



**APEC Symposium On Paperless Trading Capacity
Building And Intellectual Property Protection
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**Paper
Readiness of the public sector for
implementing paperless trade
in Viet Nam**

Readiness of the public sector for implementing paperless trade in Vietnam

*APEC symposium on Paperless Trading
Capacity Building and IPR Protection*

Role of the public sector

- **Regulator:** create enabling policy and legal framework
- **Facilitator:** provide public services and support activities to promote paperless trade
- **Leader:** act as role model in implementing paperless trade

Contents

- **Role of the public sector in promoting paperless trade**
- **Current status of online public services**
- **Cases of public services to facilitate paperless trade**

Policy and Legal Framework

- **The Master Plan for E-commerce Development in the 2006-2010 period**
- **Electronic Transaction Law**
 - E-commerce Decree
 - Decree on Digital Signatures and CA Services
 - Decree on E-transactions in Financial Activities
 - Decree on E-transactions in Banking Activities
- **Civil Code**
- **Commercial Law**
- **Customs Law, Accounting Law**
- **Sub-laws, regulations**

Role of the public sector in promoting paperless trade

FOR MORE INFO...

Vietnam E-commerce Report 2004, 2005, 2006 on
www.mof.gov.vn

Support activities

- **Awareness raising and training**
- **Social movement:** Vietnam E-commerce Association (Vecom) to align businesses in implementing e-commerce
- **National E-commerce Portal**
- **International cooperation**

Public services

- Information disclosure on Government agencies' website
- Trade-related public services (C/O, special license, garments export visa, etc)
- E- customs
- E-tax
- Online business registration (e-licensing)

Development of e-Government

- Current status:
 - All ministries and 52/64 provinces have websites, most of which were up and running since 2004
 - Some websites offer basic online services (access to business information, application form download, etc)
 - Lack of synchronized information system and database for all agencies in the Government -> duplicate resources and fragmented communication
- E-Government goal in the Strategy for ICT Development towards year 2010
 - 100% Gov. agencies have websites with comprehensive information about their respective area of management, policies and regulations, administrative procedures, investment projects and procurement plans
 - Some procedures of application, registration and licensing services are provided online via the information systems of government agencies at the municipal and provincial level.

Implementing paperless trade: online bidding for public procurement



E-Readiness Ranks of Ministries

No	Ministry	Technical Infrastructure	Human Resources	ICT application	Organization and policy	ICT Index
1	Ministry of Trade	0,7201	0,3942	0,6519	0,8333	0,8183
2	Ministry of Posts and Telematics	0,6978	0,6703	0,4402	0,6667	0,6059
3	Ministry of Finance	0,3787	0,5991	0,6264	1,0000	0,5217
4	Ministry of Transport	0,4927	0,3736	0,5186	0,1667	0,4680
5	Ministry of Home Affairs	0,4830	0,5240	0,3906	0,8333	0,4662
6	State Bank of Vietnam	0,4013	0,3443	0,6233	0,8333	0,4639
7	Ministry of Justice	0,5278	0,3490	0,4226	0,6667	0,4493
8	Vietnam National Administration of Tourism	0,4885	0,3877	0,4040	0,5833	0,4361
9	Ministry of Construction	0,5634	0,2586	0,3954	1,0000	0,4351
10	Ministry of Health	0,6170	0,0038	0,5211	1,0000	0,4339

Current status of online public services

FOR MORE INFO...

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E-Readiness Ranks of Ministries

No	Ministry	Technical Infrastructure	Human Resources	ICT application	Organization and policy	ICT Index
11	Ministry of Culture and Information	0,6038	0,2663	0,3461	0,2500	0,4303
12	National Institute for Science and Technology	0,5209	0,1409	0,5165	1,0000	0,4278
13	Ministry of Planning and Investment	0,4924	0,5366	0,1978	0,2500	0,4044
14	Ministry of Natural Resources & Environment	0,4703	0,3036	0,3536	0,5000	0,3900
15	Vietnam Television	0,4662	0,4276	0,1274	1,0000	0,3500
16	Ministry of Science and Technology	0,4270	0,4108	0,2086	0,1667	0,3486
17	Ministry of Foreign Affairs	0,3414	0,1675	0,4613	0,3333	0,3367
18	General Statistics Office	0,3505	0,2783	0,3529	0,6667	0,3360
19	Voice of Vietnam Radio	0,3046	0,2947	0,3610	0,5000	0,3224
20	Ministry of Industry	0,3994	0,3514	0,1839	0,6667	0,3189

Online public services

- Disclosure of public service procedures on websites: 10 agencies

No.	Ministry / Agency	Public services
1	Ministry of Trade www.mot.gov.vn	- Procedures of granting permits and certificates
2	Ministry of Industry www.mot.gov.vn	- Procedures of granting permits and certificates
3	Ministry of Foreign Affairs www.mofa.gov.vn	- Consular and protocol procedures - Application forms
4	General Department of Taxation www.gdt.gov.vn	- Tax payment procedures - Tax invoice forms

- Online provision of public services: 3 agencies

Cases of public services to facilitate paperless trade

FOR MORE INFO...

Vietnam E-commerce Report 2004, 2005, 2006 on
www.mot.gov.vn

E-Readiness Ranks of Localities

No	Cities/ Provinces	Technical Infrastructure	Human Resources	ICT application	ICT business	Organization and policy	ICT Index
1	HCM City	0,5671	0,4883	0,2994	0,8252	0,6667	0,5500
2	Hanoi	0,6235	0,6028	0,1958	0,6095	0,6667	0,5444
3	Da Nang	0,5740	0,4145	0,1364	0,2737	0,8889	0,4144
4	Can Tho	0,4094	0,4161	0,5827	0,0553	0,7778	0,3954
5	Ba Ria – Vung Tau	0,3692	0,3656	0,5734	0,1425	0,8889	0,3880
6	Khanh Hoa	0,2693	0,5165	0,4695	0,1454	0,8889	0,3846
7	Dong Nai	0,3060	0,5052	0,5550	0,1863	0,0000	0,3699
8	Lam Dong	0,2224	0,4330	0,4070	0,1993	0,6667	0,3337
9	Quang Ninh	0,2710	0,2867	0,2621	0,5000	0,5556	0,3297
10	Quang Binh	0,1710	0,3022	0,2348	0,4327	0,8889	0,3035

Electronic Certificate of Origin (eCoSys)

- Ministry of Trade:
 - To formulate and promulgate legal texts governing issues related to origin of goods
 - To administer C/O issuance for export goods
 - To conduct negotiations regarding Rules of Origin with foreign institutions
- Decision 0519/QĐ-BTM, 21 March 2006, approving the Plan for Implementing electronic Certificate of Origin
- Goals:
 - Establish a single system and database for managing C/O issuance nationwide -> improve state management
 - Streamline the process of C/O issuance -> time saving and cost efficiency for enterprises
 - Speed up administrative reform regarding public service -> prerequisite for implementing paperless procedures in MOT

Online public services

- Disclosure of public service procedures on websites
 - 35 provinces/cities disclose on their websites information about public service procedures, required documents, agencies in charge, processing time and fees, etc
 - Hanoi and HCM City's websites allow online lookup of application's status
- Online provision of public services: 3 localities (Hanoi, HCM City, Da Nang)
 - Business Registration
 - Construction License (for private home construction)
 - Customs Declaration

Phased implementation of eCoSys

- Phase 1: set up a single database and centralized managerial information system for C/O issuance
- Phase 2: issue electronic C/O on a pilot scale:
 - prestigious enterprises with high and stable export turnover
 - some preferential forms
- Phase 3: roll-out implementation:
 - online application and C/O issuance (C/O can be printed by enterprises and transmitted directly to import country)
 - nationwide implemented (in all local export-import administration units and industrial/export zones)



Completed tasks

- eCoSys software phase 1: <http://ecocsys.mot.gov.vn>
- Certification system (MOT-CA) for the generation and authentication of digital signatures in eCoSys
- The sub-system for managing C/O form A (footwear exported to EU), connecting MOT and local export-import administration units
- EDI standard (XML) for electronic data interchange between MOT and VCCI

E-customs in HCM City

- HCM City Customs Department: implemented pilot e-Customs procedures since 4/10/2005
 - Achievements after one year:
 - 12,953 customs declaration forms processed (10,294 for import; 2,659 for export)
 - USD 1.13 billion turnover
 - 92 enterprises selected to participate in e-Customs procedures
 - VND 1,219 billion tax collected
 - Average clearance time:
 - 5-10 minutes for “green current” goods
 - 20-30 minutes for “yellow current” goods
 - 1-2 hours for “red current” goods
- > average time saving: 4-8 hours per lot of goods

Current work

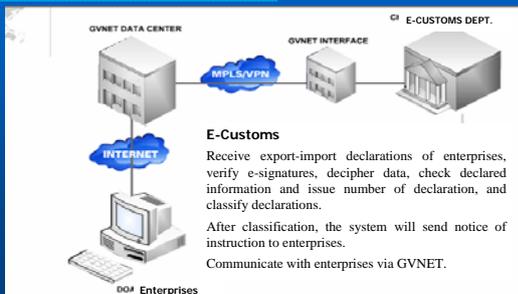
- eCoSys software phase 2, including the back-office segment run on www.mot.gov.vn (for management agencies) and the front-end segment run on www.ecvn.com (for end-users)
- Pilot launch of online forms that allow selected enterprises (gold members of ECVN) to fill in and submit online to the Ministry of Trade (with digital signature registered on MOT-CA)
- C/O is issued in paper
- Disclosure of information on C/O issuance (MOT and ECVN websites) for online tracking by enterprises

Initial achievements (cont)

Indicators	Value
Growth in volume of declarations	10%
Average growth of export-import turnover	11.5%
Percentage of enterprises participating in e-customs procedures	11%
Average tax contribution for State Budget	VND 100 billion/month
Average number of declaration forms submitted	50 per day

Source: <http://www.customs.gov.vn/Default.aspx?tabid=1&mid=520&ItemID=2784>

E-Customs



Some drawbacks

- Participation of enterprises
 - High requirements of eligibility
 - Enterprises' technical infrastructure
 - Low awareness (and skills)
- Category of goods subject to e-customs clearance: limited
- Scale of implementation: narrow
- E-customs procedures
 - yet to be completely paperless
 - yet to be seamless
 - Yet to be completely automated (in the back end)

Conclusions

Key issues to tackle:

- Policy and legal framework
 - Technical infrastructure
 - Awareness
 - Human resources (knowledge and skills)
 - Organizational and operational structure
- > Require overall reform of the administrative mechanism and vigorous efforts in capacity building
- > Hope to benefit from APEC paperless trade agenda

- Thank you !
- Questions and comments?

FOR MORE INFO...

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www.mot.gov.vn