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<th>MEANING</th>
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<tr>
<td>ACCP</td>
<td>ASEAN Committee on Consumer Protection</td>
</tr>
<tr>
<td>AEGC</td>
<td>ASEAN Expert Group on Competition</td>
</tr>
<tr>
<td>APEC</td>
<td>Asia - Pacific Economic Cooperation</td>
</tr>
<tr>
<td>ASEAN</td>
<td>Association of Southeast Asia Nation</td>
</tr>
<tr>
<td>DOIT</td>
<td>Department of Industry and Trade</td>
</tr>
<tr>
<td>EC</td>
<td>European Commission</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>ICN</td>
<td>International Competition Network</td>
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<tr>
<td>ICPEN</td>
<td>International Consumer Protection Enforcement Network</td>
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<tr>
<td>JICA</td>
<td>Japan International Cooperation Agency</td>
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<tr>
<td>JFTC</td>
<td>Japan Fair Trade Commission</td>
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<tr>
<td>M&amp;A</td>
<td>Merger and Acquisition</td>
</tr>
<tr>
<td>MOIT</td>
<td>Ministry of Industry and Trade</td>
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<tr>
<td>OECD</td>
<td>Organization for Economic Cooperation and Development</td>
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<tr>
<td>VCA</td>
<td>Vietnam Competition Authority</td>
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<tr>
<td>VCC</td>
<td>Vietnam Competition Council</td>
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<tr>
<td>VINASTAS</td>
<td>Vietnam Standard and Consumer Protection Association</td>
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<td>WTO</td>
<td>World Trade Organization</td>
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FORWARD

In 2014, the Vietnam economy in particular and the world economy in general have shown the recovery signs; we have seen the dynamic competition activities in the market, but also realized the risks of anti-competitive practices.

With such a competition authority of limited resources and experience as the VCA, it can be viewed that the year of 2014 was full of difficulties and challenges in all three areas that the VCA is charged with: competition, consumer protection and trade remedies. However, with the joint efforts of the VCA leaders and staffs, we have made many important achievements in the development path of our agency.

In the field of competition, in order to complete the legal framework of the enforcement of the competition law and policy, the legal documents on the management of multi-level sales and sanctions on competition field have been approved by the Government and took effects in practice.

In the field of consumer protection, in 2014, the VCA strengthened the advocacy activities in provinces and completed the complaint handling system. Especially, the establishment of the Call Center (free toll number 1800.6838) to provide consultation for consumers, the number of complaints that the VCA received has increased considerably.

In the field of trade remedies, the VCA for the first time initiated the investigation and issued the final decision on the application of anti-dumping measure on specific imported steel products into Vietnam.

The year 2015 marked the milestone of the establishment of the ASEAN Economic Community, the completion of signing bilateral and multilateral agreements, such as TPP, Vietnam - EU, Custom Union with Russia - Belarus - Kazastan, etc. These activities will open more competition opportunities and provide more consuming choices for consumers. The decrease of tariff and non-tariff barriers will lead to the increase of trade measure application in order to protect the domestic manufacture towards the imported goods. This also brings upfront challenges and new missions for the VCA in the course of fulfilling their responsibilities and duties.

With an aim to review and evaluate the achievements gained in 2014 and to map out future directions and plan for 2015, the VCA built the „Annual Report 2014“ for circulation to relevant organizations and partners. The VCA would like to express its sincere thanks to the JICA Project „Improvement of the Legal Framework for Competition Law and Policy in Vietnam“ for their support on this publication.

Truly./.

Mr. Bach Van Mung
Director General
Vietnam Competition Authority
1. Decree No. 42/2014/ND-CP on Management of Multi-Level Sales Activities

In 2014, VCA acted as a chairing organization coordinating with relevant agencies to draft and submit to the Government the decree replacing the Decree No. 110/2005/ND-CP on management of multi-level sales activities.

On 14th May 2014, the Government issued Decree No. 42/2014/ND-CP, which came into effect from 1st July 2014 to replace Decree No. 110/2005/ND-CP on management of multi-level sales activities. The Decree No. 42/2014/ND-CP was considered as an important step in the process of consolidating the legal framework, enhancing the control and the effectiveness of state management over multi-level sales activities with the purpose of better protection the interests of not only participants involved but also the multi-level marketing enterprises.

In comparison with the Decree No. 110/2005/ND-CP, Decree No. 42/2014/ND-CP has some new provisions, in details:

◊ Drawing lessons from the difficulties and shortcomings in the management of multi-level sales activities in the past, with an aim to improve the effectiveness of State management over multi-level sales activities, the Government assigned the MOIT to draft a new Decree replacing the Decree

Regarding the implementation of the 2014 legislation drafting program by the Ministry of Industry and Trade (MOIT), the VCA acted as a chairing party in collaboration with other relevant agencies to build legal documents relating to its functions and duties and submit to the Government for issuance. The VCA also issued guidelines to ensure the effective implementation of these enforced legal documents.
No. 110/2005/ND-CP on the management of multi-level sales activities.

◊ As appointed by the MOIT, the VCA actively hosted and coordinated with relevant agencies to draft the decree and collect comments and consultations from the relevant agencies and organizations for the drafted decree.

◊ Based on the MOIT proposal, in May 14 2014, the Government issued Decree No. 42/2014/ND-CP replacing Decree No. 110/2005/ND-CP dated August 24th, 2005 on the management of multi-level sales activities which came into effective from July 1 2014.

◊ Decree No. 42/2014/ND-CP is considered as an important step in the process of consolidating the legal framework, improving management efficiency for multi-level sales activities. The Decree includes some fundamental changes in the direction of tightening state management over multi-level sales activities, such as increasing requirements for participation in the network; enhancing enterprises’ responsibility for participants involved; supplementing many prohibited behaviours; tightly supervising over activities of organising conferences, seminars, training courses by multi-level sales enterprises; strengthening the interaction between enterprises and administration agencies as well as between the management bodies.

2. Circular No. 24/2014/TT-BCT on management of multi-level sales activities

◊ During the preparation process of Decree No. 42/2014/ND-CP on the management of multi-level sales activities, VCA had been actively conducting all the necessary works for drafting the circular detailing provisions of the Decree in order to ensure that the circular will also be available by the time of decree issuance.

◊ Shortly after issuance of the Decree No. 42/2014/ND-CP, upon the VCA’s recommendation, on July 30 2014, the MOIT issued the Circular No. 24/2014/TT-BCT regulating in details the implementation of some articles of the Decree No. 42/2014/ND-CP, which replaced Circular No. 19/2005/TT-BTM and Circular No. 35/2011/TT-BCT.

◊ The issuance of Circular 24/2014/ND-CP has greatly contributed in assisting the MOIT and DoIT in provinces to enforce the Decree No. 42/2014/ND-CP timely and effectively; at the same time providing enterprises with specific information for adjusting their activities in accordance with new provisions stated in the Decree 42/2014/ND-CP.

◊ In addition, in 2014, VCA actively coordinated with the Ministry of Finance in preparing and promulgating the Circular No. 197/2014/TT-BTC regulating the amount, methods of tax collection and payment, administration and utilization of the fee for approval and for issuing certificates of multi-level sales activities. This has been contributed to the effective implementation of Decree No. 42/2014/ND-CP and Circular No. 24/2014/TT-BCT.
3. Decree No. 71/2014/ND-CP on imposition of penalties for violations against the law on competition

◊ To ensure the uniformity and consistency with the legal documents which have been issued, as well as to overcome the limitations and shortcomings in the enforcement of the provisions in the Competition Law, on July 21 2014, the Government issued Decree No. 71/2014/ND-CP detailing the Competition Law on the imposition of penalties for violations against the law on competition. This Decree replaced the Government’s Decree No. 120/2005/ND-CP dated September 30 2005 regulating the penalties for violations against the laws on competition.

◊ The promulgation of Decree No. 71/2014/ND-CP firstly aims at ensuring consistency with prevailing legislations due to the fact that a number of relevant legal documents have been changed. In addition, the promulgation also aims to ensure the legal basis for the handling of violations against the laws on competition, overcoming the difficulties and limitations in the past, and at the same time meeting the general trend of management on competition in the context of international economic integration.

◊ Compared with the previous regulations, Decree No. 71/2014/ND-CP has many new provisions including more specific regulations on determination of fines for violations against regulations on control of anti-competitive practices and for violations against regulations on unfair competition behaviour, regulations on increasing fines for violations against unfair competition behaviour, regulations on detailing the competence to impose fines of the VCA General Director. The new regulations will hopefully contribute to improving the effectiveness of competition law application and enforcement.
1. Competition restriction cases

1.1. Initial investigation
One of those tasks that the VCA has focused on in recent years is to closely monitor the enterprises’ competition activities in the market and actively conduct initial investigations on many sectors to collect information, signs of violations against provisions of the Competition Law. Among these activities, it is worthwhile to mention the initial investigations on some sectors of the market such as building ceramics, film, milk, gas and cement.

Table 1. Statistics of competition restriction case during 2006-2014

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial investigation</td>
<td>5</td>
<td>3</td>
<td>7</td>
<td>7</td>
<td>10</td>
<td>10</td>
<td>14</td>
<td>12</td>
<td>10</td>
<td>78</td>
</tr>
<tr>
<td>Investigation</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Decision</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>5</td>
</tr>
</tbody>
</table>
1.2. Investigation on competition restriction cases

In 2014, VCA concluded the second supplementary investigation on the case No. 10/ KN HCT 01 related to the complaints filed by 04 Vietnamese cinema operators against Megastar Media Company Limited on the abuse of dominant position. At conclusion of the investigation, VCA transferred the case dossiers to the Vietnam Competition Council (VCC), which subsequently issued a decision to suspend the resolution of this case on 19th August 2014. However, due to the disagreement with VCC’s decision, cinema operators filed complaints again and the case has been transferred back to VCC in accordance with the laws.

At the same time, in 2014, VCA initiated and investigated a restriction competition case (case No. 14 KN HCT 01) relating to complaints filed by enterprises on the abuse of a dominant position in the tourism market.
a. Case facts

In April 2014, VCA received complaint from ABTours Trade - Travel Co., Ltd. (ABTours Company) which accused Sunshine Manufacturing Trading Service Import&Export Co., Ltd. (Sunshine Company) of abusing dominant position on market of tour organizing for tourists from Russia and Commonwealth of Independent States (CIS) to Vietnam. Based on this complaint, VCA’s Director General issued the Decisions to conduct the preliminary as well as official investigation for clarifying contents relating to the case.

b. The course of investigation

Currently, VCA is continuing its investigation towards the case in accordance with the current competition laws and policies.

At the end of 2014, VCA conducted preliminary investigations of 22 unfair competition cases focusing on such behaviours as advertisement for unfair competition purposes, misleading instructions, and defamation of another enterprise. Among of these, on the basis of preliminary investigation, 07 cases have been subject to official investigation and 05 cases were already handled with the fine of 150 million Vietnam Dong.

As compared with the previous year, the number of unfair competition cases handled in 2014 fell sharply as VCA had concentrated its resources to the preparation of legislative documents in order to improve the legal framework for handling violations of competition laws and policies.
3. Control over economic concentration

In 2014, VCA received and processed 09 economic concentration dossiers in some crucial sectors of the economy like textiles, ocean shipping, plastic manufacturing, logistics, cement, retail, etc. In addition, VCA also provided information and consultation for domestic and foreign enterprises as well as law firms regarding their economic concentration dossiers. The number of economic concentration cases transferred to VCA from the Departments of Planning and Investment, Industrial and Export Processing Zone Authorities, and the State Securities Commission of Vietnam were increased significantly. It is resulted from VCA’s continuous effort in its advocacy and dissemination of the competition law and policy, as well as from its active coordination with other relevant State agencies through consulting and working directly over controlling economic concentration on the market. On the other hand, VCA has been always ready to offer any information and consultation from businesses. This shows that the compliance of the business community to the competition laws and regulations has been improved dramatically.

<table>
<thead>
<tr>
<th>No</th>
<th>Time</th>
<th>Sector</th>
<th>Concentration form</th>
<th>Involved companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>March 2014</td>
<td>Manufacturing of yarn, woven fabrics and all kinds of towels; trading of silk, fibers, textiles</td>
<td>Merger</td>
<td>Phong Phu Joint Stock Cooperation (merging company)</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
<td>Phong Phu textile fiber Joint Stock Company</td>
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<td></td>
<td>Phong Phu home textile Joint Stock Company</td>
</tr>
<tr>
<td>2</td>
<td>April 2014</td>
<td>Plastic and PVC plastic bead market</td>
<td>Acquisition</td>
<td>Petronas Chemicals Group (acquired company)</td>
</tr>
<tr>
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<td>Phu My Plastics and Chemical Company Ltd. (target company)</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td>Asahi Glass Company, Limited (purchasing company)</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td>Mitsubishi Corporation (purchasing company)</td>
</tr>
<tr>
<td>3</td>
<td>May 2014</td>
<td>Transportation, warehousing</td>
<td>Joint venture</td>
<td>A.P Moller - Maersk A/S</td>
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<td>CMA CGM S.A</td>
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<td>MSC Mediterranean Shipping Company SA</td>
</tr>
<tr>
<td>4</td>
<td>July 2014</td>
<td>Wholesale and retail of Pharmaceutical products</td>
<td>Acquisition</td>
<td>Abbott Investments (purchasing company)</td>
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<td>Positron Limited (Selling company)</td>
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<td></td>
<td></td>
<td>CFR Pharmaceuticals S.A. (target company)</td>
</tr>
<tr>
<td>5</td>
<td>September 2014</td>
<td>Logistics, warehousing</td>
<td>Merger</td>
<td>Schenker Vietnam Company Ltd. (merging company)</td>
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<td></td>
<td>Schenker - Gemadept Logistics Vietnam Company Ltd (merging company)</td>
</tr>
<tr>
<td>6</td>
<td>October 2014</td>
<td>Manufacturing and trading of sanitary ware products, bathroom accessories</td>
<td>Merger</td>
<td>LIXIL INAX Vietnam Co. Ltd. (Merging company)</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Lixil INAX Saigon Manufacturing Co. Ltd.</td>
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<td></td>
<td>Lixil INAX Danang Manufacturing Co. Ltd.</td>
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<tr>
<td>7</td>
<td>October 2014</td>
<td>Manufacturing, trading and exporting of cement and clinker, mining, manufacturing and trading all kinds of construction stone</td>
<td>Merger</td>
<td>VICEM Hai Van Cement Joint Stock Company (Merging Party)</td>
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<td></td>
<td>Hoa Phat Construction Stone Joint Stock Company</td>
</tr>
<tr>
<td>8</td>
<td>November 2014</td>
<td>Manufacturing and trading (wholesale and retail) confectionery, processed foods and meat products</td>
<td>Merger</td>
<td>Lotte Vietnam Shopping Co. Ltd. (Merging party)</td>
</tr>
<tr>
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<td></td>
<td>Lotte Mart Danang Co.Ltd.</td>
</tr>
<tr>
<td>9</td>
<td>December 2014</td>
<td>Manufacturing and trading of glass and glass products</td>
<td>Merger</td>
<td>NSG Vietnam Glass Industries Ltd., (Merging Party)</td>
</tr>
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<td></td>
<td></td>
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<td>NSG Vietnam Special Glass Ltd.,</td>
</tr>
</tbody>
</table>
In addition to law enforcement, annually, VCA continues to coordinate with relevant State administrative agencies in exchanging market data and reviewing economic concentration cases on the market.

In 2014, VCA received and processed one dossier for exemption to proceed the economic concentration between Vietnam National Financial Switching Joint Stock Company (Banknet) and Smartlink Card Services Joint Stock Company. After evaluating the dossier, VCA submitted its report to the MOIT and to the Prime Minister for consideration and decision on exemption for those aforesaid enterprises under the provisions of the Competition Law.

On 19th August 2014, VCA received the full dossier requesting for exemption of economic concentrations submitted by Vietnam National Financial Switching Joint Stock Company (Banknet) and Smartlink Card Services Joint Stock Company in accordance with Article 30 of the Competition Law and Article 57 of Decree No. 116/2005/ND-CP detailing the implementation of some provisions of the Competition Law.

According to the explanatory report of the enterprises participated in the economic concentration, Vietnam National Financial Switching Joint Stock Company (Banknet) and Smartlink Card Services Joint Stock Company are two companies operating in the field of intermediary bank for payment. Expected economic concentration of the two enterprises fell within merger cases as specified in Clause 1, Article 16 of the Law on Competition, under which, Smartlink would be merged with Banknetvn. The combined market share of the combined parties on the relevant market was 100%. Therefore, this economic concentration case is prohibited under the provisions of Article 18 of the Law on Competition.

However, the involved parties explained that this economic concentration meets the conditions for exemption “The economic concentration has the effect of extension of export or contribution to socio-economic development and/or to technical and technological progress” as defined in paragraph 2 of Article 19 of the Law on Competition. Therefore, the enterprises filed dossier requesting for exemption to VCA. Upon evaluating the dossier and receiving consultation from relevant ministries/branches, VCA submitted its report to the Prime Minister for consideration and decision on the proposed exemption concentration.

On 22nd December 2014, per its Decision No. 2327/QD-TTg, the Prime Minister granted the exemption for economic concentration of enterprises in the form of a merger. The period of exemption is 5 years which would be automatically renewed every 5 years if the parties involved do not violate any condition and obligation for exemption.

After the merger between Banknet and Smartlink, there is only one united card union on the market under the name of Vietnam National Financial Card Switching Joint Stock Company.
C. ACTIVITIES TO SUPPORT COMPETITION LAW AND POLICY ENFORCEMENT

1. Competition policy supervision

With its mission and functions of supervising competition policy, VCA has always been proactively participating in the preparation of legal documents, policies, programs and projects to ensure a fair competition environment. Over the last period, to ensure the consistency of competition policy in the economy, VCA participated and contributed comments and recommendations to the Draft “Report on the 5 year implementation of the Resolution adopted at the 6th Plenum of the 10th Party Central Committee on the continuation to perfect the market oriented economy”, the Draft of MOIT Action Plan on the implementation of the Government’s Resolution No. 19/NQ-CP dated 18th March 2014 on key tasks and solutions to improve the business environment and enhance national competitiveness. In addition, VCA also contributed comments and prepared documentation for Conference to review 12-year implementation of the development strategy for Vietnam’s Mechanics Industry.

In addition, VCA always plays its role as the contact point of receiving request for consultation relating to competition law and policy from domestic and foreign enterprises. Among those, the most prominent is its coordination with the Ministry of Information and Communication in supervising enterprises that increased their rates of 3G data service; its coordination with Maritime Bureau (the Ministry of Transport) in reviewing and supervising foreign shipping companies that collected surcharges on imported goods. In order to ensure a fair competition environment for all participants involved in the market, VCA also constantly coordinates with relevant agencies to develop and manage the information data on dominant enterprises, the monopolist, and the competition rules within the association.

In 2014, VCA conducted its monitoring report on port and container shipping market in Vietnam. This report was conducted through field surveys such as interviewing, collecting data from the enterprises operated in the sectors of port, transportation, delivery as well as from associations and State administration agencies in charge of container shipping. The report gave an overview of the port and container shipping market, focusing on market structure, competition practices of enterprises in the market. Based on these, the Report gave solutions to enhance State administration and supervision over the market as well as to ensure the market efficiency.
2. Research, review and consultation for competition policy

In 2014, VCA also actively participated in reviewing, contributing its comments and recommendations to some legal documents being issued by provincial State agencies that affect the fair competition on the market. VCA also worked with some State administration agencies in many localities to conduct verification and exchange of information in order to consider and assess the cases under different views. On that basis, the VCA contributed its comments and provided its suggestions and recommendations to the local State administration agencies regarding some contents in promulgated administrative documents that were inconsistent with the prevailing competition laws and policies. Comments and recommendations given by the VCA are based on the rules of laws but at the same time have also paid much attention to the specific socio-economic development of the locality; thus they are well noted by relevant units as well as local State administration agencies. Upon VCA’s comments, the local State administration agencies amended and supplemented some contents for consistency with issued documents in order to prevent negative impacts that might happen in competition environment at the locality.

In 2014, VCA conducted and completed its Report on Review of competition related regulations in sectorial regulatory laws. The Report focused on the research and analysis on the compatibility as well as conflict and overlap between 20 specialized laws and policies with the competition laws both in terms of their contents and forms. On such basis, the Report put on table a number of recommendations on amending and supplementing the provisions of the competition laws and specialized laws to ensure the integrity of the legal system. The Report also proposed solutions and specific applications to deal with in the case of conflict between the said laws and policies.

3. Competition policy negotiation

The year 2014 has been considered as a successful year of Vietnam in the negotiations of bilateral and multilateral free trade agreements. The content of competition policy plays an increasingly important role in those negotiations, contributing to the creation of new comprehensive FTAs. With the assigned functions and duties, in 2014, VCA concluded the negotiations of the competition policy content in the two signed agreements: Viet Nam-Customs Union of Russia, Belarus, and Kazakhstan Free Trade Agreement; Vietnam and South Korea Free Trade Agreement.

VCA participated as a member of the Negotiation Team on competition policy, state-owned enterprises and subsidy in the Trans-Pacific Partnership Agreements (TPPs), Vietnam-European Union Free Trade Agreement and Vietnam-EFTA Free Trade Agreement. In addition, VCA also participated in preparing relevant contents of the Research report on the likelihood of negotiations on the Free Trade Agreement between Vietnam and Israel, which could be resumed in the near future.
In 2014, VCA continued to promote the education and advocacy of competition legislation and policies to business community, business associations in the form of organizing conferences, seminars, forums, and training courses as well as by such indirect methods as printing leaflets, via the Internet tools, etc.

Regarding the strategy of education and advocacy of the competition laws by sector, following the maritime transport sector, in 2014, VCA selected the building materials sector as its next target to disseminate the competition legislation and policies. In order to help enterprises to have a clearer view on the development conditions of building materials sector as well as to obtain knowledge of competition legislation and policies, VCA cooperated with Japan International Cooperation Agency (JICA) to organize a series of seminars “Competition in the building materials sector - Japanese Experience” in Hanoi and Ho Chi Minh City on November 16 and December 18, 2014 respectively.

In addition, in order to diversify the channels of information as well as to create a forum for exchanging knowledge and experience about competition policies and legislation among policy makers, researchers, entrepreneurs and consumers, VCA has published its bi-monthly “Competition and Consumers” Bulletin in both English and Vietnamese editions.
5. International Cooperation on competition

a. ASEAN

As a member of the ASEAN Experts Group on Competition (AEGC), VCA proactively played its role in activities of the working group such as preparing publications on competition laws in the region, preparing proposals on the development strategy of competition laws in ASEAN.

In addition, in 2014, VCA organized regional workshop on “In-house Training Tools Training Course” in October in Nha Trang.

b. ICN

As an official member of the International Competition Network (ICN), in recent years, VCA actively participated in the activities of ICN Secretariat. In details, VCA dispatched delegation to attend the 2014 ICN Merger Workshop “International Cooperation and Remedies in Merger Review” held by ICN in India. In addition, VCA joined some teleconferences for the purpose of sharing experience among ICN members.

c. Cooperation with Japan

Japan is an important cooperation partner of the VCA on competition and consumer protection. The year 2014 is the third year of implementing the “JICA Project for the Improvement of the Legal Framework for Competition Law and Policy in Vietnam” between VCA and JICA.

Thanks to the valuable support of the resident advisor from the Japan Fair Trade Commission (JFTC), one of the most experienced competition agencies in the world, all activities of the project have been carried out effectively. In 2014, the project supported VCA to implement a number of activities, details are as below:

◊ Carrying out studies, assessment reports on competition, guidance for conducting investigations to investigators. In particular, in the framework of the project, VCA is reviewing and preparing its report marking 10 years of enforcement of the Competition Law. The report is expected to be completed in the second
Organizing advocacy workshops on competition legislation and policies in the building materials sector in 2 cities: Hanoi and Ho Chi Minh City;

Dispatching study visits including VCA staffs and other relevant agencies to visit and learn experiences from Japan in investigation skills for handling competition cases;

Organizing training courses for VCA staffs and those from other related state administration agencies on investigation skills for handling competition cases. Usually, presentators at those training courses were senior investigators from JFTC and/or leading professors of competition legislation from prestigious universities in Japan;

Organizing seminars, workshops, publishing “Competition and Consumers” Bulletin with the purpose of advocacy the competition legislation and policies;

With JFTC’s assistance and support, VCA will be the agency to host the East Asia Top Level Officials’ Meeting on Competition Policy in 2015.
A. ENFORCEMENT

1. Handle consumer complaints and denunciation

In 2014, the VCA received and provided consultations on more than 1,000 complaints of consumers regarding a wide range of goods, service in various sectors. In comparison with the year 2013, the number of cases increased 4.6 times, this indicates great efforts and achievements made by the VCA.

Figure 2: Statistics of receiving consumer complaints 2014

- Call center: 89.9%
- Website: 2.1%
- Post: 0.3%
- Direct submission: 7.7%
**Table 3: Statistics of different sectors of receiving consumer complaints 2014**

<table>
<thead>
<tr>
<th>No.</th>
<th>Sector</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Telephone, telecommunications, broadcasting</td>
<td>50.02%</td>
</tr>
<tr>
<td>2</td>
<td>Real estate, housing</td>
<td>8.13%</td>
</tr>
<tr>
<td>3</td>
<td>Computer, internet</td>
<td>7.42%</td>
</tr>
<tr>
<td>4</td>
<td>Daily consumption commodities</td>
<td>7.36%</td>
</tr>
<tr>
<td>5</td>
<td>Electronic appliances</td>
<td>6.17%</td>
</tr>
<tr>
<td>6</td>
<td>Transportation service and vehicle</td>
<td>6.12%</td>
</tr>
<tr>
<td>7</td>
<td>Beauty and health care</td>
<td>4.54%</td>
</tr>
<tr>
<td>8</td>
<td>Finance, banking and insurance service</td>
<td>3.60%</td>
</tr>
<tr>
<td>9</td>
<td>Interior and exterior furniture</td>
<td>2.16%</td>
</tr>
<tr>
<td>10</td>
<td>Fashion, jewellery</td>
<td>2.10%</td>
</tr>
<tr>
<td>11</td>
<td>Energy, environment</td>
<td>1.58%</td>
</tr>
<tr>
<td>12</td>
<td>Education, entertainment</td>
<td>0.80%</td>
</tr>
</tbody>
</table>
Figure 3: Statistics of number of complaints in 2014
**Defendant:** Vietpay

**Complainant:** Customers/consumers bought/used Vietpay’s services

**Time:** from end December 2013 till October 2014

**Case information:** Vietpay is the service supplier of SIM topping up to pay for telecommunications and electronic game charge. Till end 2013, Vietpay informed to close its website for the purpose of maintenance and customers/consumers couldn’t contact them as well as conducted successful transactions since then. The case got thousands of consumers involved across the country with the estimated damage of tens of billions dong.

**Solution:** The VCA coordinated with the relevant agencies of the Ministry of Public Security and Ministry of Information and Telecommunications to handle the case. By October 2014, Vietpay officially announced about the cause and method of solving out by transferring the SIM or refunding. By the end of October 2014, the company remedied 12-13 billion VND for the customers/consumer upon request.
**BOX 04**

**Nam Do Complex case**

**Defendant:** Invest Corp. - the investor of Nam Do Complex (represented by Mr. Nguyen Quoc Hiep - Director General)

**Complainant:** Liaison Board for the rights of Nam Do Complex residents

**Time:** August 18, 2014 - October 9, 2014

**Case information:** the investor of Nam Do Complex violated the regulations in the apartment transaction contract affecting the legitimate rights and interests of residents/apartment owners there.

**Happening:** After receiving the Petition of the Liaison Board, the VCA ordered the GP. Investment Corp. to explain and provide relevant information on the case. After considering the dossier and had meetings with involved parties, based on the regulation of the Law on protection of consumers’ rights, the VCA guided and supported Nam Do Complex residents to sue the case at the competent court as prescribed by laws.
Defendant: Hoang gia Quan Quan JSC
Consumer: Ms. Nguyen Thi L.A (Tuyen Quang province)

Time: April-May 2014

Case information: The consumer bought floor tiles distributed by the above company to build house. After more than one year of using, the tiles changed its brightness and the surface became easily sticked to dirt. The consumer announced that problem and sent complaint to the company. However, from Dec 2013 to April 2014, both sides couldn’t negotiate and solve it out despite discussion for many times.

Happening: After getting the complaint from the consumer, the VCA provided guidance and consultation on the legal aspect and the method of handling the case. On that basis, the company and the consumer conducted negotiation and finally reached agreement that the company will pay for the consumer the expense to remedy the damage.
Case information: Ms. Isabella Daniels (Belgian nationality) used the travel service of this agency to travel from Hanoi to Sapa and from Sapa to Luang Prabang (Laos) during the period of Nov 8-9, 2013. The agency had introduced that the traveler would be given high-class sleeping bus within 21 hours (Sapa - Dien Bien - Luang Prabang). The Hanoi - Sapa - Dien Bien journey had been provided by Dao's Travel Agency while the Dien Bien - Luang Prabang had been provided by the partner company. In the course of enjoying the tour, the consumer found out that the used bus was not high-class, the bus was overcrowded and continuously stopped to get more customers and did loading at different points. Finally, the total time duration of transportation was 30hrs and caused a lot of disturbance to customers.

After what happened, Ms. Isabella Daniels complained but couldn’t reach agreement with the agency.

Happening: On the basis of consumer complaint, the VCA asked the relevant agencies at both central and local level working in the field of tourism for advice and ordered the Dao's travel agency to explain. The VCA provided legal advice and guidance for the consumer and the agency about how to handle the case. On that basis, the agency admitted their fault and recognized the negative effect of the case on the prestige and image of Vietnam tourism. The agency finally sent their apology to and refunded all the expense to the consumer.
2. Recall defective products

Recalling defective products falls within the responsibilities of individuals and organizations doing business in accordance with the regulations provided in the Law on protection of consumers’ right. In 2014, the VCA received and handled 19 cases, an increase of 12 cases compared to the year 2013.

Table 4: List of defective products recalled in 2014

<table>
<thead>
<tr>
<th>No.</th>
<th>Product</th>
<th>Enterprise</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Rohto Arctic, Rohto Ice, Rohto Hydra, Rohto Relief and Rohto Cool</td>
<td>Rohto - Mentholatum Limited Company</td>
</tr>
<tr>
<td>2</td>
<td>B-WELL Steam Sterilise</td>
<td>DHL Health Equipment-Technology Import and Distribution Limited Company</td>
</tr>
<tr>
<td>3</td>
<td>Ford Transit</td>
<td>Ford Vietnam Limited Company</td>
</tr>
<tr>
<td>4</td>
<td>Laptop Lenovo battery</td>
<td>Lenovo Vietnam</td>
</tr>
<tr>
<td>5</td>
<td>Canon PowerShot SX50HS camera</td>
<td>Canon Vietnam</td>
</tr>
<tr>
<td>6</td>
<td>Piaggio Vespa Primavera 3V ie</td>
<td>Piaggio Vietnam Limited Company</td>
</tr>
<tr>
<td>7</td>
<td>IKEA SMILA</td>
<td>IKEA Sweden (Vietnam IKEA branch office)</td>
</tr>
<tr>
<td>8</td>
<td>Sirius FI-1FC3, Sirius FI-1FC4, Jupiter Gravita FI-1PB2 and Jupiter FI-1PB3 motorbike</td>
<td>Yamaha Motor Vietnam Limited Company</td>
</tr>
<tr>
<td>9</td>
<td>Yamaha - Nozza - 1DR1 motorbike</td>
<td>Yamaha Motor Vietnam Limited Company</td>
</tr>
<tr>
<td>10</td>
<td>Mitsubishi Triton and Pajero automobile</td>
<td>Ngôi Sao - VINASTAR Joint Venture Automobile Manufacturing Company</td>
</tr>
<tr>
<td>12</td>
<td>Projector of Mitsubishi Electric Asia Pte. Ltd</td>
<td>Khai Quốc Commerce and Technology Company</td>
</tr>
<tr>
<td>13</td>
<td>Vespa 946</td>
<td>Piaggio Vietnam</td>
</tr>
<tr>
<td>14</td>
<td>Apple battery charger</td>
<td>Apple Inc. (Hogna Lovells Hà Nội)</td>
</tr>
<tr>
<td>15</td>
<td>BMW Series 3 E46 automobiles</td>
<td>Euro Auto (BMW Group Rep. in Vietnam)</td>
</tr>
<tr>
<td>16</td>
<td>Subaru Forester:</td>
<td>Fuji Heavy Industry Ltd. Company</td>
</tr>
<tr>
<td>17</td>
<td>Vespa LX, S, LXV, LT, 946</td>
<td>Piaggio Việt Nam Ltd. Company</td>
</tr>
<tr>
<td>18</td>
<td>Vitz/Yaris/RAV4 Toyota</td>
<td>TMC and Toyota Việt Nam</td>
</tr>
<tr>
<td>19</td>
<td>Lenovo: LS-15 for IdeaPad and desktops</td>
<td>Lenovo (Singapore) Pte. Ltd</td>
</tr>
</tbody>
</table>
3. Control over standard contract and general trading conditions

3.1. Receive and handle registration dossiers of standard contracts and general trading conditions

In 2014, the VCA received 194 registration dossiers, which marked the dramatic increase in comparison with the two previous years (in particular, 110 dossiers in 2012 and 78 dossiers in 2013). Of those, dossiers on apartments accounted for a major proportion – 148 out of 194, equal to 76%. All the dossiers were processed in due course as prescribed by law and there was no complaint or claim from the enterprises.

The noteworthy result in this field is that the Rejection Notice applied for each case was prepared in the manner that all the remarks/comments by the VCA went into details so that the enterprises would have the chance to complete the registration dossiers themselves.

Furthermore, the VCA applied the IT system in the course of receiving and handling dossiers; providing the online public service at level 4 (the highest level). Until now, 100% of the procedure is now conducted on the software which contributed to increasing transparency and facilitating enterprises at the utmost.

<table>
<thead>
<tr>
<th>No.</th>
<th>Industry</th>
<th>Accepted</th>
<th>Rejected</th>
<th>Withdraw</th>
<th>Being proceeded</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Apartment</td>
<td>86</td>
<td>50</td>
<td>6</td>
<td>5</td>
<td>147</td>
</tr>
<tr>
<td>2</td>
<td>Post paid mobile</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>3</td>
<td>Internet</td>
<td>3</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>4</td>
<td>Living electricity</td>
<td>7</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>5</td>
<td>Aviation</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>6</td>
<td>Clean living water</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>7</td>
<td>Pay TV</td>
<td>8</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>14</td>
</tr>
<tr>
<td>8</td>
<td>Fixed line telephone</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>109</strong></td>
<td><strong>64</strong></td>
<td><strong>9</strong></td>
<td><strong>12</strong></td>
<td><strong>194</strong></td>
</tr>
</tbody>
</table>
3.2. Examine, inspect and monitor standard contract and general trading conditions

The VCA cooperated with the Market Surveillance Authority when conducting pilot examination and inspection against 22 enterprises working in the areas of apartments (19 enterprises, accounting for 86%), telecommunications (2 enterprises).

In addition, the VCA set up an examination team in the Northern and Southern areas to provide guidance and warning for 31 enterprises to comply with the legislations on consumer protection. Till present, about 70% of examined enterprises have completed the registration procedure.

Actually, after enterprises registering, the VCA was active in conducting inspection and examination missions to assure the compliance of enterprises. For example, the VCA required 16 enterprises working in the field of apartments and housing service supply in Hanoi (including 13 enterprises with accepted registration and 3 enterprises with rejected registration) reported about the application of standard contracts and general trading conditions in transaction with consumers so that the VCA would have concrete basis to move on inspection and supervision.
B. OTHER SUPPORTING ACTIVITIES ON THE IMPLEMENTATION OF CONSUMER PROTECTION LAW

1. Develop the network of relevant agencies and organizations on consumer protection

Among those, 17 associations have been given assignments and partial budget, even 7 associations (Binh Duong, Tien Giang, Dong Thap, Khanh Hoa, Dak Lak, Ca Mau and Ben Tre) were recognized as “special” associations with permanent human resource and regular budget for operation.

To date, there are 49 province level associations (the most newly established one is in Nam Dinh. The association was established on November 11, 2014) and one inter-provincial one (VINASTAS). In 2014, the VCA cooperated with the DoITs and Consumer Associations to organize more than 30 advocacy, education and dissemination activities including activities in support for the World Consumer Day (March 15).

In order to enhance the relationship among consumer protection bodies, the VCA built a directory on consumer protection and shared it among DoITs and associations. This made it easier for DoITs and associations to connect, coordinate and join hands in building a community of consumer protection enforcement agencies throughout Vietnam.

2. Advocacy and dissemination on consumer protection

This year indicated an active and dynamic year of the VCA in celebrating the March 15. In the context of limited budget, the VCA mobilized 55 out of 63 cities and provinces across the country to implement such kind celebration activities. Of those, 17 cities and provinces got direct assistance from the VCA in implementing local advocacy activities such as live broadcast programs, action month in Hanoi, banners, slogans, etc in 7 provinces in the North, regional seminars/conferences.

Besides, the VCA hosted or coordinated with...
3. Calling Center

The VCA received more than 1,000 requests for consultation or complaints from consumers, in detail, 100 cases per month on average during the first 4 months and 50 cases per month on average in the next 7 months.

The VCA piloted the operation of the Hotline 1800.6838 in December 2014. This a free of charge hotline for consumers on consumer consultation and how to complain about disputes. This attributed to the increase in the number of cases (160 cases).

Consumers’ request for consultation, complaint via this hotline focused on such sectors as telecommunications, broadcasting, cable service and internet, electronics, electricity appliances, product recall, real estate, food safety and hygiene, product warranty, etc; among which the telecommunications received the most number of complaints accounting for about 50% of the total amount of cases.

relevant domestic and international agencies/organizations to organize 22 seminars/roundtables/training courses on consumer protection across the country, especially the ones with large scale and widespread impact such as international conferences on consumer protection co-organized with KCA, Microsoft, namely the summary conference on 3 years of looking back consumer protection enforcement in Hanoi, the national conference on how to enhance consumer protection in Ba Ria Vung Tau, etc. Thanks to diversification of the content and organization, those conferences/roundtable/training courses/fora have attracted a lot of attention of different audiences so that they could have access to useful information and at the same time, the image of the VCA has been much improved.

As for building the advocacy materials in 2014, the VCA completed the contents of two publications (a manual on consumer protection) and the directory on consumer protection in Vietnam.
4. International cooperation in the field of consumer protection

b. ICPEN

As a member of the Network, the VCA was very active in participating ICPEN activities throughout the year 2014. In particular, the VCA implemented the SWEEP DAY (conducted within the week of September 15-19, 2014 with the theme of ‘Vulnerable Consumers’, targeting online deceptive marketing practices aimed at vulnerable consumers); joined other events within the framework of ICPEN.

c. Japan

JICA officially approved the Project for Strengthening Capacity in Enforcement of Consumer Law and Policy in Vietnam (from Quarter IV/2014 - Quarter III/2016) aimed at the following objectives:

◊ Capacity for implementation of activities to enforce the Law on Protection of Consumer Rights is strengthened;
◊ Effective cooperation among the State management agencies at central and local level in the area of consumer protection (the VCA and the DoITs). The Project has been provided support for the VCA to implement activities as below:

◊ Training and capacity enhancing for personnel in charge of consumer protection at central and local level.
◊ Strengthen the socializing consumer protection via training and guidance for the social organizations on consumer protection, consultation on building and operating the consumer associations.
◊ Advocate to improve the awareness of enterprises and consumers on consumer protection.
◊ Improve the awareness and responsibilities of consumers on their legitimate rights and interests.
◊ The resident advisor of the Project, the expert from the National Consumer Affair Center of Japan supports the VCA in implementing the project activities.

d. Korea

The year 2014 also witnessed the cooperation between the VCA and the Korea Consumer Agency (KCA) to implement the following activities:

◊ Transfer the Korean experiences on managing and building the policy on consumer protection towards shaping a progressive consumer policy in Vietnam.
◊ Enhance consumer trust and awareness on the consumer protection legal system.

Within this framework, the VCA and 8 Korean enterprises signed the Commitment Paper on consumer protection in Vietnam which helps increasing the responsibilities of Korean enterprises in Vietnam towards consumers.

a. ASEAN

In cooperation with the other members of ASEAN, the VCA joined in building the advocacy tools on consumer protection within the region including: updates on the list of recall products in Vietnam, updates on the contents of the ASEAN consumer website, etc.

Moreover, as the host country, the VCA successfully organized the first ASEAN Conference on Consumer Protection in collaboration with ASEAN Secretariat and other relevant partners in Hanoi, which greatly contributed to enhancing the role and image of the VCA on the international arena.

The year 2014 also witnessed the cooperation between the VCA and the Korea Consumer Agency (KCA) to implement the following activities:

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◊ Enhance consumer trust and awareness on the consumer protection legal system.

Within this framework, the VCA and 8 Korean enterprises signed the Commitment Paper on consumer protection in Vietnam which helps increasing the responsibilities of Korean enterprises in Vietnam towards consumers.
The term “Trade remedies” refers to anti-dumping, anti-subsidy (countervailing measures) and safeguard measures applied in international trade as recognized and codified by WTO through three Agreements (Agreement on Anti-dumping, Agreement on Subsidies and Countervailing measures and Agreement on Safeguards). Trade remedies are trade policy tools that allow governments to take remedial actions against imports which are causing material injury to a certain domestic industry. Vietnam has promulgated 3 Ordinances on trade remedy measures for 10 years but so far Vietnam has just begun implementing these 3 Ordinances with two cases on safeguard and one case on anti-dumping.

A. TRADE REMEDY LAWS ENFORCEMENT

1. Investigation initiation applied trade remedy measures on imports into Vietnam

1.1. Anti-dumping investigation on stainless steel products imported into Vietnam

**BOX 07**

Anti-dumping investigation on stainless steel products imported into Vietnam from China, Indonesia, Malaysia and Chinese Taipei (case code 13-KN-BPG-01)

a) General information

On May 06, 2013, Vietnam Competition Authority received an application request of anti-dumping measure on certain cold-rolled stainless steel imported from the People’s Republic of China (China), Malaysia, Indonesia and Chinese Taipei (Taiwan).

After receipt of the Petition, as provided in Article 19 of Decree 90/2005/ND-CP, the Investigating Authority (VCA) evaluated the dossier. Through the evaluation process, it is found that the Petition was properly-documented in accordance with the law. Therefore, VCA submitted proposal to the...
Minister of Industry and Trade to issue the decision on initiation of investigation.

b) The investigation process

On July 02, 2013, the Ministry of Industry and Trade (MOIT) issued Decision 4460/QD-BCT on initiation of anti-dumping investigation of cold rolled stainless steel imported to Vietnam from China, Malaysia, Indonesia and Taiwan. Imported products subject to investigation are certain cold rolled stainless steel in sheets or in coils, classified under HS code: 7219.32.00; 7219.33.00; 7219.34.00; 7219.35.00; 7219.90.00; 7220.20.10; 7220.20.90; 7220.90.10 and 7220.90.90.

On December 02, 2013, VCA issued the preliminary findings. On December 25, 2013, the MOIT issued Decision 9990/QD-BCT on the application of provisional anti-dumping measure. Accordingly, the provisional anti-dumping duty rates applied for related countries: China from 6.45% to 6.99%, Indonesia 12.03%, Malaysia 14.38% and Taiwan from 13.23% to 30.73%. The provisional anti-dumping duty on cold rolled stainless steel products imported into Vietnam applied from January 23, 2014 and took effect within 120 days since the date of imposition.

On June 06, 2014, VCA organized a public hearing with representatives of interested parties (including the domestic producers, the importers, the exporters and other related parties). The purpose of public hearing is to give opportunity for related parties presenting their opinions on the case before VCA issues the final conclusion.

c) The final conclusion

Based on the final conclusion submitted by the VCA on August 01, 2014, according to Article 39 of Decree 90/ND-CP, on August 13, 2014, the Council for handling anti-dumping cases has held meetings and voting session of the case. Resulting from the vote, all members of the Council agreed on the contents: (i) there is existence of dumping into Vietnam; (ii) the domestic industry suffers material injury; and (iii) there is casual link between dumping and material injury of domestic industry.

On September 05, 2014, the Minister of MOIT issued Decision 7896/QD-BCT on the official application of anti-dumping measures. According to this Decision, the varied anti-dumping duty rates applied for related countries: China from 4.20% to 6.87%; Indonesia 3.41%; Malaysia 12.36% and Taiwan from 13.79% to 37.29%. The anti-dumping duty will be valid for 5 years and based on results of annual review, the tax rates may change.
1.2. Safeguard measure application on the imports of refined vegetable oil into Vietnam

**BOX 08**

In August 2013, MOIT issued Decision 5987/QD-BCT on the official application of safeguard measure, with HS code 1507.90.90; 1511.90.91; 1511.90.92 and 1511.90.99 (case code 12-KN-TVE-01). According to this Decision, the duty rate is applied in the first year is 5% from May 07, 2013 to May 06, 2014.

After one year of the effective safeguard measure, the duty rate is applied in the second year is 4% from May 07, 2014 to May 06, 2015. Therefore, VCA has sent notifications to related Ministries, agencies to aware and implement accordingly.

2. Handling trade remedy cases against Vietnam

2.1. Cases against Vietnam exports

In 2014, VCA handled 13 new cases on trade remedies, including 5 anti-dumping cases, 2 anti-subsidy cases, 2 anti-circumvention cases and 4 safeguard cases. In addition, it continues to follow-up and handle ongoing trade remedy cases.
Table 6: Statistics of trade remedy cases against Vietnam exports (by year)

Table 7: Statistics of trade remedy cases against Vietnam exports (by country)
Some of outstanding cases in 2014 are recognized as follows:

2.1. EU investigates countervailing case against Polyester staple fibers (PSF)

December 19, 2013, the European Commission (EC) announced the decision to initiate countervailing investigation against PSF products imported from China, India and Vietnam.

December 16, 2014, in the final determination, EU made a decision to terminate the investigation due to de minimis margin of subsidy of Vietnam (de minimis means margin less than 2%).

EC’s conclusion of de minimis subsidy margin of Vietnam and the termination of the investigation is a positive result and success of Vietnam government and enterprises, reflecting efforts, full and goodwill cooperation of the Vietnam government agencies and enterprises for nearly one year participating in the case including questionnaire responses, documentation preparation and participation into EC’s verification in Vietnam. Moreover, this is the first EU countervailing investigation to Vietnam so this result is significant, creating positive precedent for Vietnam in future cases.
2.2. India terminates investigating the safeguard investigation on certain of filament yarn

On February 2, 2014, India officially initiated the safeguard investigation against filament yarn imports. India is one of the largest export markets of Vietnam exporters/manufacturers in the field of filament yarn. In this case, Vietnam is affected significantly due to the volume and value of this product exporting to India reaching about 22-29 million dollars in the period of 2012-2013.

On September 29, 2014, India released the final decision; accordingly, India has terminated the safeguard investigation without imposition of safeguard measure as inexistence of evidence of injury.

India’s termination activity is such a positive and success result in handling trade remedies cases supporting activity of Government of Vietnam and enterprises. As the result, there is such prompt and close assistance from Government to enterprises, and social responsibility in the effort of attorney consultation, handling case participation of Vietnam’s enterprises.
2.3. US conducts 8th administrative review against shrimp export of Vietnam

**BOX 11** US conducts 8th administrative review against shrimp export of Vietnam

On March 18, 2014, DOC issued preliminary determination on the anti-dumping duty against Vietnam frozen warm-water shrimp imported into the US during the period from 01 February 2012 to 31 January 2013 (stage of 8th anti-dumping duty review - POR8).

According to above determination, DOC determined the temporary anti-dumping duty for 02 mandatory respondents respectively 4.98% and 9.75%; temporary anti-dumping duty for voluntary respondents based on the average of anti-dumping duties applied to mandatory respondents was 6.37% and the country-wide rate remained 25.76%.

On September 24, 2014, the DOC issued final determination of POR8 which the duties remained the same as the preliminary duties. These rates are relatively high compared to that of previous PORs because DOC applied differential pricing method and change the method of respondent selection.

2.4. US conducts 10th administrative review against pangasius exports from Vietnam

**BOX 12** US conducts 10th administrative review against pangasius exports from Vietnam

On July 2, 2014, DOC issued preliminary determination of the 10th administrative review (POR10) for the period from August 1, 2012 to July 31, 2013 against pangasius imports from Vietnam.

In the preliminary determination, DOC continued to use Indonesia as surrogate country for dumping margin calculation (as in preliminary and final determination of POR9) and determined the temporary rates as follows: 02 mandatory respondents: $ 0.58 and $ 2.39/kg; the voluntary respondents: $ 0.58/kg; and the country-wide rate: $ 2.39/kg.
2.5. US investigates anti-dumping and countervailing case against steel nails

**BOX 13**

US investigates anti-dumping and countervailing case against steel nails

On June 18, 2014, United States Department of Commerce (DOC) initiated anti-dumping (AD) and countervailing (CVD) investigation against steel nails imported from certain countries including Vietnam. This is the 5th US countervailing investigation against imports from Vietnam since 2009 (following polyester retailed carrier bags; carbon steel welded pipe, steel wire garment hangers and frozen warmwater shrimp) and the 4th dual antidumping and countervailing case against Vietnam.

October 28, 2014, DOC issued preliminary determination on subsidy, under which duties applied to 02 Vietnamese mandatory respondents were 0.17% (de minimis) and 8.35% respectively; the country-wide rate was 8.35%.

It is expected that, in January 2015 DOC will conduct on-site verification of enterprises and government; in March 2015 DOC will issue final determination on subsidy.

2.6. Canada investigates anti-dumping and countervailing case against oil country tubular goods (OCTG)

**BOX 14**

Canada investigates anti-dumping and countervailing case against oil country tubular goods (OCTG)

On July 21, 2014, Canada initiated this investigation. This is the 2nd dual case (AD and CVD) in 2014 and the 5th case ever to Vietnam. However, this is the first time Canada initiates countervailing investigation to Vietnam.

December 3, 2014, Canada issued preliminary determination, in which countervailing duty applicable for Vietnam was 19% and anti-dumping duty was 53%.

Currently, the case is in the stage of additional questionnaire responses. It is expected that on 17 January 2015, Canada will make the final determination.
B. ACTIVITIES TO SUPPORT TRADE REMEDY LAWS ENFORCEMENT

1. Activities to support cases investigation

Based on information received, VCA has conducted a number of pre-initiation investigations in cases with signs of violating trade remedies law of Vietnam. During meetings with interested parties, VCA introduced the processes, procedures and the signs of each trade remedy measure so that companies can determine the orientation and use of the trade remedy measures to protect the interest of businesses. Besides, VCA has been following information and trends of imports of these products to provide early warning information hence businesses and associations can operate production activities.

In 2014, VCA has sent report to the Minister in order to complete procedures and legal documents for the Council for handling anti-dumping, anti-subsidy and safeguard cases. Based on recommendation of VCA, the Minister of Industry and Trade has issued the decision to consolidate members list and regulations on function, organization and operation of Secretariat of Council and Handling Council.

Based on the problems of the importers during payments, refund tax when provisional duty rate applied that imports used to produce goods for export, VCA organized a meeting between MOIT and Ministry of Finance and General Department of Vietnam Customs on the tax issues. Consequently, the trade remedy duty is considered as an import duty and applied in line with the Law on Import and Export Tax 2005 thus creating more favors for enterprises.
2. Activities to support handling cases

Regarding handling cases on exports of Vietnam, VCA actively leads and cooperates tightly and efficiently with interested parties aiming to handle the cases for protecting rights and benefit to Vietnam’s enterprises such as:

◊ Composing the comments of Government of Vietnam/ Diplomatic Note to foreign investigation agencies to express concerns, opposing view-points and analyzing those cases;

◊ Publishing information about the cases on the website of the MOIT and VCA to notify associations and Vietnam exporters of products under investigation. VCA also works directly with related parties including associations and Vietnam exporters of in order to exchange information and provide consultation on how to deal with the cases effectively;

◊ Cooperating with the General Department of Vietnam Customs to collect data on exported subjected products and assessment, analysis of information;

◊ Closely cooperating with related agencies to develop plans to cope with trade remedy cases; providing consultation; disseminating legal regulations of investigating countries on anti-dumping, anti-subsidy and safeguard measures to relevant associations and enterprises;

◊ Coordinating with the Vietnam Trade Offices in foreign markets, related Ministries and agencies and lawyers in order to keep track and collect information of the cases;

◊ Organizing seminars and workshops for enterprises, related Ministries and agencies in order to complete the questionnaires of the investigating authorities (in the anti-subsidy case that Government is a related party); and providing recommendations for relevant enterprises on how to respond to the investigation authority so as to achieve the best results.
3. Extension and development of the early warning system

In order to enhance the effectiveness of early warning activity on anti-dumping cases, VCA upgraded system by expanding the scope of warning from 05 markets and 10 industries to 08 markets and 12 major export sectors included: seafood, plastics, rubber, paper, textiles, footwear, electrical appliances, machinery parts, electronics, furniture, measure, steel and metal products in 08 export markets, namely: US, EU, Japan, Australia, Canada, Republic of Korea, India and Brazil.

In order to improve the accuracy of the early warning information of anti-dumping cases, in 2014, VCA has focused on conducting the review of progress, formula, data analysis in releasing the warning information, completing the operation regulations and assigning tasks of the early warning team members. In addition, the interface of the system is also improved in accompany with the needs of information search and forecasting tool of users.
4. Negotiation in Free Trade Agreements (FTAs) in trade remedies

In 2014, that such a successful year in negotiate bilateral, multilateral FTAs between Vietnam and other partners in trade remedies. By appointed functions and responsibilities, in 2014 VCA finished negotiation in context of trade remedies on 02 Agreements between Vietnam and Customs Union (VCUFTA) (including: Belarus, Kazakhstan and the Russian Federation) and Vietnam - Korea (VKFTA). Besides, VCA participated in developing trade remedies chapter in potential negotiation Report of FTA between Vietnam and Israel aiming to launch the first negotiation round in the near future.
C. EXPLANATION OF VIETNAM MARKET ECONOMY STATUS

1. United States

VCA actively coordinated with related ministries and agencies to organize two meeting sessions of the Vietnam – U.S. Bilateral Working Group on market economy and trade remedy issues: (1) the 5th session (Jan/2014) and (2) the 6th session (Oct/2014).

At the meetings, Vietnam prepared updated presentation in the content of legal framework in policies, legislations and actual implementation, renewal of Vietnam’s legal policies regarding the criteria on market economy status and responded to the U.S. side’s concerns.

2. EU

VCA coordinated with related ministries, agencies to organize the 6th meeting sessions of the Vietnam – EU Bilateral Working Group on market economy and trade remedies issues on June, 2014. After that meeting, VCA coordinated the Ministries and Agencies to respond supplemental questionnaires and update the explanation report to EC. In early March/2014, VCA has updated and summarized Report of explanation of Vietnam’s market economy to the EC based on the EU’s criteria due to prepare for the following meeting session in Vietnam.

Up to the end of 2014, there were 56 countries recognizing Vietnam as a full market economy.
D. THE ACTIVITIES RELATED TO WTO

1. WTO dispute settlement of shrimp case

On December 17, 2012, Vietnam had sent its request to the WTO Dispute Settlement Body (DSB) to establish the Panel for WTO2 (DS429).

On November 17, 2014, WTO announced final report of DSB on the official findings in DS429 case. Accordingly, in 11 issues raised by Vietnam, DSB has accepted and supported 7 issues included 4 main contents: zeroing method, country-wide rate, sunset review final determination, escaping from the anti-dumping duty to several Vietnam companies.

Despite of DSB’s positive conclusion to Vietnam, among several issues that DSB has not already supported Vietnam, those significant meanings affected US to implement findings of DSB in the future.

Vietnam has appealed some contents regarding final Report of DSB to Appellate Body.
3.2. Participating in some WTO dispute cases as a third party

In order to gain experience as well as to obtain information and other documents that could be useful for Vietnam, VCA coordinated with the Vietnam Mission in Geneva to register as a third party in 3 following trade remedies cases:

◊ DS437: Korea challenges the US regarding targeted dumping methodology (established Panel).
◊ DS471: China challenges the US regarding targeted dumping methodology (established Panel).
◊ DS474: Russia challenges EU regarding cost adjustment and dumping methodologies.

3.3. Participate in meetings of Committees on Anti-dumping, Anti-subsidies and Safeguards in WTO

VCA coordinated with related agencies to participate in two meetings of three Committees on Anti-dumping, Anti-subsidy and Safeguards in April and December, 2014. In these multilateral meetings, VCA expressed its opinions and concerns on some cases involved Vietnam exports to protect the legitimate rights of Vietnam producers/exporters.
In 2014, VCA cooperated with Australian Agency for international development (Ausaid) and European trade policy and investment support project (EU-Mutrap) to enforce activities aiming to enhance competition policy and trade remedy measure in accordance with international commitments and ensure fair international trade environment.

Coordinating with other Ministries, agencies (Vietnam Institute for Trade and Industry Studying), and foreign organizations, organized the presentations on legal provisions in trade remedies, process and procedures of the investigation from some countries (in cooperation with the United States Department of Commerce to take place a seminar in Oct/2014 on anti-subsidy law of the United States in the framework of working Group market economy, trade remedies Vietnam-US); on the issue of Market Economy (in Dong Nai).

To improve the investigation skills, VCA cooperated with the Centre for Staff Training and Science (State Audit of Vietnam) to organize a fundamentals skill training in finance aiming at antidumping, anti-subsidy and safeguard measures investigation.

In addition, VCA has organized several seminars on handling and effectiveness of trade remedies measures to provide information in the process and procedures for initiating the trade remedies investigation for some associations, businesses and universities and research institutes; training for VCA staffs and other agencies related to analysis, data collection, indicators evaluation related to the injury of domestic industry.

Furthermore, VCA has organized several seminars on handling and effectiveness of trade remedies measures to provide information in the process and procedures for initiating the trade remedies investigation for some associations, businesses and universities and research institutes; training for VCA staffs and other agencies related to analysis, data collection, indicators evaluation related to the injury of domestic industry.
A. CULTURAL ACTIVITIES

Celebrations for children have become the annual events at the VCA. On the occasion of Children’s day 1st June, the VCA Youth Union organized the “VCA Sport Day” for staff children. This activity supported to strengthen the relationship as well as spiritual lives of VCA workers.

VCA’s charity fund provided essential necessities for mountainous children via 02 charity programs “Áo ấm cho em - Hà Giang 2014” and “Mùa Đông yêu thương - Hòa Bình 2014”.

OTHER ACTIVITIES

Not only accomplishing the political mission assigned by the Party and the Government, the VCA staff community also conducted a lot of extra-curriculum activities, such as music show and performance, sports, charity activities, which contributed to the enhancement of spiritual life and health training.
B. SPORT ACTIVITIES

The VCA Youth Union still maintains the organization of football and tennis matches in 2014. With the motto “Good health for good work”, the VCA always creates favourable conditions for its staff to participate in sports activities organized by the Ministry as well as other agencies.
A. ASSESSMENT ON THE ACHIEVEMENTS IN 2014

1. Competition

1.1. Achievements

In 2014, the number of cases on competition restriction under investigation remains stable in comparison with those in the previous years. In addition to cases investigated under competition proceedings, the VCA conducted the preliminary investigation on around 10 -12 cases. This fact reflects the increasingly effective enforcement of competition regulations. Especially, in the context of limited resources and unsound regulations, the VCA keeps its control and supervision over the competition activities in the market so as to timely apply measure in case of violation.

Besides, via the cases that VCA handled, the awareness and attention of business community, state administration agencies at both central and local levels as well as the entire society about the current competition law have been enhanced. Moreover, the compliance of the law is improved. Specifically, many enterprises actively contacted the VCA to receive
consultation on issues related to competition during the course of their business; several regulators also proposed to cooperate closely with the VCA to ensure fair competition in the market. Such relationships, which can be maintained in the future, will turn into a strong momentum to support the effective implementation of competition law.

In 2014, the promulgation of two Decrees and one Circular (Decree 42/2014/ND-CP on the management of multi-level sales activities, Circular 24/2014/TT-BCT on the management of multi-level sales activities, and Decree 71/2014/ND-CP on sanctions in competition cases) has completed the legal framework on controlling the multi-level sales and well as administrative sanctions on competition field.

1.2. Drawbacks

Though witnessing these achievements, the VCA also faced with difficulties and challenges that stem from objective and subjective reasons. In details:

◊ Firstly, when putting into the overall context of the Vietnam economy, the numbers of cases under investigation is minimal. This situation can be explained by both objective and subjective reasons, but it is mainly because the current regulations of competition law are unsound and unrealistic, causing the difficulties in implementation. However, the law was enacted the first time, which cannot avoid drawbacks and loopholes. As such, the VCA acknowledge that in the coming time, the pressing and necessary requirement is to review and revise the law, particularly define the appropriate approach for implementation.

◊ Secondly, the VCA also faced with challenges during the investigation originated from the unwilling cooperation of enterprises. There are many cases that they refused to cooperate and provide information. This affected considerably the investigation outcome and lengthened the investigation time.
2. Consumer Protection

2.1. Achievements

In 2014, the state management on consumer protection has recorded the following achievements:

◊ The consumer protection law takes its effect day by day; and the awareness about consumer protection is enhanced.

◊ The state management on consumer protection from the central to local level has received more attention and proved to be more professional and effective.

◊ The consumer protection associations have been established in the provinces and have their voices in the society. They operated various activities and actively gained support from not only the state agencies but also the enterprises to carry out their own activities.

◊ Individuals and organizations doing business proactively comply with the law; for example many enterprises recalled their defective products, registered the standard contract and general transaction conditions with the responsible state agencies.

◊ The consumer protection in the market economy is being socialized to meet the current reality.

2.2. Drawbacks

However, the state management on consumer protection in 2014 still prevailed the following drawbacks:

◊ The advocacy on consumer protection law is not diversified and lacks of intensive knowledge.

◊ The training activities on consumer protection were not targeted on enterprises of important sectors that have great impacts on consumers.

◊ Activities of consumer protection associations in provinces did not receive enough support.

◊ Several issues have been legalized but lack the guiding documents on implementation.

◊ The cooperation between central and local agencies on consumer protection is still limited.
3. Trade remedies

3.1. Achievements

With an aim to specialize the investigation of trade remedy cases, the VCA investigators spent more times on intensive study, gained more knowledge as well as skills than before. As such, the trade remedy investigation was implemented effectively and complied with the regulations of Vietnam and WTO.

Besides, the VCA received timely and appropriate guidance as well as close cooperation of related Ministries and agencies while handling emerging issues during the course of investigation.

3.2. Drawbacks

Though we had smooth beginning of trade remedy investigation against imported goods into Vietnam, with consideration of current situation of unfair competition in international trade in Vietnam, what the VCA have been achieved does not catch up with its potential and capacity.

These weaknesses happened due to the following reasons:

◊ The exported enterprises and goods associations do not have sufficient awareness and knowledge about trade regulations in general and trade remedy regulations in particular; therefore they cannot get notice and actively use the trade remedy measures to protect their legitimate rights in international trade.

◊ The VCA staffs charged with trade remedy works are at their mature stage but still have not been able to meet the current requirements of trade defence in Vietnam.

◊ The state agencies have limited knowledge on trade defence, which led to the placement of policies that go against WTO law and caused a number of cases related to anti-subsidy towards Vietnam exports.
In 2015, the VCA staffs are already equipped with experience, skills, completed legal framework and working infrastructure, especially the information integrated system. The competition management is enforced by the regulations on controlling the multi-level sales activities and sanctions for violations of unfair competition practices. In the field of consumer protection, with the support of the Ministry of Industry and Trade (MOIT), the Party Committee released the Order on consumer protection, which contributed to the change in mindset and the creation of tools to protect the consumer nationwide. Besides, the establishment of Asean Economic Community and the signing of numerous bilateral and multilateral agreements between Vietnam and partners, such as TPP, Vietnam - EU, Custom Union between Vietnam - Russia - Belarus - Kazastan, etc. … will create more favourite conditions for enterprises and consumers.

However, there would be difficulties and challenges ahead in 2015. In the domestic market, the socio-economy develops but still faces enomous challenges. The year 2015 witnesses the continuation of economy restructure, which will have great impact on the business enviroment. Therefore, many
enterprises will meet troubles of capital and market, the M&A and economic concentration will be more dynamic, the state intervention will be lessened, the fierce competition, unfair competition and the violation of consumer protection will be more popular and complicated. In the foreign markets, there has been recovery signs of the world economy but not identical among countries and states. The world economy still contains unstable elements, which leads to more complicated trade disputes. The deeper economic integration and the participation into bilateral, multilateral trade commitment require the proper capability of state management agencies as well as the better competitiveness of enterprises. 

**In this context, the VCA need to achieve the following objectives in 2015:**

**Firstly,** the VCA staffs’ capacity as well as the organization itself need to be strong and develop in accordance with its mission and responsibilities so as to protect the rights of enterprises and consumers.

**Secondly,** the legal measures on competition, trade remedy consumer protection have to be effective so as to create and maintain a fair competition environment.

**Thirdly,** the legal understanding of enterprises and the awareness of consumers about their rights should be enhanced. Integration and competition will bring about opportunities and benefits but also risks for enterprises and consumers. For example, the foreign governments might apply trade measures against Vietnamese exports; there will be more violations against competition law and consumer benefits. As such, the enhancement of knowledge for these groups is very important in order to actively deal with the violation of their rights.

**Fourthly,** there should be a greater focus on human resources to strengthen the investigation and handling of more cases on competition, consumer protection; and the protection of export enterprises, domestic enterprises, hence contribute to the fair competition in the market.
2. Directions and missions in 2015

With the achievements of 2014 and the context of 2015, the VCA identifies the directions and missions in 2015 as below:

2.1. The advisory on building legal documents

Building the Master plan to submit to the Party’s Secretariat to issue Order on the enhancement of the consumer protection.

Building draft Decision to submit to the Prime Minister for issuance and for supplementing to the Decision No. 02/2012/QD-TTg on the List of essential goods and services registered for standard contract and general transaction conditions, such as banking, insurance, public health and education etc.

Building draft Decision to submit to the Prime Minister for issuance on the recognition of the Vietnam Consumer Day.

Doing research, review and making recommendation on competition law in accordance with international regulations and the current context of Vietnam.

2.2. Competition

Strengthening the management and supervision over competition, especially the control of economic concentration; actively cooperating with related agencies to build and maintain the information of enterprises of dominant position, monopoly enterprises, competition principle in associations and the exemption cases.

Strengthening the investigation and handling of competition restriction cases and unfair competition cases: the 2015 goal is to investigate 2-3 anti-competitive cases and handle 40-50 unfair competition cases.

Enforcing effectively the Decree and Circular promulgated in 2014 on the control of multi-level sales activities in order to reduce the violations as happened in the past.

Building the plan to successfully organize the 5th ASEAN Competition Conference and the 11th EATOP on competition policy in Vietnam.
2.3. Consumer protection

Promote the relationship with provinces in consumer protection, in which support and provide guidance the provinces to establish the social organizations on consumer protection. The goal in 2015 is to establish more 3-5 new associations.

Supervise and speed up the individuals and organizations doing business on goods and services under the management scope of Decision No. 02/2012/QD-TTg to register the standard contract/general trading conditions. Inspect the standard contract and general transaction conditions of several organizations that are not compulsory to make registration under the Decision No. 02/2012/QD-TTg (for example: banking and insurance etc.).

Promoting the inspection, the handling of complaint and violation of consumer protection law nationwide, the concentration is the control of standard contract and general trading conditions.
2.4. Trade remedies

Follow up and update information, review and provide warning on products at high risks of circumvention investigation via trade fraudulent acts, transferring and foreign investment moving from countries exposed of antidumping and safeguard measures into Vietnam in order to protect the common interests of Vietnam’s production and exporting.

Follow up and update information on the anti-dumping, anti-subsidy and safeguard cases against Vietnamese exports. Cooperate with and provide technical consultancy to enterprises and trade associations in the course of coping with such cases.

Continue holding technical dialogues with partners/countries for granting market economy status for Vietnam, stressed on such partners as EU, the US, etc.

Actively provide the support for the business community to utilize the Early Warning system so as to enhance the effectiveness of trade defense and to deal with the trade barriers set by the important trade partners of Vietnam; cooperate with Ministries and relevant state agencies to cope with the antidumping cases and prevent dumping in the Vietnam market.

Proactively work with Associations and domestic enterprises to apply the trade defense measures so as to support the sectors that have difficulties in competing with the unfair practices of imported products.

Promote the advocacy activities to enterprises and society on the advantages when Vietnam participates in FTA, the trade disputes and trade measures, the cooperation with associations as well as enterprises at local level.

Follow up closely and implement the order of the Government and the Minister on the shrimp case between Vietnam and the U.S.
2.5. International Cooperation

Maintain and develop the VCA’s role in such cooperation frameworks as ASEAN, ICN, ICPEN, APEC etc. Enhance the effectiveness of cooperation with bilateral partners, such as Japan, US, Korea and Australia etc.

Build the Master Plan on International Cooperation in 2015, proactively cooperate and share experiences of the enforcement of competition law, trade remedies legislations, consumer protection within and beyond ASEAN region.

2.6. Human resource

Focus on developing the quality of human resources by enhancing the capacity for investigators in all three fields: competition, consumer protection and trade remedies. Especially, support the young officials in studying and obtaining knowledge for their professional works.

Actively organize social activities, such as sports and art performance in order to enhance spirits of the VCA staff community.
VIETNAM COMPETITION AUTHORITY – MINISTRY OF INDUSTRY AND TRADE

Add : 25 Ngo Quyen Str., Hoan Kiem dist., Hanoi, Vietnam
Tel : +84 4 2220 5002
Fax : +84 4 2220 5003
E-mail : qlct@moit.gov.vn
Website : www.vca.gov.vn / www qlct.gov.vn