



Improve the business competitiveness & resilience in the new context

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Part 1

Overview of Vietnam socio-economic
& enterprises landscape

Overview of Vietnam socio-economic landscape

*Covid-19 affects the economy
in all aspects*



*Climate change is considered the
biggest business risk*



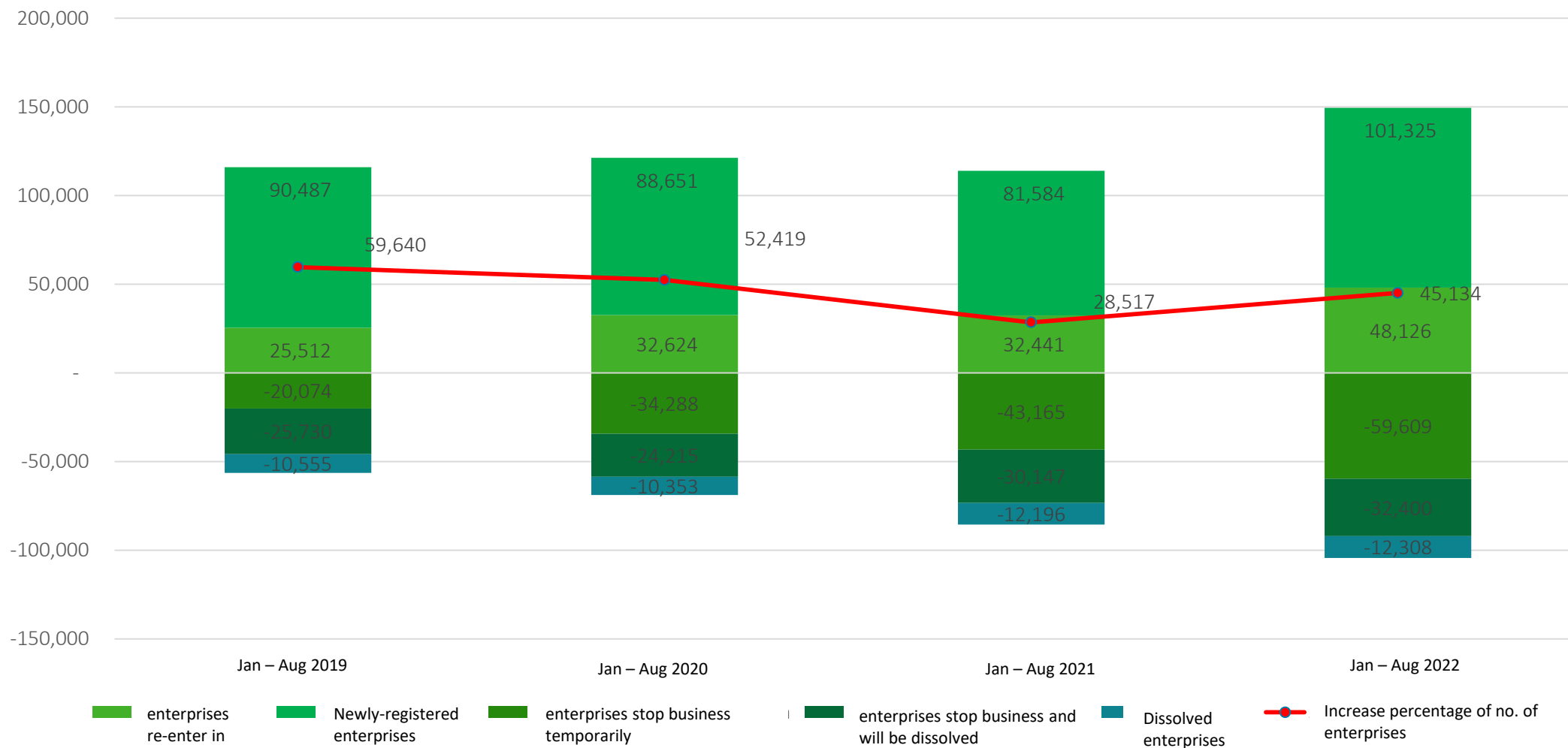
*Viet Nam made a commitment to net
zero emissions - Net Zero by 2050*



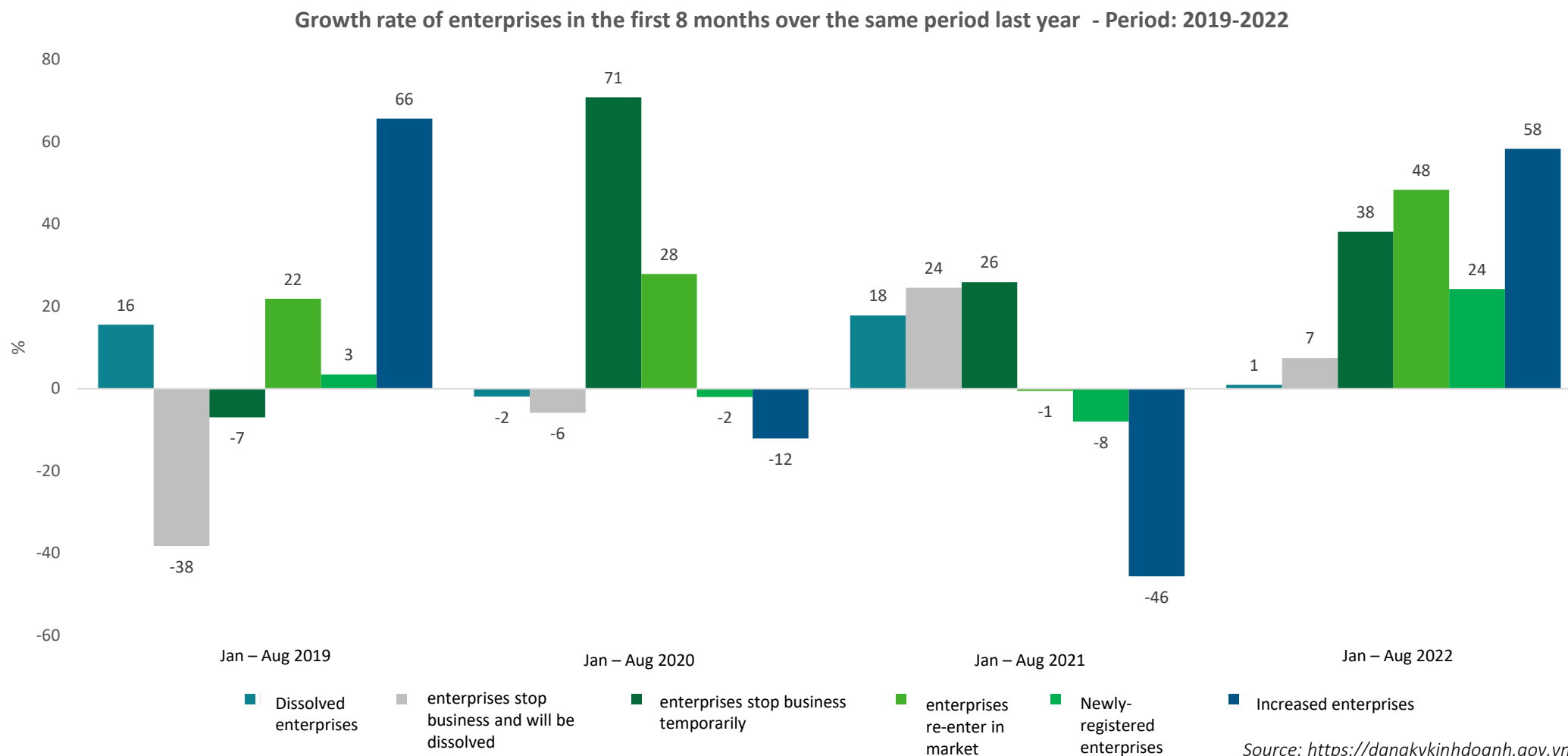
*Sustainability
ESG (Environment – Social – Governance)
Get attention and support from the
Government*

Vietnam enterprises entering and exiting the market in the first 8 months of the year – Period: 2019 - 2022

Figure 1: Vietnam enterprises entering and exiting the market in the first 8 months of the year – Period: 2019 - 2022

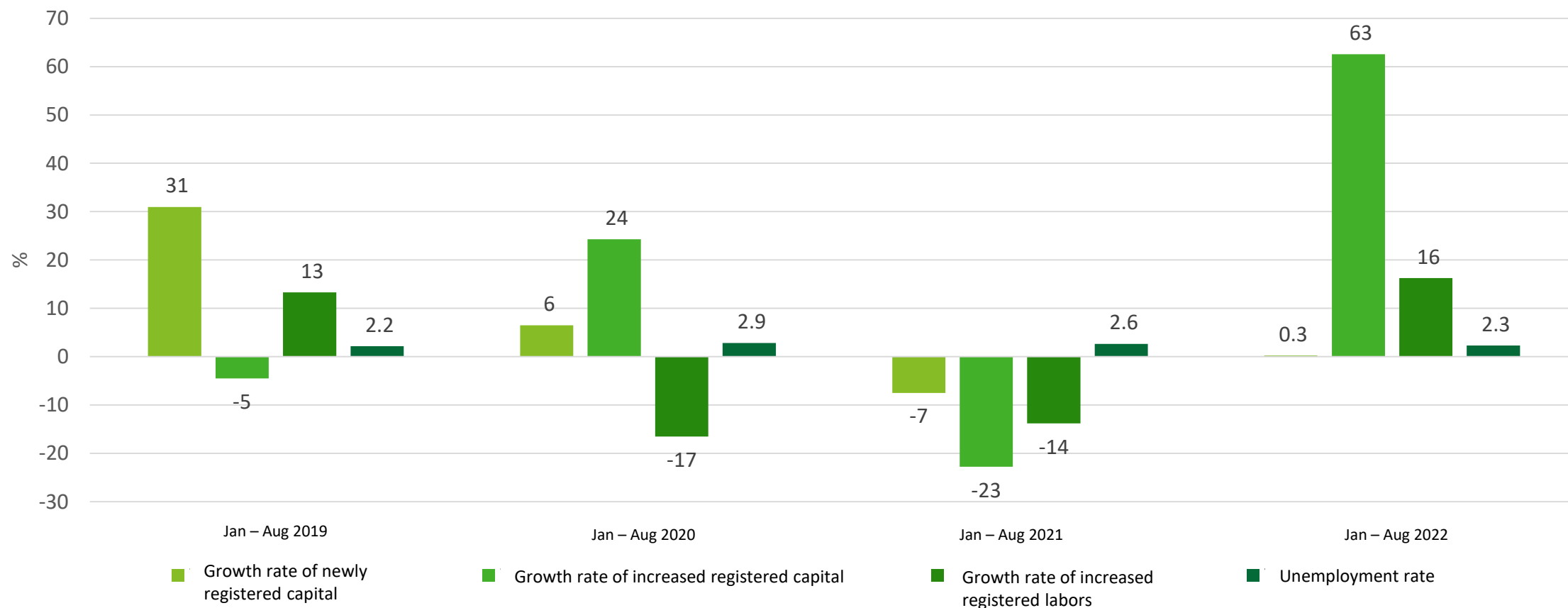


Vietnam enterprises entering and exiting the market in the first 8 months of the year – Period: 2019 – 2022 (cont)



Vietnam enterprises entering and exiting the market in the first 8 months of the year – Period: 2019 – 2022 (cont)

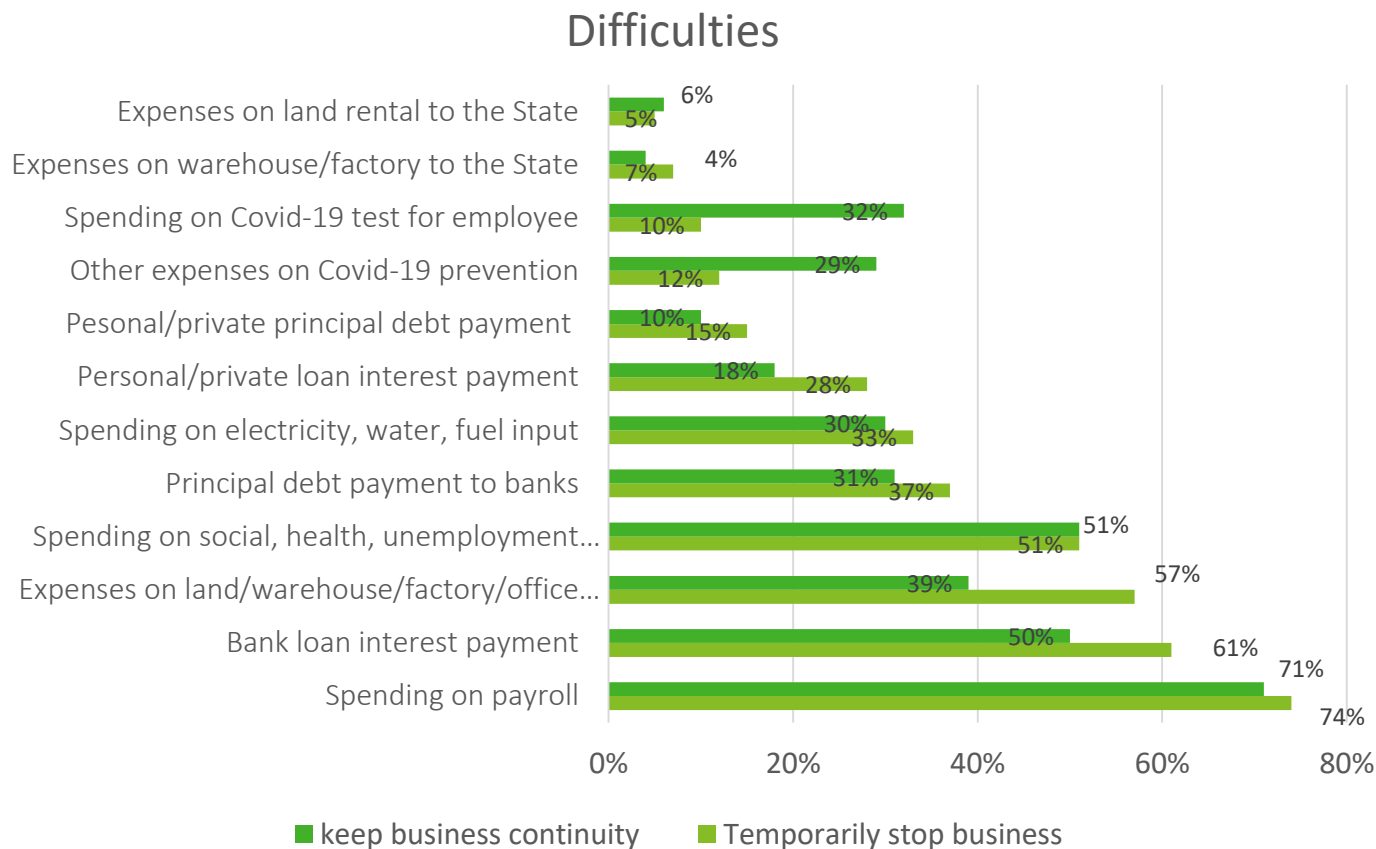
Figure 3. Growth rate of capital and labor in the first 8 months over the same period last year
Period 2019-2022 (%)



Source: <https://dangkykinhdoanh.gov.vn>

Difficulties Vietnam enterprises face in the post-pandemic era

1. Financial difficulties



Although there is an increase in the number of newly established businesses, most businesses are still facing great difficulties for many reasons:



Lack of working capital



Input costs for production soar



The number and values of orders decline due to tight spending

Source: Research by Private Economic Development Research Board (Board IV) & VnExpress, 8/2021

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Difficulties Vietnam enterprises face in the post-pandemic era (cont.)

2. Difficulties in recruiting enough employee/labors and recruiting qualified employee



3. Difficulty in accessing capital; and do not prioritizing innovation activities



4. Difficulty in accessing necessary information for production and business activities



Part 2

Attributes of business competitiveness

Attributes of business competitiveness

What is business competitiveness?

*The competitiveness of an enterprise is the ability of survival in competitive conditions, demonstrating that their products/services are **innovative and diverse** enough to meet quality standards, at **competitive prices** in both domestic and international markets.*



Attributes of business competitiveness



Financial capital



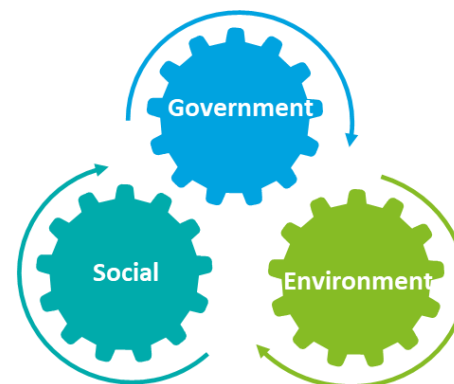
Product/service/market

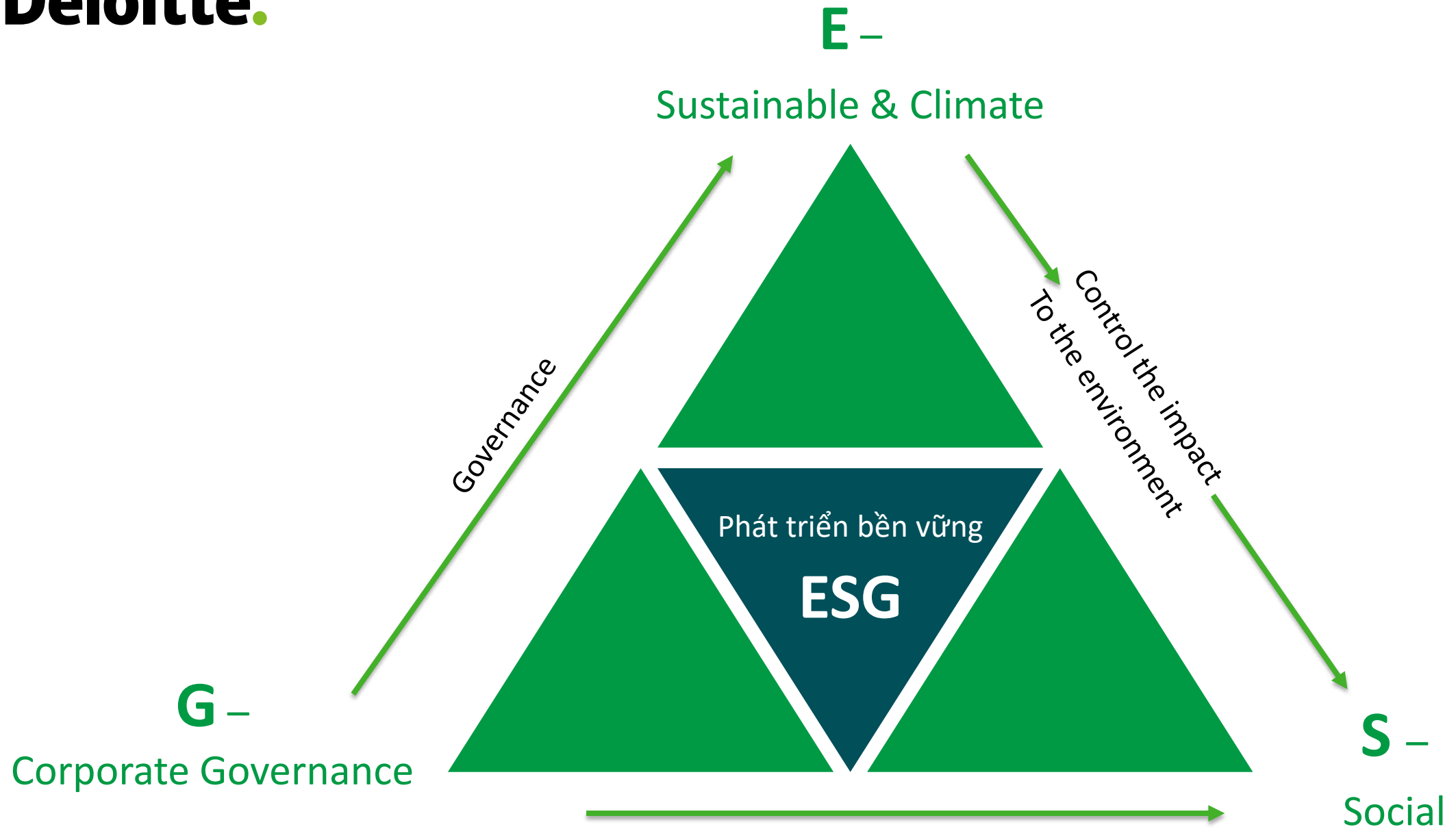


Social / Human capital (Leadership)



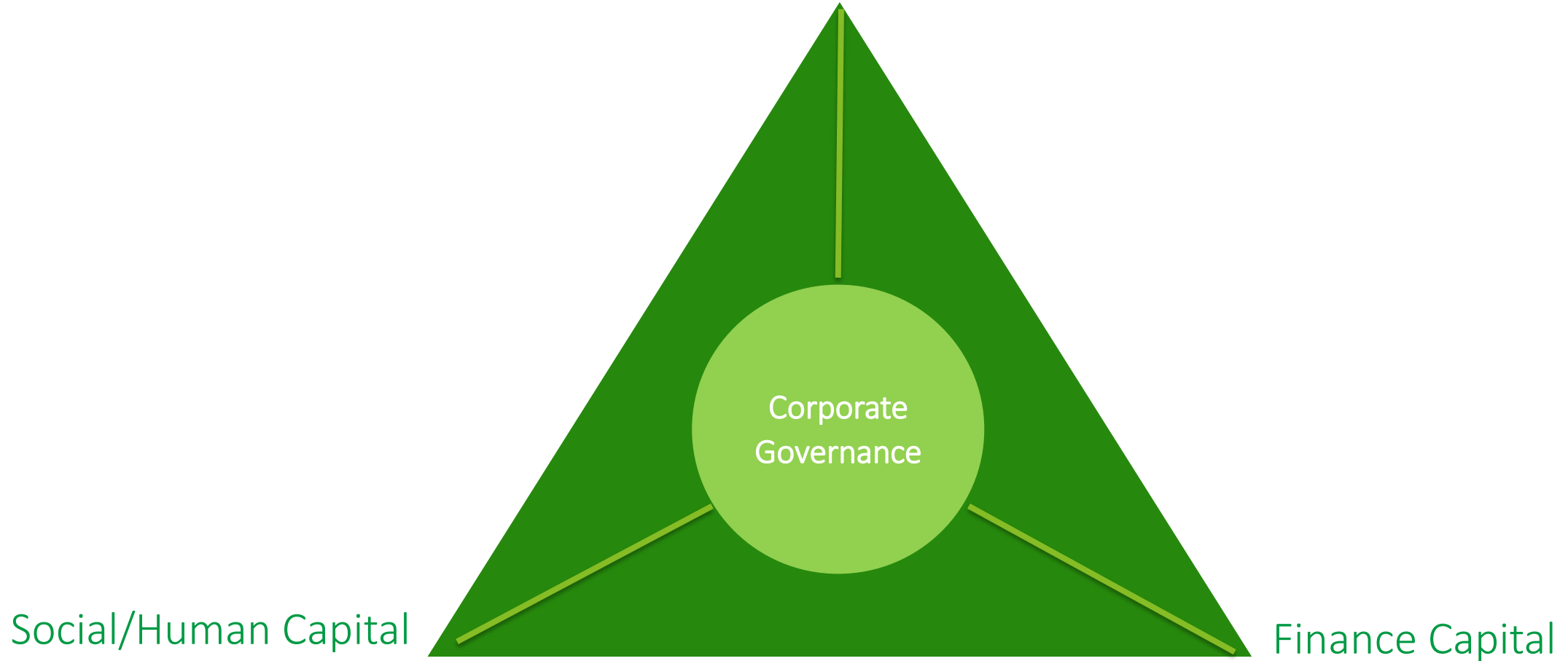
Leadership Mindset on sustainability





Corporate Governance – the core values to connect with business competitiveness

Product/service/market



Part 3

Practical solutions for businesses to improve resilience -
proactively seize opportunities for sustainably recovery

Supporting measures aims at following goals

01

Improving financial stability and liquidity helps businesses avoid the possibility of liquidity loss due to a temporary decline in profits when facing a crisis.

02

Helping businesses maintain operations and enhance adaptability through improving operational flexibility, then help increase productivity

03

Supporting workers to maintain jobs and improve adaptability helps workers withstand adverse shocks arisen from SMEs' operation as these workers are important resource of SMEs.

04

Facilitating restructuring procedures to reduce the number of bankrupted enterprises and reduce impact of businesses at risk of bankruptcy in relation to the legal and financial challenges when it comes a prolonged crisis.

Source: ILO research (2021)

Practical solutions for businesses to improve resilience for sustainability



Group 1: High-priority actions, optimizing all activities



High-priority actions are to optimize business operations & have immediate results. These actions are completely within the business ability to execute and control. Focus on important and long-term priorities, cash flow management.

Group 2: Actions that help optimizing the system



Actions that help optimize the system which businesses are completely proactive in implementation:

- Focus on the market and innovations to adapt to changes of consumer behaviors.
- Develop cohesive policies with suppliers to ensure the continuity of the Value Chain and Supply Chain.

Group 3: Innovative actions for Strategic, long-term period – Boosting digital transformation



Strategic, long-term actions are choices for sustainable resilience.

- Focus on transformational and disruptive initiatives for growth
- Restructure key product groups; eCommerce optimization.
- Use technology and data to facilitate growth, reduce costs and grow into a digital enterprise

Group 4: Actions from leader's mindset on sustainable development



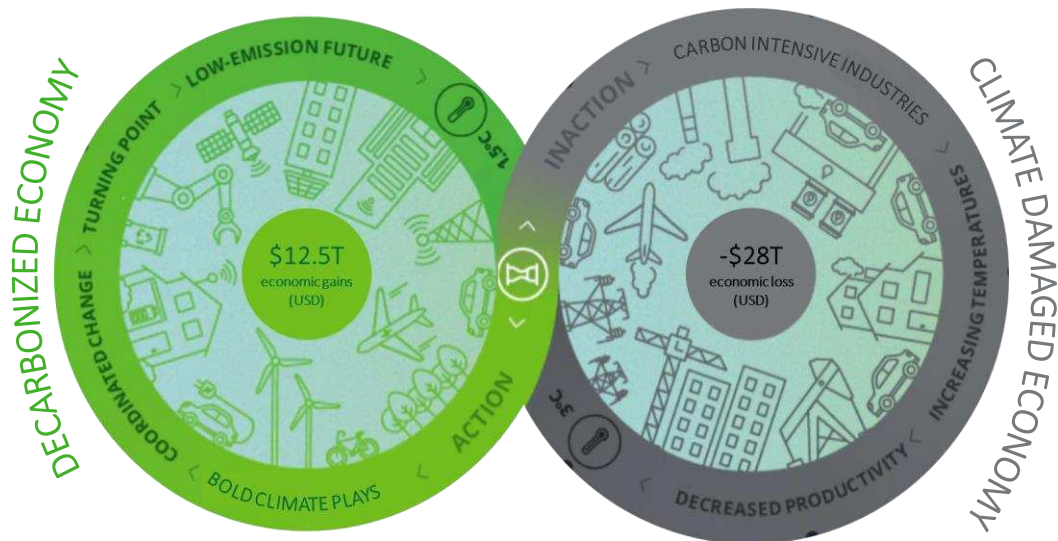
These actions come from business leadership thinking on Sustainable Development related to ESG – Environment, Society and Governance.



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As Vietnam made a commitment to net zero emissions, ESG is not **Responsibility**. ESG is for **Business Continuity** and **Business Opportunities** – which is investment for businesses to grasp the opportunities for sustainable development in the new context.

Sustainability is the Government's Commitment
Sustainability is not about businesses' **responsibilities**, but **opportunities & continuity**.



Source: Deloitte Southeast Asia Turning point report



Recommendations to the Government

1

A mechanism for businesses that are focusing & leading in environment, with policies/guidance related to priorities on tax and land incentives for the locations with production plants, in order to promote for the circular economy.

2

Developing a framework for corporate sustainability reporting relating to the financial market, in order to raise awareness and build capacity for listed companies in disclosing information related to ESG activities.



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