

ALLIANCES IN ACTION

VIETNAM COMPETITIVENESS INITIATIVE ALLIANCE

DEVELOPMENT CHALLENGE

In the decade following the Vietnam War, Vietnam's economic growth was hindered by an inefficient, centrally planned economic system. Since the 1980s, the economy began to open up to foreign investment and private sector development, and in return, began to reap the benefits of robust economic growth. However, the business environment is still in need of revitalization in order to foster healthy competition and trade. Slow progress in revising and updating existing laws, regulations and administrative procedures regulating businesses and international trade and investment in Vietnam threaten to impede future economic growth and development.

BUSINESS CHALLENGE

Companies seeking to invest in Vietnam are attracted by the country's market potential, labor supply, and natural and agricultural goods. Partners, therefore, seek to help improve Vietnam's competitiveness in the global marketplace by sharing expertise in customs, banking, tax, law, shipping, manufacturing and distribution, intellectual property, telecommunications, land administration and construction.

APPROACH

The Vietnam Competitiveness Initiative is a partnership between USAID, the Government of Vietnam, and Vietnamese and global companies working together to create a more business-friendly legal framework. Partners work together to simplify administrative and legal functions governing banking, law, and shipping; increase transparency in rules and regulations around investment and trade; and promote civil society engagement in government. Through a collaborative process, private sector partners help the government identify the most problematic regulations such as customs control, and then recommend practical solutions. Through this process, the government reduces compliance costs and eliminates redundant and unnecessary regulations. At the same time, the partnership is helping to increase investment and generate more employment; raise competitiveness, cut input and other transaction costs; provide greater access to financial sources; and aid small and medium-sized enterprises in increasing their export share and revenues.

PARTNERS

FedEx **Deloitte**
BAKER & MCKENZIE



RESULTS

- 261 problematic administrative procedures are under simultaneous by the private sector and regulators to assess the legality, necessity and cost of each procedure.
- The Prime Minister hopes to simply administrative systems by 30%.
- A National Database of Administrative Procedures with over 5,700 APs and 9,000 legal documents which was launched in October 2009 improves transparency and access to legal information.

FAST FACTS

START: 2007 END: 2010

PARTNER CONTRIBUTIONS:

USAID: \$1.6 MILLION
PARTNERS: BUSINESS
EXPERTISE, OFFICE SPACE,
TELECONFERENCING