Regulations for the Digital Economy: Some Experiences of Viet Nam

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Viet Nam sees innovation as a major driver of future growth

- Economic growth has been high (6.81% in 2017 and 7.08% in 2018), but space for macroeconomic stimulus has become more limited.
  - More emphasis on reforms of microeconomic foundations (via regulatory reforms, among others)
  - Structural reform for promoting innovation is essential to improve labour productivity and GDP per capita
Viet Nam has lower labour productivity and GDP per capita compared to regional economies.
Digital economy is an opportunity, but:

- Viet Nam is still drafting the strategy for digital transformation, and the strategy for IR 4.0
  - Key areas: e-government, e-commerce, etc.
  - An open view to digital economy is getting more popular.
- Measurement is a more than a statistical issue
  - Information and telecommunication only accounted for 0.68% GDP in 2018
Making regulations work for digital economy: Examples?

- Facilitating market entry
  - In line with Ease of Doing Business program (i.e. Resolution 19s in 2014-2018 and Resolution 02 in 2019).
  - Enterprise Law and SME Law.

- Creating demand
  - Enforced target on e-government.

- Other on-going work: competition in online platforms; harmonization of tax policies?
Some thoughts

- Viet Nam can not wait until there are sufficient “documented evidences”
  - (Potentially) Asymmetric effects of regulating and de-regulating the digital economy.

- “Top-down” substance in regulatory reforms for the digital economy can be essential
  - So long as government agencies are willing to accommodate changes for economy-wide benefits.
THANK YOU