BUSINESS ASSOCIATIONS IN VIETNAM:
Status, Roles and Performance

Nguyen Phuong Quynh Trang
Mekong Project Development Facility

Jonathan R. Stromseth
The Asia Foundation

With contributions from:
Hoang Xuan Thanh
Nguyen Quynh Trang
Tran Doan Kim

August 2002
# TABLE OF CONTENTS

**LIST OF ACRONYMS**

iii

**PREFACE**

v

**EXECUTIVE SUMMARY**

vii

**I. INTRODUCTION**

1

A. Background and Justification for the Research Project 1
B. Objectives 2
C. Methodology 3
D. Profile of Survey Sample 5

**II. LEGAL CONTEXT, ORIGINS, HISTORICAL DEVELOPMENT**

9

A. The Different Types of “Associations” in Vietnam 9
B. Legal Status of Business Associations 10
C. How and Why Were the Associations Established? 15

**III. ASSOCIATION TYPES, STRUCTURES, ACTIVITIES AND MEMBERSHIP**

21

A. Framework 21
B. Structures 24
C. Functions of Business Associations 24
D. Membership Within Business Associations 25

**IV. SPECIFIC FINDINGS FROM SURVEY AND FIELD RESEARCH**

29

A. Who Are Members of Business Associations? 29
B. Why Are Companies Members of Business Associations? 31
C. How Well are Business Associations Meeting the Needs and Demands of Their Members? 32
D. What Factors are Hindering Associations from Meeting the Needs of Their Members? 38

**V. RECOMMENDATIONS**

43

A. What Can Business Associations Do to Strengthen Themselves? 43
B. How Can the Government Support the Development of Business Associations? 45
C. How Can International Organizations Collaborate with and Assist Vietnamese Business Associations? 47

**BIBLIOGRAPHY**

49

**ANNEXES**

1. List of Selected Business Associations in Vietnam 51
2. Questionnaire on Performance of Business Associations 65
FIGURES

Figure 1.1 - Distribution of Survey Sample (by location) 5
Figure 1.2 - Response Rate (by city) 5
Figure 1.3 - Distribution of Survey Sample (by industry) 6
Figure 1.4 - Growth in Capital of Surveyed Companies 6
Figure 1.5 - Biggest Obstacles Currently Faced by Companies (in the survey sample) 7
Figure 3.1 - Organizational Structure of a Typical Business Association 24
Figure 4.1 - Respondents' Participation in Business Associations 29
Figure 4.2 - Percentage of Companies Participating in Business Associations 29
Figure 4.3 - Level of Participation (by registered capital) 30
Figure 4.4 - Level of Participation (by number of employees) 30
Figure 4.5 - Association Participation (by industry) 30
Figure 4.6 - Association Members (by date of registration) 31
Figure 4.7 - Main reasons why companies join Business Associations 31
Figure 4.8 - Ratings of Association Functions and Activities 36
Figure 4.9 - Mean Scores assigned to Association activate 37

BOXES

Box 1 - Establishing a business association in Vietnam 12
Box 2 - Three Business Associations in the Plastics Industry 19
Box 3 - Case Study of Interest Representation by VCCI 33
Box 4 - “Feeling Guilty” About Collecting Fees 39
Box 5 - Recommendations by Vietnamese Business Associations 44
## LIST OF ACRONYMS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full name</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGTEK</td>
<td>Association of Garments, Textiles, Embroidery and Knitting of HCMC</td>
</tr>
<tr>
<td>AIC</td>
<td>Association of Industry and Commerce</td>
</tr>
<tr>
<td>BDS</td>
<td>Business Development Services</td>
</tr>
<tr>
<td>CIEM</td>
<td>Central Institute of Economic Management</td>
</tr>
<tr>
<td>CPRGS</td>
<td>Comprehensive Poverty Reduction and Growth Strategy</td>
</tr>
<tr>
<td>DANIDA</td>
<td>Danish International Development Agency</td>
</tr>
<tr>
<td>DI</td>
<td>Danish Confederation of Industry</td>
</tr>
<tr>
<td>GCOP</td>
<td>Government Committee on Organization and Personnel</td>
</tr>
<tr>
<td>GTZ</td>
<td>German Technical Cooperation</td>
</tr>
<tr>
<td>HASMEA</td>
<td>Hanoi Association of Small and Medium Enterprises</td>
</tr>
<tr>
<td>HBA</td>
<td>Hanoi Business Association</td>
</tr>
<tr>
<td>HCMC</td>
<td>Ho Chi Minh City</td>
</tr>
<tr>
<td>HUAIC</td>
<td>Hanoi Union of Associations of Industry and Commerce</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labor Organization</td>
</tr>
<tr>
<td>LEFASO</td>
<td>Vietnam Leather and Footwear Association</td>
</tr>
<tr>
<td>LPDI</td>
<td>Law on Promotion of Domestic Investment</td>
</tr>
<tr>
<td>MIS</td>
<td>Management Information Systems</td>
</tr>
<tr>
<td>MPDF</td>
<td>Mekong Project Development Facility</td>
</tr>
<tr>
<td>NGOs</td>
<td>Non-Government Organizations</td>
</tr>
<tr>
<td>SIDA</td>
<td>Swedish International Development Agency</td>
</tr>
<tr>
<td>SIYB</td>
<td>Start and Improve Your Business</td>
</tr>
<tr>
<td>SME</td>
<td>Small and Medium Enterprises</td>
</tr>
<tr>
<td>SOE</td>
<td>State Owned Enterprises</td>
</tr>
<tr>
<td>UAIC</td>
<td>Union of Associations of Industry and Commerce of HCM City</td>
</tr>
<tr>
<td>UNIDO</td>
<td>United Nations Industrial Development Organization</td>
</tr>
<tr>
<td>USD</td>
<td>United States Dollar</td>
</tr>
<tr>
<td>VCA</td>
<td>Vietnam Cooperative Alliance</td>
</tr>
<tr>
<td>VCCI</td>
<td>Vietnam Chamber of Commerce and Industry</td>
</tr>
<tr>
<td>VEA</td>
<td>Vietnam Economics Association</td>
</tr>
<tr>
<td>VFF</td>
<td>Vietnam Fatherland Front</td>
</tr>
<tr>
<td>VND</td>
<td>Vietnamese Dong</td>
</tr>
<tr>
<td>VSPA</td>
<td>Vietnam Saigon Plastics Association</td>
</tr>
<tr>
<td>VITAS</td>
<td>Vietnam Textiles Association</td>
</tr>
<tr>
<td>VUSTA</td>
<td>Vietnam Union of Science and Technology Associations</td>
</tr>
<tr>
<td>WEA</td>
<td>Women Entrepreneur’s Association</td>
</tr>
<tr>
<td>YBA</td>
<td>Young Businesspeople’s Association</td>
</tr>
<tr>
<td>YBC</td>
<td>Young Business Leaders Council</td>
</tr>
<tr>
<td>ZDH</td>
<td>German Confederation of Handicrafts</td>
</tr>
</tbody>
</table>
PREFACE

This report provides an overview of the current status of Vietnamese business associations. It serves as a basis for MPDF and The Asia Foundation to formulate plans and design projects for collaborating with business associations. The report is published as a joint MPDF/Asia Foundation discussion paper that is available to the public.

The report benefited from the contributions of many individuals. The contributions of Pham Quoc Anh and To Hai Anh were invaluable throughout the study. Both of these individuals participated in the field research along with the principal and contributing authors. In addition, Quoc Anh was responsible for data entry and processing, while Hai Anh translated the report into Vietnamese. Also contributing to the translation were Thai Bao Anh, consultant to The Asia Foundation, as well as Duong Thanh Trung and Le Bich Hanh of MPDF.

Complete or partial drafts of the report were reviewed by Mario Fischel and John Mckenzie of MPDF; Barnett F. Baron and Franck S. Wiebe of The Asia Foundation; Myles McGregor-Lowndes of the Queensland University of Technology; Mme Pham Chi Lan of the Vietnam Chamber of Commerce and Industry; Pham Nguyen Toan of LEADCO; Mark Sidel of the University of Iowa College of Law; Milton Lawson of Freshfields; and independent consultants Edmund J. Malesky and Stanford Smith. Comments provided by these individuals were very helpful in making needed revisions.
EXECUTIVE SUMMARY

INTRODUCTION

Business associations can play a key role in facilitating the development of a strong private sector by representing business interests and providing specific support to their members. While there are perhaps 200 business associations in Vietnam and some are growing stronger, they are at present somewhat limited in performing many of the functions normally undertaken by their counterparts in other countries. Recognizing that business associations can and should play an important role in the development process of the Vietnamese private sector, the Mekong Project Development Facility (MPDF) and The Asia Foundation initiated this study on the role of business associations in the emerging private sector.

OBJECTIVES

This study aims to look at business associations as a group, to examine their current status, and to make general observations and recommendations for the development of business associations as a whole.

The main objectives of this report are to:

- identify and evaluate key features of business associations in Vietnam, as well as the conditions in which they operate, and
- analyze the current role and status of business clubs and associations in supporting the Vietnamese business sector.

This report does not aim to prescribe a detailed development program for business associations in Vietnam; rather, it is a mapping exercise intended to serve as a basis for MPDF and The Asia Foundation to formulate plans and design projects for collaborating with business associations.

KEY FINDINGS

Roles of business associations

There are at present about 200 business associations throughout the country. The activities of Vietnamese business associations can be divided into three main categories.

Interest Representation

The main function of most Vietnamese business associations, particularly larger ones, is to represent and promote the interest of its members in both domestic and international relations. This includes maintaining a dialogue with the government on law and policies affecting the business community, and engaging in relationships with other local and foreign organizations.

Business Services

Business services refers to all non-financial services that businesses might need: training courses, technical consultancy, organization of trade fairs, exhibitions, seminars, conferences, promotion of business contacts/networking, collection and dissemination of information on issues affecting members.
**Other Activities**

Most associations, and particularly smaller clubs, have active social and humanitarian programs. A number of associations reported gathering money for flood and famine relief every year, as well as for donations to the handicapped, to families of war martyrs, to Heroic Mothers of Vietnam.

**Assessment of Business Associations’ Current Activities**

Business associations and their members feel that business associations are performing fairly well at:

- Providing information on policies and legal issues to members
- Making policy/legal recommendations on behalf of their members
- Providing or organizing short-term training courses

However, business associations are still relatively weak at:

- Providing technical advice and consulting
- Providing information on markets
- Providing assistance in accessing both domestic and export markets

In the realm of interest representation, participation in policymaking tends to be limited to the largest and most well-known associations – such as the Vietnam Chamber of Commerce and Industry, the Hanoi Union of Associations of Industry and Commerce (HUAIC), and the UAIC of Ho Chi Minh City. These groups contribute comments and opinions to government drafting committees formulating new laws and regulations on business issues, and, in the case of VCCI, also serve on the drafting committees themselves. Sometimes this participation has had a tangible positive effect on policies affecting the private sector.

In terms of business services, associations leaders and their members both felt that the provision of business services by associations to members is relatively weak. For the most part, service provision is only available at the level of information dissemination in the form of a newsletter or newspaper, basic legal advice on a case-by-case basis, and provision of training. Associations and members would like the associations to offer more in-depth, professional quality services, especially in the areas of legal advice, trade promotion, and technical assistance.

**Constraints Faced by Business Associations**

Enterprise's needs and demands are great, and it is unrealistic to expect that a business association can address and help enterprises with all of them. There are some difficulties facing enterprises that most associations can do little to resolve. However, in the areas of interest representation and specific business services, there are a number of ways in which associations can assist their members. At present, many are unable to do so effectively because they lack the necessary resources and training to carry out these functions. Furthermore, without a consistent and favorable legal framework that clearly defines the rights and responsibilities of business associations, it will be difficult for them to grow beyond their current levels and capacities.

**Lack of Resources**

Business associations currently depend on four sources of income: the state budget, fees generated from service provision, membership dues, and donations (from both members and outsiders). Because these sources are unreliable and inconsistent, however, the associations are unable to depend on a fixed budget upon which to develop and expand their operations.
Lack of Capacity/Lack of Professional Staff

The level of professional capacity in Vietnamese business associations is relatively weak. Smaller associations and provincial associations generally do not have full-time staff. Their leaders are often entrepreneurs themselves, and have limited time available to commit to the work of the association. National industry associations are often tied to general corporations under the same industry, and staff from these corporations tend to double as staff of the associations.

In general, the staff of associations are not professionally equipped to offer support services to their members. Much of this problem is linked to the problem of finances – without money, associations cannot afford to hire highly qualified individuals to serve on their staff.

Lack of a Clear Legal Framework

The current legal framework for business associations is fragmented and confusing, and includes complicated entry procedures – involving multiple agencies and steps – that may be preventing potentially vibrant business associations from becoming established and contributing to business development. Furthermore, those that have become established do not receive standard privileges, such as tax exemptions on income from core activities and tax deductions for dues paid by members, which could improve their financial standing and allow them to devote more resources to activities supporting their members. Although the legal regime does include provisions facilitating interest representation, these provisions are enforced inconsistently and mostly benefit large, well-known associations.

Recommendations

The following recommendations by the authors of this research report are presented to three different sets of stakeholders involved in private sector development: 1) business associations, 2) the government and 3) donor agencies and organizations. Many of these recommendations echo recent proposals made by Vietnamese business associations themselves.

What Can Business Associations Do to Strengthen Themselves?

Associations should strive to “professionalize” activities and services. Most of the larger multi-sectoral and single-industry associations already have functional departments that include membership development, training, and information provision. A few also engage in consulting, trade promotion and policy/advocacy activities. Nevertheless, many of these activities are currently conducted on an ad-hoc basis; business associations should move towards developing core products in each of these areas in addition to their current level of activity. These products should be very specific to members’ needs and expectations, as they must be paid for by their members in the form of service fees.

Collection of membership dues, collection of service fees, and fundraising need to be priorities for many associations. Business associations cannot function without a steady source of funding, yet almost all have very low membership dues and service fees in Vietnam. In addition, in most cases there is a general attitude among association leaders, staff, and members that associations are not yet doing enough for their members to warrant collection of significant dues and service fees; as a result, associations are currently forced to rely on other types of funding for survival. This is not sustainable in the long term, as associations need better mechanisms for generating and collecting membership dues and service fees. Business associations should set up specific fee structures for both membership dues and services as well as regular billing procedures.
In the short term, Vietnamese business associations should seek help from international organizations working in the area of private sector development for both technical advice and financial assistance. As these associations grow and prosper, however, they should expect to see external funding phased out. International experience has shown that best practices for such assistance includes an explicit timetable from the outset, which incrementally reduces support and allows organizations to work towards self-sufficiency over a relatively short period of time.

How Can the Government Support the Development of Business Associations?

Regularize and broaden business association participation in economic policy- and law-making through better enforcement of current provisions which require ministries to solicit comments from business associations before promulgating new legal documents relating to business activities. To invest these provisions with higher legal authority, they also could be built into comprehensive legislation on business associations that is presently under consideration. Regularized participation improves the quality of economic laws and regulations by providing useful feedback to the government before promulgation. During implementation, it reduces the chances that entrepreneurs will be shocked or surprised by unexpected regulatory changes that affect the cost of doing business. Participation also improves implementation by deepening public commitment to and understanding of new laws and regulations. Ultimately, this helps to provide stability and predictability to the regulatory environment for business and investment.

Improve the regulatory environment to allow business associations to become established, develop, and carry out their core functions. The regulatory environment governing business associations in Vietnam should reflect local social, economic, and political conditions and be responsive to local needs. However, as the government moves forward in developing new regulations for business associations, it also may be useful to consider international standards and norms in this area. Broadly speaking, international experience suggests that laws, regulations, and administrative systems governing associations should regulate them sensibly and prevent abuses, but not create compliance burdens that discourage either the formation of associations or the conduct of their legitimate activities. Towards this end, regulations should be written so that:

- It is relatively quick, easy, and inexpensive to establish business associations. The legal framework should not impose restrictive conditions (e.g., requiring all members of an association to be from the same industry or locality) or burdensome procedures (e.g., requiring numerous permissions and approvals from multiple state authorities) that would inhibit the formation of associations.
- Business associations should be exempt from taxation on income generated from “core activities” (e.g., receiving membership fees, issuing certificates, and carrying out business support services).
- Individuals and enterprises should receive income tax benefits, in the form of tax deductions, when paying membership dues to business associations.
- Minimum provisions necessary for the operation and governance of a business association should be stated in the official statutes of the association. In these provisions, there should be an accountability mechanism ensuring that the association remains faithful to its purposes and responsive to its members.
Business associations should have the right to suggest new initiatives on laws and regulations pertaining to the business environment.

➤ Reporting to supervisory agencies should be as simple to complete and as uniform among state agencies as is possible.

➤ There should be a single national registry of all business associations. To promote accountability and trust, the public should have access to the registry and rules for access should be clearly defined.

The government should consider increasing the delegation of SME-promotion tasks and activities to business associations. The government’s current intended strategy towards private sector and SME promotion as laid out in Decree No. 90/2001/CP-ND (the SME Decree) and the draft of the Comprehensive Poverty Reduction and Growth Strategy (CPRGS) includes facilitating the establishment of funds to support investment, banks specializing in providing business services to the SME sector, centers to provide technical assistance to SMEs, business incubators, trade promotion centers, etc. Many of these tasks could very effectively be carried out by private business service providers and business associations.

Business associations are in a unique position to provide various kinds of business services, as they have inherent client base and a good understanding of the needs of businesses. In addition, business associations are different from private service providers in that they are not in the business of making money – they only need to recover their operating costs and as a result, their service fees can be lower and more affordable for members. It is recommended that the government consider transferring a number of these tasks to them.

How can MPDF, The Asia Foundation and other international organizations partner with and assist Vietnamese business associations?

International organizations should increase their support for technical assistance and seed funding for capacity building of business associations. In the long-term, as noted above, business associations should be self-sustainable organizations, generating their funding from internal sources. At present, however, most associations lack both the management and technical capacity to operate effectively. International organizations and NGOs, including MPDF and The Asia Foundation, should build on the capacity building work that has already been done with external support.

Capacity building programs should highlight association management and development, staff capacity, fees generation, and professional service provision to members. Interventions by international organizations should target two separate groups: 1) in-depth support for specific associations that currently show strong potential and 2) general training for larger numbers of associations. As there are a number of international groups engaged in this area (and with more likely to become engaged in the future), it is important that the international community maintain a regular dialogue to identify potential synergies and avoid overlapping activities.
I. **INTRODUCTION**

A. **BACKGROUND AND JUSTIFICATION FOR THE RESEARCH PROJECT**

The past two-and-a-half years have witnessed a number of important milestones for the Vietnamese private sector. In January 2000, the Enterprise Law came into effect, which significantly simplified the business registration process and resulted in a dramatic increase in the number of registered private enterprises in Vietnam. In November 2001, the “Decree on Supporting the Development of Small and Medium-Sized Enterprises” (SME Decree) was adopted by the government, formalizing an official definition of an SME and outlining the government’s support policies for the development of SMEs. In March 2002, the Central Committee of the Communist Party of Vietnam convened a Party Plenum focusing on the development of the private economic sector. The official resolution of the Fifth Plenum confirmed that the private sector is an important component of the national economy, affirmed that all economic sectors should be treated equally, and set out various policy prescriptions for improving the operating environment for private business. The resolution also called for promoting the role of Vietnamese business associations, and said that a decree on the organization and operation of business associations should be promulgated soon.

In many countries, associations of organized business play a key role in facilitating the development of a strong private sector by representing business interests and providing specific support to their members. While there are perhaps 200 business associations in Vietnam and some are growing stronger, they are at present somewhat limited in performing many of the functions normally undertaken by their counterparts in other countries.

Lack of information and lack of capacity at the individual enterprise level are issues that generally can be addressed with some outside assistance. However, the availability of professional business support/development services (BDS) is still limited in Vietnam, especially in the areas of marketing and trade facilitation, technical consulting, training, management information systems (MIS), etc. The state-affiliated institutions that include trade promotion centers, training centers, and research institutes provide limited services, usually with external state or donor funding, and the quantity and quality of services provided is often directly linked to the availability of funding. Private BDS providers are relatively small and weak, especially outside of large cities; even with services such as MIS, where there is a large supply, the level of service is fairly basic. Business associations at present provide simple training, information provision and networking/promotion services. Nevertheless, there is considerable potential for them to become professional suppliers of quality BDS.

Formal consultative mechanisms and opportunities for interest representation do exist for business associations in Vietnam. The most tangible avenue for interest representation is the country’s legislative process. During the 1990s, some business associations have had increasing opportunities to recommend changes to draft laws, and recently their representatives have participated in drafting committees themselves. In some cases, such as the 1994 Law on

---

1 Since January 2000, the number of registered enterprises has more than doubled – from less than 30,000 to more than 60,000.
2 “Resolution of the Fifth Plenum of the Party Central Committee (IX Term) on Continuing to Renovate Mechanism and Policies, and to Promote and Create Conditions for the Development of the Private Economy.” The text of this resolution can be found at the official website <http://www.cpv.org.vn> of the Communist Party of Vietnam.
Promotion of Domestic Investment and the more recent Enterprise Law, input by business associations has led to extensive revisions of draft laws and helped shape final legislation. However, these opportunities for interest representation are usually limited to important laws expected to have a broad national impact, to the exclusion of various sub-law regulations issued by ministries. Furthermore, the business associations participating in these consultative processes are generally limited to the largest or most well known groups— notably the Vietnam Chamber of Commerce and Industry (VCCI), the Hanoi Union of Associations of Industry and Commerce (HUAIC), the UAIC of Ho Chi Minh City, and the Young Business Leader's Council (YBC) and its affiliated associations. Thus, an opportunity exists for the development of more regularized and broad-based participation by business associations in policy- and law-making on the private sector.

Recognizing that business associations can and should play an important role in the development process of the Vietnamese private sector, the Mekong Project Development Facility (MPDF) and The Asia Foundation initiated this study on the role of business associations in the emerging private sector.

B. Objectives

There have been several studies undertaken and reports written that provide detailed descriptions of the various business organizations in the country; this study does not intend to duplicate the work that has already been done. Instead, this study aims to look at business associations as a group, to examine their current status, and to make general observations and recommendations for the development of business associations as a whole.

The main objectives of this report are to:

1) identify and evaluate key features of business associations in Vietnam, as well as the conditions in which they operate, and
2) analyze the current role and status of business clubs and associations in supporting the Vietnamese business sector.

This paper does not intend to prescribe a detailed development program for business associations in Vietnam; rather, it is a mapping exercise that will serve as a basis for MPDF and The Asia Foundation to formulate plans and design specific projects for collaborating with business associations.


The Young Business Leader's Council (YBC) is called “Hoi Dong Cac Nha Doanh Nghiep Tre Viet Nam” in Vietnamese, and the affiliated associations are known as “Hoi Doan Nghiep Tre.” The name has been translated in a number of ways into English by the YBC’s eight regional associations and others, and has been referred to as the Young Business Association, Young Businessman’s Association, Young Enterprise Association, Young Entrepreneur’s Association, etc. In most provinces, the local representative offices of the YBC are not official associations and are simply described as “Cau Lac Bo Doanh Nghiep Tre,” or Young Entrepreneur’s Club. The groups in Hanoi and HCMC are exceptions; in both cities they are called associations. Both groups continue to be called “Hoi Doan Nghiep Tre” in Vietnamese, but in English, the group in Hanoi is officially known as the “Hanoi Business Association” (HBA) and the group in Ho Chi Minh City is called the “Young Businesspeople’s Association of HCMC” (YBA). This study will refer to the national group as “Young Business Leader’s Council,” or YBC, and the affiliated clubs by the names in English that the local organizations have chosen for themselves.


Over the next three years, MPDF will undertake a major new initiative to strengthen business associations in Vietnam and Cambodia. This report assisted in the preliminary identification of local partners and in the selection of types of activities to be undertaken in the project.
In light of MPDF’s focus on private sector development and The Asia Foundation’s focus on supporting business environments conducive to small business, this study concentrates on associations that currently support the private sector or have the potential to do so – either through the delivery of services or through interest representation. Thus, the research team tried to include groups that may still be operating on an informal level (e.g. business clubs), since these organizations are generally close to private sector interests and concerns.

Less importance was placed on associations that primarily target the state-owned businesses. In addition, the study did not focus on associations of professional individuals such as those under the umbrella of the Vietnam Union of Science and Technology Associations (VUSTA). Though interviews were conducted with a few associations that fit in both of these two categories, they were more for the sake of comparison than as a focus.

C. METHODOLOGY

Three main information gathering methods were used in this process: 1) a review of secondary data, 2) semi-structured interviews and 3) a mail survey questionnaire.

1. Review of Secondary Sources

To help establish the context for this study and report, the research team carried out a thorough review of secondary sources on Vietnamese business associations and the regulatory context in which they operate. The research team first reviewed the small number of academic studies and development reports on the subject. Subsequently, the team surveyed the more extensive array of legal documents – codes, laws, ordinances, decrees, decisions, directives, circulars, etc. - relating to Vietnamese associations in general and business associations in particular. Various sources were consulted to collect these legal documents, including the Vietnam Legal Database, Official Gazette, and the Vietnam Legal Section of Nhân Dân (electronic version). Other newspapers consulted during the study were Hà Nội Mới, Điện Đänn Doanh Nghież, Vietnam Economic Times, Vietnam Economic News, and the Vietnam Investment Review.

The review of secondary material also focused on the statutes and reports of business associations themselves. Particularly helpful were the frank and informative presentations made by business association leaders at an important national meeting, jointly convened in August 2000 by VCCI and the Government Committee on Organization and Personnel (GCOP), on improving the role and effectiveness of business associations in Vietnam. Information from the secondary research informs the entire report, but was especially useful in drafting Section II on the legal context, origins, and historical development of Vietnamese business associations.
2. Field Research

The field research for this study was conducted between September 7 and November 4, 2001 in five cities: Hanoi and Haiphong in the north, Danang in the center and Ho Chi Minh City and Can Tho in the south. These five cities were chosen for this study because they are among the areas where the private sector is the most developed in Vietnam, which is conducive to the development of organized business associations. A total of 76 interviews and three focus group discussions with enterprises were conducted. The interviews are broken down as follows:

➤ Thirty-five interviews with business associations, including national associations, branches of the VCCI in all research cities, branches of the Vietnam Cooperative Alliance in all research cities, national industry associations, local industry associations, Young Business Associations in all research cities, and several individual professional organizations
➤ Two interviews with government officials to seek the government’s perspective on business associations
➤ Thirty-two interviews with individual enterprises
➤ Three interviews with service centers for SME promotion/development
➤ Five interviews with international organizations that are working with business associations (or have in the past).10

3. Mail survey questionnaire

A survey questionnaire was mailed to a total of 1,920 enterprises in the same five provinces. A total of 414 filled-in surveys were returned, for a response rate of 21.6%.

Because there is not yet a comprehensive database of enterprises available in Vietnam, the original database of companies from which the survey sample was selected was compiled from a wide range of sources. In total, the database contained 6,377 company listings.

Once the database was compiled, three sub-groups were selected to receive the survey questionnaire:

1) 183 companies that had answered a previous MPDF survey,
2) 268 companies from an MPDF company database, and
3) a stratified random sample of 1,500 companies (stratification based on location and type of business activity) 11

Before the questionnaires were sent, the companies were called by members of the research team to confirm the address of the company and to ask the company’s assistance in returning the questionnaire. Companies that were unreachable because they were no longer in business or because their addresses and phone numbers were incorrect were replaced in the database, arriving at the final number of 1,951 surveys sent.

Approximately ten days after mailing, researchers followed up with a second telephone call to companies that had not responded in order to confirm receipt, again ask for the enterprise’s assistance, and to resend the questionnaire if necessary.

10 See Annex 2 for interview guides.
11 Business activities were defined as either manufacturing/production or retail/trade. Among manufacturing companies, a larger number of companies were chosen from the three specific sub-sectors of garments/shoes, plastics and food processing, as these sub-sectors were recently identified in a study in HCMC by a number of private sector development specialists as sectors with high growth potential.
D. **Profile of Survey Sample**

The goal of this study was to survey non-state enterprises in urban areas where the activities of business associations are considered relatively stronger than in the rest of the country. Though an explicit effort was made to eliminate SOEs from the original survey sample, some were missed, and thus there were 16 SOEs among the 414 companies who returned questionnaires. The remaining respondents were limited liability companies (72.2% of survey sample), joint-stock companies (11.4%), private enterprises (9.9%), cooperatives (1.4%) and other (1.2%).

![Figure 1.1 - Distribution of Survey Sample](by location)

Hanoi and Ho Chi Minh City garnered the most responses (30.2% and 30%, respectively), while the remaining responses were divided between the other three cities. The response rate, by region, however, was higher in the small cities (Can Tho, Danang and Haiphong) than in the two larger cities, even though there are a greater number of associations in the large cities.

![Figure 1.2 - Response Rate](by city)

Just over half of the respondents are manufacturing companies, while the remaining 49% are involved in trading/retail, construction, professional services and entertainment services.

About 32% of companies in the survey sample export their goods. Of those, only 20% export exclusively; the remaining 80% also have a presence in the domestic market.

---

12 The 16 SOEs in the sample had negligible impact on the overall survey results.
1. Business Performance of Survey Sample

Overall, the enterprises that responded to the survey have grown since they registered. Figure 1.4 below compares the capital of the companies in the sample at the time of registration and at the time they were surveyed. The percent of companies with less than 1 billion VND in capital has decreased significantly, between 1 and 5 billion VND has stayed about the same, and in larger categories has increased. Over 70% of surveyed enterprises had more than 1 billion VND at the time they were surveyed, compared to less than 30% of all registered private enterprises in Vietnam at the end of 2000.\(^\text{13}\)

In terms of gross sales, about 25% of the sample had sales of less than 1 billion VND ($67,000 USD), about 42% had sales between one billion VND and 10 billion VND, and over 30% of sample had sales of over 10 billion VND (over $670,000 USD) in the year 2000. Over 75% of respondents estimated that their sales increased in the year 2001 (25% of those expected strong growth of over 30%). Only 12% said that their sales decreased between 2000 and 2001.

---

2. Difficulties Faced by Enterprises in the Survey Sample

With the goal of exploring what business associations can do in terms of assisting businesses, respondents were asked to indicate the two biggest obstacles they currently face. Markets (finding them, accessing them and competing in them) and access to capital were the two difficulties most frequently cited by respondents.

This finding is consistent with other studies and the experience of MPDF. However, it seems that over time, access to financing has become less of a problem for private enterprises compared to five years ago – in MPDF’s experience, banks have become much more open to lending to the private enterprises that show profit and growth potential.\(^4\) Enterprises themselves also report that access to capital, though still important, is not necessarily any more of an obstacle than access to information on markets and the ability to access those markets.

Though associations cannot play a direct role in helping companies access capital, they can assist their members to find markets through networking and trade promotion activities, as well as help their members increase their own marketing capacity through training programs. The potential role of business associations in providing services to assist enterprises in overcoming such obstacles is a major focus of this study.

---

\(^4\) One of MPDF’s core activities at the enterprise level is assisting private companies to raise finance.
II. LEGAL CONTEXT, ORIGINS AND HISTORICAL DEVELOPMENT

A. THE DIFFERENT TYPES OF “ASSOCIATIONS” IN VIETNAM

To understand the current status of business associations, it is necessary to place them in the broader context of Vietnamese associations (hội, hiệp hội), organizations (tổ chức), and legal entities (pháp nhân).

Although the legal framework is complex and confusing, the most comprehensive regime for Vietnamese associations and organizations appears in the Civil Code of Vietnam. Enacted in 1996, the Civil Code sets out five categories of legal entities in Vietnam: 1) state agencies and armed forces units; 2) political and socio-political organizations; 3) economic organizations; 4) social and socio-professional organizations; and 5) social and charitable funds. Broadly speaking, associations fall into the second and fourth categories and include socio-political organizations, social organizations, and socio-professional organizations.

Socio-political organizations (tổ chức chính trị xã hội) occupy a unique place in the Vietnamese political system. Commonly known as mass organizations, they include the Vietnam Fatherland Front (VFF), Ho Chi Minh Communist Youth Union, General Confederation of Labor, Women’s Union, Peasant’s Association, and the War Veteran’s Association. Traditionally, these organizations have carried out mobilization work aimed at implementing the economic and social policies of the government. Since 1986, however, some have become increasingly active in representing the interests of their members, particularly in the law-making process, and also are assuming more direct responsibilities for social service and development activities in the countryside.

Most associations in Vietnam fall into the fourth category of legal entities: i.e., social and socio-professional organizations (tổ chức xã hội, tổ chức xã hội nghề nghiệp). According to Chapter III (Article 114) of the Civil Code, social and socio-professional organizations are organizations “which are permitted to be established, or the charters of which are approved by the competent State authority and which have assets formed by the voluntary contributions and fees from members and other individuals or organizations in order to meet the common needs and objectives of members.”

Broadly defined, social organizations (tổ chức xã hội) are associations that are open to a wide variety of individuals who come together for social activity, exchange, or humanitarian purposes. Examples include such humanitarian and charitable groups as the Vietnam Red Cross Society, Association for the Relief of Handicapped Children, Association for the Blind, and other groups such as the Education Promotion Association.

Socio-professional organizations (tổ chức xã hội nghề nghiệp) generally refer to associations that have individual members who are professionals in a specific field, such as the Writer’s Association, Journalist’s Association, and Artistic Photographer’s Association. Related to these groups are associations under the umbrella of the VUSTA – such as the Computer Science Association, Economics Association, and Lawyer’s Association – which have individual

---

15 Chapter III (Article 94) of the Civil Code stipulates that legal entities are organizations meeting the following conditions: having been established, permitted to be established, registered, or recognized by a competent State authority; having a sound organizational structure; possessing assets independent from other individuals or organizations and able to bear responsibility in utilizing such assets; independently participating in legal relationships on its own behalf. See Civil Code (Hanoi: The Gioi Publishers, 1996), p. 59.
members who are academics or professionals in their field. Significantly, socio-professional associations with individual members are not the focus of this study; rather, we focus on associations with \textit{enterprises} as their primary members.

Business associations are a type of socio-professional organization, but they differ from those discussed above in an important respect: business associations have both individual members (usually the director of the enterprise) and “group” members – including state-owned enterprises (SOEs), limited liability companies, joint-stock companies, private companies, joint-venture companies, foreign-invested companies, and foreign-owned companies. Business associations may also have members that are not registered as enterprises, such as cooperatives, production units or household level enterprises, as well as individual members who are experts in a given field or who have contributed significantly to the association (e.g. honorary members, journalists, etc.).

Thus, in the current Vietnamese context and lexicon, business associations are best defined as \textit{a type of social-professional organizations, permitted to be established by the government, which have members that are businesses, other organizations and individuals who voluntarily contribute assets or dues for the benefit of the members and to accomplish the goals of the association as a group}.

\section*{B. Legal Status of Business Associations}

As is the case for associations generally, the laws and regulations for establishing and operating business associations are not uniform. At present, business associations must rely on a hodgepodge of laws, ordinances, directives, decisions, and circulars to become established as legal entities, carry out promotional functions, and represent the interests of their members to the government. The plethora of existing regulations are often overlapping, contradictory, and outdated. In some cases, it isn’t clear how or whether newer regulations supersede older ones.

Until recently, it was anticipated that the regulatory framework for business associations would be subsumed in a forthcoming law governing all associations in Vietnam – the Law on Associations, or \textit{Luat ve hoi} – with an implementing regulation being issued for business associations in particular. The GCOP began drafting this legislation a decade ago, but key problems still need to be resolved before it can be sent to the National Assembly for discussion and approval. It is not clear when this will occur. However, because the draft law does not appear on the Assembly’s legislative agenda for 2002, the earliest possible promulgation date is sometime in 2003.

In light of these delays, business association leaders began recommending to the government that separate legislation be developed exclusively for business associations. For instance, at a national meeting in August 2000 on improving the role and effectiveness of business associations, co-organized by VCCI and the GCOP, a senior VCCI official recommended that the government develop and promulgate a law on the organization and operation of business associations in

\footnotesize{\textsuperscript{16} In addition to the formal associations and organizations discussed here, a wide variety of other groups have emerged in Vietnam under doi moi – including clubs, policy research centers, social service organizations, mutual assistance groups, and other bodies often described as domestic NGOs. For a discussion of such organizations, see Michael L. Gray, “Creating Civil Society? The Emergence of NGOs in Vietnam,” \textit{Development and Change} 30, no. 4 (October 1999): pp 693-713; and Mark Sidel “The Emergence of a Voluntary Sector and Philanthropy in Vietnam,” in \textit{Emerging Civil Society in the Asia Pacific Community}, ed. Tadashi Yamamoto (Singapore: ISEAS, 1996), pp. 293-304. \textsuperscript{17} Based on interviews and a presentation by GCOP official at a Civil Society Working Group meeting, United Nations, Hanoi, 30 August 2001. See also International Center for Non-Profit Law, \textit{Overview of the Legal Environment of the NPO in Vietnam} (1997) <http://www.icnl.org/library/asiap/reports/vietrpt.html> (15 April 2002).}
Vietnam, replacing existing legal documents that are no longer appropriate. If conditions would not permit the promulgation of law, the official proposed that the government issue an ordinance or at least a decree.\(^{18}\)

Subsequently, in November 2001, the Prime Minister issued **Directive No. 28/2001/CT-TTg** on the continued creation of a favorable environment for businesses. The directive stipulates that GCOP should carry out a study and, before March 2002, submit a regulation to the Prime Minister on the establishment and operations of trade associations. Such a regulation was seen as necessary not only for associations to represent businesses effectively, but also for them to play a role in coordinating and agreeing on production scale, pricing, product quality, market allocations, etc.

Also, as discussed in the introduction of this report, the Fifth Plenum of the Party Central Committee issued a resolution in March 2002 stating that a regulation on the organization and operation of business associations should be promulgated soon. The GCOP recently completed a draft decree in response to these instructions, and is in the process of circulating the document to solicit the comments and reactions of state agencies and business associations. In short, the drafting process is moving along quickly. The decree is expected to include updated provisions on establishing business associations, the rights of members, organization and functions, reporting requirements, state management over the associations, and dissolution procedures.\(^{19}\)

Until this decree is promulgated by the government, business associations will continue to rely on the assortment of existing laws and regulations that comprise the current legal framework. As this framework has governed and affected most of the associations discussed in this report, it is worth recounting here.

Although it was issued over four decades ago, a number of business associations continue to refer to **Law No. 102-SL 1957**, on the right to establish associations in general, in their official statutes and decisions. That the law continues to be mentioned by business associations is surprising since Article 10 clearly states that it “is not applicable to associations with economic goals.”

More detailed provisions were issued some twenty years later, in 1989, when the Chairman of the Council of Ministers issued **Directive No. 01-CT** on the organization and activities of mass organizations, and the Government Committee on Organization and Personnel issued **Circular No. 07-TCCP** interpreting this directive. While not addressing business associations in particular, these regulations nevertheless have influenced the way that state agencies have exercised close management over Vietnamese business associations since the late 1980s.\(^{20}\) For example, the regulations stipulate that associations are under the management of the state agencies overseeing the fields in which they operate, and local associations are subject to monitoring and supervision by People’s Committees. The regulations also require associations to submit reports to the government on a bi-annual and annual basis, after each congress, and upon making changes in organization and personnel.

Also issued by the Council of Ministers in 1989 was **Decision No. 38-HDBT** concerning economic alliances in manufacturing, distribution, and services. Until the late 1990s, this was the Vietnamese regulation that was most relevant to business associations. According to the

---

\(^{18}\) VCCI presentation at meeting on “Improving the Role and Effectiveness of Business Associations in Vietnam,” convened on 7 August 2000 in Hanoi.

\(^{19}\) Business associations reportedly also are brought up in the third draft of the Competition Law. For further discussion, see “Se Coi Hiep Hoi Nghe Nghiep La Mot To Chuc Kinh Te” [Trade Association Seen as Economic Organization], *Kinh Te va Dau Tu*, April 1, 2002.

\(^{20}\) Interview at GCOP, Hanoi, November 2001.
decision, economic alliances are forms of coordinated activity carried out voluntarily by economic units for the purpose of discussing and introducing measures aimed at making their production and business activities more effective and beneficial. The decision identifies several forms of economic alliances, such as import-export unions and production and consumption associations.

**Decision No. 38-HDBT** also provides some provisions concerning the management and internal governance of economic alignment organizations - e.g., establishment of a management board, election of a board chairman, and remuneration (if any) for the chairman and other board members. During the 1990s, however, many of these provisions became obsolete. As an example, Article 12 of the Decision stipulates that economic alliances do not have specialized structures for assisting the chairman of the management board; rather, the chairman is simply to “use the management apparatus of his/her enterprise to run the economic alignment organization.”

Meanwhile, the state agencies responsible for approving the establishment of business associations have changed over time. In March 1999, the Prime Minister issued **Decision No. 158/QD-TTg** stipulating that the Minister Chairman (Bo Trưởng Chủ Nhiệm) of GCOP would be responsible both for permitting the establishment of national business associations and for approving their statutes. Prior to this time, national associations had to be approved by the Prime Minister (or the Chairman of the Council of Ministers before the promulgation of the 1992 Constitution). In addition to receiving permission and approval from the GCOP, national associations also need to secure a recommendation from the appropriate state agency or line ministry in their field of operation. In short, the process of establishing a business association includes multiple agencies and steps (see Box 1).

---

**Box 1: Establishing a Business Association in Vietnam**

Detailed procedures for establishing business associations are now being spelled out in a new decree being drafted by the GCOP. These procedures are expected to resemble those that appear in the current legal framework for Vietnamese associations generally, with some changes to suit the business context. Below are the current procedures for establishing an association as described by a Vietnamese specialist in this area. The procedures are applied to business associations for illustrative effect.

**Creating a Preparatory Board**

To begin the process, representatives of enterprises wishing to establish an association need to create a preparatory board, which must be approved by the GCOP for national business associations and by Provincial People’s Committees for provincial business associations. The application materials for approval must include:

- name, objective, purposes, and scope of activities of the association;
- provisional location of the head office;
- time estimated for preparatory activities;
- draft statutes of the association;

---

21 Do Son Ha, “Huong Dan Nghiep Vu ve Quy Trinh To Chuc, Quan Ly Nha Nuoc doi voi Hoi Quan Chung” [Professional Guidelines on the Procedure for the Establishment and State Management of Mass Associations], GCOP (November 2000).
After receiving permission from the competent authority, the board will carry out preparatory activities such as mobilizing members, refining its application for establishing the association, seeking a recommendation from the relevant state agency, and preparing a list of members of the management board.

**Application for Establishing an Association**

The preparatory board then submits an application for establishing the association to the competent state authority. Again, the GCOP is the competent authority granting permission to national business associations, and Provincial People’s Committees serve as the authorities granting permission to provincial associations. The application materials must include:

- name, objective, purposes, and scope of activities of the association;
- statement on the necessity for establishing the association;
- location of the head office;
- sources of funding and assets of the association;
- draft statutes of the association (contents should be in compliance with Article 99 of the Civil Code);
- report on preparatory activities;
- an action plan;
- list of the preparatory board members and their curriculum vitae certified by the local authority in their area of residence; and
- recommendation from the state agency overseeing the field in which the association will operate.

**Approval and Inaugural Congress**

Current regulations do not provide a maximum time limit for considering the application, and the procedures for appealing a negative decision are complex. A petition can be addressed to those who issued the denial. If this authority refuses to change its decision, a petition may be filed at a higher administrative level or at administrative courts.

After receiving permission from the competent authority to establish the association, the preparatory board proceeds by organizing an inaugural congress and reporting to the authority as to the content, agenda, time, and location of the congress. The congress proclaims the formal establishment of the association, adopts its statutes and program of action, elects its management board and adopts the resolution of the congress.

The leaders of the association must complete all documents of the congress and report the result to the competent authorities. The association’s statutes come into effect upon the approval of this authority.

---

Provincial People’s Committees are vested with the authority to approve the establishment of local business associations, as well as to provide supervision and guidance concerning the activities of these associations. This authority is granted in an ordinance issued in conjunction with Order No. 50-L/CTN of July 1996 on the specific rights and responsibilities of People’s Committees and People’s Councils at different administrative levels.

Finally, in the area of interest representation, the Prime Minister has issued two important regulations codifying the role of business associations in advancing policy recommendations to the government. The first, Decision No. 310/TTg, was issued in 1993 and focuses exclusively on the relationship between government agencies and VCCI. The decision calls on VCCI to provide policy recommendations to national and local organs of the government, and requires these organs to provide VCCI with the documents and information needed to fulfill this task. In addition, it affirms that VCCI is invited to take part in government meetings when relevant matters are to be discussed, and stipulates that VCCI’s President is “responsible for reporting to the Prime Minister every six months, on the development situation of the business community and on the activity” of VCCI.

The second regulation, Directive No. 16/1998/CT-TTg, was issued in March 1998 and calls for the role of VCCI and other business associations to be strengthened in terms of identifying business problems that arise, collecting the opinions of business people, and forwarding recommendations to the Prime Minister and government agencies. The directive requires ministries and drafting bodies to consult with VCCI and other business associations when drafting new legal documents affecting the business community.

In sum, the current regulatory environment presents both challenges and opportunities to business associations. In terms of opportunities, the legal regime includes clear provisions allowing business associations to carry out interest representation before the government. While enforcement of these regulations could be strengthened and their application broadened, they do offer opportunities for some associations to participate in law making. In terms of challenges, the present regulatory environments contains complicated and cumbersome procedures for establishing business associations. Furthermore, jurisdiction over business associations is vested in multiple state agencies, including line ministries. This allows administrative discretion to be exercised, which can result in a lack of uniformity in the application of laws and regulations.

Business associations also are disadvantaged by what is missing from the regulatory environment: tax exemptions on income generated from “core activities” (e.g., membership fees, issuing professional certificates, and business support services), and income tax deductions for contributions to associations by individuals or enterprises in the form of membership dues. Regarding exemptions, current laws actually do not impose taxes on associations except for taxation of income generated from business activities. However, representatives of business associations have indicated that some “core activities,” such as the organization of trade exhibitions, are taxed in practice. Whether such activities are taxed appears to be determined on a case-by-case basis, a situation allowing for considerable administrative discretion.

Current corporate income tax regulations do allow deductions for “cost of doing business” activities, provided that these costs are supported by receipts that are in compliance with regulations of the Ministry of Finance. But corporate members of business associations face two

24 According to Thanh and Hoa, this exemption appears to be the result of an informal understanding rather than a formal ruling. They indicate that associations are exempt from paying corporate income tax under the rationale that this tax applies only to a business enterprise.
problems in taking advantage of this provision. First, membership dues are not specifically identified in tax regulations as being deductible. Second, business associations are unable to provide members with receipts in the official format issued by the Ministry of Finance. Instead, associations simply issue generic receipts with the stamp of their organization, which, unlike the official receipts, are generally not accepted by the tax authorities for the purpose of receiving corporate income tax deductions. When contacted as part of this study, Hanoi tax officials indicated that they may consider providing business associations with official receipts upon request. However, the procedures for approving such applications are complicated and, here again, each application would be handled on a case-by-case basis.

C. How and Why Were the Associations Established?

While the preceding section outlines the formal legal channels through which business people (and often officials) are expected to reach a common outcome – the establishment of an approved Vietnamese business association – these associations were set up based on a broad range of motivations and causal factors. Through interviews with representatives of associations, coupled with secondary-source research, the study has identified some of the most critical factors and developed the typology outlined below. As the research shows, some associations emerged out of a desire by companies to band together against a common competitor, while others were spawned by local officials seeking to promote economic development in a particular district or region. Not all associations have emerged from these pure types, of course, but have resulted from some combination of factors. The principal factors include:

1. Established by the Government to Promote Trade and Industry

The Vietnam Chamber of Commerce was established by official decree on April 29, 1960. According to its original statutes, issued in 1963, the Chamber was a self-governed economic organization and its main purpose was to promote economic relations between Vietnam and the rest of the world. The organization’s current statutes, revised most recently in 1997, indicate that VCCI is “an independent, non-governmental organization” operating on the basis of financial autonomy, but also indicate that it carries out its activities “with the support and under the supervision of the Vietnamese State,” and is required to “conduct other activities which are assigned by the Vietnamese State . . . .” When necessary, it is eligible to receive government financial assistance for investments in infrastructure and technology or to expand its projects related to trade and investment. VCCI currently receives about 20% of its budget from the government.

---

25. Part A (Article III, Point 11) of Ministry of Finance Circular 18/2002/TT-BTC (20 February 2002) stipulates that: “…deductible expenses for calculating taxable income are as follows: … (11) expenses for advertising, marketing, promotion, reception, protocol, communication, relationship, commissions, organizing conferences and other expenses [emphasis by author]. These expenses shall be supported by receipts in compliance with the regulations of the Ministry of Finance…..” The question is whether local tax authorities would interpret “other expenses” as including membership dues

26. Resolution of this problem is complicated by Decision 1537/TCT/QD/AC of the Director of the General Department of Taxation dated 19 November 1999, which stipulates in Part B (Article 1, Point 2) that the only entities which can be given the official blank receipts printed by the General Department of Taxation are those having a copy of their business registration. This clearly excludes business association since business registration pertains only to enterprises.

27. Interview with Hanoi Tax Authority, May 2002.

28. “Statutes of Vietnam Chamber of Commerce and Industry (Amended),” passed at the 3rd National Assembly and approved by the Prime Minister in Decision No. 315/TTg dated 12 May 1997.
2. Organize, Promote Cooperation, and Enable Government Monitoring of SOEs

Prior to 1990 in the north, state-owned enterprises in similar industries had organized as “production enterprise alliances” while cooperatives were organized into “cooperative alliances,” which included cooperatives involved in both trading and small-scale production. The main purpose of these alliances was allocate and delegate tasks assigned by the government, including assigning production quotas, disbursing raw materials, setting prices, etc. As part of the renovation (đổi mới) process, the alliances were subsequently replaced by state-owned corporations.

The early sectoral associations in the north that were created in the early 1990s were primarily organized with the national enterprise alliance or state-owned general corporations in the sector as leader. Under the direction of the ministries that managed the general corporations, in the early nineties the associations organized companies in the sector primarily to do business with former Eastern bloc countries and Russia.

The Vietnam Leather and Footwear Association (LEFASO) is an example of an SOE-led association formed from earlier production enterprise alliance, and the Vietnam Textiles Association (VITAS) is an example of an SOE-led association formed from a state-owned corporation.

3. Historical Remnants

Business associations had existed in the south prior to reunification in 1975, and the General Association of Industrialists (Tổng Đoàn Công Kỹ Nghề) was a prominent group in the former Saigon. In 1989, with the encouragement of the Fatherland Front and the permission of the city People’s Committee, the Association of Industrialists of Ho Chi Minh City (Hiệp Hội Công Thuật Kỹ Nghị Gia) was established by a group of business people who had been industrialists before 1975. Some had been members of the earlier association. In 1994, after the Law on Companies was enacted, the group changed its name to the Association of Industry and Commerce (AIC).

The AIC was the first local-level business association to include members from a variety of industries. It was later reorganized and renamed the Union of Associations of Industry and Commerce (UAIC), and the membership was divided into sectoral associations under this umbrella. At present, the UAIC is comprised of twelve sectoral associations. Originally the UAIC membership consisted of only private enterprises, but in recent years the association has opened its membership to include state-owned companies as well.

4. Based on Informal Connections, Strengthened by the Desire to Socialize and Connect with Others in Similar Situations

Some associations began as very informal social clubs. The Young Entrepreneur's Club in Hanoi, for example, was started by about ten of the “first generation” of private company directors (those that registered under the first Company Law in 1991-1992). The group began to meet mainly to network and socialize. Gradually, the club became a forum in which members could discuss experiences and make business connections. As the number activities grew, so did the desire to formalize. Doing so required coming under the umbrella of a government office or a mass organization, so the club “upgraded” its status to an association under the Hanoi Youth Union; it is now known as the Hanoi Business Association.

---


The national YBC was created by the national Youth Union in 1999 as an umbrella organization for the city/province associations. To date there are 27 provincial/city level associations across the country, many of which were started after the national umbrella organization was created.

The Hanoi Association of Small and Medium Enterprises (HASMEA) is another example of an association that started as an informal club.

5. Joining Forces Against a Common Competitor

The Advertising Association of HCMC, according to its chairman, was started for the purpose of uniting local advertising companies in order to compete against foreign advertising companies operating in Vietnam. Though there are a total of 225 advertising companies in HCMC, only 10 of these are considered “full service” (i.e. able to launch an advertising campaign from beginning to end) while the rest of the companies are in printing, graphic design, services related to advertising, etc. The chairman went on to explain that even the “full service” ones have limited capacity and cannot compete with foreign advertising companies which get the bulk of the business from larger companies.

The association was officially formed in June 2001 under the Department of Culture and Information of HCMC and the umbrella of UAIC-HCMC, though the group had been operating as a club since 1998. In October 2001, the Advertising Association of Vietnam was created by the Ministry of Culture and Information, and the HCMC association is now a branch of the national association.

6. Established With the Help of External Donors

In 1994, Oxfam Quebec, a Canadian NGO working in Vietnam started a project that aimed to support women entrepreneurs with the Hanoi Women’s Union as the local partner. In this project, the Hanoi Women Entrepreneur’s Club was officially established in December of 1994. Subsequently, three clubs were started in Quang Ninh province and two were established in Hai Duong province in partnership with the Women’s Union chapters in each locality.

Oxfam Quebec provided the club with office equipment and computers as well as with training, capacity building and assistance in strategy formulation. Oxfam has also provided technical advisors to the local clubs (who are Oxfam staff) to work with the leadership and to manage day-to-day operations. Oxfam’s end-goal is sustainability, according to the technical advisor in Hanoi. In the beginning, the club’s costs were completely subsidized by the international NGO. At present, about 50% of costs are subsidized, and the eventual goal is complete withdrawal of the Oxfam support in 2003. Recently, Oxfam assisted the clubs in “upgrading” to Association status. The Women Entrepreneur’s Association (WEA) is now officially a member of VCCI.

7. Economic Development of a Local Area

In the HCMC area, a number of districts have begun to encourage the formation of local business clubs – the local people's committee has encouraged some of the larger companies in the district to take the lead in establishing the club. These clubs have the advantage of being "neighborhood" oriented, and thus are supported operationally by the local government and larger companies in the area.

The business club of Hoc Mon district of HCMC was established in March of 2000 upon encouragement from the Economics office of the district People's Committee and the Labor Union (Liên Dön Lao Đông Huyện). The chairman is a local private business owner who was selected by the local government and asked to develop the club from infancy. The club is currently headquartered at the Labor Union office. There are similar clubs in other districts; however, some have not yet been able to organize and hold meetings and/or activities on a regular basis.
8. Born Out of a Larger Association to Diversify Activities and Attract New and Different Members

A few of the larger associations, including the VCCI branch offices and the Vietnam Saigon Plastics Association (VSPA), have incorporated a “General Director’s Club” into their activities in order to diversify the activities available to their members. For most associations, full membership meetings or conferences are held at most once a year; the clubs are an informal forum where general directors can meet to listen to presentations from outsiders organized by the association, exchange ideas and socialize on a more regular basis. Outside speakers may include local tax authorities speaking on a new tax regulation, or in the case of the VSPA directors’ club meeting in September 2001, a presentation by a computer company on applying technology to the workplace.

This club activity is generally used by large associations to provide a forum that is smaller and less formal than full membership meetings for dissemination of information and exchange of ideas. One of the drawbacks is that only the entrepreneurs who are geographically near the association can participate. In Can Tho, for example, the VCCI branch services the nine provinces in the Mekong Delta; however, only the directors from companies located in Can Tho city itself participate in the director’s club.

9. Companies in the Same Industry Seek Out One Another for Support and for a Representative Voice

As mentioned earlier, the UAIC in HCMC is presently made up of individual industry-specific associations. Some of these sectoral groups were formed as a result of the UAIC reorganization, while some groups were started by leaders in a particular industry which subsequently applied to a specific umbrella (usually UAIC, but sometimes other organizations). The main impetus for these sectoral associations was the desire of entrepreneurs to associate with others who they could relate to, who could provide specific advice or assistance, or who could potentially be business partners. Most of these sectoral organizations were started by private companies and early members were almost exclusively private companies as SOEs generally joined the association affiliated with the national corporation; in recent years, however, SOEs have begun to join the private-led industry associations as well.

In the plastics industry, which is strong in the HCMC area in particular, there are three associations operating independently of one another (See Box 2).

10. Established by a Provincial Organization by Mandate from a Central Organization

In recent years, many provinces have seen the birth of business clubs established by a directive from a central mass organization. Though the original clubs were started by private entrepreneurs mainly in Hanoi and HCMC, once the national umbrella organizations were established, they followed a top-down strategy of establishing branch clubs in the various provinces. For example, both the Women’s Union and the Youth Union have encouraged the establishment of business clubs under their umbrellas at the local level; there are Women’s Business Clubs in many provinces in the country and Young Entrepreneur’s Clubs in 27 provinces to date. The provincial clubs, however, are relatively weaker than their city counterparts, as their impetus for establishment is a top-down directive and is not necessarily based on a local demand or desire. In addition, as these clubs are often the first of their kind in the provinces, there are few models for the club’s leadership to build upon. Finally, since private companies in provinces tend to be smaller and less established than those located in big cities, the local club’s activities are limited as well.

\footnote{Some of the research team attended this meeting in September 2001.}
### BOX 2: THREE BUSINESS ASSOCIATIONS IN THE PLASTICS INDUSTRY

<table>
<thead>
<tr>
<th>Vietnam Plastics Association</th>
<th>Vietnam–Saigon Plastics Association</th>
<th>Rubber and Plastics Association of HCMC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Year established</strong></td>
<td>1990</td>
<td>1993</td>
</tr>
<tr>
<td><strong>Governing Agency</strong></td>
<td>Ministry of Industry</td>
<td>HCMC People’s Committee</td>
</tr>
<tr>
<td><strong>Reason for Establishment</strong></td>
<td>Organized SOEs so that the state could better manage the industry</td>
<td>Private sector companies felt the need to have a representative voice</td>
</tr>
<tr>
<td><strong>Membership (types of members)</strong></td>
<td>Producers of plastics and plastic products</td>
<td>Producers, traders, retailers and importers/exporters of plastic products</td>
</tr>
<tr>
<td>The founding members of the association were SOEs</td>
<td>Original members were all private sector companies</td>
<td>Original members were all private sector companies; later included SOEs for political reasons</td>
</tr>
<tr>
<td>At present, 15% of members are SOEs, 75% are private foreign-owned enterprises</td>
<td>At present, 5% of members are SOEs and 95% of members are private</td>
<td>At present 3.2% of members are SOEs and 96.8% are private enterprises</td>
</tr>
<tr>
<td><strong>Membership (numbers and location)</strong></td>
<td>294 members nationwide</td>
<td>800 members 80% concentrated in HCMC, 10% in the north, 5% in the central region and 5% in the Mekong Delta</td>
</tr>
<tr>
<td><strong>Budget</strong></td>
<td>Sources include the Vietnam National Plastics Corporation membership dues, donations from outside organizations and fees generated for services</td>
<td>Sources include the city budget, donations from the association chairman, membership dues and fees generated for services</td>
</tr>
<tr>
<td><strong>Relationships</strong></td>
<td>Member of VCCI</td>
<td>Member of VUSTA</td>
</tr>
</tbody>
</table>
III. ASSOCIATION TYPES, STRUCTURES, ACTIVITIES AND MEMBERSHIP

A. THE FRAMEWORK OF EXISTING ASSOCIATIONS CAN BE CATEGORIZED IN MANY DIFFERENT WAYS, USING MANY DIFFERENT CRITERIA

To date, there is not a reliable estimate of the number of business associations in the country. The GCOP estimated that in 1999 there were nearly 100 business associations in Vietnam. In July 2000, VCCI estimated that there were over 100 business associations. By the end of 2001, there had been a significant increase in the number of business associations in the country due to the formation of numerous provincial-level associations. While the actual figure is unknown, the total number of business associations is probably approaching 200 nationwide.

There are many criteria distinguishing the different types of business associations in Vietnam, and there is considerable overlap in the various delineations of associations. In the present context, these criteria include:

1. Umbrella Organization/Supervising Office

Different business associations have different umbrella organizations or supervising offices, i.e. those bodies that are responsible for recommending and permitting the establishment of business associations and then supervising the activities of the associations once they become operational.

The central government is the umbrella organization/governing office for several national associations, including VCCI and the Vietnam Cooperative Alliance (VCA). Before March 1999, as discussed in Section II, the Prime Minister approved the establishment of national business associations and then directed the appropriate ministry to supervise them; after this date, the Prime Minister authorized the Minister Chairman of GCOP to approve the establishment of national associations.

Ministries and ministry-level offices advise and supervise a number of business associations, which operate in the specific industries that the ministry is responsible for overseeing. For example, the Ministry of Industry supervises a whole range of sectoral associations, including the Garments and Textiles Association, the Leather and Shoes Association, the Paper Association, the Plastics Association, the Liquor, Beer and Beverages Association, the Cigarette Association, the Electronics Enterprises Association, etc. All of these associations are national-level associations.

National socio-political organizations (commonly known as mass organizations) oversee associations that are specific to the membership of the mass organization itself. Examples include the Youth Union, which oversees the YBC, and the Vietnam Women’s Union, which oversees the WEA and affiliated clubs. The Vietnam Fatherland Front (VFF), though it does not directly oversee any particular association, is an umbrella organization that most associations affiliate with, including the VCA, HUAIC, and YBC. The VFF has the exclusive role of nominating candidates to run for elected office - to the National Assembly at the national level and to People’s Councils at the local level. Associations that wish to have their members included in these nominations must affiliate with the VFF.

---

32 GCOP Presentation at meeting on “Improving the Role and Effectiveness of Business Associations in Vietnam,” convened on 7 August 2000 in Hanoi.
33 VCCI Presentation at meeting on “Improving the Role and Effectiveness of Business Associations in Vietnam,” convened on 7 August 2000 in Hanoi.
Provincial and City People’s Committees (and below them, District People’s Committees) oversee business associations located in their geographic area. In a few of the larger cities and provinces (including HCMC, Hanoi, Can Tho, Haiphong and An Giang), the municipal or provincial People’s Committee has granted permission to establish Associations of Industry and Commerce (AICs). In HCMC, the association is known as the Union of Associations of Industry and Commerce (UAIC), as it serves as an umbrella organization for 12 industry-specific organizations as discussed earlier.

National sectoral associations, in some cases, are the umbrella organization for local sectoral associations. For instance, the Haiphong Leather and Shoe Association is a chapter of LEFASO; and the Central Vietnam Paper Association - headquartered in Danang - is a chapter of the Vietnam Paper Association. Some of the local associations coordinate their activities very closely with the national organization, while others operate fairly independently from the national association, even though they may in principle be members or affiliates of the national association. As an example, the VSPA is a member of the Vietnam Plastics Association, but in fact operates independently from the national association and the two associations are sometimes viewed as competing with one another for members and funds. The relationships between the local and national associations are not defined in the groups’ statutes; rather, they depend largely on the individual organization(s) and are determined on a case-by-case basis.

2. The Industries in which Members Operate
At present, there are a small number of multi-sectoral business associations (and their branches) operating in Vietnam, including VCCI, VCA, UAIC, WEA, YBC and HASMEA. Meanwhile, there is a wide range of sectoral associations, and as more industries develop, no doubt new sectoral associations will be established. It is particularly interesting to note that in most cases, where there is a national state-owned corporation operating in a specific industry, there is also an association in which the national corporation plays a leading role. The Chairperson of the Board of Directors of the corporation is often the chairperson of the association.

It is also interesting to note that few associations exist in professional service industries. One explanation for this phenomenon may be because individuals engaged in professional services (such as law, consulting, training, etc.) tend to associate with the VUSTA-affiliated associations. However, this may be changing and associations of businesses engaged in professional services such as consulting or accounting may be on the way, as evidenced by the recent establishment of the Vietnam Advertising Association and the Representatives of Intellectual Property Association.

Finally, there are a few very specific industry associations like the Lam Son Sugarcane Association in Thanh Hoa province, which is led by the Lam Son Sugarcane Company and whose members are local sugarcane farmers, agricultural cooperatives, transport companies, credit cooperatives, agricultural machinery suppliers, etc. The various members of the association have come together for mutually beneficial economic purposes, to contribute to all aspects of a production process in a very specific geographic locality. This is more like a cooperative than an association, though it takes the name.

3. The Members’ Type of Ownership
There are currently two types of business associations whose members are all businesses of a specific type of ownership – the VCA, whose members are all cooperatives, and foreign business associations, whose official members are foreign-owned businesses.
Otherwise, business associations in Vietnam are open to businesses with various types of ownership, though in most cases, this means they are open to both state-owned and non-state owned enterprises. There are no associations whose members are exclusively SOEs, and very few whose members are exclusively private companies. Exceptions are local-level business clubs such as the non-state Women’s Entrepreneurs Club of Hanoi.

4. The Size of the Member Enterprises

In a number of cities/provinces, there is an association specifically for small and medium enterprises (SMEs), including Hanoi and Danang. Ho Chi Minh City, which has the highest concentration of SMEs in the country, does not have an association specifically for SMEs. This may be because SMEs in HCMC have other options, such as industry-specific associations under the UAIC umbrella or district business clubs.

There were also reports of business clubs whose membership is restricted to large companies. In Danang, the “Million Dollar Club” restricts its membership to local businesses that export over 1 million USD per year. In Hanoi, the “Big 10” club is a club whose members include some of the most successful private enterprises in the country.

5. Distinguishing Characteristics of Company Directors

There are two types of business associations that choose their members based on specific characteristics of the company directors/entrepreneurs. The statutes of the Young Business Associations state that an entrepreneur must be under 45 years old at the time of joining the association, and the Women Entrepreneurs Association requires their members to be women.

On a more informal level, the “2030 Business Club” is open to directors between the ages of 20 and 30. The club’s name has another meaning – the club members have set a goal of achieving success as entrepreneurs by the year 2030.

6. Level of Formality of the Association

In addition to formal associations, businesses and entrepreneurs also associate in “business clubs” that are initiated by a variety of governing offices or umbrella organizations, including local government offices, mass organizations or the associations themselves. Clubs are easier to establish and tend to be less formal than associations, thus their activities tend to take place in a more ad hoc manner. Examples of these clubs include the Club of Enterprises with foreign investment (overseen by the Ministry of Planning and Investment), the Vietnamese Business Club (under the umbrella of the Vietnam Economics Association), the Central-level Company Directors Club (overseen by the Central Institute of Economic Management), the Plastics Company Director’s Club (part of VSPA) and district level clubs in HCMC (overseen by the People’s Committee of the various districts).

This study also attempted to include the business clubs in the broader definition of “business associations.” However, the clubs that are covered in this paper tend to be affiliated with larger business associations and business-related institutions. Thus, clubs like those under the umbrella of the VEA or CIEM are not discussed in detail.

34 There was little evidence of significant participation by foreign businesses or Vietnamese cooperatives in Vietnamese business associations.
35 Prior to November 2001, the government had provisionally defined an SME as a company with less than 5 billion VND in capital and less than 200 employees. The SME Decree re-defined an SME as a company that has less than 10 billion VND in capital and less than 300 employees.
B. **Structures**

The internal, decision-making structure of the associations are generally based on the same model:

*Figure 3.1 - Organizational Structure of a Typical Business Association*

![Diagram of organizational structure]

The general assembly is comprised of all the members. Most of the associations interviewed said that the general assembly meets very infrequently – once a year at most, but often less. The general assembly, in theory, elects the executive committee, which in turn selects the standing committee. The association chairperson sits at the head of the executive committee, and represents the association to the government, other associations and the general public. The standing committee, which is responsible for the day-to-day operations of the association, is usually headed by the general secretary or vice-chairperson. The auditing committee monitors the finances and activities of the other committees and reports back to the general assembly. Due to the small size of many associations, one person may serve in several capacities (e.g. serving on both the executive and standing committees).

The functional departments carry out the specific projects of the association. For example, the training department organizes training courses, the information department puts together and sends out the association’s news bulletin, and the membership board is responsible for increasing membership and responding to members’ inquiries and requests.

As the officially-sanctioned representative of the Vietnamese business community and the largest national association organized on a horizontal basis (i.e., amalgamating businesses from all industries and sectors), VCCI has a more complicated structure. In addition to the functional departments, which are called professional departments at VCCI, there are a number of sectoral committees, specialized committees, and organizations attached to VCCI. In addition, VCCI has five local branch offices and three additional representative offices. Finally, there are a number of businesses that are subsidiaries or affiliates of VCCI, from which it generates income.

C. **Functions of Business Associations**

The activities of Vietnamese business associations can be divided into three main categories: interest representation, business services, and other activities. This section briefly introduces the three categories; Section V provides a deeper analysis of how members rate the performance of business associations in these areas.

---

VCCI has branch offices in Haiphong, Danang, Vung Tau, Ho Chi Minh City, and Can Tho; and representative offices in Thanh Hoa, Nghe An, and Khanh Hoa.
1. **Interest Representation**

The main function of most business associations, particularly larger ones, is to represent and promote the interest of its members in both domestic and international relations. This includes maintaining a dialogue with the government on law and policies affecting the business community, and engaging in relationships with other local and foreign organizations. Interest representation may also include arbitrating disputes between members of the association or representing a member in an external dispute.

2. **Business Services**

Business services refers to all non-financial services that businesses might need: training courses, technical consultancy, organization of trade fairs, exhibitions, seminars, conferences, promotion of business contacts/networking, collection and dissemination of information on issues affecting members.

3. **Other Activities**

*Social and humanitarian activities.* A third, minor category that a number of associations listed as one of their activities was social and humanitarian contributions. A number of associations gather money for flood and famine relief every year, as well as for donations to the handicapped, to families of war martyrs, to Heroic Mothers of Vietnam. In Can Tho, the Women Entrepreneur’s Club collects money from its members to donate to vocational training activities for women micro-entrepreneurs.

*Tasks delegated by the government.* As the national Chamber, VCCI also is responsible for carrying out some tasks delegated by the government, such as settling commercial disputes through the International Arbitration Center that is attached to VCCI.

4. **Membership Within Business Associations**

The membership of business associations is mostly made up of two types of enterprises: SOEs (national corporations or other national/locally owned SOE) and non-state enterprises (private enterprises, limited liability companies and joint-stock companies). In larger, national-level associations, SOEs maintain a high presence (comprising about 40% of VCCI’s total membership of 6,700 enterprises and between 50% and 70% of the membership of national industry associations). In fact, the national sectoral associations started out with only SOEs in their membership; they became open to private companies when private companies began to grow larger and stronger, and when SOEs began to equitize. In several interviews, respondents from these national industry associations said that the percentage of SOEs members has decreased in recent years.

Local associations tend to have a higher concentration of private companies among their members. In fact, many local-level sectoral associations started out exclusively with private sector companies as their members, but in the last few years there has been a trend to include SOEs in their memberships. In some cases, SOE membership has been encouraged by local authorities; in others, associations themselves have invited SOEs to join in an attempt to increase their visibility and place in the policy arena. This certainly compromises their representational position since SOE and private sector interests are often at odds.

---

37 The ratio of SOE to non-state enterprise in Vietnam is approximately 1:12.5. There are approximately 5,600 SOEs and 70,000 registered private enterprises at present.
However, the inclusion of SOEs in an association’s membership has not necessarily precluded them from representing private sector interests to the government. Both VCCI and the HUAIC have SOEs in their memberships, and both have articulated strong demands on behalf of private sector interests when contributing opinions and recommending changes to draft laws and regulations (e.g., enhancing legal guarantees against the nationalization of investor assets, streamlining procedures for establishing new private businesses, eliminating minimal capital requirements, and simplifying procedures for reporting to the government).

Though there is some variation between the different associations, for the most part, associations have the following “types” of members:

1. **Official Members** *(hội viên chính thức)*
   
   In most cases, the official members of business associations are businesses themselves, represented by the directors/general managers or another employee designated by the director. In addition, a business association can be a member of another association. For example, VCCI’s articles clearly define eligibility for official membership to the association: “official members are business associations and businesses owned and operated by Vietnamese citizens, and joint-venture businesses with at least 50% Vietnamese ownership, [and] registered and legally operating in Vietnam.”

   In the case of the VCA, their official members are individual or groups of cooperatives, and in the case of some business clubs, official members also include owners of unregistered or household enterprises.

2. **Affiliate Members** *(hội viên thông tấn)*
   
   A number of associations extend affiliate membership to local government leaders, including directors or assistant directors of provincial/district departments and People’s Committee Chairmen or Vice Chairmen. These members are generally not expected to pay dues, and often act as the government counterpart and provide the association with information as necessary and to the extent it is available. This arrangement is beneficial to both the association and the local government, as it gives members access to a reliable source of information on laws and policies that may affect enterprises, and offers the local government a convenient means by which to follow the activities of the enterprises in the area.

   Another definition of “affiliate membership” is used by HASMEA. In this association, Hanoi-based enterprises are considered “official” members, while enterprises based in other provinces are considered “affiliate” members, as they cannot regularly come to meetings and interact with the association due to their distance. However, affiliate members still receive the association newsletter and other information, and are invited to attend association events when they are in Hanoi.

   The statutes of the VITAS state that the 200 members of the HCMC Association of Garments, Textiles, Embroidery and Knitting (AGTEK) are affiliate members of the national group.

---

38 “Statutes of Vietnam Chamber of Commerce and Industry (Amended),” passed at the 3rd National Assembly and approved by the Prime Minister in Decision No. 315/TTg dated 12 May 1997.
3. **Associate Members** *(hội viên liên kết)*

Associate members are similar to affiliate members in many cases. In addition, some associations extend associate membership to companies with foreign investment that are operating in Vietnam. Affiliate members of the VCA include non-registered cooperatives or enterprises, household enterprises, industry-specific associations or clubs, research and/or training institutes, etc. In short, associate membership is open to a fairly wide range of organizations.

4. **Honorary Members** *(hội viên danh dự)*

Some enterprises extend honorary membership to individuals who are important in the business community but who may not necessarily be entrepreneurs themselves. These include local government officials, academics from universities or research institutes, directors of local banks, etc. In some cases, associations may extend honorary membership to individuals who do not fit the profile of official members because the honorary members makes a significant contribution to the association or plays an advisory role. Examples of honorary members include entrepreneurs who are over 45 years old but are still active in the Young Business Associations or clubs, or individuals who are not necessarily entrepreneurs but who have assisted or contributed to VCCI.

5. **Group Members** *(hội viên tập thể)*

Most national-level associations include their local chapters among their members (e.g. AGTEK and Leather and Shoes Association of HCMC are members of the national association). However, a number of the locally established associations consider themselves independent from the national association and do not participate very much in the national group’s activities. At the same time, they may choose to participate in another association as a group member – most associations, including many of the national state-affiliated associations and HUAIC and UAIC are members of VCCI. At present, 52 associations are official members of VCCI.

6. **Founding Members** *(hội viên thành lập)*

Individuals or enterprises who contributed to the process of establishing the association are considered founding members. Often, these members take on leadership roles in the early days of operation.

7. **Managing Members** *(hội viên điều hành)*

This category refers to members who take responsibility within the association, whether officially by serving directly on one of the committees or in one of the functional departments, or unofficially, such as directors of large companies who are very active in the association but who do not have an official role. These members are key in the association and their level of commitment and dedication is very important to the strength of the association.
IV. SPECIFIC FINDINGS FROM SURVEY AND FIELD RESEARCH

A. WHO ARE MEMBERS OF BUSINESS ASSOCIATIONS?

Of the 414 companies who answered the survey, less than half (44.1%) currently participate in a business club or association. Of these 181 companies that are association members, 100 companies participate in just one association, 47 companies participate in two clubs or associations, while the remaining 34 are members of at least three or more business organizations. There were nine extreme cases where five companies are members of five associations and two that participate in six and seven associations, respectively. These firms with multiple memberships were spread throughout the sample and were not concentrated in any one industry.

Figure 4.1 - Respondents’ Participation in Business Associations

There was no evidence that size (either in terms of registered capital or number of employees) was a major factor in whether an enterprise participated in multiple associations. The percentage of companies participating in more than one association was much lower only among the smallest companies (less than 1 billion VND in registered capital); among the rest, the participation rate was fairly equal. In interviews, several companies that participate in more than one association said that they “got a little something different from each place,” which was enough of an incentive to join several associations at once.

The ratio of association members versus non-association members among surveyed companies varied by location. Haiphong had the largest percentage of respondents participating in business associations (64.2%) followed by HCMC (49.2%) and Hanoi (38.4%). Danang and Can Tho had the lowest percentages (33.9% and 26.3%, respectively). These ratios are likely biased due to the original database of companies that was used to select the survey sample; in Haiphong, surveys were sent to the entire VCCI membership list.

Figure 4.2 - Percentage of Companies Participating in Business Associations
The survey data clearly show that the larger the enterprise, the more likely it is to be a member of a business association. This was true whether size was measured by registered capital or number of employees. The participation level of smaller SMEs is still relatively low, and there is definitely a market for associations that are seeking to increase their membership base.

Manufacturing companies were more likely to be association members than retail and trading companies in general. Among manufacturers, almost three-quarters of garment and shoe companies currently participate in associations (74.3%), closely followed by food processing companies (61.1%). This is not at all surprising, as both of these industries have very strong national-level associations.

Companies that are involved in export were also more likely to participate in an association than companies that sell purely to the domestic market. Among respondents, 56.7% (106 out of 278) of companies that export reported belonging to a business association, while only 38.1% (59 out of 104) of companies that sell domestically were association members. It is not surprising that exporters feel a greater need to belong to an association, as respondents cited “lack of information
about markets” as one of the most difficult problems they currently face in business. In addition, “want[ing] to expand the network of business partners” was the main reason that enterprises cited for joining an association in the first place. This finding indicates that the associations are not yet truly successful in meeting the needs of businesses in terms of providing market information and linkages; if they were, surely more companies would be interested in joining them.

The data also show that older companies are more likely to be association members than younger ones.

Companies that have been in existence over 10 years had a significantly higher rate of participation than those established within the last 10 years. There is a possibility that over time, enterprises grow to see the value of belonging to a “business community,” or that affiliation with an association may even contribute to the likelihood of a company’s survival.

B. Why Are Companies Members of Business Associations?

Enterprises were asked to select the two main motivating factors for their decision to join a business association. The two most common responses in the overall survey sample were that 1) the business wanted to network or to expand its network of business partners (67%), and 2) that the business wanted specific assistance with a service such as training, information, consulting, etc. (40.7%).
The reasons given for joining an association were fairly similar between companies of varying sizes and in the different cities. There were two notable differences:

1. Among large companies (with over 20 billion VND in total capital), wanting to be able to contribute opinions to the policy/legal dialogue was mentioned by 38.7% of companies as one of the two most important reasons for joining, and

2. The same reason was given much more often in Hanoi and HCMC (22.9% and 21.3%, respectively. The average rate of mention between the other three cities was 6.1%.

This suggests that enterprises in large cities (which are more likely to have money, power and influence) and companies of the largest size are the ones that have a say in the policy/legal dialogue – smaller, poorer and more remotely located businesses cited this reason much less often because they are less likely to have the size, strength and ability to engage in the dialogue.

There is an apparent disconnect between the reason(s) an entrepreneur may have before joining an association as to why s/he was joining and whether the entrepreneur indeed took advantage of that service and how satisfied s/he was of it after joining.

In interviews, only a few enterprises said that membership in an association actually led directly to the development of a new business relationship with another member of the group. The more common sentiment among interview respondents, especially those involved in regional clubs, was that membership in an association was a way to meet and get to know other entrepreneurs and be in a network of people involved in the same activity for moral support and advice. In interviews with large industry associations and their members, however, it was reported that large companies often contact the association to find sub-contractors who can take over some of their workload – a classic example of expanding the business network.

Some entrepreneurs do not feel very strongly about why they join, have not thought about it very carefully, or are simply not sure. In an interview, one entrepreneur summed up the sentiment of a number of others:

“Joining an association expands the outlook. Plus there are new friends, people and a place to call for help in case of difficulty. In Vietnamese there is a saying that you need ‘friends and a guild in business’...I don’t really know yet if being a member of an association will bring any benefits yet, I also don’t know what assistance I’ll get from the association, but if others are joining, I can join too.”

C. HOW WELL ARE BUSINESS ASSOCIATIONS MEETING THE NEEDS AND DEMANDS OF THEIR MEMBERS?

Most associations that were interviewed acknowledged that their activities are fairly weak at present. Concerning interest representation, only a limited number of business associations felt that they could adequately conduct a dialogue with the government on behalf of their members. Regarding business services, most associations said their activities are limited to short-term training courses and general information provision; they would like to be able to offer more in-depth, professional quality services, especially in the areas of legal advice, trade promotion, and technical assistance. The fact that the rate of participation in an association is less than half (44.1%) among all survey respondents also indicates that the associations could grow significantly in size by either improving their marketing and reaching out to potential members, or in providing the right incentives and services that would motivate enterprises to join.
In 1993, VCCI held a watershed national congress in which it attained an important new function: in addition to promoting trade and investment, it would carry out a dialogue with government and represent the interests of Vietnamese business people in the making of policies and laws. This function was codified in new statutes and emphasized in speeches at the congress. Shortly thereafter, the Prime Minister further defined VCCI’s representative role in Government Decision No. 310/TTg. Based on this decision and a subsequent Directive (No. 16/1998/CT-TTg), VCCI carries out interest representation in three basic ways. It does so by 1) organizing large public meetings where business people have an opportunity to voice their grievances directly to the Prime Minister and individual ministers; 2) participating in meetings of the government; and 3) recommending changes to draft laws and regulations. The most tangible expression of VCCI’s dialogue with government is its contribution to draft economic laws.

The Law on Promotion of Domestic Investment (LPDI). Drafted in 1993-94 and passed by the National Assembly in mid-1994, the LPDI was the first law to which VCCI contributed opinions and recommendations under its new mandate. During the drafting process, it received draft versions of the law, solicited opinions from its members, organized public meetings to discuss various drafts, and sent reports to the drafting committee recommending a broad set of changes. Although its representative role was complicated by the fact that it represented both the private and state sectors, whose interests often can be at odds, VCCI did articulate strong demands on behalf of the private sector during drafting of the LPDI. For instance, apart from recommending greater tax exemptions for all businesses, VCCI called on the government to streamline procedures for establishing new private businesses. It also pushed for a policy change that was only relevant to private business people: enhanced legal guarantees against the nationalization of investor assets. In the end, VCCI achieved a moderate degree of influence on the final composition of the investment law.

The Enterprise Law. During the drafting of the landmark Enterprise Law, which came into effect in January 2000, the government facilitated more extensive business participation in law-making by including VCCI officials on the drafting bodies themselves. The Vice President of VCCI served on the steering committee, and the head of VCCI’s legal department was a member of the drafting committee. Throughout the drafting process, these VCCI officials pushed to create a law that would improve the operating environment for Vietnam’s private sector. Specifically, they sought to eliminate minimal capital requirements for establishing a new business; argued for replacing the complicated system of licensing new enterprises with a streamlined registration system; called for simplified procedures of reporting by businesses to the government (to a central registration body rather than to numerous state agencies); and tried to minimize the extent to which the government could intervene in the day-to-day operations of private enterprises. In most of these cases, VCCI and its allies were successful in ensuring that their viewpoints appeared in the final law.39

Increasingly, following the example of the Enterprise Law, VCCI is being appointed as an official member of drafting committees that are drafting new laws or ordinances in accordance with the Assembly’s law-making program. In the Assembly’s 2002 law-making program, for example, VCCI is participating in eight committees drafting new legislation, including the draft competition law and a draft ordinance on commercial arbitration.

1. Interest representation

In the realm of interest representation, VCCI is the main player at the national level. VCCI organizes annual public meetings between the business community and senior government officials including the Prime Minister, in which there are frank statements on policy issues. Each year, starting four to six months in advance of these meetings, VCCI carries out a national survey on problems facing the business community, and organizes several preparatory workshops to analyze these problems and develop specific policy proposals for submission to the Prime Minister. VCCI also attends meetings of the government when relevant issues are discussed, such as implementation of the Enterprise Law, and participates in the drafting of economic laws that affect the business community. Sometimes this participation has had a tangible positive effect on policies affecting the private sector (see Box 3). However, despite government regulations requiring ministries to obtain comments from VCCI before promulgating new regulations on enterprises, some ministries refrain from doing so (or they share draft decisions and circulars only at the last minute, precluding a meaningful response).

The HUAIC and UAIC of Ho Chi Minh City also contribute opinions to national policy- and law-making, with some effect on particular issues, but their participation is more episodic and their contributions less influential. These municipal associations meet periodically with their government counterparts – the People’s Committees of Hanoi and Ho Chi Minh City, respectively – to discuss regulatory issues affecting their members.

The YBC has good official contacts and is developing a strong voice on the national stage. Its affiliated associations and clubs in cities and provinces have the ability to intervene with local authorities, such as tax and customs officials, to discuss specific problems affecting their members. At the district level, the business club of Hoc Mon district near Ho Chi Minh City plays a similar role by intervening with local authorities to address member concerns. Little is known about the representational functions and capacities of other business associations. Although their capacities are believed to be limited, it is noteworthy that making policy/legal recommendations on behalf of members appears as one of the highest-rated association activities in Figure 4.8 and Figure 4.9.

2. Business Services

For the most part, service provision is available in the forms of 1) information dissemination in the form of a newsletter or newspaper, 2) legal advice on a case-by-case basis and 3) provision of training. By far the most common support service offered by business associations is training. Associations tend to organize two main types of training courses: 1) very short one-to three-day courses or workshops on a specific topic or to update members on relevant new government policies, and 2) short-term management-related training using curriculum introduced by international organizations. Training courses are generally taught by external collaborators; the associations organize and sponsor them, sometimes in partnership with international organizations. Of respondents who answered the survey question, 36.8% (48 out of 131) said that they attend the training courses offered by associations regularly or always.

In general, associations leaders and members felt that the provision of business services by the associations is relatively weak. Most respondents felt that the most common services mentioned above could be improved, and that other services were very weak or non-existent. Few
associations (other than VCCI) are able to conduct trade promotion very effectively, and all of the associations feel that they lack the capacity and resources to be able to offer quality consulting services and/or technical advice to their members at present. Almost one-third of the associations interviewed reported having a business “support” or “promotion” center attached to them (which in many cases were set up as a result of a project with an international organization), but most of these associations admitted that the centers have not been very active to date, and expressed an interest in strengthening them.

In the survey questionnaire, enterprises who participate in an association were asked to assign a score between 1 and 5 (1 being the lowest and 5 being the highest) to the various activities that business associations organize and offer. It should be noted that enterprises were not asked in the questionnaire to assign scores to specific associations, as the goal of the research was to obtain a general overview of how enterprises perceive the performance of business associations. Thus, the scores should not be attributed to any particular association, but viewed as a general assessment of performance of business associations by enterprises in Vietnam.

Figure 4.8 below gives a breakdown of how members rated the functions and activities that associations currently undertake. In most cases, the response rate among enterprises that are association members was between 70% and 85%; there were three specific functions that respondents were asked to rate, however, where the response rate was less than 70%: 1) assisting in conflict mediation (60.4%); 2) providing consulting and technical assistance (67.6%); and 3) province assistance in accessing export markets (69.8%). It may be the case that some enterprises do not utilize those particular services of the associations, or it may be that some associations are simply not providing those services.

It can be seen from the on the previous page that more than 50% of respondents gave ratings of 4 or 5 to only three activities – providing short-term training courses, making policy/legal recommendations and providing information on government policies and legal issues. Significantly, these are the same functions that most associations felt they were handling better than others. In the three categories specific to services (consulting and technical assistance, information on markets and prices and trade promotion), over half of respondents gave ratings of 1 or 2.

Among the 35 respondents who indicated that they have served as leaders in the associations, the ratings were slightly, but not significantly higher. In general, this subset was more reluctant to give ratings of 1, but ratings on the higher end of the scale was consistent with the larger population.

Almost 37% (48 out of 130) of association members said that they have made a specific request for assistance from an association of which they are a member. Among them, there was only one category where there was a significant difference in rating from the larger population. This subset tended to give a slightly higher score to associations for providing information on markets and prices.

Among respondents who said they regularly or always attend training courses sponsored by the association, 66.7% rated this activity 4 or 5; 97.6% rated it 3 or better. Meanwhile, among those who said they never or seldom attend training courses, only 25% gave ratings of 4 or 5; almost 43% gave scores of 1 or 2. These scores can be interpreted in two ways.

---

40 VCCI branches all have SME Promotion Centers; most VCA branches have consultancy centers, the YBC and UAIC both have support centers, and many of the smaller organizations have support and/or promotion departments.
Figure 4.8 - Ratings of Association Functions and Activities

- Provide information on policies and legal issues: 4.6% 14.1% 21.8% 21.2% 96.5%
- Make policy/legal recommendations on behalf of members: 8.3% 12.8% 26.3% 24.1% 28.8%
- Provide short-term training courses: 10.9% 9.5% 29.3% 23.8% 26.5%
- Provide networking opportunities between members: 12.3% 16.7% 32.6% 21% 17.4%
- Represent and protect the interests of members: 13.4% 17.3% 26.1% 19.4% 16.3%
- Provide information on technology: 25.5% 20.7% 26.7% 14.8% 16.3%
- Provide networking opportunities for domestic markets: 22.7% 23.5% 25% 13.6% 15.2%
- Develop relationships/access funding from international organizations: 24.5% 18.5% 20% 17.8% 18.3%
- Provide assistance in accessing export markets: 26.2% 22.8% 26% 11% 15%
- Provide information on markets and prices: 26.4% 25.7% 16.4% 12.1% 18.3%
- Provide consulting/technical assistance services to members: 28.5% 22.8% 28% 12% 10.6%
- Assist in conflict mediation between members: 30% 25.5% 28.2% 9.1% 7.3%
- Provide assistance in accessing capital/loans: 43.4% 19.4% 15.5% 7.6% 14%
- Provide assistance in accessing land/factoring space: 37.3% 19.4% 8.1% 17.3%
It may be the case that the training courses offered by associations are of fairly high quality, and respondents who attend them on a regular basis are best suited to rate them; whereas those who rarely or never attend the courses are not good judges. The other possibility is that some associations offer courses of fairly high quality, and those courses are attended by their members. Meanwhile, other associations offer courses that are of poor quality, and thus, the members never or rarely attend them. Either way, the fact that only slightly more than half of respondents rated the training course activity 4 or 5 is indication that there is still room for improvement.

The chart below graphs the mean score given by enterprises to the same functions and activities of associations. There is a wide range of activities that received mean scores of less than three, including a number of business services that associations have expressed interest in raising the quality of, and with some assistance from outside organizations, could undoubtedly do so.

**Figure 4.9 - Mean Scores assigned to Association activate**

In interviews, most enterprises had similar assessments as to the quality of services currently being offered by associations. Entrepreneurs felt that the benefits of association membership are not yet that obvious, that services are relatively weak, and the value is not yet clear. A common sentiment was “for the most part, we [enterprises] are on our own.”

One entrepreneur said that the association has thus far succeeded “only in providing a forum for enterprises to meet, and even then, the relationships are internal within the organization, not yet external [markets].”

Another entrepreneur hinted that if associations are not able to improve their programs, they might have a difficult time retaining members: “The association was formed a year ago, but they [the leaders] have not held any programs yet. If this continues, at the next general meeting what if half the members leave the association?”
D. **What Factors are Hinderling Associations from Meeting the Needs of Their Members?**

Enterprise’s needs and demands are great, and it is unrealistic to expect that a business association can address and help enterprises with all of them. There are some difficulties facing enterprises that most associations can do little to help with – helping companies to access land or factory space, for example, is something few associations are able to do. However, in the areas of interest representation and specific business services, there are a number of ways in which associations can assist their members. At present, many are unable to do so effectively because they lack the necessary resources and training to carry out these functions. In addition, without a consistent and favorable legal framework that clearly defines the rights and responsibilities of business associations, it will be difficult for them to grow beyond their current levels and capacities.

1. **Lack of Resources**

At present, associations depend on four sources of income: the state budget, fees generated from service provision, membership dues, and donations (from both members and outsiders). These sources, however, are unreliable and inconsistent, and thus, associations are unable to depend on a fixed budget upon which to develop and grow their operations.

*State Budget:* Except for VCCI, the state budget accounts for very little of the operating budget of most associations. A number of national level organizations and some local associations receive government support for salaries and office space. The smaller organizations and business clubs do not receive government funding.

*Fees for Services:* Most associations reported that it is very difficult to charge their members for services that they provide.

- Many associations provide their members with a monthly or quarterly newsletter (83.8% of companies who are association members in this survey said they receive a newsletter). In some cases, the newsletter is included as part of membership fees (see below), rather than paid for separately by the member. Other associations charge an extra subscription fee. This fee is one of the few that associations generally are able to collect.

- Some associations are also able to charge for training courses, seminars or workshops (often these are all considered by associations to be training) that they organize, though this is not yet common. There is a general attitude that “the enterprises are still small, they should be provided with free training” among the associations themselves, and almost a sense of guilt when the association collects fees. Enterprises themselves, for the most part, say they are willing to pay for good services, although they often repeat that fees should remain low. In the experience of MPDF’s management training program, enterprises are willing to pay for training if they feel that they receive value from it (see Box 4 below).

- Consulting and technical assistance is a service that theoretically should be in high demand by members and be able to generate income for the association. However, because of lack of capacity on the part of the associations (see below), consulting and technical assistance in most cases stops at the level of information provision. As a result, the associations are generally unable to charge fees.

---

41 Researchers met one association that has succeeded in lobbying local government to create a small industrial zone with preferential admittance to members of the association.
Specific Findings From Survey and Field Research

BOX 4: “FEELING GUILTY” ABOUT COLLECTING FEES

In Haiphong, one staff member of an association told researchers that she organized a one-day workshop on technology for companies last year. The association had originally not intended to charge a fee for the workshop, but when interest in the course became much higher than anticipated and twice the expected number of enterprises attended, the association decided to charge 50,000 VND (about US$3.50) per company. The enterprises themselves had no complaint about paying, and in the workshop evaluation form, rated the workshop highly and said that they would pay again for similar workshops in the future.

Yet other staff members of the association repeatedly remarked how it “wasn’t right” that they charge for the workshop, and were literally embarrassed to be collecting money.

Membership Dues: Even though the statutes of the associations defines members as companies who pay their dues, all interviewed associations expressed difficulty in collecting dues from their members. A large majority said that they are able to collect dues from no more than 50% of their members. As dues are usually assessed on a sliding scale (larger enterprises pay higher dues), the inability to collect dues is especially difficult for smaller associations. For example, the large associations such as VCCI or the national industry associations are generally able to collect dues from their largest members (usually large SOEs or the very successful private enterprises), some of which pay up to 20-30 million VND per year (approximately $1400-$2100 USD/year). As a result, large companies effectively subsidize the membership dues for smaller companies that do not pay dues in these larger groups. Small associations, however, are not able to do this. Their membership tends to be made up of smaller companies, which do not pay high dues in the first place.

For the most part, membership dues of the associations are fairly low, though they vary by association and membership type. Smaller associations tend to have a standard rate for membership dues, while larger associations use a sliding scale. Dues at smaller associations range from 200,000 VND-1 million VND per year ($14 USD-$70 USD), while larger associations sometimes charge much more than that (as discussed above). Some of the business clubs do not charge fees at all; instead, members contribute a little money for food and drinks at each meeting.

Interviews revealed a number of reasons explaining why enterprises do not pay dues:

➤ There is a general attitude among enterprises that because associations are not yet providing services at the quality and level that their members want, paying dues is voluntary and not required. Especially since the associations do not treat those paying dues any differently from non-paying members, smaller enterprises tend to forego dues payment.

➤ This attitude that the associations are not yet doing enough for their members is also pervasive among leaders of associations themselves, causing them to also “feel guilty” about collecting dues and reminding members to pay their dues. A number of leaders told researchers that if and when the association is able to do more for its members, they will feel more comfortable about collecting dues.
Instead of membership fees, companies often make monetary contributions to their associations to sponsor specific activities or to social/humanitarian causes. In addition, enterprises sometimes pay nominal fees for training courses organized by the association. Many enterprises interpret these contributions as taking place of membership dues, and indeed, sometimes these other contributions can be several times higher than dues.

A number of small enterprises said that they do not pay membership dues to associations because the tax authorities will not allow them to claim a legitimate tax deduction. As discussed earlier, membership dues are not specifically identified in tax regulations as being deductible, and business associations are unable to provide members with official receipts when dues are paid.

**External Funding:** At present, most associations are surviving on external funding, in the forms of 1) donations from members; 2) state funding; and/or 3) funding international organizations. The VCCI, UAIC, YBC, VCA and a few smaller “connected” associations receive some state funding to offset some of their costs; the other associations must raise money to cover their own costs. In many cases, the leadership of an association will donate the space and equipment for the association’s office space, and their time in organizing the various activities. This same group of leaders within an association also often donate their own money and encourage other members to do the same in order to sponsor activities and contribute to humanitarian causes.

In addition, many business associations have been able to secure funding in the form of capacity building programs, collaboration and partnerships with international organizations, particularly in recent years. Interviews and first-hand knowledge reveal that the following organizations currently work with Vietnamese business associations:

**ASIA FOUNDATION:** The Asia Foundation is supporting programs aimed at promoting dialogue between government agencies and the business community, and is working with VCCI and the HUAIC to enhance their research and policy input capacities. With Asia Foundation support, VCCI has been hosting monthly business forums in Hanoi and Ho Chi Minh City which bring together business people and government officials to discuss the formulation of competition policy, implementation of the Enterprise Law, and other regulatory issues. This program is now being expanded to promote the spread of best practices in provincial economic governance.

**DANISH INTERNATIONAL DEVELOPMENT AGENCY:** DANIDA is currently funding and providing technical assistance in a comprehensive capacity building program for the Hanoi Young Entrepreneur’s Association, working through the Danish Confederation of Industry (DI). A similar but smaller program also exists with the sister group in HCMC. DANIDA has also provided funding and technical assistance to sectoral programs and industry associations in garments, fisheries and agriculture.

**GERMAN TECHNICAL COOPERATION:** GTZ has an official partnership with the VCA in their SME promotion project, which concentrates on management training and trade promotion. GTZ also currently collaborates with VCCI’s information office to administer the SMENET, a web-based resource on SMEs in Vietnam.

**GERMAN CONFEDERATION OF HANDICRAFTS:** As the German agency responsible for cooperation with business associations, ZDH works with the largest number of associations among international agencies. ZDH’s program focuses on training and capacity building for association leadership, including VCCI, UAIC and
some of the industry associations under the UAIC umbrella (AGTEK, Leather and Shoes HCMC, Food and Foodstuffs). ZDH also collaborates with VCCI to assist in the advocacy for and drafting of a legal framework for business associations.

**INTERNATIONAL LABOR ORGANIZATION: ILO works with VCCI on the “Start and Improve Your Business” (SIYB) program, which trains (primarily) women micro-entrepreneurs in basic business skills. In Can Tho, with funding from the Swedish International Development Agency (SIDA), ILO worked with VCCI to put the SIYB curriculum onto the radio in the “Economics on the Air” project.**

**MPDF: Several VCCI and VCA branches are MPDF training partner institutions. MPDF is currently working with VCCI and HBA to carry out a training needs assessment of private enterprises, and has partnered with several associations in the past (including VCCI, VSPA, AGTEK) to conduct research and organize workshops relevant to their members. Currently, MPDF is developing a comprehensive program to provide capacity building to business associations. The program will focus on helping associations formulate and carry out their advocacy agendas as well as provide better business services to their members. MPDF will engage the expertise of several international business associations as partners.**

**UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION: UNIDO works with VCCI to provide training to small entrepreneurs in food processing. Between 1997 and 2000, UNIDO had a 3-year capacity building project with the UAIC of HCMC.**

**OXFAM QUEBEC: Comprehensive capacity building/support program for the Women’s Entrepreneur’s Clubs in Hanoi, Quang Ninh and Hai Duong provinces.**

The issue of financing is one of the most difficult problems that the associations currently face. External funding has certainly strengthened Vietnamese business associations to some extent; however, in order for an association to survive and continue to develop its activities and services to members, it must have a steady source of income, and cannot continue to depend on external funding in the long run. One entrepreneur summed up the money problem, saying:

> ...the association is growing stronger and better by the day. The difficulty is that members don’t pay dues, and this affects the operating ability of the association – to be strong, the association must have a functioning leadership, have a good office space, must sponsor courses regularly and must be able to invite experts to give talks, must be able to provide information...all of this takes money. Also, by not paying dues, members are not committed to the association, which makes it weaker.

**2. Lack of Capacity/Lack of Professional Staff**

Apart from VCCI, which has a large budget, professional staff and specific income-generating activities assigned to it by the government, the level of professionalism in Vietnamese business associations is still weak.

Smaller associations and provincial associations generally do not have full-time staff. Their day-to-day operations are handled by a part-time employee, who works elsewhere; either in a mass organization or in a company that is a member of the association. The leadership of the group are generally entrepreneurs, and have limited time to commit to working in the association.

National industry associations are often tied to the national corporation, and staff from the company often double as staff of the association. In some of the national level associations, the few professional staff members who handle the daily operations and the chairperson are paid out of the state budget.
In general, the staff of associations are not professionally equipped to offer support services to their members. Much of this problem is linked to the problem of finances – without money, associations cannot afford to hire highly qualified individuals to serve on their staff.\footnote{Important skills that association staff clearly lacked were computer proficiency and the ability to use the internet. Acquisition of these skills would significantly increase the ability of associations to find up-to-date market information, potential business contacts, specific technical knowledge, etc.} Many of the associations currently have or wish to set up technical assistance centers for their members, but at present can only provide their members with general information on new laws and policies and basic introduction to business contacts. The offices do not have consulting experts in either business management or specific technical areas. In some cases, the association links the member who needs assistance up with an outside consultant; the associations themselves have not been able to build this capacity internally.

Most associations face similar problems with training. They do not have training experts, who can either offer courses directly or who can design a training program in collaboration with outside trainers. Thus at present, the associations mainly offer one-time courses in response to member’s requests or in collaboration with government offices or other associations (mainly VCCI and international organizations).

Most of the associations also do not have trade facilitation capability – this is done by the larger groups including VCCI, the national industry associations, and government offices using state resources. As a result, it is the state sector and larger enterprises that tend to benefit from these services. Smaller private companies are more or less on their own to find markets.

3. Lack of a Legal Framework in which Associations can Develop and Grow

As discussed in Section II, the current legal framework is fragmented and confusing, and includes complicated entry procedures – involving multiple agencies and steps – that may be preventing potentially vibrant business associations from becoming established and contributing to business development. Furthermore, those that have become established do not receive standard privileges, such as tax exemptions on income from core activities and tax deductions for dues paid by members, which could improve their financial standing and allow them to devote more resources to activities supporting their members. Although the legal regime does include provisions facilitating interest representation, these provisions are enforced inconsistently and mostly benefit large, well-known associations. Finally, the current framework keeps many business promotion services in the hands of state agencies, even though business associations may be able to carry them out more cheaply and effectively. This situation is preventing business associations from expanding their operations for the benefit of their members and the economy as a whole.
V. RECOMMENDATIONS

In August 2000, VCCI and GCOP co-organized a national meeting in Hanoi on the role and effectiveness of business associations in Vietnam. During this meeting, attended by Standing Deputy Prime Minister Nguyen Tan Dung, association leaders advanced a number of recommendations regarding how government policies toward business associations could be changed and improved. Most of the recommendations listed in Box 5 below are summarized from presentations made at this meeting; others are drawn from more recent association reports.

The following recommendations by the authors of this research paper are presented to three different sets of stakeholders involved in private sector development: 1) business associations, 2) the government and 3) donor agencies and organizations. Many of these recommendations echo those made by Vietnamese business associations themselves.

A. WHAT CAN BUSINESS ASSOCIATIONS DO TO STRENGTHEN THEMSELVES?

1. Associations should strive to “professionalize” activities and services.

Most of the larger multi-sectoral and single-industry associations already have functional departments that include membership development, training, and information provision. A few also engage in consulting, trade promotion and policy/advocacy activities.

Nevertheless, many of these activities are currently conducted on an ad-hoc basis; business associations should move towards developing core products in each of these areas in addition to their current level of activity. These products should be very specific to members’ needs and expectations, as they must be paid for by their members in the form of service fees. For example, training departments should offer a number of core training products as well as special lectures and seminars; information provision departments should have a regular newsletter that is sent out to members; trade promotion departments should be pro-active about their activities rather than waiting to be approached by buyers; and legal/policy departments should regularly undertake research activities to support associations’ policy aims and agendas.

2. Collection of membership dues, collection of service fees and fundraising need to be priorities for many associations.

Business associations cannot function without a steady source of funding, yet almost all have very low membership dues and service fees in Vietnam. In addition, in most cases there is a general attitude among association leaders, staff, and members that associations are not yet doing enough to warrant collection of significant dues and service fees; thus, associations are currently forced to rely on other types of funding for survival. This is not sustainable in the long term, as associations need better mechanisms for generating and collecting membership dues and service fees. Business associations should set up specific fee structures for both membership dues and services as well as regular billing procedures.

---

43 These recommendations apply specifically to larger multi-sectoral and sectoral associations, not to smaller clubs, which should continue concentrating on their informal networking and information-sharing functions.
The government should organize a study to create a law on the organization and operations of business associations to replace the outdated legal regulations which have now become irrelevant. In the event a law cannot be promulgated soon, an ordinance or at least a government decree on business associations should be promulgated.

The establishment of a business association should be easy and similar to the establishment of an enterprise under the Enterprise Law, limiting cumbersome administrative procedures. The “one door, one stamp” scheme should be applied to business associations just as it has been applied to enterprises.

The government should authorize business associations to carry out some tasks and projects of a public service nature. Relevant areas could include business support services; human resources training and consulting; registration of trade names; participating in tender evaluation committees; conducting business registration; and issuing certificates of origin, professional training certificates, and international commercial certificates. In addition, the government could appoint some business associations to carry out projects aimed at developing new technologies, products, and markets.

Many government agencies still hold the view that the government should carry out the search for markets and customers for businesses. From practical experience in Vietnam and in the world, this is cost-consuming and ineffective. Although the search for markets is the responsibility of government, businesses, and business associations, the government should concentrate on providing guidance and supplying information on economic and market trends, while business associations take responsibility for supporting businesses through trade and investment promotion activities.

The government is requested to devise a program to strengthen the capacity of business associations. This would include activities to train the leadership and standing body of business associations; to improve the information provision and consulting capacities of the associations; and to assist in establishing a network between business associations in Vietnam and similar organizations overseas.

The government should establish and maintain a regular, fast, and effective information channel with business associations, in which special attention is paid to supplying business associations with information on the economy, policy orientations, state investment projects, and the content and roadmap of Vietnam’s international economic integration.

Business associations should be allowed to participate more deeply and actively in the law and policy making process, and in the implementation of the government’s international commitments on trade, investment, and economic integration. Association representatives should participate in research teams and working groups drafting laws, policies and programs.

The government should consider establishing a high-level mechanism – i.e., a joint business-administration council (or committee) – in which the representatives of state agencies, businesses, and business associations have equal say in consulting and advising the Prime Minister and heads of agencies at all levels to solve key issues of the country, each sector, and each locality. An SME development council should be established to experiment with implementation of this cooperative-consulting mechanism.
3. In the short term, Vietnamese business associations should seek help from international organizations working in the area of private sector development for both technical advice and financial assistance. As these associations grow and prosper, however, they should expect to see external funding phased out. International experience has shown that best practices for such assistance includes an explicit timetable from the outset, which incrementally reduces support and allows organizations to work towards self-sufficiency over a relatively short period of time. 44

B. How Can the Government Support the Development of Business Associations?

1. Regularize and broaden business association participation in economic policy- and law-making through better enforcement of current provisions (codified in Decision No. 310 TTg and Directive No. 16/1998/CT0-TTg) which require ministries to solicit comments from business associations before promulgating new legal documents relating to business activities. To invest these provisions with higher legal authority, they also could be built into the comprehensive legislation on business associations that is now under consideration. As the remarkable success of the Enterprise Law illustrates, extensive participation is an important ingredient of good governance and effective economic policy making. In general, participation contributes both to the exchange of information needed for effective decision-making and to the legitimacy of policy decisions. It not only increases “ownership” but also enhances policy effectiveness by engendering support and cooperation from affected economic actors. Thus, to the extent that channels and mechanisms of communication between the government and private sector facilitate the latter’s participation in policy making, overall economic performance is likely to be enhanced. 45 Put more concretely, regularized participation improves the quality of economic laws and regulations by providing useful feedback to the government before promulgation. During implementation, it reduces the chances that entrepreneurs will be shocked or surprised by unexpected regulatory changes that affect the cost of doing business. Participation also improves implementation by deepening public commitment to and understanding of new laws and regulations. Ultimately, this helps to provide stability and predictability to the regulatory environment for business and investment. 46

2. Improve the regulatory environment to allow business associations to become established, develop, and carry out their core functions.

The regulatory environment governing business associations in Vietnam should reflect local social, economic, and political conditions and be responsive to local needs. However, as the government moves forward in developing new regulations for business associations, it also may be useful to consider international standards and norms in this area. Broadly speaking, international experience suggests that laws, regulations, and administrative systems governing

---


associations should regulate them sensibly and prevent abuses, but not create compliance burdens that discourage either the formation of associations or the conduct of their legitimate activities. To this end, regulations should be written so that:

- It is relatively quick, easy, and inexpensive to establish business associations. The legal framework should not impose restrictive conditions (e.g., requiring all members of an association to be from the same industry or locality) or burdensome procedures (e.g., requiring numerous permissions and approvals from multiple state authorities) that would inhibit the formation of associations.
- Business associations should be exempt from taxation on income generated from “core activities” (e.g., receiving membership fees, issuing certificates, and carrying out business support services).
- Individuals and enterprises should receive income tax benefits, in the form of tax deductions, when paying membership dues to business associations.
- Minimum provisions necessary for the operation and governance of a business association should be stated in the official statutes of the association. In these provisions, there should be an accountability mechanism ensuring that the association remains faithful to its purposes and responsive to its members.
- Business associations should have the right to suggest new initiatives on laws and regulations pertaining to the business environment.
- Reporting to supervisory agencies should be as simple to complete and as uniform among state agencies as is possible.
- There should be a single national registry of all business associations. To promote accountability and trust, the public should have access to the registry and rules for access should be clearly defined.

3. The government should consider increasing the delegation of SME-promotion tasks and activities to business associations.

The government’s current intended strategy towards private sector and SME promotion as laid out in Decree No. 90/2001/CP-ND (the SME Decree) and the draft of the Comprehensive Poverty Reduction and Growth Strategy (CPRGS) includes facilitating the establishment of funds to support investment, banks specializing in providing business services to the SME sector, centers to provide technical assistance to SMEs, business incubators, trade promotion centers, etc. Many of these tasks could very effectively be carried out by private business service providers and business associations.

Business associations are in a unique position to provide various kinds of business services, as they have inherent client base and a good understanding of the needs of businesses. In addition, business associations are different from private service providers in that they are not in the business of making money – they only need to recover their operating costs and as a result, their service fees can be lower and more affordable for members. It is recommended that the government consider transferring a number of these tasks to them.

48 Tax rules relating to business associations can be regulated in general legislation on the associations or in separate regulations issued by tax authorities.
49 To facilitate tax deductions, membership dues would need to be accepted as a deductible expense under Ministry of Finance Circular 18/2002/TB-TBTC, and the General Department of Taxation would need either to allow business associations to use official receipts issued by the Ministry of Finance or instruct tax authorities to accept the receipts currently being issued by business associations.
C. **HOW CAN MPDF, THE ASIA FOUNDATION AND OTHER INTERNATIONAL ORGANIZATIONS COLLABORATE WITH AND ASSIST VIETNAMESE BUSINESS ASSOCIATIONS?**

1. **International organizations should increase their support for technical assistance and seed funding for capacity building of business associations.**

In the long-term, as noted above, business associations should be self-sustainable organizations, generating their funding from internal sources. At present, however, most associations lack both the management and technical capacity to operate effectively. International organizations and NGOs, including MPDF and The Asia Foundation, should build on the capacity building work that has already been done with external support.

Capacity building programs should highlight staff capacity, association management and development, fees generation and professional service provision to members. Interventions by international organizations should target two separate groups: 1) in-depth support for specific associations that currently show strong potential and 2) general training for larger numbers of associations. As there are a number of international groups working in this area (and as there will likely be more in the near future), it is important that the international community maintain a regular dialogue to identify potential synergies and avoid overlap in their activities.


Do Son Ha, “Huong Dan Nghiep Vu ve Quy Trinh To Chuc, Quan Ly Nha Nuoc doi voi Hoi Quan Chung” [Professional Guidelines on the Procedure for the Establishment and State Management of Mass Associations], GCOP, November 2000.


**ANNEX 1: LIST OF SELECTED BUSINESS ASSOCIATIONS IN VIETNAM**

### 1. BUSINESS ASSOCIATIONS

<table>
<thead>
<tr>
<th>No.</th>
<th>Name in English</th>
<th>Contact Address</th>
<th>Telephone</th>
<th>Fax</th>
<th>E-mail</th>
<th>Contact Person</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>VIETNAM CHAMBER OF COMMERCE AND INDUSTRY (VCCI)</td>
<td>9 Dao Duy Anh, Ha Noi</td>
<td>04 - 5742167</td>
<td>04 - 5742020 5742030</td>
<td><a href="mailto:vcci@fmail.vnn.vn">vcci@fmail.vnn.vn</a></td>
<td>Mr. Vũ Tiến Lộc  Mr. Trần Hữu Hồng Trương</td>
<td>Executive Vice President  Director of General Department</td>
</tr>
<tr>
<td>2.</td>
<td>VIETNAM COOPERATIVE ALLIANCE (VCA)</td>
<td>77 Nguyễn Thái Học, Ba Đình district, Ha Noi</td>
<td>04 - 7330158 7470973 8431768 7470102</td>
<td>04 - 8431883 8431768</td>
<td><a href="mailto:vca@vnn.vn">vca@vnn.vn</a>  <a href="mailto:vcu@vnn.vn">vcu@vnn.vn</a></td>
<td>Mr. Nguyễn Tý  Mr. Hoàng Chuyên Cẩn</td>
<td>Chairman  Vice Director of the Department of Business Support and Development  Director of International Relations Department</td>
</tr>
<tr>
<td>3.</td>
<td>YOUNG BUSINESS LEADERS COUNCIL OF VIETNAM</td>
<td>64 Ba Triệu, Hoàn Kiếm district, Ha Noi</td>
<td>04 - 8228227</td>
<td>04 - 9431861</td>
<td><a href="mailto:dnt@hn.vnn.vn">dnt@hn.vnn.vn</a></td>
<td>Mr. Trương Giang Bình  Mr. Phạm Tấn Công</td>
<td>Chairman  Standing  Vice Chairman  Head of Secretariat</td>
</tr>
<tr>
<td>4.</td>
<td>VIETNAM LEATHER AND FOOTWEAR ASSOCIATION (LEFASO)</td>
<td>25 Lý Thường Kiệt, Hoàn Kiếm district, Ha Noi</td>
<td>04 - 826 5715</td>
<td>04 - 8259216</td>
<td><a href="mailto:leapovn@hn.vnn.vn">leapovn@hn.vnn.vn</a></td>
<td>Mr. Phan Đình Đopération  Ms. Nguyễn Thị Tống</td>
<td>Chairman  Secretary General</td>
</tr>
<tr>
<td>5.</td>
<td>VIETNAM PAPER MAKING ASSOCIATION</td>
<td>18C Phạm Đình Ho, Hải Bà Trưng district, Ha Noi</td>
<td>04 - 8210455</td>
<td>04 - 9718684</td>
<td><a href="mailto:vnpaper@hn.vnn.vn">vnpaper@hn.vnn.vn</a></td>
<td>Mr. Phạm Quy Kiết  Mr. Vũ Ngọc Bảo</td>
<td>Chairman  Standing General Secretary</td>
</tr>
<tr>
<td>6.</td>
<td>VIETNAM PLASTICS ASSOCIATION</td>
<td>92 - 94 Lý Tu Trọng, District 1, HCMC</td>
<td>08 - 8229022 08 - 8229266</td>
<td><a href="mailto:Vsma@vol.vnn.vn">Vsma@vol.vnn.vn</a></td>
<td>Mr. Phạm Gia Dược  Mr. Trần Đình Tuấn</td>
<td>Chairman  Manager</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>VIETNAM TEXTILE AND APPAREL ASSOCIATION (VINATEX)</td>
<td>25 Ba Triệu, Hoàn Kiếm district, Ha Noi</td>
<td>04 - 9349608</td>
<td>04 - 82626269</td>
<td><a href="mailto:vitashn@hn.vnn.vn">vitashn@hn.vnn.vn</a></td>
<td>Nguyễn Xuân Hòa  Mr. Ngô Quang Thọa</td>
<td>Deputy General Secretary  In Charge of Foreign Affairs and Trade Promotion</td>
</tr>
</tbody>
</table>

---

1. See List of VCCI branches in part 3 below
2. See List of Provincial cooperative Alliances in part 4 below
3. See List of Provincial Young Business/ Entrepreneurs Associations/ Clubs in part 5 below
<table>
<thead>
<tr>
<th>No</th>
<th>Name in English</th>
<th>Contact Address</th>
<th>Telephone</th>
<th>Fax</th>
<th>E-mail</th>
<th>Contact Person</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.</td>
<td>VIETNAM FERTILIZER ASSOCIATION</td>
<td>3F14 Lang Trang, Dong Da district, Hanoi</td>
<td>04-7720158</td>
<td>04-7720185</td>
<td><a href="mailto:hinh@hanoi.vn">hinh@hanoi.vn</a></td>
<td>Mr. Nguyen Thoai Linh</td>
<td>Chairman and Vice-Chairman General Secretary</td>
</tr>
<tr>
<td>9.</td>
<td>VIETNAM ALCOHOL-BEER-BEVERAGE ASSOCIATION</td>
<td>94 Lo Duc, Hai Ba Trung district, Hanoi</td>
<td>04-8218433</td>
<td>04-8218433</td>
<td><a href="mailto:hhrb@hn.vnn.vn">hhrb@hn.vnn.vn</a></td>
<td>Mr. Nguyen Van Chong</td>
<td>Standing Vice-Chairman General Secretary</td>
</tr>
<tr>
<td>10.</td>
<td>VIETNAM ASSOCIATION OF CONSTRUCTION CONTRACTORS</td>
<td>3F14 Lang Trang, Dong Da district, Hanoi</td>
<td>04-7720158</td>
<td>04-7720185</td>
<td><a href="mailto:Vasec@hn.vnn.vn">Vasec@hn.vnn.vn</a></td>
<td>Mr. Vu Gia Quynh</td>
<td>Standing Vice-Chairman General Secretary</td>
</tr>
<tr>
<td>11.</td>
<td>VIETNAM ASSOCIATION OF SAWOOD EXPORTERS AND PRODUCERS (VASEP)</td>
<td>10 Nguyen Cong Hoan, Ba Dinh district, Hanoi</td>
<td>04-7715055</td>
<td>04-7715084</td>
<td><a href="mailto:vasep@fpt.vn">vasep@fpt.vn</a></td>
<td>Ms. Nguyen Thanh Hoang Minh</td>
<td>Standing General Secretary</td>
</tr>
<tr>
<td>12.</td>
<td>VIETNAM ASSOCIATION OF CONSTRUCTION CONTRACTORS</td>
<td>3F14 Lang Trang, Dong Da district, Hanoi</td>
<td>04-7720158</td>
<td>04-7720185</td>
<td><a href="mailto:Vasec@hn.vnn.vn">Vasec@hn.vnn.vn</a></td>
<td>Mr. Nguyen Thi Hong Minh</td>
<td>Standing General Secretary</td>
</tr>
<tr>
<td>13.</td>
<td>VIETNAM ELECTRONIC INDUSTRY ASSOCIATION</td>
<td>18 Tran Nguyen Han, Ba Dinh district, Hanoi</td>
<td>04-8218093</td>
<td>04-8218093</td>
<td><a href="mailto:vecas@fpt.vn">vecas@fpt.vn</a></td>
<td>Mr. Hoang Tung Hai</td>
<td>Standing General Secretary</td>
</tr>
<tr>
<td>14.</td>
<td>VIETNAM ELECTRICAL ENGINEERING ASSOCIATION</td>
<td>37 Le Dai Hanh, Hai Ba Trung district, Hanoi</td>
<td>04-7380106</td>
<td>04-7380106</td>
<td><a href="mailto:vecas@vnn.vn">vecas@vnn.vn</a></td>
<td>Mr. Pham Duy Minh</td>
<td>Standing General Secretary</td>
</tr>
<tr>
<td>15.</td>
<td>VIETNAM ENGINEERING CONSULTANT ASSOCIATION</td>
<td>2F18 Lang Trang, Dong Da district, Hanoi</td>
<td>04-943564</td>
<td>04-8280031</td>
<td><a href="mailto:vecas@vnn.vn">vecas@vnn.vn</a></td>
<td>Ms. Nguyen Van Chong</td>
<td>Vice-Chairman Standing Vice-Chairman General Secretary</td>
</tr>
<tr>
<td>16.</td>
<td>VIETNAM ELECTRO-MECHANICAL INDUSTRY ASSOCIATION</td>
<td>2F18 Lang Trang, Dong Da district, Hanoi</td>
<td>04-943564</td>
<td>04-8280031</td>
<td><a href="mailto:vecas@vnn.vn">vecas@vnn.vn</a></td>
<td>Mr. Nguyen Van Chong</td>
<td>Vice-Chairman Standing Vice-Chairman General Secretary</td>
</tr>
<tr>
<td>17.</td>
<td>VIETNAM ENGINEERING CONSULTANT ASSOCIATION</td>
<td>2F18 Lang Trang, Dong Da district, Hanoi</td>
<td>04-943564</td>
<td>04-8280031</td>
<td><a href="mailto:vecas@vnn.vn">vecas@vnn.vn</a></td>
<td>Mr. Nguyen Van Chong</td>
<td>Vice-Chairman Standing Vice-Chairman General Secretary</td>
</tr>
<tr>
<td>18.</td>
<td>VIETNAM ENGINEERING CONSULTANT ASSOCIATION</td>
<td>2F18 Lang Trang, Dong Da district, Hanoi</td>
<td>04-943564</td>
<td>04-8280031</td>
<td><a href="mailto:vecas@vnn.vn">vecas@vnn.vn</a></td>
<td>Mr. Nguyen Van Chong</td>
<td>Vice-Chairman Standing Vice-Chairman General Secretary</td>
</tr>
</tbody>
</table>

*Private Sector Discussions No. 13*
<table>
<thead>
<tr>
<th>No.</th>
<th>Name in English</th>
<th>Contact Address</th>
<th>Telephone</th>
<th>Fax</th>
<th>E-mail</th>
<th>Contact Person</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>19</td>
<td>Vietnam Fisheries Association</td>
<td>10 Nguyen Cong Hoan, Ba Dinh dist, Hanoi</td>
<td>04 - 8354406</td>
<td>04 - 7717739</td>
<td></td>
<td>Mr. Bui Van Tho</td>
<td>Secretary</td>
</tr>
<tr>
<td>20</td>
<td>Vietnam Food Association</td>
<td>138B Giang Vo, Ba Dinh dist, Hanoi</td>
<td>04 - 9740916</td>
<td>04 - 8299786</td>
<td></td>
<td>Mr. Nguyen Van Thien</td>
<td>Secretary</td>
</tr>
<tr>
<td>21</td>
<td>Vietnam Freight Forwarders</td>
<td>42 Chu Manh Thanh, Hai Ba Trung dist, Hanoi</td>
<td>04 - 82326841</td>
<td>08 - 74171282</td>
<td></td>
<td>Mr. Nguyen Van Thien</td>
<td>Secretary</td>
</tr>
<tr>
<td>22</td>
<td>Vietnam National Cement Association</td>
<td>37 Le Dinh, Ba Dinh dist, Hanoi</td>
<td>04 - 9740918</td>
<td>04 - 8465224</td>
<td></td>
<td>Mr. Nguyen Van Thien</td>
<td>Secretary</td>
</tr>
<tr>
<td>23</td>
<td>Vietnam National Roof Sheet Association (VNROOF)</td>
<td>3 Lang Ha, Hai Ba Trung dist, Hanoi</td>
<td>04 - 8235257</td>
<td>04 - 8299248</td>
<td></td>
<td>Mr. Nguyen Van Thien</td>
<td>Secretary</td>
</tr>
<tr>
<td>24</td>
<td>Vietnam Pharmaceutical Companies (VPCA)</td>
<td>21 Hung Vu, Ba Dinh dist, Hanoi</td>
<td>04 - 8214919</td>
<td>08 - 8263092</td>
<td></td>
<td>Mr. Nguyen Van Thien</td>
<td>Secretary</td>
</tr>
<tr>
<td>25</td>
<td>Vietnam Software Association</td>
<td>201 Kham Thien, Hai Ba Trung dist, Hanoi</td>
<td>04 - 8517750</td>
<td>04 - 7721862</td>
<td></td>
<td>Mr. Nguyen Van Thien</td>
<td>Secretary</td>
</tr>
<tr>
<td>26</td>
<td>Vietnam Steel Association</td>
<td>91 Lang Ha, Hai Ba Trung dist, Hanoi</td>
<td>04 - 8514056</td>
<td>04 - 5142992</td>
<td></td>
<td>Mr. Nguyen Van Thien</td>
<td>Secretary</td>
</tr>
<tr>
<td>27</td>
<td>Vietnam Tobacco Association</td>
<td>21 Thap Tram, District 5, HCMC</td>
<td>04 - 8534546</td>
<td>08 - 8323732</td>
<td></td>
<td>Mr. Nguyen Van Thien</td>
<td>Secretary</td>
</tr>
<tr>
<td>28</td>
<td>Vietnam Tea Association</td>
<td>92 No Thi Sao, Hai Ba Trung dist, Hanoi</td>
<td>04 - 6251030</td>
<td>04 - 6251800</td>
<td></td>
<td>Mr. Nguyen Van Thien</td>
<td>Secretary</td>
</tr>
<tr>
<td>No.</td>
<td>Name in English</td>
<td>Contact Address</td>
<td>Telephone</td>
<td>Fax</td>
<td>E-mail</td>
<td>Contact Person</td>
<td>Title</td>
</tr>
<tr>
<td>-----</td>
<td>----------------</td>
<td>-----------------</td>
<td>-----------</td>
<td>-----</td>
<td>--------</td>
<td>----------------</td>
<td>-------</td>
</tr>
<tr>
<td>45.</td>
<td>HCMC RUBBER AND PLASTICS ASSOCIATION</td>
<td>17 Ha Ba Trung, District 5, HCMC</td>
<td>08 - 8273142</td>
<td>08 - 8273142</td>
<td></td>
<td>Mr. Bùi Văn Hải</td>
<td>Chairman</td>
</tr>
<tr>
<td>46.</td>
<td>HCMC LEATHER AND SHOES ASSOCIATION</td>
<td>2B Nguyễn Quyen, District 5, HCMC</td>
<td>08 - 8555971</td>
<td>08 - 8555313</td>
<td></td>
<td>Mr. Võ Chấn</td>
<td>Chairman</td>
</tr>
<tr>
<td>47.</td>
<td>HCMC MECHANICAL AND ELECTRICAL ASSOCIATION</td>
<td>87 Cong Quynh, District 1, HCMC</td>
<td>08 - 8360533</td>
<td>08 - 8360525</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>48.</td>
<td>HCMC ASSOCIATION OF GARMENTS, TEXTILES, EMBROIDERY, AND KNITTING</td>
<td>73 Bùi Cát 3, Ward 12, Tan Binh district, HCMC</td>
<td>08 - 8493978</td>
<td>08 - 8428301</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>49.</td>
<td>HCMC ASSOCIATION OF INDUSTRY AND COMMERCE</td>
<td>25 - 35 Ha Ba Trung, Tan An Ward, Can Tho City</td>
<td>071 - 822 101</td>
<td>071 - 820261</td>
<td></td>
<td>Mr. Trần Hoàng</td>
<td>Chairman</td>
</tr>
<tr>
<td>50.</td>
<td>VIETNAM UNION OF ASSOCIATIONS OF INDUSTRY AND COMMERCE</td>
<td>48 Nguyễn Huy Rue, Xóm Xóm, Thanh Nhon Ward, Long Bien District, Hanoi</td>
<td>070 - 836081</td>
<td>070 - 822 252</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>51.</td>
<td>VIETNAM SUGAR ASSOCIATION</td>
<td>369 Nguyễn Huệ, HCMC</td>
<td>037 - 834095</td>
<td>037 - 834095</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>52.</td>
<td>VIETNAM INDUSTRIAL PROPERTY ASSOCIATION (VIPA)</td>
<td>79 Trường Quang, Hà Nội</td>
<td>04 - 822 218</td>
<td>04 - 822 218</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No.</td>
<td>Name in English</td>
<td>Contact Address</td>
<td>Telephone</td>
<td>Fax</td>
<td>E-mail</td>
<td>Contact Person</td>
<td>Title</td>
</tr>
<tr>
<td>-----</td>
<td>----------------</td>
<td>----------------</td>
<td>-----------</td>
<td>-----</td>
<td>--------</td>
<td>----------------</td>
<td>-------</td>
</tr>
<tr>
<td>2.</td>
<td><strong>BUSINESS CLUBS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>VIETNAM BUSINESS CLUB</td>
<td>No. 2 Vu Ngoc Phan, Dong Da district, Ha Noi</td>
<td>04 - 7761259</td>
<td>04 - 7761260</td>
<td><a href="mailto:cetai@hn.vnn.vn">cetai@hn.vnn.vn</a></td>
<td>Mr. Nguyen Van Bap</td>
<td>Director</td>
</tr>
<tr>
<td>2.</td>
<td>FOREIGN DIRECT INVESTMENT CLUB (MDP)</td>
<td>56 Quoc Tu Giam, Dong Da district, Ha Noi</td>
<td>04 - 8437926</td>
<td>04 - 8437926</td>
<td><a href="mailto:fdiclub@com.vn">fdiclub@com.vn</a></td>
<td>Mr. Mai Thanh Hia</td>
<td>President</td>
</tr>
<tr>
<td>3.</td>
<td>CENRAL CLUB OF DIRECTORS (CENTRAL INSTITUTE OF ECONOMIC MANAGEMENT)</td>
<td>35 Nguyen Van Cu, District 1, HCMC</td>
<td>08 - 8259256</td>
<td>08 - 8294254</td>
<td></td>
<td>Mr. Pham Van Dung</td>
<td>Chairman</td>
</tr>
<tr>
<td>4.</td>
<td>2030 BUSINESS CLUB</td>
<td>35 Nam Ky Khoi Nghia, District 1, HCMC</td>
<td>08 - 8223256</td>
<td>08 - 8235339</td>
<td></td>
<td>Ms. Nguyen Thi Thu</td>
<td>Technical Advisor</td>
</tr>
<tr>
<td>5.</td>
<td>BUSINESS CLUB OF THUA THIEN HUE PROVINCE</td>
<td>No. 2 Dong Da, Hue City</td>
<td>04 - 8222295</td>
<td>04 - 8222299</td>
<td></td>
<td>Ms. Nguyen Thoiv Thu</td>
<td>Director</td>
</tr>
<tr>
<td>6.</td>
<td>NON-STATE BUSINESSWOMEN CLUB OF HANOI</td>
<td>72 Quan Su, Ha Noi</td>
<td>04 - 8222299</td>
<td>04 - 8235339</td>
<td></td>
<td>Ms. Nguyen Thi Thu</td>
<td>Chairman</td>
</tr>
<tr>
<td>7.</td>
<td>“HIGH QUALITY GOODS” ENTERPRISES CLUB</td>
<td>10 Truong Dinh, Ba Dinh district, Ha Noi</td>
<td>08 - 8223256</td>
<td>08 - 8235339</td>
<td></td>
<td>Ms. Tran Kim Haing</td>
<td>Chairman</td>
</tr>
<tr>
<td>8.</td>
<td>HANOI TOURISM CLUB</td>
<td>Ha Noi Tourism Service</td>
<td>04 - 8257886</td>
<td>04 - 8247653</td>
<td></td>
<td>Ms. Tran Kim Haing</td>
<td>Director</td>
</tr>
<tr>
<td>9.</td>
<td>BUSINESS CLUB OF HO CHI MINH DISTRICT</td>
<td>02 Pham Chau Thinh, District 1, HCMC</td>
<td>0511 - 832 896</td>
<td></td>
<td></td>
<td>Ms. Nguyen Thi Hong</td>
<td>Director</td>
</tr>
<tr>
<td>10.</td>
<td>BUSINESSWOMEN CLUB OF HCMC</td>
<td>51 Ben Thanh, District 1, HCMC</td>
<td>08 - 8293390</td>
<td>08 - 831548</td>
<td></td>
<td>Ms. Nguyen Thi Hong</td>
<td>Director</td>
</tr>
<tr>
<td>11.</td>
<td>BUSINESSWOMEN CLUB OF KHAO THONG</td>
<td>04 Nguyen Thi, Can Tho City</td>
<td>071 - 831169</td>
<td>071 - 831669</td>
<td></td>
<td>Mr. Nguyen Van Si</td>
<td>Chairman</td>
</tr>
<tr>
<td>12.</td>
<td>CLUB OF INDUSTRY AND COMMERCIAL ASSISTANCE</td>
<td>59 Binh Chanh, District 1, HCMC</td>
<td>076 - 867254</td>
<td>076 - 581100</td>
<td></td>
<td>Mr. Nguyen Van Tung</td>
<td>Chairman</td>
</tr>
<tr>
<td>13.</td>
<td>BUSINESS CLUB OF HO CHI MINH DISTRICT</td>
<td>08 - 891 0453</td>
<td></td>
<td></td>
<td></td>
<td>Mr. Nguyen Van Thien</td>
<td>Chairman</td>
</tr>
</tbody>
</table>
### Annex 1: List of selected business associations in Vietnam

#### 1. Vietnam Chamber of Commerce and Industry, Branches in Can Tho City, Can Tho Province

- **Name:** Vietnam Chamber of Commerce and Industry, Branches in Can Tho City, Can Tho Province
- **Address:** 12 Hoai Duc Road, Can Tho City, Can Tho Province
- **Telephone:** 071-815465
- **Fax:** 071-815465
- **E-mail:** vcci-cnc@hcm.vnn.vn
- **Contact Person:** Mr. Tran Ngoc Tuan
- **Title:** Chairman
- **Contact Person:** Ms. Nguyen Thi Thuy
- **Title:** Vice Chairman

#### 2. Vietnam Chamber of Commerce and Industry, Branches in Hai Phong City

- **Name:** Vietnam Chamber of Commerce and Industry, Branches in Hai Phong City
- **Address:** 10 Dinh Thien Hoang, Hai Phong City, Hai Phong Province
- **Telephone:** 031-842894
- **Fax:** 031-842245
- **E-mail:** vcci-hp@hcm.vnn.vn
- **Contact Person:** Mr. Pham Van Tuan
- **Title:** Chairman
- **Contact Person:** Ms. Nguyen Thi Bich Phuong
- **Title:** Vice Chairman

#### 3. Vietnam Chamber of Commerce and Industry, Branches in Da Nang City

- **Name:** Vietnam Chamber of Commerce and Industry, Branches in Da Nang City
- **Address:** 256 Tran Phu, Da Nang City, Da Nang Province
- **Telephone:** 0511-816712
- **Fax:** 0511-822930
- **E-mail:** vcci-dnd@hcm.vnn.vn
- **Contact Person:** Mr. Tran Huong Tien
- **Title:** Vice Chairman
- **Contact Person:** Ms. Tran Thi Nina
- **Title:** Vice Chairman

#### 4. Vietnam Chamber of Commerce and Industry, Branches in HCMC District 3, HCMC City

- **Name:** Vietnam Chamber of Commerce and Industry, Branches in HCMC District 3, HCMC City
- **Address:** 17 Vo Thi Sau, District 3, Ho Chi Minh City, HCMC Province
- **Telephone:** 08-932301
- **Fax:** 08-932301
- **E-mail:** vcci-hcm@hcm.vnn.vn
- **Contact Person:** Ms. Nguyen Thi Minh
- **Title:** Director

#### 5. Vietnam Chamber of Commerce and Industry, Branches in Da Nang City

- **Name:** Vietnam Chamber of Commerce and Industry, Branches in Da Nang City
- **Address:** 01 Ho Quy Ly Street, Da Nang City, Da Nang Province
- **Telephone:** 064-857210
- **Fax:** 064-859651
- **E-mail:** vcci-hcm@hcm.vnn.vn
- **Contact Person:** Ms. Vu Thi Ha
- **Title:** Director
<table>
<thead>
<tr>
<th>No</th>
<th>Name in English</th>
<th>Contact Address</th>
<th>Telephone</th>
<th>Fax</th>
<th>E-mail</th>
<th>Contact Person</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Binh Duong Cooperative Alliance</td>
<td>1/8 Road 30/4, Thu Dau Mot Town, Binh Duong Province</td>
<td>(0650) - 825139</td>
<td>0650 - 821744</td>
<td>0650 - 81689</td>
<td>Buoi Le Haong</td>
<td>Chairman</td>
</tr>
<tr>
<td>2.</td>
<td>Binh Thuan Cooperative Alliance</td>
<td>25 Nguyen Du, Phan Thiet City, Binh Thuan Province</td>
<td>(062) - 816089</td>
<td>062 - 813664</td>
<td>062 - 813866</td>
<td>Nguyen Thanh Phong</td>
<td>Chairman</td>
</tr>
<tr>
<td>3.</td>
<td>Can Tho Cooperative Alliance</td>
<td>133B Tran Hung Dao, Can Tho City, Can Tho Province</td>
<td>(071) - 834757</td>
<td>071 - 831452</td>
<td>071 - 833887</td>
<td>Tran Coang Nhan</td>
<td>Chairman</td>
</tr>
<tr>
<td>4.</td>
<td>Dak Nong Cooperative Alliance</td>
<td>123 Phan Chau Trinh, Dak Nong City, Dak Nong Province</td>
<td>(0611) - 872421</td>
<td>0611 - 872421</td>
<td>0611 - 872421</td>
<td>Nguyen Tho Minh Ly</td>
<td>Chairman</td>
</tr>
<tr>
<td>5.</td>
<td>Dong Nai Cooperative Alliance</td>
<td>99 National Road 1, Long Dong Ward, Bien Hoa City, Dong Nai Province</td>
<td>(061) - 823852</td>
<td>061 - 823852</td>
<td>061 - 823852</td>
<td>Le Anh Luong</td>
<td>Chairman</td>
</tr>
<tr>
<td>6.</td>
<td>Ha Noi Cooperative Alliance</td>
<td>15 Quan Thanh Street, Ba Dinh District, Ha Noi</td>
<td>(04) - 8231994</td>
<td>04 - 8231994</td>
<td>04 - 8231994</td>
<td>Ha Noi Cooperative Alliance</td>
<td>Chairman</td>
</tr>
<tr>
<td>7.</td>
<td>Ha Tay Cooperative Alliance</td>
<td>29 Hoang Dieu Street, Ha Dong Township, Ha Tay Province</td>
<td>(034) - 824219</td>
<td>034 - 824219</td>
<td>034 - 824219</td>
<td>Hoang Dieu Cooperative Alliance</td>
<td>Chairman</td>
</tr>
<tr>
<td>8.</td>
<td>Hai Phong Cooperative Alliance</td>
<td>27 Dinh Buon, Hai Phong City, Hai Phong Province</td>
<td>(031) - 842220</td>
<td>031 - 842220</td>
<td>031 - 842220</td>
<td>Hai Phong Cooperative Alliance</td>
<td>Chairman</td>
</tr>
<tr>
<td>9.</td>
<td>HCMC Cooperative Alliance</td>
<td>211 Le Thanh Ton, District 1, HCMC</td>
<td>(08) - 823951</td>
<td>08 - 823951</td>
<td>08 - 823951</td>
<td>Hoang Thanh Adam</td>
<td>Chairman</td>
</tr>
<tr>
<td>10.</td>
<td>Thanh Hoa Cooperative Alliance</td>
<td>38 Le Loi Road, Thanh Hoa City, Thanh Hoa Province</td>
<td>(037) - 85733</td>
<td>037 - 85733</td>
<td>037 - 85733</td>
<td>Nguyen Van Nam</td>
<td>Chairman</td>
</tr>
</tbody>
</table>
## Annex 1: List of selected business associations in Vietnam

<table>
<thead>
<tr>
<th>No.</th>
<th>Name in English</th>
<th>Contact Address</th>
<th>Telephone</th>
<th>Fax</th>
<th>E-mail</th>
<th>Contact Person</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>YOUNG ENTREPRENEUR'S CLUB OF CAO BANG PROVINCE</td>
<td>Cao Bang Construction Youth General Team, Cao Bang Province</td>
<td>026 - 883344 883365</td>
<td>026 - 852476</td>
<td></td>
<td>Đặng Văn Hiệu (Mobile: 0913.279156)</td>
<td>Chairman</td>
</tr>
<tr>
<td>2.</td>
<td>YOUNG ENTREPRENEUR'S CLUB OF DONG THAP PROVINCE</td>
<td>Committee of Vietnam Youth Federation of Dong Thap Province, Ly Thuong Kiet Road, Ward 1, Cao Lanh Town, Dong Thap Province</td>
<td>067 - 854454</td>
<td>067 - 851307</td>
<td></td>
<td>Trần Văn Be (Mobile: 0903.818708)</td>
<td>Chairman</td>
</tr>
<tr>
<td>3.</td>
<td>YOUNG ENTREPRENEUR'S CLUB OF GIA LAI PROVINCE</td>
<td>Director of Hoa Binh Private Enterprise, Gia Lai Province</td>
<td>059 - 824773 059 - 827333</td>
<td></td>
<td></td>
<td>Đặng An Bình (Mobile: 0903.506825)</td>
<td>Chairman</td>
</tr>
<tr>
<td>4.</td>
<td>YOUNG ENTREPRENEUR'S CLUB OF HA NAM PROVINCE</td>
<td>Director of Bac Ha Production, Import - Export Company, Ha Nam Province</td>
<td>0351.880353 0351853467</td>
<td></td>
<td></td>
<td>Phạm Văn Nam (Office: 0351.880353) Nguyễn Thanh Lâm (Office: 035.1852672)</td>
<td>Chairman</td>
</tr>
<tr>
<td>5.</td>
<td>YOUNG ENTREPRENEUR'S CLUB OF HAI DUONG PROVINCE</td>
<td>Committee of Vietnam Youth Federation of Hai Duong Province</td>
<td>0320 - 855957</td>
<td></td>
<td></td>
<td>Nguyễn Văn Nhang (Mobile: 0904.116210)</td>
<td>Chairman</td>
</tr>
<tr>
<td>6.</td>
<td>YOUNG ENTREPRENEUR'S CLUB OF LAM DONG PROVINCE</td>
<td>Vice Chairman of Management Board of Lam Dong Young Science and Technology Application Company, Lam Dong Province</td>
<td>063 - 822516 063 - 833285</td>
<td></td>
<td></td>
<td>Hồ Văn Kim Lạc</td>
<td>Chairman</td>
</tr>
<tr>
<td>7.</td>
<td>YOUNG ENTREPRENEUR'S CLUB OF LAO CAI PROVINCE</td>
<td>Cuong Linh Construction Company, Lao Cai Province</td>
<td>020 - 822035 020 - 822035</td>
<td></td>
<td></td>
<td>Vũ Công Linh (Mobile: 0913.287255)</td>
<td>Chairman</td>
</tr>
<tr>
<td>8.</td>
<td>YOUNG ENTREPRENEUR'S CLUB OF LANG SON PROVINCE</td>
<td>Nam A Company Limited, Lang Son Province</td>
<td>025 - 872447 025 - 812137</td>
<td></td>
<td></td>
<td>Nguyễn Tiến Dũng (Mobile: 0913.278405)</td>
<td>Chairman</td>
</tr>
<tr>
<td>9.</td>
<td>YOUNG ENTREPRENEUR'S CLUB OF NAM DINH PROVINCE</td>
<td>Construction Company No.I, Nam Dinh Province</td>
<td>0350 - 860661</td>
<td></td>
<td></td>
<td>Vũ Xuân Thiện (Mobile: 0913.290098)</td>
<td>Chairman</td>
</tr>
<tr>
<td>10.</td>
<td>YOUNG ENTREPRENEUR'S CLUB OF NGHE AN PROVINCE</td>
<td>Director of Thanh Vinh Trade Joint Stock Company, Nghe An Province</td>
<td>038 - 883322 038 - 883902</td>
<td></td>
<td></td>
<td>Nguyễn Mạnh Hùng (Mobile: 0913.272338)</td>
<td>Chairman</td>
</tr>
<tr>
<td>No</td>
<td>Name in English</td>
<td>Contact Address</td>
<td>Telephone</td>
<td>Fax</td>
<td>E-mail</td>
<td>Contact Person</td>
<td>Title</td>
</tr>
<tr>
<td>----</td>
<td>----------------</td>
<td>----------------</td>
<td>-----------</td>
<td>-----</td>
<td>--------</td>
<td>----------------</td>
<td>-------</td>
</tr>
<tr>
<td>11</td>
<td><strong>YOUNG ENTREPRENEUR'S CLUB OF PHU YEN PROVINCE</strong></td>
<td>Director of Bank for the Poor People, Phu Yen Province</td>
<td>057 - 824404</td>
<td>057 - 825998</td>
<td></td>
<td>Đào Tấn Nguyên (Mobile: 0903.504130)</td>
<td>Chairman</td>
</tr>
<tr>
<td>12</td>
<td><strong>YOUNG ENTREPRENEUR'S CLUB OF QUANG NINH PROVINCE</strong></td>
<td>Huong Phong Company Limited, Quang Ninh Province</td>
<td>033 - 869322</td>
<td>033 - 869322</td>
<td></td>
<td>Nguyễn Hùng (Mobile: 0913.262357 Home: 033.827127)</td>
<td>Chairman</td>
</tr>
<tr>
<td>13</td>
<td><strong>YOUNG ENTREPRENEUR'S CLUB OF TAY NHIN PROVINCE</strong></td>
<td>Tay Ninh Engineering Enterprise, Tay Ninh Province</td>
<td>066 - 822236</td>
<td>066 - 823384</td>
<td></td>
<td>Trần Hữu Hậu (Mobile: 0903.904121)</td>
<td>Chairman</td>
</tr>
<tr>
<td>14</td>
<td><strong>YOUNG ENTREPRENEUR'S CLUB OF THAI NGUYEN PROVINCE</strong></td>
<td>Committee of Vietnam Youth Federation of Thai Nguyen Province, Trung Vuong Ward, Thai Nguyen City, Thai Nguyen Province</td>
<td>0280 - 855807</td>
<td>0280 - 854825</td>
<td></td>
<td>Vũ Dương Bình (Mobile: 0913.286056)</td>
<td>Chairman</td>
</tr>
<tr>
<td>15</td>
<td><strong>YOUNG ENTREPRENEUR'S CLUB OF THUA THIEN HUE PROVINCE</strong></td>
<td>Director of Nguyen Hue Hotel Joint Stock Company, Thua Thien Hue Province</td>
<td>054 - 833742</td>
<td>054 - 833598</td>
<td></td>
<td>Vũ Phi Dũng (Mobile: 0913.285123)</td>
<td>Chairman</td>
</tr>
<tr>
<td>16</td>
<td><strong>YOUNG ENTREPRENEUR'S CLUB OF TIEN GIANG PROVINCE</strong></td>
<td>No. 2 Rach Gam Road, My Tho City, Tien Giang Province</td>
<td>073 - 879036</td>
<td>073 - 879036</td>
<td></td>
<td>Phan Kim Long (Mobile: 0903.601021)</td>
<td>Vice Chairman</td>
</tr>
<tr>
<td>17</td>
<td><strong>YOUNG ENTREPRENEUR'S ASSOCIATION OF DA NANG</strong></td>
<td>40 Bach Dang Road, Da Nang City</td>
<td>0511 – 821 368</td>
<td>0511 – 837 591</td>
<td></td>
<td>Trần Quang Tuấn (Mobile: 0913.204201) Nguyễn Thị Nguyên Hường</td>
<td>Standing Vice Chairman</td>
</tr>
<tr>
<td>18</td>
<td><strong>YOUNG ENTREPRENEUR'S ASSOCIATION OF HA GIANG</strong></td>
<td>Committee of Vietnam Youth Federation of Ha Giang Province, Group 17, Nguyen Trai Ward, Ha Giang Town, Ha Giang Province</td>
<td>019 - 864866</td>
<td>019 - 864867</td>
<td></td>
<td>Lê Duy Hào (Mobile: 0913.208938) Nguyễn Xung Kích (Mobile: 0913.341395) Đặng Thị Bảo Ngọc</td>
<td>Chairman Head of Secretariat Officer</td>
</tr>
<tr>
<td>19</td>
<td><strong>HANOI BUSINESS ASSOCIATION</strong></td>
<td>34 Bui Thi Xuan Street, Hoan Kiem District, Ha Noi</td>
<td>04 – 9432 989</td>
<td>04 – 9432 989</td>
<td></td>
<td>Nguyễn Đức Thành (Mobile: 0913.222234) Cao Minh Trí</td>
<td>Chairman Manager of Foreign Affairs Department</td>
</tr>
<tr>
<td>20</td>
<td><strong>YOUNG ENTREPRENEUR'S ASSOCIATION OF HAI PHONG</strong></td>
<td>1 Hoang Dieu Road, Hai Phong City</td>
<td>031 – 810 107</td>
<td>031 – 810 107</td>
<td></td>
<td>Nguyễn Quang Vinh (Mobile: 0913.241658) Cù Xuân Thu</td>
<td>Chairman Standing Member</td>
</tr>
<tr>
<td>No.</td>
<td>Name in English</td>
<td>Contact Address</td>
<td>Telephone</td>
<td>Fax</td>
<td>E-mail</td>
<td>Contact Person</td>
<td>Title</td>
</tr>
<tr>
<td>-----</td>
<td>----------------</td>
<td>----------------</td>
<td>-----------</td>
<td>-----</td>
<td>--------</td>
<td>---------------</td>
<td>-------</td>
</tr>
<tr>
<td>21.</td>
<td>Young Businesspeople’s Association of Ho Chi Minh City</td>
<td>82 Nguyen Van Troi, Phu Nhuan District, HCMC (Mobile: 0903.824284)</td>
<td>08 - 8479938</td>
<td>08 - 8482829</td>
<td></td>
<td>Nguyen Tran Trong Hoang</td>
<td>Chairman</td>
</tr>
<tr>
<td>22.</td>
<td>Young Entrepreneurs’ Association of Daklak</td>
<td>123 Phan Ke Tdoi, Phu Nhuan District, HCMC (Mobile: 0913.435278)</td>
<td>050 - 954762</td>
<td>050 - 954760</td>
<td></td>
<td>Le Thanh Minh</td>
<td>Chairman</td>
</tr>
<tr>
<td>23.</td>
<td>Young Entrepreneurs’ Association of Binh Duong Province</td>
<td>456 Nguyen Van Cu, Binh Duong Province</td>
<td>065 - 826457</td>
<td>065 - 826457</td>
<td></td>
<td>Nguyen Huu Quang, Hoang Dinh Dang</td>
<td>Chairman</td>
</tr>
<tr>
<td>24.</td>
<td>Young Entrepreneurs’ Club of Binh Duong Province</td>
<td>789 Nguyen Thai Hoc, Thu Duc District, HCMC</td>
<td>072 - 825733</td>
<td>072 - 825733</td>
<td></td>
<td>Le Xuan So</td>
<td>Chairman</td>
</tr>
<tr>
<td>25.</td>
<td>Young Entrepreneurs’ Association of Thanh Hoa</td>
<td>101 Nguyen Van Cu, Thanh Hoa Province</td>
<td>037 - 852906</td>
<td>037 - 852906</td>
<td></td>
<td>Le Van Minh</td>
<td>Chairman</td>
</tr>
</tbody>
</table>
### 6. ASSOCIATIONS UNDER VIETNAM UNION OF SCIENCE AND TECHNOLOGY ASSOCIATIONS (VUSTA) THAT INCLUDE BUSINESS MEMBERS

<table>
<thead>
<tr>
<th>No.</th>
<th>Name in English</th>
<th>Contact Address</th>
<th>Telephone</th>
<th>Fax</th>
<th>E-mail</th>
<th>Contact Person</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>VIETNAM CONSTRUCTION ASSOCIATION (VCA)</td>
<td>625A La Thanh Road, Ba Dinh district, Ha Noi</td>
<td>04 - 8314733</td>
<td>04 - 8314735</td>
<td><a href="mailto:vca@netnam.vn">vca@netnam.vn</a></td>
<td>Phạm Sỹ Liêm Nguyen Dang Sfn</td>
<td>Vice Chairman - General Secretary</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Standing Deputy General Secretary</td>
<td></td>
</tr>
<tr>
<td></td>
<td>DA NANG CONSTRUCTION ASSOCIATION</td>
<td>171 Tran Phu, Hai Chau district, Da Nang City</td>
<td>0511 - 826658</td>
<td>0511 - 865475</td>
<td></td>
<td>Nguyễn Quang Lỗ Lê Lập</td>
<td>Chairman</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Standing Vice Chairman</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>VIETNAM WATER RESOURCES DEVELOPMENT ASSOCIATION</td>
<td>189 Chua Boc Dong Da district, Ha Noi</td>
<td>04 - 5633529</td>
<td>04 - 5633529</td>
<td><a href="mailto:mhon@fpt.vn">mhon@fpt.vn</a></td>
<td>Trần Nhơn</td>
<td>Chairman</td>
</tr>
<tr>
<td>3.</td>
<td>VIETNAM ASSOCIATION FOR BUILDING MATERIALS</td>
<td>Km 7 Nguyen Trai Road Thanh Xuan district, Ha Noi</td>
<td>04 - 8584949</td>
<td>04 - 5580824</td>
<td></td>
<td>Trần Văn Huynh (Mobile: 0903.405437) Nguyễn Tài Long</td>
<td>Chairman</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Nguyen Tốn Vũ Quốc Hùng</td>
<td>Office Manager</td>
</tr>
<tr>
<td>4.</td>
<td>VIETNAM BUILDING CERAMIC ASSOCIATION</td>
<td>Km 7 Nguyen Trai Road Thanh Xuan district, Ha Noi</td>
<td>04 - 8584949</td>
<td>04 - 5580824</td>
<td><a href="mailto:vibca@fpt.vn">vibca@fpt.vn</a></td>
<td>Trần Văn Huynh (Mobile: 0903.405437) Vũ Quốc Hùng</td>
<td>Chairman</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Nguyen Tốn Vũ Quốc Hùng</td>
<td>General Secretary</td>
</tr>
<tr>
<td>5.</td>
<td>VIETNAM WATER SUPPLY AND SEWAGE ASSOCIATION (VWSSA)</td>
<td>95 Van Ho 3 Hai Ba Trung district, Ha Noi</td>
<td>04 - 9745097</td>
<td>04 - 9745097</td>
<td><a href="mailto:vkquyen@hn.vnn.vn">vkquyen@hn.vnn.vn</a></td>
<td>Nguyễn Tốn Vũ Kim Quyen</td>
<td>Chairman</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Nguyen Tốn Vũ Kim Quyen</td>
<td>Vice Chairman - General Secretary</td>
</tr>
<tr>
<td>6.</td>
<td>VIETNAM BRIDGE AND ROAD ASSOCIATION (VIBRA)</td>
<td>Room 223, 2nd Floor 80 Tran Hung Dao, Ha Noi</td>
<td>04 - 9423425</td>
<td>04 - 8220578</td>
<td></td>
<td>Bùi Dạnh Lũi Vũ Phạm Chánh Mai Thị Hoa</td>
<td>Chairman</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Świat Dạnh Lũi Vũ Phạm Chánh Mai Thị Hoa</td>
<td>General Secretary</td>
</tr>
<tr>
<td></td>
<td>Hanoi Bridge and Road Association</td>
<td>16 Cao Ba Quat, Ba Dinh district, Ha Noi</td>
<td>04 - 7334681</td>
<td>04 - 8456335</td>
<td></td>
<td>Phạm Quốc Trường Phạm Hữu Nam</td>
<td>Chairman</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Mỹ Trung Trọng Phạm Hữu Nam</td>
<td>Standing General Secretary</td>
</tr>
<tr>
<td>7.</td>
<td>VIETNAM ASSOCIATION FOR INFORMATION PROCESSING</td>
<td>27 Hang Chuoi, Ha Noi</td>
<td>04 - 9712 597</td>
<td>04 - 8211 708</td>
<td><a href="mailto:maianh@moste.gov.vn">maianh@moste.gov.vn</a></td>
<td>Mai Anh Nguyễn Đức Hoàng</td>
<td>Vice Chairman - General Secretary</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Mỹ Trung Trọng Trần Lạc Hồng</td>
<td>Information Assistant</td>
</tr>
<tr>
<td></td>
<td>HCMC Computer Association</td>
<td>79 Trương Định, District 1, HCMC</td>
<td>08 - 822876</td>
<td>08 - 8250053</td>
<td><a href="mailto:bca@hcm.vnn.vn">bca@hcm.vnn.vn</a></td>
<td>Lê Trường Tùng Trần Lạc Hồng</td>
<td>Chairman</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Mỹ Trung Trọng Trần Lạc Hồng</td>
<td>Vice Chairman - Standing General Secretary</td>
</tr>
<tr>
<td>No</td>
<td>Name in English</td>
<td>Contact Address</td>
<td>Telephone</td>
<td>Fax</td>
<td>E-mail</td>
<td>Contact Person</td>
<td>Title</td>
</tr>
<tr>
<td>----</td>
<td>----------------</td>
<td>----------------</td>
<td>-----------</td>
<td>-----</td>
<td>--------</td>
<td>----------------</td>
<td>-------</td>
</tr>
<tr>
<td>8.</td>
<td>THE RADIO-ELECTRONICS ASSOCIATION OF VIETNAM</td>
<td>107 Thai Ha, Ha Noi (for reception) 27 Au Trieu, Ha Noi (for documents receiving)</td>
<td>04 - 8254469</td>
<td>04 - 8254469</td>
<td><a href="mailto:elinco@hn.vnn.vn">elinco@hn.vnn.vn</a></td>
<td>Nguyễn Văn Ngo</td>
<td>General Secretary</td>
</tr>
<tr>
<td>9.</td>
<td>VIETNAM ARTICLE NUMBERING AND BARCODING ASSOCIATION (EAN - VIETNAM)</td>
<td>176 Trieu Viet Vuong, Bui Thi Xuan Ward, Hai Ba Trung district, Ha Noi</td>
<td>04 - 9782474 9782475</td>
<td>04 - 9782473</td>
<td><a href="mailto:eanvietnam@hn.vnn.vn">eanvietnam@hn.vnn.vn</a></td>
<td>Nguyễn Thị Anh Nhàn Lê Văn Thiện</td>
<td>Chairman General Secretary</td>
</tr>
<tr>
<td>10.</td>
<td>VIETNAM ASSOCIATION OF FOUNDRY AND METALLURGY</td>
<td>54 Hai Ba Trung, Hoan Kiem district, Ha Noi</td>
<td>04 - 8262052</td>
<td>04 - 8644434</td>
<td></td>
<td>Phan Tít Phương Ngô Minh Thu</td>
<td>Chairman Officer</td>
</tr>
<tr>
<td>11.</td>
<td>VIETNAM ECONOMICS ASSOCIATION (VEA)</td>
<td>1B Cam Hoi Street, Hai Ba Trung district, Ha Noi</td>
<td>04 - 9712898</td>
<td>04 - 9712899</td>
<td></td>
<td>Trần Phương</td>
<td>Chairman</td>
</tr>
<tr>
<td>12.</td>
<td>VIETNAM METROLOGY ASSOCIATION (VINAMET)</td>
<td>Room 222, 3 Floors Building, No. 8 Hoang Quoc Viet Road, Cau Giay district, Ha Noi</td>
<td>04 - 7564261</td>
<td></td>
<td><a href="mailto:hodoluong@hn.vnn.vn">hodoluong@hn.vnn.vn</a></td>
<td>Nguyễn Thế Long Nguyễn Danh Hồ Lê Thanh Trúc</td>
<td>Chairman Office Manager Officer</td>
</tr>
</tbody>
</table>
ANNEX 2:

QUESTIONNAIRE ON PERFORMANCE OF BUSINESS ASSOCIATIONS

Please give us your opinion by marking an (x) or (√) in the appropriate box, or by circling the appropriate number. With open-ended questions, please write a short answer.

I. GENERAL INFORMATION ENTERPRISE

1. Name of Enterprise: _____________________________________________________________________________________________________________________________

2. Address: _________________________________ 3. Province/City: __________

4. Telephone no: ________________ 5. Fax no: __________ 6. Email:____________________________

7. Name of director/owner: ______________________________________________________________________________________________________________________


11. Education Level: __________________________________________________________________________________________________________________________

12. Does the director/owner work anywhere else in addition to this enterprise?

________________________________________________________________________________________

13. Year the enterprise began operations: __________

14. Year the enterprise was registered: __________

15. Type of business:

   ✓ Limited-liability company        ✓ Joint-stock company
   ✓ Private enterprise              ✓ Cooperative
   ✓ State-owned enterprise          ✓ Other (please specify): ________________________

16. Registered capital: ______________________ (VND million)

17. Main products/services of enterprise: ______________________________________________________________________________________________________

18. Sales in year 2000:

   ✓ under 500 million VND         ✓ 5 - 10 billion VND
   ✓ 500 million - 1 billion VND   ✓ 10 - 20 billion VND
   ✓ 1 - 2 billion VND            ✓ over 20 billion VND
   ✓ 2 - 5 billion VND

19. Expected sales in year 2001 compared to sales in year 2000:

   ✓ strong growth (>30%)
   ✓ slight growth
   ✓ same as year 2000
   ✓ slight decrease
   ✓ strong decrease (<30%)
20. Is your market domestic, foreign, or both?
   - 100% domestic market
   - 100% foreign market
   - both of domestic and foreign market: export sales = ________% total sales in year 2000

21. Total working capital of enterprise (including own assets and loans):
   - under 500 million VND
   - 500 million - 1 billion VND
   - 1 - 2 billion VND
   - 2 - 5 billion VND
   - 5 - 10 billion VND
   - 10 - 20 billion VND
   - over 20 billion VND

22. Total number of employees in the enterprise: ______________________

II. DIFFICULTIES FACED BY ENTERPRISES

23. What are the main obstacles that the enterprise currently faces? (maximum 2 choices)
   - lack of information
   - lack of land, office space, factory space
   - cannot find suitable employees or labor
   - difficult accessing raw materials and inputs
   - lack of capital/ access to capital
   - difficulty in accessing appropriate technology and machinery
   - cannot find markets, too much competition, poor marketing ability
   - policies, procedures are difficult and complicated
   - others (please write in blank) __________________________________________________________________________

24. Does enterprise have difficulty in accessing information?
   - Yes
   - No

   If yes, what kind of information is most difficult to access? (maximum 2 choices)
   - Information on policies and legal issues
   - Information on technology and machinery
   - Information on markets, prices, suppliers, customers
   - Information on sources of capital and financial services
   - Industry-specific information (supply/demand, statistics, planning, forecasts)
   - Experience of other companies/best practices
   - Other (please specify) ____________________________________________________________________________________

25. Does the enterprise have difficulty in accessing and developing markets?
   - Yes
   - No

   If yes, what are the main obstacles to accessing and developing markets? (maximum 2 choices)
   - conducting market surveys
   - participating in workshop, accessing customers and partners
   - looking for information and forecast on export markets
   - participating in domestic and abroad fairs, exhibitions
   - marketing and advertising
   - acquiring sub-contract from large enterprises/ contractors
   - others (please write in blank): __________________________________________________________________________
26. Has the enterprise had any difficulty accessing credit?  
☐ Yes  ☐ No  
If yes, which are the main obstacles in terms of credit access? (maximum 2 choices)  
☐ creating a suitable business/investment plan to access capital/loans  
☐ finding a suitable credit source of credit (e.g. terms, procedures, paperwork)  
☐ finding a source of equipment lease finance  
☐ finding a credit guarantee  
☐ negotiating a loan with banks  
☐ cooperating with other enterprises to access bank loans  
☐ other (please specify): ____________________________________________

27. Does the enterprise have any difficulty accessing suitable training services?  
☐ Yes  ☐ No  
If yes, which training services are the most difficult to access? (maximum 2 choices)  
☐ Vocational training for employees  
☐ Sales and marketing skills  
☐ Accounting and financial management  
☐ Quality management  
☐ Application of new technology  
☐ General business management and administration for small and medium enterprises  
☐ Other (please specify) ____________________________________________

28. Does the enterprise have any difficulty accessing suitable consulting services?  
☐ Yes  ☐ No  
If yes, which consulting services are most difficult to access? (maximum 2 choices)  
☐ Legal advice  
☐ MIS  
☐ Marketing  
☐ Technology  
☐ Business/investment planning  
☐ Quality management (ISO 9000)  
☐ Patents and trademarks  
☐ Other (please specify): ____________________________________________

III. PARTICIPATION IN BUSINESS ASSOCIATIONS, BUSINESS CLUBS

29. Is the enterprise a member of any Business Association or Business Club?  
(e.g.: Vietnam Chamber of Commerce and Industry, Vietnam Cooperative Alliance, sectoral associations, Young Business Associations, Small and Medium Business Club, Business Leaders Club, Women Entrepreneurs Association...)

☐ Yes  ☐ No  
(continue)  
(turn to last page)

If yes, please continue answer questions 30-36 below  
If no, please go to question 37
30. Please list the names of Business Associations/Clubs that you are a member of:

<table>
<thead>
<tr>
<th>Names of Business Associations/ Clubs</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

31. Why is your enterprise a member of a business association/club? (maximum 2 choices)
  ❑ want to net work, expand network of business partners
  ❑ want assistance with information, training, consulting, etc...
  ❑ want to have rights/ interests protected
  ❑ want to be able to contribute opinions to policy/ legal dialogue
  ❑ participation will increase company’s prestige/ image
  ❑ staff from association encouraged to join
  ❑ want to assist other companies in association
  ❑ want to participate in social events/ humanitarian efforts
  ❑ others (please write in blank):

32. How well are the business associations/clubs meeting the needs and demands of your business:

For each function/activity, please give your assessment by circling the appropriate number

<table>
<thead>
<tr>
<th>Function/Activity</th>
<th>No benefit</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Provide information on policies and legal issues</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>b. Provide information on markets and prices</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>c. Provide information on technology</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>d. Provide short-term training courses</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>e. Provide assistance in accessing export markets</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>f. Provide assistance in accessing capital/ loans</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>g. Provide assistance in accessing land/ factory space</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>h. Provide consulting/ technical assistance services to members</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>i. Provide networking opportunities for domestic markets</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>j. Provide networking opportunities between members</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>k. Assist in conflict mediation between members</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>l. Represent and protect the interests of members</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>m. Make policy/ legal recommendation on behalf of members</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>n. Develop relationship/ access funding from international organizations</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>
33. **Relationship between enterprise and business associations/clubs**

*For each activity, please mark the appropriate box*

<table>
<thead>
<tr>
<th>Activity</th>
<th>Never</th>
<th>Rarely</th>
<th>Sometimes</th>
<th>Frequently</th>
<th>Always</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Do you attend the regular meetings of associations?</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>b. Do you attend the workshops/special meetings of associations?</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>c. Do you attend the training courses providing by associations?</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>d. Do you participate in social events/humanitarian efforts organized by associations?</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>e. Do you ever receive a periodical bulletin/magazine/newspaper from associations?</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>f. Have you ever asked for specific assistance from an association?</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>g. Have you ever made a recommendation to an association to improve its activities?</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>h. Have you ever cooperated in business with another member of an association of which you are member?</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>i. Have you ever played a leadership role in an association?</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
</tbody>
</table>

*(e.g. director, member of Managing Board, head of department/section.....)*

If yes, please specify position

34. What kinds of activities/services would you like associations to provide/provide better?

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

35. In your opinion, which are the determinants for the success of a business association?
36. Do you have any recommendations for improving the organization/activities of business associations?

_________________________________________________________________________________________________________________________________________________________________________
_________________________________________________________________________________________________________________________________________________________________________
_________________________________________________________________________________________________________________________________________________________________________
_________________________________________________________________________________________________________________________________________________________________________

Thank you for your help - Please return this questionnaire to us before November/ 15/ 2001
QUESTIONS FOR ENTERPRISES THAT ARE NOT A MEMBER OF A BUSINESS ASSOCIATION/CLUB
(follows question 29)

37. Do you know of any business association/clubs?
   - No
   - Yes, which ones?

38. Why are you **not a member of** any business association/club? **(maximum 2 choices)**
   - There are not any business associations/clubs in my area
   - The functions/activities of associations/clubs do not meet the needs of my business
   - My company is not large/established enough
   - Memberships dues/service fees are too high
   - I have never been invited to join
   - The benefits do not outweigh the costs in terms of time, money
   - My business relies on my own connections, I do not need the connections of an association/club
   - Other (please specify): __________________________________________________________

39. What activities/services do business associations/clubs need to offer to interest you in joining them?
   __________________________________________________________
   __________________________________________________________
   __________________________________________________________
   __________________________________________________________

40. Do you have any comments or recommendations for business associations or support service providers?
   __________________________________________________________
   __________________________________________________________
   __________________________________________________________
   __________________________________________________________

Thank you for your help - Please return this questionnaire to us before November/15/2001