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SỰ KIỆN THUỘC KHUÔN KHỔ DIỄN ĐÀN KINH TẾ THÀNH PHỐ HỒ CHÍ MINH NĂM 2024 THE EVENT IS WITHIN THE FRAMEWORK OF THE HO CHI MINH CITY ECONOMIC FORUM 2024

TÀI LIỆU DIỄN ĐÀN FORUM'S MATERIALS

DIỄN ĐÀN HỘI NHẬP KINH TẾ QUỐC TẾ THÀNH PHỐ HỒ CHÍ MINH 2024 HO CHI MINH CITY INTERNATIONAL ECONOMIC INTEGRATION FORUM 2024

THÚC ĐẦY CÁC MÔ HÌNH KINH TẾ MỚIHƯỚNG TỚI PHÁT TRIỂN BỀN VỮNGPROMOTING NEW ECONOMIC MODELSTOWARDS SUSTAINABLE DEVELOPMENT

Thành phố Hồ Chí Minh, ngày 16 tháng 8 năm 2024 (Thứ Sáu) Ho Chi Minh City, 16th August, 2024 (Friday)



























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GLOBAL DIGITAL TRANSFORMATION PRACTICES AND IMPLICATIONS FOR VIETNAMESE BUSINESSES



Mr. Nguyen Ngoc Hoang Director of Digital Lighthouse, KPMG Vietnam





















Global Digital Transformation practices

The new digital building blocks of success

Technology can unlock capacity and value but is a force multiplier, not an end in itself. The most successful enterprises harness new tools not just to find insights, complete tasks, or speed progress, but to enable the whole of their workforce to create value.

The digital enterprises in the years ahead are expected to have particular strengths across four areas: resilient cultures, digital maturity, building and maintaining fit-for-purpose partner ecosystems, and strong orchestration capabilities.



Source: Transforming the enterprise of the future: The new champions in a digital era, KPMG International, March 2024









Conclusion

 Digital transformation becomes constant to enable the organization to innovate new products/ services, create new values and enhance competitive advantages.

2. The leadership, rather than technology, will define the digital outperformers in the years ahead: no digital app or platform can deliver long-term value without vision, inspiration and motivation.

3. Digital transformation is challenging and complex. To reduce risk and cost, an intermediate step digital transition can be considered. Moving the organization to a digital state while leveraging the existing digital technologies and capabilities, before moving to transformation, where the organization can create new digital business models and value propositions.









The Significance of Green Transformation and Digital Transformation (Dual Transformation)

- Dual Transformation aims to shift the growth model from breadth to depth.
- The economic growth model (EGM) reflects how a nation develops, indicating the main driving forces, the modernity of its structure, and the quality of its growth.
- Theoretically: Growth is a function of capital, resources, labor, and technology.
- A growth model reliant on resources, land, and cheap labor represents a breadth-oriented model.
- A growth model based on science and technology (S&T) and innovation, productivity, quality, efficiency, digital transformation, ensuring sustainable and inclusive development is a depthoriented EGM.



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However, there are still challenges in the growth model: The growth model still relies on cheap labor, with a persistent dualistic economy (foreign and domestic). The spillover effects from the foreign-invested sector are limited, especially regarding technology transfer. The contribution of S&T and innovation to growth remains low, with limited Total Factor Productivity (TFP) gains. Limited improvement in labor productivity (LP): an average increase of 5.8%/year from 2016-2020, compared to 4.3% from 2011-2015, which is still slow. Lagging labor productivity: Vietnam's LP growth rate from 2011-2020 was 5.11%, higher than the ASEAN average (3.11%) but lower than China (7%), India (6%), and Cambodia. Reasons: Limited investment in S&T, inadequate institutions for S&T and innovation, lack of breakthroughs, low R&D investment by private enterprises, etc. Weak regional linkages. The components market is not fully developed (not yet recognized as a market economy). The private economic sector has not yet developed to its full potential (44% of GDP), with Vietnamese businesses remaining small and lacking large corporations. Growth based on innovation, technology, skills, and participation in global value chains remains very limited. 8

	Drivers of Growth: From a Different Perspective						C
	Year	GDP Growth Rate (%)	Capital Contributio n	Labor Contribution	Human Capital Contributio n	TFP Contribution	
	2020	2.87	123.61	-30.23	14.49	-7.86	
	2021	2.56	155.43	3.09	13.89	-72.41	
	2022	8.02	47.81	7.06	3.89	41.24	
	2023	5.05	70.68	9.50	5.56	14.26	
	2024	5.56	62.33	4.78	4.63	28.26	
	2025	5.78	59.15	6.08	4.07	30.70	
Source:Institute	e of Statistic	al Science (2024	4)				



Some Other Key Issues with the Growth Model

- The growth model is not yet green and has not significantly contributed to sustainable development (renewable energy, environmental pollution (especially plastic waste), greenhouse gas emissions, etc.).
- Green growth has barely been implemented.
- The circular economy is in its infancy and has not yet developed.
- The blue economy remains largely untapped potential.
- Institutions have improved but still have bottlenecks and lack breakthroughs, especially for S&T & innovation, and for new economic models (sharing economy, fintech, data resources, etc.); Pilot models and sandbox environments are still limited.
- Regional linkages are weak, failing to leverage regional potential and advantages; there are no pilot regions/zones.
- Low technology and skills levels hinder participation in global value chains and limit the growth in scale and quality of Vietnamese businesses.



Green Transformation Policies: On Climate Change Response

- The Vietnamese government has actively participated in and ratified the United Nations Framework Convention on Climate Change and the Kyoto Protocol, completed legal documents, and created a legal framework for disaster prevention, mitigation, and climate change adaptation.
- The National Target Program on Climate Change Response, the National Strategy on Climate Change, and the National Action Plan on Climate Change have been approved.
- On June 3, 2013, the 7th Plenum of the 11th Central Committee issued Resolution No. 24-NQ/TW on Proactive Response to Climate Change, Strengthening Natural Resource Management, and Environmental Protection. These are crucial efforts by Vietnam in addressing climate change.
- Law on Environmental Protection 2020.
- Decree 08, Circulars 01 and 02 of 2022 by the Ministry of Natural Resources and Environment.

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Green Transformation Policies: On Green Growth

- National Strategy on Green Growth for the 2011-2020 period, vision to 2050 (Decision 1393/QD-TTg dated September 25, 2012), National Action Plan on Green Growth for the 2014-2020 period (Decision 403/QD-TTg dated March 20, 2014) (NAP 2014-2020). Based on these, ministries, sectors, and localities have issued Action Plans to implement the Strategy for their respective areas and management.
- National Action Program on Sustainable Production and Consumption (SCP) in 2016; The Prime Minister approved the Project on Developing Vietnam's Environmental Industry to 2025 in 2017...
- Decision No. 1658/QD-TTg dated October 1, 2021, by the Prime Minister: Approving the National Strategy on Green Growth for the 2021-2030 period, vision to 2050.
- Decision No. 882/QD-TTg dated July 22, 2022, by the Prime Minister: Approving the National Action Plan on Green Growth for the 2021-2030 period.

Green Transformation Policies: On Circular Economy

- Law on Environmental Protection 2020.
- Decree No. 08/2022/ND-CP of the Government: Detailing a number of articles of the Law on Environmental Protection.
- Decree 08/2022/ND-CP details several articles of the Law on Environmental Protection.
- Circulars 01 and 02 of 2022 by the Ministry of Natural Resources and Environment.
- Decision No. 687/QD-TTg of the Prime Minister: Approving the Project on Developing a Circular Economy in Vietnam.
- National Action Plan to implement the circular economy to 2030, with a vision to 2050 (draft Prime Ministerial Decision available).
- Documents on green growth, energy saving, and efficiency.
- Policies on the development of related industries.
- Other policies related to green transformation.



Digital Transformation

- Digital Transformation is the use of data and digital technologies to comprehensively and holistically transform all aspects of socio-economic life.
- Digital transformation to develop the digital economy: (i) Developing digital infrastructure (expanding mobile networks, fiber optic connections, providing WiFi), digital platforms, databases, etc. (ii) Digital transformation for traditional businesses (towards digitally integrated products; transforming business models on a digital platform; changing production processes based on digital data, automation, virtualization, etc.); (iii) Developing digital finance; (iv) Developing the ICT digital economy, IT, platform economy, sector-specific digital economy.
- Social digital transformation (digital society): Applying digital technology to enhance service quality, reduce social disparities (e.g., in education, healthcare, culture, social security, etc.).
- Digital transformation in government agencies (digital government), towards providing convenient public services to citizens, developing open data from state management agencies.
- · Issues: Information asymmetry, winner-takes-all dynamics, cybersecurity risks, etc.





































Digital transformation center, low-cost and abundant supply of digital human resources, digital technology-savvy population is main strengths



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DENTONS LUATVIET **INTRODUCTION** Legal framework The Government issued many legal documents, programs, action plans and executive guidances on green economic development and sustainable growth. sustainability and environmental protection: Decision No. 2139/QD-TTg dated December 5, 2011 approving the National Strategy on climate • change; Decision No. 1474/QD-TTg promulgating the National Action Plan on Climate Change for the period . 2012 - 2020 to realize the tasks of the Strategy; Decision No. 622/QD-TTg dated May 10, 2017 promulgating the National Action Plan to implement . the 2030 Agenda for sustainable development; Decision No. 1670/QD-TTg dated October 31, 2017 approving the Target Program to respond to climate change and green growth Decision No. 1658/QD- TTg on October 1, 2021 approved the National Strategy on Green Growth for the period 2021-2030, vision 2050.







DENTONS LUATVIET II. DIGITALIZATION – GREEN ECONOMY

1. Overview

Climate change is a global phenomenon that causes severe environmental impacts, such as heatwaves, polar ice melt, and a reduction in biodiversity. Depending on where they live, people experience climate change differently. Vietnam is facing risks from rising sea levels, storms, and floods. These issues could have serious consequences for the ecosystem, the economy, and the lives of its people. Therefore, policymakers in Vietnam have called for the immediate implementation of strong measures to both adapt to climate change and mitigate its effects by decarbonizing the economy.

2021: Vietnam announced its target to achieve net zero by 2050 target during COP26 World Leaders's Summit

• The deployment of green technologies, or green tech, is central to the measures to mitigate climate change in Vietnam

-	2.1 Digitalization			
	increase predictability of envir goals.	onmental issues, thereby helping t	o achieve sustainable developme	ent
	The digitalization process w	ill generally go through 3 stages		
	The digitalization process w Stage 1 Doing Digital	ill generally go through 3 stages Stage 2 Becoming digital	Stage 3 Being digital	

DENTONS LUATVIET II. DIGITALIZATION – GREEN ECONOMY

2.2. Green Economy

- Green economy is an economy that delivers on human well-being and social equity while significantly reducing environmental risks and ecological degradation. A green economy can be considered one that features low carbon emissions, efficient resource use, and social inclusivity - According to United Nations Environment Programme ("UNEP").
- Benefits: protecting the environment, using resources efficiently, improving public health, creating sustainable job opportunities, enhancing competitiveness, and ensuring social equity.



DENTONS LUATVIET **II. DIGITALIZATION – GREEN ECONOMY** 3. Importance of Digital in Green Economy Resource Optimization: Digital technology facilitates the management and optimization of resource use, minimizing waste and conserving energy. Environmental Impact Reduction: Data analytics and renewable energy systems contribute to reducing negative environmental impacts. Promotion of Green Production: Supports the design of sustainable products and the management of green supply chains, fostering sustainable production and consumption. Enhanced Operational Efficiency: Automation and smart energy management reduce waste and conserve energy. Improved Awareness and Education: Digital platforms enhance environmental protection awareness and promote sustainable practices. 12

DENTONS LUATVIET

4. Legal framework

- On 25 September 2012, the Government issued Decision No. 1393/QĐ-TTg approving the National Strategy on Green Growth for the period 2011-2020, with a vision to 2050. Accordingly, the Government of Vietnam affirmed: "Green growth is an important aspect of sustainable development, ensuring rapid, efficient, and sustainable economic development, and it plays a crucial role in implementing the National Strategy on Climate Change".
- On October 1, 2021, The Prime Minister has issued Decision No. 1658/QĐ-TTg approving the National Strategy on Green Growth for the period 2021-2030, with a vision to 2050. The overarching goal is that green growth will contribute to restructuring the economy in conjunction with innovating the growth model, aiming to achieve economic prosperity, environmental sustainability, and social equity; moving towards a green economy, carbon neutrality, and contributing to the goal of limiting global temperature rise.
 - On 17 November 2022, Resolution No. 29-NQ/TW of the Party Central Committee identifies the core content of the industrialization and modernization process in the 2021-2030 period as promoting digital transformation and green transformation in industries and fields.

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II. DIGITALIZATION - GREEN ECONOMY

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IV. BEST PRACTICES RECOMMENDATIONS

2. Management of arbitral procedure and client's expectations

* Management of Arbitral Procedure:

Strategic planning/Timing + Costs

Evidence gathering

Communication

Management of witnesses with cultural diversity.

Expert testimony

Final award challenge or enforce?











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REALITY OF AGRICULTURAL COOPERATIVES IN THE PROCESS CONVERSION - SAVING ELECTRICITY, WATER, FERTILIZER AND GOING TOWARDS GREEN TRANSITION MODEL IN AGRICULTURE



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Mr. Lam Ngoc Tuan Chairman of the Board of Directors– Director of Cooperative Tuan Ngoc













REALITY OF AGRICULTURAL PRODUCTION CO-OPERATIVES IN HCMC RECENTLY

Fertilizer Savings:

Organic fertilizer: Many cooperatives have converted from using chemical fertilizers to organic fertilizers to reduce environmental impact and improve product quality. However, the organic fertilizer production process still faces many technical difficulties and raw material sources.

Automatic fertilization technology: Automatic fertilization system helps distribute fertilizer evenly and effectively, reducing waste and optimizing use. However, the cost of investing and maintaining this system is quite high, only a few cooperatives are able to apply it.



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THE CURRENT STATUS OF TUAN NGOC COOPERATIVE'S OPERATION DURING THE GREEN TRANSFORMATION PROCESS

2. Cost reduction, revenue increase: By adopting advanced technologies, the cooperative has successfully reduced electricity, water, and fertilizer costs. This has not only boosted revenue but also improved farmers' incomes, especially in challenging economic times.

3. Environmental Protection: These measures to conserve electricity, water, and fertilizer not only provide economic benefits but also contribute to environmental protection by minimizing the negative impacts of agricultural production.

4. Towards Sustainable Agriculture: Tuan Ngoc Cooperative's efforts in green transformation are a significant part of the sustainable agriculture development strategy in Ho Chi Minh City, aligning with national goals of green growth and climate change adaptation.





DIFFICULTIES – CHALLENGES

2. Lack of knowledge and skills to control technology:

+ **Training and technology transfer:** Many farmers and cooperative staff lack the knowledge and skills to operate and maintain high-tech systems. Training and technology transfer have not been implemented synchronously and effectively.

+ Access to information: The ability to access information about new technologies is still limited, reducing the ability to apply advanced solutions.

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