

TO ENHANCE STATE ENTERPRISES' EXPORT PROMOTION

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1. Achievements

Since the country shifted from the centrally-planned economy to the market economy under the state management, its export activities, on the whole, and the export promotion, in particular, have made much progress.

The 2002 performance revealed the export turnover reached US\$16,530 million, up 10% as compared to 2001. Until now, Vietnam has established its trade relations with many countries and regions over the world and expanded markets to others. This above achievement is due to the Government and the Party's renovation policies including ones concerning export promotion activities.

At the macro-level, the export promotion is implemented by government and non-government organizations. The main features of export promotion are as follows:

- The Ministry of Trade has established the Trade Promotion Department. Many provinces and cities have set up their own trade promotion centers.

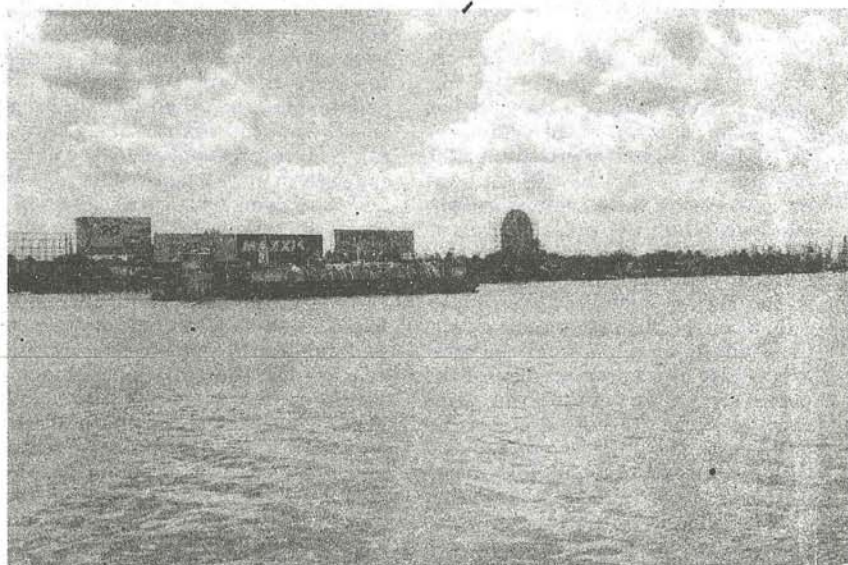
- The non-government organizations like the Vietnam Chamber of Commerce and Industry, many associations, individuals and other organizations have also promoted trade.

- Many delegations of the Government and businesses have gone abroad to make investigation of and access to export markets. For example, the mission including representatives of HCMC government, associations and enterprises has explored the U.S. market and met American businesspersons. This trip has generated a good impression about the city and opportunities for enterprises to cooperate American partners.

- We have had proper concepts and set up the programs to introduce the Vietnam image to foreign partners.

- The supply of information about export markets has recorded a lot of

achievements. The information is more detailed, diverse and provided



via many forms including workshops, webpages, printed materials and CDs...

- Vietnamese commodities have been increasingly displayed and sold in local and foreign exhibitions and fairs. Many workshops have been organized to introduce the country's exports.

Regarding exporting businesses: They have recognized the importance of export marketing activities, and thus proactively investigated export markets. Many of them have devised detailed plans of export promotion and sent delegations abroad to study foreign markets, attend overseas exhibitions and fairs, introduced their images on Internet, catalogues, brochures and so on. The evidence shows those which have marketing strategies in general and promotion ones in particular will find favorable conditions for their international integration.

.. Shortcomings

Although the export promotion has recorded significant achievements as mentioned above, it remains some following limitations to be removed:

- Some enterprises have not yet understood export promotion activities fully, so they have not planned their own export promotion strategies.

- The budget for export promotion is very modest.

- Although the information about export markets is abundant, it is not detailed and really effective.

- Just a few businesses are able to organize their information system and export market research properly and scientifically.

3. Some solutions to boosting export promotion

To boost export promotion activities to help Vietnamese products enter firmly international markets, we should focus on the following solutions:

First, the Government and enterprises' export promotion activities need to be combined strongly. Economic globalization and regionalization is an indispensable trend. Exporting businesses must take the initiative in sharpening their competitive edges and thus speed up their export promotion activities with the aim to survive and succeed in the integration process. If they wish to get a firm foothold on foreign markets, they have to plan strategies on entering overseas markets and export promotion including in-

ternational advertisement, sale promotion, introduction of products abroad...

In addition to their efforts, enterprises are badly in need of continuing supports from government and non-government programs on export promotion because most of Vietnam's exporters are of small and medium size, and thus lack budget to invest in export promotion. As a result, the Government assistance is a must. Government and non-government organizations' operations of export promotion are just guidelines to open the way and create favorable conditions and environment for enterprises but not replacing them in these activities. Moreover, the export promotion programs of the Government and non-government organizations are indirect assistance in accordance with the international integration trend. Enterprises must know how to make the best use of these programs effectively.

Second, exporting enterprises plan and implement their strategies of export promotion. They have to do this task professionally soon. Each exporter is required to set up a section of export promotion associated to the marketing department.

Exporting enterprises must well organize the network of information on export markets to study detailed commitments of target countries with Vietnam and vice versa concerning tariff preference, tariff barrier reduction, import-export procedures and standards of quality, hygiene and safety.

In case of limited budget for export promotion, enterprises should concentrate their efforts on practical operations as follows:

- To establish and perfect webpages and apply e-commerce to import-export business.

- To print catalogues and brochures in languages suitable to target markets

- To take part in overseas trade fairs and exhibitions in accordance with scale, categories of goods and expected results.

- To train staff in doing the task of export promotion.

- If having enough conditions, exporting enterprises should establish representative offices, sale branches or sale agents in target markets.

- To build and protect Vietnamese trademarks overseas by selecting trademarks and register them in Vietnam and target markets. Businesses may depend on the assistance programs on trademarks building of central and local governments (for

example, the assistance program on building 1,000 trademarks of HCMC government).

Third, the Government is required to plan and implement the national strategy on export promotion as follows:

- The national strategy on export promotion is a major part of the trade promotion strategy. In this strategy, the obligations of central and local (city and province) government agencies must be clarified to promote export of Vietnam products to foreign markets.

- To continue enhancing diplomatic activities for economic development and build a nice image for the country and strengthen activities of Vietnam's trade commissioners abroad.

- To increase business trips for market access of government delegations with participation of entrepreneurs.

- To improve the export promotion role of non-government organizations, professional associations of producers of coffee and cacao, cashew, tea, textile and garment and enterprises engaged in these areas.

- Each province is required to make detailed plans to organize export promotion, and regard it as an important task in their export orientations. HCMC, for example, has planned to set up a showroom to introduce the city products in the U.S. and Japan or rep offices in these markets, and implement the program on developing the city's key products in the 2002-2005 period.

- To provide detailed, systematic and updated information on export markets to help enterprises to plan their strategies on entering foreign markets for each product item and specific market as well as seek business partners; moreover, to build specialized database on export markets and commodities for enterprises.

- To increase workshops and train staff to promote export in enterprises and trade promotion centers.

- Competent government agencies are required to study success lessons from exporting enterprises to draw experience on trade promotion with limited budget.

In short, in our opinions, Vietnam's products can get a firm foothold on foreign markets only when government and non-government organizations and businesses' export promotion activities are closely combined. This will help fulfill the Vietnam's import-export strategy in the 2001-2010 period ■