

VNExpress

Military to oversee food provision in HCMC during lockdown: PM

By Viet Tuan

August 20, 2021

The military will coordinate with local authorities and other agencies to ensure food supply for HCMC residents during its social distancing period, Prime Minister Pham Minh Chinh said Thursday.

He said people must "stay where they are" and abide by coronavirus control measures. Authorities also need to ensure food supply and needed welfare for the people while ramping up Covid-19 tests to isolate cases from the community.

If there's a lack of personnel to ensure social distancing measures, the police and military may lend a hand if needed, the PM said.

The military in particular would be responsible for ensuring food supply for the people, cooperating with local authorities and other forces, he added.

The police need to monitor the situation to maintain order, and facilitate food supply for the homeless and other vulnerable people.

Reinforcements would be deployed to boost medical capabilities in the city, ensuring sufficient supply of oxygen tanks, medical equipment and health workers.

The PM has also asked authorities to look into the possibility of relocating people away from certain areas to reduce population density within a given area. Military camps, schools and other facilities could be used for such relocations, he suggested.

Around 200 special teams would be formed to ensure compliance with social distancing measures as well as sufficient food supply for HCMC residents.

HCMC is set to further tighten coronavirus restrictions starting August 23, requiring people to "stay where they are" as the Covid-19 threat persists, according to the Steering Committee for Covid-19 Prevention and Control.

Specific details about who are allowed to go out as well as how people can access food and other essentials will be announced once the plan is completed, said Phan Nguyen Nhu Khue, head of the Propaganda Department of the municipal Party Committee.

HCMC, epicenter of Vietnam's fourth coronavirus wave, has so far recorded 167,717 local cases and 5,939 deaths.

The city of 13 million has undergone a series of social distancing orders, with the latest one being extended until September 15. People are also banned from going out between 6 p.m. and 6 a.m. the next day, except for certain cases like medical emergencies.

The government has said it wants HCMC to get the coronavirus situation under control by September 15.

Vietnam's biggest city issues stay-home order as COVID-19 deaths soar

August 20, 2021

Vietnam's business hub Ho Chi Minh City on Friday announced that its residents will be prohibited from leaving their homes, as the country's biggest city turns to drastic measures to slow a spiralling rate of coronavirus deaths.

Vietnam's toughest order yet comes amid a spike in fatalities and infections, despite weeks of lockdown measures aimed at limiting movement in the city of nine million people, the epicentre of the country's outbreak.

"We are asking people to stay where you are, not to go outside. Each home, company, factory should be an anti-virus fort," Pham Duc Hai, deputy head of the city's coronavirus authority, said on Friday.

The details of the order, which takes effect on Monday, have yet to be announced.

Hai said the curb on movement should reduce infections and give authorities a chance to focus on treating gravely ill patients.

Vietnam had until late April had one of the world's best containment records, having logged just 35 deaths and less than 3,000 cases as of May 1.

But that has since jumped to over 312,000 cases and 7,150 deaths, with about half of the infections and 80 percent of fatalities in Ho Chi Minh City alone.

Testing and vaccinations will continue during the order, Hai said, adding "the vaccine is the key to win this battle".

More than half of Ho Chi Minh City residents have received at least one dose of a COVID-19 vaccine, but the national vaccination rate is one of the lowest in Asia.

VNExpress

Hanoi extends social distancing until first week of September

By Vo Hai

August 20, 2021

Hanoi will extend its social distancing order until September 6 as the novel coronavirus threat persists, local authorities have said.

The capital has gone nearly a month under a citywide social distancing order starting July 24, the longest such period since the novel coronavirus first appeared in the country.

The ongoing restrictions will continue apply: people should stay at home and only go out for basic necessities like buying food or medicines or for working at factories or businesses that are allowed to open.

Tran Dac Phu, former head of the General Department of Preventive Medicine, said it was already a success that Hanoi has prevented the coronavirus from spiralling out of control.

The capital city has already succeeded in containing outbreaks and cutting transmission chains, he said.

Hanoi is ramping up mass Covid-19 testing to isolate cases from the community. It is also establishing "safe zones" where neighborhoods can manage who goes in and out.

The capital has recorded 2,644 local Covid-19 cases since the fourth coronavirus wave hit the country late April.

Tuoi Tre News

Vietnam reports over 10,000 new coronavirus cases for 2nd successive day

August 20, 2021

Vietnam's Ministry of Health recorded over 10,000 domestic coronavirus cases for the second day in a row on Friday, together with more than 12,700 recoveries and 390 deaths.

Forty-three provinces and cities reported 10,650 local cases, the biggest-ever daily rise, whereas another seven infections were imported from abroad, the health ministry said.

The old record was set on Thursday, when 10,639 locally-infected patients were logged across the country.

More than 6,000 of the latest local cases were found in the community while the remainder were detected in isolated areas or centralized quarantine facilities.

Binh Duong Province detected 4,223 of the new domestic infections, up by 968 patients; Ho Chi Minh City 3,375, down by 1,050; Dong Nai Province 686; Long An Province 495; Tien Giang Province 367; Da Nang 167; Dong Thap Province 156; Can Tho City 147; Khanh Hoa Province 147; Tay Ninh Province 122; An Giang Province 111; Hanoi 72.

Since the fourth COVID-19 wave began in Vietnam on April 27, the country has found 319,209 community transmissions in 62 out of its 63 provinces and cities.

Ho Chi Minh City is in the front with 167,717 patients, followed by Binh Duong Province with 59,824, Long An Province with 17,047, Dong Nai Province with 16,288,

Tien Giang Province with 5,986, Bac Giang Province with 5,820, Dong Thap Province with 5,710, Khanh Hoa Province with 5,031, Tay Ninh Province with 3,941, Can Tho City with 3,293, Ba Ria-Vung Tau Province with 2,723, Hanoi with 2,716, Da Nang with 2,714, and Phu Yen Province with 2,351.

By comparison, Vietnam confirmed 106 community cases in the first wave from January 23 to April 16, 2020, 554 in the second from July 25 to December 1, 2020, and 910 in the third from January 28 to March 25, 2021.

The ministry announced 12,756 recoveries on Friday, taking the total to 132,815 recovered patients.

The death toll has increased to 7,540 after the health ministry reported 390 fatalities the same day, including 312 registered in Ho Chi Minh City and 41 in Binh Duong Province.

The Southeast Asian country has detected an accumulation of 323,268 cases since the COVID-19 pandemic first hit it on January 23, 2020.

About 16.3 million vaccine shots have been administered in Vietnam since the country rolled out vaccination on March 8, with over 1.63 million people having been fully vaccinated.

The Vietnamese government expects to obtain 175 million shots of various vaccines, including 51 million Pfizer-BioNTech jabs, by early 2022.

It set a target of immunizing two-thirds of a population of nearly 98 million people against COVID-19 by the first quarter of next year.

Tuoi Tre News

Slots for COVID-19 vaccination in Ho Chi Minh City grabbed by smugglers for resale

August 20, 2021

Middlemen in Ho Chi Minh City are pushing their customers up the vaccine priority list by exploiting loopholes in the free-of-charge inoculation drive against COVID-19 that authorities offer.

Although all Ho Chi Minh City citizens can now sign up to get their vaccine through an official portal, the urge to jump the line and get a jab promptly seems to have led some people to go through black-market routes offered by middlemen.

These operations were spotted at the vaccination venue at Nguyen Thien Thuat Elementary School, *Tuoi Tre* (Youth) newspaper's undercover correspondents reported.

At around 9:30 am on August 13, a man was seen jockeying to move a group of seven individuals through the vaccination site, telling all of them to write Thap Muoi Street, Ward 2, District 6 as their address, regardless of where they actually reside. Further investigation shows that the address belongs to an eyewear shop, not a residence.

After they completed their forms, the man led the group through a series of administrative procedures before they were given the AstraZeneca vaccine about one hour later.

Referring to him as N., customer P.T.T.K. said the middleman arranged COVID-19 jabs for her whole family for VND2 million (US\$88) apiece.

"I feel blessed to receive the vaccine. As long as I am healthy, I can make the money back," K. said before calling N., asking him to set her acquaintances up for jabs.

Truong Manh Thao, a public security officer in District 6, is another alleged vaccine middleman working at Thien Thuat Elementary School.

Though not assigned to work at the vaccination site, Thao is said to have exerted influence over staffers in terms of how they handle vaccine distribution.

On August 12, for example, Thao was spotted welcoming five individuals from other districts to the site and guiding them through the inoculation process.

He also asked each customer to declare their address as 41 Le Quang Sung Street, a location with several food and hairdressing kiosks.

While two of the five individuals were unable to get jabbed due to pre-existing conditions, the remaining three, including 25-year-old V.D.A. from Thu Duc City, were vaccinated that day.

Thao also assured these individuals that their vaccination information would be updated in Ho Chi Minh City's official database.

Hung, a third vaccine middleman operating out of Nguyen Thien Thuat Elementary School, is a guard at the site. On August 12, he was seen approaching people, offering on-demand jabs for VND1-1.5 million (\$44-66) each.

According to Hung, at least ten people have gotten COVID-19 shots using his services; however, with vaccine supplies dwindling, he has been forced to raise his prices.

Vaccinated on demand

According to the middlemen, the vaccination slots they helped fill were left open by individuals who either missed their appointments or delayed their jabs due to health conditions.

"Many people with high blood pressure, high heart rates, or underlying conditions can't take the vaccine, leading to a surplus," Hung explained.

According to Hung, clients who arrive at the vaccination spot with temporarily high blood pressure can wait in an air-conditioned room he has prepared until their condition stabilizes.

On August 12 and 13, he contacted a multitude of potential clients, talking them into using his services, even offering a VND500,000 (\$22) discount.

Hung also suggested that people with high blood pressure get injected at a hospital using his connections. Each dose costs VND2-5 million (\$88-219), depending on each vaccine type.

"I have taken two shots and will take my third in three weeks," he claimed.

"I'm able to take them exactly when I want."

Authorities' responses

As of Wednesday, Thao had been placed on leave while local authorities were investigating his illegal vaccine racket, Le Thi Thanh Thao, chairman of the District 6 People's Committee, said in an official document to *Tuoi Tre*.

The district leader confirmed the existence of the vaccination venue at Nguyen Thien Thuat Elementary School, and assured that the authorities have carefully devised vaccination lists to cover the correct demographics.

Thao's case was also handed over to the municipal police for further inspection, she added.

Asia Times

Vietnam's Covid stumble threatens economic boom

If Hanoi doesn't get a handle on the Covid wave, the economic pendulum swinging is the last thing it needs

By William Pesek

August 16, 2021

Vietnam risks giving the old investment adage “buy the rumor, sell the fact” a bad name as the delta variant upends an economy rumored to have beaten Covid-19. Up until last month, the Southeast Asian growth star was on a multi-year run as the regional economy that really “gets it.” The government had nimbly and savvily lured factories its way as they fled trade-war battered China.

And Hanoi, the grapevine said, had found the special Covid-19 formula: staying open for business amid impossibly low infection and death rates.

It was widely hailed as fact – and proof – that the transformative Doi Moi reforms since 1986 were not just alive and well, but about to find a higher gear amid a major government leadership change. This argument dominated a March 10 International Monetary Fund report headlined: “[Vietnam: Successfully Navigating the Pandemic.](#)”

Not so much. Traders normally ride such narratives until the rest of the herd catches on – then they take profits. Yet Vietnam is now reminding the globe it's far less ready for global prime time than hoped as a new Covid wave overwhelms the place.

“With the recent surge of the Delta variant, paired with shockingly low vaccination rates, public opinion on Vietnam's performance is beginning to wither,” cautions economist Huong Le Thu at the Australian Strategic Policy Institute.

Investor opinion, too, as markets realize this threatens already shaky global supply chains. Huong notes that giants of the garment, footwear and electronics sectors from Adidas to Nike to Apple now must worry about their delivery schedules and prices as the Delta wave hits Vietnam Inc.

A month ago, Ho Chi Minh City was still among Asia's most frenetic metropolises, one cutting lots of ribbons on new factories. Now it's the epicenter of Vietnam's worst Covid surge to date – and effectively shutting down.

On Sunday, the Vietnamese government confirmed the nation's biggest single-day infection increase to date – [more than 9,700](#). Though HCMC is the main hot zone, neighboring cities that also serve as industrial hubs like Binh Duong, Dong Nai and Long An are racking up dangerously high caseloads.

Vietnam's game plan

What happened in Vietnam will sound familiar to observers of Southeast Asia's economies: complacency, laxity and a lethal dose of hubris.

As we've seen in Thailand, Indonesia and Malaysia, governments' initial success in containing the virus led them to slow-walk vaccination programs. The game plan was that any new increases in positivity rates could be quickly curtailed by doing what had worked before: social distancing guidance and more personal protective equipment.

During the first wave, Vietnam also took some decidedly top-down steps.

Economist Stefan Angrick at Moody's Analytics cites as an example of how Hanoi “has been aggressively trying to protect its economy” with its policy of “mandatory sleepovers” at “some factories to avoid [Covid-19](#) infiltration that might cause delays to necessary production and broader supply chains.”

Then came the Delta variant, forcing a complete recalibration of government responses. That includes stepping up Hanoi's vaccination game. Vietnam fell prey to vaccine nationalism, of sorts. One problem, in retrospect, says Barnaby Flower, a clinical research fellow at Oxford University, was that "there was little urgency to procure expensive new vaccines from abroad."

Vietnam's government, he says, "balked at the cost and the length of the queue and went on record to say it would be better to produce vaccines domestically." Like many governments in Asia, it sensed an opportunity to flex its muscles in the biotech sector. Hanoi, Flower says, invested in at least four indigenous vaccines, knowing the lag-time could take considerable time.

This strategy hasn't aged well as the Delta surge flips the script on Vietnam's 2021. The government resorted to importing more Oxford-AstraZeneca vaccines. Just not in time to head off where Vietnam finds itself in mid-August 2021: more cautionary tale than economic success case.

This has meant quite a baptism by fire for new Prime Minister [Pham Minh Chinh](#), who in April grabbed the reins from Nguyen Xuan Phuc. Chinh's government must tread carefully, though, to reassure investors who in recent years came to believe Vietnam moved beyond the "pendulum economics" of the past.

The reference here is to a decades-long Vietnam pattern where sentiment among global investors swings from exuberantly positive to wildly negative, often with little nuance between the extremes. The last headline-grabbing pivot toward crisis was in 2012 and a bit of turbulence in late 2013 amid the "taper tantrum" in emerging markets.

Since then, Phuc's team did an impressive job trying to reduce the extremes and move beyond boom-bust cycles with steps to strengthen the financial system, increase transparency, reduce red tape and raise Hanoi's ease-of-doing-business score. Companies including Apple, Adidas, LG, Nike, Panasonic, Samsung and myriad other responded by [shifting production](#) to Vietnam.

Multitasking

Yet these pre-existing conditions remain – and are now giving markets pause about how far Vietnam has really come. Suddenly, investors are being reminded of the nation's opacity and knack for policy missteps in moments of extreme stress.

The good news, though, is that Hanoi is indeed displaying an aptitude for multitasking. One example is making nice with Joe Biden's White House.

Last month, Hanoi and Biden's Treasury chief, Janet Yellen, announced a deal that Vietnam won't weaken the dong to gain a trade advantage.

Back when Trump added Vietnam to the currency list, it seemed retribution for the great headlines Hanoi was getting about winning the trade war. The outgoing US leader had hoped his taxes on Chinese goods and nontariff barriers would pull millions of jobs back to America. Instead, they zoomed to the greater HCMC area.

Yellen and State Bank of Vietnam Governor Nguyen Thi Hong moved to [keep the peace](#). That means the pressure is on Hanoi to trim a ballooning trade surplus with Washington. In 2020, Vietnam's trade surplus with the US jumped 25% to nearly \$70 billion.

Hanoi said it will honor its commitment under International Monetary Fund rules "to avoid manipulating its exchange rate in order to prevent effective balance of payments adjustment or to gain an unfair competitive advantage and will refrain from any competitive devaluation of the Vietnamese dong."

This suggests the temperature between the US and Hanoi will come down enough to create space for Chính's government to raise its economic game.

A case in point is Chính's government is taking a big swing at increasing the size of Southeast Asia's smallest e-commerce market.

On Friday, Hanoi announced ambitions for [digital enterprises](#) to generate 20% of gross domestic product within four years. By 2030, the National Party Congress is targeting 30% of GDP produced by the digital sector. That's up from just over 8% of GDP now. The plan is that that by 2025, 80% of the 98 million-person population will have online payment accounts.

Low wage costs

There are other silver linings here, says economist Michael Kokalari at investment firm VinaCapita. He lists fewer logistics bottlenecks of the kind cropping up in, say, Indonesia, and lower costs than those facing Malaysia. Economist Rajiv Biswas at IHS Markit Asia Pacific notes that even as Hanoi works to increase its vaccination rate, investors will continue to be drawn to its competitive strengths.

"Vietnam will continue to benefit from its relatively lower manufacturing wage costs relative to coastal Chinese provinces, where manufacturing wages have been rising rapidly over the past decade," Biswas says. "Secondly, Vietnam has a relatively large, well-educated labor force compared to many other regional competitors in Southeast Asia, making it an attractive hub for manufacturing production by multinationals."

So long as Vietnam can contain Covid, Biswas adds, it's probably not done winning multinationals switching production of manufacturing away from China towards alternative hubs in Asia.

Finally, he says, many multinationals have been diversifying their manufacturing supply chains during the past decade to reduce vulnerability to [supply disruptions](#) and geopolitical events.

"This trend has been further reinforced by the Covid-19 pandemic, as protracted supply disruptions from China during February and March created turmoil in global supply chains for many industries, including autos and electronics," Biswas says. Yet all bets are off if Hanoi doesn't get a handle on this second Covid wave. The economic pendulum swinging once again is the last thing this new government needs.

VNExpress

HCMC FDI could suffer from prolonged social distancing

By Tat Dat

August 20, 2021

Foreign direct investment (FDI) in Ho Chi Minh City might dwindle after Sept. 15 if the city continues to prolong its social distancing period, multinationals say.

Ho Thi Thu Uyen, public affairs director for Intel Vietnam, told a meeting Friday prolonging social distancing could increase the burden on companies and could channel FDI to other countries.

Intel Vietnam has seen its Covid-19 costs totaling VND140 billion (\$6.13 million) between July 15 and Aug. 15, and another month of social distancing could double the figure, she said.

The company has had 86 percent of its staff vaccinated with the first vaccine dose. A total 1,870 employees are working with strict travel restrictions between its factory and their accommodation.

A spokesperson for electronics manufacturer Jabil Vietnam said many of its partners have started ordering from China and Singapore since the company is unable to fulfill its orders on time due to social distancing.

If mobility restrictions continue it would have to scale down its operations in Vietnam.

The company has to spend around VND120 billion monthly to keep its 2,500 employees safe.

It operates at under 30 percent its total capacity and therefore loses \$60 million in revenue each month.

Both companies said vaccination is the best solution.

Jabil Vietnam wants HCMC authorities to be more flexible in their vaccination policy, allowing it to pay for or source vaccines from its parent.

The company also wants a "vaccine passport" to separate those who have been vaccinated.

Two hundred of its staff have received two doses but are still being treated as unvaccinated.

Uyen of Intel Vietnam said with the second dose its employees will be classified "green" workers and could increase productivity in the rest of the year to make up for its losses.

The company said it is willing to provide transport to keep its workers safe. It also wants permission to increase working hours to fulfill delayed orders.

HCMC has recorded 164,300 Covid-19 cases since the end of April.

South China Morning Post

In export-dependent Vietnam, Covid-19 is eating into the food and agriculture sector

Logistical difficulties amid extended lockdowns mean second-half shipments in the sector are predicted to fall 30 per cent year on year

The agriculture ministry is looking to prioritise the inoculation of all workers in the sector to ensure domestic food security and help ramp up some exports

[Sen Nguyen](#)

13 Aug, 2021

farmer Nguyen Quang Tuyen would ship 2,000kg of cantaloupe from his farm to the southern economic hub of Ho Chi Minh City during harvest season.

But a lockdown since early June to stem surging Covid-19 cases has seen transport costs almost triple for each box of vegetables, along with an increase in administrative requirements, such as the government regulation that he and the truck driver each need to test negative before the journey.

The 40-year-old owner of HT Hitech Farm has resorted to selling produce to residents in his commune of some 143,000 people to get by, offering a 25 per cent discount to attract customers.

“At the moment I can sell around 10-20kg a day,” said Tuyen, estimating that the amount could increase fivefold if he could expand sales to the wider district.

“But if I can go to the city, sales would be 10 times what I’m selling now,” he added. The farmer, who estimated that his earnings were previously around US\$2,060 a week after deducting costs, has also had to set aside plans to diversify into cucumbers and cherry tomatoes, as well as potential exports to China, Russia and India.

Indeed, export-dependent Vietnam’s ongoing [Covid-19](#) crisis is beginning to hit its [food and agriculture](#) sector after weighing heavily on manufacturing, with factories that churn out products for global giants forced to suspend work because of infection clusters and movement restrictions.

Most agricultural production for local consumption and export to key markets such as China, South Korea, Thailand and the United States is concentrated in the country’s southern region, which covers Ho Chi Minh City and the entire Mekong Delta – known as the rice bowl of Vietnam.

But extended lockdowns mean farmers face challenges in dispatching produce for sale, and merchants cannot travel to their farms.

As a result, fruit and vegetable exports in the second half of the year are predicted to fall 30 per cent year on year, according to a report from the agriculture ministry, which surveyed food and farm production in 19 southern localities.

“Crops are not being cared for, there is a lack of agricultural materials and the mental health of the farmers is not good, which has led to a lack of high-quality products for export,” the government said in an August 5 article on its website about the report. Seafood production capacity in the southern region, which accounts for 65 per cent of national exports, has also dropped to between 30 and 40 per cent, according to the report.

Crops with nowhere to go

The disruptions to Vietnam's agriculture sector mirror the trying conditions farmers in the US and Europe experienced last year at the height of their Covid-19 outbreaks. The closure of restaurants, hotels and schools has depressed demand for produce, forcing farmers to destroy milk, crops and even livestock – even as consumers face shortages of packaged goods in grocery stores.

In Vietnam, as coronavirus cases continue to climb – the caseload was more than 240,000 on Thursday, up from fewer than 3,000 in late April – public Facebook groups with thousands of members have been overwhelmed with posts selling various kinds of fruits and vegetables at significantly diminished prices.

“My parents’ chilli garden is entering the harvesting season, but no merchants have bought from us,” a user posted on Tuesday in a group called “Rescuing Vietnam farming produce”.

“Please help support my parents. It’s 15,000 dong (65 US cents) a kilo,” she said, accompanying the post with pictures of the chillies spread out on a mat.

The term “rescuing farming produce” in Vietnamese has trended on social media, as well as making multiple appearances in local media reports, since the beginning of the outbreak. Last Friday, the Ho Chi Minh City Communist Youth Union collaborated with celebrities and a few private companies to organise a Facebook Live stream to encourage more people to buy produce from farmers in the south.

Vietnam’s Covid-19 inoculation campaign has been sluggish, partly due to vaccine supply shortages.

In recent weeks, the country has ramped up its inoculation efforts, going from less than 5 per cent of the population who had received at least one shot by late last month to 11 per cent on Thursday, according to Our World in Data. However, as only around 30 to 40 per cent of agricultural and food workers have been vaccinated, the agriculture ministry has proposed that the government prioritise inoculating all workers in the region to ensure domestic food security and help ramp up some exports.

In 2020, the agriculture, forestry, and fishing sector accounts for 14.8 per cent of the country’s GDP. As of last year, at least 180 countries and territories have bought Vietnamese agricultural products, with China, Asean, the US and the European Union among the largest importers.

Exports of fruits and vegetables from the sector were worth US\$3.3 billion last year, though China accounted for about half that figure. Southeast Asia accounted for 8.8 per cent of agricultural exports, followed by the US at 5 per cent.

In the same year, seafood exports brought in over US\$8.4 billion. Shrimp was one of the highly sought-after items – the US was the biggest shrimp buyer, accounting for 23.5 per cent of Vietnam’s exports, followed by Japan, China and the EU in descending order.

The seafood industry makes up between 4 per cent and 5 per cent of the country’s GDP, capitalising on the nation’s 3,260km coastline, according to the Vietnam Association of Seafood Exporters and Producers.

Overdependence on China

Vietnam’s agricultural exports are easily affected by external factors due to its overdependence on the Chinese market, and the fact its agricultural products have yet to meet strict global standards, according to a March paper published by the Singapore-based ISEAS-Yusof Ishak Institute think tank.

The pandemic has highlighted the importance of market diversification to the agricultural export sector, the authors of the paper said.

One of the authors, Lam Thanh Ha, told *This Week in Asia* that the current situation has become “one of the largest difficulties for Vietnamese agricultural producers during the Covid-19 pandemic”.

On one hand, domestic food security has been deemed sufficient following professional assessment, according to Ha, who is also the vice dean of international economics at the Diplomatic Academy of Vietnam under the Ministry of Foreign Affairs.

On the other hand, she said, there were mounting challenges in feeding the world, including increasingly high shipping costs to the US and EU compared with the value of the exports.

“While the profits decline, businesses are under great pressure of costs, fees, and taxes, especially the cost of cold storage that helps preserve agricultural products,” Ha said, adding that the government should implement credit packages that supported businesses, co-operatives, and farmers.

This includes exempting and reducing loan interest; providing loans with preferential rates to recover agricultural production affected by the epidemic; facilitating customs clearance procedures for export items; and preventing backlogs.

Among other suggested solutions, Ha said the government should also consider implementing a practical platform to gather information from farmers one to two months before harvesting, and updating specific seasonal data to create a distribution plan with businesses and supermarkets nationwide to prevent waste.

“Simultaneously, [they should] create a production plan that is suitable for real situations to [cut down on] agricultural waste,” she said.

South China Morning Post

As Vietnam's coronavirus surge continues, lockdowns take their toll on factory output, small businesses

Vietnam's Covid-19 hotspot Ho Chi Minh City has twice extended its lockdown, hitting manufacturers trying to export items such as clothing

An economist said the fourth wave is more devastating for labour migrants, informal workers and those in service industries who cannot work from home

[Sen Nguyen](#)

28 Jul, 2021

University student Tran Thanh Nha has been working 14-hour shifts almost every day for the past two months, delivering food to locked-down residents and assisting medical workers in conducting Covid-19 tests in [Vietnam](#)'s southern commercial hub of Ho Chi Minh City.

Dressed in a protective suit in the sweltering summer heat, volunteers like her constantly sanitise themselves as they help take up to 250 nasal samples a day. She fears they too may get infected with the [Covid-19](#) Delta variant that has upended Vietnam's earlier success at managing the coronavirus.

"This time around the situation is very serious," 22-year-old Nha said. "Everyone is trying so that the outbreak in Saigon could soon come to an end."

Ho Chi Minh City has emerged as Vietnam's virus hotspot as the country battles a steep rise in cases – from less than 3,000 infections on April 27 to 114,260 as of Tuesday. By comparison, neighbouring China, where the virus was first detected, has reported 92,065 cases.

The city has twice extended a lockdown that until August 1 only allows residents to leave home for necessities such as food or to go to work at businesses that have been granted permission to remain open. A curfew has also been imposed with people forbidden to leave home between 6pm and 6am. At least one-third of Vietnam's 63 localities have imposed restrictions on movements.

Residents have also faced unprecedented police checkpoints set up to monitor and curb their movements as the government ramps up testing. The authorities are also trying to relieve pressure on the overwhelmed hospital system by running a pilot programme that allows asymptomatic patients who have tested negative at least twice and have a low viral load to quarantine and be monitored at home instead of in a state-sanctioned facility. The pilot also includes close contacts of identified cases. While Vietnam's caseload and 524 fatalities are below those of its Southeast Asian neighbours, Covid-19 has weighed heavily on its manufacturing and export-dependent economy, with factories that churn out products for global giants reporting work suspensions because of movement restrictions.

Factory output

In response, the government has allowed factories in industrial zones to continue operating if they can provide on-site accommodation or transport to ensure employees go straight home after work. Those that cannot fulfil the conditions – including companies in the labour-intensive garment industry – have to temporarily close.

Such shutdowns come as assembly lines gear up for the busy holiday shopping season in the US and Europe. Michael Laskau, founder of Ho Chi Minh City-based Paradigm Shift, which works as an intermediary between manufacturers and

overseas customers, told Bloomberg that such delays could mean shoes, suits, sweatshirts and other clothes will not be on department store racks by Thanksgiving Day in November.

An employee of a food exporting company which has factories in southern Vietnam said responding to the government's requirements has been challenging, such as ensuring sufficient toilet and shower facilities and food supplies for employees who are willing to stay in.

"We are a food factory so they cannot sleep in production areas like say an electronics manufacturer. We need to continue to adhere to all food safety standards," said the employee, who declined to be named as he was not authorised to speak to the media.

"We have been stretched, [our] capacity is down to 60 per cent but it hasn't reached breaking point," he said.

400 businesses close each day

In the first six months of 2021, 70,209 businesses shut down – a 24.9 per cent increase year on year, according to the Ministry of Planning and Investment. This equates to about 400 businesses closing each day. Most of these enterprises were small-scale, less than five years old and in the commercial and services industries which "were continuously affected by recent [Covid-19] outbreaks", a ministry report published earlier this month said.

In comparison, more than 67,000 new businesses were registered, up 8.1 per cent in the same period, mostly in the manufacturing, car and motorbike retail and repair, and construction fields.

Almost 1.2 million people of working age lost their jobs in the second quarter, the same period the fourth wave hit Vietnam, with those between the ages of 15 and 24 comprising one-third of this group, potentially affecting their long-term employment prospects.

The government needs to hand cash directly and regularly to these affected groups

Dr Phung Duc Tung, an economist and the director of Vietnam's Mekong Development Research Institute, said the impact of the fourth wave was "tremendously more significant" than that of previous waves, with the most vulnerable including labour migrants, informal workers and those in service industries who could not work from home, such as delivery drivers.

"They are the most impacted in terms of livelihood and they don't have an alternative one," he said.

"The government needs to hand cash directly and regularly to these affected groups, while also providing more financial support for the health care workforce."

There have been numerous concerns about job losses, suspensions and uncertainty among many Vietnamese, said Ngo Bao Linh, a coordinator at Ngay Mai hotline, a Hanoi-based non-profit initiative offering help for callers dealing with mental health issues.

"These accounts have an effect on couples' relationships because of the impact on family finances, tension between family members when they have to interact with each other more [under lockdown], generational conflicts, and so on," she said.

Vaccine roll-out

Vietnam, which has heavily relied on the AstraZeneca vaccine, is trying to accelerate its slow vaccination roll-out. Only around 0.3 per cent of the 97 million population has been fully vaccinated, the second-lowest rate in Southeast Asia.

The government has announced a list of priority groups, although there have been scandals about some beneficiaries. For instance, local media reported over the weekend that Vingroup, Vietnam's largest conglomerate, managed to secure 5,000 Moderna doses for its staff, as part of the US government's recent donation to Vietnam. This caused a fierce debate among netizens about the fairness of the vaccine roll-out programme and opaque definitions of priority groups.

Vietnam has so far received more than 10.7 million vaccine doses, according to data from the health ministry, and is expecting millions more through the international Covax Facility and commercial contracts. It is also in talks with different foreign manufacturers to produce their vaccines locally, and has so far produced a test batch of Russia's Sputnik V.

One of the reasons the country's inoculation rate is so low is because "Vietnam was waiting to see how the [foreign] vaccines work", said Bich Tran, adjunct fellow at the Washington-based Centre for Strategic and International Studies' Southeast Asia Programme. This bumped its orders far back in the queue when it finally placed them, she added.

"But one bright spot is Vietnam's foreign policy," she said, referring to the country's donations of masks and equipment to other countries at the beginning of the pandemic. "In return, when it is too late for Vietnam to secure vaccine deals by itself, several countries, including the United States, Japan, the United Kingdom and Germany, have either provided Vietnam with millions of [Covid-19 vaccine](#) doses or promised to do so."

Nha, the frontline volunteer, has received one dose of the AstraZeneca vaccine.

The migrant from the coastal province of Ninh Thuan, where movement restrictions are also in place, said her parents at first threatened to disown her when they learned of her intention to volunteer on the Covid-19 front lines in Ho Chi Minh City, fearing for her safety. But they later came around.

"I will come home when the outbreak is over," she said.

The Diplomat

Despite COVID-19, Vietnam's Electronics Industry Has Room to Grow

The current slump should not disguise the fact that the trend lines are all pointing in the right direction.

By [Thoi Nguyen](#)

August 20, 2021

Vietnam's electronics industry, an increasingly important sector of the country's economy, continues to grow despite the negative impact of the COVID-19 pandemic. Even before the COVID-19 pandemic, Vietnam was shaping up as an ideal place to do business in this sector on account of the relocation of supply chains due to the U.S.-China trade war and rising manufacturing costs in China. All this had positioned Vietnam as one of the world's key electronics exporters, [ranking](#) 12th in the world since 2015.

This period has seen a steady increase in Vietnam's electronics exports, which climbed from \$47.3 billion in 2015 to \$96.9 billion in 2019. The import of electronic products has nearly doubled over the same period.

Vietnam's electronics industry also benefits from a diverse range of export partners. In 2019, China was the country's top export destination, accounting for 19.3 percent of its electronics exports, followed by the U.S. (18.2 percent) and South Korea (9.1 percent).

Vietnam's main combined export commodities are mobile phones, TVs, and cameras (41 percent), electrical apparatuses (18.2 percent), and electronic integrated circuits and micro assemblies (11.9 percent).

Foreign companies currently play a crucial role in Vietnam's electronic industry. In 2019, [LG announced](#) that it would completely move its smartphone production facilities from South Korea to Vietnam. At the same time, both Apple and [Foxconn](#) have partly moved their production plants to Vietnam.

As the [local newspaper](#) Vietnam Plus reported recently, Samsung has already invested over \$17.5 billion in Vietnam, and its high-end mobile phones and electronic components now account for more than 20 percent of Vietnam's total export turnover. The giant electronics firm currently employs more than 170,000 people at industrial parks in Bac Ninh and Thai Nguyen provinces, and plans to expand its investment in the country further. Panasonic has [also relocated](#) a refrigerator and washing machine factory from Thailand to Vietnam, suggesting that Vietnam is fast becoming the region's main electronics manufacturing hub.

Of course, Vietnam is currently struggling to contain a third wave of the COVID-19 pandemic, which has resulted in lockdowns, restrictions, and disruption to manufacturing supply chains. But despite the negative impact on Vietnam's economy, there is every chance that Vietnam can maintain this upward trajectory in electronics production and attract further foreign investment in the sector.

As I have [observed previously](#), the recently signed Regional Comprehensive Economic Partnership trade agreement will help lower tariffs, boosting Vietnam's economy and increasing further its appeal to foreign investors. In June 2019, Vietnam also [signed](#) a Free Trade Agreement with the European Union, which will gradually reduce most tariffs, regulatory barriers, and red tape, and hence, should create new opportunities for both sides to do business.

In addition, in 2020, the Vietnamese government provided an [incentive scheme](#) temporarily implementing a 30 percent corporate income tax cut for certain business and companies working in the high-tech sector as well as in specific industrial zones and underdeveloped regions.

According to [a recent report](#) from Fitch Solutions, Vietnam's consumer electronics industry will continue to grow in 2021 due to "the global vaccine rollout and stronger external demand for important export industries." The industry will continue to accelerate due to "a combination of purchasing power, demographic and economic modernization trends that gives Vietnam one of the stronger regional outlooks, with vendors set to tap into an expanding middle class and flow of first-time buyers."

Vietnam's [economic outlook](#) had stabilized in the first six months of 2021 before the onset of its current third wave of COVID-19. On August 11, Prime Minister Pham Minh Chinh urged businesses to avoid "any disruptions in the supply chain while regulations on goods circulation are strictly observed." He said it was time to focus on combating the pandemic because a successful fight against the COVID-19 would help facilitate socioeconomic recovery.

Despite the current outbreaks, Vietnam's economy is [expected](#) to grow between 3.5 and 4 percent this year, according to the Vietnam Institute for Economic and Policy Research, depending on how quickly it can get the COVID-19 pandemic under control in the last months of 2021. If it succeeds in limiting the economic impacts of the current wave of outbreaks, there is a good chance that the country can establish itself as a regional hub for electronics production.

VNExpress

Apple, Google product shift to Vietnam slows due to Covid-19

By [Dat Nguyen](#)

August 18, 2021

Covid-19 resurgence has delayed the shift of Apple, Google and Amazon manufacturing from China to Vietnam due to tightened border control and mobility restrictions.

Google's upcoming Pixel 6 smartphone range will be made in China even though the company had planned to move production of the handsets to northern Vietnam early last year, four people familiar with the matter told *Nikkei*.

Apple will start producing its latest AirPods earphones in China instead of Vietnam as previously planned, two more experts told the news outlet.

The company plans to move around 20 percent of new AirPods production to Vietnam later, it was added.

Apple's plan to bring some MacBook and iPad production to Vietnam has also been put on hold.

Production of smart doorbells, security cameras and smart speakers for Amazon in northern Vietnam has also faced delays since May, two people with direct knowledge of the matter told *Nikkei*.

In recent years, major tech giants have been shifting or making plans to move production from China to Vietnam to diversify their supply chains.

However, the recent outbreaks of Covid-19 this year in both the northern and southern region have put on hold these transitions.

The country has recorded over 289,200 Covid-19 cases since the end of April

Tuoi Tre News

Ho Chi Minh City seeks \$1.22bn aid for the poor from central budget

August 18, 2021

The People's Committee of Ho Chi Minh City is seeking financial aid of nearly VND28 trillion (US\$1.22 billion) and 142,200 metric tons of rice from the state budget to support needy people adversely affected by the ongoing COVID-19 outbreak.

The aid is supposed to benefit 1,580,100 households with 4,749,330 people in the city, covering meals and room rentals during its current social distancing implementation according to the prime minister's Directive No. 16, which will run until September 15.

According to the plan, each household will receive VND1.5 million (\$66) a month for rentals and VND50,000 (\$2.2) a day for meals, whereas each person will be granted 15 kilograms of rice.

The proposal was composed in the spirit of the prime minister's direction on COVID-19 prevention and control, which requires local authorities to ensure that "no people are deprived of food, clothing, shelter, or medical support" and provide cash and food aid to help people feel secure and comply with regulations on pandemic prevention and control.

Since a new wave of infections rooted by the fast-spreading Delta variant hit Vietnam in late April, Ho Chi Minh City authorities have enforced social distancing measures at different levels in an effort to curb the virus spread.

The stringent measures, however, have greatly affected the operation of agencies, organizations, and businesses in the city, leaving negative impacts on its socio-economic development.

The city's tax revenue has gradually decreased since May and is expected to fall short of the central estimate.

The lives of the working poor have also been troubled, with many internal migrants having to leave the city for their hometowns.

As of Wednesday morning, Vietnam had documented 293,301 COVID-19 cases, with 111,308 recoveries and 6,472 deaths, according to the Ministry of Health.

The country has detected 289,276 domestic transmissions in 62 out of 63 provinces and cities in this fourth bout, which started on April 27.

Ho Chi Minh City is on top of the caseload with 156,186 patients.

Reuters

Workers try to flee Vietnam's biggest city as coronavirus crisis worsens

Aug 16

Thousands of jobless workers in Vietnam's biggest city are trying to flee to their hometowns, many on motorcycles piled high with belongings, following an extension of restrictions in the epicentre of the country's worst coronavirus outbreak yet. But authorities are anxious to prevent them leaving Ho Chi Minh City and potentially spreading the virus to other parts of the country. Waves of motorbikes could be seen being halted at roadblocks around the city since Sunday.

Television footage from nearby industrialised provinces showed factory workers on Monday dressed head-to-toe in protective clothing and rushing to board trains and buses in a similar attempt to flee the most affected areas.

Authorities with loudspeakers appealed to people to maintain social distancing and return to their homes amid a cacophony of horns and shouting as people tried desperately to leave.

Ho Chi Minh City accounts for most of the 6,141 coronavirus deaths and more than 283,000 infections in Vietnam, about a third of which is now under lockdowns. The city of 9 million people is seeing on average 241 deaths every day.

Many people are struggling to make ends meet after losing jobs due to coronavirus-related suspensions of factory operations. The government has announced assistance packages.

"This is not my first attempt. I tried to leave the city weeks ago but was ordered to return to my place," said Nguyen Van Hoan, who was heading to the central province of Ha Tinh, about 1,200 km (746 miles) away by road.

Hoan lost his job two months ago. On the back of his motorbike he had piled a suitcase, a supply of instant noodles, water and spare petrol.

"Many people in my neighbourhood have died. If I stay, I'll die either from hunger and stress or from the virus," Hoan told Reuters by phone, adding he had not received any state help.

Healthcare facilities are also overwhelmed, with hospitals overrun and shortages of staff. The government has ordered medical facilities not to turn away patients.

Editing by Martin Petty and Gareth Jones

Background Brief

Vice President Kamala Harris Visit to Vietnam Scene Setter

Carlyle A. Thayer

August 16, 2021

Q1. What will Vietnam expect from Vice President Kamala Harris' trip to Vietnam?

ANSWER: Vietnam will expect Vice President Kamala Harris to reaffirm the United States' commitment to expanding their bilateral relations under the framework of their comprehensive partnership. Particular priority will be given to combatting COVID-19 through the provision of more vaccines, medical equipment, and the transfer of technology to enable Vietnam to produce vaccines domestically. As a second priority, Vietnam will expect Vice President Harris to elaborate on how to improve bilateral economic cooperation in trade and investment. Vietnam's leaders will want to be informed about U.S. plans for a regional digital trade agreement and U.S. support to upgrade Vietnam's IT manufacturing capacity to include semiconductor chips for sale in the United States.

Q2. What will be Vice President Harris' purpose in visiting Vietnam? ANSWER: Vice President Harris' main purpose will be to amplify President Biden's priorities for the Indo-Pacific encapsulated in such expressions as "America is back" and "free and open Indo-Pacific." Harris will stress comprehensive engagement and strategic partnerships with Southeast Asian states and ASEAN as the cornerstones of U.S. policy towards Southeast Asia.

Q3. What will Vice President Harris discuss with Vietnam's leaders? What are her priorities for this trip? ANSWER:

Vice President Harris will have two main priorities. First, she will raise global and regional issues, such as mitigating climate change, cyber security, and cooperation among Southeast Asian states and the U.S. on a rules-based international order, including the free passage of trade in the South China Sea, and regional security cooperation. Second, Harris will also discuss how to strengthen the U.S.-Vietnam comprehensive partnership by expanding cooperation in such areas as political-diplomatic relations, trade and economic ties, science and technology, educational exchanges, environment and health, war legacy issues, promotion and protection of human rights, and people-to-people exchanges (culture, tourism and sport).

Q4. Who is Vice President Harris likely to meet/what's the agenda, where will she go?

Will the U.S. expect to upgrade relations to a strategic partnership with Vietnam?

Thayer Consultancy ABN # 65 648 097 123 2 ANSWER: Harris is expected to arrive in Hanoi on 24 August and depart on 26 August. Vietnam's Ministry of Foreign Affairs said on 5 August that her agenda will be announced at a suitable time. U.S. sources report that Harris will meet government officials, private sector representatives and civil society leaders. Harris' schedule does not leave room for travel outside Hanoi. Vice President Harris' visit raises an important protocol issue because Vietnam has not yet indicated who issued the invitation for her visit. Harris' formal counterpart is Vice President Vo Thi Anh Xuan, who is not among the four pillars of Vietnam's leadership. A more appropriate host would be Vuong Dinh Hue, the Chairman of the National Assembly's Standing Committee. As Vice President, Harris is also president of the U.S. Senate. It is likely that Vice President Harris will pay courtesy calls of either or both the President Nguyen Xuan Phuc and Prime Minister Pham Minh