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ROADMAPPING CAPACITY BUILDING NEEDS IN CONSUMER PROTECTION IN ASEAN

Consumers International

COUNTRY REPORT: VIETNAM (FINAL)

(Revised 3 June 2011)

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ABSTRACT

Vietnam is one of the ASEAN countries that have just enacted its *Consumer Protection Law* which ~~will take~~took effect in July 2011. Prior to this, the country was covered by *Ordinance on Protection for Consumer's Interests* for more than a decade. This, however, had not been effective as its provisions were seen as general pronouncements.

Amid the efforts of the government and consumer organisations to educate consumers and businesses in the past years, awareness and appreciation about their rights and responsibilities have been low. This is a huge challenge which both government and non-government organisations have to deal with in addition to lack of an adequate legal basis.

Government agencies implementing consumer protection have been encouraging consumers to take part in developing their programs and standards, however, not enough participation has materialised. There are only few consumer NGOs in the country, and just like the government, they have limited manpower to take part in as many consultations as possible.

Consumer redress is an area that needed serious attention by the government. NGOs have been providing speedy and accessible alternative mechanisms to handle complaints but due to the generality of the ordinance, it does not hold water to provide the much needed justice for consumers. With the new law, it is hoped that the government would start to set up stronger consumer redress mechanisms, particularly in rural and remote provinces where this is almost nil at present - and eventually established its niche as able protector of consumers' interests.

Keywords: Consumer protection, capacity building, complaints, redress mechanisms, best practices, Vietnam

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ABBREVIATIONS

| | |
|----------|--|
| ASEAN | Association of South East Asian Nations |
| AMS | ASEAN Member States |
| AADCP II | ASEAN Australia Development Cooperation Program Phase II |
| CIKL | Consumers International Kuala Lumpur |
| GDP | Gross Domestic Product |
| MOH | Ministry of Health |
| MOIT | Ministry of Industry and Trade |
| MONRE | Ministry of Environment and Natural Resources |
| MOST | Ministry of Science and Technology |
| MOSTE | Ministry of Science, Technology & Environment |
| NSEP | National Strategy for Environmental Protection |
| VCA | Vietnam Competition Authority |
| VCAD | Vietnam Competition Administration Department |
| VINASTAS | Vietnam Standard and Consumers Association |

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EXECUTIVE SUMMARY

The Vietnam Competition Authority of the Ministry of Industry and Trade shared that consumer issues in the country come in various shapes and forms and most of these issues are basic, mostly dealing on weights and measures and incorrect information. However, it is seldom that these issues are raised by consumers, themselves, to concerned government agencies for action. The usual reason cited is that *'it is not worth it'* – the cost of the product or service is much less than the cost of bringing it up to authorities or seek redress from goods or service providers.

The country's consumer protection has been mainly covered by the *Ordinance on Protection of Consumer's Interest*. However, it is seen as general pronouncements, and therefore is not enough to effectively protect consumers from the market abuses.

From the general survey conducted in Vietnam, it was found out that 55% of government agencies and non-government organisations who responded are experiencing medium to high level of difficulties in implementing consumer protection activities and programmes. Twenty percent said they don't experience difficulties at all while another 20% indicated low level of difficulties. Some of the challenges that limit the implementation of consumer protection activities by relevant agencies in the country are limited number of staff, funding, and office equipment.

The secondary data showed the major issues that consumers in the country are complaining about and these included:

Under products

- Poor quality, limited or absence of warranty, unsafe food, high and increasing prices of milk and medicine, limited quantity of petrol for sale.

Under services

- Financial institutions - exorbitant charges and interest rates for of credit cards and poor service
- Communication industry – poor broadband services, and poor technical and customer service
- Basic services – water and electricity supply

Consumers in rural and poor urban cities faced much bigger consumer issues. This study found out that they have to live with the following challenges in the absence of a more effective consumer protection:

- Limited food items on supermarket shelves that are certified of high quality, and lack of relevant information about goods and services available to guide consumer choices
- Lack of healthcare facilities, and
- Limited educational establishments
- Limited purchasing power

The overarching difficulty in pursuing consumer protection in Vietnam is the lack of a comprehensive legal basis to govern consumer protection. This is the challenge that the newly enacted *Consumer Protection Law* aims to address starting in 2011. Under this new law, consumer rights are clearly spelled out. There are also enough legal provisions to cover business establishments' responsibilities to consumers such as the inclusion of rules on product liability and conflict settlement. The law also specifies eight behaviours prohibited for the institutional and individual traders and producers who deliberately cheat or mislead consumers by giving insufficient information.

The law prescribes legal basis for consumer protection and provides specific provisions to cover the following:

- To be ensured about safety of life, health, possessions, and other legal rights when they use products and services provided by individuals, producers and distributors.
- Obtain exact information about the origin of the products, producers, distributors and other related information of the goods and services traded.
- Complain, denounce or sue the producers, distributors to protect their rights.
- Require compensations when goods fail to meet the quoted or listed standards, specifications and prices.

To support the work on consumer protection, government and NGOs require these assistance in these areas:

1. Awareness and educational programmes
2. Establishing institutional mechanisms
3. Hiring competent personnel
4. Training staff on consumer issues (e.g. identification of fraud, counterfeit products, fair trade laws, price fixing, E-commerce etc.)
5. Consumer issues impacting on women

Training on fundraising is the most preferred form of assistance to support the work on consumer protection in Vietnam. The other forms of assistance preferred are:

- Information Technology system (e.g. database management)
- Twinning or partnership with agencies or institutions within the region,
- Experts
- Internship
- Training on management/leadership,
- Study and exposure visits

1. INTRODUCTION

1.1 STUDY BACKGROUND

This country report is part of the regional study titled '*Roadmapping Capacity Building in Consumer Protection in ASEAN*'. It is a project of the ASEAN-Australia Development Cooperation Program (AADCP) II which aims to strengthen consumer protection in the region as well as in individual ASEAN Member States (AMS).

The regional study has produced two major outputs: i) a regional capacity building roadmap on consumer protection, and ii) supporting roadmaps for each of the AMS. The roadmaps were based on the following information that were gathered and presented in this report:

- consumer protection policies, laws and regulations in AMS
- consumer education programmes, initiatives and best practices, and
- capacity building needs of major stakeholders in consumer protection and recommendations

This report is the **Vietnam Country Report**. It outlines the general consumer protection regime in the country as well as the specific areas that are of regional relevance namely:

1. Product safety and labelling
2. Phones and Internet services and E-Commerce
3. Consumer credit and banking
4. Environmental
5. Healthcare services
6. Professional services

The selection of these six areas is explained on Chapter 2. Methodology.

The overarching framework of the study is primarily based on the Eight Fundamental Rights of Consumers:

1. The right to basic needs
2. The right to safety
3. The right to information
4. The right to choose
5. The right to representation
6. The right to redress
7. The right to consumer education
8. The right to a healthy environment

The following key principles are also adhered to in the development of the national road map, contributing towards the regional framework:

- **Protection:** Consumers should be protected from unfair practices

- **Responsibility:** Transparent legislation in addition to effective consumer programmes to enable consumers to have sufficient information in order for them to exercise their responsibilities
- **Enforcement:** There should be prompt and efficient enforcement of legislation to deter breaches of the consumer protection laws by businesses
- **Change:** new and emerging consumer issues are identified so that legislation is updated and consumers have access to relevant information on these issues in order to make informed choices.
- **Competition:** free and open competition is generally beneficial for consumers and Government regulations and legislation help to ensure a fair environment in the marketplace for consumers and businesses
- **Representation:** Legitimacy for representation by non-governmental consumer organisations must be recognized such as the right to association.

Consumers International Kuala Lumpur (CIKL) Office carried out the regional study in cooperation with its members and partners in the AMS. In Vietnam it was done with the Vietnam Standard and Consumers Association (VINASTAS), a consumer organisation and an affiliate member of CI.

CI is a not-for profit federation of consumer groups that serves as the only independent and authoritative global voice for consumers. Founded in 1960 and with over 200 member organisations in 115 countries, it is building a powerful international movement to help protect and empower consumers everywhere. The KL office is CI's regional office for Asia Pacific and the Middle East.

This report is organised into 6 Sections. Section 1 provides general background about Vietnam and a general state of consumer protection in the country. Section 2 outlines the methods applied for data gathering that led to the outcomes and findings presented in this report. Findings of the project are presented in Sections 3, 4 and 5. The general mapping and situational analysis on national legislation and consumer protection programmes are presented in Section 3. Section 4 covers the assessment on the capacity building needs of the various stakeholders that took part in the project, and Section 5 presents some recommendations and the national roadmap for capacity building needs in consumer protection at the national level. Finally, Section 6 draws an overall conclusion of the report.

1.2 COUNTRY BACKGROUND

1.2.1 Geography

Vietnam, officially the Socialist Republic of Vietnam, is the easternmost country on the Indochina Peninsula in Southeast Asia. It is bordered by People's Republic of China to the north, Laos to the northwest, Cambodia to the southwest, and the South China Sea to the east. With a population of over 86 million, Vietnam is the 13th most populous country in the world.

1.2.2 GOVERNMENT AND POLITICS

The Socialist Republic of Vietnam is a single-party state. A new state constitution was approved in April 1992, replacing the 1975 version. The central role of the Communist Party of Vietnam was reasserted in all organs of government, politics and society. The President of Vietnam is the titular head of state and the nominal commander in chief of the military of Vietnam, chairing the Council on National Defense and Security. The current Prime Minister of Vietnam, Nguyen Tan Dung, is the head of government, presiding over council of ministers composed of three deputy prime ministers and the heads of 22 ministries and commissions.

1.2.3 ECONOMY AND INTERNATIONAL RELATIONS

Historically, Vietnam has been an agricultural civilisation based on wet rice cultivating. The Vietnam War destroyed much of the country's economy. Vietnam achieved around 8% annual Gross Domestic Product (GDP) growth from 1990 to 1997 and continued at around 7% from 2000 to 2005, making it one of the world's fastest growing economies. As a result of several land reform measures, Vietnam is now the largest producer of cashew nuts and black pepper, and second largest rice exporter in the world after Thailand.

Vietnam is still a relatively poor country with an annual GDP of US\$256.584 billion at purchasing power parity (2009 estimate). This translates to a purchasing power of about US\$3,300 per capita (or US\$726 per capita at the market exchange rate).

1.2.4. DEMOGRAPHICS

The result of Census April 1, 2009 shows that Vietnam has more than 85.8 million population. Vietnamese people, of which: the so-called "Viet" or "Kinh" is nearly 73.6 million, account for 85.8% of the population. Their population is concentrated in the alluvial deltas and coastal plains of the country. There are 54 ethnic minority groups throughout the country, but the Kinh are purveyors of the dominant culture.

The people of Vietnam speak Vietnamese which is a tonal monosyllabic Mon- Khmer language as an official national language. Various other languages are spoken by several minority groups in Vietnam: the French language, a legacy of colonial rule, is still spoken by some older Vietnamese as a second language. In recent years, English is becoming more popular as a second language. English study is obligatory in most schools.

General education in Vietnam is imparted in 5 categories: kindergarten, elementary schools, middle schools, high schools, and college/university. Courses are taught mainly in Vietnamese. A large number of public schools have been organised across the country to raise the national literacy rate, which was 90.3% between 2003 and 2008.¹

The overall quality of health in Vietnam is regarded as good. As of 2009 life expectancy is 76 for women and 72 for men. Infant mortality is 12 per 1,000 live births. Malnutrition is still common in the provinces. I.

¹ Wikipedia. <http://en.wikipedia.org/wiki/Vietnam>

1.3 CONSUMER PROTECTION

1.3.1 General Overview

During the 30 years of war, Vietnam applied a centralised planning system wherein all major establishments were in the hands of State. Goods and necessities were distributed through a system of tickets. Major services like electricity, water, transport, telecommunications, banking, health services, and education were of state monopoly. In this time, the concept of consumer welfare and rights were not mentioned, nor activities to protect the consumers were pursued.

In 1986, 11 years after the war, Vietnamese leaders initiated some policies to improve the national economy. This spurred economic growth and improved people's living standards. But as a result of many years of implementing a centralised planning system, most major services remained under the government control, except for retail sales which were turned over to the private sector. The prices of many services are still set by the government so consumers have limited options. In 2002 for instance, electricity cost rose dramatically to 25% which necessitated the increase in basic goods and services.

Living for many years under the subsidiary system where goods were distributed through tickets, Vietnamese consumers have limited consciousness about their rights and responsibilities. Traditionally non-confrontational, Vietnamese consumers have little eagerness to complain about faulty goods or poor services they paid for. On one hand, businesses' efforts to advertise their products and services were grand, often misleading consumers.

To address the situation, the *Ordinance on Consumer Protection* was enacted in 1999. This provided the legal basis for consumers' welfare. However, the ordinance was ineffective as it was general pronouncements and has loose enforcement mechanisms.

Under the Ordinance, consumers can complain and ask for compensation in case of unfair trading practices. However, formalities have prevented consumers from enjoying their rights as it is not easy for them to prove evidence of violations. Vietnamese purchasing habits such as not asking for receipts or buying goods in flea market fail the formal process.

With the new law that ~~will start to take~~took effect in 2011, *the Consumer Protection Law*, the government of Vietnam hopes to improve its consumer protection programmes. It hopes to do so by providing stronger mechanisms to address consumer concerns such as a concrete and visible redress mechanism, improved law enforcement, and intensified public education campaigns.

A survey done by VINASTAS in August 2008 showed that 41%, or less than half of all consumers in 10 cities and provinces, were aware about their rights. The rest believed that it is the job of the government and watchdog associations to make sure that their rights are protected. Also, Vietnamese consumers do not know who to turn to for help. The low percentage of people who actually sought redress back this up. In 2009, VINASTAS had

settled out of court about 80% of the 1,000 complaints it received, an insignificant number though considering the country's almost 90 million population.

To date, the Vietnam Competition Authority (VCA) is addressing the limitations in consumer protection implementation and enforcement vis-a-vis the need to launch a nationwide consumer awareness and education campaign.

The following pages provide an overview of consumer protection in the country in specific areas.

1.3.2 Product safety and labelling

Consumers in Vietnam often have to suffer from unsafe and poor quality of products. Before the enactment of the *Consumer Protection Law*, consumers have no legal recourse for protection, let alone compensation.²

A number of high profile cases have recently come to light in which consumers have bought poor quality goods ranging from vegetables sprayed with pesticides, cosmetics containing toxic chemicals and fake medicines.

According to 2008 report of the Ministry of Science and Technology of Vietnam, over 30 gasoline stations in the country were caught overcharging for fuel or selling adulterated gas mixed with anything from kerosene and water to mud and booze. Many have also rigged their scales to charge more. In the same year, cases of kidney stone among children were high and government agencies blamed melamine-tainted milk as the cause.

According to VINASTAS, most common consumer complaints in relation to good and products in 2009 were:

- Poor quality and limited or no warranty
- Misleading advertisements
- Limited product testing
- Weak law enforcement
- Unknown origin of imported foods
- Tainted food
- High cost of medicines and milk
- Limited supply of petrol

Based on desk research, no data was found as to numbers of consumer complaints nor injuries related to product safety and labelling.

² Nguyen Dinh Tai. Central Institute for Economic Management. '*Consumer Protection in Vietnam*'. A presentation at the OECD Conference on 'Consumer Empowerment and Responsible Business Conduct.

1.3.3 Phone, Internet and E-Commerce

According to reports from the General Department of Statistics of Vietnam, by end of August 2010, there were 158.8 million telephone subscribers in the country. This included 142.4 million mobile subscribers and 16.4 million fixed phone subscribers.

Based on the same report, the number of Internet users until the end of August 2010 reached 25.8 million people, an increase of 18.3% from the previous year. Vietnam is now in the 20th list of countries that have high Internet users.

In terms of E-Commerce, one the reasons often cited for the limited development in this area is the high cost of Internet subscription in relation to the low income of most Vietnamese. They are charged higher fees for Internet access as compared to users in other countries in the region. An Internet user may have to pay 25% of his/her salary, if he/she uses the Internet for 30 minutes per day. The lack of up-to-date legal framework in Internet usage, high Internet tariff, and proliferation of unsolicited emails are serious issues in this country.³

VINASTAS shared that the challenges face by consumers in Vietnam are frequent internet interruption, unstable connection, unfair pricing and spams.

1.3.4 Consumer credit and banking

Following its reorganisation in 1976, the State Bank of Vietnam (formerly the National Bank of Vietnam) became the central bank of the country. In addition to its national financial responsibilities, the State Bank also assumed some of the duties of a commercial bank. The first commercial bank opened in Ho Chi Minh City in July 1987 to handle personal savings and to extend loans to enterprises and individuals. One objective in establishing Vietnam's first commercial bank was to limit inflation through the bank's ability to coordinate the extension of credit.

Vietnam's banks suffer from low public confidence, regulatory and managerial weakness, high levels of non-performing loans, non-compliance with the Basel capital standards, and the absence of international auditing. Since 1992 Vietnam's banking system has consisted of a combination of state-owned, joint-stock, joint-venture, and foreign banks, but the state-owned commercial banks predominate, and they suffer from high levels of nonperformance, most of them to state-owned enterprises.

Consequently, in September 2005 Vietnam decided to equitise all five state-owned banks—a change from previous plans to equitise only two of them. In addition, Vietnam plans to boost the transparency of its financial system by establishing a credit-rating agency and

³ Tran Ba Thai. Institute of Information Technology, Vietnam National Centre for Science and Technology. 'Legal framework and Ecommerce Country report: Vietnam.'

http://74.6.117.48/search/srpsache?ei=UTF-8&p=consumer+protection+in+vietnam&fr=yfp-t-892&fp_ip=my&u=http://cc.bingj.com/cache.aspx?q=consumer+protection+in+vietnam&d=4993797291117694&mkt=en-US&setlang=en-US&w=6250d964,2de8c414&icp=1&.intl=us&sig=2nYvseF3U7wpND67jBIhJw--

performance standards for joint-stock banks. Large foreign banks are balancing their strong interest in serving multinationals in Vietnam and frustration with continuing restrictions on their activities. Although Vietnam is a cash-based society, 300 to 400 ATMs have been installed, and about 350,000 debit cards are in circulation.⁴

Based on reports from VINASTAS, the major sources of consumer credit in the country are credit cards, loans from banks, and personal loans from licensed and unlicensed agents or money lenders. Consumers in general have to deal with high interest rates, unfair contract terms and often tricky and hidden fees charges, particularly by unlicensed money lenders.

1.3.5 Environment

Vietnam's economy doubled in size during the last decade, while its poverty rate was halved. Future rapid economic growth and associated industrialization and urbanization, and Government's huge investments in infrastructure pose significant pressures on the environmental sustainability of Vietnam's development.

Environment sustainability is included in Vietnam's Comprehensive Poverty Reduction and Growth Strategy and the accompanying Vietnam Development Goals, which together with other government's strategies and action plans identify steps to address the environmental challenges inherent to rapid economic growth.

The government is raising the profile of environmental sustainability in its national and international dialogue. In 2003, Government created the Ministry of Environment and Natural Resources (MONRE), initiated separation of regulation of some natural resources from that of users, and approved the National Strategy for Environmental Protection. In 2004, the environmental impact assessment requirements for project approvals were increased and the Strategy for Sustainable Development (Agenda 21) was adopted. MONRE is now drafting amendments to the Law on Environmental Protection to enable new policy tools and remedies for pollution prevention and cleanup, and adjustments to cover environmental management in the private sector.

Despite these signs of progress, there is a need for substantial improvements in the policy framework for environmental sustainability and the institutional arrangements to achieve this. Progress in achieving results has been slow due to weak commitment by sectoral agencies, low awareness in local departments and officials, and capacity challenges at all levels. There is a fundamental lack of environmental integration at planning and programmatic levels, especially in public investment planning process and in regional plans for land and resource use. In addition, awareness on the expected, negative environmental impacts of sustained economic growth, and the mechanisms for stakeholders to hold government agencies accountable for their performance is weak.⁵

⁴ Wikipedia. http://en.wikipedia.org/wiki/Banking_in_Vietnam

⁵ Vietnam Country Environmental Analysis, Draft Concept Paper.

http://docs.google.com/viewer?a=v&q=cache:IZW8VQTrRmIJ:siteresources.worldbank.org/INTEAPREGT+OPENVIRONMENT/Resources/Vietnam_CEA_concept_note.doc+status+of+environment+in+vietnam+world+bank&hl=en&gl=my&pid=bl&srcid=ADGEEsinyOtE2A2aFYoDTcgUOIT9y1VWo3ZrnZTLumCZdOixos3DvyPpewx70qzHXhM4CdBo4HxY2rA_b0DYBvPQlcvBlq7j6d-6TQpK6FTn2meq43Zc430iNEY6WSkgyYWbqZntSAN&sig=AHIEtbScCTqvPJh59cF7dmbCfppSGn_MKQ

Among the general public, there is also a clear lack of awareness about basic environmental management, particularly on solid waste issues. VINASTAS shared that litters and garbage on major thoroughfares are common sights.

1.3.6 Healthcare services

Jannatul Madihah *et al* (2009) states that quality in healthcare delivery involves six main aspects including access to services, suitability to the needs, effectiveness, equity, social acceptance, and efficiency. Quality, therefore, should be taken from the perspectives of the consumers and the providers. Some of the issues surrounding quality assessment are identifying and balancing between the different perspective among the stakeholders, producing accountable framework for assessment and also finding suitable criteria for outcome assessment.

The overall quality of health in Vietnam is regarded as good based on 2009 reports with life expectancy at 76 for women and 72 for men. However, malnutrition is still common in the provinces and government subsidies to health care in general is limited, thus consumers in most cases have to fend for themselves.

Inadequate funding also has contributed to a shortage of nurse, midwives, and hospital beds. A World Bank report in 2000 indicated that there were only 250,000 hospital beds or 14.8 beds per 10,000 people, a ration considered as very low among Asian nations. Tuberculosis cases are on the rise, with 57 deaths per day reported in May 2004. As of 2007 0.5% of the population is infected with HIV and the figure has been stable since 2005.

The health system in Vietnam is a mixed public-private provider system, in which the public system still plays a key role in health care, especially in prevention, research and training.

The private sector has grown steadily since the 'reform' of the health sector in 1989, but is mainly active in outpatient care; inpatient care is provided essentially through the public sector.

Only 26% of private health facilities participate in primary health care activities. In treatment areas, specialised hospitals and clinics account for only 11.36% of health facilities and are therefore often overloaded. The ratio of nurses to doctors is still very low.

Health care is strengthened by national health programmes, especially those for important public health problems. Total health expenditure in 2003 was 4.21% of GDP. Government expenditure accounts for only 30%, the majority of which is allocated to treatment, with increasing rates from 71.29% in 1991 to 85.02% in 2000.

Budget allocation rates for prevention remain low and continue to decrease. Generally speaking, health insurance policies have not been implemented in the private sector. Pro-poor policies, such as providing health insurance cards for the poor, direct exemption from hospitalisation fees, and the establishment of health care funds for the poor, are being actively implemented, but with limited coverage because of budget shortages.

The current, most pressing issues are improving the quality of care, rationalising and training health staff, and increasing public funding for health care through extension of health insurance coverage. Inequity is highest in outpatient and rehabilitation services. A large disparity in access to health care facilities exists across regions and population groups, particularly in mountainous areas and among minority ethnic groups and the poor.⁶

Too crowded, unfair pricing, and poor services are some of the complaints gathered by VINASTAS from consumers in relation to government hospital services. On the other hand, consumers complain about high cost of services, unfair practices, poorly equipped facilities of private hospitals.

Based on desk research, no data was found as to numbers of consumer complaints nor injuries related to healthcare services.

1.3.7 Professional services

In Vietnam, according to VINASTAS, there are five types of professional services that are often sought by consumers, namely:

- Housing consultation
- Housing market broker
- Legal services
- Medical services
- Banking and insurance services

However, this study focuses on professional services that are commonly acquired by consumers in AMS, namely medical practitioners (doctors) and legal practitioners (lawyers).

In 2010, there were around 5,250 practicing lawyers and 2,000 trainee lawyers in the country. Given the population size of the country, the ratio of lawyers is very low in comparison to its almost 90 million populations. Many people in rural areas have neither a habit nor any knowledge about access to legal service.⁷ In 1995, foreign lawyers have been allowed to practice law in the country.

In terms of access to medical services, the country faces a critical shortage of manpower. Vietnam has about 4.5 doctors per 10,000 people. The sad fact, however, is that Vietnam produces a large number of doctors from every year, currently increasing at a rate of 25%

⁶ World Health Organisation. <http://www.wpro.who.int/countries/05vtn/...> [Retrieved on 2011-01-25]

⁷ Vietnam Bar Association. 'Vietnam's Updated Country Report 2010: Access to Justice in Vietnam'. http://docs.google.com/viewer?a=v&q=cache:W1_3OLZPhxkJ:www.lawcouncil.asn.au/shadomx/apps/fms/fmsdownload.cfm%3Ffile_uuid%3DEFFCF7DE-EF7B-A30F-3704-FC8D566AD96F%26siteName%3Dlca+access+to+legal+services+in+vietnam&hl=en&gl=my&pid=bl&srcid=ADGEESHDPa5EWRx3Dp2nQMRTU3w9C3xNh6L_rt0fsnMwxS7ZUNvbVGXRVG_v2Ap8riR2mAnr3dH6dJqcZLXJcJfZJFgEFLlau6R6-KOGQPzayCMQUM_6tLFwqnDFmXBzgA73Jebqrq_M&sig=AHIEtbQaXgHipB687iYEftIRBvzdqVjLNg [Retrieved on 2011-01-25]

per year. Doctors graduating from public schools mostly take jobs in non-healthcare fields and multinationals which pay more than the average public hospitals.

On top of the above issues, reports from VINASTAS shared the consumer access to both legal and medical services are hindered by high cost of professional services. Medical services are also often associated with unethical drug marketing and shortage of competent hospitals.⁸

This research has not found a database that cover consumer injuries as regards to access to medical and legal services.

⁸ VK Sanjeed. '*Vietnam Healthcare: the New Frontier*'.
<http://www.solidiance.com/Admin/pdf/Asiapac%20Biotech%20Interview%20with%20Damien%20Duhamel%20-%20Vietnam%20Healthcare%20-%20The%20Next%20Growth%20Frontier.pdf>. [Retrieved on 2011-01-25]

2. METHODOLOGY

2.1 SCOPE AND LIMITATIONS

In developing the capacity building roadmap on consumer protection for ASEAN, this research covered two main areas of consumer protection in Vietnam. It looked at

- consumer protection laws in the country vis-à-vis enforcement, and implementation, and
- relevant agencies' capacity building needs in carrying out the relevant laws.

For the capacity building needs, the study covered the enforcement agencies that are principally in-charge of carrying out the consumer protection laws. Particularly, the agencies' capacity to enact, enforce and implement relevant laws was studied. The capacity building needs of non-governmental organisations and business groups in the country were also considered.

The study also focused on six areas of consumer protection, which were identified by AADCP II that have relevance with the ASEAN's goal of becoming a single market. *Table 1: Six Key Consumer Areas* shows the areas and the specific aspects covered.

Table 1: Six Key Consumer Areas and issues of focus

| Consumer areas | Specific aspects to be covered |
|-----------------------------------|--|
| 1. Product safety and labelling : | Consumer products including food (excluding drugs and medicines) |
| 2. Phone and Internet services | E-commerce, phone and Internet including broadband services, online purchase |
| 3. Consumer Credit and Banking | Banking and nonbanking financial institutions providing credit and banking, hire purchase or other financial assistance to consumers |
| 4. Environment | Policies, laws and programmes for safe and healthy environment, products or services related to environment |
| 5. Health care services | Public and private health care services, pharmaceuticals |
| 6. Professional services | Laws related to chargeable fees and accountability with regards to legal and medical professions, consumer redress/ access |

The study also examined these areas:

- Legislations that provide for consumer redress vis-à-vis the mechanisms already in place.
- Initiatives and best practices on consumer protection that are being implemented both by relevant government agencies, non-governmental, and business organisations.

2.2 APPROACHES

The approach in carrying out the Vietnam research was hinged on the review of the formal operating context vis-à-vis the actual operational environment of consumer protection in the country. The analysis and findings from this exercise served as basis in developing the recommendations for capacity building needs in consumer protection.

The **formal operating context covered** the assessment of

- The national consumer laws and regulations, including those that are being drafted or are awaiting enactment,
- National consumer protection programmes and initiatives
- Key stakeholders' views and analysis

While in the **actual operational environment** of consumer protection legislations and programmes, the following activities were carried out:

- Evaluated how well laws and programmes are actually implemented and enforced, and
- Review human and institutional capacities to draft and enforce consumer legislations and implement related programmes.

2.3 DATA COLLECTION PROCESS

The following research activities were implemented in carrying out the mapping of available records, database, reports and documents including annual reports:

- Desk research of consumer laws, programs, initiatives and reviews.
- A general survey of national laws, programs and implementation with national government stakeholders as well as about their issues and needs and expectations.
- Key informant interviews in relation to consumer protection implementation and about issues and gaps in national consumer laws and enforcement.
- Roundtable discussions with key stakeholders

The Study applied four data collection instruments to support and complement the accuracy and reliability of information gathered as follows:

- Instrument 1: Secondary Data Collection
- Instrument 2: General Survey Questionnaire
- Instrument 3: Key Informant Interview Questionnaire
- Instrument 4: Roundtable Discussion Program

2.3.1. Secondary Data Collection

Secondary Data Collection instrument was designed by CIKL with the main objective to generally map the status of consumer protection status in Vietnam. The data was collected by the Project focal point in Vietnam throughout the month of October 2010. Further processing and refinement were made for the purpose of final reporting.

Secondary data related to CBN and consumer protection-related matters from various agencies, ministries and organisations in all countries involved in the study were also

gathered and reviewed. This includes Acts and laws; rules and regulations; codes of conduct, government policies and consumer protection programs.

The sources of information include annual reports from the relevant agencies and any report or study related to this study, including the preliminary findings of the study conducted by CI in 2009 entitled *“The Asia Pacific Consumer Laws Analysis”* where baseline information of consumer protection and competition laws in Asia Pacific have been established.

2.3.2. General Survey (GS)

The General Survey (GS) instrument was designed by CIKL where the questionnaire was structured to map information on consumer protection laws, regulations, policies, codes of conduct, consumer protection programs and initiatives; redress mechanisms; human and institutional gaps in the selected consumer protection areas, i.e. product safety and labelling, phone & internet services, e-commerce, consumer credit and banking, environmental issues, healthcare, and professional services. Other areas of interests expressed by the respondents were also noted to be taken up for further deliberations during KII and RTD.

The GS was distributed locally by VINASTAS throughout the month of October 2010. The stakeholders targeted for the general survey were identified by VINASTAS.

2.3.3. Key Informant Interviews

In addition to the GS, interviews with Key Informants were conducted. The Key Informants were persons in senior positions within relevant organisations, involved in policy making or enforcement; or individuals who were acknowledged experts in the field. These individuals were identified in consultation with members or contacts of CIKL, in the respective countries.

The Key Informant Interviews (KII) utilised open-ended questions to probe for more detailed information based on the findings from the general survey. This includes probing into recommendations and prioritisations as well as short, medium and long-term strategies and focus areas for capacity development on consumer protection for the relevant institutions nationally and regionally.

2.3.4. Roundtable Discussion

The half-day RTD, which was the final step of the local activities for information gathering was conducted on October 28, 2010, was attended by 19 participants who were mostly the same Key Informants. *(Please see Appendix 3 for RTD Programme)*

2.4 DATA ANALYSIS

2.4.1 Secondary Data Analysis

Only the main consumer protection law and most relevant policies and legislations on specific sectors were considered for this report vis-à-vis enforcement. The ‘Eight Fundamental Rights of Consumers’ was primarily used as basis in reviewing the country’s main act. Government, non-government and business sector’s programmes and initiatives

were also looked at. However, only those that have shown significant impact in advancing and safeguarding consumer rights are included in this report.

The secondary data review also provided an opportunity to look at the consumer’s perspective. Based on desk research and consumer organisations’ feedback, issues that beset consumers were also highlighted and relevant solutions were provided in the recommendations.

2.4.2 General Survey Analysis

The general survey instrument was designed by CIKL. It was the focal organisation, the Vietnam Standard and Consumers Association (VINASTAS) which implemented the survey in October 2010. Survey responses were collected from 9 respondents: 4 from the government and 5 from NGOs.

Six types of analysis were performed on the general survey data using the Statistical Package of Social Sciences or SPSS Version 17.0. These were utilised to examine the status of consumer protection regime in Vietnam and identify the priority areas for capacity building, particularly of the key stakeholders. (Table 2.2 Types of Statistical Analysis Used).

Table 2.2: Types of Statistical Analysis Used

| Type of Analysis | SPSS analysis |
|---|---------------------------------|
| Normality test of the data | Kurtosis and skewness, P-P Plot |
| Reliability test of the data | Cronbach alpha |
| Organisational profile and consumer protection measures | Frequencies |
| Level of difficulty in implementing consumer protection programmes and activities | Frequencies, Index |
| Capacity building needs and form of assistance required | Frequencies, Index |
| Relationship between level of difficulties and capacity building needs | Pearson correlation, T-Test |

The findings of the general survey were the main basis for identifying the capacity building needs of the key stakeholders in Vietnam. Qualitative information obtained from key informant interviews and round table interviews were used to supplement quantitative information obtained from the general survey. There were used to fill in the gaps in formation and check the accuracy and relevance of capacity building needs as identified by the stakeholders.

Based on the findings from the general survey, secondary data collection, key informant interviews and roundtable discussion (RTD), the strategies, recommendations and the country road map were developed. These were further categorised into short, medium and long term priorities.

2.4.3 Capacity Building Needs Analysis

An index was developed to measure capacity building needs of the key stakeholders using an interval scale of 1 to 7. Level 1 is the least priority and level 7 is the highest priority. Index levels were based on the total scores (i.e. the total computed score for all items related to capacity building needs) and the mean for each area of capacity building need. The mean for the total score is called the Index for each item listed in the questionnaire.

The Index was also used to measure the level of difficulty in implementing consumer protection programmes and activities, and the preferred forms of assistance required by the stakeholders for work on consumer protection.

Finally, CIKL proposed a country roadmap for the government of Vietnam to consider to make the transition from their current state to the desired state of consumer protection. The proposed Regional Capacity Building Roadmap for the ASEAN served as the overarching basis in developing the country roadmap.

2.5 PROFILE OF STAKEHOLDERS

Overall, only the key stakeholders were considered to take part in this research. From the government, only the main agencies were involved. To represent the consumers, only major consumer organisations and relevant non-government entities were considered. The same principle applies to represent the business sectors, and other stakeholders such as the academe.

▪ General survey

For the general survey, responses were collected from 9 respondents: 4 from the government and 5 from NGOs.

Government respondents

1. Ministry of Industry and Trade (MOIT) - Consumer Protection Board/Vietnam Competition Authority (VCA)
2. MOIT - Department of E-Commerce and Information Technology
3. Ministry of Science and Technology (MOST) - Directorate for Standards, Metrology and Quality (STAMEQ)
4. Centre for Competition and Consumer Protection Law of the Nor Law University of Vietnam

NGO respondents

1. Consumers Unity and Trust Society, Hanoi
2. VINASTAS
3. Vietnam Bankers Association
4. Vietnam Occupational Safety and Health Association
5. Vietnam Retailers' Association

▪ **Key Informant Interviews**

Below were the participants for the key informant interviews:

1. Doan Phuong
President of VINASTAS
2. Vu Thi Bach Nga
Head of Consumer Protection Board, Competition Administration
Ministry of Industry and Trade
3. Nguyen Thanh Hung,
Director, E-commerce & Information Technology Administration
Ministry of Industry and Trade
4. Nguyen Hoang Dung
Director, Market Management Administration,
Ministry of Industry and Trade
5. Nguyen An Luong
President of Vietnam Association for Safe Work
6. Nguyen Thi Van Anh
Director, Research Centre of Competition Law and Consumer Protection
Faculty of Economy, Hanoi University of Law
7. Nguyen Minh Bang
Director, Standardization Department
STAMEQ
8. Mr Vu Vĩnh Phú
President of Supermarket Association
9. DO GIA PHAN
Vice-President, VINASTAS

See Appendix 3. Key Informants Contact Details.

▪ **Roundtable discussions**

The roundtable was held at the ASEAN Meeting in Hanoi, Vietnam from 1:30 – 5:00 PM on 29 October 2010. There were 11 participants. The same key informants attended the roundtable discussion in addition to VINASTAS officials and key staff.

2.5.1. Overview of Consumer Movement

Non-governmental organisations played major roles in consumer protection in this country. One of them, as mentioned in the previous sections, is VINASTAS. This was founded in 1988 and has been implementing consumer protection programmes and activities in

Vietnam. It is a voluntary and not-for-profit organisation that maintained independence from the government and the business sector. It was the one that drafted and lobbied for the *Ordinance on Protection of Consumer's Interests*, and later actively participated in drafting the newly-enacted '*Law on Protection of Consumers' Interests*'.

VINASTAS has 38 consumer organisation members in provinces and cities and has set up a number of groups which support the organisation in carrying out consumer activities throughout the country.

2.6 LIMITATIONS

Due to time constraints, some relevant stakeholders were not able to participate in the general survey, key informant interviews and RTD.

Also, there were limitations in reference materials. The study depended largely on information available in the Internet, some of them do not have English versions as well as on secondary data collection by focal organisations in AMS

3. MAPPING AND SITUATIONAL ANALYSIS OF CONSUMER PROTECTION LAWS AND PROGRAMMES

3.1 LAWS AND REGULATIONS RELATED TO CONSUMER PROTECTION

3.1.1 General consumer protection laws

In 1999, *Ordinance on Protection of Consumer's Interests* was approved by the permanent committee of the National Assembly of Vietnam. This landmark legislation prescribed the government policies on consumer protection and took effect in October 1999.

The ordinance was a result of more than 10 years of lobbying of consumer organisations led by VINASTAS. The ordinance was based on compilations and reviews done by this organisation on existing laws, policies and regulations in the country that relate to consumer protection.

Essentially, the ordinance highlighted the responsibility of the whole society in the protection of consumers, and provided for a State agency to take charge of issues related to consumer protection. The ordinance covers these areas:

- consumer rights and responsibilities
- responsibilities of manufacturers and suppliers
- state management in consumer's interest protection
- consumer complaint setting

It also defined the general principles of consumer protection in accordance with the eight fundamental rights of consumers prescribed by the United Nations Guidelines for Consumer Protection (Art. 8 – Art. 13, Chapter 2 – Rights and responsibilities of the consumers). It also prohibits some acts specifically in violation of such rights (Art. 7), such as:

1. production and doing business of prohibited goods, fake goods
2. production, doing business and consumption of goods, services which severely contaminate the environment, cause damages to the life and health of the people and which is contrary to the fine customs and traditions of the people
3. provision of untruthful information and misleading advertisement, and
4. all other acts which aim to cheat the consumers.

The ordinance also prescribed that any organisation or individual undertaking production and/or business activities shall have to register, declare the standards and quality applicable for their goods, services. They also have to ensure the following:

- exact and true information, advertisement on their goods, services; make public the price of goods, services; declare the conditions, duration, and location of warranty and provide clear instructions relating to the use of goods, service to the consumer (Art. 15)

- resolve complaints launched by consumer on their goods and services, which do not comply with the declared standard, quality, quantity, price or with the contract signed; and shall be responsible for carrying out warranty of their goods, services for the customer (Art. 16)
- gather, study, consider feedback of the consumer; and shall be responsible for refunding, compensating against the damage for the consumer in accordance with the Law (Art. 17)

The ordinance also has legal provisions for consumers to lodge complaints on abuses to the State agency responsible for protection of consumer interests. The agency will consider and resolve the disputes, first through mediation or conciliation, and if unsuccessful, through administrative measures. This will be explained further in *Section 5.5 Redress mechanisms*.

Overall, the ordinance though still deficient in many aspects has provided legal basis for consumer protection. It has also affirmed the existence of consumer problems in the country and highlighted the responsibility of the whole society in protecting consumer rights.⁹

The ordinance limitations lie on its provisions that defined the general principles rather than provide for any specific measures. To address this, VINASTAS along with other consumer organisations and like-minded groups actively lobbied for the consumer protection law.¹⁰

On November 17, their efforts paid off as Vietnamese lawmakers passed the law on consumer protection, the *Law on Protection of Consumers' Interests*. It was passed with an overwhelming vote of 82.35%, an indicator of the urgency to address consumer issues which the ordinance was not able to effectively address. The law will become effective starting July 1, 2011.

The law prescribes legal basis for consumer protection and provides specific provisions to cover the following:

- to be ensured about safety of life, health, possessions, and other legal rights when they use products and services provided by individuals, producers and distributors
- obtain exact information about the origin of the products, producers, distributors and other related information of the goods and services traded
- complain, denounce or sue the producers, distributors to protect their rights
- require compensations when goods fail to meet the quoted or listed standards, specifications and prices

⁹ Consumers Unity and Trust Society – Hanoi. *Citizen's Report on the State of Competition Law in the World - Vietnam (2010-12-11)*. http://74.6.117.48/search/srptcache?ei=UTF-8&p=Vietnam+Ordinance+on+Protection+of+Consumer+Interests&fr=yfp-t-892&fp_ip=my&u=http://cc.bingj.com/cache.aspx?q=Vietnam+Ordinance+on+Protection+of+Consumer+Interests&d=4649624366221616&mkt=en-US&setlang=en-US&w=29beddf0,a9070f6d&icp=1&.intl=us&sig=7E.2QdC6MpB2IGc_V3G9Lw--. Retrieved on 2010-11-19

¹⁰ Do Gia Phan. Vietnam Standards and Consumers Association. *The consumer's problem and consumer protection in Vietnam*. Presented on 2010-10-22.

The difference of this law with the Ordinance is that consumer rights are clearly spelled out. There are also enough legal provisions to cover business establishments' responsibilities to consumers such as the inclusion of rules on product liability and conflict settlement. The law also specifies eight behaviours prohibited for the institutional and individual traders, and producers who deliberately cheat or mislead consumers by giving insufficient information.¹¹

The law also prescribes clear provisions for consumer redress through arbitration and administration. Once the law is enforced, more Vietnamese consumers perhaps will be encouraged to complain for poor products and services.

[In order to implement the Law, in 2012 and 2013, decrees and circular has been issued. So far, there are following legal documents which directly regulate consumer protection activities in Vietnam:](#)

- [Decree No. 99/2011/ND-CP of October 27, 2011, detailing and guiding a number of articles of the Law on Protection of Consumer Rights;](#)
- [Decision No.02/2012/QĐ-TTg of January 13, 2012, promulgating the list of essential goods and services for which contract forms and general transaction conditions must be registered;](#)
- [Circular No.10/2013/TT-BCT of May 30, 2013, promulgating the application form of registration for model contracts and general transaction conditions;](#)
- [Decree No. 185/2013/ND-CP dated November 15, 2013, providing the penalties on administrative violations in commercial activities, production of, trading in counterfeit or banned goods and protection of consumer rights.](#)

3.1.1.1 Implementing agencies

From 2001-2004, the Ministry of Science, Technology & Environment (MOSTE) was assigned to oversee consumer protection. In 2004, the assignment was transferred to the Ministry of Trade and the Competition Administration Department. This office is currently referred to as the Vietnam Competition Authority and is the direct implementation agency for consumer protection.

The VCA is made up of 10 divisions and one of which is set up to look after consumer concerns called the Consumer Protection Division. Under the new law, the MOIT, specifically the VCA, will be responsible for its enforcement. *Article 47. State administration responsibility on consumers' interests' protection* states that:

1. *The Government shall be responsible for common State administration on consumers' interests protection in the whole nation.*
2. *The MOIT is responsible to the Government for carrying out common State administration in the sector of consumers' interests' protection.*
3. *Ministries, ministerial-level agencies and government agencies, within the scope of their functions, duties and powers are responsible to coordinate with MOIT during the consumers' interests protection activities.*

¹¹ Vietnam Business News. *Vietnam law makers pass consumer protection law* (November 18, 2010). <http://vietnambusiness.asia/vietnam-law-makers-pass-consumer-protection-law/> retrieved on 2010-10-18

4. *People's committees at all levels have to implement common State administration of consumers' interests' protection in their respective locality as assigned by the Government.*

The law also defines the MOIT's specific responsibility under Article 48 and it says:

1. *Issuing within its jurisdiction or submitting to state authorised agencies for issuance and then implement policy, strategy, plan, schedule, project on consumer interest protection.*
2. *Managing consumer protection activities of social association, mediation, form of contract and general conditions according to Article 19 of this Law.*
3. *Advocating on consumer interest's protection; supporting, consulting and raising awareness of public on consumer protection.*
4. *Building database to contribute consumer protection activities, training and capacity building for official.*
5. *Inspecting, examine and conducting complaints and handle violations of legislation on protection of consumer interests within its jurisdiction;*
6. *International cooperation on consumer protection;*

Article 49 of the law also prescribes for the responsibility of people's committee. This covers enforcing legal documents on consumer protection in locality, managing consumer protection activities of social associations, mediation, advocating on consumer interest's protection, raising public awareness on consumer protection, building database, training and capacity building for officials to handle consumer complaints and violations of legislations within its jurisdiction.

The government is developing guidelines detailing the responsibilities and powers of above-mentioned bodies to be introduced by the end of 2011.

3.1.1.2 General consumer related legislations ¹²

In addition to the Ordinance and the new law, there are other legislations that support consumer protection. These include the *Ordinance on Food Hygiene and Safety No 12/2003/PL-UBTVQH11*; the *Ordinance on Goods Quality No 18/1999/PL-UBTVQH10*; the *Ordinance on Measurement No 16/1999/PL-UBTVQH10*; the *Ordinance on Prices No 40/2002/PL-UBTVQH10*; and the *Commercial Law 2005*. Below are other consumer-related legislations:

- *Vietnam 1992 Constitution (1992)*
- *Decree No. 55/2008/ND-CP (2008)*
- *Civil Code (1995)*
- *Criminal Code (1999)*
- *Commercial Law (1997, amended 2005)*
- *Competition Law (2005).*
- *Law on People's Health Protection (1989)*

¹² Thang Phan The. Competition Administration Department, Ministry of Industry and Trade of Vietnam. *Key Challenges for Consumer Protection in Vietnam*. Presented in Kuala Lumpur, Malaysia in 2005.

In the succeeding parts of this section, the major laws, rules and regulations in Vietnam that prescribe the legal basis for consumer protection in the specific consumer areas are listed down.

3.1.2 Law on Product safety and labelling

In 2010 Vietnam has passed the *Food Safety Act* which protects consumers against unsafe food and prescribes labelling.

3.1.2.1. Implementing agency

The Ministry of Health (MOH) is in charge in the implementation of this act.

There are three legal basis for product safety and these are explained briefly below:

1. *The Technical Standards and Regulations Act* issued in 2006 established the Standards and Accreditation Council. It also promotes the use of standards on product safety and labelling.
2. *The Law on the Quality of Product and Goods* was passed in 2007 and relates to goods quality.
3. *The Metrology Ordinance* sets the rules on metrology management.

The Ministry of Science and Technology (MOST), particularly the General Department of Standardisation, Metrology and Quality Control is in charge of implementing these laws.

Several decrees were passed in relations to product safety and labelling and these are:

1. *Decree No. 89/2006/ND-CP* on product labelling
2. *Decree No. 06/2002/ND-CP* regulates detailed implementation of measuring ordinance
3. *Decree No. 11/2010/TT-BKHCN* relates to measuring management and quality in petrol business
4. *Decree No. 65/2001/ND-CP* on legal measuring unit system of the Socialist Republic of Vietnam
5. *Decree No. 54/2009/ND-CP* prescribes administrative punishment on violation of standard and measuring of consumer products
6. *Decision No. 919/QD-TDC* on 26/6/2009 on the issuance of technical measuring documents
7. *Decision No. 31/2002/QD-BKHCNMT* on the issuance of regulation on measuring in retail sale
8. *Decision No. 28/2007/QD* on the regulation on accreditation of measuring standard for measuring instrument calibration

3.1.3 Laws on Phones and Internet Services, and E-Commerce

The *Law on Telecommunications of 2009* provides the legal basis for telecommunication, while information technology and electric communication are covered under the *Information Technology Act No. 7/2006/QH11* and *Electronic Communication No. 51/2005/QH11*.

This year, an amendment on the punishment of administrative violation on post, telecommunications and radio frequencies under *Decree. No. 142/2004/ND-CP* takes effect.

3.1.3.1 Implementing agency

The Ministry of Information and Communications (MIC) is in charge in the implementation of this act.

3.1.4 Laws on consumer credit and banking

There are two laws that cover banking in the country. The *Law on Credit Institutions of 2010*, which licenses and regulates banks and financial institutions, and the *Law on the State Bank of Vietnam of 2010* which regulates banking activities. The latter replaced the *State Banking Act No. 10/2003/QH11*.

The *Credit Organisations Act* regulates the operations of credit organisations.

3.1.4.1 Implementing agency:

The State Bank of Vietnam manages money, credit and banking in the country.

3.1.5 Laws on environmental quality and services

The *Environment Protection Act issued in 2005* provides rules on hazardous products, environmental standards, sea, water and other water sources, waste management, preventive environmental hazards, environmental information, environment protection sources, and international cooperation on environmental protection.

3.1.5.1 Implementing agency

The Ministry of Natural Resources and Environment is in charge of this sector. There are two decisions that guide the ministry ie. *Decision No. 80/2006/ND-CP* regulates and guides the implementation of the *Environment Act*, while *Decision No. 117/2009/ND-CP* provides rules on punishment of violations in the field of environmental protection.

3.1.6 Laws on healthcare services

Laws governing the healthcare services in the country are all enacted in 2000. They have the *Medicine Act of 2005* which controls the production, advertisement and sales of medicine and drugs, the *Health Insurance Act of 2008* which rules health insurance, and the *Health Examination And Treatment Act of 2009* which regulates disease examination and treatment.

Decision No. 62/2009/ND-CP provides the implementing rules of the *Health Insurance Act*. This year, Vietnam issued *Decision NO. 86/2010/ND-CP* which provides rules on administrative punishment in the field of social insurance.

3.1.6.1 Implementing agency

The Ministry of Health (MOH) governs the healthcare services in the country.

3.1.7 Laws on professional services

The registration and practice of private medical practitioners have legal basis governing the profession under *Act No. 7/2003/PL-UBTVQH11* and *Code of Medical Ethics*.

On legal practice, the Provisional Government of the country issued a Decree on the Organisation of Lawyers' Associations on 10 October 1945,. Under this Decree, those lawyers' associations that were previously established under the Decree of 25 May 1930 of the former regime, could be maintained. But the Provisional Government' s Decree

introduced important changes related to the conditions for becoming a lawyer and a lawyer's rights. Under the new Decree, the lawyer must have Vietnamese nationality and he could counsel for the defense at all courts from the provincial level up and at military courts. In principle, the 1945 Decree was implemented up until after 1987 with the approval of the *Ordinance on Lawyers' Organisations*. This was the first legal document that had quite comprehensive provisions on issues related to lawyers and lawyers' associations.

The Ordinance stipulated that the state would encourage and assist in the establishment of lawyers' organisations and the professional work of lawyers; lawyers' organisations and lawyers have the right to assist citizens and other organisations in legal matters.

Also according to the Ordinance, those that meet the following criteria can join a bar association:

- a. *Vietnamese citizen*
- b. *Have good qualities and morals*
- c. *Have attended a university of law or possess an equivalent legal knowledge*

Those that meet the above-mentioned criteria and want to become a lawyer must apply to join a bar association and their applications must be approved by a general conference of the bar association. Those that work in law-related state agencies cannot join a bar association, except law researchers or professors in research institutes or law schools.

On 8 July 1995, the government of Vietnam enacted *Decree 42/CP on Regulations concerning the Legal Consultancy of Foreign Lawyers' Organisations in Vietnam*. With these regulations, for the first time in Vietnamese history, foreign lawyers' organisations and foreign lawyers are allowed to come to Vietnam to practice legal consultancy.¹³

3.1.7.1 Implementing agencies

- Professional services - the MOH protects consumers against medical misconduct.
- Legal services - Ministry of Justice

3.2 INTERAGENCY COORDINATION

The coordination among consumer agencies in Vietnam has not been effective.

3.4 REDRESS MECHANISM

This section explains the redress mechanism as prescribed by the *Ordinance on Protection of Consumer's Interests* which will cease to take effect in July 2011. This will be replaced by a mechanism that is provided for by the *Law on Protection of Consumers' Interest*.

3.4.1 Redress mechanism under the *Ordinance on Protection of Consumer's Interests*

Under the ordinance which shall continue to govern consumer protection in, aggrieved consumers can directly or through their representatives lodge complaints and request for

¹³ Vietnamese Law Consultants. <http://vietnamese-law-consultancy.com/english/content/browse.php?action=shownews&category=&id=&topicid=747>

compensation against organisations or individuals that produced the goods or services that caused damage to them.

The ordinance prescribes that any organisation or individual undertaking production and/or business activities shall be responsible for resolving the complaint launched by the consumer on their goods and services, which do not comply with the declared standard, quality, quantity, price or with the contract signed; and shall be responsible for carrying out warranty of their goods, services for the customer (Art. 16).

In addition, the organisation or individual undertaking business activities shall also be responsible for gathering, studying, considering feedback of the consumer; and shall be responsible for refunding, compensating against the damage for the consumer in accordance with the Law (Art. 17).

Conciliation will be the first recourse to resolve complaints lodged by consumers against organisations or individuals except otherwise regulated by the law. In case of failure of the conciliation, consumers have the right to lodge complaints to the competent state body or to bring them to court.

But studies show that the legal framework under this work is almost non-existent and the procedures of filing complaints against the sale of unscrupulous goods by traders and manufacturers are not clearly defined.¹⁴

Under the ordinance, VCA handles consumer complaints in the country. Two staff members at present manage consumer complaints. They receive complaints by email, phone, SMS and letters. The authority plans to set up a unit or a department to specifically deal on consumer redress with 10 personnel.

3.4.1.2 Redress mechanism implementation

Redress is not popular among consumers in Vietnam. Most of them think that the subject of the complaint is not worth the time and effort. Consumers, particularly the poor, have limited appreciation of redress. It is the highly educated who are more likely to complain about faulty consumer products and services and they mostly complain about mobile phones, cars, and insurances.

More popular than the consumer complaints mechanism of the government is the **Consumers Complaint Bureau** which is set up and being run by the Vietnam Standard and Consumers Association. The bureau handles consumer complaints, including those of small value like cakes and candies and resolves these usually through mediation. The number of complaints that the bureau receives is nth time more than those submitted to the Vietnam Competition Authority.

¹⁴ Centre for Consumer Studies – Indian Institute of Public Administration. *Best Practices in Consumer Protection Global Scenario – Asia Pacific region (volume 2)*.

The bureau accepts complaints from consumers by phone, email and through their website: <http://www.nguoitieudung.com.vn>

Most consumer organisations in provinces and other cities in the country are also dealing with consumer complaints. Just like the Consumers Complaint Bureau, consumer organisations resolve complaints via conciliatory mediation with relevant functional government agencies.

3.4.2. Redress mechanism as prescribed by the Law on Protection of Consumers' Interests.

The newly enacted *Law on Protection of Consumers Interests* prescribes these forms of redress mechanisms: negotiation, mediation, arbitration, and court. It also sets new regulations on parties' responsibilities.

In civil cases, consumers and the consumers' interests' protection associations shall bear the burden of proof to prove the mistake of business individuals and organisations. They will also be exempted from court fees and charges when they file a civil case for consumer protection. Business individuals and organisations, on one hand, shall bear the burden of proof with regard to their innocence

3.4.3. Available redress mechanisms

3.4.2.1 Redress mechanism implementation

Consumers have the right to initiate a lawsuit in accordance with fast track procedures when the following conditions are met in full:

1. There is only one plaintiff who is a consumer;
2. The transaction is valued up to 100 million;
3. The defendant directly supplies goods and services to the consumer;

The law prescribes the forms of penalising administrative offences: warning, fine and supplementary forms of penalisation. The latter includes the following:

- Strip of the right to use its license and professional practice certificate
- Compulsory suspension or temporary suspension of the business activities in the sector where the act of violation is committed
- Confiscation of evidence and means used for violation
- Confiscation of profits gained from acts of violation
- Put in public list of business individuals and organisations which violate consumers' interests.

3.5 CONSUMER PROTECTION PROGRAMMES, INITIATIVES AND BEST PRACTICES

3.5.1 Programmes and initiatives

3.5.1.1 Government programmes

The VCA as a central authority responsible for protecting consumers conducts short-term training courses on consumer protection for officials and businesses in provinces across the country. An average of 5-8 courses is held each year. In recent years, VCA also launches in two major cities, Hanoi and Ho Chi Minh, activities celebrating *World Consumer Right Days*. This called for the attention and participation of businesses and consumers in pursuing a consumer-friendly environment.

VCA also be collaborate with other enterprises, social organisations in holding monthly seminars to provide information to consumers on specific consumer goods such as on milk, diapers, clothing and general consumer issues such as about food safety.

The Research Centre of Competition Law and Consumer Protection was established at the Faculty of Economy, Hanoi University of Law in 2009. It aims to teach consumer protection and competition and conduct relevant study in the country and other countries. It is currently developing its curriculum to cover these subjects relating to consumer protection: environment, redress, E-Commerce, banking and credit, professional services, product safety, among others.

3.5.1.2 Non-government organisations and media programmes

Non-governmental organisations also run very good consumer protection initiatives. VINASTAS has been doing consumer education programmes since 1988. They do this at the national and local levels with the help consumer organisations which they helped organised in the provinces. To date, there are now 38 consumer organisations which cover all provinces and cities throughout the country.

VINASTAS also came out with the magazine called *the Consumer* which focuses on consumer issues and needs. The magazine is published twice a month and has been in circulation since 1991.

One good consumer education vehicle which VINASTAS also established is the *Club of Newsmen* composed of journalists in the country. The club meets with VINASTAS three to four times a month to discuss most relevant consumer issues and any programmes being done or actions proposed to address them.

In recent years, major newspapers, radio and televisions in the country are running a section specifically for consumers. Besides VCA's public awareness activities, the media has played well their important role in generating much-needed media coverage to highlight consumer issues. Some of these popular media sites are listed below:

- e-paper Vietnamnet: <http://www9.vietnamnet.vn/vn/bao-ve-nguoi-tieu-dung/index.html>
- VTC News: <http://vtc.vn/430-0/kinh-doanh/bao-ve-nguoi-tieu-dung/index.htm> ;
- Sai Gon Giai Phong Newspaper's Anti-Counterfeiting & Consumer Protection Club: <http://baovenguoitieucong.com.vn/forum.php>

3.5.2 Consumer protection initiatives

This section outlines government and non-government initiatives on consumer protection.

3.5.2.1 Government initiatives

The VCA carries out these activities:

- Educating and popularising law and knowledge related to the protection of consumers' interests
- Popularising relevant information via mass media to help producers be aware of their rights and obligations
- Helping consumer organisations understand their functions, tasks and responsibilities in consumer protection
- Supporting consumer organisations to fundraise for their consumer protection activities
- Conducting training course '*Consumer protection in the electronic age*' for officials of VCA and local consumer organisations
- Organising workshops such as on '*The relationship between Competition Law and consumer protection*' for members of consumer organisations and enterprises

3.2.2.2 Other initiatives

The advocacy work of consumer organisations in Vietnam led by VINASTAS has been effective in improving the enabling environment for consumer protection in the country. In the 90's they led the drafting of the consumer ordinance which provided the backbone of consumer protection in the country. At that time, consumer welfare was in the backseat while the country was recovering from the war and engrossed in policy and economic reforms. There were no legal provisions then to protect consumers from issues such as shooting up of prices of electricity charges, fake goods and unsafe food and medicines.

The ordinance which was drafted by VINASTAS and enacted in 1999, although it prescribes general provisions to protect consumers, at the point in time, it has provided consumers a roof over their heads.

Women club

An offspring of VINASTAS, the Women Consumer Club was set up in 1998. It has over 800 members in Hanoi which meet every two months. The club conducts activities to increased members' awareness on nutrition, breast feeding, food hygiene and safety, sustainable consumption, and overall women personality development.

Support groups

VINASTAS has set up a number of groups under them referred to as subordinated organisations. These organisations has played pivotal role in implementing consumer protection initiatives in the country.

They have organised the Anti-Fake Goods Club of functional organisations and businesses up against fake goods; the Quality Club composed of experts and enterprises concerned in the quality of goods and services to provide consumers with goods and services of high quality, the Centre for Study and Consultation on Consumerism, which studies problems related to consumers.

Both the Consumer Women Club and Club of Newsmen are part of the support group.

3.6 BEST PRACTICES

Identification of best practices in consumer protection programme implementation is based on the following criteria.

1. continuity and replicability,
2. follow-up, with regular reporting and updates (each time the programme is conducted)
3. meets the objectives and targets of the programme
4. programme is evaluated by participants
5. documentation of the programme's effects
6. reaches out to target groups as expected or beyond
7. programme is implemented within the budget

Below are some of the best practices in the country:

The VCA carries out these activities:

- Short annual training courses on consumer protection in provinces across the country for industrial and commercial enterprises and NGOs
- Seminars and meetings on how to become a wise consumer
- Public events to promote consumer activities
- Information materials on consumer protection i.e. *bandrons*, letters, and handbook

Major newspapers, radio and television stations in Vietnam maintain a space/spot for consumers. They strongly support consumers in resolving claims with enterprises. Also, they effectively broadcast consumer cases for public knowledge and awareness.

VINASTAS has championed consumer protection in the country. The following initiatives which they have done made a difference in the lives of consumers in Vietnam:

- Policy advocacy - drafting and successful enactment of the *Ordinance on Protection of Consumer Interests*; and lobbying for the Law on Protection of Consumers' Interests
- Establishment of subordinated organisations which focused and supported the association in addressing specific consumer issues eg. Consumer Women Club and Club of Newsmen. These organisations are earlier explained in *Sections 3.3.4.3. Non-government organisations' initiatives*.
- Setting up of the Consumer Complaints Bureau

4. CAPACITY BUILDING NEEDS ASSESSMENT FOR CONSUMER PROTECTION

4.1 ANALYSIS OF INSTITUTIONAL AND HUMAN RESOURCES

From the general survey conducted in Vietnam, it was found out that 55% of government agencies and non-government organisations who responded are experiencing medium to high level of difficulties in implementing consumer protection activities and programmes. Twenty percent said they don't experience difficulties while another 20% indicated low level of difficulties.

Some of the challenges that limit the implementation of consumer protection activities by relevant agencies in the country are due to limited number of staff, limited funding, and limited office equipment. The overarching difficulty at present is the lack of a comprehensive legal basis to govern consumer protection in Vietnam. This is the challenge that the new consumer protection law aims to address starting in 2011.

According to VCA, consumer issues in the country come in all shapes and extent, which is a given in a developing country that has not achieved yet a well-structured consumer protection programme. Some of the common issues that the department has to attend are mostly on weights and measures, incorrect information, and online transactions.

The secondary data showed the major issues that consumers in the country are complaining about are listed below:

- i. On products: poor quality, limited or absence of warranty, unsafe food, high and increasing prices of milk and medicine, limited quantity of petrol for sales
- ii. On services:
 - Financial institutions - exorbitant charges and interest rates for of credit cards and poor service
 - Communication industry – poor broadband services, and poor technical and customer service
 - Basic services – water and electricity supply

Consumers in rural and poor urban cities faced much bigger consumer issues. This study found out that they have to live with the following challenges in the absence of a more effective consumer protection:

- Limited food items on supermarket shelves that are certified of high quality, and lack of relevant information about goods and services available to guide consumer choices
- Lack of healthcare facilities, and
- Limited educational establishments
- Limited purchasing power

4.2 CAPACITY BUILDING NEEDS ON SPECIFIC AREAS

This section presents an overall perspective about the human and institutional capacities of key stakeholders on consumer protection as well as their. This was based on the general survey and key informant interviews.

4.2.1 Laws and programmes on CP

- The provisions of the ordinance on consumer protection were mere general pronouncements and do not provide concrete mechanisms for implementation, particularly on consumer redress.
- Consumer education programmes are limited, thus appreciation of consumer rights is low particularly among poor consumers.

4.2.2 Enforcement

4.2.2.1 Organisational structure

- 33.3% of all respondents do not have a division, a department nor a unit that particularly deals with consumer related issues, only assigned staff with technical capacity
- 22.2% do not have do not have a division, a department nor a unit that particularly deals with consumer related issues, and no assigned staff
- 11.1% have a division/department/unit, and assigned staff with technical capacity
- 11.1% have a division/department/unit, but no assigned staff
- 11.1% do not have do not have a division, a department nor a unit, only assigned staff with administrative capacity
- Fifty-six percent of respondents use Vietnamese as official language in the organisation, 33.3% use both English and Vietnamese and only 11.1% or only one uses English.

4.2.2.2 Human resources for consumer protection

- 55.6% have full-time paid staff
- 22.2% have paid volunteers
- 22.2% have paid advisors

The rest all have 11.1% consisting of part-time paid and unpaid staff, unpaid volunteers, fellows and consultants.

More than half of government agencies and NGOs surveyed are facing **medium to high level of difficulties** in implementing consumer protection activities. Only 20% of them indicated experiencing **no difficulty**, while the rest said low level of difficulties.

In terms of types of difficulties which the respondents face, the top response was inadequate finance. The other difficulties are listed below in order of difficulty:

1. Adequate number of staff
2. Staff turnover
3. Adequate number of staff
4. Access to information key subject areas

5. Coordination among relevant agencies/organisations

4.2.3 Redress mechanism

The area that respondents have lowest knowledge is on consumer redress. All respondents are not aware about effective structures and mechanisms for consumer redress e.g. refund compensation, etc. One of the provisions of the *Ordinance on Protection of Consumer Interests* prescribes that ‘organisation or individual undertaking business activities shall also be responsible for refunding, compensating against the damage for the consumer in accordance with the Law (Art. 17).

4.2.4 Implementing agencies

Most of respondents work on protection of consumer rights in general, 66.7% of them are. This is followed by complaints handling on consumer goods and services, training, research and development at 55.6%; and review of relevant laws, consumer redress via mediation and arbitration, and on specific areas i.e. communications and new technologies (Internet, E-commerce), healthcare and medicine, and environment on sustainable production at 33.3%

No organisation is working on price regulation, consumer credit and consumer redress using small claims procedures not tribunal. The table below shows the rest of areas of work.

Almost 90% of respondents are aware about the Constitutional provisions for consumer protection while 78% said they have knowledge about other laws related to it. However, 56% said they are aware that there is a consumer protection law in Vietnam when at the time that the survey was carried; this law was still being deliberated.

Table 1. Areas of work which the organisation/department/division/unit deals with:

| CATEGORIES | PERCENTAGE (%) |
|---|-----------------------|
| Protection of consumer rights in general | 66.7 |
| Enforcement and Regulation | |
| Enforcement of relevant laws | 33.3 |
| Regulating weights and measures | 11.1 |
| Regulating advertising | 11.1 |
| Price regulation | 0.0 |
| Monitoring | |
| Monitoring of relevant laws/policies/codes of conduct | 22.2 |
| Monitoring of advertisements | 11.1 |
| Monitoring weights and measures | 11.1 |
| Price monitoring | 11.1 |
| Review | |
| Review of relevant laws | 44.4 |

| Complaints handling | |
|---|------|
| Consumer goods and services | 55.6 |
| Consumer redress – mediation and arbitration | 33.3 |
| Consumer redress – complaints handling | 22.2 |
| Addressing complaints | 22.2 |
| Consumer redress – small claims procedures/court | 0.0 |
| Consumer redress – tribunal | 0.0 |
| Specific related areas | |
| Environment – sustainable consumption | 44.4 |
| Communications and new technologies (Internet, E-commerce) | 33.3 |
| Healthcare and medicine | 33.3 |
| Environment – sustainable production | 33.3 |
| Professional services (legal & medical) | 22.2 |
| Product safety | 22.2 |
| Environment – water | 22.2 |
| Environment – energy | 22.2 |
| Environment – air | 22.2 |
| Food safety | 22.2 |
| Counterfeit/fake product | 22.2 |
| Consumer credit – loans | 11.1 |
| Consumer credit – other sources of credit (e.g. money lenders, pawnshops) | 11.1 |
| Environment – environmental labelling | 11.1 |
| Supply of goods and services | 11.1 |
| Real estate (housing) | 0.0 |
| Consumer credit – hire purchase | 0.0 |
| Training | |
| Training | 55.6 |
| Research and Development (R&D) | 55.6 |

4.2.4.1 ACCP focal point

It is the VCA that represent Vietnam at the ACCP. Just like their counterparts in AMS, they are referred to here in this report as the ACCP focal point. For the VCA, they identified that it is the limited number of staff that weakens their consumer protection enforcement. They also needed training to enhance their knowledge and skills, particularly on handling redress mechanisms. They did not identify funding as a gap.

4.2.4.2 Interagency coordination

There is a need to establish an institutional mechanism or a dedicated agency to implement and coordinate consumer protection agenda in the country.

4.2.4.3 Other stakeholders

For consumer organisations, like VINASTAS, the principal difficulty they face is the lack of funding to implement and sustain consumer protection programme. They usually depend on personal resources, donations and volunteers to keep their activities going. In this respect, CIKL recommends that capacity building on fundraising and strategic institutional building should be provided for this stakeholder.

5. RECOMMENDATIONS FOR CAPACITY BUILDING ON CONSUMER PROTECTION

5.1 CAPACITY BUILDING ROADMAP ON CONSUMER PROTECTION AND IMPLEMENTATION PLAN

For the development of the ASEAN Economic Community and regional market integration, effective channelling of resources for capacity building needs in consumer protection is vital particularly for the ACCP focal points. This is to ensure that they are equipped to handle consumer protection in their countries which will resonate into effective consumer protection in the region.

The Vietnam's ACCP focal points, in a regional meeting held in December 2010 in Kuala Lumpur with the ASEAN Secretariat and the CIKL, identified five immediate focus areas for capacity building on consumer protection. These five areas are based on CIKL's recommended capacity building roadmap implementation plan. They are listed below in order of priority:

They have identified the following as immediate needs within one to two years:

1. Master plan
2. Human resources development
3. Core consumer issues
4. Consumer education & awareness
5. Consumer NGO Development

The Master Plan, according to the ACCP representatives from Vietnam, is their first priority within the next two years. It will assist the country in designing activities as well as help stakeholders foresee progress in consumer protection. They plan to develop a 10-year Master Plan.

Human resources development is the next priority, which they noted that will remain a priority with the short, medium and long terms. At the moment the Consumer Protection Division in VCA has only 10 staff. When the law comes into effect, VCA will recruit staff and target approximately to hire 40 after three years, and 60 more staff after five years. Training and development would be most needed by VCA in this case.

Core consumer issues. This area is regarded to be the third priority of VCA in the medium and long term. As the new law is introduced, more guidelines and programmes will be enacted targeting core areas including product safety, health care, and labelling, among others. VCA will coordinate with relevant State bodies to introduce such guidelines and to implement activities in these fields.

Consumer education & awareness. This programme is set as one of priorities of VCA in both short and medium term. In fact, the target of this programme is not only consumers themselves but also suppliers and other stakeholders. The more information suppliers and consumers have on laws and regulations, the less violation it may happen. Therefore VCA will focus its resources on this area in the near future.

Consumer NGO development. This is also a focal point of the country's plan. Vietnam expects to build an NGOs network on consumers to help consumers access information and assistance easier

On the next page is the Roadmap for Capacity Building Needs on Consumer Protection of Vietnam as recommended by CIKL.

5.1.1. Implementation Plan

| FOCUS AREAS | STRATEGIC THRUST AREAS | | |
|---------------------------------------|--|--|---|
| | SHORT TERM (1-2 years) | MEDIUM TERM (3-5 years) | LONG TERM (6 onwards) |
| NATIONAL CONSUMER PROTECTION POLICY | To develop a national consumer policy | Translate the national consumer policy into plans and programmes | Review the national consumer policy to see applicability. |
| CONSUMER MASTER PLAN | Formulate a consumer master plan and identify implementation milestones | Translate the master plan into programmes and projects, and identify implementation milestones | Review and update action plan, and identify implementation milestones |
| PRINCIPAL CONSUMER PROTECTION LAW | Draft implementing regulations for the new Consumer Protection Law | Translate the Consumer Protection Law into programmes and projects, and identify milestones for implementation | Review and update programmes and projects, and identify milestones for implementation |
| CONSUMER RELATED LAWS AND STATUES | Review consumer-related laws and statues to address emerging and/or clashing issues | Draft required legislation amendment/s, lobby for approval | Review related laws and statues |
| ESTABLISHING INSTITUTIONAL MECHANISMS | Establish a national consumer council and membership | and review functions | Conduct an institutional review of the council and update strategic plan |
| | Formulate a strategic action plan for core areas, and identify implementation milestones | Develop an information management system that will monitor implementation of consumer protection plans, programmes and projects in the country | Review and update action plan, and identify implementation milestones |
| | Set up a national consumer redress mechanism | Set up consumer redress mechanisms especially in remote areas and for poor consumers | Set up accessible redress mechanisms nationwide |

Roadmapping Capacity Building Needs in Consumer Protection in ASEAN

| FOCUS AREAS | STRATEGIC THRUST AREAS | | |
|------------------------------------|---|---|--|
| | SHORT TERM (1-2 years) | MEDIUM TERM (3-5 years) | LONG TERM (6 onwards) |
| ENFORCEMENT AGENCIES | Conduct briefing for all consumer protection agencies | Develop consumer protection strategic objectives at the provincial and local level, identify milestones, and provide funding for consumer protection related programmes | Review plans and programmes and finetune strategies |
| | Set up consumer protection units in all enforcement agencies, review functions and resources, formulate action plans and identify implementation milestones | Review plans and programmes and fine-tune strategies, and identify implementation milestones | Review plans and programmes and fine-tune strategies, and identify implementation milestones |
| HUMAN RESOURCE DEVELOPMENT | Conduct training on key areas identified in the cap b needs, eg. consumer education, redress, fundraising, among others | Provide adequate staff with technical capacity to be assigned in all consumer protection agencies | Create permanent staff positions for consumer protection in all enforcement agencies |
| | Conduct an institutional and human capacity building needs | Develop HR Development programmes and upgrade HR capacity to meet emerging needs | Develop a continuing education programme for staff and management |
| PROGRAMMES FOR CORE CONSUMER AREAS | From the master plan, develop strategic objectives for core consumer areas and identify milestones | Translate the master plan into programmes and projects, and identify implementation milestones | Review plans and programmes, fine-tune strategies, and identify implementation milestones |
| CONSUMER EDUCATION AND AWARENESS | Identify best practices in the country and other countries and adopt these into national context and needs | | Identify best practices in the country and other countries and adopt these into national context and needs |
| | Develop a national consumer education policy | Develop formal and informal consumer education programmes, identify implementation milestones | Assess effectiveness of consumer education programmes |
| | Develop a consumer education programme for general public, particularly targeting disadvantaged consumers like women and poor consumers | Implement a continuing consumer education programme for the general public | Implement a continuing consumer education for the general public |
| | Mainstream consumer education via tri and new media | Mainstream consumer education via tri and new media | Mainstream consumer education via tri and new media, and make it part of media's public service |
| CONSUMER NGO DEVELOPMENT | Develop consumer protection programme with commercial and retail industries | Monitor consumer education programme, identify implementation milestones | Monitor consumer education programme, identify implementation milestones |

| FOCUS AREAS | STRATEGIC THRUST AREAS | | |
|---|---|--|--|
| | SHORT TERM (1-2 years) | MEDIUM TERM (3-5 years) | LONG TERM (6 onwards) |
| /INDUSTRY | | and fine-tune strategies | and fine-tune strategies |
| | | Develop a consumer protection module for commercial Industries | Adopt ISO26000/Social Responsibility by the business sector |
| | Strengthen consumer organisations in the country in addition to existing consumer organisations | Develop NGO strategic plans and identify implementation milestones | Set up consumer protection awareness mechanisms in local communities |
| CONSUMER ORGANISATION S' PARTICIPATION IN CONSUMER PROTECTION | Enhance support for leadership and management development in CP | | |
| | Identify areas for participation for all stakeholders | Set up a sustainable funding mechanism for consumer organisations' activities. | |
| | | Develop clear guidelines for consumer organisations' representation for standards and policy making activities | |
| IMPLEMENTATION OF INDUSTRY CODES OF CONDUCT | Promote review of industry codes that are in place for the last 10 years and older | Integrate consumer protection in all business operations | Adopt ISO26000/Social Responsibility by the business sector |
| WOMEN AND CONSUMER PROTECTION | Identify areas of concern for women consumers | Integrate gender dimension into consumer policies and legislations | Consolidate women's participation at all levels |
| PROTECTION OF CHILDREN AS CONSUMERS | Conduct a national assessment of policies and government programmes/initiatives that affect or impact on children | Create an enabling environment for children as consumer | Implement consumer awareness in school programme nationwide, and conduct education programme for out-of-school children. |
| ADVOCACY | | Strengthen research capacities of consumer agencies and consumer organisations | |
| | Make this an integral key point of the master plan to advocate for consumer protection and awareness | Develop a national ad vocal plan and corresponding action plan | Review plans and programmes, fine-tune strategies, and identify implementation milestones |

| FOCUS AREAS | STRATEGIC THRUST AREAS | | |
|-------------|---|--|--|
| | SHORT TERM (1-2 years) | MEDIUM TERM (3-5 years) | LONG TERM (6 onwards) |
| FINANCE | <p>Conduct a feasibility plan for the setting of consumer trust fund and identify projects for its funding</p> <p>Identify funding requirements of consumer protection programmes and projects and potential sources; conduct initial fundraising for key and urgent consumer protection activities</p> | <p>Set up a consumer protection trust fund to promote consumer education and develop consumer organisations</p> <p>Develop a sustainable funding mechanism for consumer protection programmes and projects, conduct ambitious and active donor conferences to support consumer protection programmes</p> | <p>Review plans and programmes, fine-tune strategies, and identify implementation milestones</p> <p>Develop self-sustaining programmes and projects to promote consumer protection</p> |

5.2 PRIORITISATION OF STRATEGIES AND FOCUS AREAS

This section aims to provide recommendations to improve the capacities of key implementing agencies and their partners (ie. NGOs and business organisations) in carrying out their consumer protection-related functions.

The prioritisation of capacity building needs is mainly based on the general survey, particularly the '*index of assistance required to support the work on consumer protection*'. Inputs gathered in the key informant interviews and roundtable discussions are also integrated in this section to provide explanation for the prioritisation.

5.2.1. Focus areas for capacity development

5.2.1.1. Capacity building for general consumer protection

The survey showed that the difficulties respondents' face in implementing consumer protection should be prioritised based on this ranking:

- Inadequate finance
- Inadequate laws
- Limited staff with appropriated experience/skills/qualifications
- Inadequate number of staff
- Lack or limited coordination among relevant agencies/organisation

To support the work on consumer protection, government and NGOs required these assistance in these areas:

- Awareness and educational programmes
- Establishing institutional mechanisms
- Hiring competent personnel
- Training staff on consumer issues (e.g. identification of fraud, counterfeit products, fair trade laws, price fixing, E-commerce etc.)

- Consumer issues impacting on women

They also identified the following areas which all tied as 6th priority:

- Enforcing laws/codes of conducts that protect consumers
- Developing consumer organisations (government linked agencies, NGOs, independent)
- Monitoring compliance to laws/codes of conduct
- Developing appropriate policies/laws and programmes in relevant areas of work for consumer protection
- Information technology management

5.2.1.1.1 Forms of assistance

Training on fundraising is the most preferred form of assistance to support the work on consumer protection, according to the general survey. It generated a score of 6.5 with 7.0 as the highest indicator of preference.

The other forms of assistance include in this order of preference:

- Information Technology system (e.g. database management)
- Twinning or partnership with agencies or institutions within the region,
- Experts
- Internship
- Training on management/leadership,
- Study and exposure visits

The least preferred form of assistance are staff exchanges/secondment and certified programmes on consumer studies

5.2.1.2 Specific areas

The following tables show the capacity building needs in the country in specific areas in order of priority. The index scoring ranges from 1-7 with 1 as no need of assistance and 7 as most needed. This section lists down only the items which received a score no smaller than four.

Table 2. Capacity building assistance related product safety

| Capacity building assistance in ensuring consumer protection related to product safety and labelling for consumers | INDEX |
|---|--------------|
| Information management system (e.g. consumer injuries, complaints) | 4.67 |
| Research & Development (R&D) on product safety and labelling | 4.67 |
| Development, implementation and evaluation of consumer protection policies on product safety and labelling | 4.50 |
| Monitoring and enforcement of laws/codes of conduct and mandatory standards on product safety and labelling | 4.00 |
| Impact of unsafe products on women | 4.50 |
| Training on risk Assessment | 4.33 |
| Awareness and educational programmes on product safety and labelling | 4.33 |
| Monitoring and enforcement of laws/codes of conduct and mandatory standards on product safety and labelling | 4.00 |
| Training on product labelling (use of green technology and interpretation) | 4.00 |
| Establishment of a redress system (e.g. handling complaints on product safety and labelling) | 4.00 |
| Technical assistance on product safety and labelling | 4.00 |
| Networking and stakeholder engagement on consumer protection, product safety and labelling | 4.00 |

Table 3. Capacity building assistance related to phone & Internet services and E-Commerce services

| Capacity building assistance in ensuring consumer protection related to phone & Internet services and E-commerce? | INDEX |
|--|--------------|
| Educational programmes on consumer protection with regard to phone and Internet services & E-commerce | 5.00 |
| Leadership and management development (including developing skilful workforce and knowledge community) | 5.00 |
| Research & Development (R&D) on phone and Internet services & E-commerce | 5.00 |
| Technical assistance on consumer protection with regard to phone and Internet services & E-commerce | 5.00 |
| Training on: | |
| Best practices in redress mechanisms for consumer protection on phone and Internet services & E-commerce | 4.00 |
| Consumer privacy and security | 4.00 |
| E-commerce and ethics (e.g. unfair contract terms, billing practices and misleading advertising) | 4.00 |
| Establishment of a redress system (e.g. handling complaints) on phone and Internet services & E-commerce | 4.00 |

| Capacity building assistance in ensuring consumer protection related to phone & Internet services and E-commerce? | INDEX |
|--|--------------|
| Development, implementation and evaluation of consumer protection policies on phone and Internet services & E-commerce | 4.00 |
| Establishment of institutional structures for consumer protection with regard to phone and Internet services & E-commerce | 4.00 |

Table 4. Capacity building assistance related to consumer credit and banking

| Capacity building assistance in ensuring consumer protection related to consumer credit and banking | INDEX |
|--|--------------|
| Training Ethical finance and banking practices | 6.50 |
| Research & Development (R&D) on consumer credit and banking | 6.00 |
| Training on financial literacy (e.g. managing finance and debt) | 6.00 |
| Monitoring and enforcement of laws/codes of conduct and mandatory standards on consumer credit and banking | 5.00 |
| Good standards development practices on consumer credit and banking | 5.00 |
| Establishment of a redress system (e.g. handling complaints) on consumer credit and banking | 5.00 |
| Technical assistance on consumer credit and banking | 5.00 |
| Leadership and management development | 5.00 |
| Training on best practices on access to consumer credit | 4.50 |
| Establishment of institutional structures on consumer credit and banking | 4.50 |
| Development, implementation and evaluation of consumer protection policies on consumer credit and banking | 4.00 |
| Development, implementation and assessment of consumer programmes on consumer credit and banking | 4.00 |
| Awareness and educational programmes on consumer credit and banking | 4.00 |
| Leadership and management development | 4.00 |

Table 5. Capacity building assistance related to healthy and safe environment

| Capacity building assistance in ensuring consumer protection related to healthy and safe environment for consumers | INDEX |
|---|--------------|
| Good standards development practices related to environment and consumer protection | 6.00 |
| Research & Development (R&D) on environment and consumer protection | 6.00 |
| Training on clean development mechanisms | 6.00 |
| Environment and health standards | 6.00 |
| Technical assistance on environment and consumer protection | 6.00 |

| Capacity building assistance in ensuring consumer protection related to healthy and safe environment for consumers | INDEX |
|--|-------|
| Information management system on environment and consumer protection | 6.00 |
| Development, implementation and evaluation of consumer protection policies on environment | 5.00 |

Table 6. Capacity building assistance related to healthcare services

| Capacity building assistance in areas related to healthcare services for consumers? | INDEX |
|---|-------|
| Development, implementation and evaluation of consumer protection policies on healthcare services | 5.00 |
| Training on rational use of medicines and supplements | 5.00 |
| Training on ethical marketing of drugs | 5.00 |
| Development, implementation and assessment of consumer protection programmes on healthcare services | 5.00 |
| Establishment of a redress system on healthcare services | 5.00 |
| Establishment of institutional structures on healthcare services | 5.00 |
| Monitoring and enforcement of laws/codes of conduct and mandatory standards on healthcare services | 4.00 |
| Research & Development (R&D) on consumer protection and healthcare services | 4.00 |
| Training on health needs of women | 4.00 |
| Training on patient safety standards | 4.00 |
| Technical assistance on healthcare services | 4.00 |
| Awareness and educational programmes on healthcare services | 4.00 |

Please note that for the specific consumer area on professional services, no one answered the general survey. Hence no recommendation on this is provided in this section.

6. CONCLUSION

The initial period of implementation of the consumer protection in Vietnam was difficult. This was due to limited capacity of the government and poor experience in carrying out similar programmes.

Consumer protection in the country at present is still limited with shortage of staff and financial resources. Consumer protection programmes or activities available to consumers in poor and marginalised rural and remote areas leave not much to be desired. Also consumer education has been weak that rights and obligations of consumers and producers, though these have legal provisions in the *Ordinance on Protection of Consumer's Interests*.

Other difficulties are brought about by inadequate legal basis for consumer organisations' activities, unclear procedures in dealing with consumers' complaints and inadequate awareness of consumers of their rights and obligations.

While consumers suffer from violations, their situation has worsened by the increasing gap between the rich and the poor and government efforts for international integration. The ordinance, though in general covered these violations, it does not provide the teeth to protect them.

With the enforcement of the new Consumer Protection Law in 2011, it is the hope of collaborating government agencies and NGOs that it could provide the much-needed policy changes which will enable its effective translation into programmes and activities benefiting the consumers.

To support the work on consumer protection, government and NGOs required these assistance in these areas:

- Awareness and educational programmes
- Establishing institutional mechanisms
- Hiring competent personnel
- Training staff on consumer issues (e.g. identification of fraud, counterfeit products, fair trade laws, price fixing, E-commerce etc.)
- Consumer issues impacting on women building up programmes for core consumer areas such as on food, banking, telecommunications, and weights and measurement

Training on Fundraising is the most preferred form of assistance to support the work on consumer protection in Vietnam. This is followed by assistance in database management, partnership with agencies or institutions within the region, experts, among others they identified.

By way of ending, this report wishes to share the government hard-earned lessons in consumer protection:

- Responsibility of the government must be affirmed by legal documents.
- Responsibility of the society must be stressed
- Consumer movement must be developed
- Consumer information and education is essential
- Promotion of the 8 rights of consumer as prescribes by the UN Guideline on consumer protection
- Maintain a market with fair competition, competition restriction is controlled
- Consumer complaints handling is necessary
- Prevention is better than cure

End

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APPENDIX 1. LIST OF STAKEHOLDERS

A. General survey

1. Ministry of Industry and Trade - Consumer Protection Board/Vietnam Competition Authority
2. MOIT - Department of E-Commerce and Information Technology
3. Ministry of Science and Technology - Directorate for Standards, Metrology and Quality
4. Centre for Competition and Consumer Protection Law of the Nor Law University of Vietnam
5. Consumers Unity and Trust Society, Hanoi
6. Vietnam Standard and Consumers Association
7. Vietnam Bankers Association
8. Vietnam Occupational Safety and Health Association
9. Vietnam Retailers' Association

B. Key Informant Interviews and Round Table Discussion and Contact Details

| NO. | NAMES | DESIGNATION AND OFFICE |
|-----|--------------------|--|
| 1. | Doan Phuong | President of VINASTAS 214/22 Ton That Tung St. Dong Da, Hanoi Tel. 0438520981 |
| 2. | Vu Thi Bach Nga | Head of Consumer Protection Board, Competition Administration Ministry of Industry and Trade No 25 Ngô Quyền Str. Hà Nội Tel. 0922841388 |
| 3. | Nguyen Thanh Hung, | Director, E-commerce & Information Technology Administration Ministry of Industry and Trade 25 Ngo Quyen St. Hanoi Tel. 22205550 |
| 4. | Nguyen Hoang Dung | Director, Market Management Administration, Ministry of Industry and Trade 91 Dinh Tien Hoang St., Hanoi Tel. 38255868 |
| 5. | Nguyen An Luong | President of Vietnam Association for Safe Work Room 602, 99 Tran quoc Toan St., Hanoi Tel. 0913208271 |
| 6. | Nguyen Thi Van Anh | Director, Research Centre of Competition Law and Consumer Protection Faculty of Economy, Hanoi University of Law 87 Nguyen Chi Thanh St. Dong Da, Hanoi Tel. 0904038112 |
| 7. | Nguyen Minh Bang | Director, Standardization Department STAMEQ 8 Hoang Quoc Viet St., Hanoi |

| No. | NAMES | DESIGNATION AND OFFICE |
|-----|----------------|---|
| 8. | Mr Vũ Vĩnh Phú | Tel: 0982237611 President of Supermarket Association Tel: 0913201099 Email: vinhphu.hoisieuthihn@gmail.com |
| 9. | Do Gia Phan | Vice-President, VINASTAS 214/22 Tôn Thất Tùng Str, Hà Nội Tel/Fax: 38527769 Email: vinastas@fpt.vn |

APPENDIX 2. KEY INFORMANT INTERVIEW QUESTIONS

Guidelines for discussion with Key Informants

Note: The questions below are not prescriptive; they are guidelines for a discussion to elicit information in addition to what has been obtained from the general questionnaire. Not all questions will be relevant for all Key Informants. The interviewer should exercise discretion in deciding which of the questions are relevant for a specific Key Informant.

Ice breaking questions

- A1 Please introduce yourself and where you are from etc.
Please share with us about the work of your organisation/division/department/unit and who are your target audiences etc.?
- A2 Please elaborate further about the functions of your /division/department/unit in relation to consumer protection issues.
- A3 In general, what kind of activities and programmes has your /division/department/unit conducted/implemented related to consumer protection?
- A4 Share with us some strategies you have used in implementing these programmes and activities.

5. Sharing and discussion on preliminary findings of the general survey in each country

- B1 Power point presentation by interviewer (CIKL)
- B2 **Potential questions:**
- Do these findings reflect the actual situation of consumer protection in your country?
- Some leading questions- e.g. How well are the policies implemented?; there a centralised, nationwide mechanism for compiling and analysing consumer complaints (in the seven aspects of consumer protection that is being reviewed); How are newly emerging issues in consumer protection identified? Does anyone conduct research into this area?; Can you describe any redress mechanisms available for consumers (in the seven aspects of consumer protection that is being reviewed) and Are there any specific issues relating to women (in the seven aspects of consumer protection that is being reviewed)? How are they being addressed?
- B3 Potential questions for the seven consumer protection areas (as in the general survey):
- Environment;
 - Product safety and labelling;
 - Healthcare and medical services;
 - Consumer credit and banking;
 - Phone, internet services and E-commerce;
 - Professional services (legal and medical)
- B4 Try to elicit the reasons for the absence of policies and/or laws related to the relevant areas.

Refer to questions from the general survey questionnaire for each specific area relevant to the Key Informant. (Please see attachment)

6. Best practices (following the question A3)

- C1 To your knowledge, have the activities/programmes conducted by your /division/department/unit achieved their goals and objectives?
- C2 What are the key success factors (benchmarks) of these activities/programmes?
- C3 Please suggest some strategies/frameworks that can be used to improve consumer protection activities and programmes.
- C4 Do you have examples of programmes/activities that can be replicated?
- C5 Have you received any form of recognition for your programmes and activities?

7. Capacity Building Needs for Consumer Protection

- D1 From your perspective, do you have adequate staff for work on consumer related issues in your department/division/unit? Please elaborate.
Do you have problems in getting good staff?
 - Competent staff
 - High turnover
- D2 What are your organisation's challenges in managing and sustaining staff who are dealing with consumer protection areas? Please explain.
- D3 What are other challenges faced by your /division/department/unit in implementing consumer protection activities and programmes?
- D4 Has your organisation/division/department/unit fully utilized the 2009 budget allocation for consumer awareness and education?
- D5 Do you have a strategic plan for human resource development in your organisation/division/department/unit?

Attachment

Questions from the general survey questionnaire for each specific area relevant to the Key Informant

Specific questions for Key Informants in Environment:

1. Does the national environmental policy include Sustainable Consumption and Sustainable Production Describe how?
2. Does the environmental policy focus on green issues (such as conservation)?
3. Are there regulations/ codes of conduct in place for:
 - Waste management
 - Environmental labelling
 - Organic products
 - Greenhouse gas reduction/carbon emission claims
 - Water quality and energy efficiency
 - Air quality
4. Please describe how they have been implemented and what impact they have had on consumer protection
5. Is there a national authority/body(s) that oversees consumer protection in environmental issues such as water, energy, air or waste?
6. Are women involved in the development and implementation of environmental policies?
7. Is there a redress mechanism in place to address complaints relating to breaches/violations of environmental consumer services?

8. How good is the cooperation between the environmental authority and NGOs on consumer protection? Explain
9. Are there specific programmes aimed at educating consumers on major environmental issues affecting them and how their buying decision and consumption patterns impact on the environment?

Specific questions for Key Informants in product safety and labelling:

1. What are relevant laws on product safety and liability?
2. Are there laws prohibiting false and misleading product labelling?
3. Is labelling of products in relation to their characteristics, weight, and price required by law?
4. Is there a national standards authority/body that develops standards for product quality and safety?
5. Are there product safety standards available for adoption and implementation in manufacturing and provision of goods and services?
6. Are standards made mandatory for product safety?
7. Is there a code of conduct in place with regards to health and safety of consumers implemented by manufacturers/distributors?
8. Has the government taken steps to prohibit entry into national markets of products banned elsewhere?
9. Is accredited product testing facilities available in your country? (e.g. for fresh and preserved food, vegetables and fruits, toys)
10. Is there a national rapid alert system in place to restrict dangerous consumer products that pose a serious risk to the health and safety of consumers?
11. Is there a mechanism in place to issue warnings on unsafe products in the market?
12. Are there measures to ensure that unsafe products are recalled from the market within a reasonable time period?
13. Are there mechanisms in place for an in-depth risk assessment of:
 - New technologies use in food (e.g. GMO, probiotics)
 - Unsafe chemicals on consumer products

Specific questions for Key Informants healthcare and medical services:

1. Is there a policy in place to ensure affordable and quality healthcare?
2. Is there a national drug policy to regulate drugs and ensure safety, quality and efficacy of drugs?
3. Are there laws prohibiting false and misleading healthcare and medical advertisements?
4. Are there mechanisms in place to ensure healthcare institutions comply with minimum quality and safety standards for medical equipment and facilities?
5. Is there a patient's charter in place for consumer protection (e.g. right to information, right to get second opinion)
6. Is there a national health financing scheme? (e.g. national health insurance)
7. Do all persons in your country, irrespective of citizenship, have access to free/subsidized public healthcare?
8. Are there measures in place in your country on ethical marketing of drugs by pharmaceutical companies?
9. Are there mechanisms in place to prevent illegal importation/smuggling of pharmaceutical products into your country

Specific questions for Key Informants in consumer credit and banking:

1. What are the relevant laws on consumer credit and banking in relation to: Hire purchase
2. Does the government place a limit on interest rates charged by lending institution to consumers?
3. Are there measures in place to notify/inform consumers on the basis on fees and charges?
4. Do debt collection agencies of the banks use reasonable methods to recover loans?
5. Are there measures to restrict sharing of credit data amongst credit providers through credit reference agencies?
6. Are there restrictions limiting entry of foreign banks?
7. Are there regulations and safeguards on personal data protection?
8. Does your country have a financial debt counselling agency to support consumers in addressing financial difficulties/debts?
9. Are there laws prohibiting false and misleading advertisements on consumer credit and banking?

Specific questions for Key Informants in Phone and internet services, and E-commerce:

1. What are the relevant laws in place dealing with:
 - Phone and internet services?
 - E-commerce?
2. Are there laws prohibiting false and misleading advertisements on phone and Internet services, and E-commerce?
3. Are there laws in place to protect consumers in relation to online transactions? (e.g. online scams, security of personal data)
4. Are there laws regulating internet content (censorship, firewall)?
5. Are there laws in place to protect security and prevent misuse of phone and internet services (e.g. cyber crimes, phishing, hacking, security of electronic payments, email and SMS spams)
6. Are there regulations on phone and internet services and E-commerce covering:

Specific questions for Key Informants in professional services (medical and legal):

1. Are there laws governing the conduct of professional services medicine and law?
2. Are there measures for foreign medical professionals located abroad to provide services cross-border to patients in your country?
3. Are consumers represented in developing policies on conduct of Medical and Legal professional services?
4. Are there restrictions in recognizing professional qualifications in medical and legal services?
5. Are there restrictions limiting entry of: foreign medical and legal professionals?
6. Is there a registration and licensing procedure for foreign medical and legal professionals?
7. Are there restrictions on advertising for medical and legal professional services?
8. Are there legal provisions regulating/setting of medical and legal professional fees?

KII – Questions

A. Laws (Consumer Protection)

1. Is it challenging for your agency to recruit/get staff, who are able to:
 - Draft Consumer Protection Laws;
 - Enforce them; and
 - Undertake awareness programmes on Consumer Protection related laws

(Only for countries who have a principal Consumer Protection law)

1. If reviews of Consumer Protection laws have been done periodically, what were the areas reviewed and why?
2. Were the reviews done with internal expertise or with the assistance of external consultants?
3. Would you be able to assist ASEAN members who do not have a principal Consumer Protection Act e.g. in area of training etc?

B. Policies / Development Plans

1. What are the strategies for Consumer Protection in your National Development Plans?
2. If answer is NO ----- What is holding back your country from including consumer protection in your development plans?
3. Action Plans for Consumer Protection
4. What kind of capacity building does your country need to implement action plans for consumer protection policies?

A. Redress Mechanisms

1. Do you think the existing consumer redress mechanisms are necessary?
2. If Yes, what are the best practices in your country's redress mechanisms?
3. If No, what can be done to improve the redress mechanisms?
4. What would you need to achieve this? (response to question iii above)

B. Enforcement

1. What are the challenges you face in enforcing Consumer Protection laws and regulations?
2. If you need to strengthen your Enforcement Agency, what do you need? (E.g. Human Resources, expertise, budget, training and etc).

C. Product Safety

1. Why does dumping of products happen?
2. Why is it difficult to stop dumping of dangerous/hazardous products? Why does it occur? Some reasons e.g. :
 3. Consumer demand for cheap poor quality goods?
 4. Weak laws related to product safety?
 5. Insufficient personnel?
 6. Lack of capacity to check/carry out inspection?
 7. Lack of standards?
 8. What are the weaknesses at points of entry?

9. Is there lack of collaboration within countries e.g. information sharing on dangerous and hazardous products?

D. E-Commerce

1. Misuse of Data
2. What are the challenges faced by consumers in your country in this area?
3. What are the awareness for redress in e-commerce transactions?
4. Are there programmes to bridge the Digital Divide?

E. Banking and Finance

1. Do you think the financial services industry is sufficiently regulated to protect consumers (in your country)? Or
2. Are consumer protection practices of financial institutions adequately regulated? (E.g. measures to prevent predatory lending, illegal collection practices etc.)
3. Are consumer satisfied with compliance and dispute handling mechanisms?
4. Over indebtedness is a serious consumer problem worldwide. What measures have been taken to help consumers who have serious financial problems? (E.g. Debt management/counselling agencies, best practices?)
5. Are the financial literacy programmes for consumers?
6. Provide some examples of best practices that promote transparency, redress and financial education for consumers.
7. Are consumers included in policy dialogue related to financial institutions? Is there a level playing field?

Thank you

APPENDIX 3. ROUND TABLE DISCUSSION PROGRAMME

Round Table Discussion

October 22, 2010

ASEAN Hotel, Hanoi, Vietnam

1:00 PM

Agenda

Part 1

1. Introduction: Consumers International and the research project 'Roadmapping Capacity Building Needs on Consumer Protection in ASEAN Member States'
2. Presentation of the general research findings
3. Discussions / Q and A

Part 2

4. Capacity building needs on consumer protection and sectoral impacts
 - Product safety and labelling
 - Consumer credit and banking
 - Phone and internet services, and E-Commerce
 - Healthcare services
 - Environment
 - Professional services
 - Other emerging needs.
5. Feedback and discussions from relevant stakeholders

APPENDIX 4. LIST OF RELEVANT LAWS FOR CONSUMER PROTECTION

| No. | AREAS | RELEVANT LAWS ¹⁵ |
|-----|------------------------------|--|
| 10. | General consumer protection | <ul style="list-style-type: none"> ▪ Ordinance on Protection of Consumer's Interests, 1999 ▪ Law on Protection of Consumers' Interests, 2010 ▪ Ordinance on Food Hygiene and Safety No 12/2003/PL-UBTVQH11 ▪ Ordinance on Goods Quality No 18/1999/PL-UBTVQH10 ▪ Ordinance on Measurement No 16/1999/PL-UBTVQH10 ▪ Ordinance on Prices No 40/2002/PL-UBTVQH10 ▪ Commercial Law, 2005 ▪ Vietnam 1992 Constitution ▪ Decree No. 55/2008/ND-CP, 2008 ▪ Civil Code, 1995 ▪ Criminal Code, 1999 ▪ Commercial Law, 1997 amended 2005 ▪ Competition Law, 2005 ▪ Law on People's Health Protection, 1989 |
| 11. | Product safety and labelling | <ul style="list-style-type: none"> ▪ Food Safety Act ▪ Technical Standards and Regulations Act , 2006 ▪ Law on the Quality of Product and Goods, 2007 ▪ Metrology Ordinance ▪ Decree No. 89/2006/ND-CP on product labelling ▪ Decree No. 06/2002/ND-CP regulates detailed implementation of measuring ordinance ▪ Decree No. 11/2010/TT-BKHHCN relates to measuring management and quality in petrol business ▪ Decree No. 65/2001/ND-CP on legal measuring unit system of the Socialist Republic of Vietnam ▪ Decree No. 54/2009/ND-CP prescribes administrative punishment on violation of standard and measuring of consumer products ▪ Decision No. 919/QD-TDC on 26/6/2009 on the issuance of technical measuring documents ▪ Decision No. 31/2002/QD-BKHHCNMT on the issuance of regulation on measuring in retail sale ▪ Decision No. 28/2007/QD on the regulation on accreditation of measuring standard for measuring |

¹⁵ Only major laws are listed here.

| NO. | AREAS | RELEVANT LAWS ¹⁵ |
|-----|--|---|
| | | instrument calibration |
| 12. | Phones and Internet Services, and E-Commerce | <ul style="list-style-type: none"> ▪ The Law on Telecommunications, 2009 ▪ Information Technology Act No. 7/2006/QH11 ▪ Electronic Communication No. 51/2005/QH11. ▪ Decree. No. 142/2004/ND-CP |
| 13. | Consumer credit and banking | <ul style="list-style-type: none"> ▪ Law on Credit Institutions, 2010 ▪ Law on the State Bank of Vietnam, 2010 ▪ State Banking Act No. 10/2003/QH11 |
| 14. | Environmental quality and services | <ul style="list-style-type: none"> ▪ Environment Protection Act, 2005 ▪ Decision No. 80/2006/ND-CP regulates and guides the implementation of the Environment Act ▪ Decision No. 117/2009/ND-CP provides rules on punishment of violations in the field of environmental protection |
| 15. | Healthcare services | <ul style="list-style-type: none"> ▪ Medicine Act, 2005 ▪ Health Insurance Act, 2008 ▪ Health Examination and Treatment Act, 2009 ▪ Decision No. 62/2009/ND-CP provides the implementing rules of the Health Insurance Act ▪ Decision NO. 86/2010/ND-CP which provides rules on administrative punishment in the field of social insurance |
| 16. | Professional services | |
| | - Medical profession | <ul style="list-style-type: none"> ▪ Act No. 7/2003/PL-UBTVQH11 ▪ Code of Medical Ethics |
| | - Legal profession | <ul style="list-style-type: none"> ▪ Decree on the Organisation of Lawyers' Associations, 1945 ▪ Ordinance on Lawyers' Organisations, 1987 ▪ Decree 42/CP on Regulations concerning the Legal Consultancy of Foreign Lawyers' Organisations in Vietnam, 1995 |

APPENDIX 5. LIST OF IMPLEMENTING AGENCIES FOR CONSUMER PROTECTION

Main government agencies implementing consumer protection:

| No. | AREAS | GOVERNMENT AGENCY |
|-----|--|--|
| 1. | General consumer protection | Ministry of Trade -Vietnam Competition Authority |
| 2. | Product safety and labelling | Ministry of Health, Ministry of Science and Technology |
| 3. | Phones and Internet Services, and E-Commerce | Ministry of Information and Communications |
| 4. | Consumer credit and banking | State Bank of Vietnam |
| 5. | Environmental quality and services | Ministry of Natural Resources and Environment |
| 6. | Healthcare services | Ministry of Health |
| 7. | Professional services | |
| | - Medical profession | Ministry of Health |
| | - Legal profession | Ministry of Justice |

APPENDIX 6. LAW ON PROTECTION OF CONSUMERS' INTERESTS

LAW ON PROTECTION OF CONSUMERS' INTERESTS

Pursuant to the 1992 Constitution of the Socialist Republic of Vietnam as amended and supplemented as to a number of articles under Resolution No. 51/2001/QH10;

The National Assembly issues the Law on protection of consumers' interests.

CHAPTER I GENERAL PROVISIONS

Governing scope

This law provides for rights and tasks of consumers and responsibilities of business individuals, organisations to consumers; responsibilities of social organisations to consumers' interests protection; mechanism of dispute settlement between consumers and business individuals, organisations; consumers protection associations and State management of consumers' interests protection.

Subjects of application

This law is applicable to the following subjects: Consumers; Business individuals, organisations that supply commodities and services; other agencies, organisations, individuals involved in the consumers' interests' protection activities in Vietnam.

Interpretation of terms

In this Law, the terms below are construed as follows:

1. *"Consumers"* are persons who purchase or legally use goods and services with goal of consumption of individuals and organisations.
2. *"Business individuals, organisations those supply commodities and services"* include:
 - a) Traders in accordance with the Commerce Law;
 - b) Individuals conducting their regular, independent commercial activities without business registration;
3. *"Defective product"* means a product that does not satisfy the safety for consumers, possibly causes damages to consumers' lives, health and assets, even in case when the product manufactured right under the existing standards or regulations that has not detected defect yet at the time of selling to consumers, included:
 - a) The product manufactured serially which its defectiveness arisen from technical design;
 - b) Single defective product having its defectiveness arisen from the process of manufacturing, processing, transporting and maintaining;
 - c) The product which has the implicit risk of un-safety during the process of using without fully guiding, warning for consumers.
4. *"Disturbing consumer"* means the direct or indirect contact with consumer for marketing goods or services or business individual, organisation or for offering to enter contract in contrary to the consumer's will which causes an obstruction and bad effect to the consumer's work and life;

5. “*Standard contract*” means a contract unilaterally drafted by business individual, organisation for making transactions with his/her consumers.
6. “*General transaction conditions*” include rules and regulations relating to sale of goods or supply of services which are unilaterally announced and applied by business individual, organisation to their customers;
7. “*Mediation*” means a method of dispute settlement between consumers and business individual, organisation conducted through a third party;

Principles on the consumers’ interests’ protection

1. The legitimate rights and interests of the consumers are respected and protected by the State.
2. There are no agencies, organisations, individuals have the right to dispossess, reduce the legitimate rights and interests of the consumers.
3. All the violations to the legitimate rights and interests of the consumers have to be handled timely, in case of damages; it must be compensated under the regulations of law.
4. Individuals, organisations abusing the regulations on the consumers’ interests protection in order to violate the benefits of the State, the legitimate rights and interests of other individuals, organisations shall be responsible before the law.

Policies on consumers’ interests’ protection

1. The State encourages the people to consume in a rational manner; implements the policies on consumers’ interests’ protection pursuant to the socio-economic conditions and international commitments, encourages the expansion of international cooperation in the consumers’ interests’ protection field.
2. Protecting the legitimate rights and interests of the consumers is the common responsibility of the society. The State encourages all individuals and organisations to take part in the consumers’ interests’ protection activities
3. Agencies and organisations, within the scope of their duties and powers, have the responsibility to propaganda, educate and encourage the people to take part in the consumers’ interests’ protection and to implement the law on the consumers’ interests protection.

Protection of consumers’ information

1. Consumers’ information is protected in entering transactions of purchase, use of goods or services, unless authorized agencies make requirement.
2. In case of necessity to collect, use, hand over the consumer’s information of consumers, business individual, organisation shall have obligation:
 - a) To disclose to consumers the purpose of collecting and using personal information of the latter before doing such things;
 - b) To use the received information for the purpose that must be disclosed and consented in advance by consumers;
 - c) To ensure the safety, integrity and preciseness of consumer’s personal information during process of collecting, using, keeping and handing over it;
 - d) To take measures to upgrade and adjust the received information if the consumers discover it incorrect;
 - đ) To transfer the received information to the third party only after obtaining the consent of the concerned consumers except in cases provided by law.

Consumer's interest protection in transaction with regular, independent commercial activities without business registration

1. Base on regulations of this law and related regulations of other law, government regulate consumer's interest protection in transactions with business individual.
2. Base on regulations of this law, regulations of government and certain conditions of region, people committee at all levels, market administration, trade centers implement certain measures to ensure consumer's quality, quantity and safe food in transactions with business individuals.

Rights of consumers

1. The consumers have the right to be ensured their safety in terms of their lives, health, assets and other legitimate rights and interests when they are involved in consumption transactions and when they use goods, services provided by the business individuals, organisations.
2. The consumers have the right to be provided with accurate and sufficient information about the business individuals, organisations, details of transactions, goods, services and other necessary information.
3. The consumers have the right to choose goods and services, the business individuals, organisations for supplying services and goods depending on their demand and actual conditions; to freely consider whether or not to participate in a transaction and to consider details of the agreement with the business individuals, organisations.
4. The consumers have the right to complain and give comments to the business individuals, organisations concerning the price, quality of goods and services, manner of serving, method of transaction and other details relating to the transactions between the consumers and the business individuals, organisations.
5. The consumers have the right on development and enforcement of the policies and laws on the protection of consumers' interests.
6. The consumers have the right on compensation of damages caused by the goods or services supplied not in proper standards, quality, quantity, purported consumption goal, in price or in other details as already declared and committed by a business individual, organisation.
7. The consumers have the right on complains, denounces or on a lawsuit against business individuals, organisations in accordance with this Law and other relevant laws.
8. The consumers have the right to be consulted and educated on the consumption of goods, services.

Obligations, responsibilities of consumers

1. Examine goods thoroughly prior delivery; Consume goods and services having clear original; do not use goods, services making harmful to the environment and against habits and customs, causing harmful to their own and public lives and health.
2. The consumers have the obligation to inform the competent State authorities when discovering goods, services in market are unsafe, cause damages or threaten to cause damages to the consumers' lives, health and assets; when discovering the violations of business individuals, organisations to the legitimate rights and interests of the consumers.

Prohibited acts

1. The business individuals, organisations are prohibited from conducting fraudulent or misleading acts to the consumers by way of providing inaccurate, misleading, inexact information or hiding information about one of the followings:
 - a) The goods, services which are provided by such business individuals, organisations;
 - b) Reputation, goodwill, business capacity, capacity of supplying goods, services and other characteristics of the business individuals, organisations;
 - c) Nature, characteristic of the transaction between the consumers and such business individuals, organisations;
2. The business individuals, organisations are prohibited from conducting continuous contacts with the consumers in contrary to their will up to 2 times or other acts disturbing the consumers which cause an obstruction, bad impacts to the consumers' works and daily life.
3. The business individuals, organisations are prohibited from taking one of the following acts:
 - a) Using force, threatening to use force or other ways to cause damages to the consumers' lives, health, and prestige, and dignity, assets in order to constrain the consumers to purchase goods or use services.
 - b) Abusing consumers' difficult situation for the purpose of constraining them to take the entering transactions;
4. Implementing commercial promotion activities and requesting for directly contacting with children, sick people and other consumers being in condition of limited capacity outside the permanent business location of the business individuals, organisations.
5. Requesting the consumers to pay for the provided goods, services without any the agreement prior with the latter;
6. The consumers, individuals, organisations abusing the regulations on the consumers' interests protection in order to violate the benefits of the State, the legitimate rights and interests of other individuals, organisations shall be responsible before the law.
7. The business individuals, organisations are prohibited from abusing consumers' difficult situation for the purpose of constraining them to take the entering transactions and using bad quality goods.
8. The business individuals, organisations provide goods, services which are not safe and threaten to cause damages on the health, lives and property of the consumers.

Article 11. Handling violation of law on consumers' interests protection

6. Individuals violating any provisions of this Law shall be, depending on the nature and seriousness of the violation, dealt with in accordance with the current law on dealing with administrative offences or prosecuted for criminal liability in accordance with the laws;
7. Organisations violating any provisions of this Law shall be, depending on the nature and seriousness of the violation, dealt with in accordance with the current law on dealing with administrative offences, compensation must be paid for the losses in accordance with the laws;

Individuals abusing their duties and powers to violate any provisions of this Law shall be, depending on the nature and seriousness of the violation, dealt with in accordance with the current law on dealing with administrative offences, compensation must be paid for the losses in accordance with the laws.

The Government shall stipulate in detail dealing with administrative offences of consumer protection.

CHAPTER II OBLIGATIONS, RESPONSIBILITIES OF BUSINESS INDIVIDUALS, ORGANIZATIONS TO CONSUMERS

Article 12. Obligations, responsibilities of business individuals, organisations in providing the consumers with information

1. To properly label their goods as provided for by law;
2. To publicly display prices of goods or services in business locations
3. To provide sufficient information about the possibility of adverse the supplied good or services on the health, lives and property of the consumers and about preventative measures;
4. To provide information about the capacity to supply spare parts or accessories for replacement;
5. To provide consumers with relevant information and documentations in the Vietnamese language about the user guides, conditions, terms, place and procedures of warranty if the goods and services are subject to warranty;
6. To provide consumers with accurate and sufficient information about general transaction conditions before the transaction takes place.

Article 13. Obligations, responsibilities of third party in providing consumer with information:

1. In cases where the business individual, organisation provides information to the consumers through a third party, this third party shall be responsible for:
 - a) Ensuring the accuracy, adequacy of the provided information.
 - b) Requesting the business individuals, organisations to provide evidence proving the accuracy and adequacy of the information in case there is the suspicion that the information is inaccurate or inadequate, violating regulations of laws or may cause damages to the consumers prior to providing the information.
 - c) Being jointly responsible for providing inaccurate or inadequate information, unless [this third party] can prove it having taken all the measures provided for by laws to examine the accuracy and adequacy of the information.
 - d) Comply with the provisions of the law on press or advertising.
2. In case where the business individual, organisation contacts the consumers via mass-media, the owner of the given mass-media shall be responsible:
 - a) Comply with clause 1 of this Article
 - b) To build, develop technical solutions to prevent the possibility that the media, services under their management are used for the purpose of disturbing the consumers;
 - c) To refuse the business individuals, organisations in using the communication services under their management to conduct activities which may disturb the consumers.
 - d) To stop the contract with the business individuals, organisations who use the leased their media, services to conduct activities disturbing the consumers at the consumers' complaint or the competent state bodies' request.

Article 14. Contract with consumers

- Form of contract with consumers must be complied with the Civil Law;
- In case a contract is concluded with consumers in writing, then the wording of the contract must be clear, understandable and in Vietnamese except otherwise agreed by the parties
- In case a contract is concluded with consumers by e-transaction, business individuals and organisations must create favourable conditions for consumers understanding whole contract.

The Government shall stipulate in detail forms of transactions with consumers

Article 15. Contract interpretation with consumers

If contents of the contract can be interpreted in different ways, the contracts shall be interpreted in favour of the consumers by person or organisations authorizing to handle violations

Article 16. Invalidity of terms and general transaction conditions

1. Any clause of a contract entered into with the consumers and general transaction terms having one of the following cases shall be null and void:
 - a) Excludes the business individuals, organisations from their liability to the consumers in accordance with the law;
 - b) Excludes, restricts the consumers from the right to make complaint and initiate lawsuits;
 - c) Allows the business individuals, organisations to be unilaterally entitled to change the commercial contractual obligations already agreed with the consumers or rules and customs of sale of goods or supply of services but not clearly identified in the contract to the consumers when purchasing, using such goods, services.
 - d) Allows the business individuals, organisations to be unilaterally entitled to decide whether or not the consumers are to perform certain obligations;
 - e) Allows the business individuals, organisations to stipulate, change prices at time of transferring goods or services;
 - f) Allows the business individuals, organisations to explain contract in case where the contract's terms can be explained in different ways;
 - g) Excludes the responsibility of the business individuals, organisations in case where the business individuals, organisations sells goods or supplies services through a third party;
 - h) Stipulates that the consumers must comply with all obligations even when the business individuals, organisations do not complete their duties.
 - m) Allows the business individuals, organisations to transfer their rights and obligations to a third party without being agreed by the consumers.
3. Declaration of a contract term invalid shall be made in accordance with civil law.

Article 17. Standard contracts

1. Upon entry into a standard contract, the business individuals, organisations must provide a reasonable period of time for the consumers to consider the contract.
2. The business individuals, organisations must be responsible for maintaining the signed standard contract until the contract expires. If the copy of the contract kept by the

consumer is lost or damaged, the business individuals, organisations must provide the consumer with a new copy of the contract with the same validity as the original.

Article 18. General transaction conditions

The business individuals, organisations using general transaction conditions have responsibility for making a public the general transaction conditions before entering into contract with consumers.

The general transaction conditions are clearly stated about time of transaction and shall be made public at viewable transacting places.

Article 19. Control over standard contracts and general transaction terms

1. The business individuals, organisations trading in the list of essential goods and services must register the sample of standard contracts with the competent State agency.
2. Specific State management agencies on consumers' interests protection, by themselves or at the request of the consumers, have the right to request the business individuals, organisations to abolish or revise the standard contracts, the general transaction conditions if it finds out any terms in the contract that might violate the rights of the consumers.
3. The Government stipulates in detail of this article.

Article 20. Responsibilities in providing evidence of transactions

1. The business individuals, organisations are responsible for providing the consumers with vouchers or invoices relating to the transactions to consumers if it is so provided for by laws or at the consumers' request.
2. In case of e-transactions, business individuals and organisations are obliged to help the consumers accessing, downloading, keeping and printing invoice in clause 1 of this Article.

Article 21. Warranty liability

Goods or spare parts are warranted in accordance with agreement of parties or the law. In case the warranted goods or spare parts, business individuals and organisations have below responsibilities:

1. The business individuals, organisations are obliged to fulfil the obligation of warranty for goods they supply under agreements or the provisions of relevant law;
2. While performing their warranty obligation, the business individuals and organisations must provide consumers with an acknowledgement of warranty which specifies the time of implementation of such warranty;

The period to perform the warranty obligation in regard of goods or spare parts shall be excluded from warranty period in regard of the goods or spare parts. In case the business individuals, organisations replace the spare parts or substitutes with new goods, the warranty period shall be counted from beginning.

3. During the term of implementation of the warranty, the business individuals, organisations are obliged to provide the consumers with similar goods to enable them to temporarily use or to take other measures at the consumers' consent.
4. When the term of implementation of the warranty expires and if the business individuals, organisations cannot repair the defect, they must replace it with new and similar goods or the spare parts or revoke the goods and return the money to the consumers.

5. If the business individuals, organisations implement the warranty for more than 3 times during the term of warranty and the defect cannot be rectified, the business individuals, organisations must replace with new and similar goods and spare parts for the consumers or revoke the goods and return the money to consumers.
6. The business individuals, organisations must bear the costs of repair and transportation of goods and spare parts to the place of warranty and from the place of warranty to the residence of the consumers.
7. If the business individual, organisation authorizes for another business individual, organisation to implement the warranty, the former must be held liable for the warranty of goods and services for the consumers.

Article 22. Obligations of revoking products

Business individuals, organisations are responsible, namely:

When discovering the defective product threatens to cause loss to lives, health and assets of consumers, business individual, organisations have to:

1. Take necessary measures to pause supply of that product on the market;
2. Disclose the product and revocation of that product in at least 5 continuous volumes of the announcement of the products on daily newspaper or broadcast on local Radio or

Television with following contents:

- a) Description of revoked products.;
 - b) Give reasons for revoking products and warning on threats of loss caused by the product's defect;
 - c) Time, place and methods of revoking products;
 - d) Time, methods of repairing the defect of the product; and
 - đ) Necessary measures to be taken in ensuring consumers' right in the course of revoking the product.
3. Carry out revocation accordingly with the content of the public announcement and bear all the cost arisen in the course of revocation.
 4. After completing the revocation, the business individuals, organisations have to report the result to the specific management agency on consumers' interests protection at local where the revocation taken; in case the withdrawal of defective goods shall be conducted in the territories of two or more provinces, the reported results for the State management agency on the protection of consumers' interests at national level.

Article 23. Obligations of compensation for the damage caused by product's defect

1. Business individual, organisation has the obligation to compensate damages caused by their defective product with regard to lives, health, and assets of consumers, even in case traders do not know or have no fault in causing defect, exemption for Article 24 of this Law.
2. Business individuals, organisations in one of the following cases must compensate damages caused by defects of product to consumers in accordance with clause 1 of this article:
 - a) Business individuals, organisations are the producers of defective product;
 - b) Business individuals, organisations imported defective product;
 - c) Business individuals, organisations affixing a trade name or using an indication on their products to make consumers aware that business individuals, organisations are producers or importers;

d). Business individuals, organisations directly distributing defective products to consumers shall be liable for such products if they fail to identify business individuals, organisations who are liable for the products in the cases referred to in point a, b, c clause 2 of this Article at the request of the consumers.

3. Compensation is done in accordance with provisions of civil procedural law.

Article 24. Exemptions from product liability

Business individuals, organisations shall be considered for an exemption from the obligation of compensation provided at Article 23 of this law if the product is proved that level of science and technology all over the world at the time the product was put into circulation did not make the business individuals, organisations capable to know the defect of the product;

Article 25. Requirements of State management agencies to protect consumer interests

1. If violations of laws on protection of consumer rights organisations and individuals trading goods and services cause damage to the interests of the State, the interests of many consumers and public, the consumers, social organisations may request verbally or in writing to the State management agency on protection of consumer rights at the district where the transaction is conducted.

2. Consumers, social organisations are obliged to provide information and evidence related to violations of organisations and individuals to trade goods and services.

Article 26. Conducting request of consumer interests protection

1. Upon receipt of the request of consumers, the state management agencies to protect the interests of consumers at district shall request the parties to explain and provide information, evidence or verify and collect information and evidence by themselves, to deal with as prescribed by law.

2. State management agencies to protect the interests of consumers at district level shall respond in writing to the resolution required to protect the interests of consumers; cases identified organisations and individuals trading goods services violate the rights of consumers, written reply must contain the following:

- a) The content violations;
- b) Measures to overcome the consequences;
- c) The duration of measures to overcome the consequences;
- d) Measures for administrative violations in the case of illegal handling of administrative violations, if any

3. Remedy to the consequences prescribed in Clause 2 of this Article including:

- a) Forced enterprises and individuals business withdraw and stop the destruction of goods or supply of goods or services;
- b) Suspension or suspended business activities of organisations and individuals violation;
- c) Compulsory enterprises and private business eliminating provisions that violate the rights of consumers from contract forms.

4. In addition to the measures specified in paragraph 3 of this Article, business organisations and individuals may also be repeated in the list public institutions and individuals trading goods and services violate rights consumers.

5. The Government will specify this Article.

CHAPTER III

Responsibility of Consumers' interests protection association

Article 27. Consumers' interests protection association

1. The consumers' interests' protection association may be assigned by the competent State agency to perform one or more activities associated with the State's task on consumers' interests protection.
2. When conducting the activities associated with the State's duties of consumers' interests' protection, the consumers' interests protection association will be supported by the State budget with funding to perform the assigned duties in accordance with the law on State budget.

Article 28 Obligation of the Consumers' interests protection association

1. Society organisations to protect consumer interests in the following activities:
 - a) Guidance and assistance, counselling consumers upon request;
 - b) Representatives of consumers own lawsuit or lawsuits because the public interest;
 - c) Provide for state management agencies to protect the interests of consumers of information on violations of law institutions and individuals trading goods and services;
 - d) Conducting Independent survey, test, announcing the survey results, test the quality of goods and services; information and warnings to consumers about goods and services and is responsible, warning her, and to suggest state agencies competent to handle violations of legislation on protection of consumer interests;
 - e) Participate in formulating laws, guidelines, policies, directions, plans and measures to protect the interests of consumers;
 - e) To perform the tasks assigned by state agencies as prescribed in Article 29 of this Law;
 - g) Participate in advocacy, legal education and knowledge consumers.
2. The Government shall provide conditions for civil society participation to protect the interests of consumers make the right to complain because the public interest provisions of Point b, Clause 1 of this Law.

Article 29. Perform tasks assigned by state agency

1. When performing the tasks assigned by state agencies, social organisations to protect consumer interests are funded by State and other conditions prescribed by law.
2. The Government shall specify the tasks assigned to state agencies and social organisations to protect the interests of consumers.

CHAPTER V

RESOLUTION OF DISPUTES BETWEEN CONSUMERS AND BUSINESS INDIVIDUALS, ORGANISATIONS

Article 30. Methods of disputes resolution between consumers and business individuals, organisations

1. Disputes arising between consumers and business individuals, organisations can be settled through:
 - a. negotiation,
 - b. mediation,

- c. arbitration,
 - d. court and other methods in accordance with laws.
2. No negotiation, mediation in case of disputes causing damage to the interests of the State, the interests of many consumers, the public interest

Section 1

NEGOTIATION

Article 31. Negotiation

1. Consumers have the right to make a complaint to the business individuals, organisations directly supplying goods and services when their rights and interest have been damaged.
2. Business individuals, organisations are obliged to start negotiating with consumers within no more than 7 working days from the date of receipt of the complaint.

Article 32. Negotiation results

The results of a successful negotiation between business individuals, organisations and consumers must be stated in writing, except otherwise agreed.

Section 2

Mediation

Article 33. Mediation

Business individuals, organisations and consumers have the right to agree upon the selection of a third party to conduct the mediation.

Article 34. Principles of mediation

1. The mediation must be conducted on the principles of objectiveness, truthfulness and willingness. Any act of compelling or deceiving the parties to mediation shall be regarded as a violation of laws.
2. The mediator and the parties are to ensure the information of the mediation confidential except where otherwise agreed between the parties or provided for by laws.

Article 35. Mediation organisation

The State encourages organisations, individuals having ability to establish professional mediation organisations to settle disputes between consumers and business individuals, organisations.

Article 36. Minutes of mediation

1. The minutes of mediation must contain the following contents:
 - a) Person conducting the mediation;
 - b) Parties to the mediation;
 - c) Content of the mediation;
 - d) Date of the mediation;
 - e) Venue of the mediation;
 - f) Opinions of the parties to mediation;
 - g) Mediation results;
 - h) Time limit for implementation of the minutes of a successful mediation.

2. The minutes of mediation must be signed by the parties to mediation and signed by the mediation organisation for certification.

Article 37. Implementation of the minutes of a successful mediation

The parties must voluntarily perform their obligations as set out in the minutes of successful mediation. If either party fails to voluntarily perform the obligations as set out in the minute of successful mediation the other party has the right to initiate a lawsuit requesting the competent court to consider and deal with the case in accordance with the current legislation.

**Section 3
Arbitration**

Article 38. Validity of arbitration agreement in common transaction conditions

Business individuals, organisations must announce the arbitration agreement before entering a contract with consumers. In case a dispute arising from the contract into which business individuals, organisations unilaterally included the arbitration agreement, the consumer shall have right to choose the mode of dispute resolution.

Article 39. Formalities and procedure of dispute resolution by arbitration

The contents, procedure of dispute resolution by arbitration shall be in compliance with arbitration law.

Article 40. Burden of proof

In a dispute to be resolved by way of arbitration, the burden of proof shall comply with Article 42 of this Law.

**Section 4
DISPUTE RESOLUTION AT COURT**

Article 41. Civil cases relating to consumers' interests protection

1. A civil case for consumers' interests' protection is a civil case arising from a consumption relationship where the plaintiff is a consumer or a consumers' interests' protection association in accordance with this Law.
2. The process and procedures for resolution of a civil case for consumer protection shall be in accordance with the provisions of the civil proceeding legislation, except for Article 3 of this Law.
3. Consumers have the right to initiate a lawsuit in accordance with fast track procedures when the following conditions are met in full:
 - a. There is only one plaintiff who is a consumer; the defendant directly supplies goods and services to the consumer;
 - b. Simple cases, clear proof;
 - c. The transaction is valued up to 100 million;
4. National Assembly Standing Committee defined the procedure for resolving civil cases on the protection of consumer rights prescribed in Clause 3 of this article

Article 42. Burden of proving fault in consumer protection civil cases

1. In a civil case for consumers' interests' protection, consumers and the consumers' interests' protection association shall bear the burden of proof to prove the mistake of the business individual, organisation.
2. Business individuals, organisations shall bear the burden of proof with regard to their innocence.
3. The Court will make decision in civil cases.

Article 43. Exemption from court fees and charges in civil cases for consumer protection

1. Consumers and consumers' interests' protection organisation involved in a civil case for consumer protection shall be exempted from the court fees and charges.
2. Consumers initiate civil lawsuits to protect their interests without having to pay court fees, court fees in advance.

Article 44. Notification of information about the lawsuits initiated by consumers' interests' protection association

1. Social organisations protecting consumer interests shall publicize by appropriate forms on initiation and take responsibility for the information they publish to ensure that no affect to the normal operation by organisations and individuals trading goods and services.
2. Details of the notification referred to in clauses 1 of this Article include:
 - a) Interest protection association
 - b) The defendant of the case;
 - c) Subject matter of the lawsuit;
 - d) Procedures and time limit for registration of the participation.
3. Court has responsibility to post at the office of Court about the hearing the case within three working days after receipt of the case under the provisions of civil law.

Article 45. Mediation in the case for consumers' interests protection initiated by consumer protection associations

Judgments and decisions of the courts to settle civil cases to protect the interests of consumers by organize social action must be publicly posted at the offices of the courts and the public media mass using appropriate forms

Article 46. Companion in the case for consumers' interests protection initiated by consumer protection associations for the public interest

Companion in the case for consumers' interests protection initiated by consumer protection associations for the public interest issued by decision of Court.

CHAPTER V

STATE ADMINISTRATION ON CONSUMER'S INTERESTS PROTECTION AND HANDLING VIOLATIONS

Article 47. State administration responsibility on consumers' interests protection

1. The Government shall be responsible for common State administration on consumers' interests protection in the whole nation.

2. The Ministry of Industry and Trade (MOIT) is responsible to the Government for carrying out common State administration in the sector of consumers' interests protection.
3. Ministries, ministerial-level agencies and Government agencies, within the scope of their functions, duties and powers are responsible to coordinate with MOIT during the consumers' interests protection activities.
4. People's committees at all levels have to implement common State administration of consumers' interests' protection in their respective locality as assigned by the Government.

Article 48. Responsibility of Ministry of Industry and Trade

1. Issuing within its jurisdiction or submitting to state authorized agencies for issuance and then implement policy, strategy, plan, schedule, project on consumer interest protection.
2. Managing consumer protection activities of social association, mediation; form of contract and general conditions according to Article 19 of this Law;
3. Advocating on consumer interest's protection; supporting, consulting and raising awareness of public on consumer protection;
4. Building database to contribute consumer protection activities, training and capacity building for official;
5. Inspecting, examine and conducting complaints and handle violations of legislation on protection of consumer interests within its jurisdiction;
6. International cooperation on consumer protection;

Article 49. Responsibility of People Committee

1. Issuing within its jurisdiction or submitting to the authorized state agencies for issuance and then enforcing legal documents on consumer protection in locality.
2. Managing consumer protection activities of social association, mediation; form of contract and general conditions according to Article 19 of this Law;
3. Advocating on consumer interest's protection; supporting, consulting and raising awareness of public on consumer protection at local;
4. Building database to contribute consumer protection activities, training and capacity building for official;
5. Inspecting, examine and conducting complaints and handle violations of legislation on protection of consumer interests within its jurisdiction

CHAPTER VI IMPLEMENTING PROVISIONS

Article 50. Implementing effect

This Law takes implementing effect on 1st July 2011,
This Law shall replace the Ordinance No.13/1999/PL-UBTVQH10 dated
27/04/1999 on the protection of consumers' interests.

Article 51. Guidance for implementation

The Government and the Supreme People's Court shall provide detailed regulations and guidance for implementing this Law and shall provide guidelines for the necessary issues of this Law to meet the State management requirements.

This Law was passed by the National Assembly of the Socialist Republic of Vietnam in November 2010.

Chairman
Nguyen Phu Trong

APPENDIX 7. CONSUMER PROTECTION LAW VIS-À-VIS THE EIGHT FUNDAMENTAL RIGHTS OF CONSUMERS MATRIX¹⁶: ‘THE CONSUMER PROTECTION ACT’

| THE EIGHT FUNDAMENTAL RIGHTS OF CONSUMERS | | YES | NO |
|--|---|-----|----|
| 1. | THE RIGHT TO SAFETY | | |
| Protect consumers from products or services which are dangerous or unsafe, or whose use might cause injury to others, by: | | | |
| i. | establishing a general duty of safety upon suppliers | ✓ | |
| ii. | banning the supply of unsafe goods | ✓ | |
| iii. | prescribing safety and information standards with which goods or services must comply | ✓ | |
| iv. | establishing procedures to examine products and services alleged to be unsafe | ✓ | |
| v. | monitoring the market place for unsafe goods and services | ✓ | |
| vi. | warning consumers of the possible risks involved in the use of certain goods or services | ✓ | |
| <i>Ensure that information about unsafe products and services is collected and made available to consumers, by:</i> | | | |
| i. | establishing procedures to collect and disseminate information on particular goods and services identified as being unsafe | ✓ | |
| ii. | establishing procedures for the notification to authorities by consumers of alleged hazardous goods and services | ✓ | |
| iii. | requiring suppliers who become aware that their goods or services are unsafe to advertise any dangers | ✓ | |
| <i>Ensure that dangerous products are recalled from suppliers, by:</i> | | | |
| i. | requiring any manufacturer who recalls goods for safety reasons to notify relevant authorities of the recall | ✓ | |
| ii. | establishing procedures for the monitoring of voluntary recalls to ensure they are effective | ✓ | |
| iii. | allowing relevant authorities to order a manufacturer to recall goods, and to specify how those goods are to be recalled | ✓ | |
| iv. | giving relevant authorities power to investigate the actions of manufacturers to determine whether they have complied with laws relating to recalls | ✓ | |
| 2. | THE RIGHT TO BE INFORMED | | |
| <i>Require all necessary information to be given to consumers about the goods and services they acquire, especially in relation to therapeutic goods and toxic products, by:</i> | | | |
| i. | requiring appropriate statements and warnings to accompany toxic | ✓ | |

¹⁶ Wood, John T.D. 1996

| THE EIGHT FUNDAMENTAL RIGHTS OF CONSUMERS | | YES | NO |
|--|---|------------|-----------|
| | products | | |
| ii. | regulating the supply of therapeutic goods and toxic products to ensure information is disclosed in a manner consistent with international best practice | ✓ | |
| iii. | establishing procedures to monitor national and international developments relating to therapeutic goods and toxic products | ✓ | |
| iv. | prescribing mandatory information standards to require particular information to be disclosed about particular goods not otherwise regulated | ✓ | |
| <i>Ensure consumers are able to compare different products, by:</i> | | | |
| i. | prohibiting deceptive packaging | ✓ | |
| ii. | requiring packages to clearly identify their contents | ✓ | |
| iii. | requiring packages to clearly identify their price | ✓ | |
| <i>Protect consumers from conduct which is false or misleading, by:</i> | | | |
| i. | prohibiting conduct, in relation to the supply of goods or services to a consumer, that is misleading or deceptive, or likely to mislead or deceive, or which is unfair | ✓ | |
| ii. | prohibiting representations about goods or manufacturers and suppliers which are not true or which could mislead consumers | ✓ | |
| iii. | prohibiting any particular sales or marketing practices which act to the detriment of consumers | ✓ | |
| iv. | require all necessary information to be given to consumers about food and drinks in order to enable them to make informed decisions regarding health and nutrition | ✓ | |
| v. | ensure that necessary information about goods and services is required to be accurate and comprehensible | ✓ | |
| 3. | F. THE RIGHT TO CHOOSE | | |
| <i>Encourage consumers to acquire only the things they need, by:</i> | | | |
| i. | establishing procedures for community and consumer education about products | ✓ | |
| <i>Protect consumers from anti-competitive conduct and exploitation, by:</i> | | | |
| i. | ensuring manufacturers and suppliers do not abuse their powers | ✓ | |
| ii. | giving consumers rights to obtain redress for goods which are unsafe, unsuitable, defective or of poor quality | ✓ | |
| iii. | protect consumers by ensuring effective trade measurement practices and standards are adopted and enforced | ✓ | |
| iv. | prohibit direct sales and marketing practices without appropriate 'cooling off' periods | ✓ | |
| 4. | G. THE RIGHT TO BE HEARD | | |
| <i>Ensure consumers can participate in the development of policies which affect them, including giving consumer representatives access to the media, by:</i> | | | |

| THE EIGHT FUNDAMENTAL RIGHTS OF CONSUMERS | | YES | NO |
|---|---|------------|-----------|
| i. | requiring administrative and political bodies responsible for matters affecting consumers to include members representing consumers | ✓ | |
| ii. | requiring laws and policies which affect consumers to be publicised before they are introduced to allow consumers to comment on them | ✓ | |
| iii. | establishing procedures to channel any comments or complaints made by consumers to appropriate authorities, and to monitor the response to those comments or complaints | ✓ | |
| iv. | facilitate the establishment of complaints handling systems in both the government and non-government sectors, including the involvement of consumer representatives in the process | ✓ | |
| v. | ensure consumers have standing to take action in courts and tribunals, including as third parties, to protect consumer interests | ✓ | |
| vi. | enable consumers to take collective action before courts and tribunals | ✓ | |
| vii. | enable indigent consumers to enforce their rights by providing access to legal and financial assistance | ✓ | |
| 5. | H. THE RIGHT TO REDRESS | | |
| <i>Provide consumers with cost-effective, speedy and accessible means to enforce their legal rights, by:</i> | | | |
| i. | establishing a court or tribunal, with a simple procedure, to hear consumer complaints | ✓ | |
| ii. | prescribing procedures to ensure consumers know their rights and how to enforce them, particularly in relation to disadvantaged groups | ✓ | |
| iii. | ensuring that consumers are allowed to play an equal role in the resolution of their disputes | ✓ | |
| iv. | providing consumers with effective remedies and reasonable compensation if their complaints are found to be justified | ✓ | |
| v. | provide consumers with a right to compensation if they are injured as a result of unsafe goods or faulty services. | ✓ | |
| <i>Provide a mechanism through which consumers can channel their complaints and grievances to government, by:</i> | | | |
| i. | establishing mechanisms to collect and register consumer complaints and grievances | ✓ | |
| ii. | prescribing procedures to investigate complaints. | ✓ | |
| iii. | prescribing procedures to monitor the number of complaints and grievances, and to report any results back to the consumer | ✓ | |
| <i>Ensure that consumers are properly compensated for any loss suffered if their consumer rights are contravened, by:</i> | | | |
| i. | ensuring any court or tribunal can provide a consumer with an appropriate remedy if it is established that the consumer's rights have been contravened | ✓ | |
| ii. | protect consumers from intimidation or harassment if they seek to enforce their rights | ✓ | |
| <i>Establish effective post-sale consumer protection, by:</i> | | | |
| i. | implying into contracts for the supply of goods and services, non-excludable warranties governing acceptable quality, fitness for known | ✓ | |

| THE EIGHT FUNDAMENTAL RIGHTS OF CONSUMERS | | YES | NO |
|--|--|------------|-----------|
| | purpose, and, in relation to services, that they are rendered with due care and skill | | |
| 6. | I. THE RIGHT TO CONSUMER EDUCATION | | |
| i. | Consumer law should be written in language which can be easily understood | ✓ | |
| <i>Establish procedures which ensure consumers are informed about their consumer rights, particularly consumers with special needs, by:</i> | | | |
| i. | prescribing mechanisms to monitor consumer awareness and use of their rights | ✓ | |
| ii. | introducing laws to protect particular groups with special needs as required | ✓ | |
| iii. | set in place mechanisms to inform consumers about how to enforce their rights | ✓ | |
| iv. | ensure consumers are aware of their consumer responsibilities | ✓ | |
| 7. | J. THE RIGHT TO A HEALTHY ENVIRONMENT | | |
| <i>Protect consumers from pollution of the environment, by:</i> | | | |
| i. | promoting the use of products which are environmentally friendly | ✓ | |
| ii. | encouraging recycling of consumer goods | ✓ | |
| iii. | requiring environmentally dangerous products to carry appropriate warnings and instructions for the safe use and disposal of the product | ✓ | |
| <i>Promote the use of non-toxic products where available, by:</i> | | | |
| i. | promoting consumer awareness of safer alternatives to toxic products | ✓ | |
| ii. | establishing procedures to monitor international developments and ensure products which are banned overseas do not find their way into national markets | ✓ | |
| iii. | ensure the social costs of pollution are minimised | ✓ | |
| iv. | encourage the promotion of ethical and socially responsible practices by the producers and suppliers of goods and services | ✓ | |
| 8. | THE RIGHT TO THE SATISFACTION OF BASIC NEEDS | | |
| <i>Consumer laws should promote the provision of information to consumers about products and substances which may adversely affect them, by:</i> | | | |
| i. | requiring therapeutic goods to carry information about safety, efficacy, and side effects | ✓ | |
| ii. | requiring any products containing hazardous substances to clearly list all its ingredients and to display appropriate warnings | ✓ | |
| iii. | protect consumers from unethical, unconscionable, and illegal practices especially in the supply or provision of: health care; housing and accommodation; education; water; energy; financial services; employment; retirement services; children's services; insurance; investment services; and food | | |

| THE EIGHT FUNDAMENTAL RIGHTS OF CONSUMERS | | YES | NO |
|--|---|------------|-----------|
| <i>Protect the privacy of consumers, by:</i> | | | |
| i. | ensuring telecommunications and other communications are secure from unauthorised interference and are not used to provide or promote unsolicited commercial communications | √ | |
| ii. | ensuring personal information about consumers is used only for the purposes for which it is collected and with their knowledge and approval | √ | |
| iii. | ensuring that consumers have the right to access, amend and correct their personal information held by government or non-government entities | √ | |

APPENDIX 8. ORDINANCE ON THE PROTECTION OF CONSUMER'S INTERESTS

Ordinance on the Protection of Consumers' Interests

The Permanent Committee of the National Assembly Socialist Republic of Vietnam Independence-Freedom-Happiness

N^o: 13/1999/PL - UBTVQH10

In order to protect the legitimate rights and interests of the consumer; with a view to reinforcing the administration of the state; in order to define the responsibilities of the organisations / individuals in relation to the production, business of goods and services; relating to the protection of the rights of the consumer.

Pursuant to the 1992 Constitution of the Socialist Republic of Vietnam.

Pursuant to the Resolution of the 10th term of office of the National Assembly, to the session 4 of the National Assembly 10th term of office on the Law, Ordinance Building Programme and the 1999 Law, Ordinance Building Programme;

This ordinance hereby admits provisions in relation to the protection of the interests of the consumer.

Chapter I

General Provisions

Art.1:

Consumer shall mean the buyer, the user of the goods, services for the own consumption purpose of the individual, household or organisation.

Art.2:

Protect the legitimate rights and interests of the consumer are the common responsibilities of all the society.

All state organisations, economic organisations, political organisations, socio-political organisations; social organisations, socio-professional organisations, people armed forces and individuals shall abide strictly by the provisions stipulated in this ordinance and the provisions stipulated in other laws relating to the protection of the consumer's interests. The Vietnamese Fatherland Front and its member organisations, within their tasks and power, shall be responsible for promoting, educating the people to engage in activities with a view to protecting the interests of the consumer and to implementing the laws relating to the protection of the interests of the consumer.

Art.3:

The state encourages rational and economical consumption.

The state of the Socialist Republic of Vietnam shall develop policies and measures to develop the multi-component economy, to strengthen state own enterprises which shall

bear the leading role in the production and business of goods and services of qualified essential needs in order to protect consumer's interests.

The state encourages the expansion of international cooperation in the field of protection of consumer's interests.

Art.4:

All organisations, individuals dealing with the production, business of goods, services for domestic consumption; all organisations, individuals doing business of imported goods shall abide strictly by the provisions stipulated in this ordinance, in the law of commerce, of standardization, of metrology, of goods quality, of foods, of advertisement, of environment protection and other related legislation and shall compensate in case of doing harm to the consumer, conforming to the regulations of the laws.

Art.5:

The consumer shall have the rights and responsibilities regulated in this ordinance and in other regulations of related laws.

Art.6:

Within the Vietnamese territory, all foreign organisations and individuals shall abide strictly by the Vietnamese laws concerning the protection of consumer's interests, except where the international treaties to which the Socialist Republic of Vietnam is a party or a signatory, contain provisions to the contrary, provisions which provide otherwise.

Art.7:

The following acts shall be strictly prohibited:

1. Production, business of prohibited goods, fake goods.
2. Production, business, consumption of goods, services which severely contaminate the environment, cause damage to the life, health of the people; and which is contrary to the fine custom.
3. Untrue information, advertisement
4. All other acts which aim to cheat the consumer.

Chapter II

The rights and responsibilities of the consumer

Art.8:

The consumer shall have the right to select the goods or services, shall have the right to obtain right information or guidance necessary for the consumption purpose relating to the quality, the prices, the direction for use of goods or services; and his safety of life, of health and of environment shall be protected during the course of using the goods or services; the consumer shall be provided with necessary knowledge on consumption.

Art.9:

The consumer shall have the right to claim for compensation when the goods or the services fail to meet the standard of quality, the declared quantity and price or the contract

signed; the consumer shall have the right to lodge a complaint or denouncement, a petition according to the regulations of the law concerning the production, business of prohibited goods, fake goods; of goods, services which do not meet the standard of quality, quantity and in case of false information and advertisement.

Art.10:

The consumer shall have the right to contribute opinions in relation to the planning and the adoption of the policies or the laws relating to the protection of the consumer's interests shall have the right to request the organisations/ individuals engaging in goods or services production/ business activities to fulfil their responsibilities concerning the protection of the consumer's interests.

The consumer shall have the right to request that organisations/ individuals engaging in production/ business activities ensure the standard, quality of goods concerning the essential needs on food, clothing, housing, transportation, education, health care, environment protection and of other registered, declared goods and services.

Art.11:

The consumer shall have the right to establish organisation to protect his legitimate rights and interests in accordance with the law.

Art.12:

The consumer shall be responsible for protecting himself in utilising goods, services; following exactly the method, instruction for use of goods, services; shall be responsible for not using the goods or services which shall cause adverse effect to the environment, against the fine custom, cause harm to the life and health of himself and the community.

Art.13:

The consumer shall be responsible for discovery, denouncing of dishonest actions on standard, measuring, quality, good labelling, price and other tricky manoeuvres of organisations, individuals in production, business of goods, services, which cause damage to himself and the community, in accordance with the law.

Chapter III

Responsibilities of organisations/ individuals carrying out production/ business activities

Art.14:

Organisations/individuals carrying out production/ business activities having business registration shall register, declare the standard of the quality applicable for their goods, services.

Art.15:

Organisations/ individuals carrying out production/business activities must ensure exact and true information, advertisement on their goods, services; post up the price of goods, services; declare the conditions, the duration, the location of the warranty and provide clear instructions relating to the use of goods, service to the consumer.

Art.16:

Organisations/ individuals carrying out production/ business activities shall be responsible for resolving the complaint launched by the consumer on their goods, services which do not comply with the declared standard, quality, quantity, price or with the contract signed; shall be responsible for carrying out warranty of their goods, services for the customer.

Art.17:

Organisations/ individuals carrying out production/ business shall be responsible for gathering, studying, admitting the opinions from the consumer; shall be responsible for refunding, compensating against the damage for the consumer in accordance with the law.

Chapter IV

State administration of the protection of the interests of the consumer

Art.18:

The contents of the state administration of the protection of the interests of the consumer shall comprise:

1. Promulgating and organizing the implementation of the legislative regulations on the protection of the interests of the consumer.
2. Building and organizing the implementation of the policies relating to the protection of the interests of the consumer; to the rational and economical consumption.
3. Directing and coordinating the activities relating to the protection of the interests of the consumer.
4. Forming and fostering of cadres working in the field of the protection of the interests of the consumer.
5. Propagandizing, educating, disseminating of the law and knowledge relating to the protection of the interests of the consumer.
6. Carrying out international cooperation in the area of the protection of the interests of the consumer.
7. Carrying out inspection, supervision of the implementation of the law relating to the protection of the interests of the consumer; of the resolutions of the complaint, the denouncement lodged by the consumer; dealing with the breaches of the law concerning the protection of the interests of the consumer.

Art.19:

The government shall exercise uniform state administration of the protection of the interests of the consumer throughout the country.

The state administration agency of the protection of the interests of the consumer shall be responsible to the government for the implementation of the state administration of the protection of the interests of the consumer.

The government shall stipulate regulations on the agency for the state administration of the protection of the interests of the consumer.

Art.20:

1-Ministries and ministerial level departments and the government bodies, within their respective powers and responsibilities, shall be responsible for coordinating with the state administration agency of the protection of the interests of the consumer.

2-The government shall stipulate the responsibilities of the ministries, of the ministerial level departments, of the government bodies at the clause 1 of this article.

Art.21:

People assemblies, people committees of all levels, within their respective powers and responsibilities, shall be responsible for implementing, supervising, inspecting the implementation of the policies and laws of the protection of the interests of consumer in their localities.

Chapter V

Dealing with complaint and denouncement and settlement of the breaches

Art.22:

The consumer shall directly or through his representative lodge complaints and request for compensation against organisations/ individuals producing or trading the goods, services that caused damage to him, in accordance with the law.

Art.23:

Complaints lodged by the consumer against organisations/ individuals carrying out production/ business activities shall be resolved firstly by conciliation, except otherwise regulated by the law. In case of failure of the conciliation, the consumer shall have the right to lodge complains to the competent state body or to bring to the court, in accordance with the law.

Art.24:

The consumer shall directly or through his representative denounce to competent bodies, organisations, individuals, the breaches of the law in the area of the protection of the interests of the consumer.

Art.25:

State administration agencies of the protection of the interests of the consumer and related state bodies within the jurisdiction shall be responsible for resolving in a timely manner the complaints and denouncements of the consumer, in accordance with the law.

Art.26:

Everybody carrying out the production/ business of prohibited goods, fake drugs, fake foods and other fake goods of foods which do not answer the safety, hygiene standards; carrying out the production/ business/ distribution of goods and services which cause serious damage to the environment, to the life, health of the people; which are against the fine custom; disseminating untrue information, advertisement; deceiving in measuring, or having other acts that breach the law of the protection of the interests of the consumer, depending on the seriousness and the extent of the breach, shall subject to discipline, administrative fine or prosecution of criminal liabilities; shall be responsible for paying

compensation to the consumer in case of causing damage to consumer, in accordance with the law.

Art.27:

Any persons who abuse their positions and/or power to commit acts of violation or cover the violators of the legislation on the protection of consumers' interests shall, depending on the nature and seriousness of their violation(s), be disciplined or examined for penal liability.

Art.28:

Individuals committing act of breaches of the law relating to the protection of the interests of the consumer, causing damage to organisations, to other individuals, apart from being fined according to the regulations speculated in articles 26 and 27 of this ordinance shall have to compensate the damage in accordance with the law.

Chapter VI

Implementing provisions

Art.29:

This ordinance shall be in full force and effect as of 1st October, 1999.

Art.30:

The government shall make detailed provisions for the implementation of this ordinance.

Hanoi, 27th April 1999

On behalf of the Permanent Committee of the National Assembly

Chairman

Nong Duc Manh (Signed)

Note: (This translation is for reference only)