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8TH GREATER MEKONG SUBREGION SUMMIT

2024年11月6-7日 中国·昆明 6-7 November 2024 Kunming,



**VIETNAM REAFFIRMS COMMITMENT TO STRENGTHENING TIES WITH
GMS MEMBER COUNTRIES AND DEVELOPMENT PARTNERS**

VIETNAM PROJECTS STABLE ECONOMIC OUTLOOK



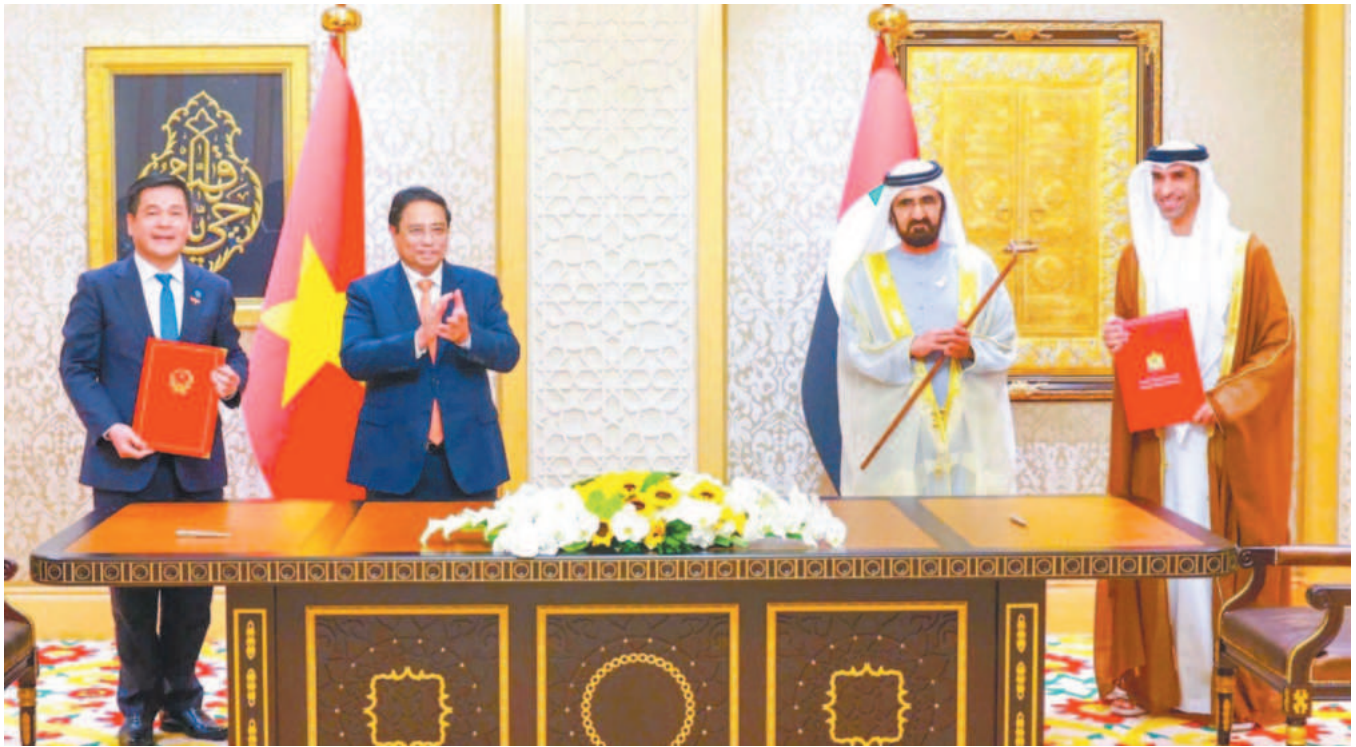
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大湄公河次区域经济合作第八次领导人会议

8TH GREATER MEKONG SUBREGION SUMMIT

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Vietnamese Prime Minister Pham Minh Chinh (first from left) and leaders of China, Cambodia, Laos, Myanmar and Thailand, as well as the Asian Development Bank leadership at the 8th Greater Mekong Subregion (GMS) Summit, Kunming, China

VIETNAM REAFFIRMS COMMITMENT TO STRENGTHENING TIES WITH GMS MEMBER COUNTRIES AND DEVELOPMENT PARTNERS

Addressing the 8th Greater Mekong Subregion (GMS) Summit, Prime Minister Pham Minh Chinh affirmed Vietnam's commitment to deepening cooperation with GMS member countries and development partners to jointly build an innovative, creative, dynamic, sustainable and prosperous Greater Mekong Subregion.

BICH HANH

The 8th GMS Summit, held in Yunnan Province, China, was attended by heads of government, heads of delegations of Cambodia, Laos, Myanmar, Thailand, China, and Vietnam; President of the Asian Development Bank (ADB), and representatives of many international and regional organizations. Prime Minister Pham Minh Chinh led a high-ranking Vietnamese delegation to the summit at the invitation of Chinese Premier Li Qiang.

Reflecting on the GMS's development over the past 30 years, the leaders highlighted the substantial contributions of this cooperation framework to the region's progress. They specifically acknowledged achievements in transport infrastructure, energy, telecommunications, and the enhancement of industrial and agricultural capacities. More than 12,500 kilometers of roads and 1,000 kilometers of railways have been constructed, while nearly 3,000 MW of electricity has been generated. In addition, over 2,600

kilometers of power transmission lines have been established, providing electricity to more than 165,000 households across the region.

In 2021-2024, the GMS mobilized nearly US\$133 billion to implement more than 500 development projects in the subregion. The North-South and East-West economic corridors have emerged as exemplary models of cross-border economic cooperation and connectivity. These corridors have played an important role in boosting regional trade and investment, while also linking remote areas to key seaports, airports, and major economic hubs, thereby fostering greater economic integration and development across the Greater Mekong Subregion. With a deep understanding of the far-reaching and multi-dimensional impacts of the technological revolution, the 8th GMS Summit was themed "Towards a Better Community through Innovation-driven Development."

In his opening speech to the summit, Chinese Premier Li Qiang emphasized that innovation is a key driver of economic growth, expressing China's willingness to share innovation outcomes, promote hard and soft infrastructure connectivity, enhance subregional connectivity through policy coordination, standard harmonization, people-to-people exchange and ease of mobility. He pledged to grant 5-year multiple-entry Mekong-Lancang visas for businesses and experts of member countries.

The leaders underlined the need to strengthen cooperation to harness remarkable advancements in science and technology for green transition and digital transformation in the Mekong subregion. They agreed to establish a GMS Innovation System with the three key pillars of digitalization, green transition and connectivity. Regarding digitalization, the GMS will foster programs and projects on training digital human resources, boosting cross-border digital economic connectivity and building a legal framework for digital economic development.

On green transformation, the GMS focuses on supporting members to effectively apply green,





environmentally friendly technology to the sustainable use and comprehensive management of natural resources, especially cross-border water resources; conserving ecosystems and biodiversity; and developing smart agriculture.

Regarding connectivity, the GMS concentrates on fostering innovative solutions on cross-border connectivity; encouraging dialogues between authorities and policymakers; and sharing knowledge, technological solutions and business models. The leaders also encouraged the coordination between the GMS and other regional and subregional cooperation mechanisms and initiatives to create new momentum for subregional development.

At the summit, Prime Minister Pham Minh Chinh highlighted the lessons drawn in the 32 years of GMS cooperation and pointed out appropriate directions for the mechanism in this new development stage. He also underlined its strategic role in the subregion's international integration and development and stressed five valuable lessons learnt from its success.

First, conducting equal, widespread consultations, and strengthening consensus among members for shared benefits.

Second, building result-oriented cooperation strategies and programs that fit the actual needs of each country and the subregion.

Third, placing people at the heart of cooperation and fostering economic connectivity in line with environmental protection.

Fourth, combining each member's efforts with the support of the ADB and development partners

Fifth, turning challenges into motivation for progress. More effort, determination and solidarity are needed to build a joint strength that drives cooperation and development.

Prime Minister Chinh underscored that, as it evolves and develops, the GMS must have continuous innovation and creativity to both keep pace with global trends and meet its development demand. With this mindset, he suggested that it is time for the GMS to focus on developing new-generation innovation-driven economic corridors that go beyond the traditional economic corridor. On that basis, Chinh proposed three key cores of these new-generation economic corridors as follows:

First, a corridor of technology and innovation should be created to foster multi-stakeholder, multi-sector and multi-phase connectivity. Focus is placed on supporting countries in addressing gaps in institutional frameworks, policies, technological competences and innovation resources, including human and financial resources.

Second, an economic growth corridor will both revitalize traditional growth drivers and foster new ones. Together



Prime Minister Pham Minh Chinh and Chinese Premier Li Qiang witness the exchange of diplomatic notes between the Ministries of Foreign Affairs of Vietnam and China regarding the establishment of the Vietnamese Consulate General in Chongqing, China during the 8th Greater Mekong Subregion (GMS) Summit

with transport, industrial and agricultural production infrastructure projects, the GMS should expand investments to create corridors for semiconductors, artificial intelligence, new materials and clean energy; and build digital platforms, broaden digital markets and improve digital skills for businesses and workers. A substantial and effective transformation is needed to facilitate the smooth flow of capital, goods and services within the GMS region.

Third, the green, sustainable and inclusive corridor ensures a balance between economic growth and environmental protection, with people placed as the heart, the subject and the driving force of development. The GMS should further strengthen cooperation programs on the environment and ecosystems, disaster management and climate change response. The GMS should also place special emphasis on collaborating with the Mekong River Commission in effective, sustainable and equitable management and use of the shared Mekong-Lancang river system while promoting technological application in integrated transboundary water resources management.

Prime Minister Pham Minh Chinh said that GMS members need to stay united and coordinate in responding to challenges and believed that, with the perspective of "valuing time, valuing intellect, innovating to make breakthrough, creating to go further, integrating to move forward and uniting for greater strength", this summit will help realize the GMS's vision and goals. He affirmed that Vietnam will continue to work closely with member countries and development partners to jointly build an innovative, dynamic, sustainable and prosperous GMS.

The Summit successfully wrapped up with GMS members unanimously adopting the Joint Statement and the GMS Innovation Strategy for Development to 2030. The summit also noted six documents on climate and environment, digitalization, investment, gender equality, healthcare, and digitalization of trade documents for implementation in the coming time. ■

VIETNAM-US HEALTH COOPERATION STRENGTHENED

On October 30, the US Embassy in Vietnam and the US Centers for Disease Control and Prevention (US CDC) hosted a roundtable on advancements in healthcare and wellbeing for the Vietnamese people. The event featured CDC Country Director Eric Dziuban.

THU HA



US CDC Country Director Eric Dziuban addresses the roundtable

The roundtable addressed Vietnam's response to disease outbreak risks and public health emergencies over the past five years, focusing on experience exchange, knowledge sharing and enhancing the readiness of the health system.

“Health has always been one of the priority areas in bilateral cooperation. When there were no effective HIV treatments, Vietnam and the US actively cooperated to support people with health problems. Then, when there was a series of H5N1 cases in 2005 or more recently during the COVID-19 pandemic, Vietnam and the US quickly coordinated to work out timely and effective response plans,” said Eric Dziuban.

As the 30th anniversary of Vietnam-US relations approaches in 2025, it presents an opportunity to reflect on their journey and the current strength of their partnership, he added. During US President Joe Biden's visit to Vietnam in September 2023, the two countries signed an agreement to upgrade their relationship to a comprehensive strategic partnership, which is a good opportunity to bolster overall cooperation, including health cooperation.

In the joint statement, Vietnamese and US leaders highlighted comprehensive and specific health cooperation, including strengthened cooperation in ensuring health security, detecting and responding to the COVID-19 pandemic and global epidemic risks, completely and firmly controlling the HIV/AIDS epidemic, eliminating tuberculosis by 2030, developing the pharmaceutical industry, and enhancing the compatibility of regulations to better elevate Vietnam's role in regional and international supply chains.

“Currently a lot of work needs to be done to protect public health, like training human resources, building an information data system and increasing testing capacity to diagnose risks early. The US CDC wants to continue in its partnership and cooperation with Vietnam in these fields,” Eric Dziuban emphasized. ■



The US CDC Vietnam Office was established in 1998, three years after the US Embassy opened in Vietnam. Currently, the office employs around 70 staff across many provinces and cities, coordinating directly with over 15 provinces/cities to provide support and cooperation in healthcare and wellbeing for the Vietnamese people.



VIETNAM-UAE TRADE DEAL

A BOOST TO TRADE AND INVESTMENT TIES



Vietnamese Prime Minister Pham Minh Chinh and UAE Vice President and Prime Minister Mohammed bin Rashid Al Maktoum attend the signing ceremony of the Comprehensive Economic Partnership Agreement (CEPA)

The Comprehensive Economic Partnership Agreement (CEPA) between Vietnam and the United Arab Emirates (UAE) paves the way for enhanced bilateral trade and offers a boost for Vietnamese goods to penetrate the Middle Eastern and African markets.

HUONG LY

Promoting bilateral trade and investment

The official visit by Prime Minister Pham Minh Chinh to the UAE on October 28 marked an important turning point in elevating the relationship between the two countries. The visit promoted comprehensive cooperation and opened opportunities for UAE investment in Vietnam, while facilitating access for Vietnamese goods and services to the Gulf market. During the visit, the two sides signed the Comprehensive Economic Partnership Agreement (CEPA) aiming for US\$10 billion in trade turnover and deeper ties with other Middle Eastern countries.

The trade deal includes 18 chapters, 15 annexes and 2 bilateral letters. It outlines tariff reductions, with the UAE removing tariffs on 99% of Vietnamese exports, and Vietnam eliminating tariffs on 98.5% of UAE exports. It

also includes favorable terms for trade and investment, aligning with global trends in digital transformation and green development. This deal is an enhanced free trade agreement capable of meeting future development trends, balancing the interests of both countries and boosting bilateral trade and investment.

According to Mr. Truong Xuan Trung, First Secretary and Head of the Vietnam Trade Office in the UAE, CEPA is a major step forward in bilateral cooperation, providing a solid legal framework for collaboration in multiple sectors. By reducing or eliminating tariffs on many

goods and services, the trade pact will create new opportunities for businesses, enhance foreign direct investment (FDI), and facilitate market access in the near future.

Promising market

Mr. Tran Thanh Hai, Deputy Director of the Import-Export Department (Ministry of Industry and Trade - MoIT), said that the UAE serves as a strategic gateway for Vietnamese goods and services to penetrate the Middle Eastern and African markets. Despite global economic challenges, the UAE has maintained stable growth, creating opportunities for Vietnamese businesses facing difficulties in major markets such as the EU, the U.S. and China.

Currently, the UAE is Vietnam's largest export market in the Middle East and Africa. According to the General Department of Vietnam Customs, as of September 2024, trade value between Vietnam and the UAE totaled nearly US\$5 billion, an increase of over US\$1.4 billion compared to the same period in 2023.

Vietnam's exports to the UAE totaled US\$4.31 billion, a 43.67% increase, or US\$1.31 billion more than the previous year. As a result, Vietnam achieved a trade surplus of nearly US\$3.66 billion with the UAE. Among the key export items, phones and components play a dominant role, valued at US\$2.54 billion, an increase of

(continued on P.9)



Delegates at the business networking event to promote Korean investment in Vietnam pose for a group photo

VIETNAM, KOREA PROMOTE BUSINESS TIES IN EMERGING SECTORS

Mr. Kang Myung-Soo, Vice Chairman in charge of membership, emphasized the growing interest of Korean businesses in the Vietnamese market. Previously, investments focused mainly on textiles, but they have now expanded to sectors like steel, automotive, electronics, pharmaceuticals and IT.

Major Korean companies like Samsung, LG, Posco, Kia Motors and Hyundai Motors have supported Vietnam's industrial development, especially in electronics, mechanical engineering and automotive sectors. Kang expressed hope for expanded cooperation in areas such as semiconductors, artificial intelligence and advanced technologies. He also expected VCCI to facilitate Korean businesses in Vietnam.

Tran Thi Lan Anh, Secretary General of VCCI, highly appreciated the cooperation between VCCI and KCCI over the past years, particularly in connecting businesses from both countries and promoting investment projects.

VCCI has received many delegations of Korean enterprises from Seoul, Busan and provinces like Jeon and Chungcheongnam to Vietnam to explore opportunities. Ms. Lan Anh hoped both sides will continue developing new cooperation programs and expanding investments in potential sectors to strengthen bilateral economic relations.

"VCCI is always ready to support KCCI and Korean businesses in connecting with partners and exploring cooperation opportunities in Vietnam," said Lan Anh.

Korea is currently Vietnam's third-largest trading

The Vietnam Chamber of Commerce and Industry (VCCI) and the Korea Chamber of Commerce and Industry (KCCI) recently held a business networking event to boost Korean investment in Vietnam.

HUONG LY

partner, following China and the United States, with a trade turnover of US\$76 billion in 2023. It is also the largest foreign investor in Vietnam, with 9,863 projects and total investment capital of US\$5.8 billion, accounting for 18.3% of the country's total foreign investment.

Recently, Korean investments have expanded into such sectors as construction, real estate, retail, hospitality and healthcare services. Major financial groups like Shinhan, KB and Woori have also established a presence in Vietnam, contributing to the diversification of the market.

VCCI has also collaborated with KCCI, KOTRA and KOCHAM to host many forums and bilateral dialogues, creating new cooperation opportunities and accelerating the implementation of investment projects across various provinces and cities in the country.

Moreover, Vietnam is becoming an attractive destination for indirect capital flows from Korean investors, particularly in finance and securities. Efforts to improve the investment environment and upgrade Vietnam's stock market classification are expected to attract more new capital in the near future.

With significant potential for economic cooperation, both countries are aiming to raise bilateral trade turnover to US\$150 billion by 2030, while also promoting investment in innovation and high-tech industries. This will not only enhance Vietnam's production capabilities but also create more opportunities for local businesses to integrate more deeply into global value chains. ■

VIETNAM PROJECTS STABLE ECONOMIC OUTLOOK

According to the International Monetary Fund (IMF), Vietnam's economy is likely to grow by 6.1% in 2024, underpinned by continued strong external demand, stable foreign direct investment and easing policies.

QUYNH ANH

Foreign agencies forecast good outlook

Vietnam's economy grew by 5% in a challenging 2023 thanks to the Government's policies, according to the IMF. Property turmoil, financial stress and sharp decline in exports hurt the economy. Recovery started in late 2023 on reviving exports and tourism, as well as the support of appropriate expansionary fiscal and monetary policies. Inflation rose in 2024 mainly due to rising food prices although core inflation remained relatively low and stable.

According to the IMF, domestic demand growth will recover gradually as businesses are struggling with high debt levels while the real estate market will only fully recover in the medium term. Inflation is forecast to hover around the State Bank of Vietnam's target range of 4-4.5% this year.

In its latest economic update on Vietnam in October, Standard Chartered Bank raised its 2024 GDP growth forecast for Vietnam to 6.8% (from 6%) thanks to higher-than-expected GDP performance in the third quarter. Standard Chartered forecasted Vietnam's growth at 6.9% in the fourth quarter and 6.7% in 2025.

According to Standard Chartered Bank's economists, Vietnam's economic growth momentum is relatively strong, with better improvements in many sectors, including import and export, retail, real estate, tourism, construction and manufacturing. The recovery in trade and increased business activity, along with foreign direct investment, will be the main growth drivers in 2025 and beyond.



Vietnam's economy shows strong growth, with improvements across sectors like import-export, retail, real estate, tourism, construction, and manufacturing

Previously, the Asian Development Bank (ADB) forecast Vietnam's economic growth at 6% in 2024 and 6.2% in 2025.

The World Bank (WB) also anticipated Vietnam's GDP growth at 6.1% in 2024 and 6.5% in 2025, respectively higher than its 5.5% and 6% forecasts in April 2024. As a result, Vietnam's GDP growth is higher than eight countries in the ASEAN region and China.

Lingering risks

Although Vietnam's economic growth is forecast to be quite high, according to the IMF, there are still many negative risks. Exports, the main driver of the Vietnamese economy, may weaken if global growth is not as expected, global geopolitical tensions persist or trade disputes increase. With loose monetary conditions, if exchange rate pressure continues for a longer time, this will lead to a greater pass-through to domestic inflation.

Moreover, persistent weaknesses in the real estate market and corporate bond market may result in a stronger-than-expected impact on banks' ability to expand credit, undercutting economic growth as well as undermining financial stability.

"Risks remain high, further efforts are needed to ensure macro-financial stability and carry out extensive reforms to address weaknesses, achieve green, strong and inclusive growth in the medium term. Continued capacity building will be important to support reforms. Given the large fiscal space amid limited room for monetary policy easing, fiscal policy should take the lead in supporting economic activity if needed," the IMF stressed.

The IMF welcomed the authorities' plans to accelerate public investment, which would require addressing bottlenecks, and underscored the importance of expanding social safety nets to support the most vulnerable groups. It also recommended strengthening the fiscal framework, budgeting processes, and increasing budget revenue mobilization over the medium term to support the ambitious development plan.

In addition, the IMF believed that the authorities have effectively contained inflation risks, but monetary policy

needs to remain cautious amid complex circumstances and limited policy space. The IMF welcomed the moves toward greater exchange rate flexibility and recommended continued progress in this area, along with modernizing the monetary policy framework.

The IMF underlined the importance of strengthening financial system resilience by strengthening capital buffers, phasing out regulations on debt rescheduling while maintaining the same debt group and addressing rising non-performing loans; necessarily having continued efforts to reinforce the management and supervision of banks; and taking decisive steps to address remaining risks, including strengthening the legal framework on insolvency, building up institutions and enhancing transparency in the corporate bond market.

Furthermore, structural reforms and climate policy reforms to achieve sustainable, green and inclusive growth need to be focused on, according to the IMF. Accelerating the transition to an upper-middle-income economy will require further efforts to improve the business environment, strengthen critical infrastructure and invest in human capital.

During his meeting with Managing Director of the International Monetary Fund (IMF) Kristalina Georgieva in New York in late September 2024, General Secretary and President To Lam called on the IMF to support Vietnam in restructuring its economy for a new era. He emphasized the need to reform the growth model, pursue green transformation, and develop new technologies, including artificial intelligence, while ensuring social security.

IMF Managing Director Kristalina Georgieva said that Vietnam and ASEAN are bright spots in global economic growth. She commented that Vietnam's resilient, adaptable and sustained growth has been backed by two solid pillars, namely strong institutions that have been increasingly completed and an approach that prioritizes growth while ensuring inclusiveness in penning macroeconomic policy.

She pledged continued support for Vietnam to realize its development goals by promoting reform and risk management, to become a developed, high-income country by 2045. ■

(from P.6)

56.85% compared to 2023. Other products such as computers and electronic components (US\$357 million), machinery and spare parts (US\$380 million) and footwear (US\$151.2 million) also recorded impressive growth.

Vietnam's potential to expand exports to the UAE remains significant, especially for products such as seafood, pepper, cashew nuts, coffee, fruits and vegetables, textiles, footwear and construction materials.

In addition, the UAE ranks among the top 20 countries in the world for outbound FDI and is considered an attractive destination for investment promotion, trade, tourism and labor activities.

However, despite its potential, exporting to the UAE requires Vietnamese businesses to strictly comply with

Halal certification regulations. Products must not contain prohibited ingredients and must not come into contact with equipment, materials or food items that are not permissible under Islamic law. Furthermore, fierce competition from regional rivals demands that businesses enhance product quality and refine their market strategies.

Mr. Tran Thanh Hai advised Vietnamese enterprises to take a cautious approach to minimize risks. He recommended partnering with agents or distributors in the UAE, opening representative offices or branches, or exploring franchise opportunities. The MoIT is actively working with relevant agencies to assist businesses in promoting trade, advertising products, and identifying customers in this promising market. ■

Banks Leading Digital Transformation Wave



Many commercial banks report 97-98% of transactions are conducted through digital channels

The digitalization rate of the banking industry, a pillar of the economy, is exceptionally high and experiencing strong growth.

PHUONG ANH

Remarkable progress

Mr. Pham Tien Dung, Deputy Governor of the State Bank of Vietnam (SBV), said, the banking industry has made remarkable strides in digital transformation, supported by an open legal framework for new technologies. The SBV has led the way by accepting eKYC for account openings since 2021 and recently implemented authentication with chip-embedded citizen ID cards, enhancing convenience and security for services like guarantees and online lending.

“The legal corridor has paved the way for the banking industry to apply technology and meet online transaction demands by people and businesses in the digital age,” he emphasized.

Many commercial banks have witnessed 97-98% of transactions executed on digital channels. Digital banking transactions have annually grown at a double-digit pace in both the number and value of transactions.

Mr. Nguyen Quoc Hung, Vice Chairman and General Secretary of the Vietnam Banks Association (VNBA), said the Vietnamese and global banking industry is undergoing an important turning point in digital transformation. Technologies such as big data, artificial intelligence (AI), augmented reality (AR) and open banking platforms have contributed to improving service quality and enabling around-the-clock transactions of customers.

AI applications have become a prominent trend in global business, particularly in the banking sector. Currently, 85% of banks have implemented AI strategies for developing new products and services, with over 59% of employees incorporating AI into their daily operations. Investment in Generative AI (GenAI) is projected to soar from US\$6 billion in 2024 to US\$85 billion by 2030, representing a staggering growth of over 1,400%.

This trend underscores a significant transition from traditional and digital banking to AI-driven banking solutions.

The quality and value of electronic transactions have grown significantly. Many banks have witnessed over 90% of transactions performed via digital channels. Over 80% of adults have payment accounts. Over 200 million customer profiles, both individual and institutional, have been registered with credit institutions and payment intermediaries. Among these, 46.7 million profiles include biometric information from chip-embedded citizen ID cards. The financial switching and electronic clearing system processes more than 20 million transactions daily, while the interbank electronic payment system has achieved an average annual transaction value growth of over 23.5%, handling daily transactions exceeding VND830 trillion.

To provide high-tech and highly personalized banking products and services to enhance customer experience, data collection, exploitation and processing are always considered important, Hung added. The entire banking industry has focused on cleaning up all 51 million customer data at the Vietnam National Credit Information Center and credit institutions to make sure that 100% of customer data is authenticated with the national population database.

Security and safety above all

As a sector that plays a pivotal role in the economy, the asset value of the banking industry’s cyberspace is huge, so it is increasingly becoming the target of massive cyberattack campaigns. Therefore, challenges in respect of information security and safety are increasingly grave, especially when targeted cyberattacks on the banking system and customer fraud are increasing.

To cope with this reality and adopt a safe and sustainable operating strategy, the banking industry needs to constantly improve cybersecurity measures while raising security awareness for customers in online transactions, building a cooperative environment where banks can share and learn from each other’s experiences, he said. Ensuring information security is a core factor for the banking industry’s sustainable development in the digital age.

Mr. Le Van Tuan, Director of the Authority of Information Security (AIS) under the Ministry of Information and Communications, said, to effectively ensure information security in the banking industry, it is essential to rigorously apply information security laws and implement comprehensive system-level regulations. Each unit should develop a plan that encompasses monitoring, protection, rapid response and recovery measures. Investing in modern technologies and enhancing staff capabilities is important. Regular drills should be conducted to identify vulnerabilities, and a collaborative coalition for incident response must be established. Ongoing training is important to raise awareness among all information security personnel.

Mr. Pham Anh Tuan, Director of the Payment Department, SBV said that the SBV together with commercial banks and payment service providers will collaborate to review and advance the goals outlined in Decision 810/QD-NHNN on the Banking Digital Transformation Plan. They will refine institutional frameworks and work closely with the Ministry of Public Security to implement Project 06 applications. Additionally, the SBV will enhance infrastructure capacity and security while increasing user awareness and knowledge about cyber fraud. ■

INSURANCE INDUSTRY

STRUGGLING WITH CONTINUED DIFFICULTIES

The insurance industry is currently grappling with huge challenges, driven by both external and internal factors, resulting in negative growth.

QUYNH CHI

According to the report by the Ministry of Finance, total insurance premium revenue (including life and non-life) was VND165.5 trillion (over US\$7 billion) in the first nine months of 2024, down 0.41% year on year.

Of the sum, non-life insurance was estimated at VND58.54 trillion, up nearly 12.8%, while life insurance revenue was down 6.4% to about VND106.98 trillion. The life insurance market has not yet overcome its difficulties when the new premium revenue of this sector sank 18.7% year on year to VND13.96 trillion in the first seven months of the year. This rate is over half lower than the same period in 2022, the time before market turmoil caused a decline in customer confidence.

However, in the third quarter of 2024, insurance premium revenue returned to growth after five consecutive quarters of decline. Specifically, total insurance premium revenue was estimated at VND56.4 trillion in the quarter, up 6.9% over the corresponding period in 2023.

Historically, from 2016 to the end of 2022, this indicator kept growing at a double-digit pace, around 17-22%. Insurance premium revenue experienced a decline for the first time in the second quarter of 2023, continuing its downward trend into the third quarter of 2024 before showing signs of recovery. In the first quarter of 2024, revenue fell by 4.3%, followed by a 6.6% decrease in the second quarter. As a result, total premium revenue for the first three quarters of 2024 was lower compared to the same period the previous year.

Also, according to the Ministry of Finance, insurance benefit payments were estimated at VND64.07 trillion in the first nine months of 2024, up 16.07% year on year. Of the sum, nonlife insurers paid VND17,621 billion and life insurers paid VND46,449 billion. Total assets of the insurance market were

forecast at VND978,906 billion, up 9.8% year on year, of which nonlife insurers accounted for VND141,357 billion and life insurers made up for VND837,549 billion.

Despite signals of growth, the economy is still confronting a lot of difficulties, posing enormous challenges in helping the insurance industry regain growth momentum, especially life insurance growth in 2024. According to an expert and insurer survey conducted by Vietnam Report in mid-2024, the biggest challenges faced by insurers included confidence crisis in the life insurance market, insufficient understanding of consumers of insurance policy, a lot of violations uncovered in bancassurance channels, growing competition, slowing global economic growth, and insurance fraud.

Given the identified prospects and challenges, insurers surveyed in the Vietnam Report highlighted three key opportunities for sector growth in 2024: the strong development and application of technology across the insurance value chain; the currently low insurance penetration rate relative to GDP; and the official issuance of the circular detailing the Law on Insurance Business 2023.

The current insurance penetration rate to GDP in Vietnam is 2.3-2.8%, lower than the average of 3.35% in ASEAN, 5.37% in Asia and 6.3% in the world. This shows that the insurance market in Vietnam still has a lot of potential for development and expansion. This low penetration rate is largely attributed to the low awareness of insurance among the people, given their relatively low average income compared to that in developed countries.

However, the Vietnamese insurance market is still considered to have potential for strong growth. The Ministry of Finance forecasts that Vietnam's insurance penetration rate will reach 3.5% by 2025 and 15% by 2030. With stable economic growth and rising incomes, the affordability of insurance products is increasing. In 2022, the average Vietnamese spent about VND2.5 million on insurance, double the amount from 2017. Given the favorable demographic structure, the per capita insurance premium is expected to continue rising as a larger segment of the population ages, leading to higher premiums in the future.

Additionally, the Government and insurers are working to raise public awareness of insurance roles and benefits through communication and education programs. Meanwhile, advancements in information technology and digital platforms are enhancing insurance penetration and making products more accessible and convenient for the public. ■

Risks of Shopping on Unlicensed E-commerce Platforms in Vietnam



The Ministry of Industry and Trade (MoIT) warned about risks associated with shopping on unregistered cross-border e-commerce platforms in Vietnam, raising concerns over product quality, data security and tax obligations.

HUONG LY

Risks of product quality and origin

According to the E-commerce and Digital Economy Agency (MoIT), many Vietnamese consumers are attracted to products on international e-commerce platforms for their low prices and diverse designs. However, these platforms often lack authorization to operate in Vietnam, meaning they are not subject to quality control or supervision by regulatory authorities. Certain cross-border platforms, such as Temu, 1688 and Shein, are accessible in Vietnam but have not completed the necessary registration procedures. In response, the MoIT directed departments to review the impact and propose solutions.

Consumers face high risks when purchasing counterfeit, imitation or untraceable products. These items may not meet safety standards and, in some cases, may even fall under categories of goods prohibited in Vietnam. Particularly for

health-related and safety-sensitive products such as dietary supplements, cosmetics, children's toys and electronic devices, substandard products could pose serious health risks to consumers.

Challenges in protecting consumer rights

The E-commerce and Digital Economy Agency warned that unregistered cross-border e-commerce platforms are not regulated for product quality or after-sales service, making it difficult for consumers to protect their rights when issues arise.

Consumers are likely to encounter situations where products received do not match descriptions, are defective, or pose health and safety risks, yet requests for returns or warranties are often met with obstacles. In cases of disputes, unregistered e-commerce platforms are not legally accountable

within Vietnam, making the complaint resolution process complex and prolonged. Consequently, consumers may suffer financial losses and face challenges in resolving issues with foreign suppliers.

Risks related to taxes and data security

In addition to risks concerning product quality, consumers should also be cautious of legal risks when purchasing from unregistered e-commerce platforms. Goods purchased from these platforms may not be fully declared for taxes upon import into Vietnam, leading to tax-related issues. Consumers could encounter situations where goods are held at customs or incur unexpected additional taxes, resulting in overall costs that exceed the original sale price.

Moreover, cross-border transactions often require consumers to provide international payment information, such as credit card or electronic wallet details. This presents potential security risks, as personal data could be stolen or misused, exposing consumers to financial information security risks.

To protect consumer rights and ensure safety, the MoIT advised the public to be cautious when transacting on e-commerce platforms, particularly unregistered cross-border ones. For safer transactions, consumers should choose licensed platforms regulated by government authorities.

Consumers can check the list of registered e-commerce platforms on the E-commerce Operations Management Portal at online.gov.vn or contact the MoIT's Consumer Support Hotline for further information and guidance. ■

TIGHTENING SURVEILLANCE AND REGULATION OF E-COMMERCE PLATFORMS

The entry of the unlicensed e-commerce platform Temu (China) in Vietnam, offering steep discounts of up to 90%, has raised many concerns, creating competitive pressures and unfair market conditions for local businesses. This has prompted alarm among authorities, requiring decisive measures to protect and strengthen the competitiveness of Vietnamese companies.

LE HIEN

On October 26, the Ministry of Industry and Trade issued Document 8598/BCT-TMDT to direct its relevant authorities to reinforce State administration of e-commerce, particularly in response to the operation of unlicensed cross-border e-commerce platforms in Vietnam.

The ministry issued a warning against purchasing goods from cross-border e-commerce platforms, including Temu, Shein, and 1688. It also directed the Legal Department to coordinate with relevant agencies and with the Vietnam E-commerce and Digital Economy Agency (iDEA) to review legal considerations and propose solutions to handle illegal cross-border e-commerce platforms.

In this document, the Ministry of Industry and Trade also requested the Vietnam Directorate of Market Surveillance to work with relevant agencies to coordinate with the General Department of Customs to enhance oversight, detection, and enforcement actions against warehouses and stores associated with unregistered cross-border e-commerce platforms.

According to consumer feedback, Temu offers highly attractive and competitive prices relative to popular e-commerce platforms such as Shopee and Lazada as it offers discounts of up to 90% for each specific product. However, it is notable that, alongside Shein and

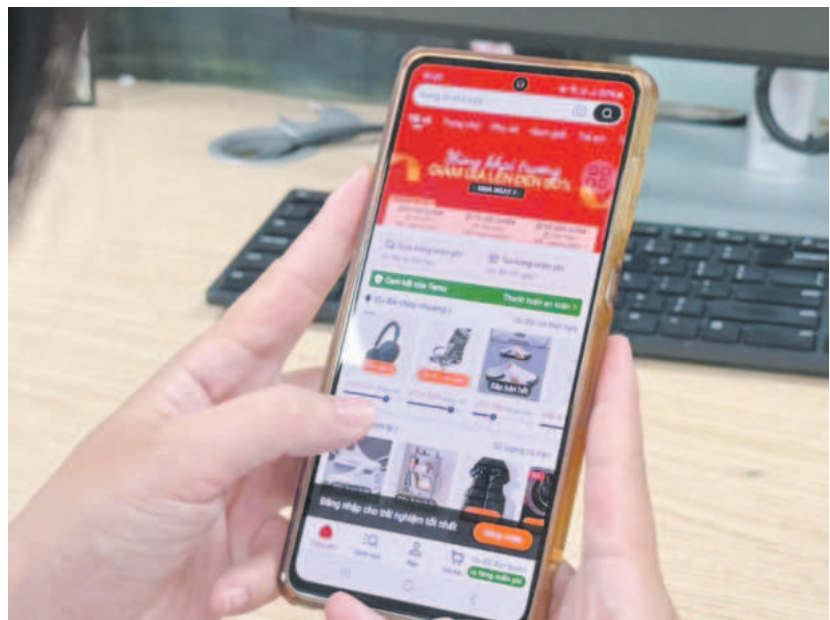
Taobao, Temu is contributing to a surge of extremely low-priced goods that is significantly challenging domestic businesses.

Regarding the Temu case, Mr. Hoang Ninh, Deputy Director of the Vietnam E-commerce and Digital Economy Agency - iDEA (Ministry of Industry and Trade), said that they are urgently reviewing the overall impact of cross-border e-commerce platforms such as Temu, 1688, and Shein to ensure that these platforms comply with legal regulations while operating in Vietnam.

The ministry worked directly with legal teams of cross-border platforms subject to Vietnamese law to request these platforms to complete official registration and adhere to local standards on consumer protection, information transparency, and data security. The specific deadline for foreign companies with websites providing e-commerce services in Vietnam to complete registrations with the Ministry of Industry and Trade is currently stipulated in Decree 85/2021/ND-CP. Failure to comply will result in restricted access to their platforms from in Vietnam.

According to the Vietnam Directorate of Market Surveillance, for registered e-commerce platforms, businesses are permitted to offer discounts of up to 50% without prior notification. Promotions exceeding 50% are only allowed if the platforms participate in national promotional programs, such as those held during Tet and other major holidays.

If cross-border e-commerce platforms are not



Temu offers discounts of up to 90%, making its prices highly competitive compared to other e-commerce platforms

registered to operate in Vietnam, it becomes increasingly difficult to regulate them, as they do not have a physical presence in the country. As such, So, it is necessary to consider stronger measures, such as removing the app or terminating operations, as has been done in some other countries. Recently, the Ministry of Industry and Trade directed the Departments of Industry and Trade to review their areas to identify any violations related to promotions and to impose direct fines.

Recognizing the need for better oversight to prevent violations in the e-commerce sector, the Vietnam Directorate of Market Surveillance established the E-commerce Team to effectively implement Project 319, as approved by the Prime Minister.

Mr. Nguyen Duc Le, Deputy Director of the Department of Market Management Operations and lead operating officer of workgroups of the E-commerce Team, said: One of the main tasks of the E-commerce Team is to monitor the overall developments, advise on professional measures to promptly tackle violations, advise the General Director of Vietnam Directorate of Market Surveillance and the Director of the Market Surveillance Department to inspect and handle acts in connection with e-commerce; promptly receive and resolve recommendations, reflections, complaints and denunciations about acts of utilizing e-commerce for law violation; and develop comprehensive solutions to protect consumers in e-commerce. The E-commerce Team has inspected and handled many violations on e-commerce platforms.

According to the E-commerce Team, common violations identified and addressed include unregistered transfers of e-commerce websites, unreported e-commerce platforms that failed to notify authorities before selling goods, the sale of counterfeit products online, and the use of unauthorized logos on e-commerce sites. ■

Vietnam Set to Enhance Customs Quality and Efficiency

The General Department of Vietnam Customs (GDC) recently issued Decision 2515/QD-TCHQ, outlining its Quality Policy and Quality Targets for 2025.

HUONG HAU



Accelerating digital transformation is a top priority for the customs sector

The policy outlines the GDC's objectives to enhance the effectiveness and efficiency of State customs management, align with development and international integration needs, and streamline the import, export and transit of goods, as well as the entry, exit and transit of means of transport.

The customs sector also outlined its goals, including strict and lawful tariff management on imports and exports to prevent revenue loss, combating smuggling, trade fraud and illegal cross-border transportation, fostering solidarity, discipline and creativity, advancing digital transformation, and building a regular, modern, professional and ethical customs workforce.

To achieve the above goals, GDC is determined to successfully carry out its orientations to 2025 in the Customs Development Strategy to 2030 and its tasks and solutions in the Customs Reform, Development and Modernization Plan to 2025 and the Customs Digital Transformation Plan to 2025, with an eye to 2030, ensuring to promote comprehensive and synchronous digital transformation in customs operations in digital transformation to serve people and businesses.

At the same time, GDC will continue to review and propose completing the regulatory system of the customs sector to ensure a full legal basis for implementing digital customs, smart customs and administrative reform in the customs sector, improving the effectiveness of state customs management. The agency will strive to complete 100% of key projects and work programs on schedule.

In addition, the customs sector pledged to ensure the management and operation of the VNACCS/VCIS System and other professional systems in a stable, secure and safe manner; implement the project of building an information technology system to empower digital customs as approved; modernize customs inspection, supervision and control equipment; reinforce international customs cooperation, and enhance the role and position of Vietnam Customs. ■

Customs Sector Fulfils 92.3% of Annual Budget Revenue Target in 10 Months

According to the General Department of Vietnam Customs (GDC), import and export growth has enabled the customs sector to achieve 92.3% of its projected annual budget collection within the first 10 months of the year.

HIEN PHUC

Vietnam's export and import value totaled US\$647.87 billion in the first 10 months of 2024, up 15.8% year on year (or US\$88.57 billion).

Of the sum, the export value reached US\$335.59 billion in the reporting period, up 14.9% year on year (US\$43.54 billion) and the import value reached US\$312.28 billion, up 16.8% (US\$45.03 billion).

In October alone, the import and export value reached US\$69.19 billion, up 5.1% (US\$3.35 billion) from September. Of the sum, exports and imports accounted for US\$35.59 billion and US\$33.6 billion, up 4.4% (US\$1.51 billion USD) and 5.8% (US\$1.84 billion), respectively.

Given that positive performance, the State budget revenue on imports and exports was impressive. The customs sector fetched VND346,283 billion for the State budget revenue in the first 10 months of 2024, equal to 92.3% of the estimate and up 14.5% year on year.

According to the representative of the Import-Export Tax Department, the revenue growth was attributed to the 15.8% year on year growth of taxable exports and imports, with the export value rising by 5.3% and the import value growing by 16.4%.

Key growth sectors include imports of production inputs, machinery, equipment and parts, which saw an 18.6% increase, contributing an additional VND29,600 billion to budget revenue. Imported coal experienced a 31.5% increase in volume and 13.2% in value, boosting revenue by VND3,200 billion. Additionally, imports of

crude oil rose by 28.5% in volume and 25.1% in value, generating an extra VND4,200 billion in revenue.

The higher growth of taxable imports and exports than the revenue growth was partly attributed to the implementation of the preferential VAT policy under Decree 94/2023/ND-CP dated December 28, 2023.

In October, budget revenue increased by 16.8% month-on-month, reaching VND 38,298 billion. This growth was driven by higher duties on major imports, including petroleum products (up 59.7% in volume and 67.9% in value), which contributed an additional VND 858 billion; iron and steel (up 64.3% in volume and 52.4% in value), adding VND 1,095 billion; machinery, equipment, and spare parts (up 10.3% in value), yielding VND 584 billion; and auto components and spare parts (up 22.6% in value), which generated an extra VND 492 billion in revenue.

Compared to nine previous months, in October, the Ho Chi Minh City Customs Department regained growth momentum with a 2.31% expansion. Thus, as of October 31, 2024, the budget revenue at 10 major provincial and municipal customs departments accounted for the largest budget revenue of the customs sector, grossing VND297,230 billion, equal to 89.8% of the assigned target and up 11.86% over the corresponding period of 2023.

So far, nine local customs agencies have reported an increase in State budget revenue, while the Ha Tinh Customs Department saw a 1.14% year-on-year decline. Notable growth was seen in several regions, including Thanh Hoa (up 37.43%), Quang Ninh (up 7.24%), Hanoi (up 20.46%) and Ba Ria - Vung Tau (up 22.23%). ■



Vietnam's export and import value reaches US\$647.87 billion in the first 10 months of the year

HANOI BOOSTS DEVELOPMENT AND MARKETING OF OCOP IN CRAFT VILLAGES

Hanoi currently has 2,711 OCOP products, including 745 products made from craft villages, many 5-star and 4-star products from well-known craft villages like Bat Trang pottery village, Phu Vinh rattan and bamboo village, Van Phuc silk village, Chuyen My mother-of-pearl inlaying village, Ha Thai lacquerware village, Phung Xa lotus silk making village and Tay Ho lotus tea village. Products of craft villages have diverse types, beautiful designs, good quality and competitive strengths in domestic and foreign markets.

OCOP products of craft villages account for over 27%

Craft villages provide a broad space for Hanoi to develop the OCOP Program. According to the Coordination Office for Hanoi New Rural Development Program, Hanoi has evaluated and classified 2,711 products since 2019, including six 5-star products, 12 5-star likely products, 1,473 4-star products and 1,220 3-star products. Particularly, craft villages make 745 out of 2,711 products or 27.48%.

Nguyen Dinh Hoa, Deputy Director of the Hanoi

Hanoi is home to over 1,350 craft villages and 47 out of 52 craft industries, contributing to rural economic development and supporting the One Commune One Product (OCOP) Program and new countryside development.

BAO NGOC

Department of Agriculture and Rural Development, said craft villages have increasingly asserted their position as they have actively contributed to rural economic restructuring and development, and laying the groundwork for successful OCOP Program in the locality. Hanoi currently has 2,711 OCOP products, including 745 products made from craft villages, many 5-star and 4-star products from well-known craft villages like Bat Trang pottery village, Phu Vinh rattan and bamboo village, Van Phuc silk village, Chuyen My mother-of-pearl inlaying village, Ha Thai lacquerware village, Phung Xa lotus silk village and Tay Ho lotus tea village. Products of craft villages have diverse types, beautiful designs, good quality and competitive strengths in the market.

In fact, preserving and developing craft villages plays an important role in rural economic restructuring, especially in localities with craft villages. The total annual revenue of 334 craft villages exceeded VND24 trillion (over US\$1 billion). Craft villages have seen growth in revenue, production value and export value over the years, with some with very high revenue like Son Dong artistic sculpturing village, La Phu confectionery and knitting village, Minh Khai agricultural and food processing village, Phung Xa mechanical village, Huu Bang carpentry and sewing village, and Thiet Ung traditional fine art handcraft village.

Pham Huy Khoi, Chairman of Bat Trang Commune People's Committee (Gia Lam district), said: The commune has more than 100 artisans, nearly 200 companies and about 1,000 households producing and trading ceramicwares. They provide jobs and ensure stable incomes for local residents and 4,000 - 5,000 migrant workers, thus helping foster local growth and socioeconomic development. Bat Trang



Craft village products feature diverse designs, high quality, and strong competitiveness in both domestic and international markets

ceramic products are imbued with traditional features and Vietnamese cultural identity. For many years, artisans and ceramicists in Bat Trang have focused on converting, researching and making a variety of ceramic products.

Currently, Bat Trang commune has more than 50 ceramic products certified to meet 3- to 5-star OCOP products. While strongly dominating the domestic market, Bat Trang pottery is also exported to many countries in Asia, Europe and America. Many typical Bat Trang ceramic products such as tableware, teapots, flower vases and lucky pots have been chosen as gifts for conferences, major holidays and important anniversaries.

“Products of craft villages have diverse types, beautiful designs, good quality and competitive strengths in domestic and foreign markets, featured by apparels, ceramics, traditional weavings and embroidery, wooden products, mechanical products and processed agricultural and food products,” said Nguyen Van Chi, Standing Deputy Chief of the Hanoi Coordination Office for New Rural Development.

Increasing OCOP value in craft villages

In recent years, the city has implemented various policies and strategies to develop craft villages, enhancing the preservation and growth of cottage industries. Participation in the OCOP Program has led to the creation of high-quality products with attractive designs and certifications, boosting consumer confidence in the market.

According to the Coordination Office, the OCOP Program has helped craft villages focus more on innovation and designing to both preserve the cultural identity and soul of the homeland and the nation, and at the same time, have appropriate improvements in line with modern trends, integration, hence affirming the position of Hanoi handicrafts in domestic and international markets. The OCOP Program helps preserve and develop craft villages, motivate artisans and skilled workers to pass on their expertise to the next generations while conserving and fostering the cultural and historical beauty of the millenary capital.

In the coming time, the city will continue to support craft villages in training and passing on craft professions, cultivating professions, building mechanisms and policies to encourage artisans and skilled workers to participate in vocational training, passage of traditional occupations, international cooperation in product design and export market expansion to develop more OCOP products and further improve their quality, Chi said.

Indeed, the OCOP Program helps preserve and develop craft villages, inspire artisans and skilled workers to pass on their expertise to the next generations while conserving and fostering the cultural and historical beauty of the capital. ■

Driving Sustainable Growth in Hanoi's Craft Industry

Vietnam's participation in new-generation free trade agreements (FTAs) has opened up opportunities to expand export markets, allowing craft village products, including handicrafts, to enter high potential markets. However, this also presents challenges, pushing craft enterprises to strengthen collaboration, scale up production and enhance product competitiveness.

DINH BAO

Hanoi currently boasts 1,350 craft villages, with 292 officially recognized, representing 47 out of 52 traditional craft industries nationwide. These include lacquer, mother-of-pearl inlay, embroidery, silk weaving, ceramics and rattan weaving. Hanoi's handicraft products are not just items for trade, but stories told by artisans, preserving the cultural identity and traditions of each craft throughout history.

According to Hanoi's Action Plan for the Import-Export Strategy through 2030, the city aims for export growth of 4.4%-5% annually from 2023 to 2025, and 5.1%-5.5% annually from 2026 to 2030. By 2030, Hanoi plans to directly export 6-10 categories of handicraft products from its craft villages and increase the proportion of handicraft exports to 3%-5% of the city's total exports.

However, traditional craft villages face many challenges in integrating into global markets, especially in meeting the criteria of new-generation FTAs. Typical difficulties include limited space for concentrated production, a shortage of skilled labor, inadequate capital for technological upgrades, unstable raw material supply and the lack of strong product branding.

Hanoi's handicrafts are gaining popularity both domestically and internationally. However, for sustainable growth, businesses and craft villages need solutions to ensure better connectivity and secure reliable sources of input materials. Addressing these issues is a strategic approach to boosting production and exports of these traditional products.

Additionally, developing craft village tourism and linking



Foreign tourists show strong interest in Hanoi's craft products

handicraft products with the tourism market is a focus for Hanoi city. Local authorities actively encourage travel businesses to create programs and tours that showcase the potential and strengths of Hanoi's traditional craft villages. Through many cooperation programs and policies supporting the integration of craft villages with tourism, villages like Van Phuc Silk (Ha Dong district) and Bat Trang Ceramics (Gia Lam district) have successfully attracted much attention from tourists.

Hanoi's traditional craft villages face several challenges in integrating into the global market, particularly in meeting the criteria of new-generation FTAs. Many craft enterprises struggle with issues such as limited space for concentrated production and a shortage of highly skilled labor.

According to Mr. Nguyen Van Chi, Standing Deputy Chief of the Hanoi Coordination Office for New Rural Development, Hanoi's traditional craft villages lack comprehensive infrastructure investment to support the growth of cultural industries. This includes essential facilities for tourism, such as product display areas, parking lots, waste collection systems, restaurants, hotels and lighting. Additionally, tour guides and interpreters in these villages are not sufficiently trained in professional skills, expertise or foreign languages.

For Vietnamese handicraft products to gain a strong position in the global market, it is important to focus on not only socio-economic, environmental and institutional solutions, but also a comprehensive industry development plan. Key actions include promoting the application of



Hanoi's handicrafts are more than trade items; they embody stories and preserve the cultural identity and traditions of each craft

scientific and technological advancements in design and production, strengthening trade promotion efforts, and building strong consumption and export networks. Additionally, providing regular market information, updates on product quality standards, design trends and consumer preferences will help craft village enterprises align their production with export needs and market demands. ■

Developing Sustainable Input Sources for Handicraft Industry



The shortage of raw materials presents a difficulty to the handicraft industry

Hanoi aims to export 6-10 groups of handicraft products directly to foreign markets by 2030. Achieving this goal requires not only product development and trade promotion, but also sustainable input sourcing.

NGOC DAN

Short supply

To develop traditional handicraft products, not only in Hanoi but also in other provinces and cities across the country, input sources always play a very important role. Especially when craft villages have built their brands and expanded their markets, the demand for handicrafts will increase and the demand for input materials will rise accordingly.

According to the latest survey data from the Industrial Promotion and Development Consultancy Center (under the Hanoi Department of Industry and Trade), Hanoi's bamboo and rattan villages need about 6,800 tons of various raw materials a year on average, with a business using about 50 tons of inputs a month and a household using about 20 tons. Ceramic villages consume about

620,000 tons of raw materials, mainly clay and kaolin. Lacquerware villages need about 4,000 tons. Wooden furniture villages require over 1 million cubic meters of timber.

The above data shows that inputs play an important role in the sustainable development of craft villages. Mr. Vuong Dinh Thanh, Deputy Director of the Industrial Promotion and Development Consultancy Center, Hanoi, said: In reality, input sources for handicraft production such as rattan, reed, bamboo, wood, sedge, kaolin and horn in Vietnam are currently in serious shortage. Many companies, cooperatives or craft villages have confronted numerous hardships in seeking input sources. "The shrinkage of input areas is attributed to

insufficient land for planting while the demand for products in the domestic market and for export is increasing. Wood materials must be imported most because manufacturers of exported wooden products are seriously lacking domestic inputs," he added.

Inadequate input supply in Hanoi craft villages has left many traditional craft villages dependent on external input sources, resulting in passive business responses. Although some provinces and cities have planned raw material areas in recent years, these plans have not yet decided specific raw material areas. The plans are only individually carried out by provinces and localities rather than together to form regional linkages to maximize their advantages.

Sharing about this difficulty, artisan Nguyen Van Trung, who has devoted his life to preserving and developing the Phu Vinh bamboo and rattan weaving (Phu Nghia commune, Chuong My district), said that the current raw bamboo and rattan supply in Hanoi meets only 20% of the demand. Therefore, producers have sought out material areas to purchase and provided technical guidance on production, processing and preservation of raw materials to ensure the production process.

Building an input supply chain

To tackle input difficulties, in the coming time, Hanoi City will continue to encourage companies, cooperatives and individuals to lease land and accumulate land to form





concentrated material areas. Moreover, the city will build stable input supply chains with other provinces and cities across the country to enhance the value for both sides. The city also encourages companies to process bamboo and rattan products, upgrade technological lines to diversify processed products, especially bamboo and rattan inputs of Hanoi craft villages, and obtain product chain of custody certificates.

To sustainably develop the handicraft industry and achieve the city's goals in the action plan for implementation of the merchandise import-export strategy to 2030, in addition to product development and trade promotion, developing sustainable material areas is decisive. Highlighting recommendations on this issue, handicraft expert Vu Huy Thieu said: While input sources for handicraft production in Vietnam are seriously insufficient due to shrinking material areas, the domestic and export demand for products is increasing. Meanwhile, Laos has great potential in developing material areas due to its large land fund, which is very convenient for large-scale agricultural and industrial production.

Agreeing with Thieu's viewpoints, Mr. Nguyen Van Chi, Director of the Hanoi Sub-Department of Rural Development, said: Hanoi always has a very high demand for raw materials. Therefore, the city is always interested in connecting material areas with provinces and cities across the country to boost production. To tackle difficulties in supplying raw materials for developing craft villages, the government needs to improve policies on land and material areas like encouraging enterprises, cooperatives and individuals to lease land and accumulate land to develop concentrated raw material areas for production, developing concentrated and stable material areas to supply inputs for craft villages, and creating supply chains for product development and consumption. At the same time, the government needs to invest in developing concentrated and stable material areas to supply raw materials for craft villages and prioritize some key products such as rattan, bamboo, ceramics, embroidery and medicinal herbs in localities with suitable natural conditions. ■

Gia Lam Determined to Achieve Advanced and Exemplary New Rural Development

To promote practical and sustainable development of advanced new rural areas and urbanization, Gia Lam district has submitted the necessary documentation to relevant authorities for recognition of its achievement in advanced new rural development standards in 2023.

BAO DAN

Gia Lam has successfully achieved advanced new rural development standards in all its communes, with five communes namely Co Bi, Phu Dong, Duong Xa, Bat Trang and Ninh Hiep certified as model new rural areas. In 2024, the district will focus on meeting outstanding criteria in three communes: Yen Thuong, Van Duc and Da Ton. Gia Lam is preparing documentation for recognition as an advanced new rural district and advancing plans for upgrading to an urban district.

Prosperous countryside

After achieving advanced new rural development standards in 2022, Ninh Hiep commune has focused on maintaining and enhancing its criteria while working towards exemplary status. Leaders report effective resource mobilization for the 19 advanced criteria, particularly in income and security. From 2010 to 2021, the commune invested over VND454 billion in development. It has leveraged local traditions to boost economic growth and increase community income.

In Bat Trang commune, advanced new rural development criteria were completed in 2020 and model new rural development criteria were met in 2023 with two optional areas: security and tourism. At present, 100% of alleys are well lit, and all schools and clinics meet national standards. The commune has five community cultural destinations and all five villages are certified "Cultural Village."

According to Chairman of Bat Trang People's Committee Pham Huy Khoi, in tourism, Bat Trang has been accredited as a tourist destination of the city and attracted a large number of domestic and international tourists.

Van Duc commune now has no poor households and only nine near-poor households, with the per capita income of VND79.52 million a year. All households have regular and safe access to the national power grid. Healthcare facilities satisfy national standards. The farming yield is



Gia Lam district's infrastructure is continuously upgraded to support both residents' needs and economic growth



Gia Lam urban district is undergoing significant transformation daily

estimated at VND650 million per hectare, even reaching over VND1 billion in some places. The commune has 17 4-star OCOP products, five 3-star OCOP products, and 37 VietGAP-certified products including Vietnamese luffa, gourd, long eggplant, cucumber, green squash and pumpkin. OCOP- and VIETGAP-certified products all have QR codes for origin traceability. Van Duc commune has a total score of 96.5 points on model new rural development.

Nguyen Tien Hoang, Director of Gia Lam Economic Department, said: The district will complete and submit records to the Hanoi New Rural Area Appraisal Council for recognition of Van Duc, Da Ton and Yen Thuong communes as exemplary new rural communes in 2024, thus raising the total number of exemplary new rural communes in Gia Lam to eight. Advanced and model new rural development achievements have brought a lot of changes to

rural villages in Gia Lam district and helped improve the material and spiritual life of villagers.

Marshaling huge resources

Vice Chairman of the Gia Lam People's Committee Truong Van Hoc said that the committee has launched many programs and resolutions to implement the 22nd Gia Lam Party Congress and directives from the Hanoi authorities. These programs focus on developing advanced and exemplary new rural areas and transitioning Gia Lam into an urban district from 2021 to 2025. The district has assigned specific tasks to relevant bodies to ensure progress and quality. Additionally, it has coordinated with municipal agencies to evaluate criteria for new rural development and proposed solutions to address challenges.

The district has mobilized over VND 8,730 billion for the new rural development program from 2010 to 2023, including more than VND 4,624 billion from 2019 to 2023. Many localities have discovered effective methods and engaged significant resources for this initiative.

In addition to the State budget, Gia Lam had over 600 households give away more than 61,000 square meters of residential land and agricultural land for this cause, particularly villagers in Le Chi, Kim Son, Dinh Xuyen and Dang Xa communes, raised nearly VND400 billion and engaged people to spend more than 18,338 working days on building cultural houses, cemeteries, traffic, canals and other facilities.

Therefore, Gia Lam district fulfilled all the criteria and has been submitted by the Hanoi People's Committee to the Ministry of Agriculture and Rural Development to consider and recognize the district as meeting advanced new rural development standards in 2023.

Mr. Ngo Van Ngon, Deputy Chief of the Hanoi Coordination Office for New Rural Development, said: Since the launch of this program, Hanoi has always been determined that new rural development is a journey that has a beginning and has no end. Shortly, it will become an urban district, but it now still needs to build new rural areas. In the coming time, together with transforming communes into wards in line with the city's general orientation, Gia Lam district needs to engage more people to improve new rural criteria and mobilize investment resources for planned communes to fulfill their advanced and exemplary new rural development standards in 2021-2025. ■

PROMOTING VALUES OF TRADITIONAL CRAFTSMANSHIP



Bat Trang ceramics are handmade using traditional glazes such as blue, brown, crackle, turquoise, and cobalt blue, and come in a variety of designs and sizes

Bat Trang pottery delivers a high artistic value, blending traditional craftsmanship with the creativity of its artisans. Each piece tells a unique story and carries a deep sense of national pride.

MINH NGOC

Bat Trang not only upholds all the qualities of a traditional craft village but also deserves a place in the Global Network of Creative Craft Cities.

Quintessence of traditional art

Despite historical challenges, the cultural heritage of Bat Trang pottery has been preserved and passed down through generations. As a masterpiece of traditional art, Bat Trang pottery has created lasting value, both material and spiritual, and continues to open up new opportunities for the community in Bat Trang village.

Bat Trang ceramic craft village is an historic hub, renowned for its high-quality ceramics that meet both domestic and international demand. With over 100 artisans, nearly 200 enterprises, and around 1,000 households involved in the ceramics industry, the village provides employment for tens of thousands, driving socio-economic development in the region.

Bat Trang ceramics are handmade using traditional glazes like blue, brown, crackle, turquoise and cobalt blue. Made from terracotta, they come in many designs and sizes, including worship items (incense burners, candlesticks, wine jars), household items (pots, cups, bowls, plates, vases), and decorative ceramics for fine arts and construction.

In Bat Trang commune, pottery making has long been the backbone of many families, with skills passed down through generations. The craft is deeply valued, and each household has its own unique approach to pottery. 90% of young people in Bat Trang know the craft, learning directly from parents, grandparents and relatives. This tradition ensures that the secrets of pottery making are carefully preserved in the community.

Bat Trang pottery dominates the domestic market and is also exported to countries across Asia, Europe and America. Iconic products like tableware, teapots, flower vases and lucky pots are often selected as gifts for dignitaries at conferences, major holidays and key anniversaries. The village attracts around 100,000 visitors annually, including many international tourists. Ceramic production and trade generate over VND2,000 billion per year, contributing to an average income of more than VND90 million per person annually in the commune.

Mr. Nguyen Van Chi, Standing Deputy Chief of the Hanoi Coordination Office for New Rural Development, emphasized that Bat Trang not only meets all the criteria of a traditional craft village but also deserves to be part of the Global Creative Craft Cities Network. To further enhance product quality, Bat Trang's ceramic producers have actively participated in Hanoi's One Commune One Product (OCOP) Program. As of now, over 50 Bat Trang ceramic products have received OCOP ratings ranging from 3 to 5 stars.

Position affirmed

Bat Trang traditional craft village is a beacon for preserving cultural heritage through its timeless pottery, crafted from the earth. The village is actively developing both its cultural and experiential tourism, while continuing to nurture its ceramic craft. Alongside pottery, Bat Trang preserves many aspects of its community's heritage, including historical relics, festivals, customs and culinary traditions. The village's unique blend of traditional culture and dynamic development creates a distinct charm, positioning Bat Trang as a compelling destination for visitors.

Recently, the International Jury of the World Crafts Council (WCC-International) visited Hanoi to assess and consider Bat Trang for inclusion in the Global Network of Creative Craft Cities. During the visit, Mr. Aziz Murtazaev, Chairman of the WCC Asia-Pacific region, expressed admiration for Bat Trang's craftsmanship and pledged to promote its products and artisans globally to spread traditional cultural values. This recognition not only supports the preservation and development of Bat Trang pottery, but also solidifies its place in the global craft community. It commended Bat Trang's unique cultural, historical, economic and social impact, affirming that the village deserves to be part of the Global Network of Creative Craft Cities.

Deputy Director of the Hanoi Department of Agriculture and Rural Development Nguyen Dinh Hoa said that Bat Trang has become a symbol of Hanoi's efforts to preserve and promote its craft villages. With 1,350 craft villages, representing 56% of the nation's total, and 47 out of 52 traditional crafts, Hanoi has a strong foundation for developing cultural industries in the modern era. ■

VAN PHUC SILK VILLAGE

Fostering Value and Sustainable Development

The saying “La chiffon, Buoï satin, Phung linen, Van Phuc silk, and Mo Bon elastic silk” highlights Hanoi's traditional weaving villages, with Van Phuc recognized as Vietnam's most famous silk village and a cultural symbol of Ha Dong district.

BAO DAN



Van Phuc silk is elegant, versatile, and provides warmth in winter and coolness in summer

Van Phuc Silk Village in Ha Dong district has been recognized as the “oldest silk village today” by the Vietnam Records Book Center.

The birth of Van Phuc Silk Village is associated with the founder of the profession, Madam A La De Nuong, a descendant of Hung King XVI. According to legend, about 1,200 years ago, she traveled here and saw hard-working residents in a peaceful landscape, so she founded a hamlet to teach them to grow mulberries to raise silkworms and spinning silk to weave fabric. After her death, Van Phuc people honored her as the founder of the profession, built a temple to worship her and took the 25th day of the 12th lunar month as the annual death anniversary.

Van Phuc has a wide range of silk types, any of which is perfect, smooth, shiny and soft. With iridescent colors and different patterns, silk is elegant and brilliant. When worn, it feels soft, light and luxurious. That's why Van Phuc silk was often used to make costumes for aristocrats and mandarins in the past. In 1931, Van Phuc silk was first promoted to the international market at a Marseille fair and evaluated by the French as one of the most sophisticated and beautiful silk lines of Indochina. Since 1958, it has been exported to many countries around the world and made a popular name for a traditional craft village of Vietnam.

Pham Khac Ha, Chairman of the Van Phuc Silk Association, said that over 1,200 years Van Phuc's silk weaving has evolved, with traditional looms replaced by modern machines. Today, the village boasts over 130 weaving machines and 400 production households, alongside 244 households in an industrial cluster producing 70 types of silk, brocade and linen. The most renowned product is patterned silk, featuring smooth, shiny embossed flowers that are visible only in light. Made from natural silk, it is elegant and versatile, providing warmth in winter and coolness in summer. Crafting this ancient silk requires advanced skills and the use of two types of strings, making it a complex art not everyone can master.

There are many traditional silk villages in the country, but it seems that only Van Phuc village can weave patterned silk. Up to now, all Van Phuc silk is still made in long-standing traditional ways. If there is any change, it only relates to improving the

equipment to make more beautiful and trendy products in the context of general social development. This is also the characteristic of the village.

Along with preserving and developing the traditional silk weaving profession, in recent years, Van Phuc Silk Village has gradually become an attractive cultural tourist destination. Maintaining traditional silk production with modern features, aligned with cultural tourism development, is the main direction of Van Phuc Silk Village. Van Phuc Ward built silk streets combined with supporting trades to serve tourists, including food streets, ornamental pet and plant streets, antique cultural exchange center, developing accommodations and shops. In addition to creating an attractive tourist landscape, bringing a green, airy, environmentally friendly space, households with shops on the silk streets must register their shops to meet the standards imposed by the Hanoi Tourism Department in respect of product prices and origins to ensure product quality for consumers.

Recently, the International Jury of the World Crafts Council came to survey and evaluate the recognition of Van Phuc Craft Village (Ha Dong district - Hanoi) as a member of the Global Creative Craft Cities Network. Accordingly, members of the International Jury of the World Crafts Council reviewed reports from the Hanoi Department of Agriculture and Rural Development, the Ha Dong People's Committee, the Van Phuc People's Committee, and the Vietnam Association of Craft Villages on the history of Van Phuc silk weaving. Experts noted that to join the Global Creative Craft Cities Network, Van Phuc Craft Village should establish a craft museum to preserve historical documents and honor outstanding artisans. The council acknowledged that local artisans effectively integrate technology into traditional crafting processes. To enhance its potential, the village should also focus on expanding international exchanges and cooperation to develop a complete craft village ecosystem.

Being able to become a member of the Global Creative Craft Cities Network is a great opportunity for Van Phuc Silk Village to connect its competencies, increase values, sustainably develop traditional and artistic values, create world-class products, and spread the quintessence and identity of the Vietnamese soul. ■

VINH PHUC

FOSTERING SUSTAINABLE ENVIRONMENT TO ENHANCE IP APPEAL

To enhance the appeal for strategic investors, industrial parks (IPs) in Vinh Phuc province prioritize environmental protection and invest in creating green, clean, and attractive spaces. Mr. Vu Kim Thanh, Deputy Director of the Vinh Phuc Industrial Zones Management Board, shared with our reporter regarding the current situation and solutions implemented in these IPs.

DUY ANH



Solum Vina Co., Ltd, located in Ba Thien II Industrial Park heavily invests in modern, highly automated production lines across all stages of its manufacturing process

The development of IPs has positively impacted Vinh Phuc's economy, but does it raise concerns about environmental effects?

In recent years, Vinh Phuc has made significant strides in economic and social development, largely due to the contributions of IPs. However, this growth has also led to environmental challenges, particularly with wastewater generated from production, industrial cleaning and daily operations.

Guided by the principle of "not trading off the environment for economic benefits," Vinh Phuc province has committed to ensuring that the development of industrial parks aligns with environmental protection. From the outset, we have prioritized minimizing the environmental impacts of production activities to foster a sustainable investment climate in these parks.

All IPs in Vinh Phuc are equipped with centralized wastewater treatment systems capable of handling 21,800 m³ per day. Additionally, investors have allocated over 20% of the total area for integrated infrastructure, including green spaces and water features, with more than 10% dedicated solely to greenery, ensuring compliance with modern technical standards for high-tech IPs.

Secondary enterprises are responsible for treating wastewater generated from production activities to meet the standards set by the IP infrastructure company before discharging it into the centralized treatment system. Additionally, all solid and hazardous industrial waste must be classified by waste source owners, who are required to contract with authorized units for compliant collection and

transportation in accordance with environmental regulations.

Guided by the principle of "not trading off the environment for economic benefits," how have you implemented environmental management?

We have actively urged and monitored investors in IP infrastructure to enhance technical facilities for environmental protection and to implement tree planting initiatives. Additionally, we have focused on promoting and disseminating environmental protection laws to raise awareness among enterprises and investors within the IPs. We regularly urge, inspect, and closely monitor enterprises to ensure compliance with environmental protection measures and effective response to environmental incidents in IPs. We also recommend prompt and strict actions against any violations of environmental laws in these areas.

In the first nine months of 2024, we implemented a comprehensive plan that included tree planting in IPs, enhanced waste collection and treatment protocols, and measures to ensure food safety during the Lunar New Year and Spring Festival. We managed and protected water resources as directed by the Provincial People's Committee and launched the tree planting festival for the New Year. Additionally, we strengthened food safety in collective kitchens, evaluated environmental protection outcomes for 2023, and consulted with relevant departments on potential industries for Ba Thien Industrial Park to ensure compliance with environmental regulations. We also verified wastewater discharge practices in Tam Duong II Industrial Park and provided data for the national environmental status report in 2024. Furthermore, we

participated in the Environmental Impact Assessment Council for 11 projects, collaborated with the Ministry of Natural Resources and Environment to grant environmental licenses for seven projects, engaged in the Provincial Environmental License Appraisal Council for 38 projects, and provided consultation on the environmental impact assessment process for 11 projects.

Vinh Phuc's industrial parks have successfully embraced sustainable development. What key activities will you focus on to further enhance environmental management effectiveness?

To enhance the effectiveness of environmental management in the province's IPs, we will prioritize several key activities moving forward. We will review IP planning to ensure alignment with socio-economic development and land use plans. Future planning processes will incorporate environmental pollution factors and propose solutions to minimize and protect the environment. Additionally, the establishment and development of IPs must adhere to the approved planning guidelines.

Attracting investment in IPs will prioritize clean, low-pollution industries that align with local realities and economic sectors. We will focus on targeted development to facilitate factory placement and enhance environmental protection plans. Developers of IPs must fully implement commitments outlined in their environmental impact assessment reports, ensuring the construction and proper functioning of centralized wastewater treatment systems that are designed for actual conditions and maintained for stable, effective operation throughout the life of the park.

All enterprises in the IP must pre-treat their wastewater to meet the input standards of the centralized wastewater treatment system before discharging it into the park's wastewater collection system.

Enterprises generating emissions must implement treatment systems that comply with Vietnamese standards before discharge. Those producing hazardous waste are required to contract with authorized units for proper collection and treatment. We will promote environmental laws to raise awareness among enterprises, particularly regarding site clearance and the construction of waste treatment facilities.

Efforts will focus on enhancing inspection and supervision in environmental matters, with strict penalties for violations and a prohibition on permits for projects that pose pollution risks. We will also establish an environmental information system and database for the province's IPs, collaborating with the Department of Natural Resources and Environment to monitor waste discharge activities, especially those involving chemicals, to prevent environmental pollution. Additionally, we will encourage emulation and reward programs to recognize enterprises excelling in environmental protection efforts.

Thank you very much!

Adopting Innovative, Flexible Approach to Investment Promotion

In response to the changing global economy and intense competition for foreign investment, Vinh Phuc has revamped its investment promotion strategies, leveraging competitive advantages to enhance success for investors. The province also supports businesses in maintaining and expanding their operations.

MAI LIEN

Flexible investment promotion

Anticipating foreign direct investment (FDI) flows shifting to Vietnam, including Vinh Phuc, the province has changed its methods and solutions to attract investment and its approach to investment partners by introducing many policies and carrying out specific projects like the strategic investor attraction project to 2030, the SME support project and local business - FDI business connection and cooperation project towards global supply chains.

Accordingly, the Department of Planning and Investment, the Vinh Phuc Industrial Zones Management Board and investment promotion agencies have actively approached and developed specific reports on large corporations with projects that match the province's investment attraction plan, including Compal, LG Vietnam, Google, Apple, Dell, IKEA and YCH Group.

Since 2014, Vinh Phuc province has implemented an annual investment promotion plan, announcing a list of targeted investment projects for specific periods. These programs now extend beyond traditional markets like Japan and South Korea to include potential markets such as Europe, the US and Australia. The province is also positioning itself to attract investors relocating from China and Taiwan, as well as those from countries participating in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Vietnam-EU Free Trade Agreement (EVFTA).

Overseas investment promotion is not organized on a large scale or with general targets but targeted at specific industry, field and project, depending on strengths of each country. The province aims to selectively attract investment projects, limit land-intensive projects and projects with little added value while resolutely rejecting energy-intensive projects and projects that pose environmental risks.

Moreover, the province always pays attention to local





Investing in modern production lines allows Exedy Vietnam Co., Ltd to improve product quality

August 2024, Korea-based Signetics signed a cooperation agreement with CNCTech Group (Vietnam) to carry out a US\$100-million semiconductor factory project on 50,000 square meters of land. This is a high-tech development breakthrough in Vinh Phuc province while it opens up many job opportunities and makes positive contributions to local comprehensive economic development.

Signetics is affiliated with Young Poong Group, one of the largest conglomerates in South Korea, established in 1949. The group mainly operates in three fields: mining, electronics and book trading. Signetics provides semiconductor assembling and testing services. The company's main products include Flip-Chip, MCM (multi-chip module), BGA and FBGA which are important

components used to make memory chips, GPUs and TVs. The company is currently a vendor for many large corporations such as Samsung and SK Group.

Previously, Signetics advocated seeking investment opportunities in Vietnam. Given advantages in natural conditions, traffic and preferential investment attraction policies, Signetics picked Vinh Phuc to locate its US\$100-million facility, specifically in Ba Thien I Industrial Park, Binh Xuyen district, and chose CNCTech Group as its strategic partner for factory construction.

To attract more strategic investors and make Vinh Phuc one of the largest industrial centers in the country, the province is completing plans, especially construction plans and industrial park infrastructure plans; developing specific incentive policies for FDI projects to maximize the State's incentive policies; and strengthening contact and connection with central agencies and embassies to call for investors. The province will regularly participate in conferences, forums, and exhibitions because this is an opportunity to meet with domestic and foreign investors and companies and introduce the local investment and business environment.

Furthermore, Vinh Phuc will actively remove difficulties and obstacles for existing investors, improve the effectiveness of local investment promotion, especially existing partners that are doing business in the province to prove its reputation to companies seeking for business expansion and reinvestment.

Indeed, Vinh Phuc is facing many opportunities to attract a new wave of strategic investors in addition to supporting and encouraging stronger investment expansion from current strategic investors. In 2023-2030, the province hoped to attract US\$2 - 2.5 billion of FDI capital and VND20,000 - 25,000 billion of DDI capital, and entice up to five more Fortune 500 multinational corporations to invest in the province. ■

investment promotion by promptly directing solutions to difficulties and obstacles for existing investors and businesses; take good care of investors with projects in the locality, help businesses feel secure in production, business and investment expansion, while investors and businesses themselves help the province entice other investors.

In addition, many forms of business support have been introduced such as promoting administrative reform, conducting quarterly surveys to capture situations and difficulties of local companies through independent channels, organizing surveys on business satisfaction with governmental agencies at all levels; supporting industrial zones to complete infrastructure, create clean land, connect traffic, train human resources and call for investment capital.

Vinh Phuc province will coordinate with infrastructure investors of industrial parks in Binh Xuyen, Vinh Tuong, Song Lo and Lap Thach districts and Phuc Yen city to develop investment attraction programs in line with the province's master planning.

Focus on strategic investors

With its changes in investment attraction methods, solutions and approaches to investment partners, Vinh Phuc has completed the investment attraction task in the entire 5-year term (2021-2025) with US\$2.5 billion of FDI funds. As of August 2024, the province had 1,318 projects, including 476 FDI projects with more than US\$8.4 billion of investment capital and 842 DDI projects with VND143 trillion (US\$6 billion).

In the year to date, many strategic investors that lead domestic and foreign automobile, motorbike and electronic supply chains have arrived to explore the investment environment and industrial real estate and proposed support and cooperation in energy, net zero commitments and green investment to the province. In particular, in

Aggressively Addressing Obstacles in IP Infrastructure Projects

Focus on site clearance for IPs

Currently, Vinh Phuc province is focusing on land compensation and site clearance for 10 major IP projects with a total area of over 1,987.9 ha. Seeing that this is a difficult task, a "bottleneck" in investment attraction and industrial development, the Provincial Party Committee, the Provincial People's Council and the Provincial People's Committee have actively directed strengthening leadership, direction and assignment of provincial agencies and district-level authorities to enhance the State administration of IPs.

By effectively addressing land price determinations and streamlining administrative procedures, Vinh Phuc has compensated and cleared 1,292.71 ha of land, achieving 65% of the target area. In the Tam Duong II Industrial Park - Section A project, 103.247 ha (80.74%) of the 127.87 ha has been compensated, with 24.623 ha remaining. For the Tam Duong I Industrial Park - Section 2 project, over 109 ha of the planned 162.33 ha has been cleared, but the developer faces challenges with 1.2 ha.

However, the biggest hindrance at present is that 71 households have not received land compensation and accepted site clearance although the land compensation

To become a modern industrial province, Vinh Phuc is accelerating site clearance for many industrial park projects to enhance investment attraction and boost local socioeconomic development.

THANH LOAN

and site clearance plan was approved in 2014-2016. Tam Duong district has invited those households to settle disputes, but they have not agreed as they wanted current prices for land compensation and site clearance.

On the other hand, households had their land recovered by the Tam Duong People's Committee and the Vinh Phuc Provincial People's Committee in 2014-2016, but resettlement infrastructure was not completed until 2024, resulting a significant difference in land prices between the two periods of time (the time of land recovery in 2014-2016 and the current resettlement period).

As a result, these households did not agree to pay the price difference between such two periods.

In 2021, following the Prime Minister's approval, the Vinh Phuc Provincial People's Committee established two industrial parks covering 343.01 hectares in Song Lo district. The district formed a steering committee for land compensation and site clearance, engaging local leaders to announce project policies. The district implemented the site clearance plan, assigned tasks for compensation, and notified affected households. It also coordinated with localities to identify landowners and determine land origins.

To date, Song Lo II Industrial Park has adopted the compensation plan, site clearance and land recovery land and paid land compensation and site clearance costs for 160.32 ha out of 165.65 ha, or 96.78% of the planned area. The Vinh Phuc Provincial People's Committee allocated 152.76 ha of land to the investor (reaching 92.22%). Song Lo I Industrial Park accepted the land compensation, site clearance and land recovery plan for 32.4 ha out of 177.36 ha.

To expedite land compensation and site clearance for the industrial parks, Song Lo district requested the Provincial People's Committee to issue timely guidance in line with the Land Law 2024 and government decrees. The district also urged the Vinh Phuc Land Development Fund to assist the District People's Committee in securing loans for land compensation



Song Lo II Industrial Park is accelerating construction progress





for infrastructure in resettlement areas, and to facilitate procedures for auctioning mining rights to fund the Song Lo II Industrial Park.

To actively remove land bottlenecks for industrial parks, at the Conference on “Sustainable Industrial Park Development in Vinh Phuc” in September, Chairman of the Vinh Phuc Provincial People’s Committee Tran Duy Dong instructed relevant agencies and localities to finalize the auctioning of land mines for industrial park land leveling by December 2024. The Department of Natural Resources and Environment will work with District People’s Committees to determine land prices and support the issuance of land use right certificates. The Departments of Planning and Investment and Finance will allocate funds for resettlement projects to facilitate site clearance, while also engaging in communication efforts to inform and gain public support for the process.

Inducing many new projects to IPs

By advancing investment promotion and attraction, especially local investment promotion, in the first nine months of 2024, Vinh Phuc province-based IPs have drawn many new projects, created investor confidence and motivated strong breakthroughs in investment attraction in the coming time. In its report, the Vinh Phuc Industrial Zones Management Board licensed 37 new projects and allowed 34 existing projects with a total investment capital of US\$411.94 million and VND4,098.6 billion (US\$174.5 million).

Specifically, the board certified 26 new FDI projects to invest US\$179.43 million and 28 existing FDI projects to increase their investment value by US\$232.51 million. The agency also licensed 11 new DDI projects with VND2,932.58 billion and allowed six existing projects to add the capital by VND1,166.02 billion.

As of September 15, 2024, industrial parks attracted 495 projects, including 119 DDI projects with VND38,822.71 billion of investment capital and 376 FDI projects with US\$6,731.8 million.

In the last three months of 2024, the board anticipates issuing revised investment registration certificates for 3-5 FDI projects valued at US\$70-100 million and 1-2 DDI projects worth VND 80-100 billion. Additionally, it expects 13 more projects to begin commercial operations, including nine FDI projects totaling US\$90-100 million and four DDI projects with investments of VND500-700 billion.

Indeed, removing land bottlenecks for industrial parks in Vinh Phuc is an important task. Vinh Phuc needs to further maintain these efforts, ensure community consensus and flexibly adjust policies to meet actual needs. Successfully removing difficulties in land compensation and site clearance will enable the sustainable development of Vinh Phuc province in the future. ■

STRENGTHENING FOCUS ON HIGH-QUALITY HUMAN RESOURCE DEVELOPMENT

To develop high-quality human resources that meet local socioeconomic needs and recruitment demands, Vinh Phuc province focuses on ongoing training and quality improvement tailored to actual requirements. This approach aims to boost labor productivity and enhance the competitiveness of local companies and the province overall.

NGUYET THAM

Demand-based training

Carrying out Decision 3105/QD-UBND of Vinh Phuc Provincial People’s Committee on ratification of the project on high-quality human resources training in vocational education to meet local companies in 2021-2025, with a vision to 2030, Vinh Phuc Vocational College was chosen for concentrated investment to meet high-quality standards and train occupations recognized by advanced countries. Currently, it offers 14 college-level, 13 intermediate-level, and seven key occupations, including four international, two ASEAN-level, and one national occupation.

Being aware that jobs for graduated students are the most important, the college therefore builds curricula that teach both theory and practice at the same time, reduces academic theory, increases practice time, and applies active teaching methods to help students easily understand and apply knowledge and skills in practice. In particular, the school also sends teachers to practice at businesses to train students. It also coordinates to invite experts from businesses to teach its students to update their knowledge of new technologies.

Besides, the college has signed cooperation agreements with more than 50 businesses in Vinh Phuc and other provinces to enable 100% of students to practice at businesses during their training courses, build up practical

skills and adopt a professional working attitude. As a result, when they graduate, all students are well-equipped with practical knowledge and meet the rising requirements on the labor market.

As one of 15 schools selected by the government for focused investment in comprehensive development to become a national standard vocational college, Viet Xo Vocational College has concentrated on investing in and modernizing facilities and equipment, developing teaching staff and applying information technology to teaching; reforming training programs and methodologies; diversifying training models, forms, types and levels; ensuring the quality of students to meet requirements of employers and the labor market.

In addition, the college training program is built and implemented in a modern, open, and flexible approach with the active cooperation of businesses on the basis of imposing the minimum amount of knowledge and requirements on the capacity that learners achieve after graduation. The training program not only focuses on knowledge, attitudes and professional skills, but also aims to form adaptive skills for workers to catch up with technological changes and career changes in the context of the Fourth Industrial Revolution.

To provide the right training focus and increase employment for graduates, the college promotes vocational training at companies; coordinates with large corporations in the province such as Toyota Motor Vietnam, Honda Vietnam and Vietnam Germany Steel Mill Group to train, introduce and supply human resources for them.

To support its high-quality teaching program, Vinh Phuc Technology-Economic College has invested over VND100 billion in modern facilities. The college features a three-story library spanning more than 3,000 square meters, equipped with comprehensive resources for student research. Currently, the college is enhancing its facilities and teaching equipment, reforming methodologies, and developing market-oriented training programs that combine professional knowledge with practical skills, soft skills and internships. A dedicated department monitors job positions and recruitment needs while fostering international cooperation in training and research. These improvements have enabled vocational schools to adopt advanced training methods and produce skilled, qualified and professional graduates.



Ba Thien II Industrial Park provides employment for nearly 30,000 workers

Creating breakthroughs in high-quality human resource development

To date, Vinh Phuc has 31 vocational training schools with nearly 2,000 employees, teachers and lecturers. The quality of vocational education has been increasingly improved and the training scale has been continuously expanded to meet local labor training needs. In 2023, these schools enrolled more than 8,000 new students. Over 80% of graduates are employed immediately after school, with 90% working in key professions.

To advance human resource development, the Vinh Phuc Provincial People's Committee has implemented a plan in line with Directive 21 on reforming and improving vocational education through 2030, with a vision for 2045. The province aims for at least 40% of junior high school graduates to enroll in vocational institutions, establish a high-quality vocational school, and develop 10 key industries and occupations, including 1-2 with strong competitiveness in the ASEAN region by 2030. By 2045, Vinh Phuc seeks to meet the demand for highly skilled labor from developed countries and achieve advanced global standards.

To achieve the goal, Vinh Phuc province will enhance career counseling in universal education and expedite vocational training for youth, workers and farmers. It will reform vocational education content, programs, methods, assessments and quality control, while also providing tuition support for vocational students to attract more learners and ensure a skilled workforce for future development. The province will also reinforce labor administration; build harmonious, stable, and progressive labor relations in business; and promptly resolve violations and conflicts between employers and employees. ■

VINH PHUC IPs SHOWCASE STRONG INVESTMENT APPEAL



Perspective of the 295.74-ha Nam Binh Xuyen Green Park

Vinh Phuc province's industrial parks (IPs) feature a favorable location, modern infrastructure, eco-friendly environments and strong support policies, making them highly attractive to both domestic and foreign investors.

NGUYET THAM

According to a report by the Vinh Phuc Industrial Zones Management Board, as of October 15, 2024, Vinh Phuc province is home to 17 IPs with a total area of 3,146 ha, including nine operational IPs that are accommodating 495 valid projects, comprised of 376 foreign direct investment (FDI) projects with US\$6.8 billion of investment capital and 119 domestic direct investment (DDI) projects of over VND38,822.61 billion. FDI investment projects come from 20 countries and territories, largely involved in manufacturing electronic components (accounting for 50.4%) and assembling automobiles and motorbikes (12.8%). Tenants in IPs disbursed 60 - 65% of their registered capital and employed over 142,400 workers.

Construction of the 213 ha Thang Long Vinh Phuc Industrial Park began in September 2017 by Sumitomo

Corporation of Japan. The park has since completed both phases and attracted 41 investment projects, leasing 147.1 ha of land. Of these, 29 projects are now operational, primarily from Japan, Taiwan, Hong Kong and Vietnam.

Since exploring investment opportunities in Vinh Phuc, Sumitomo Corporation and the provincial government have positioned the Thang Long Vinh Phuc Industrial Park as a model for attracting eco-friendly, high-tech projects. The investor allocated 20% of the land for green spaces, including trees, lawns, ornamental plants, water features and roads, creating a "green lung" that enhances air quality, reduces the industrial atmosphere and helps alleviate post-work stress for workers.

To meet investor demand, Sumitomo has developed five factories for rent, each approximately 2,000 square meters, designed for high-tech tenants with minimal environmental impact, including companies

like Toto, Daiwa and Tsuchiya. Additionally, Sumitomo is accelerating the construction of three more factory areas for rent, set to be completed by the end of February 2025. Thang Long Vinh Phuc Industrial Park is estimated to have about 70 investment projects to fully lease its rentable area and create jobs for about 20,000 workers. Along with land and factory leasing, the firm invested in building 26 departments for commercial and service companies like Vietinbank, Vietcombank and BIDV to serve secondary investors, establish a circular connection and well meet tenants' needs.

Mr. Kenta Kawanabe, General Director of Thang Long Vinh Phuc Industrial Park Corporation, said: "With the ambition to create an exemplary industrial park in Vinh Phuc province, a land rich in potential advantages, Sumitomo Corporation proposed the province allow it to develop industrial park projects in Binh Xuyen and Yen Lac districts, with an area of over 460 ha, to boost the province's industrialization and modernization."

As one of the attractive industrial parks in Vinh Phuc province, Ba Thien II Industrial Park currently hosts 73 investment projects with a total registered capital exceeding US\$900 million, generating over 23,000 stable jobs. Major international investors from the United States, South Korea, Singapore and Sweden are thriving in the park, including companies such as Nippon Paint Vinh Phuc, TAL Vietnam, Weldex Vina, Assa Abloy and Polaris.

The appeal of Ba Thien II Industrial Park comes not only from its geographical location but also from its synchronous infrastructure and modern technology, a wastewater treatment system with a daily capacity of 10,000 cubic meters according

to international standards, and a concrete traffic system of international standards that helps minimize the need for factories to redistribute production plans due to road surface upgrades and repairs. Besides, the entire water supply and drainage system is built underground along the road corridor to ensure safety and hygiene for vehicles and workers. The modern operating area has a lot of utilities, services and a green, clean, environmentally friendly space.

PNX Group, a Korean multinational real estate and financial investment firm, in collaboration with CNCTech Group, is developing Nam Binh Xuyen Industrial Park into the most advanced production hub in northern Vietnam. The park's modern infrastructure includes an IMS automated warehouse system, AI-driven security and epidemic control solutions, a 10+ ha "green park" with a regulating lake system, and rooftop solar panels installed across the factories.

Nam Binh Xuyen Industrial Park was approved for investment by the Prime Minister in Decision 399/QD-TTg dated March 19, 2021. Then, the Provincial People's Committee ratified the detailed construction plan in Decision 36/QD-UBND dated January 7, 2022 for a total area of 295.74 ha, including 200.41 ha of industrial land for lease, accounting for nearly 70% in the total area in Huong Canh and Dao Duc towns and Phu Xuan and Tan Phong communes, Binh Xuyen district. The project is divided into two phases with a total investment of more than VND2,200 billion. Once completed and put into operation, Nam Binh Xuyen Industrial Park will become the most modern production base in the north and attract manufacturers of electronics, telecommunications, machinery, auto parts, medical equipment and optical equipment. With its advantages in geographical location, synchronous infrastructure, tax exemption in the first two years and a 50% tax reduction for the next four years, Nam

Binh Xuyen is drawing the interest of many investors, especially those from South Korea.

According to the Vinh Phuc Provincial Planning for the 2021-2030 period, with a vision to 2050, Vinh Phuc province will have 29 IPs. However, to have model IPs to woo strategic investors and achieve sustainable development, at the Conference on "Sustainable Industrial Park Development in Vinh Phuc" hosted by the Vinh Phuc Industrial Zones Management Board in late September, Chairman of the Provincial People's Committee Tran Duy Dong requested relevant agencies and district-level authorities to strengthen State IP administration, speed up land compensation and site clearance, and remove obstacles in determining land prices and land sources for leveling projects. They should actively advise the province on long-term and stable support policies on IP development.

They will accelerate administrative reform, apply digital technology and digital transformation, facilitate investors to handle administrative procedures concerning land, investment, construction, construction licensing, construction acceptance and fire prevention. IP infrastructure investors and tenants in IPs strictly comply with Vietnamese law and focus resources on carrying out synchronous, modern, high-quality and environment-friendly infrastructure projects.

At the same time, they will continue to closely coordinate with local authorities and relevant agencies in land compensation and site clearance; pay attention to care, maintenance and operation of green tree systems, technical infrastructure systems, and ensure reasonable IP land rental prices and factory rental prices; aim to develop IPs in a sustainable and green growth direction in order to create great appeal for strategic investors in the coming time. ■



Ba Thien II Industrial Park

ESTABLISHING INDUSTRY AS KEY LOCOMOTIVE DRIVING ECONOMIC GROWTH

Despite challenges, thanks to state policies and support from Vinh Phuc province, enterprises in the industrial sector have overcome obstacles and boosted production. Industrial output continues to drive the province's overall economic growth.

TRAN TRANG



The manufacturing of electronic components at Jahwa Vina Co., Ltd

By September 2024, Vinh Phuc's industrial production showed strong growth across all key indicators. The Index of Industrial Production (IIP) rose 12.67% year-on-year, the second highest increase since 2020. Key products saw good growth, including non-metallic minerals (+17.84%), metal manufacturing (+7.89%) and processing (+7.5%).

The production of electronic components, a key sector contributing around 50% to the province's industrial growth, has seen much improvement with a surge in orders. In September 2024, revenue from electronic components rose 23.18%, driving a 15.35% increase in the industry index for the first nine months. Many foreign-invested firms are now part of the global supply chains for major corporations like Samsung, Apple and Dell.

This success is attributed to a combination of support measures, streamlined production and strong consumption promotion across all sectors. Since early 2024, most foreign-invested electronic component manufacturers from Japan, Korea and Taiwan (China) have embraced advanced technology, automation and Industry 4.0 solutions. As a result, despite using fewer workers, productivity has increased, product quality has improved and large orders from foreign

partners are met on time. Many products are now deeply integrated into the global supply chain and recognized by multinational corporations for their high quality.

In addition to the growth in electronic component production, the motorcycle manufacturing sector has also rebounded, with an estimated 8.28% increase. Despite rising raw material costs and a sluggish real estate market, strong efforts to address challenges and accelerate investment disbursement have led to a 7.4% year-on-year increase in the construction industry's added value.

To achieve its 2024 industrial growth targets, Vinh Phuc will focus

on improving the investment and business environment, streamlining administrative procedures, and ensuring transparency. Key solutions include advancing digital infrastructure and services, offering online public services to reduce costs, and supporting businesses in their digital transformation to enhance competitiveness and productivity. The province will also continue to monitor and address challenges, ensuring industrial establishments operate efficiently and at full capacity. Efforts will be made to attract investment in industrial park infrastructure, with a focus on specialization and high-tech development.

Vinh Phuc will also encourage investment partnerships between domestic and foreign enterprises, leveraging technology and production expertise. The province aims to foster the growth of science and technology enterprises and develop technology markets. Regional cooperation will be strengthened to drive shared growth, while vocational training will be enhanced to meet business labor needs. In the long term, Vinh Phuc will focus on attracting large investors and high-value projects, while maintaining strong ties with traditional North Asian markets and targeting new opportunities in Western Europe and North America, where capital and technology are abundant. ■

Vinh Phuc IPs Secure Substantial FDI in Jan-Oct

Vinh Phuc's industrial parks (IPs) secured 28 new foreign direct investment (FDI) projects and capital expansions for 37 existing ones, totaling US\$485.4 million in the first 10 months of 2024. This represents a 9% year-on-year decline and 139% of the full-year target.

BAO NGOC

In October 2024, the board licensed four projects, including: two FDI projects with US\$2 million of investment capital and two domestic direct investment (DDI) projects (DDI) with VND290.3 billion and allowed 10 existing projects to raise their investment fund, including nine FDI projects with US\$71.47 million and one DDI project with VND38 billion. Thus, the total fresh and added investment fund in October was US\$73.47 million and 328.3 billion (US\$14 million).

As of October 15, 2024, Vinh Phuc province-based IPs attracted 495 projects, including 119 DDI projects with VND38,882.61 billion (US\$1.23 billion) and 376 FDI projects with US\$6.8 billion. In October, three more projects came into commercial operation. 415 projects already went into operation as of October 15, 2024, including 337 FDI projects and 78 DDI projects, accounting for 83.8% of the total projects.

Of the 80 projects that have not yet come into operation, 35 projects are under construction and installing factory machinery and equipment, accounting for 7.1% of all projects; 36 projects are completing procedures for implementation, accounting for 7.3%; five projects are carrying out land compensation and site clearance, accounting for 1%; and four projects are being delayed, accounting for 0.8%.

In November 2024, the Vinh Phuc Industrial Zones Management Board expected to license 2-3 FDI projects totaling US\$20-25 million, along with 1-2 DDI projects valued at VND 100-150 billion. The province also expects 2-4 additional projects to commence operations, with FDI projects disbursing US\$40-45 million and DDI projects utilizing VND 200-300 billion of their registered capital. ■



Exedy Vietnam Co., Ltd (Japan) provides employment and stable income for its workers

Fortifying Construction Management in IPs



Khai Quang Industrial Park attracts many businesses with efficient operations

Construction management in industrial parks (IPs) is a top priority for provincial authorities, ensuring projects are executed as planned and licensed to enhance investment performance.

QUYNH NGOC

Currently, Vinh Phuc province is home to 17 established IPs with a total area of 3,146 ha, including nine operational IPs which accommodate 493 valid projects, including 376 FDI projects with US\$6.74 billion of total registered investment capital and 117 DDI projects with over VND37,784 billion. FDI investment projects come from 20 countries and territories, largely engaged in electronics component manufacturing (accounting for 50.4%), and automobile and motorbike manufacturing (12.8%). Tenants in IPs disbursed 60 - 65% of total registered capital and employed over 142,400 workers.

To reinforce the management of construction investment in IPs, the Vinh Phuc Industrial Zones Management Board has increased coordination with agencies and localities to disseminate legal regulations on construction investment to tenants and investors. The organization regularly requests compliance with laws on planning, construction licensing, and fire prevention. It reviews completed works to ensure adherence to regulations

and promptly addresses any shortcomings to guarantee safety for people and property.

Mr. Vu Kim Thanh, Deputy Director of the Vinh Phuc Industrial Zones Management Board, said: "Since the beginning of this year, with its proper oversight, the board has discovered two cases of construction order violations in IPs. Asahi Intecc Hanoi Co., Ltd built some items in the "Asahi Intecc Hanoi Co., Ltd. Branch - Vinh Phuc Factory" project on Land Lot A8-9, Thang Long Vinh Phuc Industrial Park without a mandatory construction permit. Viet Nam Lioho Machine Works Co., Ltd constructed some items in the "Viet Nam Lioho Machine Works" project on Land Lots A4 and A5 in Thang Long Vinh Phuc Industrial Park without an obligatory construction permit. The board completed violation records and procedures to

submit them to competent authorities for further settlement. Each company was fined VND130 million."

Construction order violations in IPs parks are unlicensed constructions. A construction work requires the investor to carry out administrative procedures to obtain a construction permit, fire prevention certificate and environmental protection while the investor needs to execute his/her plans to bring his/her project into operation soon. To tackle these violations, the board has coordinated with local authorities to conduct inspections, complete administrative violation records and request competent authorities to impose administrative sanctions. After violators complete administrative sanctions on their infringements, the construction that matches the broader planning and meets construction quality, the board will issue construction permits by law, he added.

In the coming time, to improve the effectiveness of construction management in IPs, the Vinh Phuc Industrial Zones Management Board will continue to boost communication and guidance on regulations on construction, planning, planning management, construction licensing and construction order management to raise awareness and sense of regulatory compliance for enterprises and entities that have constructions in IPs.

The board will enhance construction inspection and supervision to quickly identify and address violations. It will hold individuals and organizations accountable for legal infractions, improve coordination among agencies, promote community involvement in construction management, ensure traffic safety and encourage investment in parking facilities to reduce illegal parking. ■

VINH PHUC FOCUSES ON SUPPORTING INDUSTRIES TO DRAW FOREIGN INVESTMENT

Bolstering the development of supporting industries

Vinh Phuc province has about 400 companies in supporting industries, with over 70 participating in supply chains of major corporations. It hosts four major manufacturers namely Toyota Vietnam, Honda Vietnam, Daewoo Vietnam Bus Company and Piaggio Vietnam, who lead in developing mechanical parts and the automotive sector. As a result, Vinh Phuc ranks among the Top 15 provinces in industrial value contribution, with its motorbike industry at the top nationally and the electronic components industry sixth after major cities/provinces.

Established in 2001 on over 16 hectares in Khai Quang Industrial Park, Vietnam Precision Industrial No. 1 Co., Ltd (VPIC1) is a key investor contributing significantly to the province. Affiliated with Eurocharm Group (Taiwan), VPIC1 manufactures components for automobiles, motorbikes, snowmobiles and medical equipment. With ongoing technological advancements and investment in cutting-edge machinery, VPIC1 has

To become a modern industrial province and a major center for automobile and motorbike manufacturing, Vinh Phuc prioritizes the development of supporting industries as an important strategy to attract foreign investment.

TRAN NGOC

become a leader in localization and the province's supporting industries, partnering with renowned firms like Toyota, Honda and Ford. In recent years, the company has achieved annual revenues exceeding US\$150 million, contributed over VND 100 billion to the state budget, and provided nearly 3,500 jobs.

To enhance supporting industries, Vinh Phuc province announced Resolution 57 to attract investment and support business growth, along with Decision 39 to assist priority manufacturers in supporting industrial products.

Decision 23 outlines the management of funds for industry development, while Decision 3663 allocates VND 95 billion for a support program (2021-2025) aimed at qualifying over 50 parts and component manufacturers as first and second tier suppliers for the automotive, motorbike, electric and electronics sectors. Additionally, 10 local manufacturers are now part of value chains with large firms, producing products that meet international standards for export.

According to the Provincial Planning for the 2021-2030 period, with a vision to 2050, Vinh Phuc is resolved to develop industry intensively, make breakthroughs in improving productivity and product quality, and ensure conditions for green growth and sustainable development. Accordingly, the province has focused on developing key supporting industries like prioritizing the production of electronic and semiconductor industries; developing mechanical engineering, assembly and metal production to become a foundational industry and manufacturing environmentally friendly automobiles and motorbikes; and encouraging the development of mechanically engineered products for industry and agriculture.

Besides, the province has enticed investment projects in line with its industrial development orientation, especially high-tech manufacturing projects like computers, phones, electronics, semiconductors, automobiles, electric vehicles, pharmaceuticals and high-tech agriculture. As a result, Vinh Phuc has become one of the largest centers of high-tech, electronics, automobile and motorbike industries in the country.



Workers at Khai Quang Industrial Park



SUCCESS STORY OF BAC LIEU SHRIMP DEVELOPMENT PROJECT

After three years of implementing the "Building Bac Lieu into a National Shrimp Center" project, the Bac Lieu shrimp industry has achieved many outstanding results.

NGUYEN MAI

In seed production, Bac Lieu is leading the Mekong Delta region in producing high-quality shrimp seeds with 360 shrimp seed production and trading facilities. Many companies have become well-branded thanks to the constantly improved quality of shrimp seeds, with high-quality shrimp seeds accounting for over 70% of total annual output.

The province's shrimp output has always been among the top in the country. In 2023 alone, its shrimp output ranked first in the country with over 247,000 metric tons. Several sustainable and efficient production models, including intensive shrimp farming, semi-intensive shrimp

farming, shrimp-rice farming, and shrimp-forest farming, have received high praise from both domestic and international organizations for their effectiveness. Notably, the super-high-tech intensive shrimp farming model has seen rapid and significant development compared to the initial phase of the project.

In shrimp processing, Bac Lieu province currently has 48 seafood processing factories with a combined design capacity of 294,000 tons a year. These facilities, equipped with synchronous modern production lines and processing technologies, meet quality standards and food hygiene and safety requirements in domestic and foreign markets. In 2023, the province's shrimp export output reached 91,854 tons worth US\$973.6 million.

A successful model

The economy of the rural district of Hoa Binh is agriculture and aquaculture. The district focuses on implementing consistent tasks and solutions and unlocking advantages in raising black tiger shrimp and white-leg shrimp in super-intensive, intensive and semi-intensive farming areas. The district sees the high-tech shrimp farming model as a core focus for development.

Speaking at the review conference on 3-year implementation of the "Building Bac Lieu into a national shrimp center" Project,

Strengthening linkage between FDI firms and local companies

In response to Resolution 115/2020 of the Government on solutions for developing supporting industries, Vinh Phuc province has strengthened linkage and capacity for domestic companies to meet supply chain requirements and supported the connection of supporting industries and high-tech companies with large organizations and foreign-invested firms. The province directed specialized agencies to register with the Ministry of Planning and Investment to join Component 3 of the Link SME Project to promote reforms and improve the connectivity capacity of small and medium-sized enterprises (SMEs), funded by USAID. The locality coordinated with the Vietnam Institute of Strategy and Policy for Industry and Trade under the Ministry of Industry and Trade to carry out "Research on the current situation and solutions to support connection, linkage and cooperation between local companies and FDI companies" project. At the same time, it has stepped up communications and consultations on competitiveness for companies, promoted and supported them in participating in supply chains run by FDI enterprises.

Investment in Vinh Phuc's automobile and motorbike supporting industries remains modest, leading to limited product variety and competitiveness. Major firms like

Toyota Vietnam and Honda Vietnam import significant quantities of components for vehicle manufacturing. Most supporting companies are small to medium-sized, with over 80% employing fewer than 50 staff and generating low production value. Key material industries, such as iron, steel and plastics, are underdeveloped and heavily reliant on imports. Supporting products often have low added value and are labor-intensive. Additionally, local second-tier suppliers face challenges in capacity, technology and governance to engage effectively in FDI-led supply chains.

To develop supporting industries, the Vinh Phuc Provincial People's Committee has tasked relevant agencies with implementing key solutions, including promoting supporting industrial enterprises through mass media, organizing trade fairs and exhibitions, hosting investment promotion events to explore domestic and foreign markets, and assisting local companies in joining FDI-led supply chains.

Vinh Phuc will implement support policies for training high-quality human resources and enhancing production technologies. This includes researching, developing and testing components, as well as improving the Vinh Phuc Investment Promotion and Business Support Center to address challenges and facilitate the growth of supporting industrial companies. ■



The super-intensive shrimp farming model of Viet Uc (Bac Lieu) Seafood Corporation

Mr. Ho Van Linh, Chairman of the Hoa Binh People's Committee, said: In the past, the district seriously combined many different capital sources for infrastructure construction, including irrigation, transportation and power grid infrastructure for high-tech shrimp farming development. The Executive Board of the District Party Committee (12th term) issued Resolution 05-NQ/HU dated July 29, 2021 on "Agricultural development, focused on high-tech application and production cooperation for more effective shrimp and rice production in 2021 - 2025." The District People's Committee issued Plan 140/KH-UBND dated December 21, 2021 to execute Resolution 05-NQ/HU and assigned specific tasks to each agency, communes and towns; regularly inspected and supervised the implementation of each agency, commune and town to achieve best outcomes. At the same time, the committee directed relevant bodies to work out specific action programs and plans, regularly and promptly synthesize and report difficulties and obstacles in agricultural development, particularly high-tech shrimp farming models.

To execute the project, the district planned the area south of National Highway 1A as a super-intensive, intensive, semi-intensive shrimp farming area and enhanced extensive shrimp farming. The locality concentrated on developing key species like black tiger shrimp, white-leg shrimp, sea crab and bivalve mollusk, with shrimp being a key product of the aquaculture sector (farmed according to high-tech ecological models combined with forest protection and development).

After three years of implementing the project, the shrimp industry has developed in both acreage and output, especially

high-tech shrimp farming models. In 2021, Hoa Binh had 991.27 ha of high-tech shrimp farming (run by four companies and 177 households) with a total output of 15,500 tons. In 2023, the locality had 1,255 ha of high-tech shrimp farming and a shrimp output of 28,118 tons (four companies and 251 households).

The district also coordinated with provincial agencies to build a cooperative model for high-tech shrimp farming along the value chain. Currently, three cooperatives, namely Aquaculture Service Cooperative 30/4 - Vinh Hau commune, Vinh Thanh Cooperative - Vinh My A commune, and Bac Lieu High-Tech Shrimp Farming Cooperative - Vinh Hau A commune, are linking with the value chain of local and external export seafood processors to sell products. Two cooperatives are certified by ASC for 130 ha (Aquaculture Service Cooperative 30/4 and Bac Lieu High-Tech Shrimp Farming Cooperative).

Hoa Binh district has intensified outreach efforts to encourage households to adopt advanced shrimp farming technologies, such as Biofloc and circular systems, alongside VietGAP and GlobalGAP certifications. Additionally, the district has promoted the use of new technologies, including sensor technology and the Internet of Things (IoT), to remotely monitor environmental parameters such as temperature, salinity, soil acidity, and oxygen levels aiming to enhance productivity, economic efficiency, and environmental sustainability.

Despite existing difficulties, high-tech shrimp farming models in Hoa Binh district have developed stably to obtain better economic performance and contributed to aquaculture development and socioeconomic development at large. ■

HDBank Honored with "Vietnam Value" Title



HDBank General Director Pham Quoc Thanh receives the "Vietnam Value" award in recognition of the bank's contributions to the financial market and the economic development of Vietnam

At a ceremony, themed “Advancing into the Green Era”, to announce products and services certified with Vietnam Value 2024 in Hanoi, HDBank was honored to be granted “Vietnam Value” title. Some other banks also won this title, including Vietcombank, VietinBank, BIDV and Agribank.

LE PHUONG

These pioneering banks are leading the financial market and making great contributions to economic development while promoting Vietnam's image in the international arena with prestigious and quality brands.

Vietnam Value, a prestigious trade promotion program led by the Government, is an important bridge for the world to know Vietnam as a reliable destination for high-quality products and services. The naming of leading banks such as Vietcombank, VietinBank, BIDV, Agribank and HDBank as Vietnam Value is not only a recognition of their prestige in the financial system but

also an affirmation of their international reach, thus enhancing the appeal of Vietnam as an investment attraction for domestic and foreign investors.

A representative of the organizing committee emphasized: "The presence of joint stock commercial banks such as HDBank in the Vietnam Value list demonstrates the recognition of the continuous efforts and the proven leadership in modern retail development, strong financial capacity and sustainable development."

In 2024, HDBank continued pursuing a green and sustainable development strategy and constantly integrating digital technology to serve retail customers and small businesses in developing rural and urban areas. The

bank made a remarkable business performance in the first nine months, with a pretax profit of VND12,655 billion, industry-leading ROE and ROA indicators, which illustrated sustainable financial strength and effective risk management capacity. The bank also pioneered the establishment of an ESG Committee to monitor the implementation of sustainability initiatives and issued a sustainability report to raise awareness of ESG in the Vietnamese business community.

Along with its business achievements, HDBank has actively contributed to social programs, notably through a preferential credit package of VND12 trillion to support economic recovery in storm-hit areas. Additionally, the bank made a generous donation of VND80 billion to the makeshift housing elimination program initiated by the Prime Minister.

In the 9th year of the Vietnam Value Program, after undergoing a rigorous screening process, winners were chosen from more than 1,000 domestic candidate companies. Vietnam Value, a national brand, is not only a symbol of quality and reputation but also an important tool to bring the image of Vietnamese brands to the outer world. This recognition marks a new step in the journey to raise the value of the national brand and connect with the world to introduce Vietnam as a prosperous country with products and services that meet international standards. ■



FOCUSING ON COST REDUCTION, SUSTAINABLE GROWTH AND STRATEGIC INVESTMENTS

SCG announced its quarter (Q) 3 and year-to-date results for the first nine months of 2024, addressing ongoing economic challenges. The company is focused on achieving key objectives, including reducing overall organizational costs by VND3.57 trillion (US\$144 million) by 2025, lowering working capital by VND7.14 trillion (US\$287 million) by Q1/2025, and discontinuing unprofitable businesses. In addition, SCG is executing asset divestments to enhance operational agility and strengthen its financial position.

VAN LUONG

As part of its long-term strategy, SCG is increasing flexibility in its petrochemical operations in Vietnam by investing an additional US\$700 million to enable the use of ethane, thereby reducing raw material costs. This project is expected to be completed by 2027. SCG is also accelerating the development and export of low carbon cement and high-demand green polymers. The ASEAN market continues to grow, strengthening in line with the Inclusive Green Growth approach. SCG is preparing to navigate escalating conflicts, heightened global economic volatility, a prolonged global petrochemical downturn that is lasting longer than expected, and fluctuations in the Thai baht.

Thammasak Sethaudom, President and CEO of SCG, said, "For the period of the first nine months of 2024, SCG achieved revenue of VND266.13 trillion (US\$10.66 billion), close to the previous

year, driven by sales volumes from SCG Chemicals and SCGP. Earnings before interest, taxes, depreciation and amortization (EBITDA), including dividends received from associates, amounted to VND27.1 trillion (US\$1.09 billion), a decrease of 10% compared to the same period last year. Profit for the period was VND4.79 trillion (US\$192 million), down 75% from the same period last year due to operational expenses for the Long Son Petrochemicals (LSP) project, reduced chemical product price spreads, and a decrease in the share of profits from associates. Excluding extraordinary items, profit decreased by 46% compared to the same period last year. In Q3/2024, revenue was VND91.57 trillion (US\$3.68 billion), with EBITDA at VND7.06 trillion (US\$284 million). Profit stood at VND515 billion (US\$21 million), down 81% from the previous quarter, which was attributed to the foreign exchange effect from the Baht appreciation, the downward chemicals inventory price adjustment, decreased equity income from associate companies, and seasonal dividend."

SCG expected its revenue for 2024 to increase by 3% from the previous year, despite severe global economic volatility, a prolonged global petrochemical downturn, the Middle East conflict, increased competition from Chinese products in the domestic market, and fluctuations in the Thai baht. These challenges pose obstacles to business operations and are likely to persist for an extended period. As a result, SCG is adopting a more cautious and prudent approach in conducting its business, with a clear focus on enhancing operational efficiency and financial stability. The company has outlined several key



objectives, including reducing overall organizational costs by VND3.57 trillion (US\$144 million) by 2025, lowering working capital by VND7.14 trillion (US\$287 million) by Q1/2025, and discontinuing unprofitable businesses, such as SCG Express and the digital technology venture OITOLABS in India. Additional operations are under review for potential discontinuation, while asset divestments are being executed to boost agility and maintain financial strength.

To improve production efficiency and sustain competitive EBITDA levels, SCG is focusing on strategic initiatives, including increasing alternative fuel usage in its Thai cement plants to 50% by the end of this year, and implementing automation in tile production to improve precision and speed, and reduce material waste. Despite these cost-saving and efficiency measures, SCG remains committed to its long-term growth strategy, continuing to invest in ASEAN countries. Over the past nine months, the company has seen a 10% year-on-year sales growth, primarily driven by strong performance in Vietnam and Indonesia.

In the long term, green initiatives and Inclusive Green Growth approach present business opportunities and advantages. Therefore, the company is accelerating investment in the ethane project at Long Son Petrochemicals (LSP) to reduce raw material costs, with an investment budget of US\$700 million. This move enhances competitiveness within the global petrochemical industry and helps reduce carbon dioxide emissions in the production process. SCG is also promoting high-value green innovations such as Generation 2 Low Carbon Cement, which has been continuously well-received, achieving an 86% replacement rate of conventional cement with Low Carbon Cement. Additionally, the company is advancing green polymers under the SCGC GREEN POLYMER™ brand which shows consistent growth.

For SCG's operation in ASEAN (ex-Thailand), the revenue from sales in the first nine months of 2024 recorded a 13% y-o-y increase, amounting to VND50.71 trillion (US\$2.03 billion). This growth was primarily driven by improved market conditions in regional operations, particularly in Vietnam and Indonesia. This contributed 19% of SCG's total revenue from sales. This figure includes sales from both local operations in each ASEAN market and

imports from Thai operations.

As of 30 September 2024, SCG's total assets amounted to VND660.86 trillion (US\$26.88 billion). Of these, the total assets of SCG in ASEAN (ex-Thailand) were VND294.71 trillion (US\$11.99 billion), or 45% of SCG's total consolidated assets.

For SCG in Vietnam, the company reported revenue from sales of VND25.67 trillion (US\$1.03 billion) for the first nine months of 2024, representing a 17% year-on-year increase. This growth was primarily driven by the increased sales from SCG Chemicals (SCGC).

In addition to promoting sustainable economic growth for Vietnam, SCG is dedicated to environmental, social and governance (ESG) initiatives, in line with its business purpose of "Inclusive Green Growth". SCG Color Roof has become Vietnam's first concrete roof company to achieve the Singapore Green Label. To be certified as a green product, SCG Color Roof underwent a rigorous testing and assessment process to meet stringent criteria related to product quality, health, environmental impact and product life cycle. This recognition highlights SCG's commitment to ensuring the highest standards of quality while fulfilling its environmental responsibilities for customers' benefits. SCG also empowers youth through the Packaging Speak Out 2024 competition by SCGP which has officially launched in Vietnam for the third year. In collaboration with the Ho Chi Minh City Student Assistant Center (SAC), this year's innovative competition encourages young Vietnamese designers to create cutting-edge and sustainable packaging solutions under the theme "Packaging for a Brighter Tomorrow".

In terms of reducing social inequality, SCG's efforts included the 17th SCG Sharing the Dream project, which awarded 100 scholarships in Vietnam worth VND1.5 billion (approximately US\$59,000), and the Learn to Earn project, which provided opportunities for young people to secure better jobs. The company also supplied clean water to the community in Quang Nam through the Loving Water for the Future project and donated VND2.1 billion (US\$82,700) to the communities affected by Typhoon Yagi. Through these initiatives, SCG underscores its commitment to sustainable development and community uplift in Vietnam. ■

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