Vietnam faces 'risk to fall behind' without vaccination: EuroCham

Hanoi sets up vaccine fund to secure doses worth $1.1 billion

NIKKEI ASIA REVIEW
28-5-21

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HANOI -- Foreign investors in Vietnam are calling for the government to allow them to help with the country's vaccination drive as it struggles to control outbreaks in key industrial provinces in the north.

"The government has been one of the world leaders in preventing the spread of COVID-19. The challenge now is to match that success with an ambitious and accelerated mass vaccination program," Alain Cany, chairman of the European Chamber of Commerce in Vietnam, told Nikkei Asia on Friday.

"While Vietnam's borders are closed, other countries are rolling out vaccinations and reopening their doors to the world. So there is now a real risk that Vietnam could fall behind unless it implements its own mass vaccination program at scale and pace," he pointed out in a newsletter delivered on Thursday, adding, "The private sector, including foreign enterprises, can help speed up Vietnam's vaccination efforts."

The comment comes as Vietnamese authorities begin an inoculation drive targeting factory workers in COVID-hit Bac Giang and Bac Ninh provinces in the north of the country. These key industrial zones host global tech manufacturers such as Samsung Electronics. Samsung's two plants in northern Vietnam handle more than half the company's global smartphone output. Bac Giang has more than 240,000 factory workers and Bac Ninh around 330,000.

Prime Minister Pham Minh Chinh has directed the government to step up vaccinations and the government has responded with the launch of the Vietnam Fund for Vaccination and Prevention of Coronavirus Disease 2019, which will work to purchase the necessary doses.

The Health Ministry says it needs 150 million doses of COVID-19 vaccine worth 25.2 trillion dong ($1.1 billion) to inoculate the roughly 75 million people required to reach herd immunity. The government can allocate as much as 16 trillion dong. "Besides the budget, it is necessary to mobilize more resources from the voluntary contributions of domestic and foreign organizations and individuals to join with the state," said Vo Thanh Hung, director of the Finance Ministry's state budget department.

"This is a very positive move, not just for European business but for Vietnam as a whole," Cany of the European Chamber welcomed Hanoi's move to set up the fund. "If the private sector can contribute to Vietnam's vaccination drive it could reduce the burden on the state budget and help to protect the Vietnamese population while also allowing companies to get back to business as usual," he said.

But European business leaders are urging the government to go further and faster. "We hope that the government will allow companies - both foreign and domestic - to vaccinate their own workers at their own cost," he said.
"Our companies can provide both the world-leading equipment and the international expertise essential to a successful mass vaccination program," Cany stressed.

The chamber also wants Hanoi to allow foreign companies to vaccinate their staff at their own expense. According to a recent survey conducted by the business group, 79% of members agreed that businesses should be allowed to inoculate their workforces.

The chamber also wants the government to ease quarantine regulations for foreign investors and workers who have been vaccinated in their home countries. Another recent survey found that 79% of the respondents said the current three-week quarantine would lead to fewer specialists coming to Vietnam.

U.S. companies echo those concerns. "If a potential investor comes to Vietnam and has to quarantine for more than 20 days, that will be a big barrier," Mary Tarnowka, executive director of the American Chamber of Commerce in Vietnam, told Tuoi Tre, a Vietnamese news site, on Thursday.

Tarnowka said many American Chamber of Commerce members have indicated they are willing help pay the cost of vaccinating their employees. "Any contribution from the private sector to the procurement of vaccines must be combined with the government, in order to avoid competition between the private sector and the government while resources are scarce," she added.

On Friday, the first group of 76 workers at Foxconn, a Taiwanese chipmaker operating in Bac Ninh Province, were vaccinated as authorities launched the inoculation campaign. Three hundred workers at Bac Giang industrial parks were also reported to have received their first dose the same day.

The Health Ministry will allocate 150,000 doses of vaccine each to Bac Giang and Bac Ninh, aiming to complete the inoculation program for workers in the two provinces within two weeks, Health Minister Nguyen Thanh Long said in an online meeting on Wednesday.

Meanwhile, Vingroup, Vietnam's largest conglomerate, said it plans to establish a subsidiary to manage all business related to COVID-19 vaccine production and equipment. Vietnam is
negotiating to secure licenses from vaccine makers including Russia's Sputnik V to produce the vaccine locally.

Vietnam reported 80 new cases on Friday, bringing the total to more than 3,335 cases since April 27. Bac Giang has 1,701 confirmed cases, while Bac Ninh has 689.

Bac Giang and Bac Ninh are still struggling to control outbreaks of the virus. It is expected that Bac Ninh will suspend production at two industrial parks as the province continues to detect new cases, Vuong Quoc Tuan, standing vice chairman of the Bac Ninh Provincial People's Committee, said Thursday.

Authorities blame more infectious COVID-19 variants for the recent outbreaks. The National Institute of Hygiene and Epidemiology said the B.1.617.2 variant, a strain first detected in India, was present in all samples taken from Bac Ninh and Bac Giang. "The virus strains causing epidemics in the two localities spread faster, more strongly and [are] more dangerous," Prime Minister Chinh said in a meeting on Wednesday.

"We must not forget that if we only pay attention to and focus on the industrial zones [in the north], we will be exposed to loopholes in other places. Do not ever think the epidemic is only in industrial zones, not in our province," Deputy Prime Minister Vu Duc Dam, head of the national steering committee for COVID-19 prevention and control, said Thursday.

_Additional reporting by Kim Dung Tong in Ho Chi Minh City_