trade encourages businesses to strengthen ties with U.S. partners to expand imports and collaborate on green agriculture projects.

To meet the demands of the U.S. market, economist Le Dang Doanh noted: “American consumers are increasingly prioritizing sustainable products. Vietnam must invest in circular technologies and reduce emissions in agricultural production.” He suggested leveraging green investment funds from the U.S. Department of Agriculture (USDA) to upgrade production infrastructure.

International trade expert Nguyen Thi Minh Huyen emphasized the need for Vietnamese businesses to be trained in the legal frameworks of the U.S. free trade agreements (FTAs), enabling them to maximize benefits and minimize legal risks. She highlighted that building an agricultural brand based on transparency and sustainability is crucial for gaining consumer trust and succeeding in the U.S. market.

In parallel, the Vietnamese government has pledged to support enterprises by streamlining quarantine procedures, organizing trade promotion missions to the U.S., and assisting with supply chain digitization. Industry associations such as VASEP and the Vietnam Timber and Forest Product Association are expected to help small and medium-sized enterprises access resources and international cooperation opportunities. Experts recommend investing in digital technologies, enhancing product quality, and applying circular production models to meet global standards. ■

# Improving Public Investment Management



The investment capital demand for Vietnam's seaport system is estimated at VND351,500 billion for the 2021–2030 period

## QUYNH CHI

### Addressing overlaps in the legal framework

Recent revisions to the Public Investment Law include formalizing special mechanisms by the National Assembly for specific cases. Projects spanning many provinces, districts or communes have been simplified to overcome barriers in starting and managing such projects.

Other improvements include raising approval thresholds at various levels and delegating authority in some cases, which reduces the need to report to the National Assembly or Prime Minister.

However, the legal framework for public investment is currently regulated by eight different laws. These laws define roles, powers and responsibilities for many central and local agencies, including the Prime Minister, National Assembly, ministries and provincial People's Committees. When a public investment involves many provinces and cities, the situation becomes even more fragmented and confusing.

Many legal documents and decrees are inconsistent, offering overlapping preparation and approval guidelines for different project types or capital uses. While investment capital is allocated under the Public Investment Law, the budget is often governed by the State Budget Law.

**Vietnam's public investment system has done well but is now stuck in complicated approval steps, overlapping duties and confusing legal rules.**

Additionally, although the Public Investment Law and the Construction Law require project appraisal from the start, other legal and budgetary factors reduce the incentive for thorough pre-audit appraisal. Specifically, whether a project continues depends on its inclusion in the fixed five-year capital limit, known as the Medium-Term Public Investment Plan. Once a project is included in the plan, there is no mechanism to remove it, and it will eventually be implemented. Due to this rigid framework, the incentive to conduct a thorough pre-audit based on solid feasibility analysis is weak.

Delays in project preparation and under-budgeting of public investment have become chronic. In 2024, public investment disbursement reached only 77% of the planned amount - similar to the average for lower-middle-income countries, but much lower than upper-middle-income countries (94%) and high-income countries (96%). A World Bank case study of projects in Da Nang found that

delays were mainly caused by adjustments during the project life cycle and were especially long for large projects. The average preparation time for adjusted projects was 16 months, compared to 8 months for non-adjusted projects, showing a complex adjustment process. When weighted by project size, delays were even longer: 37 months for adjusted projects versus 13.5 months for non-adjusted ones. This indicates that preparation time for high-value projects is much longer than for low-value projects.

The scope of public investment remains too broad, covering various financial transactions, not just fixed assets. Poor coordination between localities and the central government has led to overlapping investments - especially since some provinces were very small before the process of merging provincial-level administrative units. This overlap is evident in the seaport, airport and hydropower sectors. Vietnam has 34 seaport clusters of different sizes across

provinces, but 95% of cargo moves through just three clusters managed by the Ministry of Transport. There are 22 airports nationwide, but only eight are international; the rest can only handle small, narrow-body aircraft. Most airports operate at a loss and cannot even cover their operations and maintenance (O&M) costs. In three Central Highlands provinces: Dak Nong, Gia Lai and Kon Tum, 256 small and medium hydropower plants have been approved and are operating without sufficient consultation with affected stakeholders.



The main problem in project selection is that public investment planning in Vietnam has not given enough attention to exploring different options to reach the same goal. According to the World Bank, a serious weakness of the Public Investment Management (PIM) system is the failure to consider alternatives early in the process. At the “pre-feasibility” stage of the project cycle, best practice calls for evaluating a range of options and showing why the chosen solution (or solutions) is preferable, before examining it in more detail during the feasibility study.

### **Raising the standard of public investment projects**

In fact, countries that have advanced beyond the upper middle-income stage are those that have quickly increased public investment spending and improved its quality. Vietnam has made progress in both areas but must continue this momentum to help businesses grow and achieve high-income status.

To address the fundamental weaknesses holding back the public investment program, the World Bank recommends that Vietnam strengthen its capacity and processes alongside legal reforms. This includes better project preparation before adding them to the Medium-Term Public Investment Plan and enhancing mechanisms to eliminate low-quality projects. Additionally, delays can be cut by introducing resettlement plans earlier in the project cycle and increasing decentralization.

Additionally, transparency in the public investment planning process would bring many benefits but needs improvement. Providing access to key documents will

encourage critical thinking, helping to eliminate projects that are unfeasible or not the best solutions. This will increase public infrastructure aligned with the economy’s needs and reduce uncertainty for businesses, allowing them to plan their operations based on information about future investment locations.

According to the World Bank’s assessment, the current legal framework for public investment is very complex, involving many laws and stakeholders such as ministries and local authorities. This complexity makes addressing the system’s weaknesses difficult. Since most public investment happens at the local level, cooperation between provinces and cities needs to be strengthened. Additionally, better integration between public investment management and budget estimates is necessary. Vietnam also needs to improve public asset management by reducing information fragmentation and reluctance to share data. The Public Investment Law and the State Budget Law should be further amended to close gaps between the budgeting process and the investment cycle.

The World Bank finds Vietnam’s public investment legal system very complex, with many laws and stakeholders like ministries and local governments. This makes fixing its problems hard. Since most investment happens locally, cooperation between provinces and cities must improve. Also, better links are needed between managing investment and budgeting. Vietnam should improve public asset management by reducing scattered information and data sharing issues. The Public Investment Law and State Budget Law need updates to better align budgeting with the investment process. ■



**The legal framework for public investment is currently governed by eight different laws**

# Vietnam Charts Sustainable Path to Green Growth

Vietnam has seen one of the fastest per capita carbon emissions growth rates globally over the past three decades. To achieve its net-zero emissions goal, Vietnam must find ways to further reduce emissions while ensuring that energy remains affordable and its industrial sectors maintain competitiveness.

QUYNH ANH



**Businesses recognize many benefits provided by rooftop solar power**

Although Vietnam's contribution to global greenhouse gas emissions is currently about 0.8% (equivalent to 355 million metric tons of CO<sub>2</sub> in 2020), from 1990 to 2021, its CO<sub>2</sub> emissions grew nearly three times faster than GDP growth.

## Laying the groundwork for a green future

Vietnam's goal of becoming a high-income economy by 2045 is closely tied to its ability to follow a sustainable development path and build resilience. According to a recent World Bank report on greener growth, Vietnam needs to sustain annual GDP growth of 6-6.5% over the next two decades to reach this goal. However, the country is likely to face climate change risks. Heatwaves, storms and rising sea levels threaten farmlands, factories and urban areas - the engines of growth, and the infrastructure that connects people and markets. Typhoon Yagi offered clear evidence that these threats are not distant possibilities but a present reality. According to expert forecasts, without adaptation efforts, climate change could significantly hinder Vietnam's ability to become a high-income country by mid-century.

Besides, Vietnam is among the highest greenhouse gas emitting countries in East Asia, with 1.1 kg of CO<sub>2</sub> emissions per dollar of GDP (compared to 0.7 kg and 0.4 kg in China and the Philippines, respectively) while the carbon content of its exports makes up 36% of its total CO<sub>2</sub> emissions, one of the highest rates in the region.

The government has begun laying the foundation for a greener and more resilient future, including establishing the Mekong Delta Coordination Council which brings together authorities, local communities and the private sector to align investments and actions in addressing climate risks across the delta. The Vietnamese government also issued a sustainable coastal resource use plan to transform coastal areas into

cultural centers, economic opportunities and sustainable prosperity hubs.

Regarding mitigation efforts, Vietnam has rapidly advanced its energy transition. From 2019 to 2023, its installed solar power capacity surged from 4.5 GW to over 17 GW, driven by preferential policies and private investment. The eighth National Power Development Plan (PDP8) targets 73 GW of solar capacity by 2030, over five times higher than the previous target of 12.8 GW. The wind power target will nearly double, from 21 GW to 38 GW. At the same time, Vietnam is accelerating preparations for an emissions trading system (ETS), with pilot programs expected to be launched in 2025 and fully implemented in 2028.

While the country's economic growth model remains carbon-intensive, the private sector in Vietnam has started to seize green growth opportunities. Over the past decade, green economic activities have grown rapidly and now contribute importantly to GDP. The government estimated that green sectors generated US\$6.7 billion in 2020, accounting for 2% of GDP, with annual growth of 10-13% in 2018-2020, created over 400,000 jobs, more than half coming from manufacturing equipment, machinery and components for clean and renewable energy production. Vietnam also ranked 8th globally and first in East Asia-Pacific in terms of cross-border clean energy investment relative to GDP during 2016-2020.

Nevertheless, it is worth noting that Vietnam experienced rapid growth in domestic green energy capacity amid sharply declining costs, but it faced institutional challenges in developing this sector. The share of electricity generated from wind and solar energy rose from virtually zero in 2018 to 13% of total electricity production, largely due to a significant drop in the levelized cost of electricity (LCOE) for solar power after 2019, when the country introduced favorable feed-in tariffs to boost





solar energy development. Although no other country in the world has added renewable energy at such a high share of total installed capacity in such a short period, this sector continues to face institutional and policy-related obstacles in onboarding to this new generation capacity, resulting in much of the added capacity awaiting grid integration

### **Integrating national policy with incentive mechanisms**

Vietnam's favorable position offers the private sector significant opportunities to tap into the growing global demand for green technologies, goods and services, underpinned by abundant potential and low-cost green energy. According to the World Bank's analysis, Vietnam is one of the most advantaged countries in Southeast Asia for the development of wind and solar power, positioning it for a new form of competitive advantage, with an estimated technical potential of up to 1,000 GW per year, driven primarily by wind resources. In addition, the country has the lowest levelized cost of electricity (LCOE) for wind power in ASEAN, and among the lowest for solar power. Similarly, offshore wind power projects combined with battery are expected to become more cost-effective than new coal-fired or gas-fueled power plants in the second half of the 2030s. These

create promising investment opportunities for the business community and government stakeholders in Vietnam to attract companies seeking cleaner production models, such as members of the RE100 Climate Group.

Especially, the private sector is central to Vietnam's efforts to reduce emissions and transition to a low-carbon economy. Mobilizing private capital is crucial to meet investment needs, particularly in sectors where private businesses can drive efficiency and innovation. So far, private investment has played a major role in Vietnam's renewable energy capacity. For example, solar power grew from virtually zero to 17 GW now largely due to private participation. Besides renewable energy, the private sector can also help improve energy efficiency and cut emissions across various industries.

According to the World Bank, with its domestic and international commitments to net-zero emissions, Vietnam should adopt a comprehensive approach that integrates national policies with incentives, regulations and standards across key emitting sectors such as energy and transport. Current policies largely rely on planning mechanisms such as renewable energy targets in the National Power Development Plan. Shifting this policy package toward a more market-based approach could improve efficiency and lower emission reduction costs by leveraging the strengths of market mechanisms. Market instruments such as carbon pricing can shift relative prices and this will accelerate the adoption of low-carbon technologies by making them more competitive. These tools include a pilot emissions trading system (ETS) planned for 2025, with full implementation expected in 2028. Vietnam is also participating in voluntary carbon markets, alongside transactions under Article 6 of the Paris Agreement for carbon credit certification and trading. A carbon tax, if introduced, will complement the ETS and further support Vietnam's ambitious net-zero target by 2050.

In particular, improving access to green finance and easing regulatory constraints will facilitate the private sector to invest in clean infrastructure and technologies. ■



**Vietnam is one of the most favorable countries in Southeast Asia for wind and solar power development**

## VIETNAM - JAPAN

## STRENGTHENING COOPERATION IN SUPPORTING INDUSTRY DEVELOPMENT



Mr. Haruhiko Ozasa, Chief Representative of JETRO, addresses the press conference and signing ceremony on the cooperation in organizing VME and SIE 2025

Vietnam currently has over 6,000 companies in the supporting industry, but they meet only about 10% of domestic demand for components. Their supply to Japanese companies covers just 15.7% of those firms' total procurement needs. Applying new know-how and optimizing processes are essential for Vietnamese companies to boost productivity and meet increasingly strict quality standards in international markets.

**BUI LIEN**

### Falling short of expectations

Speaking at the press conference and signing ceremony on the cooperation in organizing the 17th Vietnam Manufacturing Expo (VME) and the 11th Vietnam-Japan Supporting Industries Exhibition (SIE) in Hanoi, Mr. Vu Ba Phu, Director of the Vietnam Trade Promotion Agency (Vietrade) under the Ministry of Industry and Trade, said: As of the end of 2024, Vietnam had over 6,000 supporting

industry companies involved in textiles and garments, automobile manufacturing and assembly, leather and footwear, mechanical engineering, and electronics. This sector has supported the development of several key industries, helping the country increase its trade surplus from US\$2 billion in 2017 to over US\$28 billion in 2024.

In the first 11 months of 2024, Vietnam's total merchandise exports valued US\$369.93 billion, up 14.4% year on year, a high growth rate relative to other ASEAN and Asian countries. Notably, several export categories performed highly, including computers, electronic products and components (US\$65.2 billion, up 26.3%), telephones and components (US\$50.2 billion, up 3.2%), and machinery, equipment, tools and parts (US\$47.8 billion, up 21.6%).

Despite achievements in the past few years, supporting industries are still meeting only about 10% of the domestic demand for industrial parts, he said. This outcome poses a significant challenge, especially as Vietnam must spend billions of US dollars on parts imports for domestic production every year.

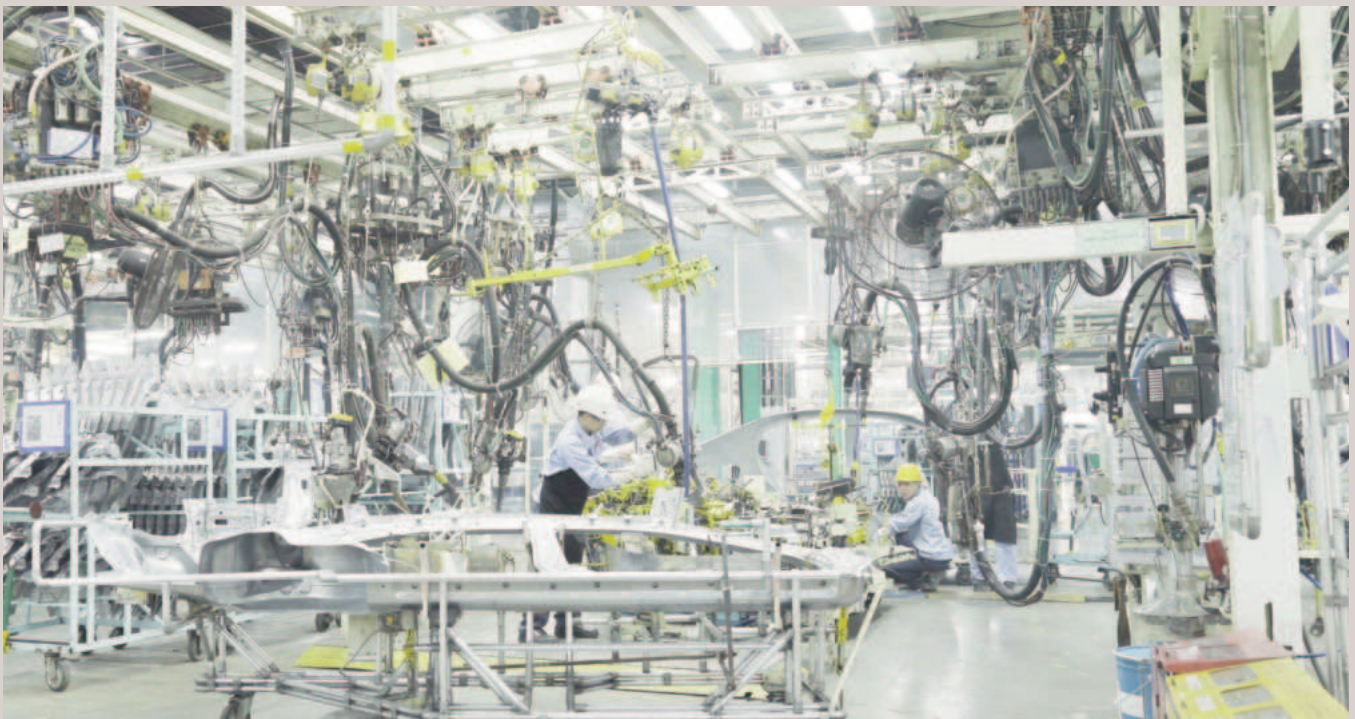
Mr. Haruhiko Ozasa, Chief Representative of the Japan External Trade Organization (JETRO), said: According to JETRO's latest survey, the localization rate of Japanese companies in Vietnam currently stands at 36.6%, comparable to that in Malaysia and the Philippines. In 2024, the depreciation of Japanese yen gave rise to a 2.7 percentage-point increase in the supply rate from Japan, which sequentially reduced the localization rate in Vietnam.

Among Vietnamese companies alone, the supply rate to Japanese firms was 15.7% of their total procurement (down 1.5 percentage points from the previous year). This figure remained stable over the past 10 years. However, it was still low relative to that in Indonesia, Thailand and Malaysia and only on par with the Philippines.

The survey also revealed that 56.1% of Japanese firms operating in Vietnam plan to expand their investment in the next 1-2 years, a figure far exceeding the ASEAN average. Regarding their local supply rate in the same timeframe, 50.9% of businesses in Vietnam plan to expand their investment (up 7.7 percentage points from the previous year), significantly higher than the ASEAN average of 37.7%. By sector, companies involved in electrical/electronic equipment, textile/apparel, and general machinery all express their high demand for domestic supply expansion.

This presents a valuable opportunity to further promote





**Toyota Vietnam actively supports several automobile suppliers in improving their production processes**

Vietnam-Japan cooperation in supporting industries, raise localization rates and foster the country's sustainable industrial development.

### **Businesses need to enhance competitiveness**

Vietnam is vigorously promoting its National Digital Transformation Program to 2025, with a vision to 2030. The transition to smart manufacturing powered by emerging technologies such as AI, IoT, big data and especially cognitive automation is essential for enterprises. The Vietnamese government aims for the digital economy to account for at least 30% of GDP by 2030, with the manufacturing sector identified as a key pillar to realize this goal. To survive and grow, businesses must quickly adopt technologies, restructure their production models, enhance productivity, reduce emissions, and move towards new standards in global supply chains.

According to Mr. Vu Ba Phu, to meet development goals, Vietnam's supporting industries must enhance competitiveness, accelerate digital transformation and develop green industry practices. New know-how application and process optimization are critical for enterprises to improve productivity and meet more stringent quality requirements on international markets.

The Ministry of Industry and Trade has launched many programs to support production capacity building, governance capacity building and digital transformation for companies engaged in supporting industries. In 2025, the National Trade Promotion Program approved by the Ministry includes 118 activities aimed at helping businesses explore markets, connect with partners, utilize free trade agreements (FTAs), promote their products to foreign importers, and seek stable input sources for production. These efforts aim to help them integrate more deeply into global value chains.

*The supporting industry plays an important role in economic restructuring toward industrialization and modernization. It helps improve labor productivity and competitiveness, creates added value, and contributes to increasing the share of the processing and manufacturing sector in the economic structure. The supporting industry directly enhances the value and competitiveness of industrial products while accelerating national industrialization. At the macro level, it reduces imports of production inputs, eases trade balance pressures, and lowers foreign currency demand. It also attracts foreign direct investment (FDI), fosters the growth of domestic small and medium-sized enterprises (SMEs), and promotes technology transfer and advanced production techniques.*

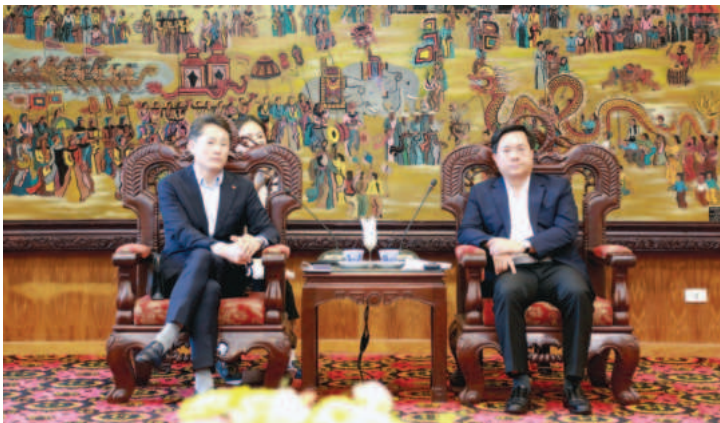
*In recent years, Vietnam has made positive progress in the supporting industry, with a growing number of enterprises participating in the global supply chain.*

*This reality calls for comprehensive and practical solutions to ensure the sustainable development of supporting industries in Vietnam in the current context.*

Notably, Vietnam-Japan cooperation in developing supporting industries has been recognized as a model of success. Through technical support, business matching, technology transfer and trade promotion, Vietnamese companies have gradually improved their production capacity, quality management and deeper participation in regional and global value chains.

According to Mr. Haruhiko Ozasa, for Japanese firms to further expand operations, Vietnam needs to further improve its investment and business environment. And, one of the key factors to enhance profitability is to increase localization rates.

"We have high expectations for Vietnam's digital transformation and IT application. Vietnam has strengths in information technology thanks to its abundant human resources. Integrating IT into the manufacturing sector will create new advantages, new strengths and new competitive elements for supporting industrial companies," he emphasized. ■



Tran Duy Dong (R), Chairman of the Vinh Phuc Provincial People's Committee, meets with General Director of Honda Vietnam Sayaka Hattori

## VINH PHUC TARGETS NEW FDI WAVE

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**I**n addition, domestic direct investment (DDI) totaled over VND 4,200 billion, exceeding the target set by the Provincial People's Council by 40.1%, fulfilling more than 84% of the projected scenario for double-digit growth, and increasing by 77% compared to the same period in 2024.

Encouragingly, many investors, businesses and international organizations from Japan, South Korea, China and other countries came to explore cooperation and investment opportunities in the province. Notable examples included Samsung Group, iMarket Co., Ltd., MM Mega Market Vietnam Co., Ltd., Vietnam International Trading Investment Joint Stock Company, Waste-to-Energy Plant Investment Joint Stock Company, a delegation from Hekou County - Honghe Prefecture (Yunnan Province, China), Maki Company (Tochigi Prefecture, Japan), Yi Guang Group, Yong Xia Investment Consultation Co., Ltd, Songshan Lake Group, and Aeon Vietnam Co., Ltd.

According to a provincial leader, Vinh Phuc places great emphasis on investment promotion to achieve its double-digit growth goal and to support businesses. Since the beginning of the year, the province has organized many investment promotion missions to key markets like South Korea, Japan, South Africa, India, the UAE, Taiwan (China), the UK, Sweden, Spain, Australia and New Zealand. Additionally, it has participated in and co-hosted several conferences and seminars on investment and tourism promotion, both locally and nationally, including the Tourism Promotion Conference in Da Nang City and the "Meet Korea" Conference in Hung Yen Province organized by the Ministry of Foreign Affairs. These activities have helped enhance the province's image and development potential in the eyes of domestic and foreign partners and investors.

Despite ongoing economic challenges, Vinh Phuc province recorded positive investment attraction results in the first five months of the year, with US\$218.3 million in foreign direct investment (FDI), reaching over 60% of the target set by the Provincial People's Council, 36.4% of the scenario projected for double-digit economic growth, and 44.9% of the value recorded in the same period of 2024.

Vinh Phuc has also compiled and published various promotional materials such as leaflets, pocket-sized brochures and books on investment promotion in five languages; materials with respect to information on Decree No. 182 of the Government; and guidance for businesses to access the Investment Support Fund.

Specially, the province has developed and completed a promotional video on investment environment in five languages (Vietnamese, English, Chinese, Korean and Japanese). The video features a modern design with concise and comprehensive content, highlighting Vinh Phuc's full potential, strengths, development orientation, incentive policies, and a transparent and investor-friendly business environment.

This serves as an effective communication tool that helps enhance the province's image and attracts attention from both domestic and foreign investors - particularly during investment promotion events, conferences and meetings with domestic and foreign businesses and investors.

Affirming the local government's openness, attention and commitment to supporting the business community, Vinh Phuc regularly organizes dialogue conferences to meet with businesses, address challenges and remove obstacles, thereby building its prestige to investors and businesses.

Since the beginning of the year, the Department of Finance, in coordination with the Vinh Phuc Management Board of Industrial Zones and the Investment Promotion and Business Support Center, has assisted over 5,000 businesses, investors and consulting companies in accessing the investment environment, completing business registration procedures, and exploring cooperation opportunities.

To date, Vinh Phuc has a total of 1,329 investment projects, including 487 FDI projects with a total investment capital of over US\$8.61 billion and 842 DDI projects with over VND147 trillion of investment capital.

To realize its goal of achieving double-digit economic growth and enhancing the contribution of the FDI sector to socioeconomic development, Vinh Phuc aims to selectively attract FDI in the coming time, focusing on high-tech, advanced technology, new technology, green investment projects with high added value, modern management, and strong linkages between the FDI and DDI sectors, and connections with global production and supply chains as well as high responsibility to society and environmental protection. ■





The delegation from Vinh Phuc province during their working visit to the UK

## SEEKING MORE INVESTMENT FROM UK

As part of a recent working visit to three European countries (Sweden, the United Kingdom and Spain), a delegation of Vinh Phuc province, led by Mr. Dang Xuan Phong, Secretary of the Provincial Party Committee, hosted an investment promotion conference in London, the capital of the UK.

### HUONG HAU

The delegation included leaders from the Provincial People's Committee, representatives from various provincial agencies and localities. The conference was attended by Mr. Do Minh Hung - Ambassador of Vietnam to the United Kingdom of Great Britain and Northern Ireland (concurrently accredited to Ireland), Mr. Karim Fatehi - Chief Executive of the London Chamber of Commerce and Industry (LCCI), representatives of some UK-based businesses, investors, organizations and associations.

In his opening speech, Ha Quang Tien, Vice Chairman of the Provincial People's Council, emphasized that, with the desire to expand global investment opportunities, Vinh Phuc province organized this investment promotion delegation to the UK to strengthen diplomatic and economic relations while introducing and promoting the province's investment environment, investment opportunities and investment policies to businesses and investors in the UK, including London.

London is known as one of the world's major economic, financial and commercial centers, with a long-standing history

and rich cultural diversity. The city is home to a wide array of businesses and investors across various sizes and sectors, including many multinational corporations with global reach. Therefore, this is a valuable opportunity for Vinh Phuc to showcase and deliver its strengths and investment opportunities to international businesses and investors, particularly in high-tech industries, semiconductors, AI, capital-intensive industries, emerging technologies, new materials, electric vehicles, commerce, services, finance, education and healthcare.

Ambassador Do Minh Hung highlighted the long-standing friendship between Vietnam and the UK, stressing the economic potential and strengths of both sides. He also spoke highly of Vinh Phuc's recent socioeconomic achievements, noting that the province is one of the most promising destinations for UK investors. He affirmed that he and related agencies will take practical actions to further strengthen Vietnam-UK partnership as well as the ties between Vinh Phuc and UK investors.

Expressing his admiration for the land and people of Vinh Phuc, Mr. Karim Fatehi, Chief Executive of LCCI, said that businesses from Vietnam and the UK, including London and Vinh Phuc, possess unique their own potential and strengths which are fundamentally interconnected for joint development, especially in the current era of globalization.

Secretary of the Provincial Party Committee Dang Xuan Phong stressed that Vinh Phuc holds all necessary potential and advantages to grow stronger and further on its development journey. However, he noted that translating those potential and advantages into tangible outcomes requires strong collaboration from relevant agencies and especially from the business and investor community - a key driver of the province's development.

He said, Vietnam is entering a new era - the era of the nation's rise. In proportion to this trend, Vinh Phuc, as one of the leading provinces in attracting foreign investment and promoting international integration, and as one of the leading industrial centers in northern Vietnam and in the northern key economic region, always places high priority on attracting investment and fostering socioeconomic development.

With the motto "Every investor in Vinh Phuc is the citizen of Vinh Phuc; the success of businesses is the success of the province," Vinh Phuc is committed to keep siding with investors, building a transparent and favorable business environment, and applying practical support policies. The province is always ready to capture and resolve challenges and provide the best conditions for businesses to thrive sustainably in the locality. ■

## KOREAN ELECTRONICS PRODUCER PLANS EXPANSION



Mr. Tran Duy Dong, Chairman of the Vinh Phuc Provincial People's Committee, recently hosted a meeting with Mr. Yoo Ji Han, Director of ISC Vina Manufacturing Co., Ltd.

NAM HUNG

**Mr. Tran Duy Dong (R), Chairman of the Vinh Phuc Provincial People's Committee, at a working session with Mr. Yoo Ji Han, Director of ISC Vina Manufacturing Co., Ltd**

**I**SC Vina Manufacturing Co., Ltd is a wholly South Korean-invested manufacturer of electronic components, located in Ba Thien II Industrial Park (Binh Xuyen district). The company is currently proposing its roughly US\$30-million manufacturing expansion in the province.

At the meeting, Director Yoo Ji Han hoped that the province will continue to facilitate the company's manufacturing expansion, support its labor recruitment, and introduce specific solutions for the company amid potential US tariff hikes on its exports.

Chairman Tran Duy Dong welcomed the company's plan to increase investment and expand production in the province. Regarding the support for labor recruitment, he emphasized that Vinh Phuc pays special attention to training and improving human resources for businesses. In April, the Provincial People's Committee organized a Human Resources Development Conference and the 2025 Job Fair, with the participation of universities, colleges, vocational training facilities, investors, experts, and over 400 local businesses.

According to a Vinh Phuc labor-employment and human resource development report, the province had more than 8,500 active businesses employing over 250,400 workers by 2024 and approximately 8,590 businesses with 251,000 workers by the first quarter of 2025. Of the workforce, 10,463 people worked in the automobile and motorbike manufacturing industry, 67,900 in the electronics industry, and 54,000 in textile, garment and footwear sectors. The average monthly income of a worker was estimated at nearly VND11 million. In the first quarter of 2025 alone, Vinh Phuc created jobs for 6,423 workers, including 6,241 placed in

domestic jobs and 182 sent to work overseas under contract. The quality of the workforce has been steadily improving, with trained workers accounting for 81% in 2024.

The Department of Home Affairs is working to grasp corporate employment demands and direct vocational schools to coordinate with businesses in training and recruitment. In the coming period, following the merger of provinces, the labor supply is expected to grow, thus better meeting corporate recruitment needs.

Regarding the United States' tariff policy, Dong noted that the U.S. has not officially implemented reciprocal tariffs on imports from Vietnam and the Vietnamese government has sent delegations to the U.S. for negotiations on tariff policies.

Concurrently, several measures are being implemented, like encouraging businesses and citizens to purchase and use U.S. products, providing support for enhancing the competitiveness of domestic goods, and stimulating businesses to expand export markets to the Middle East, Europe and other regions. Additionally, the government has introduced various tax exemption, deferral and reduction policies for businesses.

In Vinh Phuc, the Provincial People's Committee organized two conferences to measure impacts of the U.S. tariff policy on Vietnamese goods and assigned relevant agencies to review and compile a list of affected businesses to work out appropriate business support policies.

Chairman Dong tasked related agencies to support ISC Vina Manufacturing Co., Ltd in carrying out investment procedures in accordance with regulations and actively coordinating with vocational schools to help the company recruit high-quality human resources. ■





100% Korean-owned Solum Vina in Ba Thien II Industrial Park

## VINH PHUC BOOSTING INVESTMENT AND INDUSTRIAL COMPLEXES DEVELOPMENT

Vinh Phuc province recently conducted a review of the development of local industrial complexes (ICs). According to the approved planning, by 2030, the province will have 47 ICs with a total area of over 1,737 ha, of which 16 ICs have already been established and assigned investors to develop technical infrastructure on more than 490 ha and 31 ICs are planned for construction on a total area of nearly 1,247 ha.

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surveillance forces to strengthen local management, Preliminary reviews and assessments show that only 10 out of 31 proposed new ICs meet required conditions for consideration and construction while the rest do not satisfy the conditions.

Since the Provincial Planning was approved by the Prime Minister, 25 investors have expressed their interest in investing and developing infrastructure for 18 ICs. Among them, two investors are interested in two already established ICs and 23 investors are seeking to invest in 16 newly developed ICs.

Thus, the Provincial People's Committee allotted the Department of Industry and Trade to coordinate with relevant agencies to study and advise on handling investors' proposals. The department also issued guidance to district-level People's Committees and investors regarding the preparation of dossiers for IC establishment and infrastructure investment in accordance with current regulations.

However, most of investor-interested ICs are yet to meet requirements for alignment with

related construction plans, and some are not compatible with district-level land use planning. As a result, many ICs are not still qualified for official establishment, preventing investors from proceeding with further steps.

At the meeting, representatives from provincial and local agencies and IC investors reported on the current status and progress of IC projects. They also candidly pointed out challenges and obstacles and proposed solutions and recommendations to accelerate IC establishment and implementation.

Chairman of the Provincial People's Committee Tran Duy Dong requested the Department of Industry and Trade to conduct a comprehensive assessment of the current status of ICs and clearly figure out limitations and inconsistencies for reporting to the Provincial People's Committee. He also told it to review all IC plans.

He required small-scale ICs be assigned to commune-level management to align with craft village development while focus should be placed on developing ICs that have already been included in approved planning.

Local authorities need to study and propose partial adjustments to land use planning indicators by reallocating land-use targets to more promising ICs that need to be implemented sooner.

Earlier, the Department of Industry and Trade had submitted a report proposing the procedure for IC establishment and approval for IC infrastructure development investment.

Regarding this matter, Dong noted that the approval of investment policy and IC establishment is two separate and different procedures. To ensure full compliance with legal regulations on investment and sector-specific regulations for IC management and development, he agreed on the option of carrying out the procedure for approving the investment policy first. He also directed the Department of Industry and Trade to actively advise the Provincial People's Committee to draft a detailed plan for submission to the Standing Board of the Provincial Party Committee at the earliest possible time. ■



Hanoi's infrastructure development not only enhances quality of life but also creates a favored environment for investors

## HANOI RURAL TRANSFORMATION **FROM QUANTITY TO QUALITY**

With proactive, creative, and innovative thinking, along with the tireless efforts of Party committees and authorities at all levels, and the solidarity and consensus of the people, the National Target Program on New Rural Development has, over time, transformed the city's rural areas. Many improvements have been made, people's lives have steadily improved, and prosperity can be seen in every household.

**BAO NGOC**

**H**owever, as the construction of new rural areas progresses, it presents new requirements, demanding that localities continuously strive to enhance the quality of criteria, shifting the focus from "quantity" to "quality" in a sustainable, comprehensive, and in-depth manner.

### **Prioritizing infrastructure development**

According to the Hanoi Coordination Office of the New Rural Development Program, 100% of the city's communes and districts have now been recognized as meeting new rural standards. Among them, 229 out of 382 communes and 5 districts have achieved advanced new rural standards. If Thuong Tin district is approved, Hanoi will have 6 such districts, including Gia Lam, Dong Anh, Thanh Tri, Hoai Duc, Thanh Oai, and Thuong Tin.

Infrastructure development not only improves people's lives but also creates an attractive environment for investors. According to Dang Thi Huyen, Chairwoman of Gia Lam District People's Committee, when infrastructure is properly invested, large-scale urban areas such as Vinhomes Ocean Park, Dang Xa, and Trau Quy will be further developed, reshaping the local population and economic structure. As a result, industrial clusters like Phu Thi, Bat Trang, and Duong Xa have flourished, generating jobs for tens of thousands of rural workers with incomes higher than those from traditional agricultural production.

Thanks to the results of building advanced new rural areas, Hanoi's socio-economic infrastructure has been developed in a coordinated, connected way between urban and rural areas. Transportation, schools,



medical facilities, and cultural centers have been invested in, upgraded, and expanded to meet people's needs, while both material and spiritual living standards have steadily improved. Nguyen Van Anh from Phu Dong commune, Gia Lam district, shared: "The advanced new rural program has greatly benefited our community. Especially, the upgraded inter-village roads have made travel much more convenient."

Vice Chairman of Thuong Tin District People's Committee Bui Cong Than said: "At present, 100% of Thuong Tin communes meet new rural standards; 17 out of 28 communes meet advanced new rural standards, with 3 recognized as exemplary new rural communes. Thuong Tin has also fulfilled all 9 criteria for advanced new rural districts as set by the Prime Minister. The district has no outstanding debts in basic construction. Hanoi has submitted a proposal to the government for appraisal and recognition of Thuong Tin as an advanced new-style rural district in 2024."

These results not only help Hanoi meet the targets of Program No. 04-CTr/TU by the Hanoi Party Committee on "Promoting the effective implementation of the National Target Program on New Rural Development associated with agricultural restructuring and rural economic development, improving farmers' material and spiritual lives for 2021–2025" but also contribute to raising farmers' living standards.

Ngo Van Ngon, Deputy Director of the Hanoi Coordination Office of the New Rural Development Program, added that Hanoi has guided localities to build new-style rural areas closely aligned with future urban development. Some districts are carrying out new rural projects alongside plans for district-level urbanization, ensuring criteria for both are implemented in a scientific, systematic, and effective manner.

Hanoi's policy is to continue investing in the strong development of inter-regional transport systems, ring roads, water supply and drainage, and waste treatment, while encouraging localities to actively attract businesses and cooperatives to join in developing infrastructure and services in rural areas. With synchronized infrastructure investment, the gap between rural and urban areas will gradually narrow. Suburban residents will enjoy modern living conditions while preserving the traditional cultural values that define the capital's countryside. In 2024, the city's average per capita income reached nearly VND75 million per year, and Hanoi has no poor households, Mr. Ngon added.

## Sustainable journey

From the beginning of building advanced new-style rural areas, Hanoi clearly defined this as not only a process of upgrading infrastructure and improving material life but also a journey toward sustainable development closely linked with culture, environment, and community governance. Alongside improving infrastructure, localities have focused on environmental protection, cultural preservation, security, order, and promoting digital transformation.



**Hanoi is steadily advancing toward a modern city with rural areas as a growth pillar**

However, despite positive results, the process still shows disparities between areas. Some districts like My Duc, Ba Vi, and Ung Hoa continue to face difficulties in mobilizing resources, especially investment for technical and social infrastructure. Several advanced criteria, including environment, digital transformation, and market-linked production organization, remain slow to implement.

According to Director of Hanoi Department of Agriculture and Rural Development Nguyen Xuan Dai, to create momentum for sustainable development, Hanoi promotes decentralization, empowers commune-level authorities, and strengthens the monitoring and evaluation of the actual quality of advanced criteria. "Building advanced new rural areas is not only about meeting targets but about improving people's quality of life, creating livable rural communities, and ensuring sustainable development," Mr. Nguyen Xuan Dai emphasized.

With the active participation of the entire political system, the consensus of the people, and the support of the business community, Hanoi is steadily advancing toward the goal of becoming a modern urban area, with rural regions remaining a pillar of sustainable development, contributing positively to the growth of the thousand-year-old capital. ■



Maintaining and improving the quality of criteria in communes that have achieved new rural standards is a key issue for all localities after years of effort to reach these targets.

DINH BAO



The landscape of Dong Quang commune, Ba Vi district

## LIFTING QUALITY OF NEW RURAL STANDARDS

Like other areas during new rural development, Duong Quang commune (Gia Lam district) faced many difficulties, but through great effort, it completed the program by late 2016 and was recognized by the Hanoi People's Committee as meeting new rural standards. In 2023, the commune achieved advanced new rural standards. However, the achievement did not lead the Party Committee, authorities, or people to neglect the task of maintaining and improving the quality of the criteria already met.

Chairman of Duong Quang Commune People's Committee Nguyen Viet Doi shared that in implementing the advanced new rural program, the commune's infrastructure has been continuously upgraded to better serve residents' living needs. Gia Lam district invested in 19 projects with a total capital of over VND200 billion to complete rural roads, intra-field traffic routes, renovate cultural facilities, build schools, and embank ponds.

To date, Duong Quang's traffic infrastructure has been synchronously developed in line with urbanization: 100% of commune, inter-commune, and connecting roads to district routes, with a total length of 5.3 km, have been asphalted. The system of village, alley, and hamlet roads includes 204 routes with a total length of 27.7 km, all concreted and asphalted through joint investment by the city, district, commune, and contributions from residents. These roads are regularly maintained by authorities, organizations, and local people, ensuring cleanliness, shade trees, lighting systems, traffic signs, instructions, and speed bumps as regulated, creating green, clean, and orderly surroundings.

Every year, Duong Quang commune effectively carries out the movement "All people unite to build a new cultural life." To date, all 9 villages with cultural houses have achieved and maintained the title of "Cultural Village," while 96.6% of

households have earned the title of "Cultural Family." Cultural houses in the commune have been repaired and upgraded with additional facilities to better serve community meetings, cultural events, and artistic activities. The commune has also installed outdoor fitness equipment at community spaces, meeting the exercise and health needs of residents of all ages.

According to the Hanoi Coordination Office of the New Rural Development Program, as of now, all 382 communes in the city have met Criterion No. 2 on traffic under the National Criteria for New-Style Rural Communes for the 2021–2025 period. This criterion imposes strict standards on traffic infrastructure to ensure it meets the daily travel, production, and goods trading needs of the people. Specifically, all main



Hanoi's rural infrastructure has been continuously improved to better meet local people's living standards



roads within the commune, including commune, village, and inter-village roads, must be asphalted or concreted to allow convenient car travel throughout the year. In addition to technical standards, the criterion also requires consistency in planning, landscape design, and environmental sanitation.

In recent years, Hanoi has concentrated resources on implementing numerous rural traffic projects. The entire network of commune roads, village roads, and inter-village roads across the city has been renovated, upgraded, and fully asphalted or concreted to meet technical standards, ensuring smooth and convenient car travel year-round.

According to the latest review, many alleys in Hanoi have also been reinforced and cleaned, providing safe, accessible routes for residents. In addition, the intra-field transport system, essential for moving agricultural products and materials, has seen significant improvements. These roads support agricultural mechanization, enhance labor productivity, reduce post-harvest losses, and expand market access for local farm products.

The completion of Criterion No. 2 has not only improved transportation but also brought about broad, positive changes to rural life in Hanoi. Upgraded infrastructure helps shorten travel times, lower transport costs, and boost production and business efficiency for both local people and enterprises.

However, for districts aiming to meet advanced new rural standards, school-related criteria remain challenging. The pace of connecting to centralized clean water systems is still slow, and the transformation and restructuring of the agricultural economy have yet to match Hanoi's potential and advantages. Business investment in agricultural production remains modest, especially in deep processing; high-tech farming is limited, and livestock and poultry diseases continue to pose outbreak risks. The number of production-consumption chains is small, making product distribution difficult. Many occupations and craft villages are scattered, unsustainable, and small in scale, limiting investment, upgrades, and technology application.

According to Decision No. 372 of the Prime Minister, five years after meeting new rural standards, localities must undergo re-evaluation. Not only in Duong Quang but in many communes across Hanoi, while most criteria remain at acceptable levels, some indicators are incomplete or of low quality, and certain items remain unfinished. In several areas, people still heavily depend on State resources. To avoid falling off the list of qualified communes, it is essential for localities to actively maintain, improve, and develop their criteria. A key priority is raising people's quality of life, earning their trust and cooperation in sustaining and advancing the program. ■

## ENHANCING VALUE OF HANOI'S OCOP PRODUCTS

To enhance the value and market presence of competitive "One Commune, One Product" (OCOP) items, boosting local income and economic growth, Hanoi's agricultural sector has actively guided and supported producers in ongoing research, innovation, value-added processing, and product diversification. This processing has greatly increased the value of OCOP products.



Ha Thai lacquer products feature diverse and elegant designs

### NGOC DAN

According to lacquer artisans in Ha Thai lacquerware village in Thuong Tin district (Hanoi), every lacquerware - whether it is a small cup, bowl, flower vase or big items like a painting - requires meticulous, elaborate and skillful craftsmanship at every stage of production. Thai Ha villagers have developed a wide variety of lacquerware products, exported to many countries around the world, including the United Kingdom, France, Russia, the United States, Spain, Australia, Italy, Japan and South Korea. Ha Thai lacquerware is highly diversified and expanded by artisans on a wide range of materials such as bamboo, pressed paper, ceramics, eggshells, clam shells, buffalo horns, silver and gold.

According to Mr. Do Hung Chieu, Director of An Huy Trading Services and Production Joint Stock Company, creating a perfect lacquerware product requires 15 different stages, using natural lacquer,





**Hanoi is advancing many high-tech vegetable cultivation models**

cashew lacquer, alluvial soil from the Red River, stone powder and sawdust. In particular, the base-coating process involves nine layers of lacquer, with each layer followed by polishing. This cycle of lacquering and polishing is repeated nine times to complete a product.

After the base is finished, the decorative stage depends on the design theme which may involve using eggshells, clam shells, snail shells, buffalo horns, silver or gold. When the decoration is completed, the product is coated with gloss finish lacquer twice and then polished further until it meets quality standards.

Joining the OCOP Program, Ha Thai lacquerware products have been rated 3-star and 4-star, with potential to reach 5-star recognition. Typically, two products - the mother-of-pearl inlaid lacquer box and the horn-inlaid lacquer box produced by An Huy Trading Services and Production Joint Stock Company - have been certified 4-star OCOP products by the Hanoi People's Committee.

In Long Bien district, OCOP products range from a variety of deeply processed foods such as sausages, chicken rolls, pork patties and shredded pork to organic agricultural products like organic vegetables, soaps made from guava leaves and hand sanitizers made from guava leaves. Some economic entities such as Huong Viet Sinh Co., Ltd and Tue Vien Organic Agriculture Joint Stock Company are planning to expand their production to export their products to foreign markets.

Mr. Nguyen Thanh Ha, Sales Director of Huong Viet Sinh Co., Ltd, said: In preparation for joining the OCOP Program, the company actively researched self-incubating Ho chickens and developed closed-loop pig farms to produce a wide array of deeply processed foods like salt-cured chicken, chicken rolls, pâté, sausages, lean pork rolls, stir-fried pork rolls, fatty pork rolls, shredded pork and green rice pork patties. The company operates under ISO 22000-certified quality management standards and applies Japan's national 5S standards in its kitchen facilities. Currently, the company has 18 OCOP-certified products and supplied clean food to over 100 schools in Hanoi and targeted to export its product to Australia.

According to the Hanoi Coordination Office of the New Rural Development Program, value-added processing is an effective way to increase the value and secure the stable market

for OCOP products. This approach helps local producers improve their income and contribute to local economic development. To expand the market for OCOP products, producers must continuously engage in research, innovation and investment in value-added processing, thus enhancing product quality and market competitiveness. It also offers a solution to address challenges concerning the output market for agricultural products, increase their value and boost local agricultural growth. To date, Hanoi has evaluated and rated 3,317 OCOP products, including six 5-star products, 22 potential 5-star products, 1,571 4-star products and 1,718 3-star products. This not only makes Hanoi the leader of certified OCOP products in the country but also allows the city to fulfill the target of Program No. 04-CTr/TU of the 17th Hanoi Party Committee (2021-2025) one year ahead of schedule, which aimed to have at least 2,000 recognized OCOP products.

Mr. Nguyen Xuan Dai, Director of the Hanoi Department of Agriculture and Environment, said that, in the early stages of the OCOP Program, Hanoi encouraged the participation of all economic sectors. However, to enhance competitiveness and build strong product brands, Hanoi will focus on developing deeply processed products and local specialties. Value-added processing helps enhance the value and quality of Hanoi's OCOP products and sharpens their competitiveness in the market. This creates a wide array of products that meet diverse consumer needs and reduces reliance on raw materials.

To control the quality of OCOP products, Hanoi annually forms inspection teams to oversee how the OCOP Program is implemented and how producers work. Through close monitoring, relevant bodies can promptly issue warnings, provide guidance for corrections, or even revoke OCOP certifications for entities failing to maintain the required standards.

In the coming period, Hanoi Coordination Office of the New Rural Development Program recommended that localities continue to guide and support producers to re-evaluate and re-rank OCOP products whose certifications expire. At the same time, support should be provided to help producers upgrade their products to qualify for higher OCOP ratings, hence increasing the competitiveness of Hanoi's OCOP products. ■



# CHUONG MY DISTRICT EMBRACES HI-TECH AGRICULTURE



A corner of Chuc Son town, Chuong My district, Hanoi

In the process of building new-style rural areas, Chuong My district has prioritized agricultural restructuring to enhance economic value and develop sustainable production chains.

## MINH NGOC

To implement the goals of Program 04-CTr/HU issued by the Hanoi Party Committee, the Chuong My District Party Committee has proactively formulated and carried out Program 07-CTr/HU, focusing on “Promoting the effective implementation of the new rural development program, restructuring the agricultural sector, developing the rural economy, and improving both the material and spiritual life of farmers for the 2021–2025 period.” As a result, 16 communes in the district have achieved advanced new rural standards, and 4 communes have met the exemplary new-style rural standards.

### **Promoting agriculture restructuring**

In the process of building new rural areas, Chuong My has prioritized restructuring agriculture to enhance economic value and develop stable production chains. Program 07 not only targets upgrading rural infrastructure but also emphasizes

promoting the production of high-quality agricultural products and improving the efficiency of agricultural production and linkages. The district has gradually reduced rice-growing areas to expand land for high-value crops while encouraging production following VietGAP and GlobalGAP standards, raising the value of local agricultural products.

Cooperatives play an important role in building and maintaining product value chains. Production-consumption chains for grapefruit, chicken eggs, vegetables, and organic rice have been established, helping increase market access for the district’s products. At the same time, Chuong My is developing high-tech

agricultural models, such as greenhouse-grown clean vegetables, water-saving irrigation systems, and large-scale livestock farming. To promote mechanization, the district has achieved 100% mechanization in land preparation and nearly 99% in harvesting. The application of modern technology has helped improve productivity, reduce production costs, and contribute to the development of sustainable rural areas.

The achievements so far have created strong momentum for Chuong My district to aim for higher goals in rural development. By 2030, the district targets having 90% of its communes meet advanced new rural standards, 50% meet exemplary new rural standards, and the entire district achieve advanced new rural status. To realize these goals, Chuong My will continue to focus on agricultural restructuring, expand the application of modern technology in production, and support the growth of traditional craft villages.

The successful implementation of Program 07-CTr/HU has not only laid a firm foundation for the district’s socio-economic development but also given rural areas in Chuong My a new, more vibrant appearance. Positive changes in infrastructure, living standards, and modernized agriculture are gradually transforming Chuong My into a model for new rural development, closely aligned with the goals of sustainable growth and preserving the locality’s distinctive cultural values.

### **Building advanced, exemplary new-style rural areas**

A sense of modernity and civility is now clearly visible in



☞ many villages across Chuong My district. Ngoc Hoa commune, which was recognized as meeting new rural standards in 2016, reached a new milestone in 2024 when it was certified by the Hanoi People's Committee as meeting advanced new rural standards. Through the process of building new-style rural areas, 100% of main and inter-commune roads have been asphalted or concreted, and all alleys now have access to electricity. The commune health station meets the standards set by the Ministry of Health, and every village is equipped with a cultural house.

The average per capita income has risen to VND73.62 million per year, and the commune no longer has poor households. Schools in Ngoc Hoa have been well invested in and upgraded to meet educational needs. Notably, Ngoc Hoa Primary School has received an investment of over VND36 billion, achieving level-1 standards, while the Secondary School has been upgraded with over VND14 billion, also meeting level-1 standards. In addition, the commune takes pride in its local OCOP product: the Lotus Embroidered Ao Dai collection by Sac Viet Ao Dai Business Household, which has been awarded a 3-star OCOP certification by the Chuong My district People's Committee.

In Thanh Binh commune, the transformation of a rural area is clearly reflected through a well-developed network of asphalted and concreted roads that fully meet local travel needs. Medical stations, schools, and cultural houses in the villages have been spaciouly built and well-invested. In 2019, the commune was officially recognized by Hanoi as meeting new rural standards, and by 2024, it achieved advanced new rural standards.

From 2021 to 2024, Thanh Binh mobilized a total of VND78.828 billion for new-style rural development. Of this, the city budget contributed 29.3%, the district budget 49.8%, the commune budget 4.6%, and public contributions and socialized capital accounted for 16.3% with VND12.37 billion. As a result, the commune's appearance has been noticeably enhanced — bright, green, clean, and beautiful. Living conditions have improved significantly, with the average per capita income rising to VND79.86 million per year in 2024, and the commune successfully eliminating poor households.

The rural areas of Chuong My district have clearly undergone remarkable changes after years of implementing the new rural development program. In the time ahead, the district will continue to prioritize the construction of advanced and exemplary new-style rural areas, moving toward building civilized, modern rural areas aligned with urban development, while preserving and promoting the unique cultural values of each locality.

Chuong My will further invest in upgrading rural infrastructure, implement rural industry development plans in harmony with the district's overall socio-economic strategy, and leverage the strengths of each area while ensuring environmental protection. At the same time, the district will expand the application of science and technology in production and business to enhance economic efficiency. In addition, programs to preserve and develop traditional craft villages will be promoted, aiming to balance cultural preservation with product diversification and quality improvement to meet market demand and develop craft village tourism. ■

# PROMOTING ORGANIC AGRICULTURE

After nearly 15 years of carrying out the new rural development program, it comes to a surprise to many people to see remarkable transformation when they set foot in Soc Son district as its outlook is getting more modern, cleaner and more beautiful, alongside significantly improved living standards of local residents.

DINH BAO

## Achievements

With the concerted effort of the entire political system and the consensus and support of all people, by the end of 2024, Soc Son had seen 18 out of 25 communes to complete advanced new rural development standards and 11 communes to fulfill exemplary new rural development standards. Compared to the targets and tasks assigned by the 17th Hanoi Party Committee in Program No. 04-CTr/TU, Soc Son district exceeded the targets by 12 communes in terms of advanced rural development standards and seven commune in terms of model rural development standards, thus earning high praise from the Steering Committee on Program No. 04-CTr/TU.

Pham Van Minh, Chairman of the Soc Son People's Committee, affirmed that the new rural development policy has a starting point, but it has no ending as it advances toward the goal of building a modern, civilized countryside with synchronized infrastructure and a green, clean and beautiful environment.

He also emphasized that, at any stage, new rural development remains vital. Therefore, commune-level authorities are requested to continue intensive information and communication efforts so that residents fully understand the process and are well-prepared for stable operations following the rearrangement of administrative boundaries.

From a purely agricultural district with backward farming practices, Soc Son has gradually formed centralized commercial agricultural production zones applied with high-tech methods to reduce time and labor in land preparation, planting, and harvesting; ease seasonal pressures; and enable the workforce to shift to other handicraft sectors so as to increase incomes for farmers. Currently, 100% of land preparation and harvesting in rice and vegetable cultivation is





Local products from Hanoi showcased at an exhibition

mechanized. The district now has 112 agricultural cooperatives which have effectively provided public irrigation services and gradually driven changes in agricultural production, hence contributing to local socioeconomic development and laying the foundation for agricultural restructuring and achieving national criteria for new rural development.

### Building effective production and consumption chains

Soc Son has applied many consistent solutions for economic development and improved livelihoods for people, with a particular emphasis on agriculture. This has resulted in 24 highly effective production and consumption value chains across the district like high-tech grown mushrooms, Minh Phu organic chicken, Bac Son and Xuan Giang medicinal herbs, Bac Son safe tea, Tung Duong chicken eggs, Mai Dinh and Phu Cuong high-tech vegetables, and Thanh Xuan organic vegetables.

The district also has 21 high-tech agricultural production models, which have proven economically effective and suitable for local conditions. Soc Son has also developed trademarks for eight agricultural products, along with more than 10 agricultural brands created by cooperatives, businesses, and production households. Over 100 product types have been equipped with QR Code traceability.

Furthermore, agricultural production continues to thrive, with many specialized farming zones with high economic efficiency such as specialized areas for farming high-quality rice, safe vegetables, and organic vegetables. In addition, high-tech agricultural production models and value chains have delivered tangible results. Currently, the district has 125 OCOP-certified

products and product groups.

Mr. Ngo Van Ngon, Deputy Director of the Hanoi Coordination Office of the New Rural Development Program, said that Soc Son has carried out the program methodically, resolutely, and comprehensively and achieved tangible results. Especially, many communes, after being certified to meet advanced rural development standards, successfully fulfilled model new rural development standards in just 5-6 months.

This impressive progress and success are partly attributed to the close leadership of local authorities as well as the participation and consensus of local people.

"In the coming time, new rural development will remain a key and ongoing task. The Party and the government of the district will continue directing the communes to invest in and upgrade criteria to maintain and enhance the quality of new rural development. At the same time, specialized departments will work with relevant municipal agencies to finalize dossiers for submission to competent bodies for recognition of Soc Son as an advanced new rural district in 2025," said Phan Van Minh, Chairman of the Soc Son People's Committee.

"According to our tracking facts, people in the communes in Soc Son district highly appreciate the results of advanced rural development, as shown by their support in surveys conducted under the guidance of the Central Committee of the Vietnam Fatherland Front. This indicates that advanced new rural development is clearly present in the district. Looking ahead, we hope Soc Son will continue to direct its communes to maintain and enhance the quality of the criteria, so that local residents benefit more from this process and the new rural development becomes increasingly substantive and effective," said Mr. Ngo Van Ngon. ■

# SOC SON DISTRICT

## ENHANCING COMPETITIVENESS OF OCOP PRODUCTS

The One Commune One Product (OCOP) Program has significantly contributed to transforming production mindsets and promoting rural economic development in Soc Son district. In the new development phase, the district continues to diversify its OCOP products, with priority placed on depth, efficiency and sustainability.



**OCOP producers in the district have generated many jobs, offering a stable monthly income of VND 5-7 million per worker**

### NGOC DAN

Soc Son district currently has over 10,000 ha of agricultural land and more than 4,500 ha of forestland, 112 agricultural cooperatives operating in various sectors and forms, 3,447 industrial and handicraft production facilities, and two traditional craft villages. This represents significant potential for the district to diversify its agricultural and craft village products under the OCOP Program, hence bringing high economic value to local residents.

OCOP products in Soc Son are concentrated in two main strong sectors: food processing (accounting for 84.3%) and handicrafts and decorative items (15.7%). To leverage local potential and advantages to carry out the OCOP Program, since 2020, Soc Son district has worked with the Hanoi Coordination Office of the New Rural Development Program to train over 500 commune- and township-level officials, business owners, cooperatives and business households with OCOP development potential. Additionally, the district has supported consultation costs for compiling evidence documents, designing packaging, labeling products and implementing product marketing campaigns. OCOP producers have also been connected by the district to trade promotion programs and supported in product marketing on e-commerce platforms such as [www.socsonshop](#) and “SS.Shoping” fanpage. As a result, by the first quarter of 2024, the locality had developed 125 OCOP products and product groups rated 3- to 4-star quality. These products have affirmed their prestige, quality and brand recognition in the market. Some 4-star OCOP products reportedly have average annual revenue growth of 20%, with some soaring 50-70% in revenue, such as Van Quan rice paintings, Chin Trang Tan Dan pork rolls and Co Nu Phu Linh wildflower honey. Furthermore, OCOP producers in the district have created jobs for nearly 300 workers, with a stable monthly individual income of VND5-7 million.

Bac Son commune, with its hilly terrain, has a large tea-growing area. Dao Thi Quy, Director of Bac Son Agroforestry Cooperative, said the cooperative now manages over 100 ha of tea cultivated under safety standards. Supported by



various agencies, the cooperative's tea quality has continuously improved. The product has been granted the collective trademark "Bac Son Safe Tea" and its "Bac Son Tea" has been rated as a 4-star OCOP product. This has laid the groundwork for Bac Son tea to gain market traction and compete with its rivals.

Nam Son commune is home to many other OCOP products. Nguyen Van Viet, Director of Nam Son Agricultural Services and General Trading Cooperative, said, lying at the foot of Tam Dao Mountain, the commune is endowed with favorable climate and soil for growing fruit trees. Cavendish bananas in Nam Son are not only sweet but also rich in flavor. Papayas are both sweet and visually appealing. With these advantages, since 2020, the cooperative chose two products - bananas and papayas - for OCOP assessment, which got 4-star and 3-star rankings, respectively. "We grow 65 banana plants on a sao (a land area measurement of 360 square meters). A bunch sold during Tet can fetch VND300,000-500,000. On regular days, the price is about VND6,000 per kg, with each bunch weighing 20-25kg, worth VND120,000-125,000. Since earning OCOP certification, the cooperative has received support from the city and the district for labeling and trade promotion, resulting in frequent undersupplies due to high demand," he said.

According to Hoang Thi Ha, Head of Soc Son Economic Sub-department, seeing the effectiveness of OCOP Program, many local cooperatives and producers registered new products at the beginning of 2024. The sub-department provided guidance and training for 50 OCOP entities to shift their business mindset and adapt their development strategies to the new context. In particular, it supported Hoa Phat Medicinal Herbs Cooperative (Xuan Giang commune) and Soc Son Medicinal Herbs Conservation and Development Cooperative (Bac Son commune) in completing registration documents for high-quality OCOP products, including lotus-scented tea, herbal tea, floral-scented tea, Hakoda yellow flower tea, and 2S soy-burdock sauce. "Based on our evaluation, these products are proven to have natural origin, cultivated in Soc Son, and highly appreciated for quality by Japanese experts and Vietnamese research institutes. They show strong potential to become 5-star OCOP products under the Soc Son brand," she added.

Do Minh Tuan, Vice Chairman of the Soc Son People's Committee, stated that, to develop 200 OCOP products by 2025 and establish the Creative Design, Introduction, Promotion and Marketing Center for OCOP and Craft Village Products Tied to Tourism, Soc Son district is ramping up



**High-tech agriculture model in Soc Son district**

information and communications and engaging all levels of government, the community and OCOP producers in this effort. At the same time, the district is coordinating with the Hanoi Coordination Office of the New Rural Development Program and relevant municipal agencies to bring local OCOP products to trade fairs and promotional events to boost consumption. Soc Son is also working with the Hanoi Department of Industry and Trade to open more OCOP introduction and sales points, connect products with supermarket chains, convenience store systems and e-commerce platforms, and strengthen value chain linkages to enhance market competitiveness, thus creating momentum and engaging more participants in the district's OCOP Program. ■

## CHUONG VILLAGE CONICAL HATS

# TIMELESS BEAUTY AND ENDURING CULTURAL HERITAGE



Children show keen interest in learning to make traditional hats

Chuong village in Thanh Oai district, Hanoi, is renowned across the country for its long-standing craft of making conical leaf hats, a symbol of the Vietnamese soul. In the face of modern challenges, Chuong Village hats have evolved from simple protection against rain and sun to handicraft products carrying high cultural and artistic value.

### BUI LIEN

In particular, the hats made by artisan Le Van Tuy, who has been involved in the profession for more than 50 years, have affirmed the special position of Chuong Village hats on Hanoi's One Commune One Product (OCOP) product map.

Chuong village has long been known as one of the cradles of the hat-making profession in the North. The hats here possess a graceful and delicate beauty, from the needlework to each layer of meticulously processed palm leaves. Choosing the right leaves is an important step – only palm leaves that are picked at the right time, dried in the sun, and carefully incubated are qualified to make conical hats. The leaves are scrubbed clean, softened, then flattened before being layered and meticulously sewn by hand onto a round bamboo frame.

The traditional conical hats have long been associated with the gentle, hard-working image of Vietnamese women. Not only appearing in daily life, they also accompany artists, models, and art troupes as they represent Vietnamese culture to international friends at cultural, fashion, and handicraft exhibitions.

### **A lifetime devoted to craftsmanship and cultural pride**

Born and raised in a family with a long-standing hat-making tradition in Chuong village, artisan Le Van Tuy was exposed to the craft early on and learned it from his father. For him, making conical hats is not only a way of life but also a passion – the greatest passion of his life.

Sharing about his career journey, artisan Le Van Tuy proudly said: “The family's hat products have won five 4-star OCOP awards, among which the monk's hat received awards from both Hanoi and the Ministry of Agriculture and Environment after three years.”

The “monk's hat” – a unique product imbued with



tradition and meditation – is a creation by him and his family. The hat has a special shape, designed based on the actual needs of monks and Buddhists, combining both aesthetics and functionality for religious life. This is one of the outstanding products that has contributed to bringing the name of his hat workshop closer to a wide range of domestic and international consumers.

Currently, artisan Le Van Tuy's workshop employs more than 20 workers, producing around 1,000 products for the market each day. All items are crafted from natural materials such as palm leaves, bamboo, and nylon thread, with a focus on environmental friendliness.

"The family has also received a lot of support from local authorities, as well as central agencies. Hanoi Coordination Office of the New Rural Development Program has supported our booth many times to participate in programs, fairs, and product promotion weeks," said Tuy.

Thanks to the support from local authorities, the hat workshop now not only sells at the market or to wholesalers, but also has the opportunity to display products at major fairs, trade promotion events, and especially a booth located right in the courtyard of Chuong village's communal house, welcoming domestic and international visitors. This is not only a commercial activity but also a way to convey Vietnamese culture to friends around the world.

### Balancing tradition with innovation and sustainability

However, in the era of industrialization, handmade hats face intense competition from plastic and fabric hats. These industrial products are cheap and easy to mass-produce, but they pose many potential risks to both the environment and consumer health.

"Due to competition from other products on the market such as plastic hats, our hats are harder to sell than before. Plastic products are harmful to the environment and inconvenient for long-term use, affecting users' health. But because they are inexpensive, some customers still opt for them," Tuy shared with concern.

Despite this, he and his family persist in their craft, viewing it as a mission to preserve traditional values, rather than a mere business. With 50 years of experience, he has built a strong reputation and a loyal customer base, including many international customers who are interested in sustainable, handmade products.

A highlight of his workshop is its spirit of innovation. The hats are not mass-produced or stereotypical; each model is designed by the family, from style and color to decorative motifs. This creativity not only diversifies the products to meet different market demands, but also expresses the unique identity and personal touch of the artisan.

He said that all the hat designs were created by their family, and that they not only made hats for wearing but also created decorative hats, art hats, and hats for cultural and fashion performances.

It is this combination of tradition and innovation that helps



**Chuong's conical leaf hats embody high cultural and artistic value**

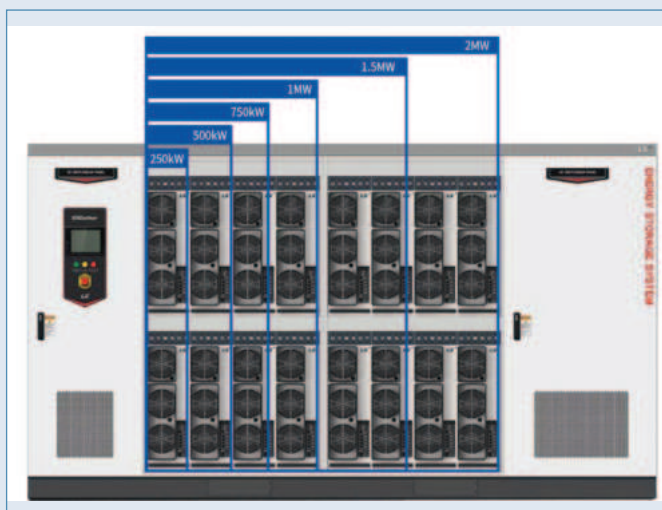
his hat products evolve and be warmly received by customers.

In the context of rural economic development associated with cultural preservation, artisan Le Van Tuy's hat production model is a shining example. Not stopping at production, he also participates in vocational training for the younger generation and teaches fellow villagers, creating stable jobs for dozens of local workers.

With passion, creativity, and timely support from the government, Chuong village hats, especially those made by artisan Le Van Tuy, have reached further and contributed to preserving and promoting the heritage value of Vietnamese craft villages in the new era.

From the simple conical hat to a symbol of Vietnamese culture, the 50-year journey of artisan Le Van Tuy is living proof of love, commitment, and responsibility for traditional crafts. The hats created by his talented hands not only protect wearers from the sun and rain but also carry deep passion, cultural essence, and national pride. ■

# Advancing Energy Storage for Smart and Sustainable Future



As the world strongly transitions toward renewable energy sources to reduce greenhouse gas emissions and combat climate change, developing efficient energy storage solutions has become more critical than ever. In Vietnam, LS ELECTRIC Vietnam has taken the lead in deploying and supplying advanced energy storage systems (ESS), thus playing a vital role in the country's energy transition.

## Leading energy storage solutions

LS ELECTRIC Vietnam's Energy Storage System (ESS) is an integrated architecture that stores electricity from the power grid or renewable energy sources and discharges it when needed. Its core functions include charging, discharging, monitoring, control and power quality management. This system helps reduce grid load during peak hours, enhances grid stability, and supports optimal energy management.

The overall architecture of an LS ELECTRIC Vietnam ESS system comprises three main components: Power devices, battery and control and monitoring software system (PMS, BMS and PCS). In particular, the power devices act as the "entry port" connecting the ESS system to the grid, including transformer (adjusting voltage levels for charging/discharging), circuit breaker and switches (providing protection and isolating faults), protection relays (automatically disconnecting the system in case of abnormal current flows). These components ensure safe, stable and efficient charging-discharging processes between the grid and the battery storage system, and vice versa.

The Power Conditioning System (PCS) is often referred to as the "heart" of the ESS system. It is a bidirectional AC-DC converter that enables Charging (Converting alternating current (AC) from the grid into direct current (DC) for battery storage) and Discharging (Converting DC from the batteries into AC to supply loads or feed back into the grid).

Additionally, PCS performs voltage regulation and noise filtering and ensures the output power quality meets technical standards. For that reason, PCS works as an "intelligent intermediary station" between the storage sources and the overall power system.

Lithium-ion storage batteries are typically chosen for their high energy density, long life span (10-15 years), and fast, stable discharge capability. These batteries store electricity from the grid or renewable sources during charging and supply energy to loads or return power to the grid during discharging.

The Battery Management System (BMS) ensures safe and efficient battery operation. BMS monitors voltage, current, temperature and charge/discharge cycles of each cell; automatically disconnects in case of anomalies; and balances cell voltages to prolong battery life. With LS ELECTRIC Vietnam's solutions, BMS features a centralized battery management system integrated with overall control software platforms.

The Power Management System (PMS) serves as the central control unit that coordinates, monitors and optimizes all ESS operations. PMS capabilities include real-time monitoring; communication with SCADA or EMS systems; load forecasting and data analytics; and scheduling and coordination of charge/discharge cycles.

Developed by LS ELECTRIC Vietnam, PMS features a user-friendly interface with remote access via computers or



mobile devices, affording both businesses and professional operators.

## Real-world applications and the road to a smart energy future

Since 2008, LS ELECTRIC has successfully implemented 164 ESS projects across 24 countries in diverse sectors including steel industry (SEAH), water treatment plants (Hwameong), solar power (Youngam PV+ESS) and frequency and voltage regulation projects in the United Kingdom and South Korea. Notably, projects on Jeju Marado Island and Deokjeokdo Island have demonstrated ESS effectiveness in replacing diesel-fueled generators with renewable energy and storage systems.

Partners highly appreciate ESS for its superior features to enhance efficiency and system stability, particularly the capacity to store surplus renewable energy for use when needed, stabilize the grid, and regulate frequency and voltage. For businesses, ESS systems help reduce electricity bills by storing cheaper electricity during off-peak hours and supplying it during peak hours. ESS also functions as a reliable backup power source, ensuring uninterrupted operation for critical infrastructure such as data centers and production lines in the event of power outages or system failures.

In Vietnam, the adoption of ESS technologies is gaining momentum. LS ELECTRIC Vietnam offers storage solutions ranging from a few hundred kWh to several MWh, tailored to the needs of industrial plants, commercial centers, hospitals, offices and renewable energy projects with a high demand for large-scale storage.

Notable projects include the smart energy plant in Yen Phong Industrial Park (Bac Ninh province) where LS ELECTRIC Vietnam deployed a grid-connected ESS system for energy-efficient operation and the PECC2 project that integrates emergency power generation to ensure uninterrupted electricity supply during unexpected events like grid outages or system failures.

LS ELECTRIC Vietnam's ESS systems are more than just a technical solution but also a key to open a smart, flexible and sustainable energy future. With an integrated design, advanced technologies, scalable architecture and tangible economic benefits, ESS not only helps businesses reduce costs but also contributes to the country's efforts to enhance carbon emission reductions, environmental protection and energy security. ■



Northern Vietnam's first smart energy plant by LS ELECTRIC in Yen Phong Industrial Park

### PRODUCTS AND APPLICATION

**MV Switchgear (Tủ trung thế)**

Application: Medium voltage switchgear are used to control, protect and isolate electrical systems in power plants, transformer stations, factories,...

Ứng dụng: Tủ trung thế được sử dụng để điều khiển, bảo vệ và cô lập hệ thống điện trong nhà máy điện, trạm biến áp, nhà máy sản xuất,...

<b>MCSG</b> (Metal Clad)	<b>MESG</b> (Metal Enclosed)	<b>C-AIS</b> (Compact-Air Insulated)	<b>RMU</b> (Compact Ring Main Unit)

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**LV Switchgear (Tủ hạ thế)**

Application: Low voltage switchgear are used to distribute and protect electrical systems in thermal power plants, factories, high-rise buildings,...

Ứng dụng: Tủ hạ thế được sử dụng để phân phối và bảo vệ hệ thống điện trong các công trình nhà máy nhiệt điện, nhà máy sản xuất, tòa nhà cao tầng,...

<b>Susol LV SWGR &amp; MCC</b>	<b>Solution 2000 MC</b>	<b>Susol LV MDB</b>	<b>AC LV drive panel</b>

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**Total Power Solutions (Giải pháp tổng thể)**

Application: The product lines have distinct applications in power conversion, transmission and distribution.

Ứng dụng: Các dòng sản phẩm có những ứng dụng riêng biệt trong chuyển đổi điện năng, truyền tải và phân phối điện.

<b>Cast Resin Transformer</b>	<b>NSPB</b>	<b>GIS</b>	<b>MMC STATCOM</b>

# Seoul Medical Tourism Targets Vietnam's Market Expansion



Around 20,000 Vietnamese visit Seoul yearly for medical care

## MY CHAU

"Seoul medical tourism is ready to conquer the Vietnamese market," affirmed Mr. Ham Kyung Jun - Director of Seoul Tourism Organization (STO) at the "Seoul Medical Tourism Roadshow 2025," organized by Seoul City and the Seoul Tourism Organization in collaboration with Vietnamese trade and tourism promotion units in Ho Chi Minh City. The series of events aimed to promote Seoul medical tourism in Vietnam while strengthening the cooperation network between Seoul's medical-tourism facilities and the medical-tourism industry of Ho Chi Minh City in particular, and Vietnam in general, thereby establishing a foundation for

sustainable bilateral cooperation in medical tourism. Statistics from the Seoul Tourism Organization (STO) indicate that in 2024, the number of tourists visiting Seoul for medical services will reach nearly 1 million, an increase of 93.2% compared to 2023. In the Vietnamese market alone, around 20,000 Vietnamese tourists travel to Seoul annually for medical care, placing Vietnam among the Top 10 countries with the highest number of medical tourists to Seoul.

Mr. Ham Kyung Jun explained that more and more international tourists trust and choose Seoul as a leading destination for healthcare combined with tourism because the city offers a world-class modern medical infrastructure, diverse tourism services, and reasonable costs. In addition, the growing interest in Korea, driven by the strong influence of the Hallyu wave (K-beauty, K-drama, K-food...), also helps position Vietnam as a potential market for Seoul's medical tourism.

To meet the increasing demand for medical tourism, particularly in the Vietnamese market and globally in general, Seoul prioritizes expanding its cooperation network and building a comprehensive medical ecosystem. The city has also been making efforts to identify and select leading medical institutions in the field of medical tourism under the name of "Seoul Medical Tourism Cooperation Agency," aiming to better serve both Vietnamese and international tourists. "Seoul - Korea medical tourism has been well-prepared and professional, ready to conquer the Vietnamese market. Through this event, Seoul City and the Seoul Tourism Organization (STO) hope to introduce Seoul's top-quality medical tourism resources to major medical facilities and tourism businesses in Ho Chi Minh City, while promoting the image of a 'Global Medical Tourism City' to more potential tourists," Mr. Ham Kyung Jun emphasized.

This is the second time the Seoul Medical Tourism Roadshow has been held in Ho Chi Minh City, following its debut in 2019. This year's event brought together 13 Seoul medical cooperation units and 23 medical-tourism organizations in Ho Chi Minh City with diverse activities (health consultations, experiences of health products and services, etc.) for both B2B (business-to-business) and B2C (business-to-customer) audiences. ■

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