



Asian Productivity Organization “The APO in the News”

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Grasping Opportunities of Global Sustainable Development Trends

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Vietnam needs to take advantage of every opportunity that global sustainable development trends bring in, heard the Vietnam Corporate Sustainability Forum 2015 held in Hanoi May 14. The event was held by Vietnam Business Council for Sustainable Development (VBCSD) under the Vietnam Chamber of Commerce and Industry (VCCI) in cooperation with the British Council. Speaking at the forum, Deputy Prime Minister Vu Duc Dam, Chairman of the National Council for Sustainable Development and Competitiveness

Improvement, affirmed that sustainability is accrued from economic development and forward movement. Development is engendered by an improved business environment. However, he said that many companies now lack interest in sustainable development. In the current context of intensive and extensive international integration, many FDI enterprises do not pay attention to keeping Vietnamese economic growth sustainable. Hence, Vietnam needs a longer term vision on the formation and continuation of social and economic sustainability. Any hindrance to development must be removed; any factor good for fair competition must be encouraged.

He also reiterated the Government's commitments to supporting the business community to enhance productivity, competitiveness and sustainable development. The Government has issued Resolution 19 on improvement of business environment and national competitiveness.

Dr Doan Duy Khuong, Vice President of VCCI, said sustainability has become a lens through which consumers, employees, society and investors assess a company. Given economic difficulty and a deeper international integration, to enhance competitiveness, Vietnamese businesses must promote their existing strengths to stay alive on the market, maintain and speed up production and business operations while seeking new ways to go, that is to say, utilising opportunities generated by global sustainable development trends.

He asserted that deeper and broader integration into the world economy has brought development opportunities for the business community, particularly when Vietnam fully integrates into the ASEAN Economic Community and Vietnam pushes for the conclusion of bilateral and multilateral trade agreements at the end of 2015. However, this also poses enormous challenges as Vietnamese companies have weak corporate competitiveness, backward science and technology and low productivity.

According to Dr Khuong, to raise competitiveness, Vietnamese businesses must promote their existing strengths to stay alive on the market, maintain and speed up production and business operations while actively seeking new ways to go.

While presenting the role of social enterprises in promoting sustainable development, Baroness Thornton, Shadow Equalities Minister in the House of Lords, the United Kingdom, said social enterprises are one of new ways to deal with sustainable development issues in Vietnam. In 2014, social enterprise development was legalised in the amended Law on Enterprises and this was a good opportunity for developing social enterprises in Vietnam.

She stressed that Vietnam can be proud of its progress in promoting and developing sustainable social enterprise development model. Key ingredients for a sustainable social enterprise sector include people with imagination and drive who want to solve problems and feel proud of what they do. Besides, a sympathetic policy environment and business support which is enlightened and values social enterprise are also very important.

Delivering the closing address to the forum, Mr Nguyen Quang Vinh, Director of the Office for Business Sustainable Development (SDforB), affirmed that economic development is very important, but that growth objective is necessarily considered to ensure future sustainability. Right from now, Vietnamese companies need to advance reform to exercise good and efficient governance and economically use fuel resources towards sustainable development.

Vietnamese businesses need to improve productivity for sustainable development

Mr Mari Amano, Secretary General of Asian Productivity Organisation (APO)

Productivity is key to competitiveness. Low productivity hinders investment attraction and international integration.

To grow beyond the “middle-income trap,” developing countries need to focus on human capital development, innovation-led productivity growth and development of institutional capacity. Vietnam needs to have long-term roadmap and build national action programmes on productivity improvement and sustainable development.

APO's mission is to contribute to the sustainable socioeconomic development of Asia and the Pacific through enhancing productivity. APO productivity measurement projects provide comparative analyses of the productivity and economic growth of member economies. In the coming time, APO will always renovate and have appropriate strategies to support member economies, including Vietnam.

Corporate Sustainability Index (CSI) Needed

Mr Vorapong, Government Affairs Director - South East Asia Region of Dow Chemical Company and Co-chairman of the Vietnam Business Council for Sustainable Development

Sustainability requires making every decision with the future in mind. And sustainability can be driven through collaboration and our own actions.

For the time to come, in order to make sustainable development more effective, there is a need to develop a measurement tool to record corporate efforts in responding to better corporate sustainability. For that reason, VBCSD plans to develop a Corporate Sustainability Index (CSI) to include criteria appropriate to Vietnam's political and social context as well as international practices for all stakeholders, including businesses, authorities, investors and the public as a whole.

Leveraging sustainability in Vietnamese businesses

Mr Nguyen Thanh Trung, Deputy Director of the Office for Business Sustainable Development, VCCI

Sustainability reporting is a management tool enabling businesses to raise the knowledge of risks and new business opportunities. Effective sustainability reporting will significantly improve reputation and business performance of businesses by building the confidence of stakeholders; thus, it is necessary to leverage sustainability reporting in the Vietnamese business community.

The Vietnam Business Council for Sustainable Development (VBCSD) has submitted to the Government and the National Council for Sustainable Development and Competitiveness Improvement a report on sustainability contexts and trends in Vietnam and in the world, and recommendations for effective sustainability adoption in Vietnam, integrating sustainability adoption into VCCI Action PI for execution of Resolution 19/NQ-CP dated March 18, 2014 on primary mission and measures to improving business environment and enhancing national competitiveness.

Ha Thu