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Assessing the Status of Business Support Policies in Ha Nam Province

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Abstract

In the context of general difficulties in the domestic and foreign economic situation, the production and business activities of enterprises in Hanoi province are also affected. However, in 2023, with the support of the government in business support policies, the business community of Ha Nam province has made an impressive recovery compared to 2022. The article studies business support policies in Ha Nam, thereby proposing solutions to improve the implementation of business support policies in Ha Nam

province, such as continuing to implement solutions to remove difficulties and obstacles, support businesses, continue to strongly improve the investment and business environment, cut and simplify administrative procedures related to investment and business activities, promote digital transformation, and foster innovation in enterprises to meet the requirements of innovation and the 4.0 industrial revolution.

Keywords: Business Support Policy, Ha Nam

1. Introduction

Ha Nam is a province located in the Red River Delta region with a tropical monsoon climate, 50 km from the capital Hanoi, with National Highway 1A and the North-South Railway running through it, making it convenient for trade and commerce. Ha Nam was re-established in 1997 with six administrative units, including one town and five districts. In 2020, Ha Nam was the 45th most populous administrative unit in Vietnam, ranked 44th in terms of Gross Regional Domestic Product (GRDP), 23rd in terms of GRDP per capita, and ranked sixth in terms of GRDP growth rate. With a population of 808,200 people [7], GRDP reached 44,613 billion VND (equivalent to 1.9376 billion USD), GRDP per capita reached 55.2 million VND (equivalent to 2,397 USD), and the GRDP growth rate reached 7.02% [8]. In 2022, Ha Nam's economic growth rate reached 10.82%, ranking 3rd in the Red River Delta region and 12th nationwide.

In 2023, the world's political and economic situation will continue to have many complex and unstable fluctuations. The domestic economy faces many difficulties, greatly affecting the production and business activities of enterprises and people's lives. However, with the focused direction, close and drastic management of the Provincial People's Committee, and the efforts of all levels, sectors, the business community, and people in the province, the province's socio-economic situation has basically been kept stable and has achieved important results in all fields. The whole year is estimated to reach and exceed 13/16 of the planned targets. In which: The total gross domestic product (GRDP) of the province for the whole year is estimated to reach over 50,200 billion VND. Economic growth is estimated to reach 9.41%, ranking 5th in the Red River Delta region and 8th nationwide. GRDP per capita reached 96.3 million VND, an increase of 11.2% compared to 2022. The total budget revenue in 2023 is estimated to reach over 12,800 billion VND, reaching 98% of the central budget estimate and 95.2% of the local budget estimate. The economic structure is shifting in the right direction. The industrial production value is estimated to reach 195,058.7 billion VND, an increase of 12.0% compared to 2022 and reaching 98.5% of the plan. Agricultural production value is estimated to reach 8,585.0 billion VND, an increase of 1.7% compared to 2022, reaching 99.87% of the plan. The program of building new rural areas continues to be implemented strongly and effectively. By the end of 2023, the whole province will have 43 communes meeting the standards of new rural communes and advanced rural areas. In particular, the service and tourism industries have seen a strong recovery after the province implemented many promotional and stimulus activities, thereby creating high attraction and competitiveness. The total number of tourists is estimated to reach 4,380,000, an increase of 38.8% compared to 2022, reaching 115.26% of the annual plan. Tourism revenue is estimated to reach 3,382 billion VND, an increase of 57.1% compared to 2022, reaching 108.7% of the plan in 2023. The total retail sales of goods and services for the whole year are estimated to reach 46,375 billion VND, an increase of 12.5% compared to 2022. Besides the achieved

results, enterprises in Hanoi province still face many difficulties in production and business activities. Leading to a decrease in the number of newly established enterprises, but the number of enterprises temporarily suspending operations or reducing production increased compared to the same period.

2. The status of business support policies in Ha Nam province

In 2022 and the first 6 months of 2023, the business situation in Ha Nam province has basically remained stable; the whole province has 1,147 newly registered enterprises, bringing the total number of registered enterprises to 8,572 by June 2023. From 2022 to June 2023, Ha Nam had more than 1,000 enterprises report temporary suspension of operation, and 101 enterprises dissolved. In 2022 and the first six months of 2023, industrial production in the province maintained a fairly high growth rate, and enterprises contributed nearly 11,364 billion VND to the state budget, contributing over 1.4 billion VND to the province's social security work.

In order to synchronously and effectively implement policies and programs to support small and medium-sized enterprises (SMEs) in the province to accelerate the development speed, create a favorable, equal, and stable investment and business environment for SMEs in the province to develop, and, at the same time, promote SMEs to develop, grow in quality and efficiency, creating a solid foundation and an important driving force for the socio-economic development of the province, the Ha Nam Provincial People's Committee has just issued the project "Supporting small and medium-sized enterprises in Ha Nam province for the period 2023-2025." The specific objective of the project is to improve the quality and efficiency of SME operations, striving for an average growth rate of new enterprises of about 10% per year (an average of about 700 new enterprises); in the period of 2023–2025, the province will have about 2,000 newly established enterprises, and about 20 business households will switch to enterprises (an average of about 05–07 business households switching per year). Eligible enterprises under this Project will be supported in 7 contents including: Providing information to enterprises; Consulting, guiding the settlement of administrative procedures; Tax, accounting (SMEs are temporarily subject to a lower corporate income tax rate than the normal tax rate applicable to enterprises as prescribed by law); Human resource development (including: Supporting direct and online training on business start-up and business administration; direct training at SMEs in the fields of production and processing); Support SMEs to transform from business households; Support start-up and innovative SMEs; Support SMEs to participate in industry clusters, value chains; Support interest rates for start-up and innovative SMEs, SMEs participating in industry clusters, value chains.

Implementing Decree 55/2019/ND-CP of the Government on legal support for small and medium-sized enterprises (SMEs), in recent years, Ha Nam province has implemented many activities in a synchronous manner, such as: Supporting administrative procedures; free legal advice... On that basis, agencies, units, and localities in the province have also effectively implemented the work of providing legal support for SMEs in many appropriate forms, clearly implementing the role of supporting and accompanying

businesses.

According to statistics for 2023, enterprises in Hanoi province are in need of recruiting for about 22,111 job positions. However, the recruitment of many businesses faces many difficulties, especially skilled technical workers. In order to support businesses in recruiting labor, Ha Nam province has directed related units to do a good job of connecting labor supply and demand.

Regarding the status of investment promotion, the province has organized investment promotion activities in the province, such as: Organizing working sessions with business delegations and investors at home and abroad to visit and learn about the investment environment of Ha Nam province; working with diplomatic agencies of Vietnam abroad and foreign agencies in Vietnam to introduce the investment environment of the province. Develop publications for investment promotion in the following languages: Vietnamese, English, Korean, and Japanese (guidebook, profile, list of fields, projects calling for investment, DVD discs, etc.); provide information to build specialized topics introducing the socio-economic development situation and investment environment of Ha Nam province.

In addition, the Investment Promotion Agency provides information, introduces locations, supports businesses and investors to learn about the investment environment, updates information, and maintains the operation of the province's investment promotion website (<http://invest.hanam.gov.vn>). Regarding investment promotion activities abroad, Ha Nam province has successfully organized investment promotion activities for the province in Korea, Japan, and Taiwan to introduce and promote potential advantages, investment attraction orientations, and the province's commitments to investors.

Regarding the results of investment attraction: In recent years, Ha Nam province has focused resources, prepared good conditions, and implemented diverse and innovative forms of investment promotion and attraction, so the results of investment attraction have achieved positive results. Ha Nam province has always maintained its position in the group of leading provinces in the country in terms of attracting foreign investment. From January 1, 2022, to December 31, 2022, 62 investment projects have been attracted (including 17 FDI projects and 45 domestic projects). Adjust the increase and decrease of investment capital for 65 projects (including 40 FDI projects and 25 domestic projects) with a total newly registered and adjusted capital of 571.7 million USD and 20,186.8 billion VND. By December 31, 2022, there were 1,123 valid investment projects in the province (including 357 FDI projects and 766 domestic projects) with a total registered capital of 5,085.6 million USD and 159,512.7 billion VND.

With the desire to listen in order to accompany, support, and remove difficulties for businesses and entrepreneurs in the province, the Provincial People's Committee often organizes working sessions with the Business Association and Business Associations in the province to exchange, discuss, and propose effective and practical solutions to promote stable business production. Before the proposals and recommendations of the representatives of the Business Association and the Provincial Business Association, Comrade Truong Quoc Huy, Chairman of the Provincial People's Committee, clarified the issues of concern to businesses, affirming that the province will always

accompany and create the most favorable conditions for businesses to operate and develop.

3. Some solutions to improve the effectiveness of implementing business support policies in Ha Nam province

The Provincial Business Association and Business Associations to continue to play a good role as a bridge to receive and propose to the Party committees and authorities the opinions and recommendations, especially the difficulties and obstacles of businesses, so that the Party committees and authorities have timely solutions to remove obstacles, creating favorable conditions for business operations.

The Provincial People's Committee needs to focus on key tasks such as: Reviewing administrative procedures related to businesses in the direction of simplifying or changing appropriately to effectively apply digital technology; deploying online public services in handling dossiers and procedures related to businesses; developing plans; allocating resources to support businesses; implementing activities to support training; consulting on business start-ups; improving business management capacity for the business management team; improving skills; changing industries and occupations for workers; etc.

In addition, support small and medium-sized enterprises in ensuring factories for production and business in accordance with the needs of enterprises; create favorable conditions for carrying out procedures to adjust the progress of investment projects; Continue to attract investment in building social housing and workers' housing for workers; prioritize arranging funds to support small and medium-sized enterprises...

Accelerate administrative reform, focusing on modernizing the administrative system, aiming to build a digital government, reforming administrative procedures, improving the quality and responsibility of cadres, civil servants, and public employees, especially those in charge of agencies and units, combined with strengthening discipline and administrative discipline for the period 2021–2025. Strive for the Administrative Reform Index (PAR INDEX) to reach 86.0 points by 2024; the Provincial Competitiveness Index (PCI) to reach 65.0 points; and the Provincial Public Administration and Governance Performance Index (PAPI) to reach 45.0 points.

Continue researching and implementing effective and substantive investment promotion activities in line with the orientation and viewpoints on foreign investment cooperation. Prioritize implementing inter-sectoral and inter-regional investment promotion activities in combination with trade and tourism promotion. Strengthen the investment environment and administrative reform to attract development of production, business, and infrastructure; develop supporting industries to provide inputs for domestic industrial production facilities and foreign-invested enterprises; increase investment attraction to develop urban areas according to approved plans; form high-tech agricultural production and processing zones...

Proactively attract and cooperate in foreign investment selectively, taking quality, efficiency, technology, and environmental protection as the main evaluation criteria. Prioritize projects with advanced technology, new technology, high technology, clean technology, modern

management, high added value, spillover effects, and connections to global production and supply chains.

Diversify partners, forms of investment, and intertwine interests in foreign investment cooperation and connect organically with the domestic economic sector, in line with the orientation of economic restructuring and sustainable development goals; protect the environment; ensure national defense, security, social welfare, order, and safety; and enhance the independence and self-reliance of the economy.

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