

# CUTS Hanoi Resource Centre 2010-2011

## Annual Report



**Hanoi Resource Centre**

# **ANNUAL REPORT 2010-11**

Published by

**Consumer Unity & Trust Society (CUTS)**

**Hanoi Resource Centre (HRC)**

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Established in 1983 as a voice of the poor to express their developmental needs and aspirations, CUTS International ([www.cuts-international.org](http://www.cuts-international.org)) is a leading Southern voice and face of consumer empowerment through its rights-based approach and activities for influencing the process and content of inclusive growth and development. From consumer protection work in India it has expanded its scope and interventions to subjects such as good governance and social accountability, trade and development, economic and business regulations including competition, investment and corporate governance issues, and human development, particularly women's empowerment.

The organisation's Vision is 'consumer sovereignty in the framework of social justice and equality'. It conducts action (policy) research and evidence-based advocacy for policy and practice changes to bridge the gaps between the core and the periphery, that between the state and non-state actors. It believes that consumer empowerment not only serves national interest but also addresses many challenges faced by the global public goods. It aims to take forward the consumer movement to the political space at sub-national, national and international level with a holistic and balanced objective.

With its headquarters and three programme centres in Jaipur, India (Centre for Consumer Action, Research & Training, Centre for International Trade, Economics & Environment, and Centre for Competition, Investment & Economic Regulation), one in Chittorgarh, India (Centre for Human Development), a liaison office in New Delhi, India and resource centres in Calcutta, India; Lusaka, Zambia; Nairobi, Kenya; Hanoi, Vietnam and in Geneva, Switzerland the organisation has established its relevance and impact in the policy-making circles and among the larger development community in the developing world and at the international level.

It has created and is part of several networks to cross-fertilise ideas and actions for fostering equity and accountability in economic governance through South-South and South-North cooperation between and among the state and non-state actors. It serves at several policy-making bodies of the Government of India, in some other developing countries, and at the international level.

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## **From the Secretary General CUTS International**

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CUTS has been working over the last couple of years in the Mekong region, especially in Cambodia, Lao PDR and Vietnam. After implementing regional projects on competition policy and law and international trade issues, it was realised that there is an urgent need in the region for further research and capacity building work on trade and regulatory policy issues.

Accordingly, CUTS launched its fourth overseas centre at Hanoi in January 2007 with the aim of promoting trilateral cooperation on a range of trade and economic policy issues.

Among its other overseas centre, the first one was established in Lusaka, Zambia in the year 2000, followed by Nairobi, Kenya in 2002 and London, UK in the year 2003. Another resource centre was launched in Geneva, Switzerland on July 16, 2008. Reportedly, CUTS is a rare Indian non-governmental organisation (NGO), which has overseas centres.

The purpose of these overseas offices is to promote trilateral development cooperation on a range of trade and economic policy issues, considering the fact that India has excellent diplomatic and commercial relations with these countries and the regions. In fact, these offices also network with many NGOs in the region other than government agencies.

In a short span of one year, CUTS Hanoi Resource Centre (CUTS HRC) has done a commendable job, though it is still far away from what CUTS expects or what I expect from it. In fact, the journey has just begun on a promising note.

HRC tested out the feasibility of organising semester course/classes in select universities in Hanoi and Ho Chi Minh City for the purpose of introducing competition and consumer protection issues into training in these institutions. Given a positive answer, HRC prepared the curriculum and, training modules



as well as lists of essential readings for a three-day model course on competition and consumer protection issues for lecturers from select universities, which were organised in 2010.

The Centre assisted the Vietnam Competition Authority (VCA) to undertake a research study on the competitive scenario in the oil and petrol market in Vietnam and wrote regular articles on competition and consumer protection policy, building a column on VCA's magazine and its website.

In addition to specific training and advocacy workshops, HRC assisted the Vietnam Standards and Consumers Association (VINASTAS) to draft its strategic development plan till 2015, promote its flagship magazine "The Consumer", develop a website and strengthen its Consumer Complaints Bureau. CUTS HRC also facilitated the development of a consumer trust marks scheme for enterprises in Vietnam by coordinating a study tour to Singapore for VINASTAS representatives.

Two booklets, i.e. a Consumer Action Handbook for Vietnam and The Guidelines for Association Development, were published and disseminated.

The Centre with the support of the International Development Research Centre (IDRC – Canada), launched a project entitled "Study on Unfair Trade Practices in select ASEAN countries", which would lead and contribute to the improvement of the relevant legal and institutional frameworks in ASEAN countries that seek to sustain a fair business environment therein and ensure equitable market outcomes.

The Centre acknowledges the support of the various donor agencies in fulfilling its objectives. Though a good initiative has been made, much work remains to be done.

I am confident that HRC can add to this impressive and varied array of activities in 2011, with new projects already in the pipeline. I congratulate it on its progress in 2010 and wish it continued success in the coming year.

Jaipur  
November 2011

**Pradeep S Mehta**  
Secretary General

## Introducing CUTS HRC, Hanoi

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CUTS Hanoi Resource Centre (CUTS HRC) was officially launched on February 29, 2008. It is the fourth of the five overseas centres of CUTS International opened in Hanoi, Vietnam, aimed at promoting trilateral development cooperation on a range of trade, development and economic policy issues.

Initially, CUTS HRC actively engaged itself in capacity building of competition authorities and also strengthening the consumer movement in Vietnam. It also contributed significantly to the overall policy-making process in Vietnam, especially with regard to enhancing the role of the civil society therein.

Its mission is to be a catalyst in transferring objective knowledge and advocacy skills from India and elsewhere to the Greater Mekong Sub-region (GMS) to mainstream the civil society movement therein into the development process.

### PROGRAMME AREAS

- Competition Policy and Law and Economic Regulation
- Investment Climate
- Consumer Protection Policy
- International Trade and Economics

### PROJECTS

- Strengthening the Competition Authorities in Vietnam (SCAV)
- Strengthening the Consumer Movement in Vietnam (SCMV)
- Study on Unfair Trade Practices in Select ASEAN Countries

### Strengthening the Competition Authorities in Vietnam (SCAV)

Through the strengthening of the Vietnam Competition Administration Department (VCAD -Ministry of Trade – [www.vcad.gov.vn](http://www.vcad.gov.vn)) and through a better understanding of the benefits of competition among public officials, the private sector and civil society, the Project will contribute to the

establishment of a business environment that is conducive to the development of the private sector. This will lead to a strengthened international competitiveness of the Vietnamese economy, as well as to better products and services and to increased exportations. All immediate objectives of the Project aim at deepening the application and the implementation of Vietnamese competition policy. The project lasts over a period of three years and is supported by the Swiss Secretariat for Economic Affairs (SECO) and the Swiss Competition Commission (COMCO).

### **Research and Publications**

**A research report on the market for petrol and oil in Vietnam** was aimed at looking into the state of competition in the petrol and oil sector in terms of scope, structure, market behaviours and market access barriers. On that basis, recommendations to relevant state authorities for a better outlook at the macroeconomic level were made.

**A market study on pharmaceutical products in Vietnam** was aimed at providing assessments regarding the competitive environment in the market for pharmaceutical products in Vietnam; and proposing recommendations to relevant state authorities that would contribute to a healthy competitive environment in pharmaceutical market, stabilising drug prices and protecting consumer rights.

**Six articles on competition/consumer protection issues for VCA's bulletin for the period 2010-2011** were written and translated into English. These were: "Law on Product Liability", "Unconscionable Conduct and Consumer Protection", "Consumer Dispute Settlement Mechanisms", "Consumer Protection in E-commerce", "Consumer Protection in Public Utilities" and "Consumer Protection and Professional Services".

**Training materials and curricula** for a 3-day training courses for lecturers from select universities in Vietnam were drafted by CUTS Hanoi in collaboration with CUTS HO. The modules were on the following topics: (i) Introduction to competition policy and law (CPL); (ii) Competition analysis; (iii) Horizontal agreements; (iv) Vertical agreements; (v) Abuse of dominance; (vi) Mergers and acquisitions; (vii) Competition advocacy; (viii) CPL and Intellectual property rights (IPRs); (ix) CPL and sector regulation; (x) CPL and consumer protection; and (xi) CPL and economic development.

In each module, analyses on the Competition Law 2004 of Vietnam and examples/cases from Vietnam and elsewhere were also included to the best

extent possible. These materials were of great help in introducing competition and consumer protection issues into training in these universities.

### **Advocacy and Networking**

- The 2<sup>nd</sup> Annual Monitoring Meeting for the project was successfully held in Da Nang City, Vietnam on May 24-27, 2010. The meeting was to review the progress of the project implementation and make plans for the final year. During the meeting, the possibility of a phase 2 of the project was explored, with a thrust on deepening technical assistance: (i) legislative support for review and amendment of the Vietnam Competition Law; (ii) further capacity building for VCA staff; and (iii) more rigorous advocacy.
- The training course for university lecturers from select universities in Vietnam was successfully organised in Ha Long on September 21-24, 2010. There were 24 participants from different Universities in the Northern, Central and Southern areas. The training course helped acquaint all these people with theoretical/practical understanding of competition policy and law and give them hands-on training on how to deal with competition-related cases. All the participants showed interest in the training course and promised to disseminate the knowledge about competition to others when they were back to their Universities.



- The final project meeting was scheduled to take place in April 2011.

### **Strengthening the Consumer Movement in Vietnam (SCMV)**

The overall goal of this project is to promote a healthy and vibrant consumer culture in Vietnam, which ensures the meeting, in the long term, of the seven legitimate needs of consumers, as set out in the United Nations' Guidelines

for Consumer Protection. The project lasts over a period of 24 months and is funded by the Ford Foundation (Office for Vietnam and Thailand).

The specific objectives of the project include:

- Structured development of the consumer movement in Vietnam, with the core being Vietnam Standards and Consumers Association (VINASTAS), its provincial branches and subordinate institutions, based on clear strategies and innovative activities;
- Positive developments/changes in consumer protection laws and regulations; and
- Effective mechanisms for engagement of all relevant stakeholders, most of all consumers, and ensure active participation channels for better representation of consumer voices.

### **Research and Publications**

**Select sections of the book “International Product Liability 2007”** were translated into Vietnamese. These sections are: Introduction, Australia, Canada, England, France, Germany, Switzerland, US and EU. These were printed and published by VINASTAS for internal circulation.

**Two booklets, i.e.** a Consumer Action Handbook for Vietnam and The Guidelines for Association Development, were prepared for publication and distribution. The Action Handbook was divided into three small booklets focusing on three specific issues, i.e., “Insurance”, “Nutrition and Health” and “Banking”. Some of VINASTAS’ brochures and leaflets were also printed.

### **Advocacy and Networking**

- A meeting to discuss the 5-year strategy for VINASTAS was held on April 2010 in the presence of VINASTAS’s standing committee, representatives of relevant agencies such as the Deputy Minister of the Ministry of Industry and Trade, the Director General of Vietnam Competition Authority, etc. Pham Thi Que Anh and To Tam represented HRC in the meeting. The development strategy of consumer protection in Vietnam for five years (2010-2015) was presented by Do Gia Phan, the General Secretary of VINASTAS, and received a lot of comments from participants.
- At the end of August 2010, HRC collaborated with Hanoi Law University to organise a research conference entitled “Consumer Protection Law in Vietnam: The Current Situation and Solutions”. There were 60 participants in the conference.

## **Study on Unfair Trade Practices in Select ASEAN Countries**

Unfair trade practices (UTPs), otherwise called unfair competition practices, constitute an important part of antitrust statutes of several countries in the world. In some cases, UTPs are handled by a whole separate piece of legislative act – a law on unfair competition. This is because UTPs have considerable, sometimes quite severe, implications for business welfare, especially that of small and medium enterprises (SMEs), and consumer welfare. However, in the Association of Southeast Asian Nations (ASEAN), UTPs have remained a low key for a multitude of reasons.

HRC, with the support of the International Development Research Centre (IDRC – Canada), launched a project entitled “Study on Unfair Trade Practices in select ASEAN countries”, in cooperation with research partners in Indonesia, Malaysia, the Philippines, Thailand and Vietnam.

The overall objective of the project is to initiate and develop a body of legal and applied research on unfair trade practices (UTPs) in select countries in the ASEAN region, which would be fed into the dialogue and working processes of the ASEAN Expert Group on Competition (AEGC).

This would lead and contribute to the improvement of the relevant legal and institutional frameworks in ASEAN countries that seek to sustain a fair business environment therein and ensure equitable market outcomes.

### **Advocacy and Networking**

- The Launch Meeting of the project was organised in Hanoi, Vietnam, on March 11, 2011. The meeting was hosted by the HRC in collaboration



with the Vietnam Competition Authority (VCA) - Ministry of Industry and Trade of Vietnam.

The meeting brought together experts and academicians within and beyond the ASEAN region, as well as partners, advisors and select local government officials working in the field and the press, to discuss and exchange views on the nature and prevalence of UTPs in the region, their impacts on business growth and consumer welfare and the legal and regulatory framework, as well as institutions to deal with them, etc.

### REPRESENTATIONS (from April 1<sup>st</sup> 2010 to March 31<sup>st</sup>, 2011)

Date/Place	Event & Organiser	Issue & Objective	Participant (s)
Binh Duong, Vietnam, April 20, 2010	2nd Congress of Binh Duong Standards and Consumers Association	Summarise the achievements as well as shortcomings during the first term 2005-2010, draw useful experiences and brainstorm on the solutions	Pham Thi Que Anh Tran Thi To Tam
Hanoi, Vietnam, May 25-27, 2010	Competition in Public Procurement organised by VCAD & COMCO	Pham delivered a presentation on "Cartels and Corruption in Public Procurement" on the 25 <sup>th</sup> and another presentation on "M&As in Vietnam: Current Trends, Prospects and some Independent Reflections" during the subsequent training workshop on "Mergers and Acquisitions"	Pham Thi Que Anh Nguyen Thanh Ha
Hanoi, Vietnam, June 2010	Bi-monthly meeting of Anti-Fake Goods and Fraudulent Business Club, VINASTAS	The topic was about Vietnamese market as well as investigations on quality, price and some recommendations for consumer education	Tran Thi To Tam

Contd...



Date/Place	Event & Organiser	Issue & Objective	Participant(s)
Nguyen Du, Hanoi, June 15, 2010	A VINASTAS's meeting on the 5-year development strategy of VINASTAS (2011-2015)	–	Pham Thi Que Anh  Tran Thi To Tam
Hanoi, Vietnam, September 20, 2010	Policy Networking Session entitled 'Regulatory Approaches to Anti-Competitive Behaviour in Telecommunications'	This activity was within the framework of the EU-Vietnam Mutrap III Project which is phase 3 of the Multilateral Trade Assistance Project (MUTRAP), initiated by the EC and the Vietnamese Ministry of Industry and Trade	Tran Thi To Tam
Hanoi, Vietnam, October 13, 2010	Capacity Building on Consumers' Complaint Handling for Vietnam Standards and Consumer Association organised by EU-Vietnam MUTRAP III	–	Nguyen Thanh Ha

## Outreach

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- HRC developed and updated a new format of its website with a URL ([www.cuts-hrc.org](http://www.cuts-hrc.org)). The website, which stays connected with HO homepage, was made bilingual (English and Vietnamese) for wider outreach both at national and international levels.
- HRC came up with a Competition and Consumer Protection Dossier which is based on CUTS CCIER's Dossier of Competition Distortions in India. The dossier is intended to provide policymakers, regulators and the public with access to latest developments related to competition and consumer protection issues, including laws, policies and cases.
- HRC's economic update is prepared on a quarterly basis to provide news and analysis over the latest developments in terms of trade and economics, competition and regulations in Vietnam, Laos and Cambodia as well as other countries of the ASEAN.

## Other Activities

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- **Strengthening Capacity on Sustainability Criteria for Bio Energy (ISO 13065) in South and Southeast Asia Regions:** In response to an invitation from Ratnakar Adhikari, General Secretary, South Asia Watch on Trade, Economics & Environment (SAWTEE), HRC took part in the capacity building project “Strengthening Capacity on Sustainability Criteria for Bio Energy (ISO 13065) in South and Southeast Asia Regions”, implemented by SAWTEE in partnership with the Swedish Standards Institute (SIS). The project was supported by the Swedish International Development Cooperation Agency (SIDA), aimed at building capacity of the participating countries in the regions to make a substantial influence on the development of the ISO 13065 standard and to prepare stakeholders for a future implementation of the standard.

As a part of this project, HRC performed necessary preparatory tasks for a standardisation workshop organised in Kathmandu on April 19-21, 2011 and the Pre-Seminar session in Frankfurt, Germany, on May 14-16, 2011.

- **Pre-retreat Meeting 2010 for HRC:** In the run-up to the main retreat to be organised at CUTS headquarter in India, HRC organised a pre-retreat meeting on May 28, 2010. The purpose of the meeting was to deliberate on critical issues faced by the centre by looking into the overall performance during the past year.

The immediate expected outputs of the pre-retreat include (i) a detailed list of challenges and the way to deal with them and (ii) a SLOT analysis of the centre, which may create basis for a strategic business plan to be prepared afterwards.

- **Strengthening the Consumer Protection Regimes in the World:** Within the framework of the project “Strengthening the Consumer Protection Regimes in the World”, three papers on the Consumer Protection Scenario in Vietnam, Laos and Cambodia have been finalised and sent back to HO for editing and publication.



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