



Promoting Export of Goods for Economic Growth in Northwest of Vietnam

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Abstract

Exports have a positive impact on the economic growth of individual countries around the world, especially in developing countries. In Vietnam, in recent years, export development has made a great contribution to the country's renewal process, of which the export value of the regions in the country. The Northwest is the western mountainous region of North Vietnam, with abundant natural resource potential, annual export turnover, which contributes significantly to the economic growth of the region. However, the growth rate is not high, mainly raw products, which makes the scale of export not expand. This article analyzes the situation of commodity exports affecting the economic growth in Northwest Vietnam in the period of 2000 - 2017, assessing advantages and disadvantages, thereby making the arguments to promote export goods in the upcoming time.

Keywords: Commodity exports, North West region, economic growth, natural resources, raw materials



1. Introduction

The Northwest is the western mountainous region of northern Vietnam, bordered by Laos and China. This area is sometimes referred to as Northwestern North and it is one of the three northern sub-regions of Vietnam (the other two are the Northeast and the Red River Delta). Administratively, the North West includes 6 provinces: Hoa Binh, Son La, Dien Bien, Lai Chau, Lao Cai and Yen Bai. It covers an area of 5.64 million hectares with 3.5 million inhabitants. Possessing rich natural resources, fertile soil and diverse climates, conditions for agro-forestry development; Tourism and forming concentrated commodity production areas such as fruit trees, tea, coffee, paper material forests, medicinal plants... Exports of the six provinces in the region have achieved remarkable achievements, contributing significantly to the economic development of the six provinces, eradicate hunger and alleviate poverty, creating jobs for households, Factors involved in manufacturing and trading of export goods. The contribution of exports to the economic development of the Northwest over the past time as a demonstration that the North West has taken advantage of these opportunities effectively. However, the North West has not made much progress in socio-economic development in general and export in particular. The import-export activities of the region are just superficial, while in terms of quality, the export of goods is limited. For example, the structure of export goods, raw products, much depends on imported raw materials leading to low export value. In addition, due to difficulties in infrastructure, difficult terrain makes its difficult to produce export goods and trade in goods between provinces in the region and with other provinces and countries in the world., has not taken promote the advantage and been suitable with the potential of the Northwest. These are new issues, but finding a solution to it remains a problem for policymakers, researchers, as well as those who are interested in the Vietnamese economy. This article highlights the role of commodity exports in economic development in general, analyzing the status of goods exports contributing to economic growth in Northwest Vietnam in the period 2000-2017, evaluate the advantages and disadvantages. From there, put practical solutions to boost exports for economic growth of the region in the coming time.

2. Research methodology

To solve the research problem, the author uses the following methods to evaluate and analyze the research problem.

* Data collection method: Secondary data was collected from statistical yearbook of 6 provinces Hoa Binh, Son La, Dien Bien, Lai Chau, Lao Cai, Yen Bai, GSO yearbook, Planning and reporting of the Department of Industry and Trade of the Northwest provinces and some other documents related to export activities and the GDP value of the region for the period 2000-2017.

* Data analysis method:

- Descriptive statistical method, study export activities by describing the collected data, descriptive statistics on the value and quality of exports and the contribution to GDP of the region during 2000-2017. Through this assessment of the role as well as the basis for promoting export activities in the coming time.

- Comparative statistical methods are used to compare phenomena and quantitative contents of similar nature and characteristics such as import and export values, GDP values of 6 provinces, the North West region increase and decrease over the years compared and evaluated in 18 years, creating an important basis for development solutions in the future.



3. Results for export goods contribute to economic growth in Northwest Vietnam

3.1. Current status of goods export in the Northwest

Border trade in the North West is important because the mountainous provinces in this area occupy a large area rich in potential and advantages of agriculture, forestry, hydropower, minerals, tourism and gate economy. In the period of 2000 – 2017, exports of the Northwest have flourished, the export value increased annually in the research period, the highest in 2017 reached the export value of the region by 987.075 million USD. However, the export value of the provinces in the region is uneven, even in each province there is an unequal increase and decrease between the years in the study period. Hoa Binh province achieved export value higher than the other five provinces, in 2000 reached \$ 6,355 million, in 2010 increased to \$ 36,976 million and the highest in 2017 with \$ 505,000 million. Lai Chau is the smallest province in 2010 with USD 3.964 million, but by 2017, export value is only 10,300 million USD.

Table 1: Export value of 6 provinces in the NorthWest

Unit: Mill.USD

Provinces	Dien Bien	Lai Chau	Yen Bai	Son La	Lao Cai	Hoa Binh	Total
2000	1,546		3,296	2,809	7,177	6,355	21,183
2001	1,875		3,937	3,976	15,146	12,971	37,905
2002	2,021		4,021	4,863	19,732	5,444	36,081
2003	2,862		4,947	3,655	12,100	9,635	33,199
2004	625	613	7,593	3,860	16,472	16,940	46,103
2005	674	634	9,228	2,046	17,144	15,129	44,855
2006	764	366	10,752	4,849	22,956	24,478	64,165
2007	754	1,628	12,578	4,207	23,408	23,231	65,806
2008	3,186	1,929	13,772	5,653	73,863	24,928	123,331
2009	5,200	3,081	17,951	4,677	74,829	27,800	133,538
2010	8,500	3,964	29,332	2,333	134,930	36,976	216,035
2011	10,327	4,117	34,796	6,464	173,829	50,309	272,445
2012	13,885	5,927	46,858	5,481	205,556	65,243	342,950
2013	18,641	4,641	53,704	15,737	407,781	78,850	579,354
2014	24,101	5,584	55,089	104,303	341,274	119,640	649,991
2015	22,815	6,225	68,176	86,387	387,724	249,290	820,617
2016	30,272	5,350	75,853	40,377	296,411	287,460	735,723
2017	39,000	10,300	105,600	68,875	258,300	505,000	987,075

(Source: General Statistics Office Yearbook, 2000-2017)

Dien Bien province is an important economic and geographical location in the North West region. It is the only province of the whole country sharing the border with Laos and China, so it is very convenient for the development of border trade. As a result, people in mountainous and remote areas of Dien Bien province have the conditions to trade and exchange export goods,



step by step reduce poverty. In recent years, the export of goods has gained remarkable achievements. In 2010, the export value will reach USD 8,500 million and by 2017 will increase to USD 39,000 million, up 28.8% against 2016. However, there are 19 ethnic minorities living in the province, including many poor households, poor production and travel conditions, and many kinds of goods have to be transported from the downstream areas. Transportation costs are too large. Meanwhile, many areas in the province have hilly terrain, especially roads to the border crossing difficult. Many roads are often affected by natural disasters, climate change, such as floods and landslides, affecting not only agricultural production but also the travel and exchanges of export goods in border areas. The export value is not suitable with the potential and advantages of the local is not corresponding. Export items are monotonous, mainly cement, construction stone, cigarettes. Agricultural commodities are rudimentary and low value; meanwhile, imports are all kinds of wood, corn seeds, cotton, rubber trees, household goods.

Lai Chau is the poorest province of the Northwest, bordering China. The export value in 2010 is USD 3,964 million by 2017 reaching USD 10,300 million, an increase of 50% compared to 2016. Recent years to promote the province's exports have actively attracted businesses to invest in the Ma Lu Thang border area, opening between Phong Tho district and Muong Te district. The economy of Ma Lu Thang border gate is well-built such as complexes, commercial centers, restaurants, hotels, yards, warehouses ... At the same time, to attract enterprises to invest in warehouses and yards for import and export and re-export goods. The import and export of goods has been more exciting than before ... Up to now, the province has one bonded warehouse and three customs inspection and control points which have been recognized by the General Department of Customs. However, in fact, the system of traffic routes from national highways, provincial roads to the border, the opening is mostly small, narrow and often landslide in the rainy season, affecting the import and export activities. , temporary import for re-export of goods of enterprises. In addition, China regularly adjusts trade policies, tightens tariff barriers, improper customs clearance, so the volume of exported goods and congestion is relatively large, affecting exports. The main export products of the province are tea, agricultural products, forest products, minerals ... mainly unprocessed raw products. In Yen Bai province, the export value was USD 3,296 million in 2000 and USD 29,332 million in 2010, up to USD 105,600 million in 2017. Of which, agro-forestry and agro-forestry products accounted for density of 24%; Group of mining and processing minerals account for 30.8%; Other light industrial products such as garment, porcelain insulator, plastic additives add 45.2%. Exports both increased in volume and value, rising mainly in fruit and vegetable, plastics, wood and wood products, paper and paper products, textiles and garments, and products. ceramics. In particular, textile products increased sharply exports more and more goods than before. Other commodities such as tea, cassava and cassava starch, ores and other minerals, cinnamon oil decreased due to not active source material for production, difficulties in finding partners, products exported to the market , the quality is not high, mainly products are produced in the form of raw materials and semi-finished products. Export products of the province are traditional markets such as USA, India, Korea, Taiwan, China, Japan, Thailand.

Son La province always receives direct support from central ministries, leadership and direction of the provincial Party Committee, People's Council, People's Committee, levels and branches that have set up the export plan. Agricultural product consumption has been synchronized in all 3 markets (in the province, in the country and exported). Focus on the implementation of the standard production process in accordance with standards, standards, ensuring safe agricultural products and export standards. Therefore, effective implementation of export plans, contributing to mutual impacts, stabilizing prices, promoting sustainable production



development, improving people's income and living. Promotion activities, promotion of agricultural products export have received the attention of the coordinating and active support of ministries, central branches, provinces (Lao Cai and Lang Son provinces).), press agencies inside and outside the province, experienced enterprises and market partners. However, the production of the province is still small, fragmented, the capacity of enterprises operating in the agricultural sector is limited; Lack of businesses is strong enough to build a brand for export. Agro-forestry products accounted for 99.2% of total export turnover. Some main products are as follows: fruits (mangos, mangos, lemons, dragon fruits) and some other forest products. Export markets include: Afghanistan, Taiwan (China), Pakistan, India, Laos, Japan, Korea, Australia ... Many kinds of vegetables and fruits of Son La officially enter the Chinese market, Australia, United States.

Lao Cai province, with the advantage of Lao Cai border gate is convenient for export goods of the province. In 2000, Lao Cai province had export value of USD 7,177 million, USD 134,930 million by 2010 and USD 258,300 million by 2017. Lao Cai has focused on a number of measures to improve the business investment environment, improve competitiveness. Goods clearance activities at the Kim Thanh Road No.2 International Road have been maintained on a regular basis, customs procedures and procedures for import and export have been facilitated in accordance with legal regulations. Law for business operations, export turnover. However, export activities and temporary import for re-export of goods through auxiliary border gates and border crossings still face difficulties. The reason that exports through auxiliary border gates and openings are difficult due to many dependents. Infrastructure at the auxiliary border gates and openings in Lao Cai have so far been overloaded while investment resources have been limited. The main export items are agricultural products, fruits and seafood...

In the past time, Hoa Binh export activities increased in both quantity and quality of products. Major export items such as garments, electronic components, optical lenses, metal, furniture, agricultural products, etc. together with the country increasingly dominate the world market, plays a role It is important for the economic growth of the province. Export market of enterprises in the province is increasingly consolidated and expanding, Asia (China, Japan, Korea, Taiwan, Singapore, Malaysia ...) accounted for 35.15%, North The United States, Canada (15%), EU (England, France, Germany, Netherlands ...) account for 15.47%, Eastern Europe (Russia) accounts for 1.53%. Other schools. Some products have high export value such as electronic components, lenses, textiles, etc. Besides, some traditional export items of the province also increased significantly such as vegetables agricultural products, metals and other commodities ... The structure of commodity groups and export commodities has been improved thanks to the economic restructuring and the process of industrialization and modernization, the proportion of commodity groups, high-tech content has increased. Besides the achievements, the export activities of Hoa Binh have some shortcomings, such as export enterprises are not many; Raw or semi-processed goods are still high, low competitiveness; Some products are not active in the source of material production, especially some key export items with high turnover still depend on raw materials imported from foreign countries.

In general, the Northwest region's export performance contributes significantly to the region's overall economic development, employment, productive growth in the region, and poverty reduction. Although the level of export value of goods in the Northwest / Viet Nam is quite modest, the Northwest is still an important mountain in the development strategy of the Party and State in terms of economic export in general, good export in particular.



Table 2: Export value of 6 provinces in the NorthWest and Viet Nam

No.	Viet Nam		NorthWest		Value of NorthWest /Viet Nam (%)
	Total export value <i>Unit: Mill.USD</i>	Tăng XK (%)	Total export value <i>Unit: Mill.USD</i>	Tăng XK (%)	
2000	14.483	25,5	21,183	20,8	1,46
2001	15.029	3,7	37,905	78,9	2,52
2002	16.706	11,1	36,081	-2,7	2,15
2003	20.149	20,6	33,199	-7,9	1,64
2004	26.504	31,5	46,103	38,8	1,74
2005	32.447	22,5	44,855	-2,7	1,38
2006	39.826	22,7	64,165	43,1	1,61
2007	48.561	21,9	65,806	2,6	1,35
2008	62.685	29,1	123,331	87,4	1,96
2009	57.096	-8,9	133,538	8,3	2,33
2010	72.236	26,5	216,035	61,8	2,99
2011	96.905	34,2	272,445	26,1	2,81
2012	114.529	18,2	342,950	25,9	2,99
2013	132.032	15,3	579,354	68,9	4,38
2014	150.217	13,8	649,991	12,2	4,32
2015	162.016	7,9	820,617	26,2	5,06
2016	176.580	9,0	735,723	-10,3	4,16
2017	214.019	21,2	987,075	34,2	4,61
Average growth rate period		18,1		28,4	3,07

(Source: General Statistics Office Yearbook, 2000-2017)

In 2000, the country's export value reached \$ 14,483 million, up to \$ 72,236 million by 2010 and \$ 214,019 million in 2017, an increase of 21.2% over 2016, averaging over the 2000-2017 period. 18.1%. In the North West alone, 2010 is only USD 216,035 million but by 2017 it is 34,2% higher than 2016, equivalent to USD 987,075 million. In the first half of the period, the export value of the North West / Vietnam only accounted for 1.20-1.38%, but the second half of the period accounted for 2.33-4.61%. With the interest of the authorities promoting the export of goods in the region, this proportion is expected to increase continuously in the next period.

3.2. Export goods contribute economic growth in Northwest of Vietnam

Exporting goods is an international business. The export activity is not only between individual individuals, but also from the whole economic system under the control of the state. Good exports play a major role in the socio-economic development of each region, each country. How social production develops is highly dependent on exports. Through exports it can increase foreign exchange earnings, improve balance of payments, increase budget revenues, stimulate



innovation. To improve the economic structure, create jobs and raise the standard of living of people. For the Northwest with low economic levels, there are many difficulties, but the export-oriented strategy is actually the open solution of the economy in order to take advantage of foreign capital and technology, combining them with potential to create a strong growth for the economy, contributing to shortening the gap with other regions in the country and the world. The region's merchandise exports have created favorable conditions for other industries. Export development, for example, will provide sufficient opportunities for the development of raw materials such as cotton and jute. The development of food processing industry (rice, coffee ...) can lead to the manufacturing industry of equipment serving it. Overall, exports play a role in contributing to and boosting the economy of the Northwest.

Table 3: Export value/ GDP (Gross Domestic Product) of 6 provinces in the NorthWest

Năm	Gross Domestic Product (Bill dong)	Export (Bill dong)	Export value/ Gross Domestic Product (%)
2000	12.112,83	299,88	2,48
2001	13.378,74	559,09	4,17
2002	14.397,67	539,81	3,75
2003	16.368,78	522,88	3,19
2004	18.165,73	727,41	4,00
2005	20.392,10	713,42	3,50
2006	22.849,99	1.024,39	4,48
2007	28.596,85	1.060,53	3,71
2008	37.425,77	2.037,06	5,44
2009	44.634,22	2.395,81	5,36
2010	62.166,93	4.373,84	7,03
2011	73.055,96	5.525,73	7,56
2012	85.878,54	7.142,96	8,31
2013	97.883,40	12.187,29	12,45
2014	112.344,40	13.809,71	12,29
2015	120.817,96	18.009,26	14,91
2016	132.766,65	16.884,84	12,72
2017	150.033,85	22.970,22	15,31

(Source: General Statistics Office Yearbook, 2000-2017)

The GDP of the North West in 2000 is 12,112.83 but it has increased to 150,033.85 billion by 2017 corresponding to the increase in export value. The contribution of the region's merchandise exports has increased significantly over the years, with a contribution of 3.50% in 2005, an increase of 7.03% in 2010 and a significant contribution to in 2017 with 15.31%. That means that overcoming all difficulties in the quality of human resources, geographic location of information technology and machinery Northwest still on the development. Exports have created the possibility of expanding the consumption market, creating conditions for production and stability. Exports have a positive impact on solving employment and improving people's lives.



Export also creates capital to import essential consumer goods, to serve the life and meet people's consumption needs, improve the material and spiritual life of laborers. Exports are the basis for expanding and promoting the external economic relations of the North West, enhancing international cooperation with other countries, enhancing the status and role of the region for the whole country....,Export and export manufacturing has promoted credit, investment and international transport expansion. On the other hand, it is these external economic relations that create the premise for export expansion. It can be said that exports not only act as a catalyst for economic development, but also as importing as internal factors directly involved in solving internal problems. Economic, such as capital, labor, technology, consumption, market,...For the North West Region, export orientation is one of the important objectives in the development of the external economy, considered to be a strategic issue for economic development and industrialization of the country. , which can take advantage of the opportunities, apply modern science and technology, shorten the difference in the development level of the region compared to the country. Experience has shown that any country and in a period of increased exports, the economy of that country during this time has a high growth rate.

4. Discussion and Solutions

4.1. Discussion the advantages and disadvantages of exporting goods to economic growth in northwestern Vietnam

**Advantages*

The Northwest is a strategically important area for socio-economic, defense-security and foreign affairs of Vietnam. It plays a decisive role in the ecological environment of the whole northern region. It is a region with many ethnic minorities living long attachment; it is a revolutionary base, safe zone of the resistance. In the general border of Vietnam, it can be said that the North West is the most difficult area. In particular, this region converges all three elements: mountainous, highland and border. Border trade in the North West is important because the mountainous provinces in this region occupy a large area rich in potential and advantages of agriculture, forestry, hydropower, minerals, tourism. And gate economy. Therefore, the Foreign Trade Administration Law No. 05/2017 / QH14, dated 12-6-2017, of the National Assembly clearly stipulates that the Government Decree on management of border trade should be drafted and promulgated soon. It is necessary to have policies and preferential products for the development of border trade in the Northwest. These goods do not have to fully meet the current regulations on international goods purchase and sale and goods sale, processing and transit agency activities with foreign countries. In addition, the northwestern mountainous area is favored by mineral resources and relatively large forests, which are also the watersheds of the two large river systems, the Da River and the Ma River that are considered to have potential. The potential of natural resources for the development of export commodities is very potential in terms of natural resources, agriculture, forestry, hydropower, minerals, tourism and economy. The Northwest is the western mountainous region of northern Vietnam, bordered by Laos and China. Exchanges between provinces in the region with Hanoi, provinces in the country, with Laos and China are expanded, Hanoi - Lao Cai expressway is built to connect trade between Hanoi and Yen Bai provinces, Lao Cai, Lai Chau, Dien Bien are more convenient and efficient. Moreover, the Northwest is also directly connected to the Chinese market and the Lao market through eight international border gates, 11 national border gates and over 40 sub-gates. The huge potential is waiting for investors to wake up and transform into specific business opportunities.



The NorthWest have always paid special attention to the resources and mechanisms and policies for development of the Northwest. With the support of the central government; Party committees, local authorities and people of different ethnic groups in the region are constantly striving for and promoting the spirit of self-reliance and creative labor, drawing all resources in socio-economic development. . To serve the strategy of building the northwestern region in a fast and sustainable development as well as the requirements and aspirations of ethnic minority people in the region, as well as a particularly important task for the cause of national construction and defense. Socialist Vietnam. The Steering Committee of the Northwest is always interested in promoting the socio-economic development of the North West in a sustainable manner, based on exploiting the potential and advantages of the region such as agriculture, forestry, calendar, services and cross border economy, high technology application to production. To create conditions for further improvement of the business investment environment of the whole region and for each locality, to remove difficulties and create conditions for enterprises to develop and attract domestic and international resources. Private to the northwest. Implement linkages between producers (government, scientists, businessmen and farmers), create favorable conditions for the mass production of goods in the region, to create favorable conditions for the production and trading of export goods, raise the quality and expand the export scale. The Northwest is the largest hydropower producing region in the country, with Hoa Binh Hydropower (1,920 MW), Son La Hydropower (2,400 MW), Lai Chau Hydropower Plant and hundreds of medium hydroelectric power plants and small. The Northwest has attracted many programs and projects to invest in transport infrastructure, irrigation, clean water, electricity and telecommunications. Many effective models of household economy, farm economy, production models are deployed, multiplied; The health, education, training, culture and social programs have contributed to the development of the Northwest region more comprehensively, creating more potential and comparative advantages for the development of some economic sectors, some commodity products. To create new opportunities for cooperation, investment and development, especially to develop trade in goods between 6 provinces in the region and between the Northwest and the country.

The economic structure of the Northwest has shifted positively, the proportion of the construction industry and especially the services has increased gradually. In 2017, the construction industry accounted for 35.85%. 42.88%, the rest of the agricultural sector only accounted for 21.42%. This is also a sign that it is in line with the objective of industrialization of the northwestern region in the trend of international economic integration with international trade value through increasing export activities of the region. Advantages for enhancing the application of science and technology, modern machinery and equipment to enhance the production and improve the quality of export goods.

In the recent years, the Northwest has a stable domestic market, the prices of goods and services in the region have not changed significantly and the purchasing power of the population has increased. The potential of the Northwest is to maintain and develop the products of the region such as fruit trees, short and long-term industrial crops such as oranges, mandarins, bananas, pineapples, Tea, coffee, rubber, sugarcane, peanut, soybeans ... Fruit trees become one of the strengths of the region. The local agro-forestry value chains have been established and developed, linking production with domestic and foreign markets. To organize the endemism of agriculture which is suitable to each sub-region of ecology and biodiversity, supply goods for domestic demand and strive to meet the increasing demand for export..

*** Disadvantages**



Although there are many potential and advantages, the Northwest is still the poor region of the country in terms of indicators from industrial production, agriculture, construction to services and tourism. GDP per capita in 2007 reached VND 4,105,000, equal to 40.7% of the national average, the lowest in the economic regions. The gap between income and other areas tends to widen. Local budget revenues are too small to be based on the central budget. Most localities in the region have not yet balanced their budget. The conditions for socio-economic development are still difficult.

Terrain and traffic is rough, mainly mountainous, and difficult to develop traffic as well as other infrastructure works. Mountainous terrain is rugged, mountain ranges spread to the sea so the area is small, narrow and fragmented, so it is difficult to cultivate. Summer with hot dry west wind, badly affecting human health and production, mineral deposits are often located in deep mountain areas, difficult to exploit, storms, landslides, droughts are common natural disasters. Occurring in the region affecting health, economic development conditions and export commodities as well as difficulties in good trade between provinces in the region, with other provinces in the country and other countries in the world.

In addition, the Northwest always faces the abnormal changes of natural disasters, climate with increasing frequency and intensity of extreme phenomena such as landslides, floods, cold and drought salt frost, etc. Despite the existence of agro-ecological sub-zones with high biodiversity, many areas in the Northwest are severely eroded. Fragrant, mainly farming on sloping land, farming methods are backward, unsustainable so the efficiency is not high, many local agricultural products have not connected to the market and have not built up brand. The application of science and technology is also quite limited ... Difficult to develop export goods in a sustainable way.

The economic structure has been slow, low efficiency and limited competitiveness. Industry is small in size, mainly individual, poor product, no main product, scattered production, backward technology. Therefore, the quality and cost of industrial products of the region, especially exports are less competitive in the domestic market and in the world. The Northwest is a rich region intém of natural resources, especially wood and forest products, agricultural products and materials for a wide range of industries, but the investment is not reasonable, the quality is low, the cost is high because of technology, technology is slow innovation. Agriculture is scattered by household size and backward technology is still popular. The share of agriculture, forestry and fishery in the region's GDP is highest in the eight economic regions of the country, but shifts are very slowly. In cultivation, the monoculture of crops, shifting cultivation still exists. Sloping upland rice, low productivity. Other crops include cotton, sugarcane, peanut, soybean, vegetable, sesame, flax .but scattered production is self-sufficient. Some perennial industrial crops such as tea, coffee, plum, apricot, etc. have been growing fast, but their production is low, productivity and quality are low. Livestock is a strong, but grazing in the forest, around the garden is also common. There are no conditions and have not paid much attention to developing the list of goods to promote exports. The number of commercial establishments in the 6 provinces is still poor, not creating a professional export business environment

Table 4: Number of business establishments of 6 provinces in the NorthWest in 2017

No.	Provinces	Number of markets (Unit: market)	Number of Supermarket (Unit: Supermarket)	Number of Enterprise are doing business (Unit: Enterprise)	Number of Persons are doing in Enterprise (Unit: Person)
I	Viet Nam	8.580	188	505.059	14.012.276
II	NorthWest	440	8	7.150	211.792
1	Lao Cai	73	1	1574	55781
2	Yen Bai	97	1	1096	29887
3	Dien Bien	38	2	880	40317
4	Lai Chau	28	2	713	12273
5	Son La	110	1	1272	27986
6	Hoa Binh	94	1	1615	45548
NorthWest / Viet Nam (%)		<i>5,1</i>	<i>4,2</i>	<i>1,4</i>	<i>1,5</i>

(Source: General Statistics Office Yearbook 2017)

Investment in transport infrastructure in the region has not met the requirements of economic integration. Traffic is poor but it is not overcome the biggest obstacle of the northwest in the context of integration. Road No. 6 from Hanoi to the North West has been upgraded, but the roads are still poor quality, steep slopes, many rivers, streams and bridges are weak affecting mechanical means in rainy season, especially goods and services exchange, increase costs, reduce demand for goods.

The educational level of the NorthWest is much lower than that of other regions in the country. Lack of staff in quantity, inadequate in structure, low in level, especially high-tech, good economic managers, teachers of primary schools from primary to secondary college and university. The number of cadres with tertiary education is very low among ethnic minorities, while the contingent of cadastral officials working in the Northwest is not comfortable with the policy. To attract talented people of the provinces in the region have not or have not worked. The quality of human resources is low, the rate of trained workers is the lowest in the country. The Northwest economic development program of the State, though achieving initial progress, has not been stable yet and is still far from the target. State investment in the Northwest is not equal in terms of budget capital and scientific and technical staff, skilled workers. Lack of high quality human resources, causing difficulties for economic development of the region in general and development of production and development of export goods in particular.



4.2. Solutions

Promoting export has strategic significance to develop the economic implementation of industrialization and modernization, especially in the trend of international economic integration today. It is necessary to provide effective solutions to continue to increase exports in the North West.

Firstly, it is necessary to study and promulgate specific policies so that localities have conditions to implement the Vietnam - Laos - China Border Trade Agreements, which are major importers of the region. As well as the cooperation between the border management agencies of the two parties to unify the handling of export, import, exit and entry procedures to ensure open and non-overlapping conditions for people in border regions deep in the distance, exchanging goods convenient to increase income, contributing to stabilize life. It is necessary to consider adjusting and promulgating a number of preferential policies on investment and support at higher levels to attract investment and business enterprises in mountainous, deep-lying and remote areas; To support the training and fostering of human resources and increase the funding sources for boosting the trade promotion activities of the Lao-Viet Nam-China border provinces according to the Government's regulations.

Second, increase investment attraction and support investors to speed up the implementation of key projects in the Northwest; continue implementing effectively Resolution 35 of the Government on business support and development until 2020; Focusing on supporting the market to create favorable conditions for production and business, improving product quality along with attaching importance to building the brand name of the enterprise, product brand; To encourage and support enterprises to develop e-commerce infrastructure, participate in activities on e-commerce transaction boards of the provinces.

Third, the construction of transport infrastructure to the border and along the border; To allocate funding sources for infrastructure construction of border markets, border-gate markets, markets in border-gate economic zones; To continue investment in completing two routes to the border gate: the Dien Bien route to Tay Trang international border gate; Dien Bien to Huoi Puoc border gate and a route to A Pa Chai access road (Muong Nhe district, Dien Bien, Vietnam) - Long Phu (Giang Thanh district, Phu Nhi district, Yunnan, China). Continue to grasp the mechanisms and policies of import-export activities of the Chinese side to provide information and timely support for enterprises. At the same time, there are measures to promote cross-border goods exchange as agreed with Yunnan province to expand the exchange of goods border residents are transported directly from Lao Cai to Yunnan by large trucks that do not have to switch to small border carts; coordinated with Yunnan Province to extend the time for goods clearance at the international border gate of Kim Thanh (Lao Cai) - Bac Son (Ha Khau, Yun Nam); To step up the sale, exchange and temporary import for re-export of goods through auxiliary border gates and border crossings in the localities, including the pilot implementation of Vietnamese enterprises being allowed to operate. Exporting agricultural products through the national border marker No 93 (2) in Bat Xat district, Lao Cai province

Fourth, in order to export the provinces in a sustainable way, Hoa Binh, Lang Son and Yen Bai will focus on the following solutions: Focus on building commodity groups To export goods on the basis of giving priority to the development of high-value added commodities, using domestic raw materials, encouraging export enterprises to improve their technologies and apply advanced and environmentally friendly technologies. In production, attach importance to the development of auxiliary industries so as to increase the supply of raw materials and semi-finished inputs into the country for production in order to reduce production costs and raise added value for products. export; This is an important solution for enterprises to participate in domestic



fairs and exhibitions because this is an important solution for introducing and promoting products, trademarks and enterprise images to export foreign market.

Fifth, seek sustainable markets, linking with processing and exporting, attracting enterprises to participate in surveying plantations, investing in processing factories to create linkages from production to consume. Continue to promote administrative reform and other factors to facilitate the issuance of certificates of origin, customs procedures and related processes to promote exports. Promote the dissemination of information and technical guidance for exporters on FTAs to help enterprises benefit from FTAs, such as the ASEAN-China Free Trade Area (ACFTA) and the Agreement ASEAN-Hong Kong Free Trade Area (China) (AHKFTA). At the same time, specific solutions to support export enterprises on market information, capital, exchange rate

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