

E-commerce including many ways to conduct business between companies and consumers (e-banking, e-shopping, e-mail, etc.) has produced great effects on societies and individuals. The education system has also changed in order to help learners engage in this way of doing business. The e-commerce is now considered as a precondition for the commercial development of a country.

Until recently, the Ministry of

shows that the e-commerce has just been piloted in Vietnam and its necessary conditions aren't created.

a. IT infrastructure: There are some 700,000 computers in Vietnam now, that is some nine PCs per 1,000 persons, but most of them are used as modern typewriters. There is only a nationwide network of the VNN, and there are three gates to the Internet in Hà Nội, HCMC and Đà Nẵng with a speed of 50Mb (In South Korea with the population of the same size

own websites or their products and services advertised in the Internet.

b. Banking services: With different investments, commercial banks have introduced ATM and credit cards. Some of them have started new services: on-line banking, home banking, etc.

In international settlement, some banks have engaged in the SWIFT, others acted as agents for foreign credit cards (Visa, Master Card, etc.). Generally, commercial banks

HAS E-COMMERCE BEEN STARTED IN VIETNAM?

by THIÊN TRIỀU

Trade has been assigned to carry out a national program named E-Commerce Techniques that aims at founding the basis for e-commerce in Vietnam. The development of e-commerce, however, is a time-consuming task with a lot of problems to solve.

1. Bases for the e-commerce

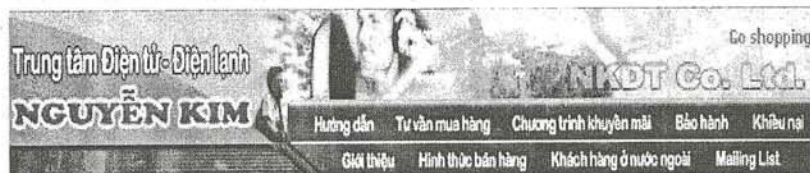
These bases are:

- Legitimacy: e-mails and e-signature should be considered as legal and there must be procedures for recognizing their legitimacy.
- Better facilities: the Internet facilities must be of high speed and security.
- IT experts are needed for running e-commerce and advising companies and the public on benefits of the e-commerce.
- Standardization of transactions (payments, automatic delivery of goods, etc.)
- Protection for personal information and assets.
- Protection against hackers and unwanted data (however, too many firewalls will discourage users because the speed of surfing will be slowed).

Without firm infrastructure, losses caused by the e-commerce will be inevitable. That is why full attention must be paid to all factors. This explains why many developing countries feel reluctant to develop the e-commerce when the infrastructure isn't strong enough.

2. Basic factors for e-commerce in Vietnam

The Ministry of Trade has included 50 companies in a pilot scheme for the e-commerce. This fact



as Vietnam's, there are 14 gates with a speed of 640Mb/s). The fee of Internet access is still high.

After four years of development, there are only some 200,000 Internet subscribers. Most of them are companies and public services. Only four provinces or cities could get direct access to the Internet, the rest get indirect one. There are only 10 direct nodes supplying services through lease lines. The number of Internet subscribers of the VNN1260 is some 90,000.

There are only some 20,000 IT experts. Most civil servants and businesspersons are new to management and business through the Internet and telecommunications. The number of websites is small and they are poor in updated information. Some 1,500 companies have their

couldn't change into modern banking model suitable to the e-commerce. Most consumers are still new to the use of credit cards.

c. Legal infrastructure: The Criminal Code mentions some crimes relating to the Internet and the Commercial Law recognizes the legitimacy of e-texts. But there is no law regulating the e-commerce.

Information about individuals and organizations must be kept secret and the Article 34 of the Civil Code recognizes this right. When conducting on-line transaction, one is usually asked to give some personal information that is usually obtained and used by third parties for their own purposes (sending advertising materials or questionnaires for example) without permission from persons involved. Thus, the law must

define responsibility of parties engaging in the e-commerce for personal information.

In the e-commerce, private persons conduct transactions through the Internet, and contracts exchanged in this way should be considered as legal while the law requires that business contracts should carry signatures and seals of contracting parties. In this case, service providers and certifying organizations (third parties) play an important role in success of e-commerce transactions because they are parties that transfer and store information and able to certify creditworthiness and exactitude of information and its senders. Therefore, their responsibility and rights must be stipulated by regulations on the e-commerce.

It is very dangerous when e-signature and information about credit cards or bank accounts is disclosed. At present, hackers are ready to steal this information when the e-shopping is developing without security software protecting customers' information. This situation makes many businesspersons reluctant to engage in the e-commerce despite the fact that frauds and deception relating to the e-commerce aren't so serious and widespread.

3. Psychological barriers

a. Consumers: In Vietnam, customers usually meet with a lot of difficulties in complaining about goods they bought even though they were still under guarantee. Commercial frauds are so widespread that consumers usually worry about honesty of trading companies. In newspa-

pers, there are many news items about companies that vanished into thin air.

As a result, they like buying things in old style. They want to investigate goods before buying, and give them a try, or tries, before making decisions. When buying expensive goods, they want to get contracts, invoice with red seals and guarantee documents. This means that they are very reluctant to buy thing through the e-commerce. To make them break the old habits, companies must prove that they are creditworthy and the law must be severer with companies that violate regulations in order to protect consumers' interests.

The use of the English on websites or business - to - customers or business- to- business correspondence is also a factor that hinders the spread of e-commerce in Vietnam.

b. Companies: The article "One minute late, million lost" by Cẩm Hà carried in *Tuổi Trẻ* (Jan. 25, 2002) said: "A survey by the Ministry of Trade presented at the workshop "The E-Commerce Bridge" held in Hà Nội revealed a surprising fact: Some 6,000 out of 56,000 companies surveyed that answered the questionnaire, 90% had no idea of the e-commerce. Many companies have opened their websites but most of them considered it as a fad, not a need, because they aren't aware of business opportunities offered by the e-commerce."

"According to a survey of 100 small and medium companies conducted by the Development Fund of

the Mekong Program, 48% of them used the Internet to send or receive e-mails, only a few companies open their websites proactively. Even the website named www.mot.gov.vn of the Ministry of Trade, the body responsible for the e-commerce development project, has been frozen for a long time without repair.

This means that those who urge companies to engage in the e-commerce and carry out all kinds of projects to computerize and apply the IT to business have no enthusiasm for task assigned to them. When failing to carry out the task, they usually blame various factors (high telecommunication fee, lack of a legal framework for the e-commerce, etc.) In Kenya, however, there are only 80,000 Internet users but the e-commerce introduced in recent years has produced good results. The Kenyan experience shows that the government should help companies realize foreign competition and decide to engage in the e-commerce, and the government would deal with legal loopholes whenever they are discovered. Another measure is to listen to opinions offered by companies before perfecting the legal framework for the e-commerce and business as a whole."

The situation shows that Vietnam hasn't been ready for the e-commerce, nothing has been done besides some experiments in an unpredictable market. To Vietnam, the e-commerce is still a great challenge that should be dealt with in the process of integrating into the world economy. ■

