

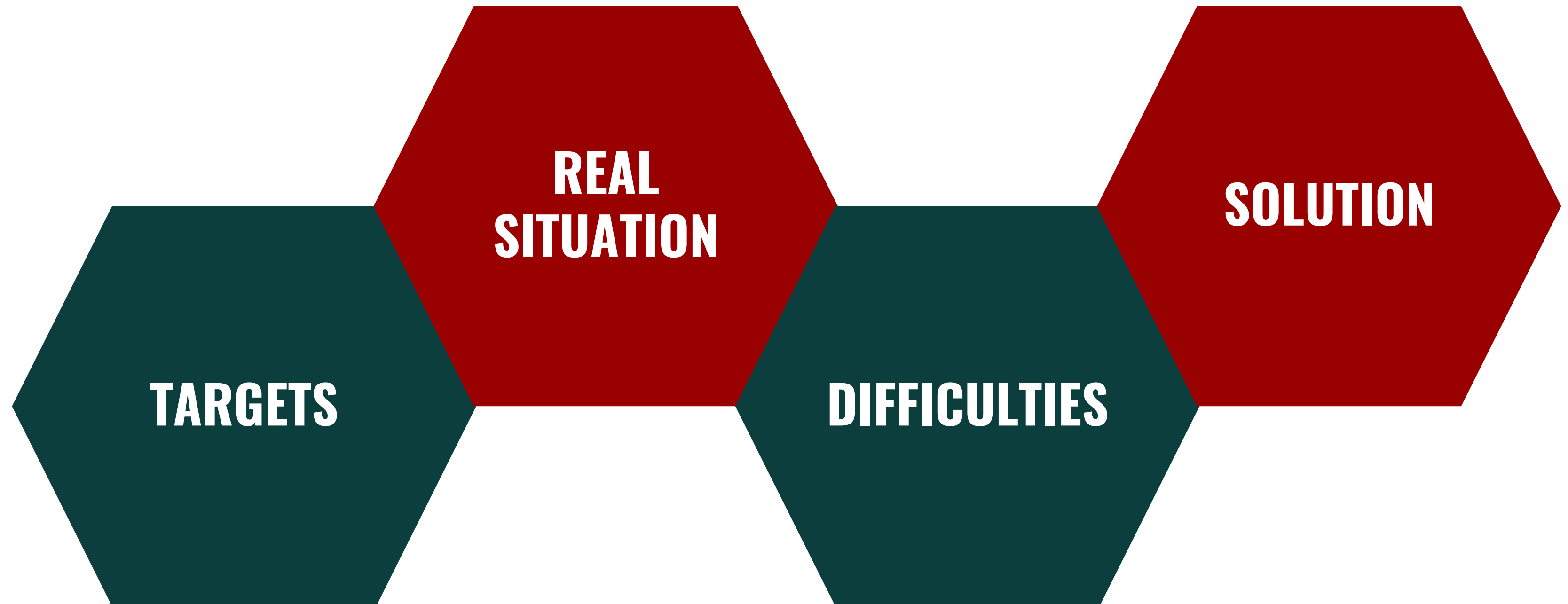


IMPLEMENTATION OF POLICIES TO SUPPORT BUSINESSES IN THE PROGRAM FOR ECONOMIC - SOCIAL DEVELOPMENT AND RESILIENCE AND SOME SOLUTIONS IN THE NEXT TIME

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TARGETS

Targets:

- Review the implementation progress of business support packages
- Point out the problems encountered in the process of implementing some of the Program's contents from a business perspective.

Approach: Interview experts who are business owners. Specifically, interview businesses in the fields of manufacturing, tourism, import and export, logistics, auditing companies and banks.

OVERVIEW

Support policies for businesses- Progress of promulgating documents in 2022

Time	Documents	Content
11/01	Resolution No. 43-QH	Fiscal and monetary policies for support the Program
28/01	Decree No. 15/2022/ND-CP	Tax exemption and reduction policy
30/01	Resolution No11/NQ-CP	Socio-economic resilience and development program
01/02	Decree No.15/2022/ND-CP	Regulations on tax exemption and reduction including VAT from 10% to 8% for some items
22/02	Circular No. 12/2022/TT-BTC of Ministry of Finance	Tourism development Fund
20/05	Decree No31/2022/ND-CP	Support of loan interest rate 2%
28/05	Decree No34/2022/ND-CP	Tax payment extension
31/05	Circular No. 05/2022/TT-BKHCHN by Ministry of Science and Technology	Science and technology development fund of businesses
20/06	Decree No 41/2022/ND-CP	Tax exemption and reduction policy
30/06	Circular No. 09/2022/TT-BTTTT by Ministry of Information and Communications	Fund for Public Service Telecommunications
09	Resolution No. 584/NQ-UBTVQH15	Estimated expenditure on investment and development of central budget capital in 2022

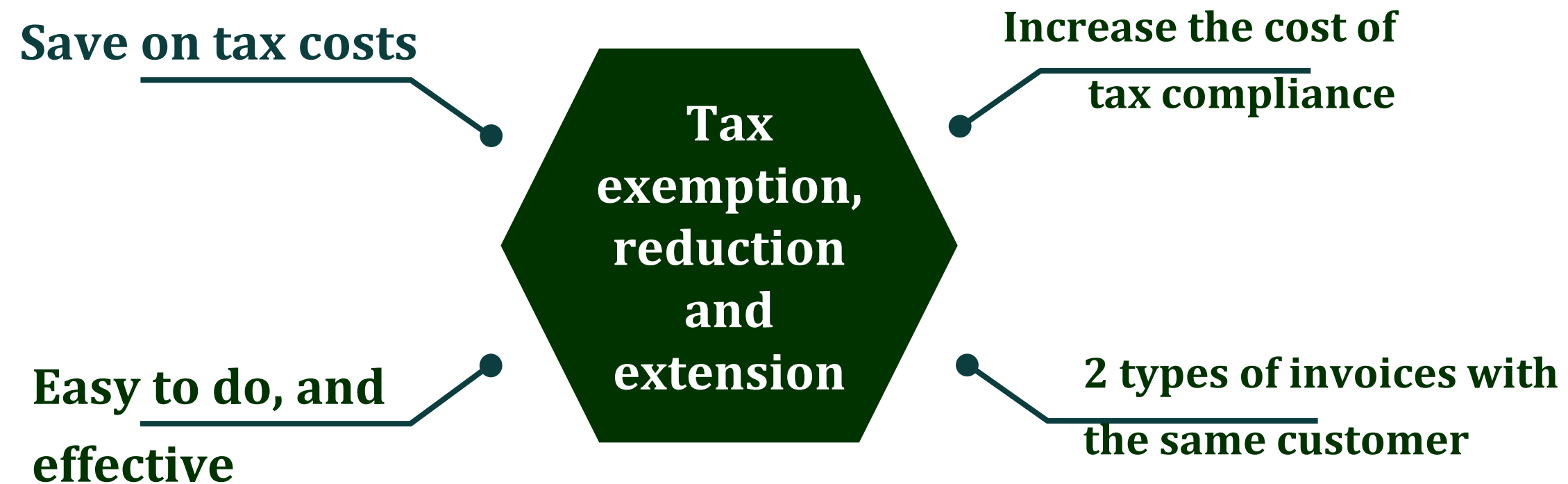
Evaluation of the results of some policies

	Billion VND	Disbursement structure	Disbursement rate
Total	55.500		16%
(1) Preferential loans by Vietnam Bank for Social Policies	10.073	18%	23,2%
(2) Support of accommodation rent for employees	3.045	5%	46,1%
(3) Reduced VAT and environmental tax on jet fuel and gasoline until August 26, 2022	34.970	63%	54,6%
(4) Opportunity cost supported by extension of time to pay taxes and land rent to the end of June 2022	7.400	13%	5,5%
(5) Support of loan interest rate 2%	13,5	1%	0,03%

REAL SITUATION

*Each criterion of the Program may have limitations and slow implementation is low, **but generally, the Program has helped stimulate the economy and strengthen the confidence of businesses and people.***

REAL SITUATION

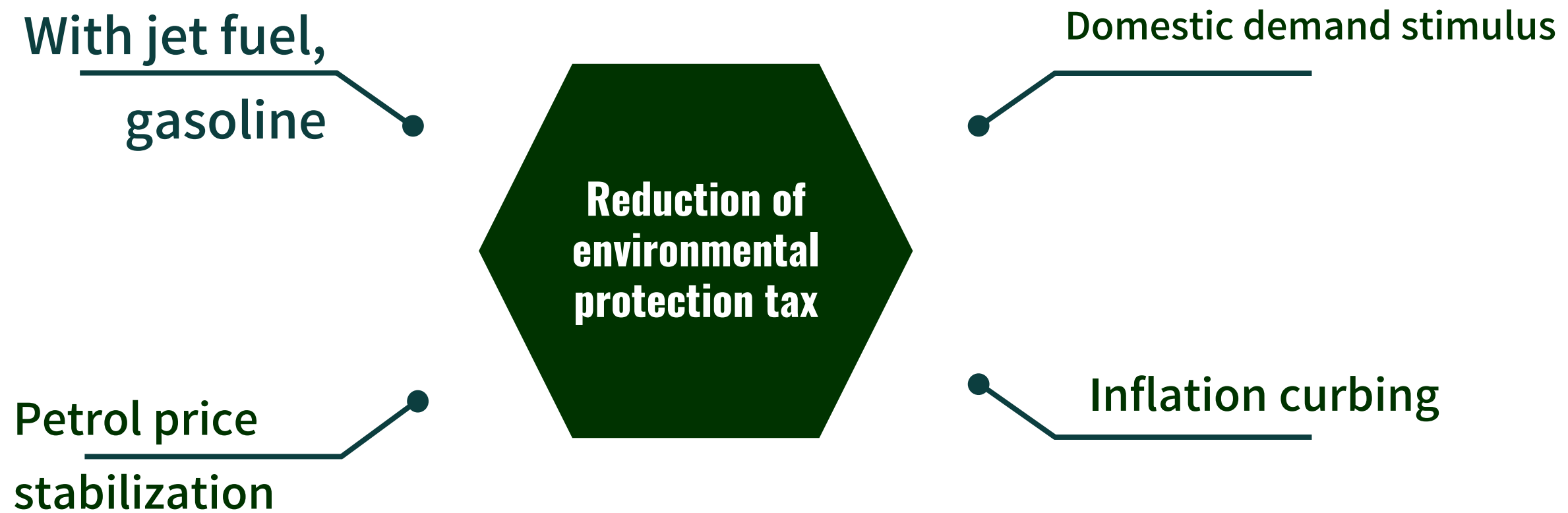


Decree No.41/2022/ND-CP has a delay of **8 months** compared to the Decree No. 15/2022/ND-CP

8%

5%
10%

REAL SITUATION



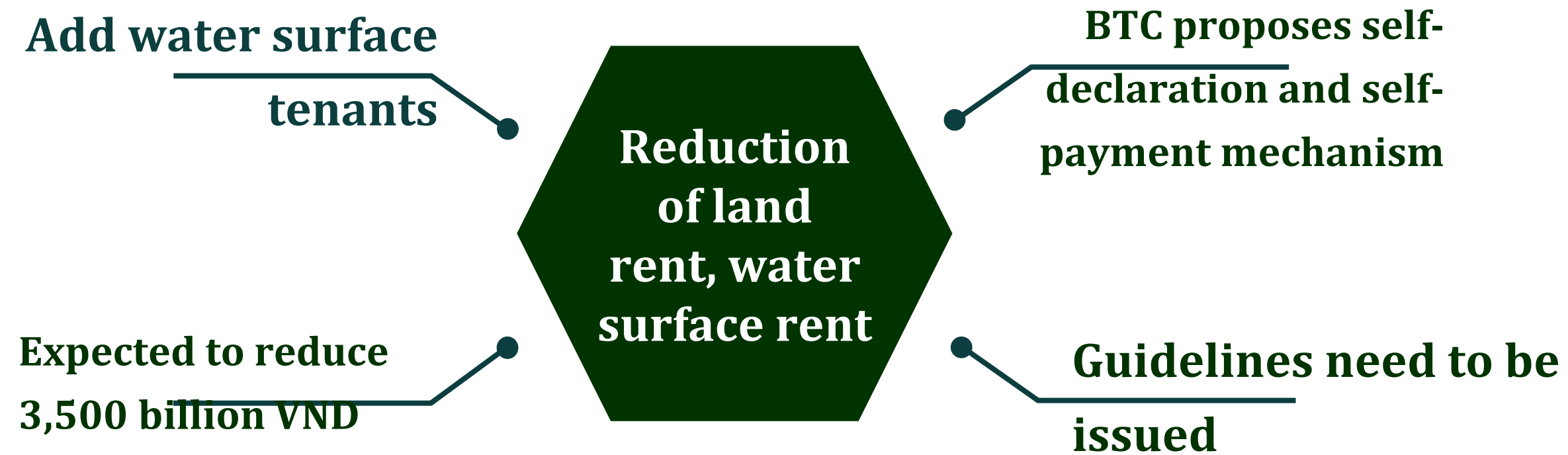
REAL SITUATION

It is expected 3.500-
3.700 billion VND



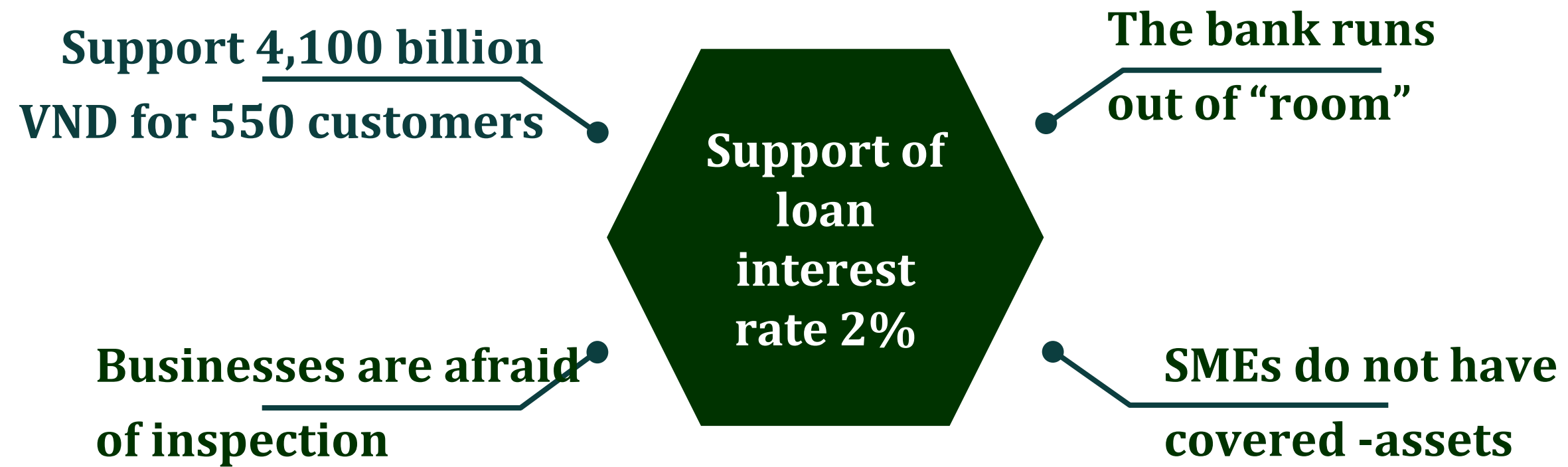
Business's short-term
capital flow

REAL SITUATION



The draft of the Decision of the Prime Minister on the reduction of land rent in 2022 for subjects affected by the COVID-19 epidemic under Resolution 11/NQ-CP has *not yet been issued*.

REAL SITUATION



REAL SITUATION



DIFFICULTIES

1. Businesses do not have access to information, business conditions are still limited
2. It is difficult for the beneficiaries to meet the requirements on administrative procedures
3. Support period is short
4. Supported subjects focus on a number of professions
5. The Guidelines are not timely

DIFFICULTIES

- 1. Businesses do not have access to information, business conditions are still limited**
 - It is difficult for **businesses** to meet the borrowing conditions with the 2% interest rate support policy. Banks are concerned about the legality when the loan turns bad debts.
 - The **guidelines** after being issued are often slow to be implemented and difficult for businesses to determine if they are beneficiaries..
 - **Traditional communication channels** by text systems or on official portals are less accessible than non-communication channels. **Small businesses** are often more limited in accessing information from media channels.

DIFFICULTIES

2. It is difficult for the beneficiaries to meet the requirements on administrative procedures

- Business households are really difficult subjects but it is difficult to access the policy of interest loan support due to the condition of having a **business registration license**.

3. Support period is short

- Currently, all support packages have a relatively short time to apply to businesses.

(ex: Extension of VAT: 3-6 months)

- Such a short time does not solve the difficult problem of businesses, spreading financial resources to support is spread.

DIFFICULTIES

4. Supported subjects focus on certain professions

- A number of support policies have been towards businesses in the aviation industry, petroleum business, and land rental support.
- **Service businesses** are heavily affected but receive less support than the above priority industries.

5. The Guidelines are not timely

- When receiving Covid-19 benefits, businesses have difficulty to record items in accordance with Accounting Regulations (record as other income or directly subtract from expenses).

PROBLEMS NEED TO BE SOLVED

The majority policy is designed and implemented in the direction of averaging across localities, industries and scales, **without taking into account the level of influence and resilience between industries as well as businesses..**

- Example: 2% interest rate support package should support foreign currencies for exporters.
- The criteria for receiving tax deferral or tax reduction incentives have not been determined whether it is a direct or indirect effect.

Some policies have not been effective due to lack of synchronization and not close to reality

- The policies have conflicting, mutual limitations (the interest rate support package is announced but the credit limit is limited)

PROBLEMS NEED TO BE SOVLED

- Specific guidance is needed for promulgated legal documents to facilitate synchronous implementation in localities.
- The reality of socio-economic development has changed a lot, legal documents are required to be updated regularly.
- The coordination between relevant ministries, branches and units in the support stage, especially in providing information to comprehensively and deeply assess the impact of support policies.

PROPOSES AND SOLUTIONS

- **Listen to the opinions of the business community** about the feasibility and accessibility of the policy, even after the policy has been issued.
- **There should be a system of monitoring, evaluation, and periodic (quarterly) report** to promptly identify policies that are effective, need to keep policies that need to be adjusted for a suitable for the socio-economic context.
- It is necessary to review the criteria related to the evaluation conditions for businesses affected by COVID-19, **and adjust the criteria to suit the reality of businesses.**
- Need to properly support **businesses in the service sector.**

PROPOSES AND SOLUTIONS

- Policies must be based on the principle of ***targeted intervention***;
- ***Do not implement mass support or intervention policies***,
- Policies should have a ***clearly defined implementation period*** to ensure flexibility (i.e. a roadmap for when to apply, when to end, and which policy to follow),
- ***UPriority*** will be given to supporting industry groups in the fields of creating economic support which have great influence on other industries (logistics, raw materials industry, etc.).



THANK YOU!

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Hanoi, September 18, 2022