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VIETNAM-KOREA

ADVANCING COMPREHENSIVE INVESTMENT
COOPERATION AND SUSTAINABLE DEVELOPMENT

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VCCI Intellectual Property Sole Member Company Limited (VCCI-IP CO., LTD.), belonging to Vietnam Chamber of Commerce and Industry, is specialized in Intellectual Property legal services. VCCI-IP was established in 1984 (right after the establishment of National Office of Intellectual Property of Vietnam (NOIP) in 1982), formerly as the Patent & Trademark Bureau of Vietnam Chamber of Commerce and Industry, to take the task authorized by the Government to exclusively represent for the registration and protection of intellectual property assets of foreign individuals/entities in Vietnam for years.

In the course of the economic renovation and global economic integration during nearly 40 years, VCCI - IP has been continuously developing and enhancing the professional manner with the firmly asserted position as one of the largest and most prestigious IP agencies in Vietnam. VCCI-IP has annually ranked among the Vietnam's best IP agencies by intellectual property magazines such as Managing IP Magazine and Asia IP Magazine.

At present, VCCI-IP has been cooperating with about 500 hundreds of international law firms, representing for more than 1000 domestic and foreign clients among which are leading industrial groups, multinational corporations such as Sony, Sharp, Panasonic, LG, Toshiba, GlaxoSmithKline, NTT Docomo, Sanyo, Hitachi, etc. VCCI - IP is also the membership of International Associations such as the International Association for the Protection of Intellectual Property (AIPPI), the International Trademark Association (INTA) and the Asian Patent Attorney Association (APAA), etc. With a strong team of more than 70 experienced and devoted lawyers, attorneys and technical experts in various fields, VCCI - IP always commits itself to bring the best services based on close and opportune coordination with clients in establishing and protecting effectively intellectual property rights in Vietnam and foreign countries.

VCCI-IP's areas of specialization include

- 1** Providing information of legal framework, economic and technical environment of Vietnam and foreign countries in relation to intellectual property for domestic and foreign individuals/enterprises;
- 2** Providing investigation and search services on prior art, freedom-to-operate, protection status, patentability and registrability of inventions, industrial designs, trademarks etc.,
- 3** Providing legal advices and representing for filing and prosecuting applications for inventions, industrial designs, trademarks, copyrights etc., of domestic and foreign individuals/enterprises;
- 4** Providing legal advices and representing for filing and prosecuting international application for inventions under PCT Treaty;
- 5** Providing legal advices and representing for filing and prosecuting international trademark applications under Madrid Protocol/Agreement and Community trademarks (CTM);
- 6** Providing legal advices and representing for settlement of appeals, disputes of IPRs;
- 7** Providing legal advices and representing for settlement of IPRs infringement and anti-counterfeits in Vietnam and foreign countries;
- 8** Providing legal services and representing for Recordal of license/assignment of IPRs and technology transfer;





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Vietnamese Prime Minister Pham Minh Chinh (L) and Korean President Yoon Suk Yeol

VIETNAM-KOREA RELATIONS AT BEST DEVELOPMENT STAGE

Upon the occasion of the official visit to the Republic of Korea (RoK) by Prime Minister Pham Minh Chinh and his spouse, both sides issued a joint press release. Vietnam Business Forum is honored to present the full text of the Vietnam-Korea joint press release.

1. At the invitation of Korean Prime Minister Han Duck-soo, Vietnamese Prime Minister Pham Minh Chinh and his Spouse paid an official visit to the Republic of Korea (RoK) from June 30 to July 3, 2024.

On July 2, Prime Minister Pham Minh Chinh and Prime Minister Han Duck-soo held talks in the atmosphere of friendship and mutual trust. The two Prime Ministers reviewed the progress of bilateral cooperation since the two countries upgraded relations to a comprehensive strategic partnership in 2022; discussed measures to deepen the comprehensive strategic partnership in an effective and substantial manner; reached common perceptions on the remaining important issues.

2. Both sides noted that the relations between Vietnam and Korea are now in the best stage of development since the two countries establish diplomatic ties in 1992; agreed to continue accelerating cooperation across all spheres in accordance with their comprehensive strategic partnership. Both sides agreed to beef up exchanges between the two countries' leaders in diverse and flexible formats through mutual visits and meetings at multilateral forums and conferences while expanding cooperation through the Party, Government, National Assembly, ministries, localities and social strata of the two countries.

Both sides agreed to improve the substance of the two countries' comprehensive strategic partnership; practically implement all the high-level agreements, including the Action program to implement the Vietnam- Korea Comprehensive Strategic Partnership; enhance political, diplomacy, security, defense, and defense industry cooperation and effectively implement the existing mechanisms and agreements; coordinate in resolving non-traditional security issues and trans-national crime; speed up the opening of Vietnam's Consulate General in Busan city, Korea in 2024.

3. Both sides emphasized that Vietnam and Korea have become each other's partners of top importance. Prime Minister Pham Minh Chinh said Vietnam attaches importance to the relations with Korea and expects to further develop the bilateral ties in a substantial, effective and long-term manner on par with the two countries' comprehensive strategic partnership. Prime Minister Han Duck-soo reiterated Vietnam is a key partner in Korea's foreign policy towards the region, including the Indo-Pacific Strategy and the Korea-ASEAN Solidarity Initiatives (KASI); supporting Vietnam to successfully carry out its industrialization and modernization process to become a developed, high-income country by 2045.

4. Both sides affirmed that economic cooperation is an





Vietnamese Prime Minister Pham Minh Chinh and his Korean counterpart Han Duck-soo witness the signing of MoU, outlining a roadmap between the Vietnamese Ministry of Industry and Trade and the Korean Ministry of Trade, Industry, and Energy to achieve a trade target of US\$150 billion

important pillar contributing to substantive development of the bilateral ties; agreed to work toward raising the two-way trade to US\$100 billion in 2025 to mark the 10th anniversary of Vietnam-Korea Free Trade Agreement, and to US\$150 billion by 2030 in a balanced and sustainable manner. To achieve the goal, both sides agreed to work closely together to effectively implement their bilateral and multilateral economic cooperation mechanisms such as the Vietnam-Korea Free Trade Agreement and the Regional Comprehensive Economic Partnership (RCEP), the Indo-Pacific Economic Framework (IPEF), including the promptly signing of the Mutual Recognition Agreement (MRA) on the Authorized Economic Operators (AEO) Program this year. The two sides agreed to work together to announce the market opening for Vietnamese pomelos and Korean melons in 2024. In addition, the two Prime Ministers also agreed to step up cooperation in agriculture, forestry and aquaculture such as smart farms, agricultural equipment, sustainable forest management, irrigation modernization, rural development; promote trade in agricultural, livestock and aquatic products.

Both sides agreed to encourage Korean businesses to expand investment in Vietnam, including key and future industries such as digital transformation, green economy, circular economy, semiconductor, and environmentally-friendly energy, biotechnology, 5G network, and smart cities; expand exchanges in the field of small and medium enterprises and startups; deploy human resource training projects in the fields of high technology, digital transformation and artificial intelligence (AI). Besides, both sides also agreed to strengthen necessary cooperation in promoting investment by Korean businesses to build a stable core mineral supply chain.

Prime Minister Han Duck-soo said that creating favorable investment environment is necessary for sustainable trade, investment expansion and enhanced cooperation in industrial field between the two countries, and at the same time, suggesting the Vietnamese side actively support the settlement of tax problems of Korean businesses in Vietnam. Prime Minister

Pham Minh Chinh said that the Government will continue efforts to create an open and transparent investment environment; affirmed that the Government will create favorable conditions for foreign enterprises, including those from Korea to do stable and long-term business in Vietnam. Prime Minister Han Duck-soo affirmed that Korea will expand support for Vietnamese enterprises to participate more deeply in production and supply chain led by Korean enterprises in Vietnam.

Prime Minister Han Duck-soo emphasized that Korea continues to consider Vietnam an important strategic partner for development cooperation. Prime Minister Pham Minh Chinh affirmed Vietnam will cooperate closely to smoothly and effectively implement development cooperation programs worth US\$52 million between the two countries in 2024. Both sides also noted that labor cooperation has greatly contributed to mutually beneficial relations between the two countries; welcomed Korean agencies and organizations' assistance for industrial

human workforce training in Vietnam; agreed to continue efforts to expand the scale of manpower import from Vietnam in accordance with the Korea's Employment Permit System (EPS) and continue to expand the scale of manpower import for shipbuilding, information technology and service sectors in Korea.

5. Both sides agreed to further boost cooperation in science and technology, especially high technology, research and development, technology transfer. Prime Minister Han Duck-soo said Korea will assist Vietnam in enhancing science and technology and digital transformation capacity through the second phase of the Vietnam-Korea Institute of Science and Technology Project and the Future Partnership for Research and Development and Innovation Project with a scale of US\$30 million over the next ten years.

Both sides share the need to jointly respond to climate crisis; at the same time, agreed to fully implement the Climate Change Cooperation Framework Agreement between Vietnam and Korea, speed up cooperation across fields like policy and technology exchanges, promote private investment for green growth and carbon neutrality by 2050 in each country. Both sides agreed to promote exchanges on cooperation in projects proposed by the Korean side according to Article 6.2 of the Paris Agreement.

6. Both sides agreed to work towards the goal of raising people-to-people exchanges to five million people; strengthen cooperation to facilitate the expansion of cooperation in culture, education, tourism and people-to-people exchanges in order to improve mutual understanding and connections. Korea shares its experience to support the development of cultural industry for Vietnam. Both sides agreed to strengthen local-to-local exchanges and cooperation, at the same time, effectively deploy the annual Meet Korea Program organized by the Ministry of Foreign Affairs of Vietnam in collaboration with the Korean Embassy in Vietnam and Vietnamese localities to boost exchanges between the two countries' enterprises. Both sides agreed to intensify cooperation in protecting the rights and interests of Vietnamese citizens in Korea and Korean citizens in Vietnam; create favorable conditions for multicultural families to integrate into local life; agreed to



Prime Minister Pham Minh Chinh meets with Speaker of the National Assembly of Korea Woo Won-shik

discuss concrete measures to establish a periodic mechanism for sharing and coordinating policies for their expats.

7. Both sides agreed to continue strengthening coordination and mutual support within international and regional frameworks such as the United Nations, the World Trade Organization, the Asia-Pacific Economic Cooperation, the Asia-Europe Meeting, the Partnering for Green Growth and the Global Goals 2030 (P4G) Summit. Prime Minister Han Duck-soo affirmed Korea will coordinate closely with Vietnam for the success of the P4G Summit in Vietnam in 2025.

Both sides agreed to continue effective cooperation within such frameworks like ASEAN-Korea, Mekong-Korea, ASEAN Plus Three, East Asia Summit, ASEAN Regional Forum and ASEAN Defense Ministers' Meeting Plus (ADMM+). Prime Minister Pham Minh Chinh welcomed the Korea-ASEAN Solidarity Initiative of Korea, saying the initiative contributes to enhancing and deepening ASEAN-Korea relations. Both sides consider this to be the basis for common efforts towards the establishment of Comprehensive Strategic Partnership between ASEAN and Korea on the occasion of the 35th anniversary of ASEAN-Korea dialogue relations this year.

Both sides reiterated their common stance regarding the Korean peninsula issue as enshrined in the Chairman's Statement of the 24th ASEAN-Korea Summit and shared the common perception that the development of nuclear weapons threatens peace and stability on the Korean peninsula, in East Asia and the world. Both sides called on relevant parties to strictly comply with international obligations and agreements, including the United Nations Security Council's Resolutions, and reaffirmed the importance of the international community's efforts for full implementation of the relevant resolutions of the United Nations Security Council. Vietnam welcomed and supported the Korean Government's efforts for denuclearization and peaceful reunification on the Korean peninsula, including the "Bold Initiative".

Both sides reaffirmed the importance of the vision of maintaining peace, stability, safety and freedom of navigation and aviation in the East Sea, particularly affirming the peaceful resolution of disputes on the basis of the common principles of international law, including the 1982 United Nations Convention on the Law of the Sea (UNCLOS 1982).

8. On the occasion of the official visit to Korea by Prime Minister Pham Minh Chinh, the two Prime Ministers

witnessed the exchange of nine cooperation deals between ministries and agencies in the fields like development, trade-investment, small and medium-sized enterprises-innovation-entrepreneurship, environment, competition and consumer protection, education (as attached in the appendix below).

Both sides agreed to the official visit by Prime Minister Pham Minh Chinh contributes to developing and deepening the Vietnam-Korea Comprehensive Strategic Partnership, which is beneficial to peace, stability and development in the region and the world.

Prime Minister Pham Minh Chinh expressed deep gratitude for the cordial, respectful and thoughtful welcome the Korean leaders and people for the Vietnamese delegation, and kindly invited Prime Minister Han Duck-soo to pay an official visit. Prime Minister Han Duck-soo accepted the invitation with pleasure. ■

Nine cooperation agreements between Vietnam and Korea

1. Memorandum of Understanding on Korea's non-refundable aid to Vietnam between the Ministry of Planning and Investment of Vietnam and the Ministry of Foreign Affairs of Korea
2. Loan agreement for construction of My An-Cao Lanh expressway project phase 1 between the Ministry of Finance representing the Government of Vietnam and the Export-Import Bank of Korea
3. Memorandum of Understanding on Orientation for development of an Action Plan to implement the bilateral trade goal of US\$150 billion towards more balanced manner between the Ministry of Industry and Trade of and the Ministry of Trade, Industry and Energy of Korea
4. Memorandum of Understanding on development cooperation and exchange of startup ecosystem between the Ministry of Science and Technology of Vietnam and the Ministry of Small and Medium Enterprises and Startups of Korea.
5. Memorandum of Understanding on cooperation in the field of small and medium enterprises between the Ministry of Planning and Investment of Vietnam and the Ministry of Small and Medium Enterprises and Startups of Korea.
6. Memorandum of Understanding on cooperation in establishing resource recycling industrial park project between the Ministry of Natural Resources and Environment of Vietnam and the Ministry of Environment of Korea
7. Memorandum of Understanding on cooperation between the Vietnam National Competition Commission and the Korea Fair Trade Commission
8. Memorandum of Understanding on cooperation between Ha Noi National University of Vietnam and Seoul National University of Korea.
9. Memorandum of Understanding between Ho Chi Minh National Academy of Publics of Vietnam and the National Human Resource Development Institute of Korea.

Advancing Comprehensive Investment Cooperation and Sustainable Development

Prime Minister Pham Minh Chinh successfully concluded his visit to the Republic of Korea, marking the inception of new direction in bilateral investment cooperation.

GIANG TU



Prime Minister Pham Minh Chinh witnesses the signing of cooperation agreements between businesses from the two countries

During his official visit to Korea from June 30 to July 3, 2024, Prime Minister Pham Minh Chinh engaged in important discussions with President Yoon Suk Yeol, Prime Minister Han Duck-soo, Speaker of the National Assembly Woo Won-shik, and prominent Korean business figures. This visit not only strengthened bilateral ties but also catalyzed investment prospects, particularly in key industries.

Vietnam - Potential investment destination for Korean businesses

Korea is currently the largest foreign investor in

Vietnam, with US\$90 billion of investment capital, 9,863 projects and over 8,000 companies.

Korean investment projects are engaged in many fields, from industrial production and infrastructure construction to information technology and services. This has created hundreds of thousands of jobs for Vietnamese workers and contributed significantly to Vietnam's economic development.

Korean President Yoon Suk Yeol affirmed that Vietnam is a potential investment

destination for Korean businesses, stressing that the country not only has a favorable business environment but also has young, abundant and qualified human resources. This creates ideal conditions for Korean businesses to invest and develop in Vietnam.

During a meeting with Prime Minister Chinh, President Yoon expressed his delight that the two-way relationship has been increasingly strengthened and developed. He emphasized that Prime Minister Chinh's visit has made an important contribution to promoting the effectiveness of the action program for implementation of the comprehensive strategic partnership upgraded in December 2022.

The two leaders agreed that reinforcing economic



Vietnamese Prime Minister Pham Minh Chinh and his Korean counterpart Han Duck-soo witness the signing of MoU on Korea's non-refundable aid to Vietnam between Vietnamese Ministry of Planning and Investment and Korean Ministry of Foreign Affairs

cooperation, especially in investment, will be a key factor in achieving the bilateral trade target of US\$100 billion by 2025 and US\$150 billion by 2030.

Many leading Korean firms seek to expand investment in Vietnam

During the visit, six prominent Korean corporations signaled their commitment to expanding investments in Vietnam, thereby injecting significant momentum into bilateral economic cooperation. These corporations are poised to seize abundant opportunities in sectors such as semiconductors, digital transformation, green technologies, and biotechnology, among others.

Given closer Vietnam-Korea relationship, many leading Korean corporations have expressed their desire to expand investment in Vietnam. They not only aim to broaden their presence but also want to contribute to Vietnam's sustainable development with high-tech and green projects.

Samsung is one of the largest investment corporations in Vietnam, with over US\$17 billion of registered investment capital. The firm is currently operating two mobile phone factories in Bac Ninh and Thai Nguyen and plays an important part in Vietnam's export value. This group plans to expand investment in component manufacturing and digital transformation.

LG has also invested over US\$5 billion in Vietnam, mainly for electronic equipment and household appliance manufacturing projects in Hai Phong City. The group is considering production expansion and investing in

renewable energy and sustainable development.

Hyundai is already present in Vietnam with auto assembly and component manufacturing projects. With up to US\$1.5 billion of investment capital, Hyundai plans to enlarge production and transfer advanced technology to Vietnamese partners while investing in developing smart transportation infrastructure.

SK Group, one of Korea's largest conglomerates, has invested about US\$2 billion in many fields in Vietnam, including energy, chemicals and information technology. SK Group is looking for new investment opportunities in biotechnology and artificial intelligence (AI).

Lotte Group has invested more than US\$3 billion in real estate, retail and service projects in Vietnam. Lotte plans to expand its commercial center system and develop smart city projects in the coming time.

Kepco (Korea Electric Power Corporation) has invested some US\$1 billion in energy projects in Vietnam. The firm is considering investment expansion in renewable energy projects such as wind power and solar power to support Vietnam's transition to green energy.

Prime Minister Chinh's successful visit will open up many new prospects for cooperation between Vietnam and Korea. The Vietnamese government is committed to facilitating investment projects of Korean businesses, especially in semiconductors, digital transformation, green transformation and biotechnology among other industries. This cooperation not only brings economic benefits but also helps promote sustainable development and improve the welfare of the two countries' peoples. ■

VCCI, THAI EMBASSY FORGE STRONG TIES IN BUSINESS SUPPORT



VCCI President Pham Tan Cong (R) welcomes Thai Ambassador Urawadee Sriphiromya

During his meeting with newly inaugurated Thai Ambassador to Vietnam Urawadee Sriphiromya, Mr. Pham Tan Cong, President of the Vietnam Chamber of Commerce and Industry (VCCI), expected that throughout her tenure, the ambassador would collaborate closely with VCCI to enhance cooperation between the organization and the Thai Embassy. This partnership aims particularly to strengthen ties in economics, trade, industry, investment and business relations.

ANH MAI

The new Thai ambassador highly appreciated the development of good relations between Thailand and Vietnam in recent years in economics, trade and investment, especially the information technology field.

Ambassador Urawadee Sriphiromya also hoped that VCCI will coordinate support in two upcoming events, including the “Vietnam-Thailand Business Forum” event on the occasion of the Thai Prime Minister’s visit to Vietnam

and the “Meet Thailand” event in Lao Cai province.

She expected that the two sides will cooperate and promote business support, and, during her term, she will make her best effort to actively further strengthen Vietnam-Thailand Strategic Partnership, particularly in business connections, local cooperation, culture and education fields.

She affirmed that the Thai Embassy and the Thai Chamber of Commerce (TTC) will continue to coordinate closely with VCCI to develop stronger trade and investment cooperation between the two countries in the coming time.

In response, VCCI President Pham Tan Cong said that Vietnam and Thailand always have a good relationship, support and learn from each other. They are good friends and good partners and are currently joining together in the ASEAN mechanism. He expressed optimism that bolstering bilateral cooperation would elevate the Vietnam-Thailand relationship to unprecedented heights.

Over the past years, VCCI has maintained regular cooperation and information exchange with Thai trade and investment promotion agencies such as the Thai Chamber of Commerce (TCC), the Thailand Board of Investment (BOI), and the Federation of Thai Industries (FTI) to support the two countries’ business communities to cooperate more effectively.

He hoped that the embassy will support more information for businesses of the two countries to seek trade opportunities.

“VCCI stands prepared to collaborate with the Thai Embassy in Vietnam to organize strategic business networking events aimed at catalyzing future cooperation opportunities,” affirmed Cong.

Thailand is currently one of Vietnam’s first strategic partners in Southeast Asia. Diplomatic relations between the two nations were established in 1976. The official visit of General Secretary Nguyen Phu Trong to Thailand in June 2013 marked a significant milestone, as Vietnam and Thailand formally elevated their relationship to a “strategic partnership,” pioneering this status among ASEAN nations.

The two countries have strengthened their close cooperation and supported each other in subregional and regional cooperation frameworks such as the Greater Mekong Subregion (GMS) Cooperation and the East-West Economic Corridor (EWEC) as well as in multilateral relations at international forums like the ASEAN Regional Forum (ARF), the East Asia Summit (EAS), the Asia-Europe Meeting (ASEM), the Asia-Pacific Economic Cooperation (APEC), and the United Nations (UN).

Specially, following the official formation of the ASEAN Community on December 31, 2015, Vietnamese and Thai leaders agreed to bolster cooperation to effectively promote the role of the community while reinforcing unity and fostering the centrality of ASEAN in handling regional and international issues. ■

Enhancing Supply Chain Diversity in the Global Market



Overview of the business forum "Diversifying supply chains, expanding markets, and enhancing business adaptability"

With aspirations to ascend the value chain, Vietnam finds itself at an important juncture to leverage its position in global value chains. The government's objective is to cultivate networks comprising primary (direct) suppliers and secondary/tertiary suppliers (indirect suppliers to manufacturers), thereby integrating them into assembly stages, aiming to catalyze a transition toward manufacturing more sophisticated products and broadening the spectrum of export commodities.

ANH MAI

Strategic beacon of immense potential

According to Hoang Quang Phong, Vice President of Vietnam Chamber of Commerce and Industry (VCCI), the Vietnamese economy and business community are positioned at a convergence of many developmental trends, prominently featuring the evolution of supply chains and global value networks. Many leading corporations and enterprises are actively realigning their supply chain architectures and revolutionizing production and business practices to align with the latest advancements in digital technology.

These transformations are pivotal in fostering sustainable supply chain development, enhancing resilience against global and regional economic fluctuations. "Amidst this profound shift, Vietnam has been singled out by many countries, corporations and major enterprises worldwide as a strategic and promising investment destination," noted Mr. Phong. This moment presents a golden opportunity for the Vietnamese economy and businesses to attract significant investments and advanced technologies, positioning themselves as integral nodes in global supply chains.

The economy's performance in the first half of 2024 improved positively, with export activities witnessing a strong recovery, achieving an estimated turnover nearing US\$189 billion, a 13.8% surge from the same period in 2023. Notably, certain key products have not only met rising market demands but have also seen a redirection of orders to Vietnam from other countries.

However, according to the VCCI report, out of approximately 800,000 active domestic private enterprises, large enterprises constitute less than 2%, with the majority

being small and micro enterprises. Small and medium-sized enterprises (SMEs) face significant challenges including inadequate management skills, limited technological innovation, and constrained access to finance. Moreover, domestic and foreign investor linkages remain underdeveloped, hindering potential synergies. The technology and productivity spillover from foreign direct investment (FDI) enterprises to domestic counterparts remains minimal, despite some successful integrations in sectors such as automobiles, motorcycles and electronics, though these instances remain limited.

Mr. Nguyen Quoc Viet, Deputy Director of the Institute for Economic and Policy Research (VEPR), highlighted ongoing risks amid Vietnam's resurgence in global trade participation in 2024. Geopolitical tensions continue to threaten supply chains, potentially escalating tariffs and trade barriers that could dampen global business and investment sentiment. Additionally, disruptions in major shipping routes - like those in the Red Sea, Black Sea, Panama Canal and Suez Canal - have escalated logistics costs, thereby increasing input costs for Vietnamese products and affecting their competitiveness in global value chains.

VEPR's latest annual report emphasized further risks for Vietnamese businesses involved in global supply chains, including global inflationary pressures and rising interest rates that may impact domestic monetary policies and increase capital costs. The trend toward fragmentation poses additional challenges for international trade and investment activities, limiting opportunities for collaboration and technology exchange among countries and enterprises.



Business support policies needed

The current landscape reveals both the potential and challenges inherent in deeper integration within global supply chains for Vietnamese enterprises. Thus, Mr. Viet emphasized the requirement of timely and strong support policies aimed at enabling these businesses to engage more profoundly.

Mr. Viet advocated for reinforcement of policies that bolster technological innovation investments, particularly in green technologies, energy efficiency, and the transition to renewable energy. Furthermore, he underlined the importance of aligning corporate and product branding with global trade and production dynamics.

Highlighting the requirement of affirming brand integrity and clearly distinguishing "Made in Vietnam" products amidst a complex global environment, Mr. Viet stressed the need for enhanced support in integrating Environmental, Social and Governance (ESG) principles into corporate governance. This involves forging stronger ties between domestic enterprises and FDI entities to meet evolving international standards and surmount emerging trade barriers.

Moreover, Mr. Viet recommended intensified scientific and technological collaboration between businesses, research institutions, policy units and universities. He pointed out the necessity of nurturing supply chain partnerships focused on research and development. Facilitating the development and transfer of cutting-edge technologies is important in fostering sustainable business growth, enhancing competitiveness, and effectively tapping into new export markets under new generation free trade agreements.

VCCI Vice President Hoang Quang Phong urged for support policies that are intricately aligned with the specific needs of businesses. He proposed a paradigm where businesses delineate their requirements first, thereby empowering the government to tailor support programs that stimulate growth, elevate competitiveness and fortify the capabilities of domestic enterprises in important industries with substantial potential.

Developing an ethnic business development strategy in alignment with the evolving trend of supply chain transformation is imperative

Dr. NGUYEN BICH LAM

FORMER DIRECTOR GENERAL OF THE GENERAL STATISTICS OFFICE

The conventional supply chain typically includes five key partner groups: raw material suppliers, manufacturers, distributors and logistics providers, retailers, and end-customers. Regrettably, Vietnamese enterprises have predominantly concentrated on manufacturing, neglecting engagement with other partners.

Furthermore, there has been a notable lack of proactive adherence to commitments outlined in Free Trade Agreements (FTAs), particularly in capitalizing on emerging regulatory advantages.

In response to these challenges, Vietnam urgently requires a cohesive National Enterprise Development Strategy aligned with the evolving global supply chain landscape, with the government assuming a facilitative role. It should foster conducive conditions for foreign investors to collaborate and co-produce with domestic enterprises, thereby enhancing FDI attractiveness while instituting robust mechanisms to assess foreign investment quality and direction, thereby mitigating associated risks.

It is essential to fully implement Vietnam's obligations under FTAs to secure sustainable, long-term benefits and optimize the interconnected economy's potential. A proactive strategy is important for Vietnam to assertively engage in global services and capitalize on emerging opportunities effectively.

Biggest challenge is human resources

Dr. NGUYEN TU ANH

DIRECTOR OF THE CENTER FOR ECONOMIC INFORMATION, ANALYSIS AND FORECASTING (CENTRAL ECONOMIC COMMISSION)



Significant opportunities present themselves alongside challenges, foremost among them being the management of human resources. Vietnam faces a shortage not only of labor but of both skilled and unskilled workers, amid a fast-growing economy that attracts substantial capital influx and requires great amount of energy. The integration of domestic enterprises with foreign direct investment is driven by the imperative for stability and uncompromising quality demanded by global business standards. Yet, local businesses aspiring to integrate into these supply chains must

commit to substantial investments in both human capital and technology while remaining watchful against inherent investment risks. Amid the global shift toward greener supply chains, Vietnam is poised to align itself with international norms, emphasizing carbon footprint reduction in manufacturing processes. This requires a understanding of production protocols to ensure adherence to stringent standards set by developed markets. Vietnam has taken strides toward establishing a carbon credit market and is actively conducting greenhouse gas inventories across nearly 2,000 enterprises. The government's supportive measures notwithstanding, businesses must proactively anticipate and navigate potential risks and challenges to effectively capitalize on emerging opportunities.

Designing policies to bolster businesses' participation in the global supply chain remains a critical task

Dr. NGUYEN VAN HOI

DIRECTOR OF VIETNAM INSTITUTE OF STRATEGY AND POLICY FOR INDUSTRY AND TRADE (MINISTRY OF INDUSTRY AND TRADE)



Challenges persist in the implementation process, stemming from issues such as the awareness, mindset and strategic vision of policymakers.

Transparency and equity remain elusive, stability is inconsistent, and bureaucratic overlaps. Moreover, efforts to transform the growth model are hampered by ineffective policy execution, particularly in the absence of

mechanisms to foster export logistics development.

Deficiencies in policies supporting export resource allocation persist, including the disjointed coordination of raw material production, design and distribution. Compliance issues in the production and export chain further compound challenges under existing legal frameworks. Businesses, constrained by limited awareness and capacity, struggle to effectively leverage export promotion policies.

Consequently, there is a requirement to refine and tailor policies that support businesses in deepening and enhancing their integration into the global supply chain. Initiatives such as organizing exhibitions, bolstering trade promotion, expanding investment avenues, cultivating markets, and diversifying product introduction mechanisms are paramount. Fostering brand development and enhancing business understanding of labor and environmental considerations within Free Trade Agreements (FTAs) are important.

Furthermore, erecting technical barriers such as implementing import standards, navigating anti-dumping measures, and introducing environmental levies is essential to safeguard domestic production interests.

Complying with codes of conduct, regulations and standards



Dr. LE DUY BINH

MANAGING DIRECTOR OF ECONOMICA VIETNAM

In the journey toward integrating into the global supply chain, embracing ESG (Environmental, Social, and Governance) standards, CSR (Corporate Social Responsibility), circular

economic models, and the green economy isn't merely an option but an inevitable imperative for domestic enterprises.

For instance, participation in international supply chains requires adherence not only to host country regulations but also to international norms such as the EU's cross-border carbon adjustment mechanism and Anti-Deforestation Regulations.

Consequently, it is important for Vietnamese businesses aspiring to be global value chain suppliers to receive comprehensive training, support, and capacity building to comply with international codes of conduct, regulations and standards. Moreover, developing digital tools to enhance traceability and data collection across the global supply chain is equally important.

To effectively guide enterprises in aligning with green standards throughout their production and business processes, it is essential to formulate regulatory frameworks. Targeted support programs must be implemented to enable businesses to elevate their capabilities, enhance digitalization, and strengthen information technology infrastructure. This approach is important for meeting the stringent ESG standards demanded by discerning markets such as the EU, Japan, US, Canada and others.

Quickly seizing opportunities

Ms. BUI THI VIET LAM

COUNTRY REPRESENTATIVE IN VIETNAM, US-ASEAN BUSINESS COUNCIL (USABC)



Over the past year, we have witnessed dynamic shifts in investment strategies in Malaysia, Indonesia and Singapore, each competing to attract investment inflows. Despite Vietnam's significant appeal to investors, many ultimately choose

alternative markets. This shift in investment preferences

not only directs capital away from Vietnam but also fosters the creation of strong ecosystems elsewhere, accelerating economic opportunities that can quickly slip away if not seized promptly.

Navigating this situation requires united efforts, understanding that smaller businesses have limits compared to big companies. Vietnam urgently needs comprehensive and forward-thinking policies to make significant advances, especially when neighboring countries have proactive policies. For example, launching sandbox initiatives could attract more interest while Vietnam works on boosting its digital technology and semiconductor industries.

For businesses, being agile is crucial. They need to get ready for changes like green financing and the digital economy. Embracing these trends helps companies seize new opportunities, stay competitive globally, and grow sustainably with higher exports.

FOSTERING VIETNAM-ITALY COOPERATION IN TEXTILE AND GARMENT INDUSTRY



Delegates at the "ITALY MEETS VIETNAM: Textile Connections" Conference

Italy excels in textile and garment technology with high-quality products, while Vietnam offers plentiful labor, cost competitiveness, and a culture of innovation. These strengths create significant cooperation opportunities. However, businesses from both countries must address challenges like cultural differences, quality standards, and international regulations.

TRAN NGOC

To facilitate Vietnamese and Italian businesses to meet, exchange and seek cooperation opportunities in the textile and garment sector, on June 27, 2024, the Italian National Credit Fund (CDP) in collaboration with the Italian Chamber of Commerce in Vietnam (ICHAM) organized the "ITALY MEETS VIETNAM: Textile Connections" Conference under the sponsorship of the Italian Embassy in Vietnam.

Delivering the opening speech to the conference, Italian Ambassador to Vietnam Marco Della Seta emphasized that the textile and garment industry is one of the areas of strategic cooperation between Vietnam and Italy, making an important contribution to overall bilateral trade turnover. In 2023, Italy's textile and garment exports to Vietnam valued US\$309 million (accounting for 17.3% of Italy's total exports) while its imports from Vietnam amounted to US\$335 million. The two sides

have continuously had cooperation initiatives and projects to transfer technology and standardize production, especially in sustainable production, to protect the environment.

Mr. Laurent Franciosi, Head of International Business Affairs, CDP, said: CDP consistently promotes business collaboration between Vietnam and Italy. In October 2023, we launched the CDP Business Matching online platform in Vietnamese, enhancing accessibility for Vietnamese enterprises and fostering market exchange and interaction between Vietnam and Italy.

Ms. Tran Thi Lan Anh, General Secretary of the Vietnam Chamber of Commerce and Industry (VCCI), said that Vietnam and Italy have forged robust cooperation ties, marked by significant milestones. Italy stands as Vietnam's fourth largest trading partner within the EU, while Vietnam holds the position of Italy's largest trading partner in



Overview of the "ITALY MEETS VIETNAM: Textile Connections" Conference

ASEAN. The European Union's implementation of the EU Strategy for Sustainable and Circular Textiles, alongside the "fabric forward" rule embedded in the European Union-Vietnam Free Trade Agreement (EVFTA), necessitates Vietnamese textile and garment producers to adeptly navigate new regulations, adopt advanced technologies, and consistently elevate product quality to effectively meet export standards in this pivotal market.

Mr. Mauro Badanelli, Head of Economics and Communications Department of the Association of Italian Textile Machinery Manufacturers (ACIMIT), informed achievements in reducing emissions in the Italian textile sector. Besides, he said that Italy is particularly interested in the Vietnamese market and intends to have a long-term cooperation and development strategy. ACIMIT has organized many Italian delegations to explore the Vietnamese market and, at the same time, welcomed Vietnamese delegations to study and visit in Italy. ACIMIT also pays special attention to improving the capacity of labor resources in the host country by cooperating with the Vietnam National University - Ho Chi Minh City University of Science and Technology and supporting machinery and equipment for teaching, learning and research of textile and garment at the university.

Regarding Vietnamese market access tools, Mr. Pietro Loy Donà - Senior Investment Specialist from CDP, Mr. Carlo de Simone - representative of SIMEST Credit Agency under CDP, and Mr. Flavio Castri, representative of Desk SACE in Vietnam, affirmed that Vietnam is on the strategic priority list of their organizations. SIMEST and SACE have been planning to provide financial support for Italian businesses to penetrate and find local partners in Vietnam, especially in the textile and garment sector. Currently, SACE has a representative office in Vietnam while SIMEST is completing procedures for establishing a representative office in Vietnam in 2024.

Sharing about successful experiences in the Vietnamese market, Mr. Andrea Galante, Chairman of Madex Company, said that Vietnam has many favorable conditions for

business development, such as stable institutions and regulations, smooth customs processes, transparent and reliable supply chains, flexible and productive workforce, and competitive product quality. Currently, Madex is the only Italian garment company with a factory in Vietnam. With the support from such organizations as SIMEST and Sace, he hoped that more Italian textile and garment companies will set up factories here.

Associate Professor, Dr. Bui Mai Huong, Manager of Brand Management - Communications Department, lecturer in charge of the Italian-Vietnamese Textile Technology Center (a cooperative project between the Italian government, the Italian Trade Office (ITA) and the Vietnam National University - Ho Chi Minh City University of Science and Technology, said that thanks to the technology, knowledge and machinery from Italy, the center can research new product lines, such as fabrics woven from areca shell fiber, pineapple fiber, bamboo fiber, banana leaf fiber and other materials. The project equipment also actively supports the training of more than 300 textile and garment students of bachelor's and master's degrees, helping improve the workforce capacity in this field in the southern region of Vietnam.

Madam Sara Pelizzoli, representative of Hung Yen Knitting & Dyeing Company (HYKD), said that HYKD is proud to take on advanced Italian textile techniques and strict standards for circular and sustainable textiles. This is the development direction for Vietnamese textile and garment companies if they want to enter the international market.

In his closing speech, Mr. Riccardo Honorati Bianchi, Head of the CDP National System Initiative Support Department, Coordinator of the CDP Business Matching Platform, said that more than 100 Vietnamese businesses are currently participating in this free platform. CDP will continue to have active actions to promote Vietnam-Italy trade and will organize meetings with textile and garment companies of the two countries immediately after this conference. ■

Unprecedented FDI Disbursement



Ba Ria-Vung Tau leads the nation in FDI attraction in the first six months of 2024. In the photo: The awarding of investment certificates during the conference unveiling the Ba Ria-Vung Tau Provincial Planning for 2021-2030 and vision to 2050

In the first half of 2024, the disbursement of foreign direct investment (FDI) has demonstrated significant growth, marking an 8.2% year-on-year increase to reach US\$10.84 billion, representing the highest first-half total in five years.

HA LINH

According to data released by the Foreign Investment Agency (FIA) under the Ministry of Planning and Investment, as of June 20, 2024, Vietnam witnessed a robust influx of foreign direct investment (FDI), totaling nearly US\$15.19 billion. This figure reflects a 13.1% increase compared to the previous year. The distribution of investments reveals a dynamic pattern:

investments in new projects surged, with foreign investors committing approximately US\$9.54 billion across 1,538 new initiatives, marking increases of 46.9% and 18.9% year-on-year, respectively. Meanwhile, investments in existing projects saw an uptick in value, amounting to over US\$3.95 billion despite a slight decrease in the number of projects, indicating a 35% rise in value. In contrast, the investment fund for equity purchases experienced a decline, with foreign investors engaging in 1,420 equity transactions valued at approximately US\$1.7 billion, marking respective drops of 10.9% and 57.7%.

By industry, foreign investors invested in 18 out of 21 industries. The processing and manufacturing sector received the most FDI fund of nearly US\$10.69 billion, accounting for 70.4% of the total and rising 26.3% year on year. The real estate business sector ranked second with more than US\$2.47 billion, accounting for nearly 16.3% of the total and growing 61.5% year on year. It was followed by the wholesale and retail sector with about US\$614 million and the professional, scientific and

technological service sector with over US\$452 million.

By project, the processing and manufacturing sector took the lead, accounting for 35.2% of new projects and 67.9% of revised projects. The wholesale and retail sector led with the highest number of corporate equity purchases (accounting for nearly 43.5%).

By investment partner, 84 countries and territories invested in Vietnam in the first six months of 2024. Singapore was the biggest investor with nearly US\$5.58 billion, accounting for nearly 36.7% of the total, rising by 86% year on year. Japan ranked second with more than US\$1.73 billion, equal to 11.4% of the total and down 21.6%. Other big investors included Hong Kong (China), South Korea and China.

By scale, China had the most of the new investment projects (accounting for 29.1%) while South Korea led in revised projects (24.8%) and equity purchase deals (26.4%).

By locality, foreign investors invested in 48 provinces and cities across the country in the January-June period. Bac Ninh province received the biggest amount of nearly US\$2.58 billion, or nearly 17% of the total registered FDI fund and more than 3.1 times higher than a year-ago period. Ba Ria-Vung Tau province came second with roughly US\$1.54 billion, accounting for 10.1% of the total and more than 12 times higher than a year ago. Quang Ninh ranked third with over US\$1.36 billion, accounting for nearly 9%. Other big recipients of FDI consisted of Hanoi, Hai Phong and Ho Chi Minh City.

By the number of projects, Ho Chi Minh topped the country in both the number of new projects (accounting for 38.8%) and equity purchase deals (accounting for nearly 71.5%). Bac Ninh led the number of revised projects (accounting for 13.5%).

In the first six months of the year, realized FDI capital was estimated at US\$10.84 billion, a year-on-year growth of 8.2%. This was the biggest H1 realized FDI value in five years.

Commenting on the FDI performance in the first six months of 2024, FIA said that both realized investment capital and total registered investment capital both increased in the reporting period, respectively adding 0.4 percentage points and 11.1 percentage points

from the first five months of the year.

In June alone, the amount of added investment capital increased significantly as compared to earlier months of the year, with nearly US\$1.9 billion, accounting for 47.3% of the total added investment fund in six months. This helped bring the total added investment capital in six months to rise 35% instead of falling as in previous months.

The FDI fund was largely concentrated in provinces and cities with many advantages in investment attraction (good infrastructure, stable human resources, administrative procedure reform efforts and active approach to investment promotion) like Bac Ninh, Ba Ria-Vung Tau, Quang Ninh, Hanoi, Hai Phong, Ho Chi Minh City, Dong Nai, Bac Giang, Binh Duong and Hung Yen. The top 10 localities alone attracted 79.5% of new projects and 77.9% of the country's FDI capital in five months.

In particular, foreign investors registered many large projects in semiconductors, energy (manufacturing batteries, photovoltaic cells and silicon bars), electronic component manufacturing, and manufacturing added value products. For example, a semiconductor materials and equipment manufacturing, assembly and testing factory (of Singapore) in Bac Ninh province registered to expand the project by an additional US\$1.07 billion

As of June 20, 2024, Vietnam had 40,544 active FDI projects, boasting a cumulative pledged capital of US\$484.77 billion. Of this substantial amount, US\$308 billion was disbursed, representing a 63.5% realization rate of the total pledged investment capital. ■



As of June 20, newly registered FDI in processing and manufacturing accounted for 84.3% of total registrations

Optimistic Export Performance in H1, 2024

Vietnam's optimistic export performance significantly bolstered the nation's economic growth throughout the first half of 2024. The total value of merchandise imports and exports reached an estimated US\$369.6 billion, a 16% increase compared to the previous year. Of this total, exports amounted to US\$189.5 billion, up 14.2%, while imports surged to US\$180.2 billion, an 18.1% rise.

HUONG LY

Positive growth in price and volume

Vietnam had a trade surplus of US\$11.63 billion in the 6-month period, higher than the value a year earlier. This positive result contributed to increasing forex resources for the economy.

The high and steady growth was seen across all three commodity groups: agriculture, forestry and fisheries; processing industry; and handcraft.

The agricultural, forestry and fishery category continued to play a key role in exports, with an estimated value of US\$53.2 billion, up 17.9%. High-growth items included vegetables (25.3%), seafood (16.2%) and cashew nuts (15.4%).

The processing industry reaffirmed its important position in exports with an estimated value of US\$132.8 billion, up 13.1%. Key exports consisted of telephones and components (16.9%), computers, electronic devices and components (16.1%) and textiles and garments (12.5 %).

Handcraft exports grossed US\$3.5 billion, up 7.4%. High-growth items in this category consisted of wooden furniture (9.5%), bamboo and rattan (8.1%).

Mr. Tran Thanh Hai, Deputy Director of the Agency of Foreign Trade (AFT) under the Ministry of Industry and Trade, highly appreciated the export performance in the first half of 2024, stating that this result was a



Seafood exports in the first half of the year exceeded US\$4.4 billion, marking a nearly 7% increase from the corresponding period in 2023

testament to the effort of exporters and the effective support of governmental policies. Moreover, some factors are promoting export and import recovery, including Vietnam's policy on international economic integration and market diversification following negotiations and signing of new generation free trade agreements.

Remarking on trade promotion results in the first six months of the year, Mr. Vu Ba Phu, Director of the Vietnam Trade Promotion Agency (Vietrade) under the Ministry of Industry and Trade, said that trade promotion has helped connect manufacturers with domestic and foreign markets, effectively support businesses in penetrating and searching for markets, strengthening production cooperation, and bolstering product consumption.

Accordingly, trade promotion has been focused on tapping free trade agreements (FTAs) to diversify markets and supply chains and boost exports; accelerating import and export development of economic regions; attracting foreign investors into the processing and manufacturing sector to improve the quality of domestically made products to meet world market standards; and coordinating with the Vietnam Trade Office system abroad to consult and provide market information for localities and businesses.

According to a report from the Ministry of Industry and Trade, high inventories in export markets are gradually being addressed, especially in key export markets that encountered difficulties in 2023 such as the European Union and the United States. Recovering consumer indicators in the US became an important support factor for economic growth.

Export boosting solutions

Mr. Hai also noted some difficulties and challenges against exports in the coming time like world economic and political turmoil, US-China trade tensions and rising input prices. Therefore, businesses need to actively adapt to such developments and have appropriate solutions to maintain export growth momentum.

Regarding export promotion solutions, the Ministry of Industry and Trade will continue to reform trade promotion, with focus on digital transformation in trade promotion and peer matching (especially producers of agricultural and aquatic products) of Vietnam with the Vietnam Trade Office



Handicraft exports totaled US\$3.5 billion, achieving a growth rate of 7.4%, notably driven by wooden furniture (9.5%), bamboo and rattan products (8.1%)

system abroad to introduce and promote products and seek opportunities for market expansion.

Additionally, the ministry's agencies need to review key products and key markets that need to be prioritized to carry out trade promotion in the short, medium and long terms. At the same time, they will closely coordinate to jointly deploy a series of professional activities within the framework of a trade promotion program in order to enhance the outcome and save resources amid the limited state budget for this.

Moreover, central agencies need to work together to direct localities, trade associations and businesses to propose and develop trade promotion plans to develop domestic and export and import markets and digital transformation in trade promotion in line with strategies and projects approved by the Prime Minister.

While many of Vietnam's export markets continue to add new requirements for international trade, establish more market barriers, and increase trade protection and green transformation trends, with focus on products that protect and boost health, carry organic properties and have elements of energy conversion and sustainable development.

According to Deputy Minister of Industry and Trade Nguyen Hoang Long, the ministry will concentrate on new contents to bolster trade promotion in the last six months of 2024 like informing to businesses and localities of the most important contents of free trade agreements, especially with important markets. Trade promotion will not only be accelerated by the cooperation with the Vietnamese trade office system in the world only but also coordinated with localities, especially regional links and sectoral links, to boost this activity. ■

Vietnamese Fruit & Vegetable Exports Poised to Hit Record \$7Bln



Durian has surged as a key player in Vietnam's fruit and vegetable export sector, with an estimated turnover surpassing US\$1 billion in the first half of 2024

Vietnam's fruit and vegetable industry has achieved a turnover of nearly US\$3.5 billion in the first half of the year, underpinned by an abundant supply ready to meet significant market demand. This trajectory positions the industry on course to reach a historic milestone of US\$7 billion by year's end.

BINH MINH

As reported by the Ministry of Agriculture and Rural Development, fruit and vegetable exports for June 2024 are projected to approach US\$780 million. Throughout the initial six months of 2024, fruits and vegetables have solidified their position as the leading export category among agricultural products, tallying a turnover of nearly US\$ 3.5 billion - an impressive surge of over 28%

compared to the corresponding period last year.

Strong growth in fruit and vegetable exports

In the first half of 2024, exports of durian, dragon fruit, bananas and other key products have driven substantial export growth. Moreover, processed products and pivotal markets have also experienced notable increases ranging from 10% to 50% compared to the previous year.

The export landscape for fruits and vegetables remains highly favorable, propelled by heightened demand in traditional markets like China and emerging markets such as Korea, the United States, Japan and Thailand. Notably, Vietnam's fruit and vegetable exports to China in the first six months of 2024 surged to approximately US\$2.2 billion, marking a remarkable 33% increase from the same period in 2023. China stands as the foremost export destination for these commodities.

Mr. Phung Duc Tien, Deputy Minister of Agriculture and Rural Development, announced that Vietnam has successfully expanded its export portfolio to include over a dozen varieties of fruits destined for the Chinese market. These include watermelon, mangosteen, durian, banana, sweet potato, dragon fruit, rambutan, mango, lychee, longan and jackfruit.

Vietnam expects to sign a new protocol with China in 2024, facilitating the export of frozen durian, passion fruit and chili. Additionally, both nations have reached an agreement to finalize the Fresh Coconut Protocol, presenting promising opportunities for Vietnamese coconut exports.

"The Chinese market is very promising, but the quality of Vietnamese fruits and vegetables is not stable. There are still some shipments that get warnings about pesticide residues. Recently, the project to improve the effectiveness of the implementation of the Agreement on the application of sanitary and phytosanitary measures (SPS) has been approved by the Government, opening up a new tool to promote the quality of exported fruits and vegetables," Mr. Phung Duc Tien said.

The second largest export market for Vietnamese fruits and vegetables in the past six months is South Korea, with the turnover estimated at US\$180 million, up 57.9% over the same period in 2023.

In the first half of 2024, Vietnam's export value to the United States soared to nearly US\$150 million, up 32.4% compared to the corresponding period in the previous year. The United States stands as a potential market for fruit and vegetable exporters, including Vietnam. However, to effectively penetrate this market, it is imperative to enhance the value of seasonal fruits through the production of processed goods like dried fruits, fruit powders and canned products, ensuring year-round availability. Moreover, adopting advanced technologies to extend the shelf life of fruits will further bolster Vietnam's competitiveness in this strategic market.

Mr. Nguyen Thanh Binh, Chairman of the Vietnam Fruit and Vegetable Association (Vnfruit), said: "The output of harvested fruits and vegetables increases by about 6% per year. The supply is very large and stable. Moreover, the demand of the world market is increasing, from now until the end of 2024, the Vietnamese fruit and vegetable industry still has favorable conditions for development".

"In the near future, the official export of fresh coconuts to China promises to be a potential billion-dollar fruit trade. The large demand for coconut imports in China shows a consistent upward trajectory, with domestic production satisfying merely 10% of the country's consumption needs. As such, Vietnam's fruit and vegetable exports to China are poised for sustained and substantial growth in the coming years," Mr. Binh commented.

Elevating durian to a distinctive industry

Durian has emerged as a powerhouse in Vietnam's fruit and vegetable export sector, boasting an estimated turnover of approximately US\$1 billion in the first half of 2024 alone. This makes durian the foremost contributor to the country's export landscape in this category. Notably, China continues to dominate, accounting for an impressive 92% share of Vietnam's total durian export turnover.

In 2023 alone, durian exports soared to US\$ 2.3 billion, underscoring its important role in driving Vietnam's agricultural export prowess on the global stage.

The South China Morning Post reported that in recent years, global demand for durian has increased by 400% mainly due to increased purchasing power from China. It is

forecast that demand for durian from China could increase 15 times in the future.

However, the "explosion" of durian exports has also caused this industry to face many problems that threaten its sustainable development. Recently, the General Administration of Customs of China announced that it would ban the import of durian from 18 growing areas and 15 packing facilities in Vietnam due to the discovery of "heavy metal" residues exceeding the permitted level. Meanwhile, Vietnamese durian will also be under pressure to compete with Malaysian durian, as this country has just been licensed to export fresh durian to China for the first time.

In a significant development in Vietnam's durian industry, a durian production and export enterprise has taken legal action against a gardener from Binh Thuan province for breach of contract in their durian purchasing agreement. This unprecedented legal dispute marks the first instance of a durian grower being embroiled in litigation over contractual obligations related to product consumption.

According to the Department of Crop Production under the Ministry of Agriculture and Rural Development, the durian cultivation in Vietnam has seen remarkable growth. In 2020, the national durian cultivation area spanned just over 71,000 hectares. However, by the end of 2023, this figure surged to nearly 151,000 hectares, yielding approximately 1.2 million tons of durian. Presently, the cultivated area of durian exceeds the Ministry of Agriculture and Rural Development's initial planning twofold.

Mr. Huynh Tan Dat, Director of the Plant Protection Department under the Ministry of Agriculture and Rural Development, said that although the country has 708 growing area codes and 168 fresh durian packing facility codes granted, in reality, localities have not proactively inspected and monitored export codes after they have been granted in accordance with the regulations of the importing country, especially the durian protocol signed with China.

"These are also the main reasons why many durian shipments have been warned of violating plant quarantine and food safety in recent times and the problems are showing signs of increasing," Mr. Dat stated.

Ms. Ngo Tuong Vy, General Director of Chanh Thu Fruit Import-Export Joint Stock Company, characterized the durian industry as intense competition. She emphasized that numerous enterprises and traders are actively vying for a share of the durian market, engaging in fierce competition across the entire supply chain.

During a recent conference focused on sustainable durian development, Ms. Ngo Tuong Vy advocated for establishing a distinct industry framework for durian, complete with its own specialized management mechanisms. Drawing on examples from Thailand, she highlighted that in cases where farmers engage in unauthorized practices like premature durian cutting, immediate police inspections lead to public disclosure of the growing area's code on a dedicated fanpage. This proactive approach also involves collaboration with the Chinese consulate to swiftly address such issues, ensuring stringent oversight and protection of durian quality and integrity. ■

Empowering Vietnamese Export Opportunities via E-commerce Enhancement



Mr. Tran Thanh Hai, Deputy Director of the Agency of Foreign Trade, delivers a presentation at the Cross-border E-commerce Forum 2024

In the realm of economic growth, exports play an important role, prompting heightened governmental and corporate emphasis on leveraging digital technology and cross-border e-commerce to fully capitalize on global export opportunities.

THU HA

Key to promoting exports

Addressing the "Cross-border E-commerce Forum 2024" in Hanoi, Mr. Bui Trung Kien, Vice President of the Vietnam E-commerce Association (VECOM), underlined the Government's focus on advancing cross-border e-commerce as a foundation for unlocking Vietnam's export potential. He highlighted the importance of fostering business collaboration, mastering digital platform operations, and modernizing trade

practices to significantly enhance market expansion opportunities for enterprises of all scales.

Assessing Vietnam's import-export landscape in recent years, Mr. Tran Thanh Hai, Deputy Director of the Agency of Foreign Trade at the Ministry of Industry and Trade, affirmed vibrant growth in both quantity and quality over the past 15 years. This growth, he emphasized, played an important role in sustaining stable economic development and has positioned Vietnam as a key global manufacturing hub. Amidst dynamic global shifts, he said Vietnam's Import-Export Development Strategy to 2030 was toward fostering sustainable trade, with e-commerce emerging as a pivotal driver.

According to AccessPartnership's report "Local Sellers, Global Consumers 2022: Capturing the E-commerce Export Opportunity in Vietnam," Vietnam's B2C e-commerce export value is poised to reach VND296.3 trillion by 2027. Additionally, data from Amazon highlights a remarkable 300% increase in Vietnamese businesses' international footprint over the past five years. Mr. Tran Thanh Hai emphasized the importance of adoption of cross-border e-commerce, cautioning that failure to do so raises the risk of

lagging behind in global integration.

Empowering businesses to excel in cross-border exports

Addressing the challenges of cross-border online exports, Mr. Tran Van Trong, General Secretary of VECOM, highlighted that the majority of Vietnamese enterprises operate at the small and medium-sized, micro-small, or household business levels, constituting the backbone of the nation's diverse product offerings. However, many manufacturing-focused entities have yet to embrace cross-border e-commerce platforms.

Mr. Tran Quy Hien, CEO of Ecomstone Vietnam, a company specializing in facilitating Vietnamese businesses' access to cross-border electronic markets, noted that for most enterprises in Vietnam, cross-border e-commerce remains a relatively new concept. Despite Vietnam's reputation as an export-oriented economy, traditional export methods such as trade fairs and importer distribution channels prevail. Transitioning to more advanced export models poses significant challenges for these businesses.

In response to these challenges, the Vietnam Export Support Alliance (VESA) was established to catalyze breakthroughs in cross-border exports. Comprising industrial service providers, logistics firms, and technology partners, VESA aims to facilitate the digital transformation of Vietnam's small and medium-sized enterprises (SMEs) and harness online export opportunities.

"The formation of this alliance holds profound significance as it enables businesses to leverage collective strengths and forge multi-platform connections," emphasized Tran Thanh Hai.

Regarding cross-border e-commerce exports, Mr. Hoang Ninh, Head of the Digital Government Department at the Department of E-commerce and Digital Economy (Ministry of Industry and Trade), said that policies aimed at fostering the digital economy and e-commerce have substantially bolstered businesses, catalyzing acceleration across multiple fronts including an enhanced legal framework, financial incentives, investment encouragement, digital infrastructure development, robust data and network security measures, and advancements in research and technology.

However, amid these advantages, significant challenges persist. Issues include the lack of policy implementation synchronization, consumer apprehensions regarding information security, uneven technological infrastructure, a shortage of skilled human resources, and the complexities of managing cross-border e-commerce operations.



The evolution of e-commerce must prioritize sustainable development, optimizing the entire production-to-consumer journey with solutions that strike a balance between economic growth, social equity, and environmental issues. The development of green e-commerce will be linked to national digital transformation initiatives, the imperatives of the National Strategy on Digital Economy and Digital Society Development, and allied projects and programs aimed at charting a sustainable course for e-commerce.

To achieve these objectives, concerted efforts are essential. Focus areas include refining institutional policies, bolstering infrastructure tailored for sustainable e-commerce growth, fostering core platform development, integrating e-commerce ecosystems, prioritizing training and awareness campaigns, and fostering international collaboration.

Mr. Pham Duy Hung, Director of Public Policy at Amazon Global Selling Vietnam, emphasized the importance of education in cross-border e-commerce, highlighting collaborations with institutions like FPT University. He called for increased support from government agencies and industry associations to protect Vietnamese enterprises in online cross-border commerce, fostering their global brand growth. Mr. Hung stressed the need for swift implementation of guidelines after approving the National E-commerce Development Master Plan for 2026-2030, advocating for proactive regulatory frameworks. ■

Sea Freight Rates to Europe and US Alarming High



Container freight rates have surged, now 17% higher than January 2024 and reaching 45% of the peak price level observed during the pandemic outbreak in September 2021

The current state of the ocean shipping market has reached a crisis point more severe than that experienced during COVID-19, as noted by industry experts. The cost of shipping containerized goods to Europe and the United States via ocean routes is escalating sharply due to congestion at many Asian seaports, ongoing conflicts in the Red Sea, and critical shortages of empty containers.

HUONG GIANG

According to Drewry - an independent maritime research center, container freight rates from Asia to Europe and the US have increased significantly. By May 2024, the shipping cost continued to soar again. The current cost is 17% higher than in January 2024 and equal to 45% of the peak price level during the pandemic outbreak in September 2021.

The recent volatility of shipping prices is attributed to conflicts in the Red Sea, forcing ships to go around the Cape of Good Hope (Africa), thereby making the journey longer by 9-14 days.

Another cause is local congestions at a Singapore port with a large number of containers waiting to leave this port. In addition, the sudden increase in demand for empty containers from the Chinese market places significant pressure on shipping prices.

Exporters face difficulties

Mr. Le Duy Hiep, Chairman of the Vietnam Logistics Business Association (VLA), said that the recent increase in freight rates has caused difficulties for merchandise importers and exporters. Besides, businesses have also faced enormous risks

as well as contract fines if they are late in delivery.

A representative of EZ Shipping Logistics Co., Ltd. said that rising sea freight rates have brought on headaches to many exporters because Vietnam's export shipments to major markets such as the US and the EU depend heavily on foreign shipping firms. In fact, shipping costs currently account for over 15% of product costs but all empty containers are concentrated in China due to higher costs than other countries. Thus, Vietnam is forecast to confront a shortage of empty containers and shipping freight prices will be pushed up in the coming time.

Indeed, Vietnamese businesses have almost no choice because Vietnam's shipping fleet is currently only serving 10% of the market demand for international shipping, largely focusing on routes to China, Japan, South Korea and Southeast Asia. Major foreign shipping lines have no space or have increased prices while domestic exporters have no other because they are dependent on foreign shipping lines.

Urgent solutions

According to expert forecasts, sea freight rates will remain high till the end of the third quarter of this year. Therefore, exporters should make efforts to find ways to reduce ship freight costs. Many may even have to consider the option of consolidating exports to be transported by plane or may have to temporarily suspend exports of less important orders or ask to extend delivery time.

Mr. Ho Quoc Luc, President of Sao Ta Food Joint Stock Company, advised businesses to consider shifting exports to neighboring markets such as Japan, South Korea and Australia with more stable prices. Currently, sea freight rates to North America and Western Europe have increased by 100% from the off-peak period while sea freight rates to Asian and Australian markets are more stable.

Before this reality, the Vietnam Maritime Administration (Vinamarine) has recently asked relevant agencies to further control shipping lines with ocean container shipping services and request them to list prices and surcharges beside ocean container shipping freight rates (rates and surcharge rates). Shipping lines are required to comply with regulations on price and surcharge quotation beside ocean container shipping rates and seaport service prices according to Decree 146/2016/ND-CP of the Government.

To meet the rising demand for goods redirected from Singapore ports to Vietnam's ports, Vinamarine directed maritime port authorities and seaport companies to speed up freight clearance at ports, reduce administrative procedures, and facilitate vessels to release commodities at ports.

In the long term, Vinamarine will continue to work with relevant customs authorities to accelerate the release of long-clogged goods at seaports and supplement regulations on funding allocation for canal dredging to increase the responsibility of relevant agencies. Moreover, the agency will add a mechanism to encourage businesses to adopt the green port model and participate in green transport corridors to have more advantages in attracting goods sources and expanding transport routes. ■

Vietnam, Australia Boost Bilateral Trade and Strengthen Anti-Smuggling Efforts

Vietnam and Australia share significant common ground in combating smuggling and drug trafficking, as well as in advancing bilateral trade, said Mr. Michael Outram, Commissioner of the Australian Border Force (ABF), in a recent discussion with our reporter. He emphasized the many opportunities in the Comprehensive Strategic Partnership to further enhance collaboration on these issues.

LE HIEN



Director General of General Department of Vietnam Customs Nguyen Van Can (R) and Commissioner of the Australian Border Force (ABF) Michael Outram sign a new plan to collaborate on customs investigations and monitoring

What do you think about the current cooperation between the Commissioner of the Australian Border Force (ABF) and Vietnam Customs?

I think the cooperation ties between the two agencies are very strong. I am very happy to work with Vietnam Customs. Given the robust development of the bilateral relationship, the leaders of the two countries signed the comprehensive strategic partnership, aiming to strengthen bilateral cooperation, including promoting trade in goods and movement of people between the two countries. I see that the two sides have many similarities in such areas as preventing smuggling and drug trafficking or the need to accelerate the trade in goods. Therefore, there is much potential for two-way cooperation and I look forward to further boosting it in the coming years.

What are the key strengths in the relationship between the Australian Border Force and Vietnam Customs, and how have these strengths contributed to achieving shared goals?

First, both agencies focus on the need to facilitate trade.

Both sides recognize that the fundamental purpose of the border is to serve economic activities and economic security, which plays an important role in both economies. There is a lot of merchandise trade and movement of people between the two countries. Both sides are aware of that. We are also aware that behind those legal trade activities and behind those trade volumes are illegal goods that are smuggled and illegally transported. Both sides also have similar approaches in dealing with those issues by using information and data, identifying key issues, training and building capacity for officials and developing

leadership teams. The two sides have many similarities. This is the strength of this partnership in which both sides share similar approaches to matters of concern.

What are your expectations for the collaboration between the Australian Border Force and Vietnam Customs? What plans are in place to enhance and deepen this partnership?

The two sides have agreed to formalize the mechanism of high-level bilateral meetings between my successor and the head of Vietnam Customs in the future. There will be action plans and work plans between such bilateral meetings. This means that the two sides are committed to working together on such issues as identifying key matters, sharing information, building staff and developing capacity. In addition to bilateral cooperation, the two sides will continue to cooperate within the multilateral frameworks of the WCO, the Asia-Pacific or ASEAN, in which Australia is a dialogue partner.

Thank you very much!



Delegates pose for a group photo at the Customs-Business Dialogue Conference 2024

HCM CITY CUSTOMS DEPARTMENT AND BUSINESS COMMUNITY COLLABORATIVE EFFORT IN DRIVING INNOVATION AND DIGITAL TRANSFORMATION

The Ho Chi Minh City Customs Department recently hosted the Customs-Business Dialogue Conference 2024, attended by Chinese Consul General Wei Huaxiang, Canadian Consul General Annie Dube, Dutch General Consul Daniel Stork, and Korean Deputy Consul General Jung Ga Yeong. Also in attendance were representatives from many city departments, consular agencies, domestic and international business associations, as well as over 200 prominent exporters and importers who significantly contribute to the city's tax revenue.

VAN LUONG

Speaking at the conference, Mr. Nguyen Hoang Tuan, Director of the HCM City Customs Department, affirmed that 2024 is the 9th consecutive year that the HCM City Customs Department has adopted a plan to develop customs-business partnerships. Under the 2024 motto "The HCM City Customs Department and the business community: Reliable, Innovative Partners Driving Digital Transformation," the department has actively engaged in programs, dialogues, training sessions and dissemination of new customs regulations to promptly address challenges encountered during customs procedures. This collaborative effort aims to enhance regulatory compliance among individuals and businesses while improving the efficiency of customs management. This partnership serves as a significant catalyst for the HCM City Customs Department in achieving its political objectives to the highest standards. Today's conference signifies ongoing cooperation, collective endeavor and steadfast companionship between the HCM City Customs and the business community.

Madam Annie Dube, Canadian Consul General in HCM City, said: "The enforcement of the CPTPP Agreement has significantly boosted Vietnam-Canada bilateral trade from CA\$6.5 billion in 2018 to CA\$14.0 billion in 2023. And this

milestone would not be possible without the support and coordination of the HCM City Customs Department in import and export activities.” Indeed, the "Dialogue with Ho Chi Minh City Customs" represents a pivotal component of the trade facilitation initiative between HCM City Customs and Canadian businesses, as well as the broader business community of Ho Chi Minh City. This platform serves as a crucial bridge, fostering closer collaboration and removing invisible barriers across various commercial sectors.

Sharing the same viewpoint, Madam Jung Ga Yeon, Deputy Consul General of South Korea, said: “Institutional improvement includes amending regulations on on-site import and export forms and trace of origin and constantly perfecting the classification of goods and the development of Authorized Economic Operator (AEO) programs with strong support from the HCM City Customs Department in particular and the HCM City People’s Committee in general.” With more than 4,000 South Korean businesses in the southern region, including HCM City, promoting sustainable cooperation and mutual respect between the two countries will become the foundation for creating a leap in Vietnam’s economic growth and attracting many FDI enterprises to Vietnam.

On the business side, Mr. Nguyen Xuan Thang, Vice President of the European Chamber of Commerce in Ho Chi Minh City (EuroCham) emphasized the strong trade relationship between the EU and Vietnam, which is now increasingly reinforced by the EU-Vietnam Free Trade Agreement (EVFTA). This agreement has opened up many new opportunities for both sides and effective customs procedures have played an important role in maximizing these opportunities. Continuous cooperation and dialogue will be key to addressing any challenges and ensuring that EVFTA benefits are fully realized. Taking this opportunity, he also expressed EuroCham’s utmost respect for the HCM City Customs Department for having active and effective approaches to business cooperation. The department’s initiative in organizing today’s event is highly commendable as it fosters mutual understanding and collaboration toward shared solutions. Concurrently, EuroCham remains dedicated to promoting initiatives that advance trade facilitation and economic integration.



Mr. Nguyen Hoang Tuan, Director of the HCM City Customs Department, addresses the event

Mr. Ton That Hung, Deputy General Director of HCM City-based Transimex Joint Stock Company, expressed his gratitude for the enthusiastic support and effort of HCM City Customs for the business community through administrative reform and modernization programs and plans to facilitate businesses in customs clearance of goods, not only reducing time and costs but also improving foreign trade. Speaking at the conference, Mr. Kenneth Tse, Vice President of Intel Corporation, Factory Manager of Intel Products Vietnam, also expressed his desire to continue the cooperation with HCM City Customs to pilot more innovative trade and customs digitalization projects to bring necessary business convenience to companies, boost the development of the high-tech/semiconductor industry in Vietnam under the direction of the Prime Minister.

At the conference, HCM City Customs addressed numerous inquiries regarding tax and customs policy implementation in goods declaration and clearance. Concurrently, the department proactively highlighted challenges in managing and utilizing tax-exempt raw materials and supplies. Customs experts provided comprehensive guidance to attending businesses, pledging ongoing support as a bridge for businesses to communicate their concerns to departmental leaders. This ensures recommendations and suggestions are made to higher authorities for policy enhancement and resolution, further reinforcing and refining regulatory frameworks.

Mr. Phan Minh Le, Deputy Director of the HCM City Customs Department, expected the city’s business community to maintain their trust, collaboration, and steadfast partnership with the department. Together, they aim to achieve sustainable development and seamless integration into the global economy. ■



Optimizing E-commerce Tax Administration



Mr. Mai Son, Deputy General Director of the General Department of Taxation (GDT), reported at a press conference on e-commerce tax administration in Vietnam, held in Hanoi, that taxable revenue from e-commerce businesses reached VND3,100 trillion (US\$130.57 billion) in 2022 and increased to VND3,500 trillion (US\$146.28 billion) in 2023. During these periods, taxes paid amounted to VND83 trillion and VND97 trillion respectively.

HUONG HAU

Enhancing inter-agency coordination

The General Department of Taxation (GDT) has implemented comprehensive short-term and long-term measures to bolster tax administration in the e-commerce sector. Notably, the agency has advised and advocated for governmental and legislative actions to enact tax legislation, thereby fortifying the legal framework for effective tax oversight in e-commerce. These initiatives aim to augment the accountability of authorities and e-commerce platform operators. GDT has disseminated and supported diverse and impactful initiatives to promote policies fostering the sustainable and competitive growth of e-commerce. To date, GDT has facilitated the declaration and payment of taxes exceeding VND14.5 trillion by 94 foreign suppliers, including Google and Facebook.

“Foreign suppliers are paying more tax to the State budget and declared their full data every period,” a tax officer said.

The tax sector has developed and officially operated e-commerce database legally collected from many information sources. The e-commerce database is centralized at GDT to support local tax authorities in mining and using in e-commerce tax management; direct inspection and examination at all-level tax authorities, focusing on taxpayers with e-commerce and business on digital platforms to prevent revenue loss and enhance awareness of regulatory compliance for organizations and individuals doing e-commerce business.

To fortify state management of tax, including in e-commerce, the Ministry of Finance (General Department of Taxation) has closely coordinated with relevant e-commerce authorities by signing work coordination agreements.

Accordingly, the Ministry of Public Security (MPS) and MoF (GDT) have completed connecting and sharing the national population database to conduct a synchronous review of the national population database with the tax code database. So far, if excluding tax codes

of dependents and tax codes of persons without tax obligations or without documentary information (citizen identity papers), over 90% of tax code database and population database review and synchronization has been completed, laying the foundation for using citizen identity as the tax code.

MoF has completed the integration of electronic identification accounts (VneID) with tax management platforms of tax authorities. As a result, 663,157 connections have been established so far, with a total of 400,791 access visits.

The Ministry of Industry and Trade (MoIT), the Ministry of Information and Communications (MIC) and the State Bank of Vietnam (SBV) have initially completed sharing the database with GDT, including data of 929 e-commerce service websites; data on 130 organizations operating in telecommunications, advertising and broadcasting fields; data on payment accounts of over 9 million organizations and over 121 million individuals at 96 commercial banks.

MoF, MPS, MoIT, MIC and SBV agreed on a detailed plan for implementation of Directive 18/CT-TTg on electronic data connection and sharing and regularly ensured timely support for tax management of e-commerce.

People-centric and business-focused approach

According to GDT officer, the tax sector has adopted a targeted strategy towards e-commerce activities, tailoring tax management measures to various e-commerce platforms, including eight distinct categories: e-commerce exchange platforms, e-commerce

websites/applications, social media platforms, traffic, transportation, and logistics platforms, agent platforms, subscription platforms, advertising platforms, and application store platforms. Recent data reveals that the taxable revenue generated by businesses and individuals engaged in e-commerce amounted to VND3,100 trillion (US\$130.57 billion) in 2022, rising to VND3,500 trillion (US\$146.28 billion) in 2023. Concurrently, tax payments totaled VND83 trillion and VND97 trillion.

“The tax sector will continue to improve policy mechanisms to cover all e-commerce activities while creating favorable conditions for tax declaration and payment using electronic invoices for organizations and individuals with e-commerce business,” said Deputy General Director Mai Son.

GDT will continue to carry out effective communication and support programs for taxpayers like communications on mass media (such as newspapers, radio and television), direct dialogues and 24/7 contact hotline. To strengthen tax administration of foreign suppliers, GDT will coordinate with Vietnamese e-commerce exchanges to guide foreign business entities to register taxes, declare and pay taxes on GDT’s electronic portal.

The tax sector will continue to review and enrich the e-commerce database from information sources from State agencies and business entities in the e-commerce ecosystem. Based on collected data, the sector will continue to arrange data and analyze risks, including the use of machine learning - artificial intelligence (AI) to process data, work out solutions, deliver warnings and apply appropriate tax management measures for each entity with e-commerce business according to risk management principles. ■

Quang Ninh Tax Department Supports Petroleum Businesses with E-invoices

Petroleum businesses in Quang Ninh province find it hard to declare electronic invoices for each sale. To maximize the effectiveness of electronic invoices in the petroleum business, there is still a need for effective support to bring this policy to life.

The Quang Ninh Tax Department coordinated with the Department of Industry and Trade and e-invoice service providers to organize a guidance conference with all petroleum businesses in the province. In addition, the department actively advised the Provincial People's Committee to direct relevant bodies to work with tax offices to inform businesses and trade associations to guide, urge, inspect and supervise this policy implementation by enterprises.

According to the Quang Ninh Tax Department, Quang Ninh province currently has 93 petroleum companies with all 189 filling stations to work with solution providers to upgrade infrastructure, equipment, and technology to meet requirements for deployment of electronic invoices for each sale and connect and transmit invoice data with tax authorities.

In addition, the buyer receives an invoice immediately after completing the purchase of petroleum products, thus easing accounting, ensuring the origin and quantity of goods, and guaranteeing legal rights of consumers. For authorities, the adoption of e-invoices will be the basis for building a sufficient, centralized and continuous data foundation on petroleum business, thereby improving the effect of tax management and limiting risks and fraud in this field.

Le Hien



Reducing VAT rates supports businesses and individuals, enhances macroeconomic stability, fostering conditions for economic recovery and growth

Government Extends VAT Reduction through 2024

The Government issued Decree 72/2024/ND-CP dated June 30, 2024 on the value-added tax (VAT) reduction as per Resolution 142/2024/QH15 dated June 29, 2024 of the lawmaking National Assembly.

LE HIEN

Under the new decree, business facilities opting for the VAT discount method will enjoy a reduced VAT rate of 8% on eligible goods and services. Business entities, including business households and individual businesses, utilizing the revenue-based VAT calculation method will benefit from a 20% reduction in their VAT calculation percentage rate.

The VAT reduction applies to goods and services currently taxed at 10% VAT, with exceptions including telecommunications, financial and banking activities, securities, insurance, real estate, metals, mining products (excluding coal mining), coke, refined petroleum, certain chemicals as specified in Appendix I of the decree, products and services subject to special consumption tax

listed in Appendix II, and information technology products and services outlined in Appendix III.

The VAT reduction for each type of goods and services is applied uniformly at all stages of import, production, processing and commercial trading. For sold coal products (including cases where coal is then screened and classified in a closed process before being sold) are subject to VAT reduction. Coal products included in Appendix I sold at stages other than the mining stage are not subject to VAT reduction.

Coal producers that apply a closed process before selling coal are also entitled to the VAT reduction on their coal sold.

In case goods and services listed in Appendices I, II and III are not subject to VAT or are subject to 5% VAT by the Law on VAT, they are governed by the Law on VAT and not subject to VAT reduction.

Decree 72/2024/ND-CP outlines specific protocols for VAT reduction. Businesses utilizing the VAT discount method must indicate "8%" on VAT rate lines, alongside the reduced VAT amount and the final payment due on invoices for eligible goods and services. Sellers declare reduced output VAT, while buyers declare input VAT based on these invoices.

For entities calculating VAT based on revenue percentages, invoices must reflect the original price of goods and services in the "Amount" column, with the

Hanoi Tax Dept Warns Against Tax Impersonation Fraud

The Hanoi Tax Department has been alerted to impostors posing as tax authorities, contacting taxpayers via phone calls, SMS, and email. They request additional actions under false pretenses related to personal income tax refunds, government portal submissions, and tax payment verifications, aiming to fraudulently acquire property.

HUONG HAU

Therefore, the department has warned about behaviors and some solutions to support taxpayers in preventing fraud in cyberspace as follows:

Some signs of fraud: Forging tax authority seals to send invitations to taxpayers and asking them to bring attached documents to tax offices. Contents include declaring tax, completing VAT and PIT refund procedures in 2023, updating information declaration of businesses and individuals on the Government's electronic tax information portal, and applying tax refund policy by law. Then, they call and ask taxpayers to perform online operations to steal personal information and banking information to appropriate assets and impersonate others. Fraudsters fake websites and emails of tax authorities with similar interfaces, images and contents. As a result, users mistakenly think they are websites or emails from tax authorities and attach contents that require users to access

a fake link, declare personal information and bank accounts to steal and appropriate data information.

Distrustful and insecure websites frequently display URLs in the browser address bar that do not terminate with "gdt.gov.vn," such as "gdtgov.cfd."

Spreading messages that look like those from tax authorities for personal gains: Fraudsters not only use many mobile numbers but also use messages pretending to be tax authorities to announce tax payments and impose sanctions to threaten and pressurize taxpayers with late tax payment, tax debt and tax evasion to request money transfer or provide personal information such as name, phone number, email, tax code and electronic trading account.

Support solutions for taxpayers to avoid cyber frauds

The URL displayed in the browser's address bar should commence with "https://" and conclude with "gdt.gov.vn". Notably, the official website of the General Department of Taxation is <https://www.gdt.gov.vn/wps/portal>, its electronic information portal is <https://thuedientu.gdt.gov.vn>, and the website for the Hanoi Tax Department is <https://hanoi.gdt.gov.vn>.

Never access strange links to download the eTax mobile application. Only access, download and install the official eTax mobile application via Google Play and Apple Store.

Taxpayers do not provide personal information, tax codes, electronic transaction accounts, money and assets via phone, email, social networks, suspicious websites or other means of communication. In case they receive a threatening call or call with suspecting signs of fraud, taxpayers need to keep evidence such as text messages or call recordings, report the case to mobile carriers and at the same time provide the available evidence to the police and tax authorities for further settlement.

Taxpayers only work directly with tax agencies or contact via the telephone number published on relevant websites of tax authorities. ■

reduced amount (after a 20% reduction) noted in the "Total amount" column. This adjustment is detailed as a 20% VAT reduction in compliance with Resolution 142/2024/QH15.

In addition, Decree 72/2024/ND-CP also clearly states: In case a business entity that uses the VAT discount method sells goods or provides services with different tax rates, it must clearly state the tax rate of each good sold and service provided on the VAT invoice. In case a business entity that calculates VAT on the percentage of revenue, it

must clearly state the amount reduced on the goods sold or the services provided.

In case the business facility already made an invoice and declared the tax rate that has not been reduced as per this decree, the seller and buyer will handle the issued invoice according to laws on invoices and documents. Based on the handled invoice, the seller declares the revised output tax and the buyer declares the revised input tax (if any).

Decree 72/2024/ND-CP takes effect from July 1, 2024 to December 31, 2024. ■

Establishing National Comprehensive Database for Digital Transformation



Building a national comprehensive database is essential to establish Vietnam's digital government, economy, and society

It is essential to build and develop a national comprehensive database as the main data pillar to create a foundation for building the digital government, promoting a digital economy and forming a digital society in Vietnam.

DUY ANH

Vietnam's Ministry of Public Security is drafting the data law project to unify, synchronize and effectively use data for administration and social economic development, for digital government development and for administrative procedure reform.

According to the Ministry of Public Security, Vietnam achieved positive outcomes in carrying out Party and State guidelines and policies on science and technology development, especially in data construction, creation, connection and sharing. For example, Vietnam initially created and formed seven national databases. Some national databases are interconnected and shared to help reform and simplify administrative procedures. The country paid more attention to building technology infrastructure for data centers.

However, there persist many deficiencies within the current framework. Notably, several ministries and agencies lack adequate infrastructure to support the deployment of essential information technology systems for their respective domains. There exists significant redundancy in the collection and storage of databases across different entities. The absence of an established consensus on standardized data categories poses substantial challenges in terms of integrating, sharing, and effectively utilizing data. Moreover, investments in data centers are characterized by asynchronous development, marked by varying standards and

inconsistent adherence to technical regulations.

In addition, some central and local agencies that hire information technology infrastructure services are posed to many potential risks in information security because they have not really managed and controlled state data on their infrastructure. Human resources for operating and managing information systems are both lacking and weak. National databases according to the Prime Minister's Decision 714/QĐ-TTg dated May 22, 2015 have not been fully developed. Many information systems have security flaws and are not qualified to connect with the National Population Database. It is difficult to use, interoperate and promptly provide data for administrative procedures, interoperate public services, statistical analysis, and introduce targets and indicators for administration.

Building a centralized database is a common trend in countries around the world today. Therefore, it is essential to build and develop the National Comprehensive Database as the main data pillar to create a foundation for building a digital government, promoting a digital economy and forming a digital society in the country.

At the same time, the national comprehensive database helps create and form reliable and stable State data systems to launch connection solutions to share, reuse and develop in-depth data analysis models/applications to generate new values, new products and services and new driving forces for socioeconomic development in the digital transformation period.

In particular, the investment for upgrading, expanding and storing information in the National Comprehensive Database will save a lot compared to investing in separate systems to store this information. Information stored in the National Comprehensive Database will also be shared for common use by central and local agencies. Data management agencies do not have to establish additional connection and sharing channels for information that has been added and stored in the National Comprehensive Database.

According to the Ministry of Public Security, after being reviewed, 69 laws have regulations on databases (including national databases and specialized databases), records for requesting data regulations in the Law on Electronic Transactions 2023, the Law on Cyber Security, the Law on Network Information Security, the Law on Telecommunications 2023, the Law on Information Technology, and the Law on Digital Technology Industry.

Based on current legal regulations and practical surveys by the ministry, central and local agencies have built databases for administration, including seven national databases and nearly 100 specialized databases.

In fact, only a few laws regulate the responsibility and accountability of database management agencies in building, collecting, managing, operating, connecting, sharing, mining and using information in the database. However, all laws do not specify or unify regulations on data processing and management (such as collection, digitization, quality assurance and data storage). There are no regulations on high-tech development platforms and applications in data processing; no regulation on the creation of a database compiled from national databases and specialized databases for directing, operating and

HCM CITY ECONOMY SURGES, OUTPACES PREVIOUS YEAR

Ho Chi Minh City's economy surged with promising signs of recovery in the first half of 2024, as indicated by a 6.46% year-on-year increase in Gross Regional Domestic Product (GRDP). This growth surpasses the national average of 6.42% and marks the city's highest economic expansion in three years.

PHUONG HIEN



HCM city's economy surged with a 6.46% year-on-year increase in GRDP in the first half of 2024, surpassing the national average and marking its highest growth in three years

A recent preliminary report from the HCM City Statistics Office underscores these achievements, highlighting resilient socioeconomic indicators amid complex global economic challenges.

Highest IIP growth in three years

The H1 Industrial Production Index (IIP) advanced 5.6%, the highest growth since 2022. In June alone, the index grew 0.3% month on month and 7.8% year on year.

By sector, the mining sector reported the highest growth of 42.9%. The processing and manufacturing sector went up only 5.3%. The electricity production and distribution sector jumped 11.5%. The water supply and waste treatment edged up 0.8%.

By secondary sector, 17 out of 30 sectors had growing IIP in the first half of 2024 as compared from a year-earlier period. Good performers included the manufacturing of rubber and plastic products (29.1%), chemical and chemical products (21.1%), bed, cabinet, table and chair products (14.1%), wood processing, woodwork and bamboo products (14.0%), prefabricated metal products (13.2%), and other non-metallic products (11.7%).

Meanwhile, the IIP Index of three traditional industries (textile, garment and footwear) slid 2.3% year on year in the

first half. This showed that the city's industrial production recovery was not sustainable.

In the city's GRDP growth of 6.46%, the trade and service sector contributed the most with 4.34 percentage points and staged the highest YoY growth of 7.26%, followed by the industrial and construction sector with 1.2 percentage points and 5.55%, respectively (the industry contributed 1.05 percentage points and the construction contributed 0.15 percentage points). The agricultural sector contributed 0.38 percentage points and grew 0.18%.

By the economic structure, based on current prices, the trade and service sector accounted for the biggest share of 65.6%, followed by the industrial and construction sector with 21.0%, taxes minus subsidies with 12.9%, and the agricultural, forestry and fishery sector with the lowest share of 0.5%.

Robust performance in trade and services

The nine pivotal service sectors significantly bolstered Ho Chi Minh City's H1 GRDP, collectively contributing 59.9% to its growth and representing 91.3% of the service sector's impact. Notably, four sectors demonstrated exceptional performance, accounting for

(continued on P.41)

planning guidelines, policies, socioeconomic development, administrative procedure reform, public services, and guaranteed interests for organizations and individuals; and no regulations on data-related products and services developed in the world such as data exchanges, data intermediary services, data analysis and synthesis services.

Meanwhile, establishing a data market, building and developing data-related products and services today plays a very important role, which is considered a breakthrough factor to gradually form and promote the opening of a data market, use the data market as a driving force for data development and stimulate and promote digital transformation across industries and fields, increase competitiveness, and ensure

digital transformation in our country.

The Government's Resolution 175/NQ-CP dated October 30, 2023 on ratification of the National Data Center Project states that, by the fourth quarter of 2025, the center will be in operation and will be a place to store, synthesize, analyze and coordinate data and to provide infrastructure for central and local agencies. As a result, compiling the Data Law is extremely important, necessary, and urgent to ensure full coverage of contents and tasks that the Government defined in digital transformation; and enhance the effective use of information in databases for administration, data use and application in socioeconomic development, tighten personal data and non-personal data management, and ensure information security and safety. ■

Dien Ban Businesses Catalyzing Local Development



Strategically invested infrastructure has transformed Dien Ban into an increasingly sophisticated and modern urban area

In recent years, Dien Ban Town has experienced strong growth with a modern urban appearance, improved social security, and enhanced material and spiritual well-being of its residents. The local business community, entrepreneurs and investors have made significant contributions to this success.

BUI LIEN

Dien Ban currently has 1,209 companies and 12,550 business and service units and households. Corporate entities are constantly growing and rapidly increasing by both quantity and quality, present in most industries and fields. They have gradually asserted their position, created jobs for people, and made important contributions to local rapid and sustainable economic development.

Investment and Construction Joint Stock Company 501 (Cico 501) is active in construction investment (civil, industrial, traffic and urban infrastructure construction) and real estate business. After nearly 30 years of construction and development, Cico 501 has always been highly appreciated by investors and trusted by customers across the country. During its operation, Cico 501 has gone with the town in commercial, service and urban infrastructure construction and investment projects such as 1A Dien Nam-Dien Ngoc Urban Area, Vinh Dien Market Residence and Dien Thang Trung Market Residence. The North Quang Nam Fitness and Sports Center was constructed and installed with equipment by Cico 501. This has helped the town upgrade architectural and technical infrastructure to meet Class 3 Urban Area standards.

An Duong Construction - Trading and Services Co., Ltd boasts substantial expertise in the real estate sector, focusing particularly on Quang Nam and Da Nang.

Director Do Tan Vu emphasized An Duong's proactive collaboration with Dien Ban Town to enhance its urban landscape, delivering substantial benefits to its residents. Several notable projects, such as Dien Thang Trung Urban Residential Area, Blue Ocean Urban Area, Anh Duong Urban Area, Dien Minh Urban Area and



The industry, trade, and service sectors of Dien Ban town play an important role in driving socio-economic development

Vinh Dien Section 7 Residence, have had a significant impact in the market.

The town has successfully attracted many investors to explore and establish their projects within its borders. Dat Quang Group stands out for its initiative in developing the Dien Nam-Dien Ngoc New Urban Area, demonstrating its reputation as a responsible and capable investor committed to local prosperity. Their projects, including Dien Ngoc Market Residence, Dat Quang Green City, Ngoc Vinh Residential Area, Dat Quang Riverside Urban Area, Dien Nam Bac Market Residence, and Ngoc Duong Riverside Urban Area (first and second phases), consistently uphold their commitments to planning, construction quality and progress. These developments contribute to modern infrastructure and the creation of a vibrant, environmentally-friendly Dien Nam-Dien Ngoc New Urban Area.

Moreover, the town boasts a cadre of dynamic young entrepreneurs who embody daring innovation and bold action, pioneering novel business models that firmly establish their foothold in the marketplace. One such exemplar is Think Mien Trung Materials Technology Co., Ltd, founded by Mr. Pham Khac Thinh. This company specializes in cutting-edge technological research, innovation, development, and application, particularly in the production of high-performance concrete products.

In 2021, his “Ultra-high strength concrete trash barriers” project won first prize in the Quang Nam Innovative Startup Initiative/Project Contest. Currently, the company’s products are trusted and chosen by many large companies to participate in key national and provincial projects.

Together with business development, local enterprises and entrepreneurs also actively take part in social security

events, join hands to build charitable houses for the poor, and support new rural construction, urban development and epidemic prevention.

Mr. Nguyen Xuan Ha, Vice Chairman of Dien Ban People's Committee, said: Dien Ban is steadfast in its ambition to achieve third-class urban area status by 2030, positioning itself as a dynamic central urban hub in northern Quang Nam province, strategically linked with Da Nang City and Hoi An City. The town is aiming to attain provincial city status by 2045. Central to this roadmap is the pivotal role of the business community, entrepreneurs and investors, whose contributions are

deemed crucial to its success.

The town has actively adopted many solutions to address difficulties for the business community; regularly organized business meetings and dialogues to inform new central and provincial policies; visited and probed production situations, listened to thoughts and aspirations and promptly resolved hardships faced by local businesses. At the same time, the town has accelerated the reform of administrative procedures, especially those relating to land use certification, land allocation, land lease and tax policies.

Mr. Le Tu Tam, Chairman of Dien Ban Business Association, said: “Messages and actions of concern and support from provincial and town authorities have motivated and bolstered confidence of enterprises and entrepreneurs in working with the locality for effective exploitation of local potential and advantages to generate momentum for rapid and sustainable socioeconomic development.

However, unpredictable economic fluctuations continued to hit business performance. To facilitate business development, the association hoped that Quang Nam and Dien Ban authorities will soon have solutions to remove difficulties for the business community. For matters beyond their jurisdiction, it is necessary to synthesize and report to competent authorities for consideration and resolution to enable enterprises to restore and develop their business operations soon.

“This will instill confidence among businesses in a supportive government that fosters a favorable and stable environment, positioning Quang Nam province, and especially Dien Ban town, as a promising destination for prospective investors,” he proposed. ■

Efforts for Nurturing Ngoc Linh Ginseng



Deputy Minister of Health Do Xuan Tuyen (first from the left) pays a working visit to Samsam Group to strategize on regional development

Ngoc Linh ginseng, once a hidden gem of Ngoc Linh Mountain, has gained national recognition, paving the way for a bright future. Clear policies, sincere societal engagement, and visionary investments from figures like Nguyen Duc Luc of Chairman of the Board at Samsam Group are crucial for its sustainable development.

BINH MINH

Ngoc Linh ginseng has been strongly interested by the Government, central and local agencies. It was recognized as a "national treasure" - National Product (according to the Prime Minister's Decision 787/QD-TTg dated June 5, 2017 and promoted in the Vietnam Ginseng Development Program to 2030 (according to Decision 611/QD-TTg dated June 1, 2023). Currently, the project for development and formation of a pharmaceutical center in Quang Nam province, with Ngoc Linh ginseng as a key crop, was also submitted to the Government for approval. Quang Nam province is located on the eastern slope of the Ngoc Linh Mountain Range.

Many years ago, many mechanisms and solutions were introduced to encourage, conserve and develop this rare plant. Nam Tra My district, where the ginseng grows, is given special attention with many practical and specific actions.

Journey to Ngoc Linh ginseng

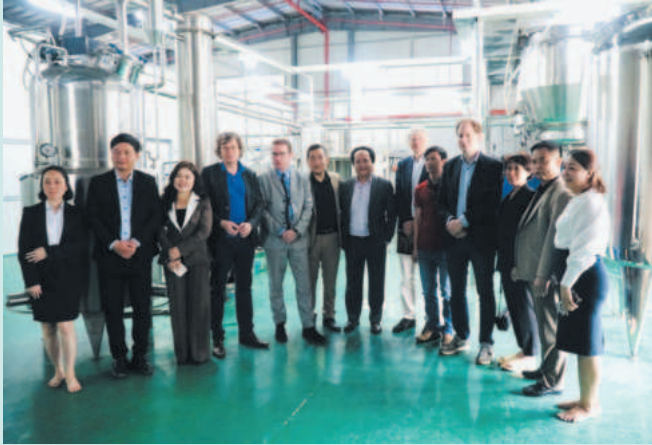
In response to the State's policy, many businesses have strongly joined forces. In Quang Nam province, businessman Nguyen Duc Luc initiated his plan (in 2008), invested in growing areas (in 2016) and built a VND120 billion factory (in 2018). Currently, he is making the largest investment of over VND200 billion. For him, Ngoc Linh ginseng is more than a destiny to become a passion and

aspiration. From an infrastructure construction company in the mountainous region of Quang Nam, he had the opportunity to know and hear a lot about the precious medicinal plant in Tra Linh. When he used it, he clearly felt the enormous effect and value of this small but precious plant to pursue and conquer it.

After meticulous study, in 2014, he decided to grow ginseng. In 2015, Samsam Group was established to hire ginseng forest environmental services according to the province's policy. The start was always hard but the biggest difficulty was convincing people to zone off farming areas and protect ginseng farms. It was very hard to restrict people from traveling in the forest because this meant changing a custom. The company coordinated with local authorities to reach every household to persuade them to zone off growing areas with pledged interests. In the daytime, farmers went to work and they could only meet at night to discuss and persuade. It took a year to gather forest land for planting.

In 2016, being allocated 10 hectares of forest by the Provincial People's Committee, the company invested nearly VND20 billion to buy seedlings and tend them. Since then, the journey to grasp growth habits, reproduction processes and biological and pathologic management started going. Growing ginseng on a household scale is not easy but it is very complicated for businesses because of strong winds, erosive rains, rat attacks and pests which may result in a complete loss. In that first year, more than 10,000 ginseng plants suffered from leaf fungus and damaged roots, causing heavy losses to the company.

Before unexpected difficulties, his determination



Experts from DFCD & WWF conduct a survey of the cultivation areas of Samsam Group, March 2023

increased. Luc and his colleagues looked for experts to acquire know-how and invited Japanese specialists to guide and transfer farm management methods. Spending a lot of time working on the farm regardless of day and night, he concluded farming, tending, pest control, harvesting and reproduction processes; and satisfied standards for medicinal properties, pharmacology, active ingredients, minerals, and trace elements. From this success, the company expanded the growing area to 200 ha and planted 500,000 ginseng plants.

Commercializing Ngoc Linh ginseng

As soon as planting and tending processes were standardized, Sam Sam began placing orders for research, extraction, preparation and production projects of Ngoc Linh ginseng and other precious medicinal herbs in Quang Nam. In 2018, the company invested VND120 billion to build a 2.5-ha extraction factory in Tam Thang Industrial Park where dozens of foods and pharmaceuticals derived from Ngoc Linh ginseng were produced, sold on the market and highly appreciated by consumers.

The company also invested in building a biotech center to acquire the in-vitro Ngoc Linh ginseng tissue culture technology from the Department of Science and Technology, Quang Nam province. Currently, Sam Sam has tested 23,000 seedlings certified to meet good quality standards. Successful propagation from tissue culture helps preserve valuable genetic resources and solves the difficulty in creating seed sources for large-scale farming. The company has pioneered Ngoc Linh ginseng research, development and conservation using asexual propagation. The company can produce 1 million seedlings a year and 5 million seedlings a year by 2030.

To diversify products and enhance the value of Ngoc Linh ginseng, Sam Sam is investing VND100 billion to develop a 100-ha medicinal herb area in Nam Giang district and will soon build a large factory. This is a step for the company to realize its aspiration of developing

the pharmaceutical sector and form the pharmaceutical industry center in Quang Nam.

Cooperation for development

Despite his successes, businessman Nguyen Duc Luc is always worried about the future. Why can Korea develop a "billion-dollar" ginseng industry? and many other questions constantly concern him. After much consideration, he thought that Vietnam should have close regulations on standards and content measurement, regulations on Ngoc Linh ginseng content in in each product (e.g. pharmaceuticals, foods and cosmetics) to avoid equating Ngoc Linh ginseng with other ginseng varieties. There is a need for a price control mechanism. To develop the ginseng industry, it is necessary to trace the origin and apply synchronous quality management, nutritional sources and disease control to ensure no impact on consumers. On these issues, Sam Sam has repeatedly proposed that State agencies soon complete more specific and transparent mechanisms, policies, and legal corridors for this matter.

To boost the development of Ngoc Linh ginseng, many companies need to take part in this business seriously and responsibly. Long-term ginseng investors also need to quickly remove fund difficulties. Currently, banks are very cautious about lending capital to businesses to invest in medicinal growing areas. Establishing the Ngoc Linh ginseng area costs a lot because the price of seedlings is high (VND150,000 a seedling) while the commercial cycle lasts 3-5 years or even longer but businesses have to manage it themselves. At present, Sam Sam Group's ginseng growing area is very valuable but the firm cannot borrow money since forest land and ginseng trees cannot be mortgaged. Furthermore, this highly valuable plant presently lacks an insurance mechanism. Luc said: For Ngoc Linh ginseng to grow well, it must be planted under the forest canopy. To develop this national product, there is a need for a connection and cooperation among all stakeholders and Ngoc Linh ginseng is in dire need of the government's determination, the participation of financial institutions, and the cooperation of businesses and even the consensus and construction of the people. ■



Samsam Group Headquarters

HDBank Announces Dividend Rights



HDBank transaction office

Ho Chi Minh City Development Commercial Joint Stock Bank (HDBank) announced the resolution of the Board of Directors on a 30% dividend payment (10% in cash and 20% in stock) for the fiscal year of 2023.

LE PHUONG

With this dividend payout, HDBank has the highest dividend rate in 2024 (excluding Techcombank without any dividend payment in previous years). HDBank always pays the highest dividend rate in the market to shareholders. At its recent Annual General Meeting of Shareholders, the bank proposed a dividend plan for 2025, up to 30%, including a maximum of 15% in cash. maximum of 15% in cash. According to its published documents, the record date to exercise the right to dividends is July 15, 2024 and the

ex-date is July 12, 2024. The expected payment date for cash dividend is July 26, 2024. The shareholders in the record list will be entitled to receive VND1,000 per share.

At the same time, HDBank also distributed a 20% stock dividend as per the resolution of the Annual General Meeting. Shareholders whose names are recorded in the shareholder list on the record date are entitled to receive stock dividends at a distribution ratio of 100:20 (shareholders who own 100 shares are entitled to receive 20 new shares). The record and ex-date will be announced later when the bank gets approval from relevant authorities, expected in the third quarter of 2024.

According to the financial statement of the first quarter of 2024, HDBank had a credit growth of over 6.2%, relatively high in the industry. The lender paid VND4,028 billion, up 46.8% year on year. The return on equity (ROE) was 26.7%, a relatively high share in the market. At the same time, the bank ensures capital adequacy ratios and high asset quality among the industry leaders.

In 2024, HDBank will boost the pursuit of sustainable growth and development (ESG) strategy. The bank aimed to continue high and inclusive growth targets, including a pre-tax profit of VND16,000 billion, up 21.8% year on year. ROE ratio was 24.6% while a low bad debt ratio below was maintained 1.5%. ■

OPPORTUNITY TO TOUR EUROPE WITH HDBANK



HDBank's Euro 2024 promotion offers customers using their mobile app a chance to win a nine-day, eight-night tour to Europe to watch the tournament

In its special promotion program for the Euro 2024 football tournament, HDBank offers the opportunity to enjoy a nine-day, eight-night tour to Europe for two people to watch the most attractive football tournament for customers making transactions on HDBank mobile application.

LE PHUONG

Cheering Euro 2024

With the special promotion program called “Touring Europe, living with Euro 2024” from June 12 to August 12, 2024, when making transactions on the HDBank mobile application, customers will have the opportunity to immerse themselves in the passionate atmosphere of one of the most exciting football tournaments on the planet - Euro 2024 and win high value prizes.

The challenge is simple. Customers are entitled to join two main challenges: “Shoot and win” and “King of the field” - in which they will be football players to kick the ball into the goal and get scores to win awards.

Prizes include cash prizes, vouchers and valuable artifacts. The program features two special prizes - a 9-day, 8-nights trip to Europe for two people, worth VND300 million, to watch the Euro 2024 final. In addition, lucky customers will

have the chance to win a Honda SH 125i scooter worth VND75 million, five pieces of SJC 9999 gold worth VND41 million (two prizes) and cash of many different values.

To get more plays, customers only need to make one transaction with a value of VND200,000 or more like scanning QR code payment, topping up phone charges, paying bills, booking flights, booking hotel rooms and repaying loans.

Also, during this time, HDBank launched the “Happy Weekend 2024” program with a lot of incentives for customers paying with QR code, topping up phone charges, paying bills, booking train, booking plane, booking hotel rooms, and paying for deals on VnShop or even pay their loan on the mobile application at

weekends from now till August 25, 2024.

HDBank will refund VND40,000 each to the first 200 customers who transact a minimum of VND100,000 on the HDBank app from 8:00 a.m. to 9:59 p.m. on Saturdays and Sundays. The average balance in the payment account in seven days at the time of transaction must be at least VND1 million.

At the same time, the bank also has a code giveaway program under which a 50% discount of the transaction value, to at most VND70,000 for 100 first-time customers making transactions for taxi booking, flower ordering, movie ticket booking, sports and entertainment tickets on the HDBank mobile application on Saturdays and Sundays. Winners are the first customers in the day.

For current users of the HDBank app, the bank will also directly discount VND20,000 for 100 first customers paying for taxi booking, flower ordering, movie ticket booking, delivery, and sports services worth at least VND50,000 on the mobile application.

HDBank multitasking app for all needs

HDBank mobile application has also expanded the coverage of financial services such as money transfer, stock account opening and stock trading, smart credit statement control, savings deposits, loan registration, online gold purchases, and free desirable account number.

With the multitasking performance of the HDBank application and the special promotion program for the Euro 2024 season, HDBank customers are expected to have a leisurely summer of shopping and consumption and have the opportunity to tour Europe and watch the football matches. ■

PRIME DAI LOC JSC

Promoting Sustainable Development



Overview of Prime Dai Loc's facility

P rime Dai Loc Joint Stock Company, affiliated to Prime Group, was established on July 23, 2007 in Dai Quang Industrial Complex, Dai Quang commune, Dai Loc district, Quang Nam province with an initial designed capacity of 24 million square meters a year. In 2013, Prime Group transferred 85% of interest to Siam Cement Group (SCG) of Thailand. By acquiring Prime Group, including Prime Dai Loc, SCG Group has risen to become a leading ceramic tile producer in the world.

To meet market needs, in 2019, Prime Dai Loc continued to invest in expanding production lines and increasing the designed capacity to 30 million square meters a year. In 2023, Prime Dai Loc invested in manufacturing semi-porcelain tile, a high-end product line strongly favored by domestic and international customers for its beautiful design, high durability, scratch and stain resistance, and chemical resistance.

In 2024, amid unfavorable domestic and world economic situations, Prime Dai Loc has maintained production to ensure no disruptions in the supply chain and product distribution to the market.

Mr. Dao Duy Hung, Deputy Director of Prime Dai Loc, said: to ensure the quality and design of wall tiles and floor tiles and compete with its rivals, for many years, Prime Dai Loc is always dedicated to pursuing quality goals to meet the increasing demand of customers. We will continue to raise product quality and service quality.

Renowned as a leader in ceramic tiles and construction materials in Vietnam, Prime Dai Loc has implemented comprehensive strategies to achieve sustainable development goals. The company has made significant investments in energy-saving equipment and advanced technologies to optimize production processes, thereby reducing energy and resource consumption. Prime Dai Loc has earned prestigious international certifications, including ISO 9001:2015 for quality management, ISO 50001:2018 for energy management, ISO 14001:2015 for environmental

management, ISO 45001:2018 for occupational health and safety, along with certifications from TIS (Thai standard), MS SIRIM (Malaysian standard), PS MARK (Philippine standard), and SNI (Indonesian standard).

Since its inception, Prime Dai Loc has always considered employees the most valuable property of the company. It pays special attention to investing in safety and environmental items, investing in cultural institutions, organizing periodic health checks, and enhancing welfare to provide the best work environment for employees who see the company as their second home.

DUY ANH

In 2023, Prime Dai Loc manufactured more than 14 million square meters of products to rake in revenue of US\$1,118 billion and earn a net profit of VND25.2 billion. The company has a total of 737 employees whose average monthly income is nearly VND10 million each. The company also won first prize in the 6th Prime Group Tech Innovation Competition.

In particular, following one of the four business philosophies of SCG Group "Care for social responsibility", every year, Prime Dai Loc presents gifts to residents in its business locations during public holidays; provides financial support and donates products like ceramic tiles to build public utilities, social housing and schools. During the COVID-19 pandemic outbreak, the company delivered financial support, provided necessities, face masks and antiseptic solutions for the government. Its fund for social activities was more than VND600 million from 2020 to 2023.

According to Deputy Director Hung, being present in Quang Nam province, Prime Dai Loc is always supported by the provincial government to deal with obstacles and achieve effective business performance, enabling it to contribute to local economic growth and budget revenue. To attract more quality investment, Quang Nam province needs to further reform administrative procedures and improve transportation infrastructure to quickly respond to input supplies and goods distribution. In addition, the company needs to speed up licensing procedures for mines to produce raw materials for construction material factories. ■

Sao Mai Group Teams Up with First Bank for Broadened Business Horizons



The signing ceremony for the US\$80 million senior secured term facility agreement between Sao Mai Group and First Commercial Bank

Sao Mai Group and First Commercial Bank hosted a signing ceremony for a senior secured term facility agreement amounting to up to US\$80 million in Ho Chi Minh City on June 26, 2024.

TAN HUNG

The ceremony was attended by Mr. Malcolm Wang, Vice President of First Commercial Bank (Head Office), Mr. Li Pao Yuan, General Director of First Commercial Bank - HCM City Branch, and Mr. Aaron Yang from SinoPac Bank - HCM City Branch. Also present were representatives from the Export-Import Bank of the Republic of China, Taiwan Business Bank - Taiwan Branch, Chang Hwa Commercial Bank - Taiwan Branch, and Bank of Taiwan - Hong Kong Branch.

In addition, Mr. Le Thanh Thuan, President of the Founding and Development Council of Sao Mai Group, and Mr. Le Tuan Anh, General Director of Sao Mai Group, were joined by 100 delegates comprising partners, customers and employees of Sao Mai Group and First Commercial Bank at this significant event.

According to the cooperation agreement, First Commercial Bank will be an important partner that provides a senior secured term facility agreement of up to US\$80 million

to secure a solid financial source for Sao Mai Group's business activities in construction, aquatic farming and processing, labor export, tourism, and particularly renewable energy, with priority given to solar and wind power development.

Mr. Malcolm Wang, Vice President of First Commercial Bank (Head Office), said, "First Commercial Bank would like to express our deep gratitude to Sao Mai Group for trusting and entrusting our bank to finance up to US\$80 million to its projects, 1.56 times higher than the original plan of US\$50 million. This proves that First Commercial Bank's credit-granting banking team has completely affirmed and

placed deep trust in Sao Mai Group's development. In addition to providing financial services and products for Sao Mai Group, First Commercial Bank also hopes to cooperate with the group to add other credit packages such as personal financial services for employees and trade connection services. Through this collaboration, I am confident that it will deliver optimal benefits to both customers and employees of both entities involved."

Addressing the gathering at the signing ceremony, Mr. Le Tuan Anh, General Director of Sao Mai Group, underscored that "Securing up to US\$80 million from a renowned financial institution such as First Commercial Bank exemplifies the confidence major financial entities place in Sao Mai's robust business framework. This endorsement serves as a catalyst for the group to enhance its market footprint, strengthen competitiveness, and extend its global reach."

"This is not only an important milestone, marking a new step in comprehensive cooperation, bringing the two-way relationship to a strategic level but also promises to open a bright future with many development opportunities for Sao Mai Group."

The collaborative synergy and reciprocal reinforcement across all facets will serve as the cornerstone for both brands to forge new chapters of success. Sao Mai Group commits to leveraging the funds with flexibility, creativity, scientific rigor and responsibility to propel its business strategy and generate unique value propositions. By doing so, it aims to enhance operational efficiency for each stakeholder involved while fostering positive impacts on the community and society at large. ■

PROSPECTS FOR VIETNAM-KOREA CULTURAL AND TOURISM COOPERATION

The Vietnam-Korea Cultural Cooperation and Tourism Promotion Forum was hosted by the Ministry of Culture, Sports and Tourism of Vietnam and the Vietnamese Embassy in Korea on June 30 within the framework of Prime Minister Pham Minh Chinh's official visit to Korea marked a new development in tourism and cultural cooperation between the two countries.

GIANG TU

Potential for tourism development

Vietnam and Korea have a lot of beautiful landscapes, rich cultural traditions and history, and many attractive tourist destinations. The former has eight world heritage sites recognized by UNESCO while the latter has 16. The strong development of economic, trade and investment relations has provided room to boost bilateral tourism and cultural cooperation.

Tourism cooperation has produced many significant outcomes. In 2023, tourist arrivals in each other country totaled more than 4 million, showing a full recovery and robust growth in the wake of the COVID-19 pandemic. In the

first five months of 2024, this figure was nearly 2.2 million, 9% higher than a year-earlier period.

Speaking at the forum, Prime Minister Pham Minh Chinh emphasized the importance of sustainable, inclusive development and green growth in the world today. He said that culture is the driving force of sustainable development, helping global tourism grow again at a faster pace than forecast. In the current world, sustainable and inclusive development and green growth have become more urgent than ever for all countries. He also stressed that regenerative tourism and sustainable development associated with preserving and promoting cultural heritage, traditions and environmental values will be the key to the future of tourism.

Prime Minister Chinh witnessed the signing of eight cooperation agreements between Vietnamese and Korean partners at the forum. Notably, the Vietnam National Administration of Tourism (VNAT) and the Korea Tourism Organization signed a memorandum of understanding on tourism promotion cooperation in 2025-2026. The sides also inked a MoU on cooperation in developing high-end tourism and medical tourism services.

Orientation for sustainable tourism development

He introduced Vietnam's tourism development direction centered around the principles of "Distinctive products, Exceptional services, Streamlined procedures, Competitive pricing, Pristine and hospitable environments, Safety, civility, and friendliness." Vietnam is determined to develop tourism into a key economic sector and belong to the group of the top 30 globally competitive tourism destinations.

Prime Minister Chinh also asked Korea to support Vietnam in developing tourism and cultural industry, especially in perfecting institutions and policies, building infrastructure, training human resources and improving management capacity. He hoped that Korea will facilitate the establishment of the Vietnamese Cultural Center in Korea and encourage Korean businesses to invest more in tourism and cultural industry in Vietnam.

The Vietnam-Korea Cultural Cooperation and Tourism Promotion Forum opened many new cooperation opportunities and brought bilateral tourism relations to a new high. With support and close cooperation from Korea, Vietnamese tourism will certainly continue to develop sustainably, contribute to socioeconomic development and reinforce friendly relationship between the two countries. ■



According to Skyscanner's latest data, Da Nang stands out as one of the top 3 preferred travel destinations for Korean tourists in 2023



Trade and service industries in HCM City experienced positive growth, with the transportation and warehousing sector leading with an 18.47% increase rate

(from P.31)

63.1% of the service sector's growth: trade (16.4%), transportation and warehousing (10.5%), finance and banking (9.1%), and professional, scientific and technological services (5.4%).

Overall, all nine key service subsectors advanced, with the transportation and warehousing sector recording the best growth of 18.47% and the real estate sector with the worst growth of 2.94%.

In trade and services, total retail revenue of consumer goods and services in the first six months of 2024 were estimated to grow as high as 10% from a year earlier. Particularly, the retail revenue of goods rose by 10.2%, accommodation and dining revenue by 8.1%, travel services revenue by 63.3% and other services by 7.2%.

The HCM City Statistics Office conducted a survey on business trends in the processing and manufacturing sector. The outcome showed that manufacturing and business

activities in the second quarter were better than in the first quarter. 37% of surveyed businesses said their production and business performance was getting better, while 36.6% kept it stable and 26.4% said it was more difficult. 80% of State-owned enterprises (SOEs) saw better operations in the second quarter following a stable first quarter. 72.7% of private companies and 73.6% of FDI firms shared a similar viewpoint.

To better support business recovery and development, in the third quarter and from now until the end of the year, Ho Chi Minh City will focus on carrying out many consistent solutions to remove difficulties and obstacles for the business community and investors. At the same time, many business support mechanisms and policies will be in place. The city will continue to transform its production models and boost digital application and shape green production and green export to enhance the competitiveness and position of Vietnamese exports in the international market. ■

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