



VIETNAM TRADE PROMOTION POLICY

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BACKGROUND

**REGULATORY FRAMEWORK
FOR TRADE PROMOTION**

TRADE PROMOTION POLICY

**VCCI HCM & TRADE
PROMOTION ACTIVITIES**

BACKGROUND

FOREIGN POLICY

- Independence, self-reliance, peace, cooperation and development;
- Diversification, multilateralization of foreign relations;
- Proactive and active in international integration;
- Be a friend, reliable partner and responsible member of the international community”

(Diplomatic blue book, 2015)

TRADE POLICY

- Market opened & Liberalization of market
- Diversifying commodities and export markets

Stages of Economic development

1



Transition 1-2

2



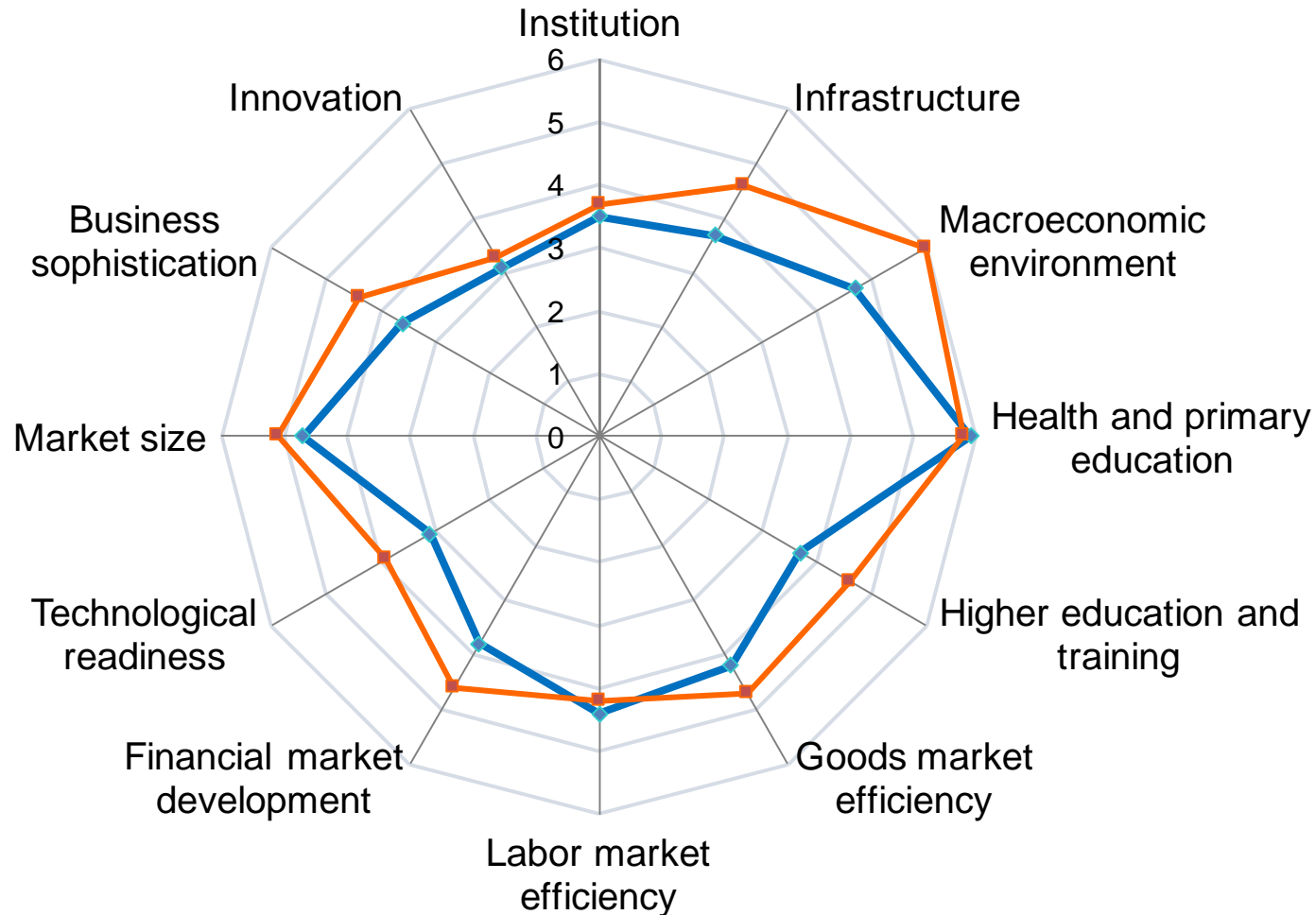
Transition 2-3

3

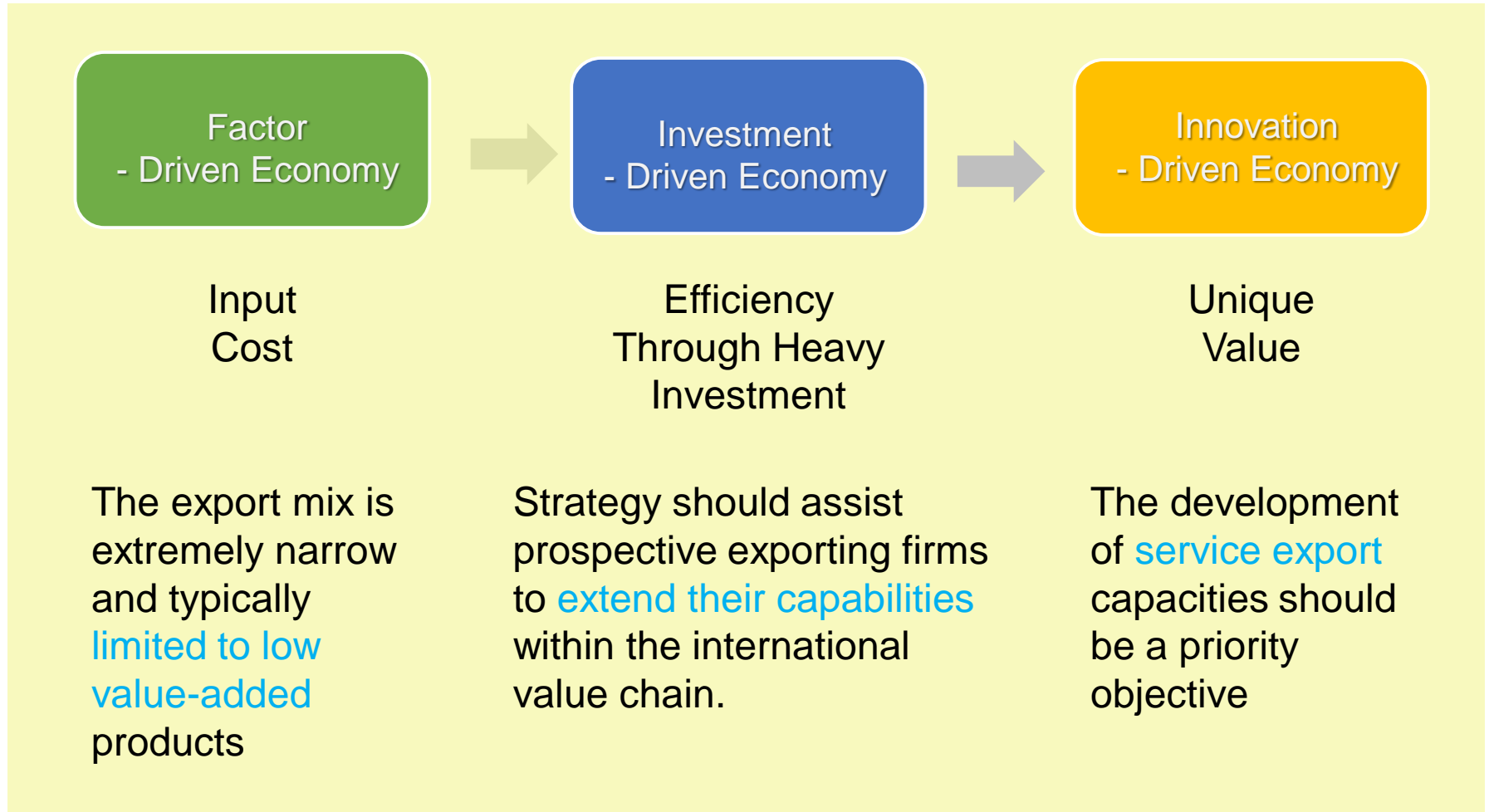
Factor driven

Efficiency driven

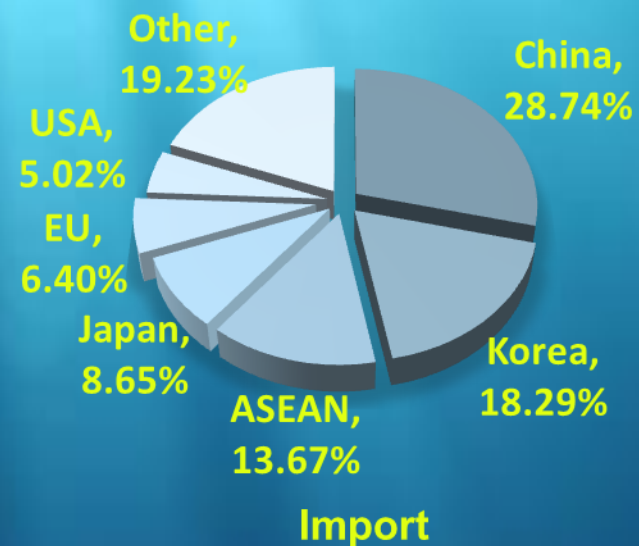
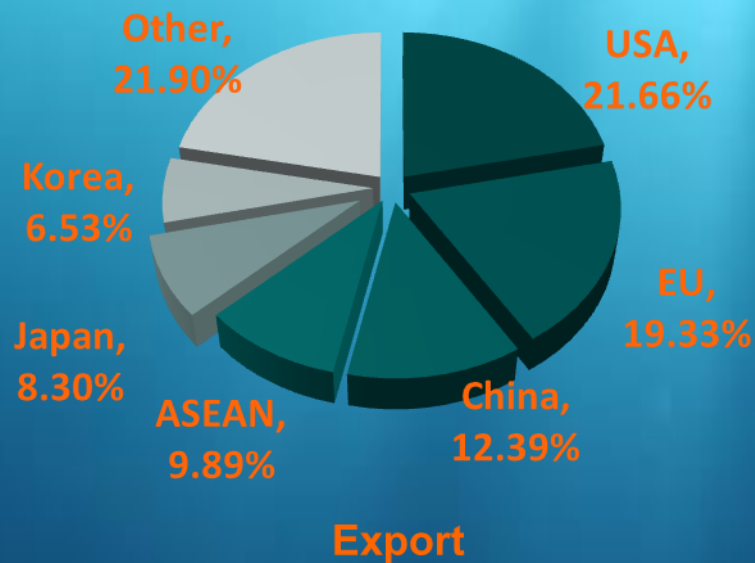
Innovation driven



Positioning Vietnam's stage of trade promotion activities

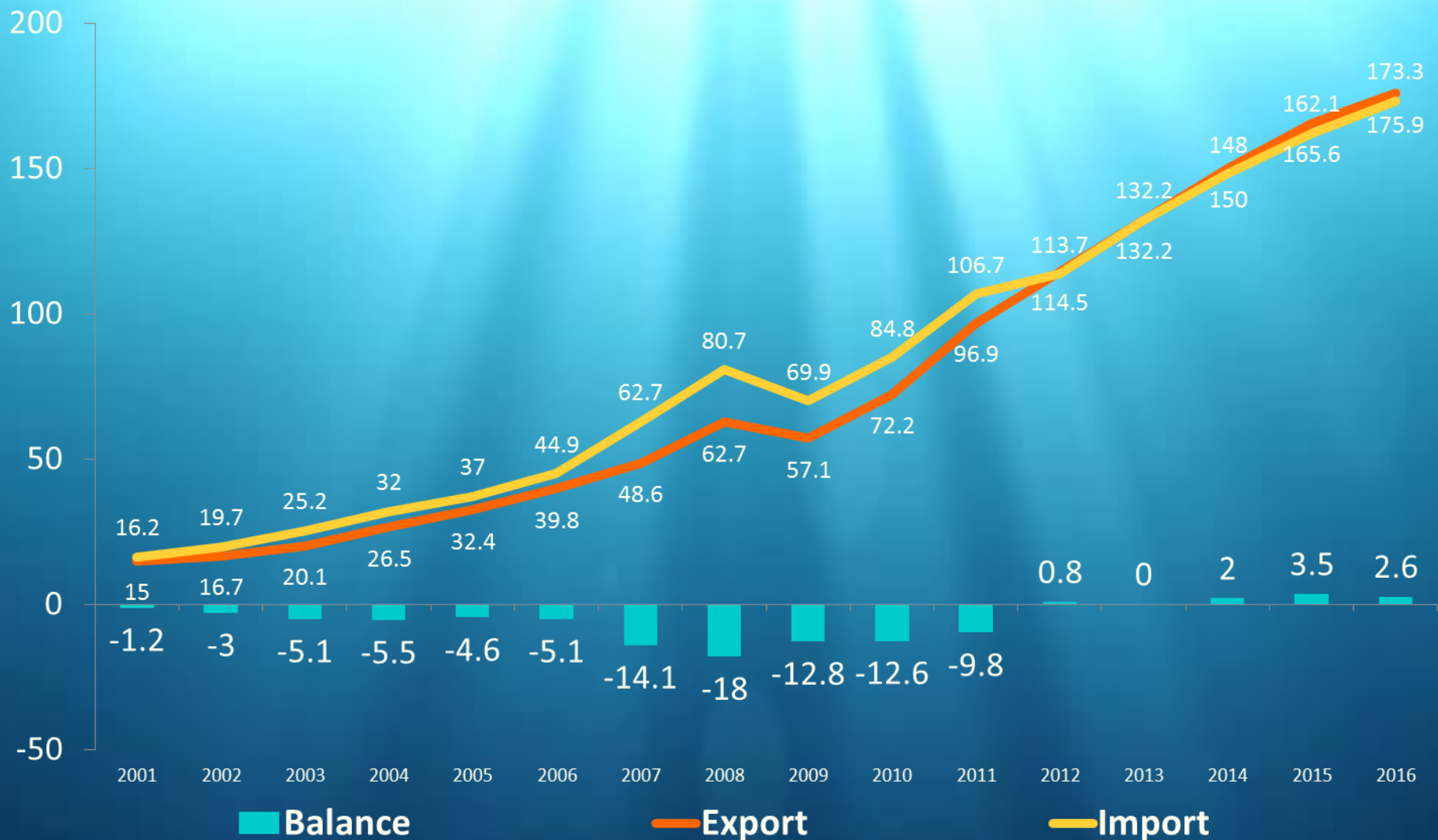


Devised from Porter's stages of competitive development



MAIN EXPORT AND IMPORT MARKETS OF VIETNAM IN 2016

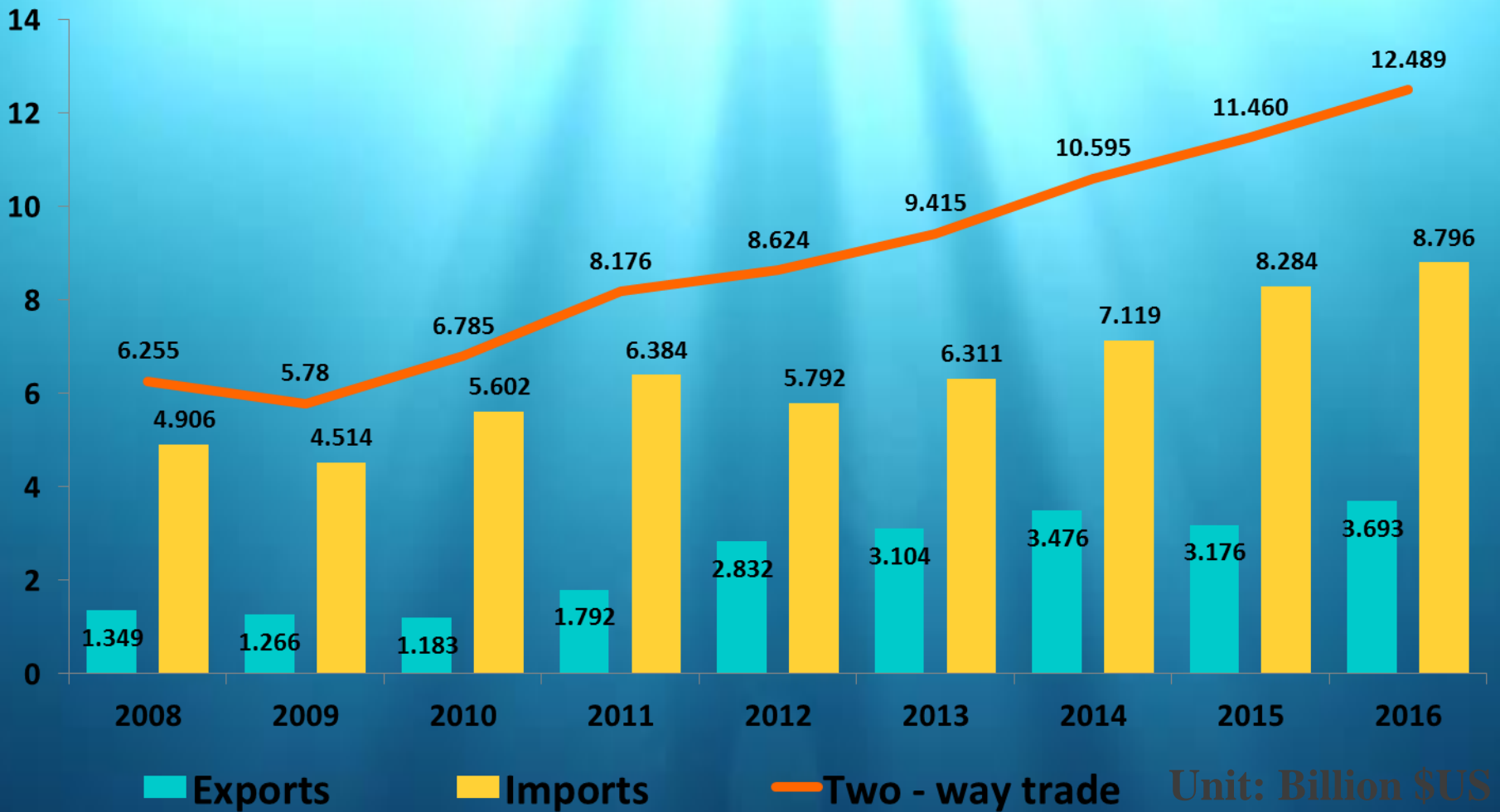
Source: GENERAL STATISTICS OFFICE of VIET NAM



Unit: billion USD

EXPORT IMPORT TURNOVER (BILLION USD)

Source: Vietnam Customs



Import and Export turnover of Viet Nam – Thailand from 2008 to 2016

Source: GSO

Top ten VN's Exports to Thailand (Unit: Million US\$)

	Items	2016
	Total (of all export turnover to Thailand)	3,693,3
1	Telephones, mobile phones and parts thereof	715.5
2	Computers, electrical products, spare-parts and components thereof	414.6
3	Other means of transportation, parts and accessories thereof	320.4
4	Machine, equipment, tools and instruments	299.5
5	Fishery products	242.9
6	Crude oil	157.9
7	Petroleum products	131.3
8	Iron and steel products	131.2
9	Iron and steel	111.2
10	Textiles and garments	87.8

Top ten VN's Imports from Thailand (Unit: Million US\$)

	Items	2016
	Total (of all import turnover from Thailand)	8,795.6
1	Electric consumer products and parts thereof	939.3
2	Machine, equipment, tools and instruments	811.2
3	Parts and accessories of motor vehicles	668.6
4	Motor vehicles	640.8
5	Petroleum products	638.4
6	Plastics	538.0
7	Fruits and vegetables	410.1
8	Computers, electrical products, spare-parts and components thereof	398.5
9	Chemicals	255.8
10	Chemical products	219.5



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REGULATORY FRAMEWORK FOR TRADE PROMOTION ACTIVITIES

- ❖ **Law on Commerce (year 1997)**
- ❖ **Law on Commerce (year 2005)**
 - Chapter 4: Commercial Enhancement
 - + Section 1: Promotion
 - + Section 2: Commercial Advertising
 - + Section 3: Display and Introduction of Goods and Services
 - + Section 4: Trade Fairs and Exhibitions
- Decree No.37/2006/ND-CP dated on 4 April of the Government detailing the Law on Commerce regarding trade promotion activities.
- Law on Advertising (year 2012)
- Circular No. 165 (2016/TT-BTC): providing for fees for processing of application for the license for establishment of representative offices of foreign advertising enterprises.
- Circular No. 19/2013/TT-BXD dated October 31, 2013 of the Ministry of Construction on promulgating national technical specifications on construction and installation of outdoor advertising
- ❖ **Revised Commercial Law** to be submitted in 2017, passed in 2018
 - 7 guiding decrees

WTO and Export Promotion Measures

The main WTO rules regarding EXPORT PROMOTION are laid down in the WTO Agreement on [Subsidies and Countervailing Measures \(SCM\)](#).

- **Prohibited subsidies:** The SCM prohibits [export subsidies](#) for all countries with a per capita income above US\$ 1000; setting export targets as a condition for subsidies is not allowed.
- **Actionable subsidies:** grey area
- **Permitted subsidies:** Three categories of subsidies are permitted: subsidies to disadvantaged regions, subsidies for research and development (R&D), and subsidies for environmental purposes.

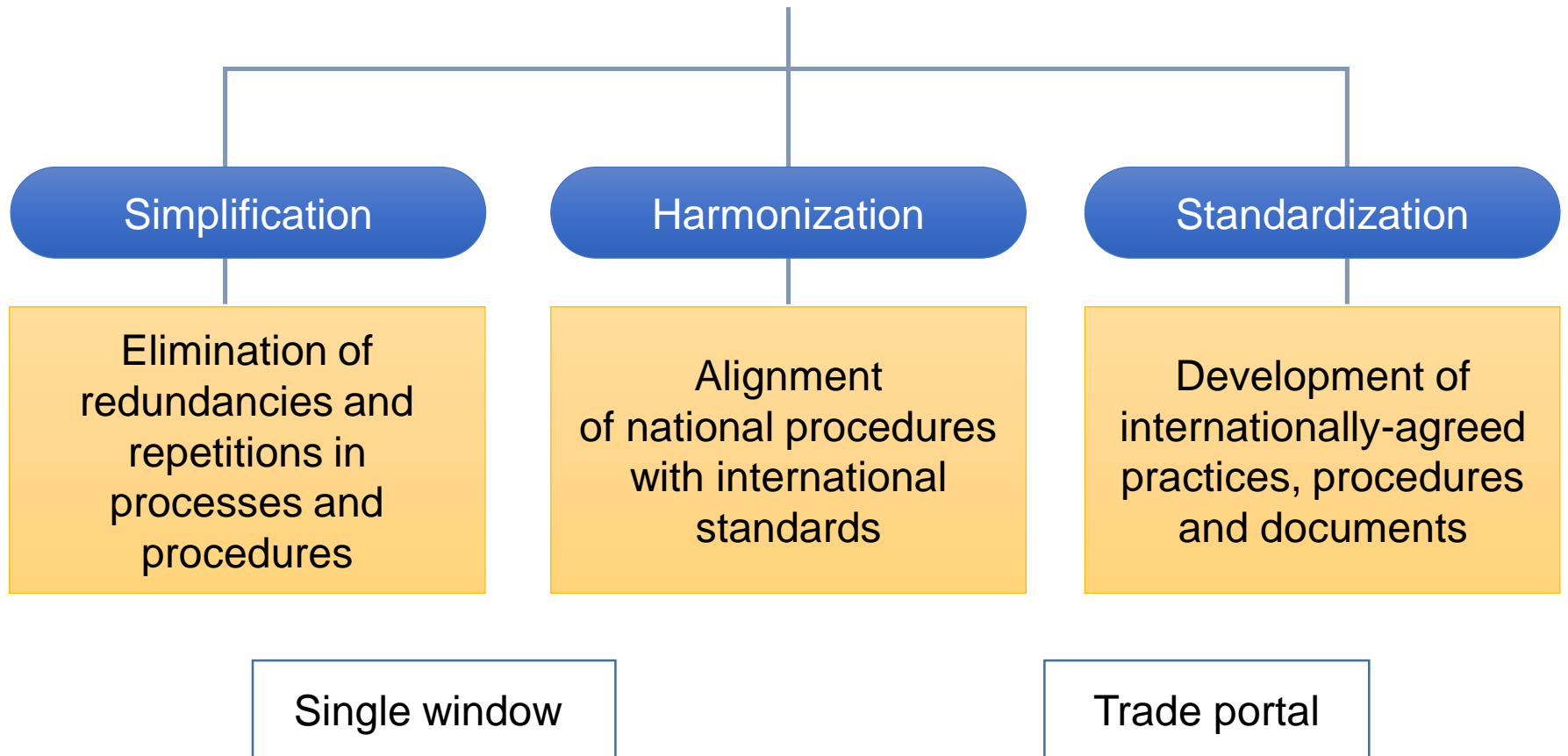
Special and differential treatment on subsidies

Once GDP per capita exceeds US\$ 1000, export subsidies must be eliminated within eight years after WTO accession.

The WTO's Trade Policy Review Mechanism (TPRM)

TRADE POLICY REVIEW – VIETNAM (YEAR 2013)

Trade Facilitation

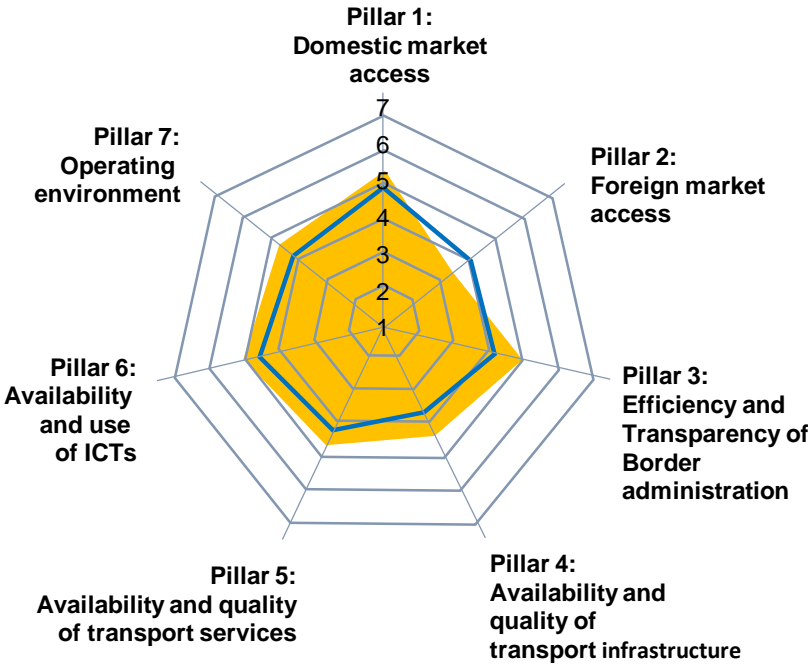


Vietnam 73rd / 136

Enabling Trade Index 2016

Performance Overview	Rank/136	Score (1-7)	Trend	Distance from best	Edition	2014	2016
Enabling Trade Index	73	4.3			Rank	87 / 134	73 / 136
Subindex A: Market access	74	4.5			Score	4.0	4.3

Pillar 1: Domestic market access	77	4.3		
Pillar 2: Foreign market access	79	4.5		
Subindex B: Border administration	86	4.2		
Pillar 3: Efficiency and Transparency of Border administration	86	4.2		
Subindex C: Infrastructure	64	4.1		
Pillar 4: Availability and quality of transport infrastructure	66	3.6		
Pillar 5: Availability and quality of transport services	60	4.1		
Pillar 6: Availability and use of ICTs	66	4.6		
Subindex D: Operating environment	77	4.2		
Pillar 7: Operating environment	77	4.2		



Vietnam East Asia and Pacific

Source: World Economic forum

Key Indicators, 2015

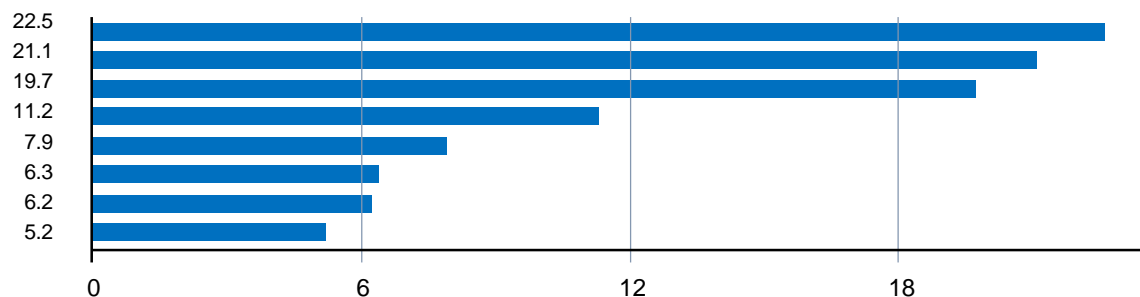
source: International Monetary Fund; World Economic Outlook Database (April 2016); world Trade Organization, Merchandise Trade statistics (22 November 16)

Population millions	91.7	Trade openness % GDP	171.4
GDP US\$ billions	191.5	Share of world trade % world total	0.99
GDP per capita US\$	2088.3	Merchandise trade balance US\$ billions	-4.00

Most problematic factors for importing

Source: world economic forum, Executive Opinion Survey 2015

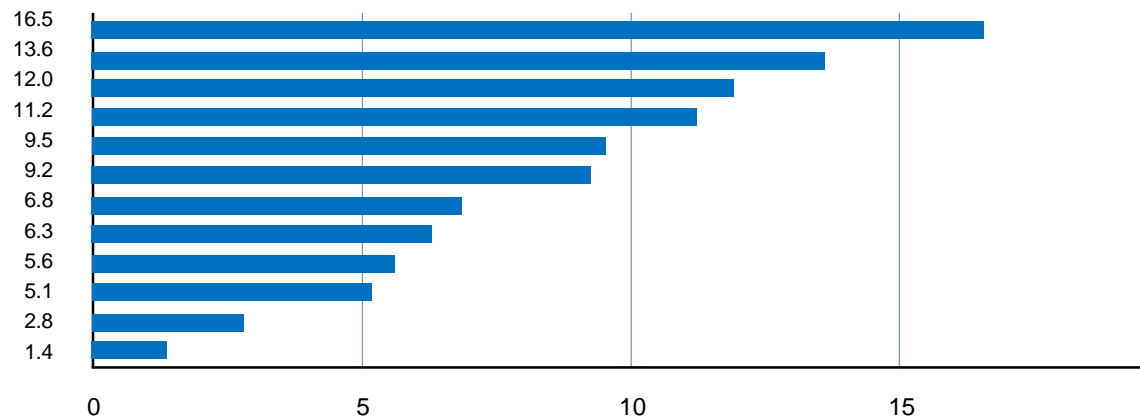
Burdensome import procedures	22.5
Tariffs and non-tariff barriers	21.1
Corruption at the border	19.7
High cost or delays caused by domestic transportation	11.2
Domestic technical requirements and standards	7.9
High cost or delays caused by international transportation	6.3
Inappropriate telecommunication infrastructure	6.2
Crime and theft	5.2



Most problematic factors for exporting

Source: world economic forum, Executive Opinion Survey 2015

Identifying potential markets and buyers	16.5
Technical requirements and standards abroad	13.6
Difficulties in meeting quality/quantity requirements of buyers	12.0
Access to trade finance	11.2
Access to imported inputs at competitive prices	9.5
Inappropriate production technology and skills	9.2
High cost or delays caused by domestic transportation	6.8
Rules of origin requirements abroad	6.3
Burdensome procedures at foreign borders	5.6
Tariff barriers abroad	5.1
High cost or delays caused by international transportation	2.8
Corruption at foreign borders	1.4



Note: From the list of factors, respondents to the World Economic Forum's Executive Opinion survey were asked to select the five most problematic factors in their country and to rank them between 1 (most problematic) and 5. The score corresponds to the responses weighted according to their rankings.



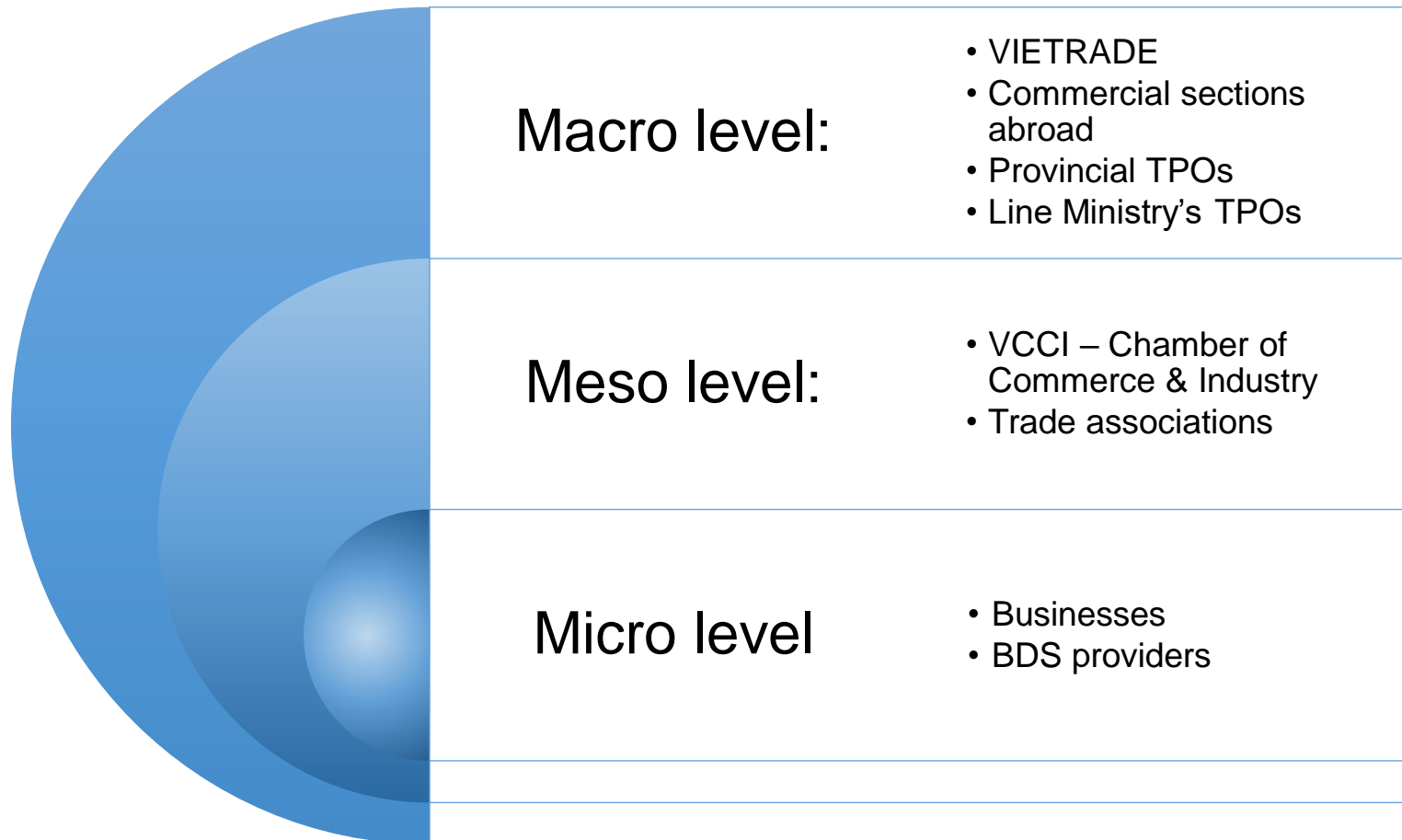
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Levels of Trade promotion organizations



TRADE PROMOTION POLICY

- “Constantly innovate and enhance professionalism & effectiveness both extensively and intensively, covering three areas: export – domestic market – mountainous, frontier & island trade with export being the focus.
- Engage more objects (participants) as well as exploiting more resources in trade promotion. Connecting domestic trade promotion activities with international ones”.
- Develop the implementation of Resolution of 72/2010/QĐ-TTg dated 15 Nov.2010 of the Prime Minister promulgating Regulation on establishment, management and implementation of the [National Trade Promotion Program](#) since 2011
- Disseminate achieved results when developing National Brand Name Program. [Develop the National Brand Name Strategy](#) for the period 2011-2020, vision 2050
- Continue strengthening operations of Vietnam’s oversea trade promotion centers; meeting full obligation so as to gain the cooperation and effective support from international TPOs as well as other partners.

- **Building infrastructure in the service of trade promotion**, trade fair & exhibition centers, international conference centers, cross-border (bonded) warehouse system to support the businesses to proactively supply the commodities to counterparts
- **Training professionals on trade promotion** for TPOs for the purpose of disseminating new mechanism and policy encouraging export, market entry expertise, exploiting and applying market research information,
- **Enhancing competencies of Vietnam's commercial representative agencies overseas**, which serve as the focal point to support businesses regarding: B2B matching, market information, identifying new product lines, regulations, market barriers of local countries, warning threats of anti-dumping disputes and dealing with actions.
- Trade associations should guide & support their members for market expanding, trade promotion, quality control, brand name registration & safeguard, specialized information and consultancy.

Source: Mr. Hoang Anh, Deputy Director - Trade Promotion Agency, MOIT

- Continue asserting the positions in oversea markets; effective exploiting FTA's market-opening commitments in the immediate time with TPP countries, EU, ASEAN, South Korea, Japan... being prioritized focus markets.
- Support industrial subgroups which have their own strengths & now the organizational restructuring is under pipeline such as: supporting industry, software development and mechanical engineering industries...

Source: Mr. Bui Huy Son, Director of Trade Promotion Agency – Ministry of Industry & Trade - MOIT)

- Export promotion activities need to be oriented as well as production well connected.
- Market expansion needs to be enhanced & more consultation with businesses is required with a view to renovating the content of trade promotion.
- Closely directing overseas trade representative agencies so as to supporting businesses in focus markets more effectively.

Source: Mr. Tran Tuan Anh, Minister of MOIT

OTHER REFLECTIONS from international and domestic experts

- Vietnam's exporters will have to learn about and adjust to the standards and technical regulations of export markets
- Broaden the constituency for trade policy making
- Increased transparency of export promotion activities
- Export Promotion through meso level institutions
- Information on foreign markets



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VCCI



**NGO
BUSINESS
MATCHMAKER/TPO**



**Consultative
Meso-level**



**National system
Non-profit**



WHO WE ARE?



ADVOCACY



ISO 9001



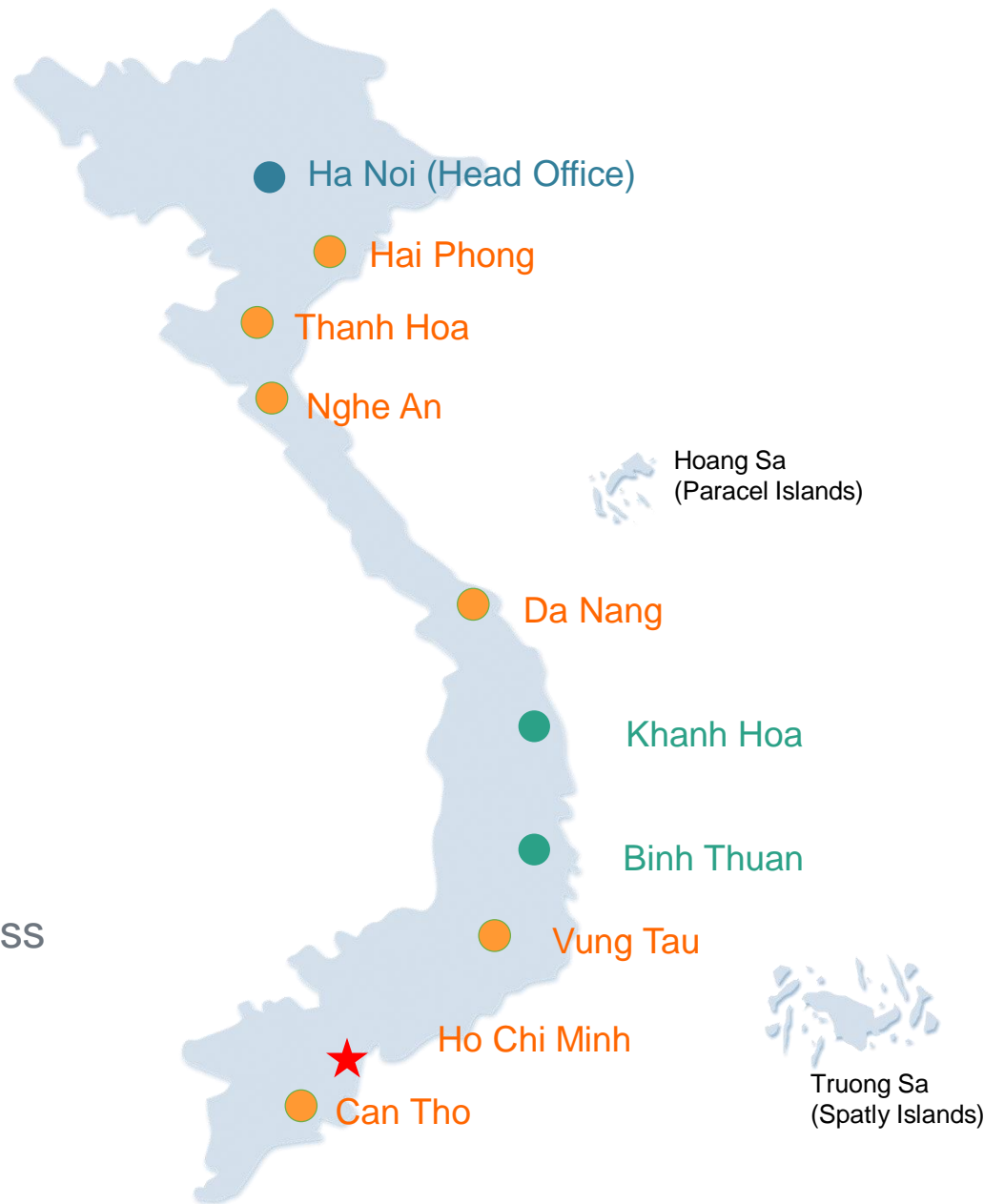
**VOLUNTARY
MEMBERSHIP**

Vietnam Chamber of Commerce and Industry (VCCI) is a national organization which assembles and represents business community, employers and business associations of all economic sectors in Vietnam.

Vietnam Chamber of Commerce and Industry, Ho Chi Minh City Branch (VCCI-HCM) is a representative organization for the business community in Ho Chi Minh City and 6 other provinces in the South.

Function

- **To represent** the Vietnamese business community
- **To promote** the development of business enterprises



ADVOCACY, SAFEGUARD THE INTERESTS OF BUSINESS COMMUNITY

Signing commitment to enabling business environment with 63 provinces & towns

(Implementing Resolution 35 on supporting developing businesses until 2020)

Signing ceremony for the Vietnam Trade Facilitation Alliance (VTFA)

(Implementing Resolution 19 on improving business environment, enhancing national competitiveness)





**Market
Information
briefing**



Development Project



Training



WHAT WE DO?



**Inbound-outbound
business matching
events**



**Arbitration
Certification of
trade documents
Consultancy**



Industrial relations



Trade facilitation



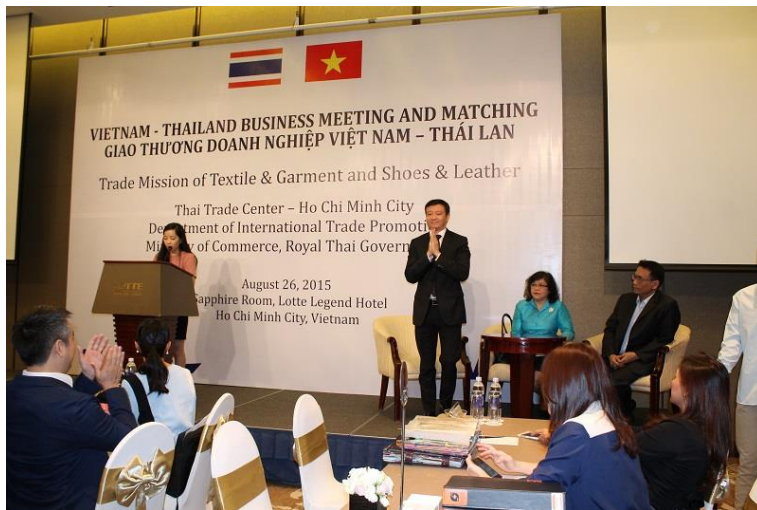
TRADE PROMOTION – Business forums, B2B matching events



Vietnam-Japan Economic Forum



Vietnam-Russia Business Forum



Vietnam-Thailand Business Meeting & Matching



Vietnam-India Business Meeting

THAI INVESTORS

WHO
YOU ARE?

	✓	✗
Are you resource seeking?		
Are your market seeking?		
Are you efficiency seeking?		
Are you strategic asset seeking?		
Others		





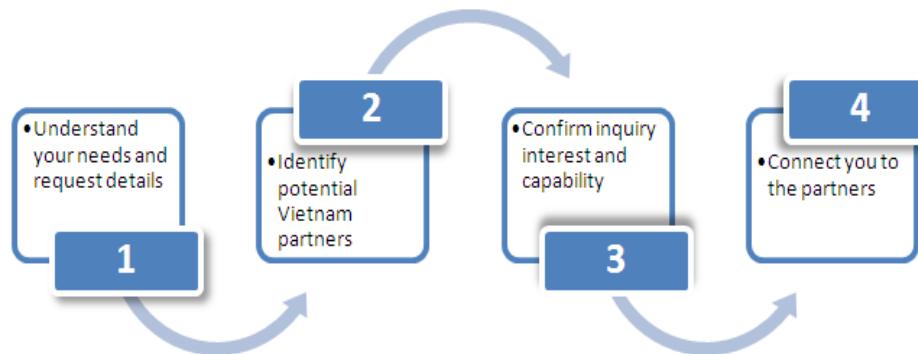
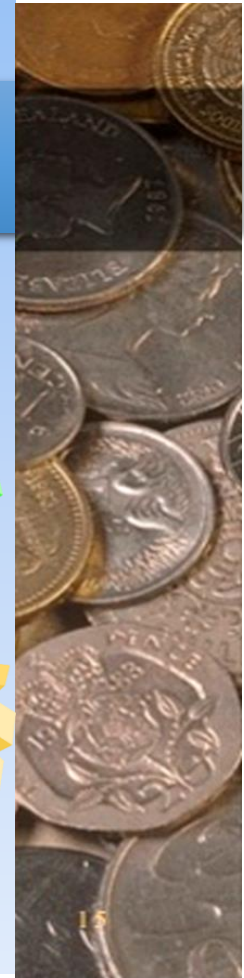
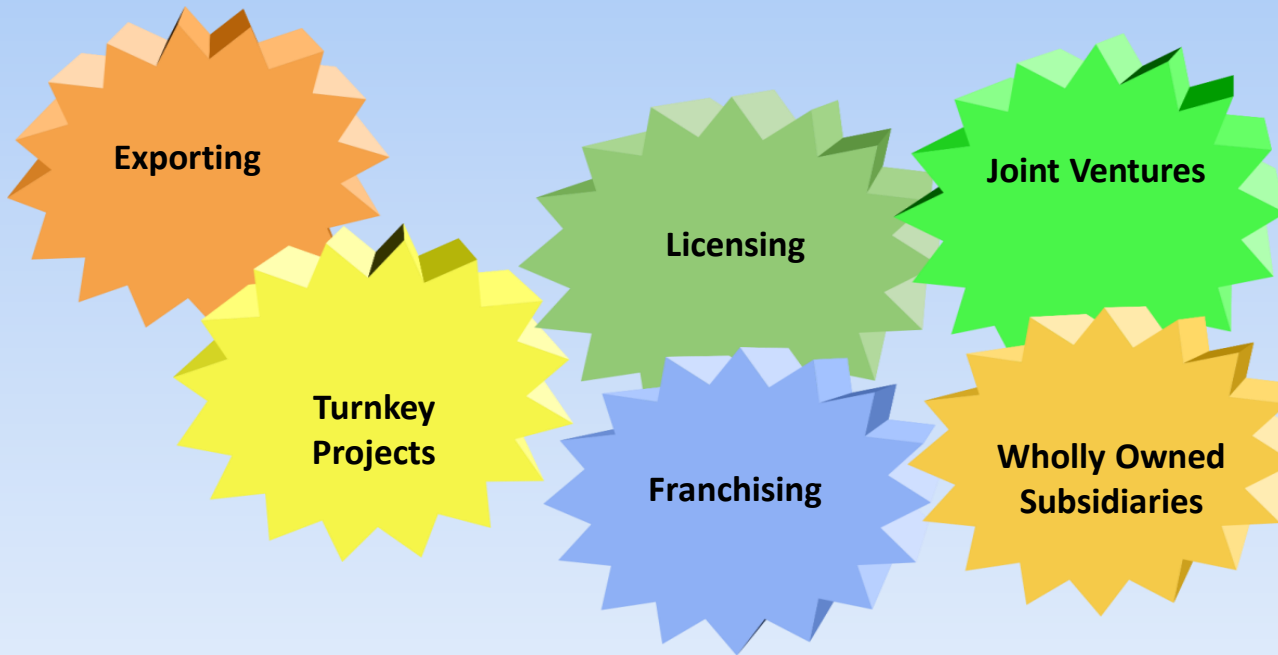
CENTRAL Group



Kan Air



Entry Modes





THANK YOU FOR YOUR LISTENING!

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