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**E-COMMERCE SUPPORT TECHNOLOGY STANDARD APPLICATION IN
VIETNAM**

by

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1- Introduction

Aware of the importance of e-commerce applications development to exchange information and data in trading activities facilitation and management, as of 2000, Vietnam businesses in many sectors started to establish business network combined with electronic data interchange applications according to international standards or standards that were defined by businesses themselves. However, in recent years, State management agencies have only further focused on establishment and popularization of e-commerce standards to improve awareness for management staffs and provide technical implementation support for many business types.

From 2002 until now, Ministry of Science and Technology with the mission of state management agencies in formulating e-commerce standards has formulated, promulgated and popularized many sets of standards related to e-commerce sector, including standards related to trade data interchange, electronic data interchange for administration, commerce and transport (EDIFACT), data elements and interchange formats, XML schema definition, information processing, etc.... Among which the noteworthy ones are: TCVN ISO 9735:2004, Electronic Data Interchange for Administrative, Commerce, and Transport (EDIFACT); TCVN ISO/TS 150000 ebXML: 2006 – Electronic business Extensible Markup Language.

Ministry of Communication established Decision No. 20/2008/QĐ-BTTTT dated 09/04/2008 promulgating IT application standard directories in State agencies in which there are many standards related to e-commerce sector under the group of data integration, information access and data specification.

Ministry of Finance and State Bank: promulgated many legal texts guiding businesses unanimously use IT standards that are applicable to the sectors of card payment, inter-bank international transfer (such as ISO 8583, SWIFT, XML-based messages).

Ministry of Finance: promulgated many legal texts guiding IT performance and application in customs activities (The Decision No. 1447/QĐ-TCHQ dated 23/02/2007 promulgated temporary regulations on formatting a number of remote e-customs declarations for customs information system). Presently, information exchange from local customs departments to General Department of Vietnam Customs focused on web services and XML base on WCO Data model 2.0.

Ministry of Industry and Trade established and promulgated the National technical regulation on EDI for issuing certificate of origin. This national technical regulation applied to agencies issuing electronic certificate of origin (eCoSys)

2- Major trade facilitation measures, initiatives and projects

One of the targets set out in the Master Plan on E-commerce Development for the 2006-2010 Period is “By 2020, Government agencies shall have offered all public services online”.

The Ministry of Finance started to conduct the project on e-customs in 2005 and so far, such objectives as shortening the time for customs clearance and reducing the paperwork have been met.

One of the outstanding achievements in providing online public services is the system of electronic certificate of origin issuance by the Ministry of Industry and Trade (eCosys). It started in early 2006 to help exporters reduce costs and improve their competitiveness. By 2008, eCosys had been operational nationwide. Any business in need of preferential CO for their exports can apply via the electronic CO system of the Ministry of Industry and Trade, without being present in person before.

At present, some important projects of online public services such as electronic tax declaration and clearance – monitored by the Ministry of Finance, and e-commerce application in public procurement – monitored by the Ministry of Planning and Investment, are entering the stage of pilot implementation.

Moreover, there are some other typical e-commerce models:

- EDI system of Haiphong port: this is the pioneer company applying electronic data interchange system (EDI system) successfully and effectively. This port has constructed the EDI program under international standards EDIFACT, which links to obtain container management data from its current MIS management information to make the electronic report for carriers and shipping agents.

- Connecting system of Vietnam National Financial Switching Joint – Stock Company (Banknetvn: Banknetvn , which is the leading company in electronic payment has implemented Banknetvn switching system at the data processing center, and connected to the member bank.

- Electronic Data Exchange System of Unilever Vietnam and Metro Cash

- Vinamilk’s electronic business network system

3- Challenges

Although Vietnamese enterprises have strengthened technology standard application in business, the awareness of e-commerce common standards is still low. In 2008, Vecita conducted a survey of about 50 agencies and enterprises through interviews and questionnaires. 43.5% surveyed agencies and businesses answered that they knew those e-commerce standards. Especially, the percentage of experts who know thoroughly e-commerce standard definition on electronic data interchange only accounts for 3-4% of respondents.

In Vietnam, it can be seen that educational institutions are prompt at picking up the demand of the society and enterprises; however, e-commerce training still focuses on business skills. Therefore, there is a lack of technology human resources. Moreover, the development of teaching activities is spontaneous and lacks of support from relevant state regulatory agencies. Hardly has any educational institution established close links with companies in need of recruiting students. Neither have enterprises taken initiatives in specifying their requirements of e-commerce workers in the short and medium run, so that educational institutions can develop their teaching plan accordingly.

The legal system on e-commerce in general and on e-commerce technology standards in particular is yet comprehensive. Many legal texts were promulgated but there is still a lack of sub-law documents guiding the implementation.

Another reason why e-commerce application in business activities in Vietnam develops slowly is that people still remain their habit of traditional shopping and transaction conducting. By this way, they feel safer about their money. Meanwhile, e-commerce technology standards are still new to most of consumers.

4- Proposed Way Forward and Recommendations

Recommendations for state agencies

In order to bring e-commerce legal texts into social life and create favorable management environment and effective support for enterprises, the state agencies need to exert more efforts to implement the promulgated laws. During the process of implementation, it is necessary to further promote awareness of the legal texts among enterprises so that they can understand and effectuate the promulgated laws properly, considering it as the key stage to deploy and complete e-commerce legal framework.

Since every business sector has its own characteristics, to improve the quality of supporting enterprises, in the near future, Vecita needs to cooperate closely with business associations and local state administrative agencies responsible for e-commerce (Provincial Department of Industry and Trade) in order to build up and deploy activities to support enterprises in every specific business sector.

In the coming time, the Ministry of Industry and Trade and the Ministry of Education and Training need to cooperate closely in estimating human resource demand and reassessing e-commerce education quality to promote e-commerce education activities, meeting the increasing demand for

professional human resources and serving the e-commerce development. Universities, colleges and business community are required to establish organically relationship between supply and demand for e-commerce human resources.

Vietnam needs to further strengthen its participation in multilateral international organizations, especially in WTO, UNCITRAL, UNCEFACT, APEC ... to acquire international e-commerce technology standards and apply them in trading activities and promote paperless trading. In addition, bilateral cooperation with e-commerce development countries such as the USA, Japan, and Korea should be also fostered.

Recommendations for enterprises

E-commerce is the business model based on modern technology so employees are required to have both IT and commerce knowledge. Therefore, in order to promote investment effects, e-commerce applications, Vietnam enterprises need to quickly reinforce human resources in this sector. Besides temporary solutions such as sending employees to participate in e-commerce short-time program or inviting lecturers to train on the premises, etc... one of the suitable ways to reinforce professional human resources is to associate with educational organizations to specify the manpower sources needed for e-commerce and train employees of enterprise accordingly.

In order to apply e-commerce effectively in business, enterprises needs to stay abreast with new international technology standards related to online business activities. At the same time, they are required to engage in the policy making process by discovering and reporting to state authorities on new problems arising in business and production activities

It is highly recommended that SMEs actively participate in B2B and B2C e-marketplaces of Vietnam as well as of other countries to take full advantages of e-commerce in marketing, transactions, and seeking customers, etc...