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Enhancing Vietnam's Position and Role in the Global Supply Chain

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Abstract

In today's economy, the supply chain is a very important network to achieve the highest profit of manufacturers and businesses. Therefore, the flow of goods becomes the biggest concern of companies and business organizations.

Posts conducted based on research and information analysis on the actual situation of the global supply chain, thereby providing management implications and proposing some solutions to limit risks for the global supply chain.

Keywords: Global Supply Chain, Vietnam, World Economy

1. Introductions

1.1 Current situation of Vietnam's supply chain

The Covid-19 pandemic has comprehensively and deeply affected all countries in the world and is currently continuing to develop very complicatedly. The global economy fell into a severe recession. The world economy in general and Vietnam's economy in particular are not only suffering unprecedented consequences from the Covid-19 pandemic, but also facing the risk of slow recovery when new strains threaten each country. family and business life. Vietnam's economy has a large openness, extensive international integration, and has been affected by the Covid-19 pandemic. All socio-economic sectors were seriously affected, disrupting supply chains and trade flows, and stalling production, business and service activities. Currently, along with the strong development of science - technology, optimization of production and costs, the trend of shifting investment and global supply chains to disperse and reduce risks is strongly present. strong, many opportunities and challenges are intertwined for Vietnam. Therefore, it is very necessary to focus on recovering and developing supply chains and value chains during and after the Covid-19 pandemic.

After 4 consecutive waves of epidemics, the Vietnamese economy has suffered a "blow" on a large scale when both business households, small-scale enterprises to corporations were caught up in the vortex of stagnation of production activities. - business. In particular, when large-scale blockade measures were applied for a long time, it led to a decline in the economy, causing low or even negative growth in localities. The latest statistics of the General Statistics Office have shown that many sectors have experienced a decrease in growth, from total retail sales of goods to sales of consumer services. In particular, the fourth outbreak of the epidemic, starting from April 27, 2021, has seriously affected all aspects of socio-economic life, production and business activities of enterprises and people when spreading. spread to most provinces and cities, especially in big cities and provinces such as Ho Chi Minh City, Hanoi, Bac Giang, Bac Ninh, Binh Duong, Dong Nai,... , industrial parks, export processing zones and large enterprises in the global value chain, greatly contributing to economic development and budget revenue. Faced with the unprecedented impact of the epidemic, what the economy needs and businesses expect are policies and support packages in terms of fiscal, monetary, ... with enough "dose" and enough scale. to help businesses "recover" soon and the economy to recover soon.

In the current context, in order to safely adapt to the epidemic as well as maintain a sustainable production chain, the Ministry of Industry and Trade recommends that businesses need to proactively develop production plans in the event that the epidemic can last for a long time. quickly re-recruit and train workers, especially in highly intensive industries such as leather and footwear, electronics, food processing...; develop flexible policies on overtime hours, pay extra remuneration for on-site workers, support child care for employees... At the same time, the Ministry of Industry and Trade affirmed, the Ministry will listen to opinions Recommendations of enterprises about the arising inadequacies to handle soon, to avoid the situation of sand

and traffic jams like the past.

1.2 Global supply chain situation

The crisis caused by Covid-19 has created a new view of the supply network and put pressure to fill the gap and heal the "fissures" in the global supply chain. Take, for example, the healthcare sector, where the scramble for protective gear has posed inherent risks in terms of inventory and single sourcing patterns. The impact of China's shutdown and its dominance in key manufacturing sectors have further highlighted the problems facing modern supply chains. With factories in China closed, manufacturers struggled to find alternative suppliers. Therefore, it is very likely that global companies will diversify their supply chains in the future, instead of relying solely on China. Manufacturing hubs such as Vietnam, Mexico and India are likely to benefit from this shift. There will be a decentralization of production capacity and some countries will begin to repatriate links in their supply chains. This trend grows with the trend of automation and mass production. The transition to a new model for supply chains will be underpinned by rapid digitalisation.

Economists are concerned that supply-chain troubles could drag down global economic growth and drive-up inflation in all countries.

In the past two years, the trade route between the US and Asia has been hardest hit by the pandemic. But the current global supply-chain bottleneck is felt especially strongly in Germany, which is heavily reliant on energy supplies from Russia and suppliers in Eastern Europe.

* War and covid threaten global supply chains

Business confidence in Germany, Europe's largest economy, plunged to a record in March. Factories across the European Union (EU) were reeling from a lack of diesel and input components. Cargo trains passing through key North Sea gateways like Bremerhaven were stretched.

"We thought Russia was just a story about the supply of resources, which could push up energy prices, thereby making prices in the supply chain more expensive, but not causing disruption to the supply chain," economist Vincent Stamer of Germany's Kiel Institute for World Economic Research told Bloomberg news. "But things turned out to be more worrisome than initially thought."

In addition to the obstacles caused by war, the Omicron outbreak in China is forcing the country to implement a strict blockade in major economic centers, including the city of Shanghai. AP Moller-Maersk A/S, the world's second largest container shipping company, said a few days ago that some warehouses at seaports in China are in a state of indefinite closure. Trucking operations to and from seaports were also severely affected.

China's exports are declining from a peak reached in October last year, and this trend could continue for the next few months if Beijing maintains a tough stance in the fight against the Sars-CoV-2 virus. The Zero Covid (no Covid) strategy that the country pursues will only increase congestion at seaports, challenges in sourcing goods, and costs for businesses from the US to Europe.

According to the supply chain disruption indexes compiled by Bloomberg, pressure on supply chains increased in the US and Europe in February after the situation improved in the previous few months. In March, there was strong evidence that these tensions will not be relieved anytime

soon.

Mr. Stamer cited electrical wiring products that manufacturers in Ukraine supplied to German automakers. "These cables are made specifically for different car models and cannot be easily or cheaply sourced from other countries. Another important input that has suddenly become scarce is neon gas used in semiconductor manufacturing. Ukraine produces 50% of the world's pure neon. The supply of basic goods from Russia has even more far-reaching influence in the global economy," Stamer said. More than 2,100 US companies and 1,200 companies in Europe have at least 1 direct supplier in Russia. If indirect suppliers are included, the number of US and European businesses dependent on supplies from Russia is up to 300,000, according to Interos - a supply chain risk management company based in the state of Virginia, USA.

2. Theoretical basis

2.1 Supply chain concept and global supply chain

* Some supply chain concepts include

What is supply chain? The supply chain includes all participating businesses, a directly or indirectly, in responding to customer needs, represents a shift material throughout the process from the initial supplier to the final customer. *Chain supply includes all businesses and departments directly or indirectly involved in meet the needs of customers* (Sonil Chopra, 2012). The supply chain is not only about the house manufacturers and suppliers, but also the transportation company, warehouse, retailer and its customers. A supply chain consists of many businesses, and each business can participate in many different supply chains. Each different product and service will form and exist different supply chains.

Supply chain management (SCM) *is the management of supply and demand for the entire system of an enterprise, including all logistics management activities including planning and managing all operations. involved in sourcing, manufacturing and logistics operations. Management requires coordination between partners in a comprehensive supply chain to bring satisfaction to customers.*

All products reach the consumer through some form of supply chain, some larger and some much more complex. With this supply chain idea, it is easy to see that there is only one source of profit for the entire chain, which is the end customer. When individual firms in the supply chain make business decisions without regard to other members of the chain, this ultimately leads to very high prices for the final customer, high levels of supply chain service response are low and this leads to low end consumer demand

* Concept of global supply chain

"Global supply chain includes all activities involved in the supply, production and distribution of a product or service from the primary supplier to the final consumer on a global scale."

A global supply chain is a network that has a worldwide reach. In that network, a business buys or uses goods or services from abroad to provide, produce and distribute a certain product or service.

A perfect supply chain requires close cohesion between participating businesses. At the same time, they must also manage the flow of information, products and financial

affairs well to avoid losses and maximize profits throughout the chain.

2.2 Global supply chain participants

In its simplest form, a supply chain includes a company, its suppliers, and customers. This is the basic set of actors that create a basic supply chain. Extended supply chains have three traditional types of actors:

- The first type is the supplier of suppliers or the last supplier at the beginning of the extended supply chain.
- The second category is the customer of the end customer or customer at the end of the supply chain.
- The third category is the aggregate of companies that provide services to other companies in the supply chain. These are companies that provide logistics, finance, marketing and information technology services.

In a supply chain there is also a mix of companies that perform different functions. Those companies are manufacturers, distributors, wholesalers, retailers, and individual or institutional customers. These secondary companies will have many different companies that provide a wide range of necessary services.

2.3 The role of the global supply chain

Role

Supply chains play an extremely important role, directly affecting production and business activities of enterprises. At the same time, the supply chain is also considered an important step in business development.

If the supply chain operates effectively, the enterprise will gain a competitive advantage, have a firm foothold in the domestic and foreign markets and increase its ability to reach out.

A product needs to go through many processes before it can reach the consumer. Such processes can transform raw materials into finished products and send them to distributors. Distributors distribute goods to retail locations, where many consumers shop. All these processes are part of the supply chain.

Therefore, the supply chain plays an extremely important role in bringing products and services to consumers in the most convenient and optimal way. A company with high product sales and consistently increasing profits means that its supply chain is doing very well.

Characteristic

The supply chain must be consistent with the business goals and operational strategy of the company or enterprise. An effective supply chain will need to be associated with the company's strategy in each period, in accordance with the factors of resources, markets, and strengths of the business.

In an effective supply chain, a business also needs to create good products, suitable for the market segments that the business targets. At the same time, products and goods must be promptly delivered to customers.

The supply chain also needs to incorporate an assessment of the company's own position. What is the current position of the company, whether the brand is strong, famous or not, what is the size.... For each position, there will be different options for suppliers as well as customers. variation in the supply chain.

In the supply chain, you are forced to adapt to change, the parties will exchange information about each other about the

situation of the market and customers. Therefore, in order to have an effective supply chain, enterprises themselves must make timely decisions to change, in accordance with the situation of the market, competitors, customers...

3. Analytical methods and reasoning

3.1 Reasoning method

This is an argument that uses arguments, evidence, and accepted facts to prove its point of view.

What the proof-of-concept says needs to be selected, and analyzed to be more persuasive.

3.2 Analytical methods

This is a method in which the object is divided into many parts to dissect, analyze, and review the content comprehensively according to certain criteria and relationships.

Analysis helps the reader understand different aspects of the problem. Through symbolic images, the interrelationships make it easier for readers to visualize instead of dry, abstract subjects.

3.3 Comparative method

This is a method that uses the comparison of two or more objects to find the same attribute. And based on that correlation to draw conclusions.

An example to make it easier to understand this method. Compare the functions of plants. For example, sugarcane is a plant that can store sugar like beets. Broadly speaking, this comparison means that plants also have mechanisms for storing sugar.

4. Analysis of the current situation of the global supply chain

4.1 General situation of the global supply chain

According to a report by Sean Harapko, RPA global supply chain leader, the Covid-19 pandemic is a global disruption to commercial, financial, health and educational systems, businesses and society. Accordingly, the disruption of the supply chain has negatively affected 72% of the surveyed units.

Among them, all car manufacturers and 97 percent of companies that manufacture industrial products said that Covid-19 had a particularly severe impact on them. Additionally, 47% of all companies said the pandemic has disrupted the workforce, while many employees are required to work from home, others - especially in factory environments - must prefer to work from home. respond to new requirements for physical distancing, contact tracing, and greater use of personal protective equipment.

Only a few industries (accounting for 11%) reported having a positive impact during the pandemic. These companies are mostly in the life sciences sector and the positive impacts can be largely attributed to the essential products they manufacture. The pandemic has also required some life sciences companies to double down on making essential new products like Covid-19 tests or vaccines. Other sectors, especially consumer products, were unable to keep products on shelves in the early days of the pandemic because toilet paper, canned goods, flour and other staples were in high demand.

With high-tech products: The high-tech industry includes products such as smartphones, virtual reality headsets and other tech accessories, Covid-19 has confused the supply

chain of this industry due to the lack of various parts. For example, Apple had to delay the delivery of its new products to the market due to the shutdown of Foxconn factories in China. Samsung and LG have stopped production at their factories in South Korea and India. Another example is Tesla Motors which has closed its factories in Shanghai, California and New York.

In the aviation sector: Airbus, Boeing and Lockheed have had to suspend production activities at some of their factories in Europe and the US.

Auto parts: Most automakers are shutting down production at some of their factories in China and other countries. Global output for the Automotive Industry is expected to decline by 13%. Volkswagen is closing car factories in China due to travel restrictions and a shortage of parts. General Motors has restarted factories in China but at a very low production rate for the same basic reasons. Hyundai has closed its assembly plants in South Korea, mainly due to a shortage of parts from China. Nissan's plants in Asia, Africa and the Middle East have ceased production.

Medicines and medical devices: Chinese manufacturers are estimated to account for 40% of all active pharmaceutical ingredients (APIs) used worldwide. India is the third largest drug exporter in the world, thus playing a central role as a supplier of essential Covid-19 medicines. However, more than 70% of India's bulk drug production depends on raw materials from China, so Indian pharmaceutical companies are facing severe shortages of raw materials due to manufacturers. Their supply in China suspended production.

In addition to medicines, we are seeing shortages of personal protective equipment. The current global shortage of personal protective equipment, especially medical masks, respirators, protective gear, shoes, gowns and goggles, is seriously affecting containment. virus. This is because frontline healthcare workers are at high risk of being infected, and hundreds of healthcare workers have died in Spain, Italy and the US. Furthermore, global demand is not only driven by Covid-19 but also by misinformation, fake news, panic shopping and product stockpiling, which will inevitably exacerbate shortages. Global.

Food supply chain: From seeds to dry products such as rice and wheat, as well as fresh foods, such as meat, vegetables and fruits, are mainly affected by 2 aspects: farming and transport. Almost all stages of food production, such as seeding, picking and delivery, are labor intensive. India, the world's largest rice exporter, has stopped exporting due to labor shortages and logistical disruptions. The world's third-largest rice exporter, Vietnam, plans to reduce its quota by 40 percent year-on-year. Lack of transport personnel, flight cancellations, time-consuming checks and quarantines at customs, have hampered the transportation of fresh food.

International logistics disruption: Labor shortage due to travel restrictions, for example, some experts and technicians from China are unable to get to the camera assembly line in India. Similarly, technicians from Korea cannot come to Samsung factory in Vietnam.

Aviation Industry: Border closures and travel restrictions have led to major disruptions in air travel demand. According to the International Civil Aviation Organization, the number of seats provided by airlines will decrease by 57% - 64% in 2020. Most airlines face the prospect of running out of funds due to international flights. economy stopped suddenly. Qatar Airways is one of the few airlines

that continues to guarantee scheduled commercial passenger services.

Textile: The textile industry is a labor-intensive and highly globalized industry. Quarantine measures, retail store closures, loss of income as well as fear of spending money during a recession have curbed consumer demand for textiles. In the European Union, the Textile and Apparel industry is forecast to face a 50% decline in sales in 2020. McKinsey & Company predicts that the revenue of the apparel and footwear sector will be 27 lower. % - 30% by 2020. According to a survey by the Responsible Business Alliance, 50% of factories and their supply plants are not operating at full capacity and 15% of all factories are operating at full capacity. operate less than 50% of production. Crushed consumer demand is one reason. The shortage of raw materials and inputs along with the shortage of workers also contributed to the significant decline of the Textile and Garment industry.

Retail operations: With Covid-19 dominating headlines, panic behavior has prompted people to switch to buying basic products like toilet paper and non-biodegradable products (dry goods). A Search Engine Journal survey found that sales of basic consumer goods jumped 53% during the early stages of the outbreak in the US. However, in China, due to a sharp drop in consumer confidence, average sales fell 29% in categories such as home appliances and furniture, as well as clothing and electronics. Similarly, in the US, retail sales fell 8.7%.

4.2 Vietnam's position and role in the global supply chain

According to Mr. Frederick R. Burke, an American economist, director of Baker & McKenzie Vietnam Co., Ltd., acknowledged that, in the gloomy context of the global economy, although Vietnam was heavily affected by the pandemic, the indicators were Macroeconomics still shows that there is room to do even better. With 13 bilateral and multilateral free trade agreements (FTAs) in effect, the newly signed RCEP agreement, and 2 FTAs being negotiated, Vietnam is one of the world's most open economies. creating great opportunities to develop new supply chains.

In investment attraction, just in the first 6 months of 2020, FDI into Vietnam reached nearly 16 billion USD, down 15% over the same period in 2019 but still better than the average drop of 30%-40% worldwide. This is a pretty good initial result compared to the rest of the world, a lever for Vietnam to reverse the negative influence of Covid-19.

Meanwhile, Nikkei Asia Review (Japan) cited a survey by the Japan Chamber of Commerce and Industry in Shanghai showing that: Covid-19 has affected the supply chains of 54% of enterprises. However, only 23% of enterprises reported having alternative production or procurement plans in the event of a long-term closure of the factory in China. Meiko Electronics is a Japanese enterprise specializing in the production of automotive circuit boards, currently has the largest production base in Wuhan, Hubei province. This company once considered manufacturing components at facilities that already have the necessary certificates such as Guangzhou (China), Japan or Vietnam. For products that can only be made at the factory in Wuhan, Meiko Electronics asked customers to find other suppliers.

The article published on counterpointresearch.com

emphasizes that, in an era of protectionism where many economies are reeling from the Covid-19 pandemic, Vietnam is still rising to become one of the attractive destinations for foreign investors. export manufacturer.

From 2020 to 2026, Vietnam's electronic manufacturing services (EMS) market will grow at a compound annual rate of 5%. With the manufacturing sector growing exponentially along with growing domestic and export demand, mainly in the electronics and automotive sectors, the EMS business is expected to expand to new heights. Many global original equipment manufacturers (OEMs) and EMS suppliers such as Samsung, LG, and Foxconn (a contract manufacturer for Apple) are investing in the production of printed circuit boards, camera modules, and cameras. printers, servers, telephones, network equipment, televisions and other electronic devices in the country.

In 2020, with nearly 70% of the phone market share in Vietnam, Samsung is one of the largest foreign direct investment companies in Vietnam. Vietnam has one of Samsung's largest smartphone production bases outside of South Korea. By 2022, Samsung is expected to complete a \$220 million research and development center in Vietnam.

4.3 Factors affecting Vietnam's position and role in the global supply chain

According to experts, Vietnam needs to invest more in infrastructure, improve governance and policy transparency, along with restructuring the supply chain on the basis of a long-term vision to take advantage of the supply chain. response. Not only that, Vietnam needs to launch a national strategic investment promotion campaign. Only then will we have direct access to the "headquarters" of global supply chains.

Vietnam is in a strong position to benefit from many free trade agreements coming into effect, but Vietnam needs to focus on exploiting the free trade agreement to build a new supply chain through revenue collection. attracting and linking investment in many fields; promote linkage mechanism in both domestic and international supply chains. In addition, businesses must actively calculate plans to change supply chains, and this is also an opportunity for Vietnam to receive orders from supporting industries, as well as investment flows from other countries. global supply chain to Vietnam.

The disruption of the global supply chain due to the impact of the epidemic has made businesses realize the urgency of diversifying production portfolios and supply chains, avoiding dependence on one country. Vietnam will benefit certain when many production facilities are relocated from China. However, not all manufacturing industries can be easily transferred to Vietnam when the skill level of our workers is still low. Therefore, skills training for workers in industries related to the advantages of attracting FDI should be promoted in the direction of socialization. In addition, industry linkages need to be promoted, in which it is necessary to unify the role of each object and each stage in the supply chain, to limit unfair competition between enterprises in order to enhance the effectiveness of linkages and sustainable development of supply - demand chains.

5. Management implications and solutions

5.1 From the status quo of Vietnam's position and role in the global supply chain, there are implications and ways of managing it.

In the immediate future, it is impossible to predict what follows the global crisis caused by the Covid-19 outbreak. However, businesses can plan to mitigate potential impacts by developing robust supply chain processes and recovery readiness plans. The effectiveness of emergency preparedness and response is highly dependent on a thorough and thorough understanding of the impact of Covid-19 on global supply chain. This pandemic forces companies to reassess their supply chains for efficiency and agility in the event of a problem. A set of contingency-based continuity plans is provided to help compaies better equipped to mitigate risk by emphasizing responsiveness to disruptions in supply chains. complex.

Vietnam is facing great opportunities to catch the wave of shifting and restructuring global supply chains. This wave not only gives us the opportunity to penetrate deeper into high-value-added links in the supply chain, but also helps us attract high-tech FDI flows, thereby helping to improve domestic production and national economic development. Vietnam needs to promote its strengths and overcome weaknesses by resolute and strong measures, in order to make the most of these opportunities, and bring our country to participate more deeply in global value chains, as well as as affirming a new position of Vietnam on the world economic map.

The Ministry of Industry and Trade develops and completes standards and regulations on energy and origin of goods to prevent low-quality investment flows and tax evasion, thereby promptly proposing and reporting to the Government. Prime Minister and proactively implement measures to take advantage of market opportunities, minimize difficulties, restore supply chains, broken value chains, build and develop supply chains and value chains new value, thereby, shaping and establishing a new position of Vietnam in the global supply chain.

In addition to developing policies and perfecting standards and regulations, in the coming time, Vietnam needs to continue to focus on synchronously and effectively implementing the FTAs that have come into effect and commitments. WTO and ASEAN Economic Community to expand export markets, effectively control imports. Focus on restructuring export products, export and import markets, exploit well and diversify foreign markets, avoiding dependence on some markets in the new situation.

Creating a favorable environment for innovation and digital transformation on the basis of strongly restructuring each industry, each field and fully exploiting the achievements of the 4th industrial revolution; implement digitization and technology of production and business methods, reduce costs and increase productivity and quality of labor in industrial production; increase access to information and data; connect and cooperate to increase new business opportunities based on digital technology platforms such as: e-commerce, digital finance..., increase the ability to participate in global and regional value chains, join the

system digital ecology.

To take full advantage of Vietnam's golden population structure, to fully exploit the achievements of the 4th Industrial Revolution and commercial advantages to develop quickly and intensively in a number of industries. foundation, strategy, competitive advantage.

In addition, the response to economic activities also needs to consider other factors such as: Environmentally friendly activities; training human resources with skills, knowledge, ensuring welfare, working conditions, health... aiming at not only doing well in the domestic market but also reaching out to the world. At the same time, businesses also need to improve measures to prevent the Covid-19 epidemic in the operation apparatus, develop production and business activities and import and export under new normal conditions.

5.2 Solutions to enhance Vietnam's position in the global supply chain

The Covid-19 pandemic with its complicated and difficult-to-control developments has severely affected all global economies. Protectionism has begun to increase; many countries have imposed barriers to the export of medical products and reduced tariffs on agricultural imports to maximize the supply of vital goods for the domestic market. Accordingly, changing business models, from production to distribution, transportation and consumption, is the best solution to help businesses develop sustainably in the new situation. The IBM Institute for Business Value (IBV) recently conducted a survey of 14,000 people from 9 countries on issues related to the environment and sustainable consumption. As a result, 90% of respondents have changed their views on this issue since the pandemic occurred; 55% of consumers say sustainability is very or extremely important when choosing a brand; 62% of consumers are also willing to change their buying behavior to reduce their negative impact on the environment.

In Vietnam, although there is no official data on the transformation of consumers' perception of sustainable values during the pandemic, sustainable consumption is becoming more and more interested in the consumer community. users and businesses. Over the past time, the pandemic has pushed consumers to shop with a plan, purposefully and switch to sustainable and reasonable consumption. Accordingly, the top selected items are food and health products. Consumers are more interested in food and medical products, because these items are an important factor in protecting health and maintaining life in the face of an increasingly widespread epidemic with more dangerous variant. Although Covid-19 brings many disadvantages and difficulties for businesses, the reality shows that this is also an opportunity for businesses to develop in a more sustainable direction, towards more community values. Many Vietnamese enterprises have changed their business models, from production to distribution, transportation and consumption, which is the best solution to help businesses develop sustainably in the supply chain.

6. Conclusions, limitations and directions

Conclude

Over the past decade, businesses have been facing a series of challenges and pressures in maintaining a sustainable balance between revenue growth and minimizing negative impacts on the environment. In Vietnam, maintaining

sustainability has become a top priority in the Government's development roadmap, especially during the "new normal" period. Clearly aware of the importance of this policy, Vietnamese enterprises have been actively applying a series of measures to promote sustainability in the supply chain. Undeniably, a business with a sustainable supply chain will build solid trust with partners and potential investors. Having sustainable policies not only helps businesses avoid reputational risk, but also helps them have positive year-end reporting information and minimize the risk of stock value decline.

Advantages and limitations

Advantage: Product line efficiency and enterprise competitiveness are enhanced when service providers combine; Ensure and enhance customer service; Reduce product prices, eliminate unnecessary costs; Reduce storage costs, inventory reduction fees for the company.

Limit: When applying a sustainable supply chain, if a business is wrong from raw materials to production to the distribution system, it will affect the entire business. Business forms with many branches, partners or offices easily lead to confusion. Incompatibility with the management tools used by the enterprise can seriously affect business operations.

Development direction

E-commerce development: Due to the highly infectious nature of the Covid-19 virus and the convenience of online ordering and delivery, contactless goods purchase and sale services have increased sharply. According to a survey from US market research company - Forrester, in 2020, 58% of consumers choose to spend online, up 12% from pre-pandemic levels. In the Business Outlook Survey Report conducted in 2021, the US Financial Consulting Company - LBMC said that all industries are negatively affected by Covid-19, some industries such as technology and specialized services. industry is less affected, due to meeting modern consumer demand.

In many respects, not only affected by the epidemic, the increasing number of online consumers is also due to Generation Z - the generation born after the internet became widely available, exposed and used. technology from a young age - is gradually becoming the main population force today. Therefore, the application of digital technology in spending and shopping is an inevitable trend of modern young consumers. In the next 5-10 years, Generation Z will replace the entire global workforce. Accordingly, e-commerce business not only meets changing current needs but also anticipates future consumption trends.

Conscious business: The results of a survey conducted by Accenture PLC - a Fortune Global 500 company - in April 2020 also showed that 60% of consumers want to buy environmentally friendly products. Using less plastic was a priority for consumers before Covid-19, but now are concerns about climate change and the environment. According to Worldbank, sustainability is a factor that modern consumers care about when shopping. 71% of consumers worldwide think climate change is as important as Covid, and they are willing to contribute to a sustainable living environment through spending on products that are certified "green", "zero". environmental impact".

Consumers are more sympathetic to responsible brands, which can help make the world cleaner. Therefore,

enterprises will also have to change their production and business models, from sourcing standards and sustainability to building production processes that do not pollute, negatively affect the environment, distribute products with "green label" are environmentally friendly to consumers.

Application of engineering technology in distribution: In the transportation of goods, the Covid-19 epidemic disrupted the supply chain, reduced customer service and caused delays in delivery. At the same time, modern consumers also raise expectations, becoming the norm in spending demand, creating new pressures for businesses. Therefore, even logistics and logistics service providers need to change their business models. Advanced technologies such as artificial intelligence (AI), blockchain and automation are being integrated into the digital supply network, integrating data and information from different sources to promote the distribution of goods. production along the value chain.

Businesses will have information about the product's journey along the supply chain, providing everything from location to arrival and even all environmental conditions throughout the journey. For example, this could be a revolutionary new tool, if a company is shipping perishable foods like fish and must maintain a certain temperature throughout. The company transporting the fish can see if the actual temperature, or the temperature at any point during the journey, is above the allowable threshold. If this affects the goods then this ability allows them to minimize food quality problems.

Government policy/resolution: To create favorable conditions for businesses to catch up with the trend of efficient and sustainable consumption and business in the supply chain, the Government issued Resolution No. 136/NQ-CP on development sustainable development. The resolution has set out 17 sustainable development goals by 2030 of Vietnam. In particular, the Ministry of Industry and Trade is assigned 3 tasks including presiding over and organizing the implementation of the National Action Program on sustainable production and consumption in the 2021 - 2030 period (issued in Decision No. 889/QĐ). - TTg dated June 24, 2020 of the Prime Minister). Completing policies on sustainable production and consumption; promoting the greening of the distribution system and developing the national supply chain of environmentally friendly products and services, giving priority to products manufactured and supplied by small and medium enterprises; promote the development of environmental industry, waste recycling industry.

The National Action Program on Sustainable Production and Consumption for the period to 2020, with a vision to 2030, is Vietnam's first legal framework with a comprehensive and comprehensive approach to the contents and tasks of production and consumption. sustainable consumption, concretizing Sustainable Development Goal No. 12 (SDG 12) with specific priorities for Vietnam. Complete the legal framework and guidelines on green public procurement and increase the percentage of sustainable products in public procurement; improve the legal framework and guidelines for implementing sustainable public procurement.

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