

## Editorial

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# Vietnam Promotes ICT to Accelerate Development

Until recently, Vietnam has not been at the forefront of strong initiatives to attract foreign investment in ICT equipment and services. From 2000, the government has placed high priority on vastly improving ICT capabilities. Considerable foreign assistance is flowing to Vietnam with ICT targeted for much of this funding. The World Bank recently conducted an assessment of the progress the country has made in building a market economy, stimulating development, and introducing modern governance. The Bank's Vietnam Development Report 2003 is titled "Vietnam Delivering on Its Promise". A special assessment of ICT in Vietnam was recently prepared by the Bank's Global ICT Department.

The Government is committed to the design and implementation of an overarching strategic agenda for the IT industry. Two key elements are: (1) to become an enabler of development in all sectors; and (2) to primarily serve domestic consumption and secondarily for export. Within this strategy, Vietnam has a number of positive elements for the development of the ICT industry, namely: (1) a young hardworking, ambitious but low-cost workforce; (2) low land costs; (3) numerous tax incentives already in place; (4) training programs at 20 university IT departments producing about 4,000 IT graduates a year; (5) opening of private IT centers; (6) national plans to produce 50,000 IT graduates by 2005; (7) initiatives to create 300 new software firms by 2005; and (8) more than 1,000 IT students studying abroad.

There are, however, a number of constraints, the World Bank points out, including the following:

(1) Human Resource – Vietnam should significantly accelerate and expand its plans for more postgraduate instructors at university IT facilities, and consider creating new faculties; (2) Infrastructure – for the global software and services industry, reliable, high-bandwidth and inexpensive Internet access is the fundamental requirement. Present Vietnamese conditions do not meet minimum standards; (3) Tools and Methods – a major requirement is the development of more software marketing skills and a stronger strategy to expand Vietnam's selling networks in target markets; (4) Partnerships – present and projected software parks and incubator initiatives should work in close partnership with local IT faculties; (5) IPR Protection – law enforcement agencies should make IPR a high priority, and this effort should be publicized in the software industry and among investors; and (6) Finding a Niche – Vietnam could identify an ICT niche or specialization which would allow it to move up the value chain, and not be relegated to a low-cost assembler of hardware and software. Other highlights and major findings of this report are presented in the In Focus section of this issue. In addition to the description and analysis of the overall ICT situation in Vietnam, a report on the advancement of E-Commerce is included from the 2002 ITU Vietnam Internet Report. This report makes clear that E-Commerce is encountering many problems advancing to the levels of countries in the region at similar levels of development.

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