

SEVERAL SOLUTIONS TO IMPROVE STATE MANAGEMENT POLICY ON LOGISTICS SERVICES IN VIETNAM

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Abstract: *In recent times, Vietnam's logistics industry has achieved several positive results, and logistics infrastructure has been increasingly improved. For further development, in line with the development trend of logistics in the world, Vietnam's logistics industry needs to have more changes in state management policy to facilitate the development of logistics services. This study aims to propose solutions to improve state management policy to facilitate the development of logistics services in Vietnam.*

• Keywords: *state management policy, logistics, development of logistics services.*

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1. Global logistics development trends

The forecast for the global logistics development trends in the coming time is as follows:

- The global logistics industry will continue to be directly influenced by fluctuations in the world situation related to politics and socio-economics. In terms of politics, the Russia-Ukraine military conflict, the sanctions between the United States, the West and Russia will impact the sanctions between the parties, as well as the disruption of some maritime, air and rail transport routes. In terms of socio-economics, the ability to recover production and business activities and the global supply chain in the post-Covid-19 period, the energy crisis (oil, gas,...) and global economic inflation will push up the prices of goods and services, especially logistics costs; the expanding greening trend and the explosion of digital transformation, e-commerce will promote the trend of using micro-warehousing services, last-mile logistics, green logistics and automation.

- Leading countries and regions in the logistics sector continue to promote development on the basis of ensuring close linkages between three factors: sustainable development, service diversification and technology modernization, in which technology is the foundation and driving force for development.

- E-commerce continues to be one of the main growth drivers of the world logistics market. The rapid emergence of e-commerce as an important channel for cross-border trade. E-commerce volume

has increased sharply over the past decade. By 2030, cross-border e-commerce of goods is expected to increase from the current US\$300 billion to US\$1-2 trillion in goods value, leading to significant changes in the supply chain. Most cross-border e-commerce relies on parcel services - parcels provided by members of the Universal Postal Union (a specialized agency of the United Nations) or a network of global express delivery operators (DHL, FedEx, UPS...). Members of the Universal Postal Union handle two-thirds of all cross-border mail (up to 2 kg).

- The warehousing industry is expected to transform significantly with automation to meet the rapid growth of cross-border e-commerce and the growing demand for integrated supply chain solutions.

- Green logistics and transport trends continue to be a key focus. Changes in regulations, standards on sustainability and occupational safety will directly impact businesses' service delivery strategies.

2. Current state management policies on logistics services in Vietnam

In recent years, the Vietnamese Government has made great efforts to build a legal framework, creating a healthy and open business environment for logistics activities in Vietnam. However, in practical implementation, management agencies at the Department, branch, local level and enterprises still face many difficulties and shortcomings. The main reason is that some regulations are still overlapping, giving rise to many inappropriate

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procedures. Currently, Decree No. 163/2017/ND-CP is a document that directly regulates the conditions for logistics service business, however, logistics service enterprises must also comply with the provisions of many other specialized legal documents. These regulations only focus on related aspects such as import and export business, customs warehousing, etc. (Law on Foreign Trade Management and guiding Decrees), and conditions for transportation business. Decree No. 163/2017/ND-CP has reclassified 17 logistics services to comply with Vietnam's commitments to the WTO. However, some services such as warehousing services under the services supporting all modes of transport, freight forwarding agency services, etc. do not have clear regulations on investment conditions, especially for foreign enterprises. Conditions for conducting business in technical analysis and inspection services are also unclear. Licensing for non-WTO member countries is also not clearly regulated, which is a problem for foreign enterprises. It can be seen that separate and detailed regulations for the logistics service industry are an issue that needs to be considered.

On the other hand, policies to support logistics service enterprises are not detailed. Regulations and policies to support have also been issued, such as the Law on Support for Small and Medium Enterprises, but there are no clear regulations for logistics services. This is a noteworthy point because the number of small and medium-sized logistics enterprises is very large, with capital of less than 10 billion VND accounting for 41%, and capital of 10-50 billion VND accounting for 26% (Ministry of Industry and Trade, 2017). These enterprises will need support from state policies and programs. In addition, logistics infrastructure still has shortcomings, lacks connectivity, limits development and leads to high logistics costs, reducing the competitiveness of Vietnamese logistics enterprises. The coordination of research and implementation of planning by ministries, branches and localities has not really promoted efficiency and effectiveness. Some provinces and cities have potential but commercial infrastructure and transport infrastructure have not been invested in proportion, so logistics services in general have not developed.

The weakness of Vietnamese enterprises is that service costs are still high, the quality of some services is not high, in the current competitive service market in Vietnam. The main reasons are limitations in enterprise scale and capital, experience and management level, the ability to apply information technology as well as the level of human resources

that do not meet the requirements of international operations and another important reason is the lack of a source of goods because Vietnam mainly exports FOB and imports CIF, in addition to limitations in logistics infrastructure and road transport costs, port surcharges imposed by foreign ship owners. The logistics service market is still very limited, operating mainly in the domestic market, and development is not commensurate with the country's potential and advantages.

In addition, the implementation and coordination of national logistics development tasks still face many difficulties due to the characteristics of the logistics industry, which includes many fields under the management of many different ministries and branches. The coordination and information mechanism between ministries, branches and localities is still slow. The staff in charge of state management of logistics is still lacking, mainly holding concurrent positions, so the efficiency is not high. In the past, although the competent authorities have issued many documents to guide the solution, there has not been a comprehensive assessment of the implementation of management and development policies for the logistics industry to promptly amend them to suit the specific characteristics of logistics activities in practice. To improve the efficiency of the logistics industry and reduce logistics costs, reforming legal regulations, reforming administrative procedures, innovating management methods of state agencies, promoting the application of e-government, etc. is extremely necessary.

In the first months of 2024, the Vietnamese Government has resolutely directed overall and specific measures for logistics services to stabilize the macroeconomic environment, facilitate the circulation of goods and ensure the people's demand for goods and services. Many international organizations continue to positively assess and forecast Vietnam's economic growth in 2024. This is confirmed when the general economic results, production, business and logistics activities in Vietnam have made many improvements. Specifically, the Government issued Resolution No. 82/NQ-CP dated June 5, 2024 at the regular Government meeting in May 2024, requiring research on policy packages with a large enough scale, suitable and feasible to support businesses and promote new growth drivers, new industries and fields such as chips, semiconductors, digital transformation, green transformation. Some of the contents related to logistics are as follows:

- Restructuring the economy associated with innovation of growth models, improving productivity, quality, efficiency and competitiveness.

- Continue to promote the synchronous and comprehensive implementation of 3 strategic breakthroughs (improving institutions, training human resources, developing infrastructure systems); promptly complete and put into use important and key national infrastructure projects and works.

- Effectively deploy traditional growth drivers (consumption, investment, export), strongly promote new growth drivers, such as developing digital economy, green economy, circular economy, sharing economy, emerging industries and fields.

3. Several solutions to improve state management policy on logistics service in Vietnam

Firstly, Management agencies at all levels should issue legal documents, develop policies, strategies, planning, and plans for logistics service development. Logistics services should be considered as one of the key high-quality service sectors in the strategic orientation for service sector development in particular and the socio-economic development strategy in general. Practical experience in developing logistics services in other countries shows that logistics services are one of the important service sectors in the national economy and the development of logistics services will contribute significantly to promoting the development of many other economic sectors. In addition, the state management apparatus for logistics services must be improved, the effectiveness and efficiency of coordination between management agencies, between the public and private sectors in implementing tasks of developing national logistics services must be enhanced.

Secondly, the state management of logistics services should be oriented to form an electronic logistics service model (E-logistics), on the basis of thoroughly applying information technology and the achievements of information technology to improve the efficiency of logistics services. This is a common trend of countries around the world in the strategy of developing logistics services and is also a prerequisite for improving the competitiveness of logistics service enterprises. The information technology data system serving state management of logistics services must be complete, accurate, and updated, serving as the basis for the management and policy making of central and local state agencies, as the basis for business and investment decisions of enterprises, and as a bridge

between state management levels of logistics services with import-export enterprises and logistics service enterprises nationwide.

Thirdly, ministries and branches at all levels, and all provinces and cities should pay attention to investment resources to create a breakthrough in innovating state management of logistics services. In particular, ministries and branches need to prioritize investment in creating a logistics service infrastructure system. The State focuses on investment, and creates conditions to improve service quality and competitiveness in domestic, regional, and international markets; form and develop reputable logistics service centers and gather large, multi-owned companies operating in logistics services.

Fourthly, Continuing to train and develop human resources for state management of logistics services. State management levels should research and develop programs to open training courses to equip in-depth knowledge of the logistics field for operational staff, invest in equipping skills and modern production thinking for human resources in state management to create an industrial style, grasp and use advanced machinery and equipment, meeting the needs of state management in the process of integration and development. State management levels need to orient and invest in training programs, improve skills for the human resources of enterprises to meet the requirements of current logistics services, which need to be carried out at 3 levels: (1) at official training institutions such as universities and colleges; (2) training according to training programs organized by associations; (3) internal training in enterprises. In the long-term strategy, the city government and relevant agencies need to increase attention and support in developing and planning policies related to logistics services. Seek domestic and international funding sources for short-term training programs at home and abroad, coordinate and cooperate with FIATA, IATA and other non-governmental organizations to have more regular training funding.

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