



Mekon Supply Chain Study Country Report ～Vietnam～

ベトナム国家大学ハノイ校経済ビジネス大学経営学部
Nham Phong Tuan

ベトナム国家大学ハノイ校ハノイビジネススクール
Nguyen Thu Huong

2016年4月

一般財団法人 国際貿易投資研究所(ITI)
INSTITUTE FOR INTERNATIONAL TRADE AND INVESTMENT



This publication was subsidized by JKA
through its promotion funds from KEIRIN RACE

<http://ringring-keirin.jp>



Table of Contents

1. Introduction.....	1
2. Overview of economy and business climate.....	2
3. Policies for supply chain development.....	8
3.1. Industry clusters in Vietnam.....	8
3.2. SMEs Vietnam.....	8
3.3. FDI policy.....	9
3.4. Motorcycle Industry.....	10
3.5. Automotive Industry.....	11
3.6. Mechanic industry.....	15
3.7. Other policies.....	17
4. Business development services.....	17
4.1. Vietnam-Japan Human Resources Cooperation Center (VJCC) HCMC.....	17
4.2. Vietnam Chambers of Commerce and Industry Hồ Chí Minh (VCCI).....	18
4.3. Long An Vocational College.....	20
4.4. HCMC Vocational College.....	21
4.5. Kaizen Yoshida School by Esuhai Co.,Ltd.....	22
4.6. Mangement Board and the Export Processing Industry HCMC (HEPZA).....	23
4.8. Saigon High-Tech Park.....	26
5. Case studies on private firms.....	29
5.1. Dan Tien mechanic and salt production and trading Co., Ltd.....	29
5.2. Tan Kim Thanh Co., Ltd.....	30
5.3. Hoang Duong company.....	31
5.4. BMC company.....	33
6. Recommendations.....	35

Mekon Supply Chain Study Country Report Vietnam

Nham Phong Tuan
Lecturer, Faculty of Business Administration, University of Economics and Business -
Vietnam National University, Hanoi

Nguyen Thu Huong
Lecturer, Hanoi School of Business, Vietnam National University, Hanoi

1. Introduction

The common objective of this report is to identify the current status of and future challenges for supply chain development in Vietnam, especially from the perspective of human resource development. This study examines overview of Vietnamese economic situation, business and investment climate, investment and trade policies and logistics and infrastructures since these are the basics for enabling environment of businesses particularly for the manufacturing ones. This study also assesses challenges and issues to be considered for Japanese investors not only physical infrastructure like electric power, ports, roads and lands but also other soft infrastructure like human resource development particularly management capability and skill level of local workers, technology advancement and quality management of local businesses which are very important to make entry decisions for the foreign investors. The study also explores Vietnamese policies for supply chain development at national and industry level, showing the structure of the policies/plans of industrial development briefly while supply chain development, SME development, FDI more in detail. In addition, several business development services will be presented in detail, mainly for human resource development by public and private supporting organization, and other aid agencies, Ministry of Industry and other local government agencies, business associations, vocational schools and other training institutions. In addition, several business development services will be presented in detail, mainly for human resource development by public and private supporting organization, and other aid agencies, Ministry of Industry and other local government agencies, business associations, vocational schools and other training institutions. Case studies on Vietnamese private firms are also provided to demonstrate human resource development activities. Finally, several recommendations for supply chain development are given to optimize supply chains and facilitate manufacturing

in Southeast Asia that is the most important investment destination and market for Japanese firms to be competitive at the global stage in the coming decades.

2. Overview of economy and business climate

Manufacturing industries make a great contribution to national economies all over the world. According to The McKinsey Global Institute (2012), manufacturing industries have helped drive economic growth and rising living standards for nearly three centuries and continue to do so in developing economies. Building a manufacturing sector is still a necessary step in national development, raising incomes and providing the machinery, tools, and materials to build modern infrastructure and housing. Globally, manufacturing output (as measured by gross value added) continues to grow—by about 2.7 percent annually in advanced economies and 7.4 percent in large developing economies (between 2000 and 2007). Economies such as China, India, and Indonesia have risen into the top ranks of global manufacturing and in the world’s 15 largest manufacturing economies; the sector contributes from 10 percent to 33 percent of value added.

According to Industrial development report in 2013, it can be seen indicators of industrial performance by economy, 2006 and 2011 (Table 1). In this table, share of manufacturing value added in GDP from Vietnam is 23.6% in 2011. This rate is similar to other countries in Southeast Asian nations.

Table 1: Indicators of industrial performance by economy, 2006 and 2011

Economy	Manufacturing value added per capita (2005 \$)		Share of manufacturing value added in GDP (percent)		Share of world manufacturing value added (percent)		Share of medium- and high technology activities (percent)	
	2006	2011	2006	2011	2006	2011	2006	2011
Cambodia	97	127	18.88	19.51	0.02	0.02	0.26	0.26
Indonesia	356	420	27.17	25.3	1.03	1.17	31.09	37.81
Malaysia	1,639	1,673	29.84	26.73	0.55	0.55	48.95	41.76
Philippines	296	322	23.79	22.4	0.32	0.35	45.31	45.31
Singapore	8,027	8,966	26.35	26.24	0.45	0.53	77.8	73.41
Thailand	963	1,108	34.96	36.66	0.82	0.88	46.16	46.16
Viet Nam	146	209	21.43	23.57	0.15	0.21	20.26	20.26

Table 1: Indicators of industrial performance by economy, 2006 and 2011 (cont.)

Economy	Manufactured exports per capita (US\$)		Share of manufactured exports in total exports (percent)		Share of world manufactured exports (percent)		Share of medium- and high-technology activities in manufactured exports (percent)	
	2006	2011	2006	2011	2006	2011	2006	2011
Cambodia	210	335	79.57	71.46	0.03	0.04	2.44	7.06
Indonesia	277	466	63.2	55.5	0.72	0.9	30.54	28.92
Malaysia	5,109	6,385	84.54	81.18	1.53	1.47	70.81	59.11
Philippines	506	350	93	69.19	0.5	0.27	78.66	65.27
Singapore	30,163	32,241	92.88	89.76	1.5	1.52	72.45	68.99
Thailand	1,677	2,696	86.41	81.9	1.27	1.5	62.36	58.53
Viet Nam	265	764	55.92	70.01	0.25	0.54	23.04	33.65

Source: Industrial development report, 2013

More specifically, following report of Vietnam Competitive Industrial Performance (2012), current situation of Vietnam manufacturing industries is as follows:

- A strong and steady growth of the manufactured production

Viet Nam's Manufacturing Value Added (MVA) per capita growth has been impressive and shows its capacity to add value in the manufacturing process. Indeed, between 1990 and 2010, MVA per capita skyrocketed from US\$ 31 to US\$ 176 (Table 2). What is even more remarkable is the constancy of this growth trajectory during the last two decades, a feat that was only achieved by China within the region. Noteworthy, MVA growth has gone hand in hand with economic growth. Indeed, since 2010, China, Cambodia and Viet Nam recorded the highest GDP growth rates for the period (10%, 8% and 7.3% respectively), implying that there is a strong link between industrialization and economic development.

- Albeit at still low level

Despite this rise, Viet Nam lags behind most countries in the region, and should remain so. This means that MVA growth in Viet Nam is actually not as impressive as it appears at a first glance. Yet, Viet Nam's industrial sector has the capacity to grow even faster given the size of its labor force employable in productive industry.

Table 2: Manufacturing value added per capita for Viet Nam and comparators, 1990-2010

Country	Value (US\$)			Average annual growth	
	1990	2000	2010	1990-2000	2000-1010
Singapore	3,895	5,941	8,198	4.3%	3.3%
Taiwan (Province of China)	2,432	3,615	6,153	4.0%	5.5%
Republic of Korea	1,443	2,876	4,783	7.1%	5.2%
Malaysia	620	1,244	1,427	7.2%	1.4%
Thailand	348	680	1,054	6.9%	4.5%
China	100	303	820	11.7%	10.5%
Indonesia	132	216	302	5.0%	3.4%
Philippines	251	260	296	0.4%	1.3%
Viet Nam	31	73	176	8.8%	9.2%
India	44	63	109	3.7%	5.7%
Cambodia	15	46	101	11.5%	8.2%

Source: UNIDO, Competitive Industrial Performance Index.

- A booming trade in manufactures, even in times of crisis

Manufactured exports per capita growth in Viet Nam over the last decade has been impressive, even outshining China's growth for the period 2000-2010 (Table 3). This shows the country's capacity to meet global demand for manufactured goods in a highly competitive and changing environment. The most impressive fact is that Viet Nam's manufactured exports growth seems to have been unaffected by the recent financial crisis. Other countries like China, India or Cambodia saw a major slowdown in manufactured trade with the US and EU markets.

- Better performance on the trade side than the industrial side

The level and growth of manufactured exports have been largely more impressive than those of the MVA. Viet Nam's exports gains illustrate the country's rapid integration into the world economy, including the crucial Bilateral Trade Agreement with the US in 2000 and WTO accession in 2007. However, manufactured production is not following this same impressive path with a MVA per capita which remains low and a share of medium- and high-technology in MVA unchanged during this last decade (20.3%). Therefore, Viet Nam

should have suitable industrial policy to leap frog in the long-term towards the higher value-added and more technologically sophisticated sectors.

Table 3: Manufactured exports per capita for Viet Nam and comparators, 2000-2010

Country	Value (US\$)			Average annual growth rate		
	2000	2005	2010	2000-2005	2005-2010	2000-2010
Singapore	18,448	26,995	35,709	7.9%	5.8%	6.8%
Taiwan (Province of China)	6,503	8,069	10,825	4.4%	6.1%	5.2%
Republic of Korea	3,559	5,802	9,280	10.3%	9.9%	10.1%
Malaysia	3,766	4,702	5,931	4.5%	4.8%	4.6%
Thailand	968	1,522	2,517	9.5%	10.6%	10.0%
China	180	550	1,124	25.1%	15.3%	20.1%
Viet Nam	86	206	551	19.2%	21.8%	20.5%
Philippines	481	466	517	-0.6%	2.1%	0.7%
Indonesia	203	244	396	3.7%	10.2%	6.9%
Cambodia	85	167	239	14.3%	7.5%	10.9%
India	34	77	154	17.8%	14.9%	16.3%

Source: UNIDO, Competitive Industrial Performance Index

In terms of current status within the Asia supply chain, a report of 2013 Global Manufacturing Competitiveness Index, a collaboration between Deloitte Touche Tohmatsu Limited (Deloitte) and The U.S. Council on Competitiveness (Council), which gathered data from more than 550 CEOs and senior manufacturing leaders in 2012, is part of a multi-year initiative to better understand the trends creating a hyper-competitive global manufacturing environment.

This study examines the highly complex forces driving the future of manufacturing and many of the structural changes reshaping the global economy. Manufacturing today includes all facets of research, development, production, sales, distribution, logistics, customer service, marketing, and support. It extends from the making of physical products to the delivery of services. Properly understanding the breadth of manufacturing is essential to enacting policies to improve standards of living and be more competitive in the long term. For Vietnam's indicators, the following figures show main information.

Key indicators, 2012

Population (millions).....	87.8
GDP (US\$ billions).....	138.1
GDP per capita (US\$).....	1,528
GDP (PPP) as share (%) of world total.....	0.39

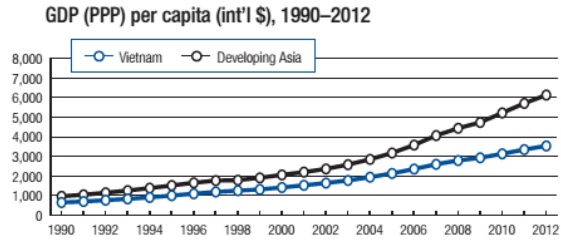


Figure 1: Vietnamese key indicators in 2012

Source: Global Manufacturing Competitiveness Index, 2013

Global Competitiveness Index

	Rank (out of 148)	Score (1-7)
GCI 2013-2014	70	4.2
GCI 2012-2013 (out of 144).....	75	4.1
GCI 2011-2012 (out of 142).....	65	4.2
Basic requirements (60.0%)	86	4.4
Institutions	98	3.5
Infrastructure	82	3.7
Macroeconomic environment	87	4.4
Health and primary education.....	67	5.8
Efficiency enhancers (35.0%)	74	4.0
Higher education and training.....	95	3.7
Goods market efficiency	74	4.3
Labor market efficiency	56	4.4
Financial market development	93	3.8
Technological readiness.....	102	3.1
Market size.....	36	4.6
Innovation and sophistication factors (5.0%)	85	3.4
Business sophistication	98	3.7
Innovation.....	76	3.1

Figure 2: Competitive index of Vietnam in global context

Source: Global Manufacturing Competitiveness Index, 2013

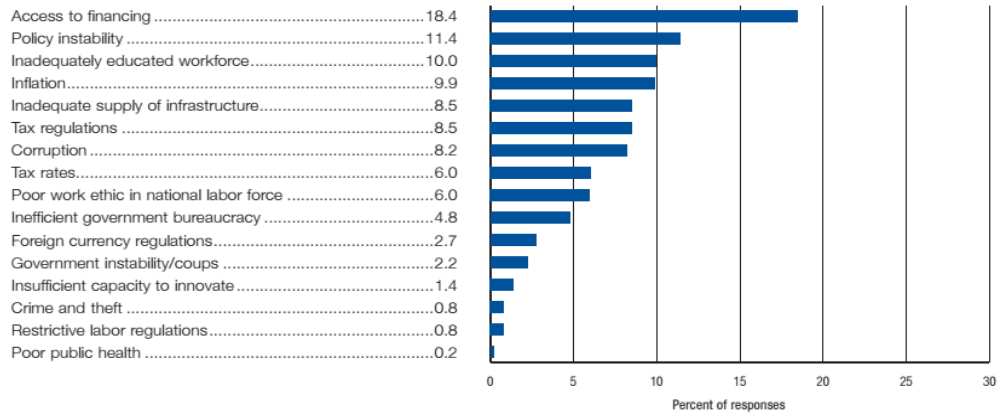


Figure 3: The most problematic factors for doing business

Source: Global Manufacturing Competitiveness Index, 2013

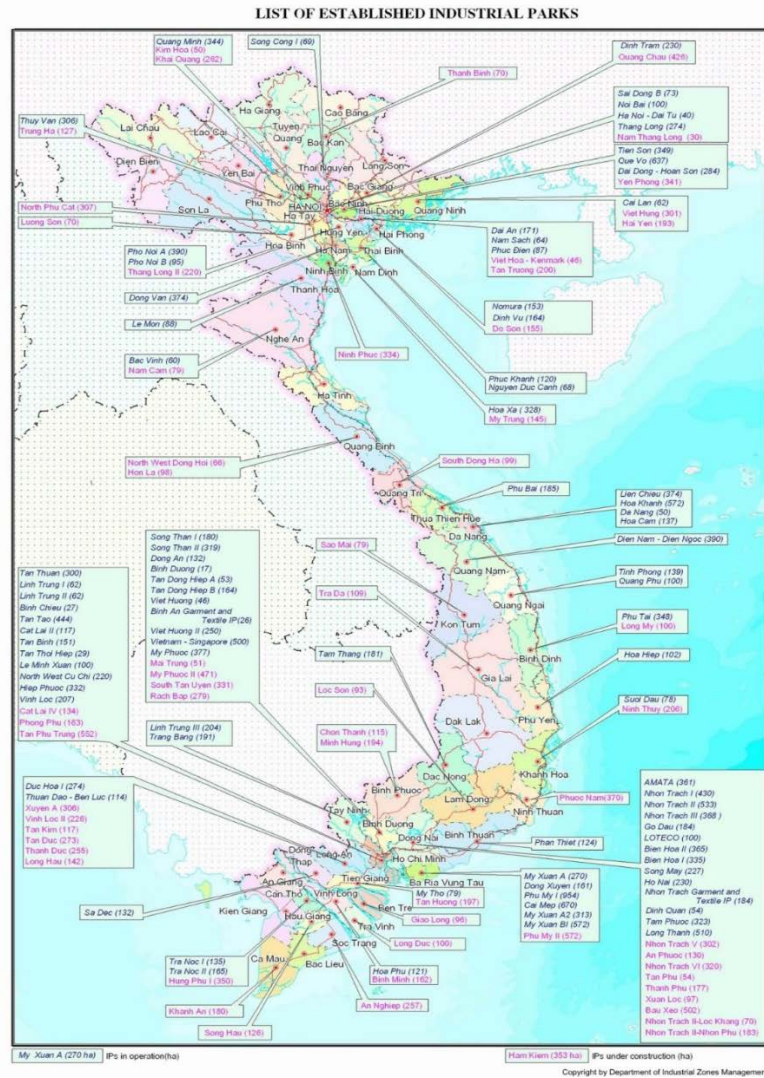


Figure 4: A map on the locations of major firms and industrial zones.

3. Policies for supply chain development

3.1. Industry clusters in Vietnam

- (1) DECISION No. 105/2009/QD-TTg dated August 19, 2009 by the Prime Minister on promulgating management regulations of industrial clusters
- (2) Decision No. 44/2010/QDUBND dated May 10, 2010 by PEOPLE'S COMMITTEE OF HANOI on promulgating management regulations of industrial clusters in Hanoi.
- (3) Decree No. 56/2009, with content: destine land and implement the encourage solutions to construct parks, industrial clusters for SMEs renting of production and sale.
- (4) Decision No. 1168, with content: Form a center / cluster link of focused automotive industry based on re-organizing, re-arranging of production
- (5) Decision 1829, with content: Research, propose the development solutions of automotive industry clusters to take advantage of the enterprise's concentration.
- (6) Decision No. 1290, with content: Form the electronics industry cluster (cluster)

3.2. SMEs Vietnam

- (1) Decree No. 56/2009/ND-CP dated June 30, 2009 by the Prime Minister on development aid for SMEs:
 - Article 8. with content: encourage solutions to construct parks, industrial clusters for SMEs renting of production and sale.
 - Article 10: Promotion of market expansion. State management agencies of national trade promotion set a part of annual national trade promotion budget for SMEs
 - Article 14. Enterprise Incubators. The State encourages the establishment of enterprise incubators by providing space and business support services and necessary resources to help enterprises in idea actualization and product commercialization.
- (2) Law of Support for SMEs: expected in the 2nd session of the National Assembly XIV (May 10/2016), the draft will be submitted to the National Assembly for comments and expected May 05th 2017 approving print

- Support for potential SME groups in export, innovation, participating in the industry clusters, value chain...

(3) Decision No. 1556 / QD-TTg dated October 17, 2012 by the Prime Minister approving the Project "Support for SMEs in the field Developing of Supporting industries"

- Objective Development: 2020 - ensure SMEs in supporting industries can supply about 50% of domestic demand in various sectors of the manufacturing industry;
- program to support SMEs become suppliers to MNC in the manufacturing sector in Vietnam;

a	Introduction	Becoming a supplier and engaging in production networks of MNCs is a very arduous process of SMEs, it need to be met more demanding standards of the buyer. The SMEs that are not enough strong will implement difficultly.
b	objective	- creating effective linkages between SMEs to big corporations - 300 enterprises participating in the program, 100 businesses become suppliers
c	Subjects	SMEs in the manufacturing sector, have achieved proficiency and a certain scale.
d	Main activity	- SMEs capacity assessment - Make connections with customers that are MNCs or top suppliers. - Consulting and technical support to SMEs meet the criteria set. - The other advisory
đ	Host institution and coordination unit	the Ministry of Industry and Trade; Ministry of Planning and Investment
e	Period	2013-2020
g	Estimated Budgets	50 billion VND (~2 million USD)
h	Source of budgets	- development aid for SMEs - Ministry of Planning and Investment - Support from MNCs

3.3. FDI policy

- Corporate income tax (CIT): from 32% in 1997 declined to 28% in 2003 and continued to decline to 25% from 2009: CIT Law No. 09/2003 / QH11 dated June 17, 2003 and

replaced by Law of CIT No. 14/2008 / QH12.

- Export and Import Tax (EIT): EIT Law No. 45/2005 / QH11; exemption policy with processed goods, goods making the fixed assets, goods not available in the country; refund, no tax revenue with products from imported raw materials ... to attract FDI
- Financial policy for land: Law of Land in 2003, the FDI's have rights in choosing the lease lands.
- Audit services, Accounting: Accounting Law was dated January 1, 2004 at National Assembly, unrestricted access to markets or restrict national discrimination.

3.4. Motorcycle Industry

(1) Decision 002/2007/QĐ-BCT dated August 29, 2007 on approving the development plan of Vietnam's motorbike industry for 2006-2015, taking into 2020:

- Development viewpoint. Development the producers and assemblers which synchronize with the development of supporting industry towards modernization, in order to improve the competitiveness to meet the requirements of domestic market and exports.
- Overall objective: Build and develop the motorcycle industry to 2015, Vietnam became a large-scale center for designing, manufacturing and assembling, be competitive in the region and world.
- R & D:
 - + Promoting R & D in many forms (independence, cooperation, buying designer, ...) according to possibilities and conditions of each enterprise in the direction of development high quality vehicles;
 - + The state can support from budget of scientific and technological resources for designing, manufacturing a sample of design motorbikes, training, transferring technology under the current law.
 - Development of supporting industries: build the detailed planning for development of the motorcycle industry, as the basis for enterprise development direction in the future;
 - + Build a database of supporting industry, combined with business matchmaking service between FDI and domestic enterprises;
 - + Promote the development of input material industries of producing components and accessories;

- + Investments to build 1-2 industrial park(s) concentrated in two key economic regions in North and South to further attract investment for supporting industry development. Besides, encourage investment in supporting production facilities in areas near the current manufacturing enterprises, existing assemblers.
- Solutions and policies for implementing of plan:
 - Point a) Investment orientation: Encourage cooperation and division of production between firms in the sector to take advantage of the technology and equipment investment, reduce investment costs and to avoid duplication of investments;
 - Point b) Development supporting industry: Encourage the development of the linking training programs with the participation of both FDI and domestic providers.
 - Point d) Complete the organizational structure and operation of the industry association: Complete and promote the wholesale role of industry association in the aggregate and enhance product quality, the ability to develop production of assemblers and spare-part suppliers in Vietnam's motorcycle.
 - Point g) Market Development
 - + The industry associations need to promote their role in creating links, closed cooperation between enterprises in order to improve product quality and development of the supporting industry system;
 - + Enhance trade promotion, international cooperation in searching and exploiting the export markets; Strengthen cooperation with international associations, MNCs in motorcycle manufacturing to promote direct/indirect export of components and accessories.

3.5. Automotive Industry

(1) Decision No. 1168 / QD-TTg dated July 16, 2015 by the Prime Minister on approving development strategy of Vietnam's automobile industry to 2025, towards 2035

- Strategy for Promoting internal resources of all sectors of the domestic economy; focus on associating, cooperating with the big automobile manufacturers in the world to develop the automobile industry in sync with transport infrastructure; enhance competitiveness to become the supplier of components and parts of the production chain world in automotive industry.

- Supporting industry: enhance cooperation with the big automakers to choose categories of components and accessories that Vietnam can produce to assume the role is a chain in global production - supply chain, based on investment of advanced technology and production for export.
- Overall objectives: Build the Vietnam's automotive industry became an important industry to meet domestic market demand for vehicles with a competitive advantage, participate in export, motivate to develop other industries and enhance competitiveness to become a supplier of components and accessories of the world production chain in automotive industry.
- Policy mechanisms
 - + Research, review and reform of tax and charges policies (CBU import duty, parts and accessories import tax, special consumption tax ...) ensuring viable and stable, fit with international commitments in the integration process.
 - + Review and revise policies for long-term loans of the State investment development credit capital with accordant interest rates for each period of producing projects.
 - + Improving synchronously mechanisms, policies related to achieve the development goals of the automotive industry, especially for the environmentally projects.
 - + Ensure consistent, stable policy for at least 10 years, accordant with the trend in order to give confidence to consumers and manufacturers, as a prerequisite for investment activities.

(2) Decision 1829/QĐ-TTg dated October 28, 2015 by the Prime Minister on approving the Action development plan of automobile industry and accessories, implement the Vietnam's industrialization strategy in cooperation framework Vietnam – Japan to 2020, towards 2030.

- **ORIENTATION:** Development Vietnam's automobile industry and accessories become important industries of economy, meet a large part of domestic demand, and deeply involved in the world automotive manufacturing network .
- **TARGET to 2020:** Integrate with regional and global production networks, based on the competitive advantage of Vietnam
- Support to domestic production and enhance the value created in country:
 - + Implement the automotive industry and accessories into the list of investment

incentive areas in the Decree on guiding implementation of the new Investment Law.

+ Develop supporting industry (SI):

(1) Mechanisms and policies to encourage investment: Implement automobile industry and accessories to the list of key mechanical products needed encourage development;

(2) Develop infrastructure for SI: Research, proposal to develop the linked clusters of automotive industry to take advantage.

+ Human Resource Development: Develop the human resource development programs of the automotive industry with cooperation and support of foreign enterprises and organizations.

(3) Decision No. 1043 / QD-TTg dated July 01, 2013 of the Prime Minister on approving the Vietnam's industrialization strategy within in cooperation framework Vietnam – Japan to 2020, towards 2030

- Vision: Boom 6 priority industries, including electronics; Agricultural Machinery; processing of agricultural and fisheries; shipbuilding; environment and energy saving; automobiles and accessories to become the key industrial sectors of the economy, with high added value and international competitiveness.
- Orientation period 2020 - 2030: Strength linkages in final product manufacturers and input material industries, intermediate input manufacturers and services industry, forming a consistent industrial structure from upstream, midstream and downstream.
- Develop some areas, local areas become motive regions of strategy, including priority development of infrastructure and training of human resources in those areas.
- Ministry of Finance coordinate with the Ministry of Finance and the Ministry of Specialized to build encourage policies and appropriate incentives for the economic-social development strategy phrase 2011 - 2020 and the tariff reduction schedule according the regional/international commitments in order to attract investment in 6 selected sectors; balance budget and investment capital for development of 6 industries and put on the annual 5-year plan, .

(4) Decision No. 1211 / QD-TTg dated July 24, 2014 by the Prime Minister on approving

the development plan of the Vietnam's automobile industry to 2020, towards 2030

- Viewpoint noted: focus on linkages, cooperation with big automobile manufacturers in the world to participate effectively in the global value chain of the world automotive industry.
- Overall objective: develop the Vietnam's automotive industry became an important industry of the country, maximum meet domestic market demand in trucks, passenger accessories and some kinds of specialized vehicles; strive to become suppliers of components, parts and some detail sets with high value in production chain of world automotive industry, contribute to economic growth and promote the development of the other industries.
- Specific objectives of supporting industries:
 - + Stage to 2020, basically forming the supporting industry for automobile manufacturers. Strive to meet 30-40% (in value) demand in components, accessories for manufacturing and assembling of domestic automobiles industry, produce a number of important details in actuators, gearboxes, motor (especially for passenger cars and light trucks), step by step involved the supply system of components and accessories in the global value chain of the automotive industry in world .
 - + Stage from 2021 to 2025, continues to develop supporting industries for automobile production, ensure to supply of 40-45% (in value) demand in components and accessories for producing and assembling of domestic automobile industry, at that time enhance exports and further participate into the global value chain of the automotive industry in region and world.
 - + Stage from 2026 to 2030, SI will develop both of production scale and product categories, ensure to supply of over 50% (in value) demand in components and accessories for producing and assembling of domestic automobile industry, strive to become an important supplier of some components and accessories for the automotive industry in region and world .
- Development orientation for SI:
 - + Strength cooperation between local enterprises with the big automobile manufacturers in the production and manufacture of components and accessories for the completed assembly, towards production for export. Therein, priority access to manufacture the details, important components such as actuators, gearboxes, motors,

vehicle hull...

- + Forme a number of linked automotive industrial centers / clusters focused on re-organizing, re-arranging production. Promote cooperation - linkages between the manufacturers, assemblers, SI enterprises, R&D and training facilities in all economic sectors to improve investment performance and enhance specialized ability.
- Other strategic orientations: develop and expand the mechanical and automotive industries in three key economic zones: the North, the Central and the South with scale 200-1000 ha, priorities for big projects with large scale and SI for automakers.
- Policy for the manufacturing sector: Encourage domestic enterprises to participate in global supply chains in manufacturing, exporting components, spare parts and complete units with solutions:
 - + Apply steady the export credit policy under the current regulations of the State.
 - + Given the preferential treatment of the National Trade Promotion Programs.
 - + Given the current incentives under the Key Mechanical Program.

3.6. Mechanic industry

(1) Decision No. 186/2002 / QD-TTg dated December 26, 2002 of the Prime Minister on approving the development strategy of Vietnam's mechanic industry to 2010 and towards 2020

(2) The Ministry of Industry organized a seminar "Development Strategy for Vietnam mechanic industry" dated November 10, 2015.

- Development Strategy for Vietnam mechanic industry period 2001 - 2010 with a vision to 2020 has set an overall objectives to 2025, Vietnam's mechanic industry will have competitiveness to grow in integration, with the modern technology and participate the global value chain in some subsectors, mechanic field will have competitiveness, basically meet requirements of national industrialization and export. By 2035, Vietnam's mechanic industry will develop with the majority of advanced technology subjects , quality products meets international standards, deeply involved in the global value chain, etc.

3.4.53.6.1 Electronic Industry

(1) Decision No. 1290/QĐ-TTg dated August 01, 2014 by the Prime Minister on approving the Action plan to develop Electronic industry, implement Vietnam industrialization strategy in the framework of cooperation Vietnam – Japan to 2020, towards 2030

- STRATEGIC ISSUES:

- + Develop the key products in electronic industry;
- + Form the electronics industry clusters.

- ACTION PLAN, specific tasks:

- + Develop, expand domestic market and export: Strength international cooperation, trade promotion, access into independent markets or within framework of National trade promotion program. Support enterprises in establishing branches and representative offices or overseas commercial centers to learn about the needs and tastes of the market, promoting products, brands and contracting and selling products.

- + Attractive investment from the top electronics firms over the world:

- > Reform of administrative procedures in investment field to attract the top firms in the world and the related satellite enterprises invest in Vietnam;

- > Build regulations permit the export processing enterprise (EPE) can sell in the domestic market of electronic components not produced by domestic enterprises, in order to develop SI enterprises and increase the localization rate for assemblers;

- > Support attract and deploy the big FDI projects in electronic industry.

- + Form the electronic industry clusters to promote the gathering, investing by enterprises in order to create links and improve efficiency of electronic enterprises; Support for the construction of infrastructure: power supply stability and information network infrastructure, convenient transportation system.

- Specific action plan:

- + Develop SI for electronics industry: Develop and deploy programs to promote the linkage between domestic enterprises and foreign enterprises in Vietnam.

- + Human Resource Development for electronic industry: Develop the cooperation programs between domestic and international associations, provide the labor force in the electronic industry

- + Develop, expand domestic market and export for the electronic industry: Develop encourage mechanisms for organizations and government agencies when using the domestic electronic products; Strength international cooperation, trade promotion.

- + Attract investment from the top electronics firms over the world: Support to attract and deploy the big FDI projects in electronic industry
- + Form the electronic industry clusters: Develop encourage policies for formation and development of industrial electronic clusters

3.7. Other policies

- In textiles: enhance participation in supply chain in TPP to take preferential
 - + Free Trade Agreement Vietnam - EU (EVFTA): principle "from fabric onwards"
 - + TPP with the US: principle "from yarn onwards"

4. Business development services

Outline of each case

1. Information of meeting
2. General information of Organization/Company
3. Main activities
4. Human resource development activities
5. Others

4.1. Vietnam-Japan Human Resources Cooperation Center (VJCC) HCMC

1. Information of meeting

- Time: September 23, 2015
- Members of meeting:
 - + VJCC: Mr. Yuhi Wakabayashi
 - + Reseachers: Mr. Yoshi, Mr. Tuan, Ms. Huong
- Language: Japanese

2. General information of VJCC

Website: <http://vjcchcmc.org.vn/blog/>

VJCC was built at Foreign Trade University in Hanoi and Hochiminh city by Japanese ODA. It focuses on training human resources for Vietnam. VJCC (Hochiminh branch) began its operation in 2000. It has gained great achievement of business coordination and organizational management as well as strengthening experts. Since its establishment, it has been continued to cover in the manufacturing industry, fields of human resources and services and sales.

3. Main activities

There are 4 main activities, including: Training course of business; Training course of Japanese language; Cultural exchange activities; and Library. Training course of business is

to train business manager and staffs. Trainers are Japanese and Vietnamese experts with a lot of practical experience. Contents of course are about business strategy, marketing, human resource management, financial management and operations management.

4. Human resource development activities

According to the plan of business courses in the 2015 fiscal year, there are 24 courses in VJCC. The main target is the middle management layer. The course is about six hours a day. Contents of course are modified every year, but in the past few years contents for service industry is also increasing more than that of manufacturing ones. Among the things that are involved in service and sales, there is a request of the contents related to the "hospitality", which was carried out training that was customized to the company.

Regarding lecturers/trainers for the courses, there are some Japanese lecturers, who have been dispatched as a short-term expert of JICA. Vietnamese ones are by the conditions of corporate experience. There are also people who are currently teaching at the university. On the other hand, Japanese experts who have retirement can be a lecturer to teaching materials.

For students of the courses, about 40% of students are dispatched from Japanese companies. Manufacturing industry is about half. Participants from large companies increases. However, it is difficult for small businesses to send their employees to go studying.

4.2. Vietnam Chambers of Commerce and Industry Hồ Chí Minh (VCCI)

1. Information of meeting

- Time: September 23, 2015
- Members of meeting:
 - + VCCI: Dr. Nguyen Duc Binh, Director
Mr. Chu Van Dung, Staff
 - + Reseachers: Mr. Yoshi, Mr. Tuan, Ms. Huong
- Language: English

2. General information

Website: <http://vcci-hcm.org.vn/>

VCCI HCMC is the biggest one among 10 branches of VCCI. It takes charge of Ho Chi Minh City and six neighboring provinces, which is the most dynamic area in the country. They have more than 3,000 members, which are all local enterprises. Among them, more than 50% are SMEs. This ratio is high, although ratio of SMEs to total enterprises are 97% nationwide.

3. Main activities

SME Promotion Center (SMEPC) has three main different parts for promoting SME:

1. To get international and local government projects in technical assistance, such as training, consulting, and the projects sending foreign experts to SMEs in their area (HCM city).

2. Generic activities: training export skills, management skills, human resource management and technical training in cooperation with local department of science and technology and other SME supporting organizations.

There have been many other cases that local government supports SME development:

- + ILO-projects with Department of Planning and Investment, Department of Labor - Invalids and Social affairs, Department of Industry focus on supporting development of SMEs with JICA.

- + Dutch Ministry of Foreign affair has sent experts to SMEs for two weeks to two months under export coaching programme for mechanical engineering cluster. In addition to the consultations, firms participated in trade fairs in Netherland and Germany. They also provide export promotion skill training including trainer's training.

3. Connecting people

Business matching is one of the main activities. Small and medium business club is more than 10 years in three cities in branch including HCM. Basically each branch is independently doing activities while there have been some collaborations with other branches such as Can Tho branch.

Hanoi HQ and each branch have SME Development Center. The center in Hanoi is older than this center that was established in 1993 with 3-4 staff at the beginning. In 1999 the center office had 10 staff as well as five more for SME promotion showroom. Now due to the closure of the showroom after the end of supporting program and other programs, we have five staffs as one of the 10 divisions of the branch having 93 staff totally. Some SME development center in other branches has only one staff such as Ba Ria - Vung Tau. Can Tho center has three staffs. We implemented the cultural and business exchange festival in collaboration with Can Tho center.

In terms of technical issues and business management, they had good progresses. However, they still face the challenges such as:

- + Difficult to access to information and financial resources; no new investment is possible because banks require collateral for further investment but all the major private assets were already submitted as collateral previously. Guarantee system has not been created yet.

- + No formal business plan made, they just relied on their own or family experiences. Insufficiency of owner's educational background is the problem.

4. *Human resource development activities*

Training courses such as 5S and Kaizen are implemented in this building. Moreover Japanese experts visit participating firms. Horenso and Kanban are other main subjects. Every firm is required to present a report.

Every week regular courses for soft skills are implemented. One course consists of six hour lecture. Fee is relatively cheap. For example, technical skill course such as kaizen, is VND one million per person for two days. This price is possible thanks to 50% of actual cost are supported from the branch. In HCMC, it is relatively easier to have trainees. They pay and try to learn something. Even attending meetings is not free here. In Hanoi they tend to be

free and people get used to supports from government and other organizations.

Member fee is very generous for SMEs, two million VND. They receive member directories, bulletins and news in brief without additional payment. But for large firm, we ask 2-5% of total revenue as a membership fee. The fee for SMEs is lower than those of other branches. Some require US\$ 300.

4.3. Long An Vocational College

1. Information of meeting

- Time: September 24, 2015
- Members of meeting:
 - + Long An College: Mr. Hoa, Nguyen Van – Head of Planning and Cooperation Relationship Department
 - + Reseachers: Mr. Yoshi, Mr. Tuan, Ms. Huong
- Language: Vietnamese

2. General information

Website: <http://www.caodangnghelongan.edu.vn/vi-vn/chuyenmuc-790-tuyen-sinh.aspx>

Development Process: the year 2007 started with Vocational status; the year 2009 was College status.

Area: 69 ha

Numbers of student are 1500 students. The graduated students have worked for the domestic firms. Less of them work for the foreign firms.

3. Main activities

13 majors in vocational training:

- construction engineering
- electronics industry
- Technical freezers and air conditioners
- Mechatronics
- Industrial Power
- Installation of mechanical equipment
- Metal cutting
- welding
- community service
- veterinary
- corporate accountant
- computer network administration
- car technology

Training for enterprises: not yet.

At present, they have the GIZ project on development of vocational training programs, to equip the modern vocational equipments. Value of investment is about 1.7 million EU, from

2010 to 2015.

Number of lecturers and staffs in the school are 103; in which 65/103 are lecturers, increasing 10% from 2009. No one has quitted from that time. Staffs with master degree account for 30%, which were graduated from pedagogical technical schools; There is not yet staffs with Doctor degree.

4.4. HCMC Vocational College

1. Information of meeting

- Time: September 25, 2015
- Members of meeting:
- Time: September 25, 2015
- Members of meeting:
 - + VNPI: Ms. Nguyen Thi Bich Van - Deputy Head of Office, Office of International Cooperation
 - + Reseachers: Mr. Oki, Mr. Kuro, Mr. Yoshi, Mr. Tuan, Ms. Huong
- Language: Vietnamse, English

2. General information of Organization/Company

Website: <http://www.caodangnghehcm.edu.vn>

It was established in 2001. They have two campuses in downtown and suburb. They are selected as one of the 45 key high qualified colleges for national objective program in 2012-2020. There are totally nine faculties.

3. Main activities

Among the faculties, two are for basic major. So far 15,000 students have graduated. The number of current student is 3000-3500. Breakdown for faculties are as follows:

Mechanical engineering: 300

Automobile: up to 500

Economics: 300

Information technology: 350

Electronics: 300

Food technology: 250

In 2008 and 2012, new faculties in basics were established. Total student number has been same for 15 years while there have been changes such as expansion for automobile major and decrease for majors of economics and electronics. Automobile faculty had nine lecturers in 2010 and now the number has increased to 16 in order to meet the demand in the labor market. They find jobs in manufacturing firms or repair shops that is for 30-40% of total graduates. In economic faculty, major subjects are accounting and SME management. Graduates are to work as sales or marketing staff. Demand is still strong for this line of occupations but supply is much more. Many other colleges now provide similar graduates. Mechanical engineering is the special case. Thanks to aid programs, suddenly fee

was down and became more popular among applicants, while good job prospects have been strong motivation for them as well.

With regards to international cooperation with Japanese organizations, one is from JICA and Kawasaki city government for mechanical engineering major. Nagasaki city government is also involved only in this year. From US, cooperation from training program with Lone Star College System of Texas was implemented.

JICA project with Kawasaki city has provided technical support. Japanese lecturers have come to teach students. Last year, student learned Japanese language too. This is for the internship program in Japanese firm that is for all the students. Firms accepting interns recruited students. It has been very high ratio, 80% of intern students.

Facilities were also improved. The college was selected for one of the 13 colleges that JICA supported for equipment investment.

In terms of supports from Nagasaki city, particularly two departments under the city government was directly in charge. They organized courses to train the lecturers in the city. Within three years of project period, courses on welding for one month were conducted every year.

During 2007-2013, lone star project was implemented. That was a joint project between colleges in Texas and this vocational college. The quality of education is good but the problem is higher tuition fee. Therefore they had difficulty in recruiting students as well as problem in student English proficiency.

4.5. Kaizen Yoshida School by Esuhai Co.,Ltd.

1. Information of meeting

- Time: September 24, 2015
- Members of meeting:
 - + ESHUHAI:
 - Ms. Utsumi Chief consultant - Sales department customer development support representative
 - Mr. Atami NaoHiroshi - Sales recruitment consultant
 - + Reseachers: Mr. Yoshi, Mr. Tuan, Ms. Huong
- Language: Japanese (goole tranlation to English)

2. General information of Organization/Company

Website: www.esuhai.com, www.kaizen.vn

3. Main activities

It was founded in 2006, began to improve Yoshida School that is also obtained assistance Yoshida - president of Refco Group. At the time, feeding of the apprentice had been observed only in state-owned enterprises. So, the School started the business because it is responsible for the education department of the state-owned enterprises. Training period is in three years, because the number was sent out in 2010 was around 300 people, the number of apprentices that came back at the moment is about 300 people. After that, because of increasing the number of students, so that 1000 people per year in three years is expected to return home.

Since school began originally, the nucleus of the project has been education and training.

4. Human resource development activities

1200 students currently enrolled in the school. Since the facility capacity is limited, classes have been in the night. A course may be in one year, and students take classes per day for three hours from Monday to Friday. There are many students who are studying while earning tuition and living expenses in the part-time job. Since there is no dormitory, it comes from a rural area who have a communal living in rented apartment with 4-5 people.

In the case of technician training course, it is necessary to take lessons about technology and production management. Japanese is also included in a course of "Technology Japanese", in which Japanese former engineer has served as a teacher.

Apart from Japanese training with N4 as the target, manners, mindset, and adult education are included curriculum.

Students bear tuition fees 500 000 VND per month. Tuition fees are cheaper compared to other Japanese schools.

4.6. Mangement Board and the Export Processing Industry HCMC (HEPZA)

1. Information of meeting

- Time: September 24, 2015
- Members of meeting:
 - + HEPZA:
 - Mr. Nguyen Bach Hoang Phung, Vice President, HEPZA (Ho Chi Minh City Export Processing and Industrial Zones Authority)
 - Ms. Tran Le Dien Chau, Deputy Director, Department of Investment Management
 - Mr. Nguyen Thanh Binh, Department of Investment Management
 - + Reseachers: Mr. Yoshi, Mr. Tuan, Ms. Huong
- Language: English, Vietnamse

2. General information of Organization/Company

Website: www.hepza.hochiminhcity.gov.vn

Started its operation in 1992 when the first EPZ was established in the city and renamed to HEPZA in 1996 after the establishment of some industrial parks in HCMC. From 1999, it has practiced the mechanism of self-control on budget. Since 2000, it has been directly under the HCM People's Committee. All the services for investors starting from the issuances of investment licenses are free of charge.

HCMC is the transportation hub that has more than 50 direct international flights and sufficient port facilities. Its GDP is around one third of the whole GDP of Vietnam with more than eight million populations and 30.2% of FDI concentrates on the city. There are more than 80 universities and other institutions for higher education. Drawing on existing industrial agglomeration, investors can make use of conditions that enable them to establish alliances with local firms.

The first EPZ in Vietnam was developed in 1992 at Can Tho where was a waste land. After

the success of Can Tho EPZ, many number of EPZs and industrial zones have been built. The city plans to develop 23 zones reaching to 6,000 ha by 2020. Right now, there are 16 zones in operation and therefore new development is necessary. So far 1,200 foreign firms are in operation and they employ 270,000 people. During the further development process, they have to pay attentions to environment and safety issues. In addition to business infrastructure, such facilities as dormitories for employees, kindergartens, supermarkets and hospitals are to be prepared.

3. Main activities

MOU between HCMC People's Committee and METI-KANSAI was signed in June 2014. Its purpose is to promote economic development of both regions and KANSAI-DESK that was established under this scheme. One stop consulting functions are available in Japanese by face-to-face meetings, letters, emails and telephone calls, in order to support Japanese investors for HCMC. Although the focus is on Kansai region, investors from outside Kansai get the support as well. There is no Japanese advisors. The leader of the department was from department of planning and investment of city government. Any Japanese inquiries will be translated by interpreters. Frankly speaking, there have not been so many inquiries; 170 from Kansai so far.

In terms of specific services to Japanese investors, Hiep Phuoc I EPZ provides special areas for Japanese investors. Anyway more Japanese investors are welcome generally.

Measures to attract and help supporting industries have been implementing as follows. One stop service is applied for them so as to speed up procedure. Now they are building a plan to attract supporting industries setting the special area. For instance, smaller place will be provided and total land rental fee will be cheaper. The area for small firms will be 1,000 m², smaller than that for standard factories, that is, 3,000m².

Exemption for tax is based on the degree of sophistication of tech, for the first four years 0%, next four years 50%. No tax exemption for other priority sectors, which requires 22% corporate tax payment. There will not be any further measures by the city government, because national government decides the system of tax exemption.

The most difficult matter is not the infrastructure. For SMEs, how to develop business is the real challenge. The other worry is which industry is the weakest due to unfavorable competition conditions. This matter needs to be checked. College is expected to train human resources of supporting industry. Master plan for supporting industry development at the national level is expected to be established in the near future.

Two categories preference measures are areas or industry. For areas, EPZs and IZs are prioritized. Priority industries are electrical, electronics, medical and pharmaceutical, machinery and food processing.

No difference between FDI and local firms in terms of incentives. No further incentives compared with neighboring provinces, it is not really crucial because HCMC is more competitive than those provinces according to Provincial Competitiveness Index prepared by VCCI.

4.7. Ho Chi Minh City Investment and Trade Promotion Centre (ITPC)

1. *Information of meeting*

- Time: September 23, 2015
- Members of meeting:
 - + ITPC
 - (1) Mr. Loc, Nguyen Duc – Deputy Chief of Office
 - (2) Ms. Trang, Tran Xuan – Head of Training Division
 - + Reseachers: Mr. Oki, Mr. Yoshi, Mr. Tuan, Ms. Huong
- Language: English

2. *General information of Organization/Company*

Website: <http://www.itpc.hochiminhcity.gov.vn/>

- 1968: Centre for Development of Foreign Trade and Investment
 - 2001 to now: Investment and Trade Promotion Center_ITPC
 - 07 divisions, 01 is Training Division for SMEs; 01 club for promoting export activities
- ##### 3. *Main activities:*
- (1) Support for foreigners, investors, exporters...
 - (2) Promotion Trade mission: fairs, exhibitions...
 - (3) Business Community: training
 - With the subjects: marketing and sales, planning, soft skills (negotiate, present, order)
 - Field of customers: furniture, handy-craft, food, government, special products...
 - (4) Cooperation:
 - Partners: Japan, Netherlands (e.i, Jica project in mechanic in 2013, within 1.5 year)
 - Activities: training, consulting, improving (layout of company, production line, product/producing, customers...)

4. *Human resource development activities*

For export promotion, there is no main target country specifically as markets.

Information for investors and exporters, such as market research results are disseminated on the web. Support for participation in trade mission and trade fair is also important activities. Training courses are implemented in the area below: Marketing and sales; Business plan; Soft skill: negotiation.

Training for specific sectors; furniture, office supplies, handicraft, garment, food; there is a course for special food products.

Usually the number of trainees per course is 25 to 30.

Business supporting organizations from Japan and Netherland have supplied supports. JICA supports the mechanical sector in the past, 2 to 3 years ago. That was 1-1.5 year project;

focusing on 7 to 10 companies only, because selection criteria were stricter than other programs. But selected firms are good in motivation and worker of those firms knew much better about how to work than before.

Netherland CBI has conducted more than five projects for five years. Basically they were coaching programs. For example, factories were made better in terms of layout and improve productivity. This kind of programs improves production lines as a whole in order for them to meet the demand of foreign customers in particular. They also conducted follow-up surveys by CBI. So far results were good. Firms have maintained the achievements including improved layouts. Turnovers of some firms were also reported to be bigger and some others built a new factory.

These kind of coaching activities have been just within the project supported from outside. There are no regular courses concerned. They operate abovementioned soft skill courses only. They have received requests from firms to have more projects by foreign partners so that they can learn more, because local government budget cannot support this kind of program.

They have two showrooms in the city. Only small fee is collected from exhibitor firms. It is 40% of actual costs while the remaining amount is subsidized by government. Usually the contract period is 6 months or 1 year. Some of the successful firms graduated from this showroom because now they have their own showrooms.

There are no instructors of the center. We invite ones from institutes, universities as well as CEOs and professionals of private firms. Lecturers from institutes and universities are also required to have business experiences. CEOs and professionals are mostly too busy to work as instructors. The previous director was an engineer and so he could be an instructor, but this is the only case of internal instructors.

Currently they have 84 staffs totally in the center. That was previously 75 staffs, 5 years ago. Training Division has now 7 staffs, previously 4-5. The increase is because of more service demand.

Usually after three to five years, staff will be appointed to other departments. Some others quit their job as government officials and find a job in private sector or start running business, mainly due to low level of salary.

4.8. Saigon High-Tech Park

1. Information of meeting

- Time: September 25, 2015
- Members of meeting:
 - + **High-Tech Park:**
 - Board of Management, Saigon Hi-Tech Park, People's Committee of Hochiminh City
 - Ms. Le Bich Loan, Vice President
 - Mr. Le Thanh Nhan, Vice Director, Hi-Tech Park Training Center
 - + Reseachers: Mr. Yoshi, Mr. Tuan, Ms. Huong
- Language: English

2. General information of Organization/Company

Established in 2002 and targeted in hi-tech industries including both High-tech supporting industries and hi-tech manufacturers. The only one high-tech park is in Southern Vietnam (The other is in Hanoi area). Located at 15 km from downtown HCMC, along with Hanoi Highway (National Highway 1).

The Park is developed on an area of 913 hectares and includes two phases of development, of which the first Phase occupies 300 hectares and 613 hectares of the remaining area is of the second Phase. The second phase just started to be in use in 2015. The management board provides one-stop and fast track public administration services as a government administration agency.

3. Main activities

Global hi-tech corporations have invested in the park; including Intel, Nidec (Japan), Sanofi (France), Datalogic (Italia), Microchip (US), Sonion (Denmark) while leading domestic educational institutions and companies have located their facilities; including FPT Corp., Hutech, Nanogen. Among seven Japanese projects, five is related to Nidec group.

As of March 2015, there have been 72 projects of manufacturing, research, training and services in hi-tech sectors licensed in SHTP, of which FDI including joint ventures accounts for 61% with the total investment capital of \$US 4.25 billions. Among these 43 projects are under operations (in May 2014, 40 projects under operation recruit more than 18,000 employees working at the Park). Accumulated export revenue was US\$ 11,07 billions that accounted for 90% of HCMC's hi-tech products export. Up to September 2015, number of projects reached 81 and 41 projects became under operation.

Investment in SHTP can be in multiple forms. According to the figure in March 2015, hi-tech manufacturing (41%) is much more than others such as hi-tech and commercial services (18%), research and development (R&D, 5%), training and incubation (5%) and others. In terms of sectors, they belong to four sectors of priority: (1) Microelectronics, IT and Telecommunication (31%), (2) Precision Mechanics & Automation (8%), (3) New, advanced materials, new energy (4%), (4) Biotechnology applied in pharmaceuticals and environment (12%) and others including as hi-tech supporting industries (4%).

Admission is limited to high technology related firms only. Definition of hi-technology firms is as follows. They are different from EPZs and Industrial Zones. They must have conducted R&D activities. Total local expense on R&D must be at least 1% to the total revenue. Average revenue from hi-tech products must be not less than 60% in the first three years and 70% from the fourth year on. R&D headcounts (at least undergraduates) must be not less than 5% to the total labor force.

SHTP science zone is the core part of the park. Targeted investors are local and foreign investment projects in new technology/new products R&D, Hi-tech HR training, and hi-tech business incubation. Investors can enjoy highest incentives as follows; free land rental, highest legitimate enabling tax incentives in corporate income tax, import-export

duty and VAT. Supports for research and training are easily accessible from SHTP training center, NTT Hi-tech Institute, FPT University, Hutech University and so on.

Moreover, high tech supporting industry is available as well. Two projects are in the process of preparation, but still not in operation. One is South Korean Daeyoun: a LED display supplier to Samsung. The other is Schneider Electric Manufacturing from Germany. They don't care whether investors are foreign firms or local firms. Supplying products to the tenant is the only requirement.

The park is a member of Asian Science Park Association and has expanded its network including academic institutions and governments; such as Tsukuba University and Shiga Prefecture.

Under the Management Board, there are departments and centers. The centers take charge of specific functions in order to support firms. SHTP R&D Center aims at supporting R&D for hi-tech products with high commercialization potential and competitiveness, especially in terms of high technology in precision and automation. Currently the center employs 58 employees. Among them, 10 have PhD degrees from foreign universities. In terms of research, they focus on the several disciplines including new and advanced materials, nano technology, precision mechanics and automation and semiconductor. These are also SHTP's sectors of priority in its mission to call for high tech investment and develop local technology in Vietnam. In addition to its own studies, the center receives research projects from the government and partners, local and abroad. In terms of production and business, the center is the cooperation and association hyphen in exploring both local and foreign markets to commercialize the Center's research studies. It runs pilot production to test the market before transferring those technologies to enterprises. The Center also receives contracts from the government, its tenants, local and foreign partners to run pilot production.

4. Human resource development activities

SHTP Training Center develops joint-training programs with local and foreign universities with the objective of training highly skilled labor force. Related to Japanese organization, they have had cooperations with Tsukuba University for training related to bio technology, with Mechanic Association of Japan for training high tech workforce.

Trainees are from tenants only. The number of trainees per year has ranged from 1,000 to 1,500. Soft skill, language, and safety are major areas while duration is two to three days for each course. Japanese language and culture course are implemented because of the demand. In-house trainings are provided as well. Under the function of training, they implement Overseas Study Consultancy, specializing in technological fields. Technical trainings have not yet implemented, although they consider the establishment of those trainings in the future plan. This is due to insufficient equipment for hi-tech training, although it is really important because FDIs are reluctant to transfer technology to locals.

For the function of HR Consultancy, they provide HR support and consultancy for enterprises in technological fields as well as assistance to students in internship and

employment at enterprises in the park. Moreover, in the function of Research and Collaboration, for one thing, they implement strategic market research in human resource in the support of training and recruitment operations. For the others, they leverage international cooperation relationships to create and apply advanced training programs meeting the requirements of enterprises.

SHTP Incubation Center aims at supporting individuals, groups or organizations which have potential in technology capacity, technology business ideas in order for them to overcome their initial challenges. The center's priority areas are 1. Micro-electronics, ICT, Telecom, 2. Mechatronics, Automation, 3. Nanotech, Renewable Energy, New Materials, 4. Biotech, Environment Tech, Pharmaceuticals.

Currently seven firms are in the center and trying to realize their business ideas. Two companies graduated already and continue operation there.

5. Case studies on private firms

Outline of the case studies

1. Information of meeting
 - User firm of
 - Time:
 - Members of meeting:
 - + User firm: Mr.
 - + Reseachers: Mr. Yoshi, Mr. Tuan, Ms. Huong
 - Language: Japanese
2. General information of user firm
3. Main activities
4. Human resource development activities
5. Others

5.1. Dan Tien mechanic and salt production and trading Co., Ltd

1. Information of meeting

- User firm of VCCI
- Time: September 23, 2015
- Members of meeting:
 - + User firm: Mr. Loi - Director
 - + Reseachers: Mr. Yoshi, Mr. Tuan, Ms. Huong
- Language: Vietnamese

2. General information of user firm

Starting year of business was in 2001 with 100% private ownership. At present, it has total 10 employees. Turnover last fiscal year is 3 people, the change of turnover in the past three years is 5 people.

Revenue last fiscal year is 4 billion VND (~ 200,000 USD) and profit last fiscal year is 300

million VND (~ 15,000 USD). Change of revenue and profit in the past three years is around 10%.

3. Main activities

- Their main products are spare parts which contributed 90% of total turnover
- Their main customers are FDIs in industrial zone, most of them from Taiwan. Similarly, their major suppliers come from Taiwan.
- They are also a member of mechanical assembly and member of VCCI.
- Overall competitiveness is average among domestic competitors.
- Their Business-external problems are High cost for infrastructure and Regulations (customs, foreign currency, labor etc.). And their Business-internal challenges are Quality management, Cost management, HRM/labor relation and no R&D.

4. Human resource development activities

- Number of workers are 10 people, consisting of 02 Skilled production workers, and 05 Unskilled production workers, 01 Technicians, 02 Unskilled non-production workers. Educational background of employees is obstacle.
- Number of temporary workers at peak season are 12 people, at low season is 7.
- They have no expert and foreign workers.
- Turnover rate is 20%. Average working years of employees are 2 years; most of employees are internal promotion. Employees' knowledge/skill level is at average level.
- Training course for employees is 5S program.

5. Others

Mr. Loi – Director of Dan Tien Company who is a professional engineer with more than 10 years in mechanical field, has some ideas:

- Vietnamese SMEs has lost employees because of their small scale, unprofessional and multi-purpose
- Employees who graduated from the sponsored projects by JICA will work for Japanese companies in Japan or Vietnam. Besides, Vietnamese SMEs are also competed by other companies from Taiwan, Korea, China... to attract employees. Vietnamese SMEs can't join well in Supply chain, thus we have no profit from it.

5.2. Tan Kim Thanh Co., Ltd

1. Information of meeting

- User firm of VCCI
- Time: September 24, 2015
- Members of meeting:
 - + User firm: Mr. Thanh – Director
 - + Reseachers: Mr. Yoshi, Mr. Tuan, Ms. Huong
- Language: Vietnamse, English

2. General information of user firm

Address of Factory is at: 11 District, 591/4/2, Binh Thoi Street, Q11, Ho Chi Minh City, Vietnam.

Development process of the firm has gone through several stages: manufacturing household (in 1986) - Private Enterprise (2000) - Company Limited (2013). This change is to get the tax advantage in this manufacturing field.

3. Main activities

Business Industries: Precision Engineering, manufacturing accessories in the paper packaging industry (needles to pin the cartons), specialized and go into niche markets.

The volume of monthly production are 1.5 tons (1 kg = 700 needles). Revenue are 1 billion VND/ month (about 100,000 USD).

Number of Employees are 12 workers and 3 administrative staffs, including 4 persons with university degree, 8 persons with high school degree.

Machineries have been imported from Japan, China and self-made

Inputs: galvanized iron wire which is from the domestic suppliers (buying iron wire from Japanese companies).

Customers:

- The big companies with 100% foreign capital from Japan, Taiwan (important criterion is quality).

- SMEs (important criterion is price).

Competitors: 05 main competitors in the country but Tan Kim Thanh has holded 40% market share in domestic market.

4. Human resource development activities

Director Dr. Thanh has many certificates at different degrees, includes both long term and short term. He directly involves in teaching courses at the training Organizations, Agencies, Centres. He always encourages his staffs in learning, even he uses the training courses as a reward for employees with the good performance. These courses are mainly related to Workplace Safety, Production Manager, 5s, Kaizen. The training centers was rated quite good especially VJCC, then SEMEDEC, ITPC, VCCI, VNPI. After learning, the staff's skills are much improved.

5.3. Hoang Duong company

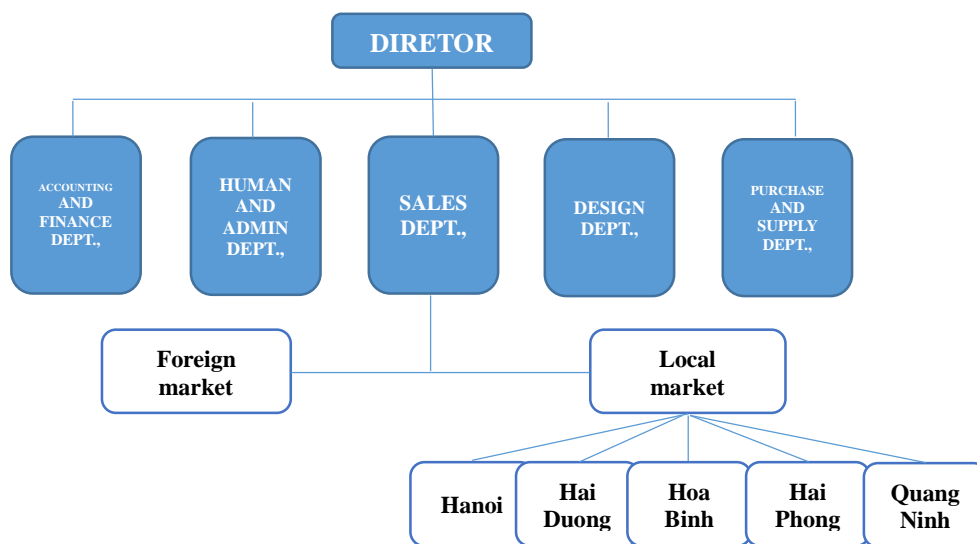
1. Information of meeting

- User firm of VJCC
- Time: December 29, 2015
- Members of meeting:
 - + User firm: Mr. Tung – Director
 - + Reseachers: Mr. Tuan, Ms. Huong
- Language: Vietnamese

2. General information of user firm

- + Hoang Duong factory is in Hung Yen province
 - + Canifa brand's office in Hanoi
 - + Showroom system of Canifa in 27 provinces from North to South of Vietnam
- Note: Hoang Duong and Canifa have a same Chairman but different CEOs.*

- History:
 - + 1997: household business in Ha Dong, Ha Tay province (Hanoi at present), Vietnam
 - + 2001: Canifa brand was established
 - + 4/2002: Hoang Duong became a JSC.,
- Products: Wool products for winter, summer and children
- Ownership of enterprise: 100% private without state/foreign ownership
- CEO: Male, 35 years old, Bachelor, 13 years experience
- Organizational structure of Hoang Duong company:



Index/Year	2015	2014	2013	2012
Total employees (person)	200	174	160	143
Turnover (billion VND)	40	32	36	30
Profit (percent/turnover)	~ 6%	~ 6%	~ 6%	~ 6%

3. Main activities

- Main products: 100% turnover
- Customer: 100% private (Vietnam 80% - Canifa, Korea 10%, Japan 10%)
- Indirect exports: 20% turnover, to Korea and Japan via a small trader
- Major suppliers: China 95%; 1-2% Vietnam for carton packing/plastic bags, labels;

- the rest from Indonesia and The Philippine.
- Membership for business associations: Vinatex, AWI (project)

4. Human resource development activities

Although knowledge/skills of employees need to be trained furthermore, compared to competitors in the industry in Vietnam, capabilities of employees in Hoang Duong are considered as the best and they are always welcomed by competitors if they quit from Hoang Duong.

Off-job training has been implemented through training of VJCC and VCCI. Meanwhile VJCC's training courses bring much more benefits than others. Besides, the company has received training from association, private organizations, government office, and foreign organizations. Internal training of the company is also taken into consideration.

Contents of training courses are about management, customer relation, sale, leadership, team working, technical skills. External trainings usually follow module such as 5S, KPI, BSC...(VJCC). Internal trainings are often focused on initial training, soft skill training,... (senior train junior).

5.4. BMC company

1. Information of meeting

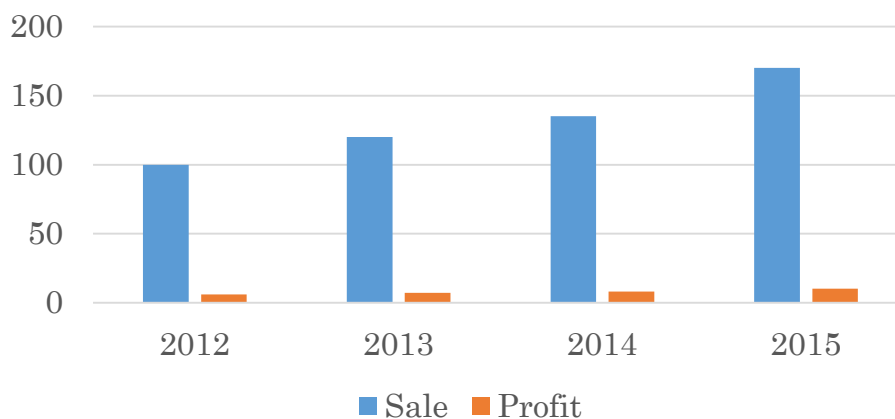
- User firm of VJCC
- Time: February 19, 2016
- Members of meeting:
 - + User firm: Mr. Nhan – Director
 - + Reseachers: Mr. Tuan, Ms. Ngoc
- Language: Vietnamese

2. General information of user firm

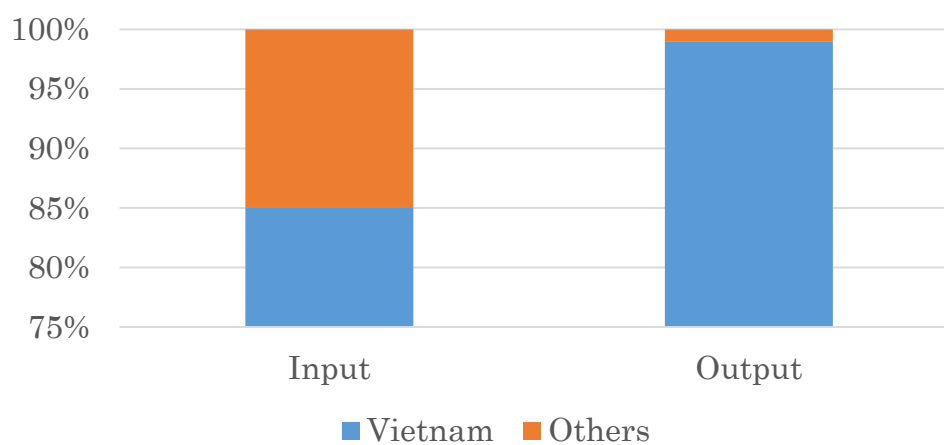
- BMC has two factories: one in the North, the other one in the South of Vietnam
- BMC the North was establish in 2002
- Total employees: 65
- Initial investment: 15 billion VND (around 75 million JPY)
- Field of operation: assembling agricultural machines/equipments
- 2002: Establishing
- 2002-2005: Trading in agricultural field (Thuoc BVTV)
- 2006: Investing the factory (Infrastructure)
- 2007-2009: Marketing promotion, brand development
- 2010: Starting assembling agricultural machines
 - Implementing 5S and Kaizen
- 2012-2013: Japanese specialists consulting
- 2014: Japanese specialists consulting: strategy building, corporate governance based on BSC and KPI
- 2015: HRM management evaluation

3. Main activities

Sale and profit in four previous years



Firm's source of input and output



The average year of working at the company	3 years
Dropout rate	10%
R&D expense/sale rate	2%
Market share in Vietnam of main product	25%

4. Human resource development activities

- External: VJCC, JICA, consultants

- ✓ The company receives information from VJCC at the beginning of every year. According to their strategy for that year, they send employees to VJCC to learn basing on the fitness between employees' capabilities and the content of VJCC's courses.
 - ✓ From top managers to production managers to potential employees
 - ✓ Support 50 millions VND/ 350 millions of tuition fee in total
 - ✓ Besides, the company still gives salary to those people as usual
 - ✓ Program: soft skills, hard skills, and technical skills
 - Internal: Trainees from those programs

 - The process of learning knowledge/skills application to the organization was divided into four stages:
 - 1st : From 2010 – 2011: Failure
 - ✓ Implementation at managerial level only
 - ✓ The company had not understood well and fully about 5S-Kaizen
 - ✓ There was no one in lower level following the way/ doing with unwilling attitude
 - 2nd: From 2011 – 2012 : Had some improvements, got some good results
 - ✓ The company understood well about 5S-Kaizen
 - ✓ Implemented to the whole organization, at individual level
 - ✓ Employees wanted to take those changes
 - ✓ However, the company lacked suitable methodology to conduct the program
 - ✓ 3rd: From 2012 – 2013: Beyond expectation
- Three same reasons with period 2nd, but at this stage, company had successfully developed the right methodology to implement.
- ✓ 4th : Remaining achievements and continuous improvement

6. Recommendations

This part tries to give recommendations for successful participation in terms of human resource development in “the Asia supply chain” where Japanese firms are dominant. Highly skilled workers, not new machines, were essential, and second-hand machines operated by good workers were superior to brand-new machines operated by poor workers. While the importance of human resource development is widely talked about, the precise reason why this is so important is not well recognized or shared. From the perspective of business architecture theory, Professor Takahiro Fujimoto of Tokyo University argues that ASEAN countries, especially Thailand and Vietnam, should master integral manufacturing rather than imitating China's modular manufacturing (VDF, 2006). Integral manufacturing requires parts to be designed uniquely for each product, and to be mutually adjusted continuously for high performance. In contrast, modular manufacturing uses common parts which are put together in flexible combinations to create new products quickly.

For developing countries, modular manufacturing is easier to implement but has associated drawbacks such as oversupply, depressed prices, low profitability and the lack of incentive for technological improvement. Japan is a country of integral manufacturing, but it faces high wages and an aging population. Japan is desperately seeking a young, developing country partner in integral manufacturing but has found none so far. On the other hand,

ASEAN countries need high skill building beyond simple assembly in order to sustain growth and compete with China. If Vietnam learns to become such a partner, with long-term vision and strong aspiration for high quality, Japan and Vietnam can form a strategic alliance in integral manufacturing. In such a case, the Japanese government and business community will surely assist Vietnam through ODA and technical assistance. Other ASEAN countries are already asking for such help

To supply a large number of high-quality engineers, existing programs should be enhanced and new programs should be added through both public and private efforts. First, existing training programs should be fully utilized. For example, one molding supplier has sent five Vietnamese workers to Japan for training with the support of the Association for Overseas Technical Scholarship (AOTS), a Japanese official agency. One automobile parts supplier has sent most of its middle-class engineers and managers to its group factories in ASEAN under its own training program.

Second, collaborative training programs between FDI firms and local suppliers should be encouraged. Such programs promote technical transfer to local firms, and provide opportunities for both sides to know each other and work together. The practical vocational training, if properly conducted, would increase the supply of skilled workers and slow down wage inflation.

Third, practical engineering education must be strengthened in high schools, industrial colleges, and universities.

One important issue related to human resource development is that turnover is quite high. For integral manufacturing, engineers with high skills and deep knowledge of the production process must stay in one firm. However, Vietnamese workers who are trained by a company or have acquired some skills often move to another company in search of higher salaries or better working conditions. This prevents accumulation of highly specific skills and reduces incentives for companies to train their workers. For supporting industries which rely on experienced engineers and expensive machines, job hopping is fatal.

In Vietnam, several Japanese molding companies aim to establish an integrated manufacturing system within a factory from design to marketing. They train their workers to become full-fledged engineers who know how to make molds from A to Z. However, their plans are often frustrated by middleclass engineers quitting without mastering high-level techniques. In Vietnam at present, there seem to be two macro reasons for increased job hopping. First, an increased inflow of FDI is creating labor shortages, especially in localities where FDI is concentrated. The second reason is a shift in economic structure. In and around Ho Chi Minh City, service industries are expanding rapidly and absorbing a large amount of the workforce. However, not all firms report high job hopping. One reason seems to be location. Another reason seems to be company policy toward employees. Workers tend to be loyal to companies which treat them well. The salary level is often not the decisive factor. It is necessary to study the conditions under which workers stay longer with one company, to minimize unnecessary job hopping.

References

1. WEF (2013). Global Manufacturing Competitiveness Index.
2. The McKinsey Global Institute (2012). Manufacturing the future: The next era of global growth and innovation
3. UNIDO (2013). Vietnam industrial development report.
4. VDF (2006). Supporting industries in Vietnam from the perspective of Japanese manufacturing firms.
5. UNIDO (2012). VN Competitive Industrial Performance in 2012

Appendix

National and Industry level policies (especially in relation to supply chain development, SMEs and FDI)

Supply chain development has been receiving more attention in Vietnam recently. However, it has not had the national policies yet, which directly adjust this issue. There are some relevant policies as follows:

- Decision No. 1393/QĐ-TTg dated September 25, 2012 by Prime Minister on National Strategy for Green Growth.
- Decision No. 579/QĐ-TTg dated April 19, 2011 by the Prime Minister on Approving Development Strategy for Vietnam human resource period 2015-2020.
- Decision No. 630/QĐ-TTg dated May 29, 2012 by the Prime Minister on Approving Development Strategy for vocational period 2015-2020.
- Decision No. 1201/QĐ-TTg dated August 31, 2012 by the Prime Minister on National Target Program of Employment and Vocational period 2012 - 2015.
- Decision No. 712/QĐ-TTg dated May 21, 2010 by the Prime Minister on Approving the national program "Improving the productivity and quality of products and goods of Vietnam enterprises until 2020".
- The workshops, conferences, programs, seminar:
 - The 36th program with hot issues "Joining the global supply chain," October 11, 2013
 - Workshop on "Integration to global supply chains: Improving the access to regional and globally markets for SMEs" (VCCI September 17, 2015)
 - Workshop on "Experience in managing the supply chain for some essential commodities," (Industry and Trade Ministry, held in Ho Chi Minh City, March 5, 2012)
 - January 21, 2015, in Hanoi, took place Workshop announced project "Support for capacity building and institutional reform implement green growth and sustainable development in Vietnam" by the Ministry of Planning and Investment Programme in collaboration with the United Nations Development (UNDP) and the International Development Agency (USAID) implemented.
- Publications <http://vietnamsupplychain.com/en/share/publications?p=2>
- SUPPLY CHAIN ASIA DIGITAL MAZAZINE (monthly)

Besides, each sub-section such as: agriculture (agricultural, rice, breeding), industries (motobike, textile), transport services (transportation, road transport, railway transport, maritime transport), logistic, supporting industry... has some policies:

Agriculture

-Agricultural:

- Decision No. 80/2002 /QD-TTg of June 24, 2002 by the Prime Minister on policies to encourage consumption of agricultural products through a contract and building the big sample fields.
- Decision No. 62/2013 / QD-TTg by the Prime Minister on policies to encourage development cooperation, linking production associated with the consumption of agricultural products, building the big fields to strengthen links corporation of farmers, enterprises - farmers, enterprises - enterprises, farmers – enterprises - governments – organizations - trade support institutions, etc.
- Decision No. 1956/2009 / QD-TTg dated November 27, 2009 by the Prime Minister on approving the project "Vocational training for rural workers until 2020", aimed at improving the quality of human resources agriculture.
- Decision No. 124 / QD-TTg dated February 2, 2012 by the Prime Minister on overall planning of agriculture.

-Rice:

- Decree No. 12/2006 / ND-CP dated January 23, 2006 by Government on specified operating orientation rice exports.
- July 21, 2008: Prime Minister issued a decision on tariffs for rice exports from 500,000 VND / ton (if the export price from 600 to 700 USD / ton) to 2.9 million / ton (if higher export price \$ 1,300 / t). This policy attempts to reduce upward pressure on export prices of the domestic market.
- August 11, 2008: Governor State Bank to direct banks to prioritize loans to companies exporting rice to buy stocks autumn paddy in the Mekong Delta, extending loans to rice farmers and supply granting new loans with lower interest rates (19.5% / year instead of 21% in 2007) for rice farmers.
- In August, 2008: Agricultural Bank announced a budget of 10,000 billion, Bank for Investment and Development of Vietnam (BIDV) 1.500 billion; ... Vinafood1 2,500 billion

loan for rice and rice production.

- December 19, 2008: Ministry of Finance abolished rice export tax was applied to rice in August of Vietnam rice export was 4.48 million tons, up 4.44 million tonnes slightly compared with the same period last year.

References:

- (1) Vo Thi Thanh Loc and Le Nguyen Doan Khoi (2011), Impact analysis and strategic policies upgrading rice industry, the journal Science in 2011: 19b 110-121.

-Breeding:

- Decision No. 10/2008 /QD-TTg of January 16, 2008 by the Prime Minister on development policy of breeding until 2020.

Industries

-Decision No. 160/2008/QD-TTg dated December 4, 2008 by the Prime Minister on approving The overall strategy and policies for the protection of domestic industry producing consist to international commitments and WTO's regulations period 2020.

-Decision No. 879/QD-TTg dated June 9, 2014 by the Prime Minister on Approving Development Strategy for Industry Vietnam to 2015, the vision to 2025.

-Motobike:

- Decision No. 33/2006 / QD-BCN September 13, 2006 by Minister of Industry on development strategy approved motorcycle industry Vietnam to 2015, the vision to 2025.

-Textile:

- Decision No. 62/2013 / QD-TTg dated March 14, 2008 by the Prime Minister on Approving Development Strategy for Textile industry Vietnam until 2015 and orientations towards 2020.

-Machinery:

- Decision No. 559/QD-TTg dated March 30, 2011 by the Prime Minister on Approving Master Plan of Development Strategy for machinery Vietnam until 2015 and orientations towards 2020.

-Automotive industry:

- Decision No. 177/2004/QD-TTg dated October 5, 2004 by the Prime Minister on Approving Development Plan for automotive industry until 2010 and orientations towards 2020.

Transport services

-Decision No. 318/QĐ-TTg dated March 4, 2014 by the Prime Minister on Approving Development Strategy for transport services until 2015 and orientations towards 2020.

-Transportation:

•Decision No. 318/QĐ-TTg dated February 25, 2013 by the Prime Minister on Approving Development Strategy for transportation until 2015 and orientations towards 2020.

-Road transport:

•Decision No. 356/QĐ-TTg dated February 25, 2013 by the Prime Minister on Approving Development Strategy for road transport until 2015 and orientations towards 2020.

-Railway transport:

•Decision No. 1686/QĐ-TTg dated November 20, 2008 by the Prime Minister on Approving Development Strategy for railway transportation until 2020 and orientations towards 2050.

•Decision No. 1468/QĐ-TTg dated August 24, 2015 by the Prime Minister on Adjustment Approving the master plan in development railway transport until 2020 and orientations towards 2030.

-Maritime transport:

•Decision No. 1601/QĐ-TTg dated October 15, 2009 by the Prime Minister on Approving Development Plan for maritime transport until 2020 and orientations towards 2030.

Logistics

-Planning of ports until 2020 and towards 2030.

-Development plan of road transport until 2020 and towards 2030.

-Comprehensive Research Project on developing sustainable systems VITRANSS2
Transportation

References:

(1)<http://www.rail.vn/vn/?frame=newsview&id=40>

-Development Policy of Green logistics related logistics infrastructure of government:

•June 30, 2010: the Ministry of Transportation has issued Circular No. 16/2010 /

TT-BGTVT detailed regulations on the management and exploitation of airports.

- June 6, 2011: the Prime Minister issued Decision No. 855 / QĐ-TTg approving the scheme to control environmental pollution in the transportation operation.
- October 25, 2012: the Prime Minister issued the Decision No. 1393/QĐ-TTg dated September 25, 2012 on the National Strategy for Green Growth

References:

(1) Assoc Vu Anh Dung, Vietnam-Japan University, Vietnam National University, Hanoi

Supporting industry

- Decision No. 12/2011/QĐ-TTg dated February 24, 2011 by the Government on development policy for some supporting industries.
- Decision No. 1483/2011 dated 26-8-2011 by the Government on issuing product portfolio of supporting industry has developed priorities.
- Ministry of Industry of Vietnam, now the Ministry of Industry and Trade (2007), Decision No. 34/2007/QĐ-BCN on approving the development planning supporting industry until 2010, Vision 2020.
- Ministry of Industry of Vietnam, now the Ministry of Industry and Trade, Strategic Research Institute, Industrial Policy (2007), the overall planning of supporting industries to 2010 and vision to 2020.
- The Ministry of Industry and Trade of Vietnam, Strategic Research Institute, Industrial Policy (2008), Development Planning supporting industries for some industries in Vietnam until 2010, vision 2020.
- Decision No. 1556 / QĐ-TTg dated October 17, /2012 of the Prime Minister on Approving the scheme "Development assistance SMEs in supporting industries"

SME policy

Organizations and websites for Vietnam SMEs:

1. <http://vinasme.vn/default.aspx?kLang=en>
2. <http://www.hotrodoanhnghep.gov.vn/Default.aspx>

SMEs Support Center in North of Vietnam, belongs to Ministry of Plan and Investment

SMEs support organizations in almost provinces of Vietnam, also belong to Ministry of

Plan and Investment:

3. www.hasmea.org.vn/Hanoi Capital, in North of Vietnam
4. <http://www.ipavinhphuc.vn/document/nghi-quyet-ve-phat-trien-doanh-nghiep-nho-va-vua-tren-dia-ban-tinh-den-nam-2020> Vinh Phuc province, in North of Vietnam
5. [http://danasme.vn/Da Nang](http://danasme.vn/Da-Nang) province, one of the best provinces, in Middle of Vietnam
6. <http://lienminhquangtri.vn/Article.aspx?TabID=4> Quang Tri province, in Middle of Vietnam
7. <http://sokhdt.soctrang.gov.vn/hotrodoanhnghiep/> Soc Trang province, in South of Vietnam
8. <http://skhdt.tiengiang.gov.vn/> Tien Giang province, in South of Vietnam
9. [http://sokhdt.baria-vungtau.gov.vn/Vung Tau](http://sokhdt.baria-vungtau.gov.vn/Vung-Tau) province, in South of Vietnam

Policy documents for SME:

1. Decision No. 102 / QĐ-BNV dated October 21, 2005 by the Minister of Home Affairs on the approval of the Charter of the Association of Vietnam SMEs.
2. Decree No. 56/2009 / ND-CP dated June 30, 2009 by the Prime Minister on development aid for SMEs.
3. Decree No. 22/2010 / NQ-CP dated May 5, 2010 by Prime Minister on implementing Decree No. 56/2009/NĐ-CP development aid for SMEs.
4. Law of Support for SMEs: expected in the 2nd session of the National Assembly XIV (May 10/2016), the draft will be submitted to the National Assembly for comments and expected approving in May 05th 2017.
5. Decision No. 601 / QĐ-TTg dated April 17, 2013 by the Prime Minister on establishment of the Development Fund for SMEs.
6. Circular No. 119/2015 / TT-BTC dated August 12, 2015 of the Minister of Finance on issuing the guidance on financial management regulation of the Development Fund for SMEs.
7. Circular No. 13/2015 / TT-BKHĐT dated October 28, 2015 by Ministry of Planning and Investment on issuing the list of priority areas of support and criteria for selecting priority subjects of Development Fund for SMEs.
8. Decision 1231 / QĐ-TTg dated September 7, 2012 by the Prime Minister on approving the development plan for SMEs the period 2011-2015.

- 9.SME Development Plan period 2006-2010.
- 10.SME Development Plan period 2011-2015.
- 11.Training and fostering programs for human resources for SMEs.
- 12.SME Credit Guarantee Fund.
- 13.Decision No. 1556 / QD-TTg dated October 17, 2012 by the Prime Minister approving the Project "Support developing for SMEs in the field of supporting industries"

Books, Newspapers, magazines, special issues; Conferences, meetings:

- 1.The White Paper of Vietnam SMEs 2014
<http://www.vdb.gov.vn/UserFiles/File/TAPCHI/DS11.pdf>
 Special issue: Enhancing financial supports to develop SMEs
- 2.Seminar on models and operational orientation of the focal development aid for SMEs at provincial level. The seminar aims to share the experience of Japan in support policy for SMEs. The Ministry of Planning and Investment coordinates with the International Cooperation Agency of Japan (JICA) in organizing, May 4, 2015.
- 3.Seminar "Support for SMEs: The Role of the State" dated May 30, 2015, the Center for Economic and Socio-Economic Forecasting National Assembly <http://www.ncseif.gov.vn>

Projects:

Project VIE61 / 94 "Support for Trade Promotion and Export Development in Vietnam" as well as Trade Promotion Agency implemented in period 2004-2010 with funding from SECO, <http://www.vietrade.gov.vn/sme-program.html>

FDI policy

- 1.Law of Foreign Investment in Vietnam in 1990, 1992, 1996, 2000 and 2005.
- 2.Law of Investment No. 67/2014 / QH13 dated November 26, 2014 at the 13th National Assembly of Vietnam.
- 3.Law of Corporate No. 68/2014 / QH13 dated 26/11/2014 at the 13th National Assembly of Vietnam.
- 4.Join in the economic organizations in the world and regions; signed the economic and trade agreements to attract FDI, like: WTO, ASEAN, TPP, FTA ...
- 5.Becomes an official member of the WTO as well as sign 7 documents of free trade

- agreements in the ASEAN region (ATIGA; ASEAN - China, ASEAN - South Korea, ASEAN-India, ASEAN - Australia - New Zealand, ASEAN - Japan and Vietnam – Japan)
6. Corporate income tax (CIT): from 32% in 1997 declined to 28% in 2003 and continued to decline to 25% from 2009: CIT Law No. 09/2003 / QH11 dated June 17, 2003 and replaced by Law of CIT No. 14/2008 / QH12.
 7. Export and Import Tax (EIT): EIT Law No. 45/2005 / QH11; exemption policy with processed goods, goods making the fixed assets, goods not available in the country; refund, no tax revenue with products from imported raw materials ... to attract FDI
 8. Financial policy for land: Law of Land in 2003, the FDI's have rights in choosing the lease lands.
 9. Audit services, Accounting: Accounting Law was dated January 1, 2004 at National Assembly, unrestricted access to markets or restrict national discrimination.