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### Solutions to Support Small and Medium Enterprises in Tan Binh District, Ho Chi Minh City

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#### Abstract

This article focuses on the current state of the state management mechanism related to supporting small and medium enterprises, particularly in Tan Binh district. Since 2010, Ho Chi Minh City has implemented an Administrative Reform Project, aiming to streamline administrative procedures and enhance support for businesses. Throughout the past period, Tan Binh District has paid attention to the development of small and medium-sized enterprises, collective economy; implementing various activities to timely address difficulties, guiding businesses to access the city's policy mechanisms through programs connecting

supply and demand, business-bank connections, stimulating demand through investment, market stabilization, organizing trade promotion activities to boost production and business development. Continuing to effectively implement practical administrative reforms, improving the investment and business environment. However, there still exist numerous limitations, such as inconsistencies in legal regulations and difficulties in accessing capital. This calls for changes and adjustments to create more favorable conditions for the future development of small and medium enterprises.

**Keywords:** Credit Access, Administrative Reform, Capital Support, Business Support, Economic Growth

#### 1. Introduction

The research conducted in Tan Binh district aims to propose solutions to support small and medium enterprises (SMEs). Utilizing both qualitative and quantitative research methods, the study focuses on analyzing the current situation and suggesting appropriate measures. The objective is to systematize and analyze the situation of SMEs. The research subjects are the support solutions currently being implemented in Tan Binh district. The scope of the study covers over 15 wards, with data collected in 2023. The scientific significance lies in analyzing the impact of support activities. The results provide reference materials for local authorities. Proposed solutions aim to enhance the effectiveness of support activities. This research is crucial for promoting sustainable development in the current challenging context.

Small and Medium Enterprises (SMEs) are defined according to the Enterprise Law and the Law on Support for Small and Medium-sized Enterprises. They include micro, small, and medium-sized enterprises, based on criteria such as the number of employees, total capital, or revenue. SMEs often constitute a large proportion of total businesses, making significant contributions to job creation. Characteristics of SMEs include limited capital scale, difficulties in accessing large capital, intense competition, and primarily operating in the commercial and service sectors.

#### Role and Importance of Small and Medium Enterprises in the Economy

Small and medium enterprises (SMEs) often constitute a significant proportion, even dominating, the total number of businesses. Currently, 95% of registered businesses in Vietnam operate under this model. Therefore, their contributions to total output and job creation are substantial.

**Stabilizing the Economy:** In many economies, SMEs act as subcontractors for larger enterprises. Adjustments in subcontracting contracts at various times allow for economic stability. Thus, SMEs are likened to stabilizers for the economy.

**Driving Economic Dynamism:** Due to their small scale, SMEs are easily adaptable and responsive to the needs of the economy.

**Creating Important Industrial and Service Supporting Sectors:** SMEs often specialize in producing specific components used in assembling into a complete product.

**Pillars of the Local Economy:** While large enterprises tend to be located in economic centers, SMEs are present throughout various regions and significantly contribute to local budget revenues, output, and job creation.

**Significant Contribution to Gross Domestic Product (GDP):** SMEs contribute substantially to the total GDP of the country.

#### Concept of Business Support

Businesses play a crucial role in economic development and require support from the government through economic policies. The government can influence aggregate supply and demand through encouragement or restriction measures. For SMEs, government support is essential to help them overcome difficulties and thrive.

In Ho Chi Minh City, policies such as administrative reform and business-government dialogue have helped businesses operate stably and develop. This creates a conducive business environment and contributes to the sustainable development of the local economy.

### **1.1 Vietnam's Small and Medium-sized Enterprise (SME) Support Policies**

**The factors influencing the effectiveness, outcomes, and efficiency of small and medium-sized enterprise (SME) development support policies include:**

#### **Access to commercial credit:**

Small and medium-sized enterprises (SMEs) face difficulties in accessing capital from banks due to barriers such as lack of collateral and complex procedures. Banks require collateral assets of higher value than the loan amount, and for many enterprises, land use rights certificates are the only acceptable collateral assets.

#### **Physical infrastructure and land:**

Enterprises encounter difficulties in accessing land use rights, especially small and medium-sized enterprises. Renting land is common but often entails issues with short-term contracts and increasing rental prices.

#### **Current tax system:**

Complex tax policies create an opaque business environment, making it challenging for enterprises to provide accurate financial information. Value-added tax regulations are sometimes unclear, leading to inconsistency and increased costs for businesses.

#### **International trade barriers:**

Enterprises face challenges when entering international markets due to barriers such as anti-dumping lawsuits, anti-subsidy lawsuits, and requirements for animal and plant safety and hygiene. This hinders the flow of exported goods.

### **Experiences from District 10 People's Committee, Ho Chi Minh City:**

District 10 is a central district and a hub of commerce and services in Ho Chi Minh City. Despite its geographical advantages and dynamic traditions, the local economy mainly consists of small and medium-sized enterprises (SMEs) with limited development in scale and uneven quality of human resources. To capitalize on these advantages and develop competitive sectors, District 10 has established the Trade-Service Development Program (2020-2025), focusing on regular meetings with businesses to address operational challenges, promoting key economic sectors, supporting commercial promotion activities, and enhancing business management skills.

### **Experiences from Binh Thanh District People's Committee, Ho Chi Minh City:**

Binh Thanh District has implemented initiatives to develop economic clusters and attract investment, especially in high-value-added service sectors such as finance, banking, real estate, and tourism. The district emphasizes the importance of supporting enterprises, with over 1,400 new businesses established annually, contributing significantly to economic stability and development.

### **Lessons for Tan Binh District People's Committee, Ho Chi Minh City:**

The importance of diversified support for small and medium-sized enterprises (SMEs), including specialized support in finance, technology, human resources, and market access. Enhancing entrepreneurship skills and knowledge through training programs and educational initiatives, focusing on market-oriented business methods. Exploring alternative support mechanisms such as business incubators and financial funds to encourage SME development. Ensuring fairness and objectivity in financial support programs and coordinating efforts among government agencies to adjust policies in line with the evolving economic conditions.

These experiences underscore the important role of SMEs in both developed and developing economies and highlight the necessity of targeted policies and strategies to address their unique challenges and opportunities.

## **2. The Current Situation of Small and Medium-Sized Enterprise (SME) Support in Tan Binh District from 2017 - 2022**

### **2.1 Overview of Tan Binh District and Businesses Managed by Tan Binh District**

#### **2.1.1 Overview of Tan Binh District**

Tan Binh District is an inner district of Ho Chi Minh City, with an area of 22.39 square kilometers and renowned for Tan Son Nhat International Airport. The district has focused on urban development, upgrading transportation infrastructure, and investing in service sectors such as tourism, finance, and healthcare.

The district's economic structure mainly revolves around commerce and services, with over 3,700 foreign-invested enterprises and 23,700 individual businesses. In the challenging context of the COVID-19 pandemic, Tan Binh District has implemented policies and solutions to improve the business environment, support enterprises, and promote economic development.

Setting economic development goals until 2025, the district aims to enhance services such as textile trading, financial services, tourism, and healthcare. Additionally, they focus on improving the investment environment, encouraging entrepreneurship, and applying technology in business operations.

In 2022, Tan Binh District implemented programs supporting preferential loans for businesses and organized meetings between district leaders and enterprises to discuss economic recovery solutions and business development.

#### **2.1.2 Characteristics of Businesses Managed by Tan Binh District**

##### **2.1.2.1 Number and Types of Registered Businesses:**

Under the influence of new policies and the impact of the Enterprise Law, the number of small and medium-sized

enterprises (SMEs) in Tan Binh District has been growing relatively rapidly and steadily. As of December 31, 2022, there were 13,709 businesses registered in the district, with a total registered capital of 59.503 trillion VND; the average registered capital per enterprise reached 4.34 billion VND.

### 2.1.2.2 Industry Structure and Characteristics of SMEs:

#### \*Industry Structure:

Under the Party's innovative direction institutionalized by state laws and accompanying policies from the City People's Committee, businesses have continuously expanded their fields of activity and made increasingly significant contributions to the economy. The highest concentration of businesses remains in the commerce and service sector due to its low capital investment requirement, low risk, and minimal space requirements. As of December 31, 2022, the total number of businesses in Tan Binh District reached 13,123 (excluding 586 representative offices).

#### Characteristics of Registered Businesses:

Regarding the age of business owners: Generally, the average age of business owners ranges from 30 to 45 years old (accounting for 46.7%), and from 46 to 60 years old, it accounts for 39.9%. However, the percentage of young entrepreneurs (under 30 years old) is low (7.9%), hence the need to support young entrepreneurs in starting businesses, leveraging their youth, sharpness in adapting to new situations, and preparing for future successors.

The proportion of entrepreneurs with university degrees is high, especially among young and middle-aged entrepreneurs (30-45 years old), accounting for 52%. Some businesses have older owners (over 46 years old), but in reality, management and business operations are often delegated to younger individuals with degrees. However, there is a relatively high percentage (43%) of entrepreneurs with only a high school education participating in business, usually those who have accumulated practical experience. Meanwhile, the percentage of people with vocational education participating in business is only about 5%.

Regarding capital and assets: The number of businesses is growing rapidly, leading to an increase in investment capital. However, the majority are small and medium-sized enterprises (SMEs), with only 3.7% having capital exceeding 10 billion VND. In terms of labor utilization: Most businesses are small, employing few workers, with 67.1% employing fewer than 10 workers and only 0.1% being large enterprises. (Source: 2022 Report - Ho Chi Minh City Department of Planning and Investment).

Regarding capital and asset scale: The number of businesses is growing rapidly, leading to an increase in mobilized capital. Total registered capital from 2017 to 2022 increased from 2,181 billion VND to 9,747 billion VND. However, the majority of businesses in Tan Binh District are small and medium-sized, with only 3.7% of businesses having capital of over 10 billion VND. Most are small and medium-sized enterprises with capital below 1 billion VND, mainly operating in the commerce and service sectors.

Regarding labor utilization scale: Most businesses are very small (employing fewer than 10 workers), accounting for up to 67.1%, followed by small businesses (from 10 to 49 workers), accounting for 25.9%. Medium-sized enterprises (from 50 to under 300 workers) account for 6.9%, while only 0.1% are large enterprises with over 300 workers.

### Contribution to the Local Budget by Small and Medium-sized Enterprises (SMEs) in Tan Binh District:

For many years, small and medium-sized enterprises (SMEs) in Tan Binh District have proactively paid taxes on time, contributing significantly to the local budget. In 2022, the total contribution to the local budget from these enterprises reached 3,650 billion VND, an increase of 1.3% compared to the previous year. This growth reflects the success of business operations and positive contributions to the region's development.

SMEs also actively participate in export activities, contributing to the city's export turnover. In 2022, export-oriented enterprises in the area contributed 766.6 million USD, accounting for 53.36% of the city's total export turnover. This demonstrates the important role of SMEs in expanding markets and generating income for both the region and the country.

Furthermore, the development of businesses has created many job opportunities for workers, especially in privately-owned economic areas. In 2022, businesses in the area provided employment for 4,700 workers, contributing to improving living standards and increasing income for employees.

In summary, the development of small and medium-sized enterprises not only contributes to the local budget but also positively impacts job creation, income enhancement, and improvement of workers' lives. Additionally, it contributes to addressing social issues and fostering sustainable development in the region.

Evaluation of Factors Influencing Policies Supporting Small and Medium-sized Enterprises in Tan Binh District, Ho Chi Minh City:

#### State Management Mechanism:

##### Access to Commercial Credit:

Ho Chi Minh City has supported export-oriented enterprises from 2015 to 2025 by reducing loan interest rates, providing research funding, and trademark registration support. The State Bank has also provided preferential capital for export-oriented enterprises. Tan Binh District surveys efficient businesses to propose loans from the Investment and Development Fund, and collaborates with banks to guarantee loans for potential enterprises.

#### State Management Mechanism for Supporting Small and Medium-sized Enterprises in Tan Binh District:

In 2022, the district faced many challenges due to the complex global situation, especially the COVID-19 pandemic. Key tasks included: Focusing on pandemic prevention and control while simultaneously recovering and developing the economy; strengthening state management in the economy and market control; implementing policies to improve the business environment and national competitiveness; managing revenue sources and enhancing tax collection; supporting enterprises to recover and grow after the pandemic, especially small and medium-sized enterprises; encouraging the development of the domestic market and e-commerce.

Thực trạng quy định chính sách hỗ trợ doanh nghiệp nhỏ và vừa áp dụng tại quận Tân Bình

Từ năm 2010, Thành phố Hồ Chí Minh đã triển khai Đề án Cải cách hành chính, áp dụng quy trình "Một cửa" và thành lập tổ chức hỗ trợ doanh nghiệp. Các thủ tục hành chính được đơn giản hóa, giảm thời gian và chi phí cho doanh

nghiệp. Sở Kế hoạch và Đầu tư thành phố cũng triển khai cơ chế "một cửa liên thông" giúp doanh nghiệp giảm thời gian và chi phí khi khởi sự. Tuy nhiên, vẫn cần cải thiện trình độ và ý thức pháp luật của cán bộ, cũng như tăng cường lực lượng làm công tác hậu kiểm để nâng cao hiệu quả quản lý nhà nước.

**The current situation of implementing policies supporting small and medium-sized enterprises (SMEs) in Tan Binh District is as follows:**

After five years of implementing Program No. 08-CTr/QU on supporting sustainable development of small and medium-sized enterprises (SMEs), Tan Binh District has achieved notable results. Additionally, since 2010, the district has undertaken various measures to improve the investment environment and develop infrastructure, including publicizing planning and architectural management projects, investing in technical infrastructure development, and key transportation projects.

Policies supporting capital loans for enterprises, vocational training, and promoting consumption of Vietnamese goods have all yielded positive results. Simultaneously, administrative reform efforts have been emphasized, with the application of quality management standards and information technology. This has helped improve the investment environment, attract investment, and foster sustainable development in Tan Binh District.

**General Evaluation:**

The Program 08-CTr/QU has been assessed positively in Tan Binh District, with notable achievements attributed to its systematic implementation and effective policies. These successes include improvements in economic growth quality, the facilitation of a shift towards a trade and service-oriented economy, and surpassing key economic benchmarks such as production value, budget revenue, and employment targets.

Several factors have contributed to these accomplishments. Firstly, the district's commitment to administrative reform and the implementation of supportive measures such as business support centers and investment promotion initiatives have created a conducive environment for business development. Secondly, efforts to promote the consumption of domestic goods and strengthen market controls have boosted local businesses and ensured fair competition. Additionally, initiatives to facilitate access to credit and provide training opportunities have empowered entrepreneurs and fostered economic growth.

Despite these achievements, some challenges remain. Inefficient legal dialogue and dissemination, limited access to financing for businesses, and slow bureaucratic processes have hindered the full realization of the program's goals. Moreover, inconsistencies in legal regulations and insufficient market oversight have posed challenges for businesses and impeded their growth potential.

Overall, while the Program 08-CTr/QU has delivered significant successes in promoting small and medium-sized enterprise (SME) development in Tan Binh District, addressing the remaining challenges will be crucial for sustaining and further enhancing the district's economic vitality in the long term.

**Achievements and causes**

The program supporting small and medium-sized enterprises (SMEs) has achieved some positive results but still faces several limitations. The legal dialogue and dissemination have been ineffective: SMEs have limitations in

understanding and complying with legal regulations, especially in the context of global economic integration. The number of SMEs supported with preferential loans is still low: Facing practical needs, providing capital support and simplifying loan procedures have not been adequate. The transition from household businesses to enterprises has been ineffective: SMEs encounter difficulties in expanding production scale and developing due to a lack of knowledge and managerial skills.

Market inspection and control activities remain limited. The complex and evolving situation of counterfeit and fake goods poses challenges for inspection and handling efforts.

The reasons for these limitations include:

Insufficient funding for accounting departments leads to incomplete information: SMEs retain internal information and obstacles without being forwarded to relevant authorities for resolution. SMEs have difficulty accessing preferential loan funds: Lack of feasible production and business operation plans or assets for mortgage when borrowing from banks. Slow advisory process from departments and agencies: Support from functional agencies has not been uniformly and actively implemented. Lack of specific guidance on post-audit work from the central government: This leads to inconsistency and difficulty in implementation at the local level. Despite some improvements, the business environment still has many obstacles, especially in terms of legal regulations and administrative procedures. There needs to be changes and adjustments to create a more favorable environment for the development of small and medium-sized enterprises in the future.

**3. Solutions to Improve Support for Small and Medium-Sized Enterprises in Tan Binh District**

**Objective and Direction for Improving Support for Small and Medium-sized Enterprises**

**Objective:**

To promote the development of active and sustainable enterprises to achieve the goal of 86,000 businesses by 2030 and maintain an economic growth rate of 12-13% per year. We need to enhance exports, retail of goods and services, and revenue collection, while creating more jobs for the workforce, thereby ensuring comprehensive and sustainable development of the economy.

**Direction:**

Prioritize the development of supporting industries and services such as commerce, tourism, finance, and export products. Encourage investment and development of enterprises in key sectors to promote industrialization and modernization.

Create favorable conditions for startups and business development, along with job creation. Improve the production environment, develop industrial zones, and relocate polluting businesses.

Enhance product quality, encourage businesses to participate in value-added manufacturing sectors. Improve access to credit and streamline administrative procedures to create a favorable business environment.

Enhance technology cooperation and research for the development of new products. Promote, educate, and honor businesses, while implementing support activities and clearly defining responsibilities among management agencies.

### **Support Solutions for Small and Medium-sized Enterprises in Tan Binh District:**

**Industrial Cluster Planning to Enhance Industrial System Efficiency:** Implement industrial cluster planning to increase the productivity of the industrial system and address employment issues for laborers transitioning from agriculture and inner-city districts. Additionally, tackle environmental pollution caused by businesses.

**Prioritize the Development of Supporting Industries and Service Sectors:** Focus on developing supporting industries and service sectors such as commerce, tourism, finance, and export products. Encourage investment in private economic development projects and formulate long-term development plans.

**Encourage Entrepreneurship, Business Development, and Production Environment Improvement:** Promote entrepreneurship, business development, and improvement of the production environment. Enhance technology cooperation and improve product quality. Also, refine regulations regarding business conditions and enterprise management.

### **Enhancing Solutions for Supporting the Development of Small and Medium-sized Enterprises in Tan Binh District:**

#### ***Improving the state management mechanism for supporting small and medium-sized enterprises in Tan Binh District***

Enhancing Solutions for Supporting Small and Medium-sized Enterprises in Tan Binh District

Increasing investment in infrastructure, equipment, and information technology infrastructure, as well as providing advanced technology application training for state agencies to meet state management requirements.

Streamlining and improving the quality of administrative procedures in all areas of state management related to enterprises.

Applying principles of transparency and consultation with enterprises to maximize the legitimate resource utilization for reviewing regulations and administrative procedures.

Organizing quarterly dialogues between district leaders and businesses to address emerging issues, as well as arranging for new businesses to learn from successful enterprises.

Improving the legal environment and policies to promote business development, including enhancing the modern "one-stop-shop" mechanism, improving transparency, and collecting feedback from citizens and businesses on policies and development plans.

Enhancing import-export procedures, electronic customs clearance systems, and providing tax and credit information support for businesses.

Improving land planning and registration procedures to ensure transparency, openness, and stability.

Supplementing competent personnel and establishing mechanisms to handle bureaucratic behaviors.

Continuing to improve the online tax declaration system and reducing administrative procedures according to Government Project 30.

Providing legal support for enterprises through consulting organizations and legal forces, as well as providing legal support channels through government and business organizations.

### ***Complete regulations and apply support for small and medium-sized enterprises in Tan Binh district***

Build a post-inspection model on the interactive system of three main elements: Businesses - state - society.

Establish a Communication Center between departments and sectors to support and guide procedures for businesses, especially those starting businesses in conditional business sectors.

Enhance the quality of tax payer information analysis work, with rigorous, clear, and responsible analysis content before inspections at the grassroots level. Address the scattered nature of inspections by clearly defining the scope and content of inspections, focusing on areas with the highest risk (implementing limited inspections). Expand the content and scope of inspections only when actual inspections reveal multiple violations (implement comprehensive inspections). Leverage the role of managing and supervising businesses by connecting and exchanging online information about businesses among business registration agencies, market management, taxation, customs, statistics, inspection agencies, relevant departments and sectors, to manage, supervise, and handle violations of businesses.

Issue specific coordination regulations among state agencies in implementing the task of managing businesses after registration.

#### **\*Regarding finance, credit**

Businesses in Ho Chi Minh City, especially new ones, are facing difficulties with capital. Often, the issue is not that banks lack funds but that businesses cannot meet the banks' requirements for collateral and business plans.

Ho Chi Minh City can implement several measures to help businesses:

Adjust bank credit policies to prioritize sectors such as agriculture, rural areas, export-oriented production, supportive industries, and small and medium-sized enterprises.

Organize dialogues to address business issues and create favorable conditions for borrowing.

Encourage banks to increase credit capital for investment and business production loans, as well as ensure that lending policies target effective businesses.

Create legal conditions for businesses to borrow by determining the value of assets, land use rights, and business plans.

Establish credit guarantee funds, capital investment funds, or venture capital funds to support capital for businesses.

Enhance technical support and management consulting for small and medium-sized enterprises, helping them develop business plans and loan projects.

These measures aim to support small and newly established businesses in Ho Chi Minh City with additional capital to develop their businesses.

#### **\*Regarding land and production premises**

Land, along with capital, is currently the biggest obstacle for businesses after registering for business activities. Most businesses in Ho Chi Minh City lack premises for production and business. Many businesses have to use the owner's residential property as their headquarters and trading place. With limited space and inconvenient working conditions and facilities, this has affected the business efficiency of these enterprises. Therefore, the city government needs to support and create conditions for

businesses after registering for business to have suitable production and business premises. Specifically:

- Complete land planning, detailed land use plans, and the network of land registration agencies to ensure access to, leasing of land, and land allocation for production purposes for businesses in a transparent and stable manner. Continue to promote the policy of reclaiming inefficiently used land and reallocating it to businesses in need. Establish land rental policies and land use rights transfer according to the industries that the city encourages for development. Prioritize projects in key industries and flagship products of the city with lower land rental prices, around 30-40% lower than the general prescribed price.
- Continue to implement the policy of supporting businesses causing pollution to relocate from urban development areas. Establish production premises at new locations in industrial parks and small industrial clusters in the city. Enhance coordination among state management agencies in compensation and allocation of production and business premises for enterprises based on principles of speed, timeliness, fairness, and compliance with the law.

#### **\*Regarding the current tax system**

Continuing to streamline administrative procedures related to taxes to reduce time and costs for both businesses and tax authorities. Improving modernization and automation of business registration and tax management processes, including the implementation of electronic taxation.

Ensuring the integrity of the tax inspection and audit organization. Providing regular training and retraining for tax officials to cope with increasingly sophisticated fraudulent behavior.

Implementing inspections immediately upon tax refund decisions, focusing on timely handling of violations and recovering fraudulent tax refunds.

Strengthening internal audits within the tax sector and emphasizing compliance with the discipline and regulations of tax officials. Strictly addressing cases of corruption and tax evasion.

Enhancing inspection and auditing work from the beginning of the year to prevent fluctuations in this work and timely prevent fraudulent activities.

Encouraging businesses experiencing continuous tax losses for 3 months to request refunds and conducting audits similar to tax refunds to detect fraudulent activities early.

Audit and inspection work should not only focus on checking invoices and accounting records but also verify the reality of goods and their origins to ensure control and minimize fraudulent activities.

### **3.1 Some Recommendations**

#### **3.1.1 For State Management Agencies**

##### **\*For the Central Government**

Improve the overall legal framework for businesses to align with market mechanisms. Specifically:

- Organize timely drafting of regulatory documents for implementation after approval by the National Assembly, ensuring swift enactment of legal provisions to avoid situations where laws are issued but not implemented.
- Amend and supplement the Investment Law and Enterprise Law, enhancing the system of guiding

documents (including procedures) for establishment, organization, internal management, dissolution, and conversion of enterprises towards respecting the freedom of business of citizens and simplifying administrative procedures for businesses to easily enter and exit the market.

- Enhance the general legal framework for bankruptcy applicable to different types of enterprises; amend and improve regulations on bankruptcy procedures towards simplification and reduction of the time required for bankruptcy proceedings.
- Develop implementation mechanisms and control regulations for conditional business sectors.
- Review and evaluate licensing requirements, business conditions, and conditional business sectors, abolishing provisions that do not reflect the reality and have higher implementation costs than the achieved efficiency, aiming to issue a Prime Minister's Decision regulating the list of prohibited, restricted, and conditional business sectors based on the principle of respecting the freedom of business of citizens.
- Establish transparent mechanisms for conditional business sectors that do not serve the public interest or are not compatible with the principle of supporting businesses.
- Clearly define the powers and responsibilities of state agencies in managing businesses after registration. Issue specific coordination regulations between state agencies at all levels from central to local in enforcing state management tasks for businesses after registration, aiming to enhance effectiveness, compliance with legal provisions, and avoiding overlap, which may cause inconvenience to businesses.
- Promptly issue guidance documents and operationalize the Small and Medium-sized Enterprise Development Fund in accordance with the spirit of Decree No. 56/2020/ND-CP dated June 30, 2020 of the Prime Minister on support for the development of small and medium-sized enterprises.
- Establish a transparent and stable tax system that is simple, easy to apply, avoids ambiguity, and has appropriate control mechanisms to reduce the time wasted on tax inspections for both tax authorities and businesses.
- Improve the financial environment to facilitate businesses. Enhance competitiveness in the banking system by expediting the restructuring of state-owned commercial banks, vigorously developing non-state commercial banking systems, credit institutions, financial leasing organizations, pawnshops, and other services; expand capital mobilization from the entire economy, increase financial capacity, and service provision capacity to ensure more effective banking services for businesses. Develop credit mechanisms that separate policy credit from commercial credit.
- Promote trade promotion programs and support business integration efforts.

##### **\*For the City**

- Improve infrastructure to provide businesses with opportunities to find suitable premises for their production and business activities, thereby reducing time and alleviating costs for businesses in completing procedures and documentation for land allocation and

leasing.

- Invest in trade promotion activities because the role of trade promotion activities is crucial in providing information, guiding institutions and international practices, and orienting the market for businesses.
- Encourage and support businesses to innovate in technology, reduce production costs, improve production quality, and enhance the competitiveness of their products.
- Annually, government agencies responsible for specific sectors must review and evaluate regulations on business licenses, business conditions, and conditional business sectors; eliminate regulations that do not reflect reality. Propose that the Government unify regulations on the list of prohibited business sectors, restricted business sectors, and conditional business sectors based on respecting the people's freedom of business.
- Implement coordination mechanisms effectively for state management of enterprises, cooperatives, and individual businesses in Ho Chi Minh City. Enhance coordination among departments, agencies, districts, and communes in handling business violations.
- Enhance the capacity and organizational integrity of inspection and examination units at all levels and in all sectors to ensure the quality of inspections and examinations while also providing legal knowledge to businesses.
- Annually, conduct legal support classes for businesses, including disseminating regulations on conditional business sectors.

### 3.3.2 Recommendations for Businesses:

Businesses need to understand the trends and opportunities in the industry, which is key to their development. This includes market research, customer surveys, and competitive analysis. Ensuring that the company's products or services meet the highest quality standards and continually improving to meet customer needs is crucial.

Creating a good shopping or service experience environment to attract and retain customers is important. Using technology to optimize business processes, improve efficiency, and create new products or services is essential.

Developing an effective marketing strategy to enhance brand awareness and increase sales is crucial. Investing in employee development so that they can operate efficiently and contribute to the success of the business is also important.

## 4. Conclusion

The development of small and medium-sized enterprises (SMEs) plays a crucial role in achieving the socio-economic goals of Tan Binh district, especially in addressing employment and attracting investment from all segments of the population. With its potential and advantages, to build Ho Chi Minh City as a center and a driving force for the development of the key economic region of the Southeast region, it is necessary to create a favorable investment environment with breakthrough policies and incentives from the local authorities to maximize available resources and attract all economic entities to participate in the local socio-economic development, especially business entities operating in the city. Therefore, the development of enterprises in Tan Binh district should not only rely on the

local market but also focus on policies that encourage businesses to target large domestic, regional, and international markets, emphasizing products with comparative advantages.

The main objective of this survey is to understand the activities of small and medium-sized enterprises in Tan Binh district and the barriers they face in the context of Vietnam's integration into the world economy. Through this survey, the writer hopes that in the coming time, for sustainable socio-economic development, the city government will pay more attention to SMEs and have appropriate support policies to increase both the quantity and quality of businesses in the city, contributing to making Ho Chi Minh City a prosperous and beautiful city.

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