



Promoting the Export of Goods in Dien Bien Province, Vietnam

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Abstract

The export of goods has a great role to the socio-economic development of each locality and each country. This paper focuses on analyzing and assessing the situation of export of goods in Dien Bien province, including a comparison of the export value of Dien Bien province with some other provinces in the same region, comparing the export values of this province between years in the period of 2010 - 2018 and comparing Dien Bien's export values between types of export goods. Based on the results of the research on the status, the research indicated some achievements as well as the limitations, causes of these limitations and proposed some solutions to promote the export of goods in Dien Bien province in the coming time.

Keywords: Export of goods, Dien Bien Province, Economic restructuring, Science and technology, Raw product.



1. Introduction

Export of goods is an activity in the distribution and circulation of goods in an extended process of remanufacturing of goods, with the purpose of linking production with consumption of one country to another. This activity does not only take place among separate individuals, but also involves the participation of the entire economic system with the administration of the state. Exports can increase foreign exchange earnings, improve the balance of payments, increase budget revenues, stimulate technological innovation, change economic structures, create jobs and improve people's living standards [1]. For countries with low economic levels such as Vietnam, the potential factors are natural resources and labor, while the shortage factors are capital, market and management capabilities. The export-oriented strategy is essentially an open solution of the economy to take advantage of foreign capital and technology, combining them with the domestic potential of labor and natural resources to create the strong growth for the economy, contributing to close the gap with rich countries. Exports plays an important role, creating sources of capital for import and accumulating production development, serving industrialization and modernization of the country. To accomplish that, in the immediate future, it is necessary to import a large number of modern machinery and equipment from the outside, in order to equip the production. Export contributes to economic restructuring, promoting development of production. The structure of production and consumption in the world has been changing drastically. That is the result of the modern scientific and technological revolution, the economic restructuring in the industrialization process in line with the development trend of the world economy is indispensable for Vietnam. Export creates favorable conditions for other industries. For example, if exports are promoted, it will create sufficient opportunities for the development of the production of raw materials such as cotton, jute, etc. The development of the food processing industry (rice, coffee ...) may entail the industry of manufacturing equipment to serve it. Export creates the possibility of expanding the consumption market, facilitating the development and stability of production. Export plays an active role in renewing production equipment and technology. Export activities are business activities on the scope of the world market in which competition is fierce. The existence and development of export goods depends greatly on the quality, price and technology of their manufacture. This encourages domestic manufacturing enterprises to always innovate and improve equipment and machinery to improve production quality. On the other hand, exporting in a fiercely competitive market economy also requires enterprises to improve their skills and qualifications.



Exports also have a positive impact on creating jobs and improving people's lives, have attracted millions of workers to work and have relatively high incomes, increasing the value of workdays, increasing national income. Export is the basis for expanding and promoting foreign economic relations of the country and the locality in particular. It can be said that exports not only act as a catalyst to support economic development but also with import activities as an internal factor directly involved in solving problems within the economy such as capital, labor, technology, consumption sources, markets etc. For Vietnam, a strong export orientation is one of the important goals in external economic development, considered a strategic issue for economic development and industrialization of the country. Thereby it is possible to take advantage of opportunities, apply modern science and technology, shorten the gap in the level of development of Vietnam compared to the world. Experience shows that any country and in a period of boosting exports, its economy during this period has a high growth rate.

Dien Bien is a mountainous province in the Northwest region of Vietnam, which has an important geographical position in the Northwest region in terms of national defense and security, and is an important transport link between the Northwestern region of Vietnam and the northern Laos, northern Thailand, Myanmar and Pho Nhi city, Van Nam province, China, so it is very convenient for the development of border trade [3]. Thereby, people in mountainous areas and remote areas in Dien Bien province have conditions to trade, exchange of goods and services, increase revenues and reduce expenditures, gradually reduce poverty, have great potentials on natural resources, supply important raw materials for the development of exports. In recent years, with infrastructure such as transportation, electricity grids and infrastructure serving industrial activities, the commercial sector of Dien Bien province has gradually developed, basically meeting the production and export demands in the locality in the province, gained many important achievements in export, the export value increased every year, especially the export value to the northern provinces of Laos, and Van Nam (China), creating jobs, increasing budget revenues, contributing to poverty reduction and economic growth of the province.

This paper analyzes the status of goods export in Dien Bien province in the period of 2010-2018, assessing advantages and disadvantages. From this, proposing some feasible solutions to promote exports to contribute to the province's economic development in the coming years.

2. Research methodology

- Data collection method: The secondary data on merchandise export with the content of export value, commodity, market, GDP value of Dien Bien province in the period of 2010-2018 was collected from Statistical Yearbook of Dien Bien province, the summary reports on exports of agencies and other relevant documents.

- Methods of data analysis:



+ The comparative statistical method was used in the paper to evaluate and compare the increase, decrease in value, market size, list of goods items exported over the years from 2010-2018; Compare and analyze the contribution of goods export / GDP of the province to confirm the important role of export.

+ The descriptive statistical method was used to describe the province's current export situation of advantages and difficulties as a basis for proposing solutions to boost exports in the coming time.

3. The result of goods exports of Dien Bien province, Vietnam

Dien Bien province has a natural area of 9,541.3 km², a population of 567.0 thousand people, a population density of 59 people / km², less sparse than the Northwest region and the whole country [5], with conditions. The socio-economic situation is low and the percentage of ethnic minorities is high, so the life of people is still difficult. The rate of poor households reaches 31.2%, high compared to other regions of the country. 80% of the provincial population lives on agriculture. Therefore, it is necessary to have policies and mechanisms to support farmers, create incentives for commodity production, so that people have the opportunity to access the market, have the opportunity to access science and technology, enhance the value of production, especially chain production, helps sustainably improve the livelihoods of the local people .

Table 01: Area and population in 2018 of Dien Bien province and the Northwest region of Vietnam

No.	Provinces	Area (km ²)	Average population (Thousand people)	Population density (People / km ²)
I	Entire country	331.230,8	93671,6	283
II	Northwest region	50.575,9	4582,5	91
1	Lao Cai	6.364,0	694,4	109
2	Yen Bai	6.887,7	807,3	117
3	Dien Bien	9.541,3	567,0	59
4	Lai Chau	9.068,8	446,1	49
5	Son La	14.123,5	1.228,9	87
6	Hoa Binh	4.590,6	838,8	183
<i>Percentage of Northwest region / entire Country (%)</i>		<i>15,3</i>	<i>4,9</i>	<i>32</i>

(Source: General Statistics Office Yearbook of 2018 [4])

The economic structure of Dien Bien province has been shifted towards increasing the proportion of industry and services, gradually reducing the proportion of agriculture, in line with the trend of Vietnam's economic transition. In the period of 2010-2018, the construction industry

achieved an average growth rate of 23.97% in 2017 and increased to 24.52% in 2018. Agriculture, forestry and fisheries accounted for the highest proportion of the three economic sectors in 2010 with 29.85% but decreased to 2018 at only 19.96%. 40.06% equivalent to VND 2,094.02 billion, accounting for 55.52% or VND 7,783.77 billion in 2018, accounting for a high proportion compared to other provinces in the Northwest. This is also an important result showing the potential and role of merchandise export in this economic sector. Growth of commodity exports will contribute to raise the proportion of the industry's structure and shifting in a positive direction.

Table 02: Economic structure by GDP of Dien Bien province in the period of 2010 - 2018

Year	GDP value (VND billion)	GDP value by sectors (VND billion)			Proportion (%)		
		Agriculture, forestry and fishery	Industry and construction	Service and trade	Agriculture, forestry and fishery	Industry and construction	Service and trade
2010	5.237,65	1.563,65	1.575,98	2.094,02	29,85	30,09	40,06
2011	7.042,35	2.045,12	2.087,49	2.905,23	29,04	29,64	41,32
2012	8.743,14	2.244,54	2.228,95	4.001,04	25,68	25,49	48,83
2013	9.465,35	2.355,16	2.449,25	4.411,18	24,88	25,88	49,24
2014	10.473,90	2.673,99	2.620,82	4.930,48	25,53	25,02	49,45
2015	11.327,39	2.810,64	2.856,76	5.376,65	24,81	25,22	49,97
2016	12.217,99	2.950,87	3.080,61	5.874,25	24,15	25,21	50,64
2017	13.084,25	3.136,29	3.136,29	7.103,44	21,74	23,97	54,29
2018	14.019,77	2.798,34	3.437,65	7.783,77	19,96	24,52	55,52

(Source: General Statistics Office Yearbook of 2018 [4])

In order to gradually reduce poverty, in recent years, Dien Bien province has been supported and actively supported by ministries and central agencies, with the efforts of local authorities, the provinces used potentials and advantages to focus on developing border trade. Currently, many businesses in Dien Bien province have opened shops, branches, representative offices, or participated in investment and business activities in six provinces in northern Laos and Van Nam province (China). There are also hundreds of "households" involved in trading, exchanging and trading agricultural products across borders. Especially, from 2011 to December 2015, together with the construction of border patrol belt roads, Dien Bien has focused on investing in the construction of Tay Trang international border-gate economic zone and Huoi Puoc International border gate. So far, Tay Trang Economic Zone has attracted five production and business investment projects, with a total registered capital of nearly US \$ 59 million and implemented capital of US \$ 45.5 million, contributing to creating jobs for more than 320 local laborers with increasingly abundant and diversified goods, ensuring quality, stable prices, meeting the production and consumption needs of people of all ethnic groups in the province, Contribute to the export value of Vietnam. In 2010, with export turnover reaching US \$ 8,500 million, accounting



for 0.54% of the total export value of Vietnam, by 2018, it accounted for 0.87% with US \$ 41.688 million.

Table 3: Export value of Dien Bien and Viet Nam

Year	Viet Nam (USD Mill)	Dien Bien(USD Mill)	Dien Bien/Viet Nam (%)
2010	157.075	8,500	0,54
2011	203.655	10,327	0,51
2012	228.309	13,885	0,61
2013	264.065	18,641	0,70
2014	298.066	24,101	0,81
2015	327.792	22,815	0,69
2016	351.559	30,272	0,86
2017	425.122	39,000	0,92
2018	480.170	41,688	0,87

(Source: Statistical Yearbook of General Statistics Office, Dien Bien Statistical Yearbook [4] [5])

Based on the implementation of many solutions, export activities in the province in recent years have made positive progress. The total average export turnover of goods in the period of 2010-2018 reached 23,247 million USD, the average growth rate during the period was 22.82%. The value of exports reached the highest in 2018 with a value of 41,688 million USD. In 2012, the growth rate was the highest (reaching 34.45%). The total export value has increased over the years, confirming the correct orientation and policy of the province in expanding cooperation and trade promotion in order to promoting the strength of the border gate economics. The number of enterprises in Dien Bien doing export business is increasing, especially in Laos, with the main export products of the province, including cement, construction materials, agriculture and forestry products, Houseware; The main import items are machinery, equipment and agricultural products ... Besides, the provincial leaders also focus on implementing the province's key annual trade promotion programs in order to improve the competitiveness for products and businesses, support the establishment of information and trade channels to help businesses promote products and find customers, support businesses to apply advanced and modern technology to the production and business in order to reduce production costs, improve the product quality, production efficiency and competitiveness in the process of economic integration. It is necessary to focus on building and developing the brand of export goods of the province, focus on developing products with market and high competitiveness. At the same time, focusing on effective implementation of international integration commitments, firstly, concretizing the implementation of Vietnam - Laos Border Trade Agreement. However, the value of export turnover increased and decreased steadily over the years and accounted for a modest proportion compared to the total export value of the country, requiring a more feasible solution to continue promoting the export of goods in the province.

Table 04: Export value of Dien Bien province

Year	Export value (USD Mill)	Growth rate (%)
2010	8.500	
2011	10.327	21,49
2012	13.885	34,45
2013	18.641	34,25
2014	24.101	29,29
2015	22.815	-5,3
2016	30.272	32,68
2017	39.000	28,83
2018	41.688	6,89
Average value in the period	23.247	22,82

(Source: Dien Bien Statistical Yearbook [5])

Dien Bien provincial leaders are always interested in and issue a number of preferential policies for investment, support with higher levels to attract businesses to invest and do business in mountainous and remote areas; support training and retraining of human resources, increase funding to promote trade promotion activities for the border provinces of Laos - Vietnam - China according to the Government's regulations of each country.

At the same time, it is necessary to research and promulgate specific policies so that localities can implement Vietnam - Laos Border Trade Agreement as well as cooperation between border management agencies of the two sides to unify the settlement of import, export and entry procedures to ensure the clearness and non-overlap, creating good conditions for border people and remote regional people to exchange goods favorably to increase income, contribute to stabilizing their lives. Encouraging the diversification of export goods, the major export commodities such as: Dien Bien Cement, construction materials of all kinds, motorbikes of all kinds, in addition to exporting a number of agricultural and forest products, apparel, household goods and other goods. In the coming time, the province will continue to exploit effectively border gates, entrances and goodwill in the area; continue to update market information, adjust the orientation of production of key export goods to increase the proportion of local goods in export turnover.

Table 5: Some key export items of Dien Bien province

Unit: Thousand USD

Year	Light industrial goods and handicrafts	Agricultural products	Fruit and vegetables	Sugar	Plastic goods
2010	104,50	179,66	99,7	191,4	163,0
2011	154,24	148,01	149,6	244,2	294,0



2012	153,96	220,20	286,3	267,2	339,0
2013	154,09	119,28	350,0	285,0	430,0
2014	124,64	124,49	420,0	305,0	525,0
2015	113,05	112,99	450,0	280,0	250,0
2016	112,00	129,92	531,0	358,0	245,0
2017	114,45	120,88	670,5	388,4	335,2
2018	124,66	143,65	660,4	467,2	378,3

(Source: *Dien Bien Statistical Yearbook* [5])

However, the fact shows that the export value is still low, the value of other goods still accounts for a large proportion. Compared to local potential and advantages, it is not commensurate. The export products which are monotonic, mainly include cement, construction stone, tobacco, etc. Agricultural products are both rudimentary and of low value; while import goods are many wood, corn, chit, rubber trees, household goods, etc.

4. Discussion and Recommendations

4.1. Discussing on the achievements and limitations of exporting goods in Dien Bien province

- **Achievements:** The export of goods in Dien Bien province has made a great contribution to the socio-economic development of the province in general, expressed by the proportion of exports in GDP of the whole province. Contributing to the development of trade in services through export activities, in addition to creating more jobs and improving people's lives by exporting goods to attract millions of workers. Export activities not only create capital sources to import essential consumer products to serve people's life but also serve as a basis for expanding and promoting the province's external economic relations.

Merchandise exports in Dien Bien also contributed to economic restructuring, increased the proportion of trade in services and gradually decreased the proportion of agriculture in the province's economic structure, consistent with the general context of integration.

In addition, if the export activities increase in size and output value, expand the product list, it will promote production and development, serving the needs of the people when their goods demand has been increased.

- **Limitations:** In addition to the important achievements of commodity exports for economic development, the export value of Dien Bien province has increased and decreased unstably in the period of 2010-2018; the list of a number of major export commodities is unprocessed; The contribution level of export / GDP of the province is very modest compared to the potential and uneven over the years. The reason is that the input factors such as labor skills, modern materials and equipment are weak and lacking; The market demand is not really stable in the context of strong competition, creating a number of export value is not high and the quality has not been appreciated by customers, thus affecting the instability in export.

4.2. Solutions to promote the export of goods in Dien Bien province



First, Dien Bien province needs to clearly identify the importance of the Industry and Trade sector to promote economic growth. Dien Bien Industry and Trade Department should aim to strive annually, grasp the common spirit of implementing the task of following the Government's 12-word action motto: "Discipline, Integrity, Action, Innovative, Breakthrough, Effective At the same time, leaders of the Department of Industry and Trade need to assign specific tasks, targets, plans and require departments, departments, professional units, attached units etc. to be proactive, positive, with the best efforts, attach with assigned tasks, focusing on synchronous and effective implementation of solutions, striving to complete and exceed the assigned targets. Ministries and branches should consider adjusting and promulgating a number of preferential investment and support policies with higher levels to attract investment and business enterprises in mountainous and remote areas; support training and retraining of human resources, increase funding to promote trade promotion activities for the border provinces of Laos - Vietnam - China according to the Government's regulations of each country. Researching on the promulgation of specific policies so that localities can implement the Vietnam-Laos Border Trade Agreement.

Second, cross-border export activities need to be focused to promote the development of basic construction and transportation. If the goods are circulated much, the traffic system will be expanded, the border market system will be invested in new construction or upgrading and that will lead to the formation of warehouses at border gates and economic zones, since then, border gates will also be invested with more spacious facilities.

Thirdly, Promote cooperation with other countries for the development of export activities through border gates is extremely important for the economic and cultural exchange between Dien Bien Province and other provinces such as Laos and China. Collaborative documents and representative offices on each side of your country as well as the trade of people along the border of each country create exchanges of experience to learn from each other. Promoting regional connectivity, connecting supply - demand between Dien Bien and other provinces and cities inside and outside the country has been focused to promote the flow of goods. Strengthening the cooperation between the border management agencies of the two sides to deal with open import and export procedures, convenient for border people to exchange goods, contributing to increase income and stabilize life.

Fourthly, strengthening the role of central commodity associations, relevant ministries and agencies to promote market information for members to enhance the initiative and prevent risks when the market has a change. In addition, promoting export information to members about modern management models, the importance of improving models and product diversity, improving quality, creating branded products for export activities. Enterprises and production facilities in the province are increasingly aware of the importance and take initiative in participating in trade promotion activities, connecting supply - demand and expanding markets.

Fifthly, the province needs to diversify export markets, diversify rich and diversified export products, needs to build geographical indications, product brands, planting area codes, stamps,



labels and labels to ensure safe, effective and comprehensive conditions for exporting and consuming goods in the province.

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