

Public-Private Sector Partnership

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Definition of Partnership

A partnership involves
two or more parties working to achieve
common interests and goals

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Why is partnership important?

- Costs savings and sharing
- Technology transfer
- Information exchange
- Take full advantages and overcome the disadvantages of the others
- Mutual cooperation and assistance

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Why private sector is important?



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- Due to small size and invested capital, private sector develop easily and create many job
- Private sector has diversified profession and meet the versatile consuming demand which is not satisfied by the state owned industries
- Organizations and unions have protected the people's interest

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Necessary conditions to impulse private sector



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- Giving the legal environment through the macroscopic policies of the Government
- Satisfying all need of capital, technology and market

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Role of private sector in Development in Vietnam



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- Up to now, there are about 240,000 private enterprises which contributes 45% of GDP and create job for 3 million persons
- There are 22 private enterprises (accounting for 11%) with high competition competence among 200 largest enterprises in Vietnam
- Play an important role and high position in the political and social life
- So active in social activities: farmers association; women union; youth union

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Brief note on VBARD



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- The largest bank in Vietnam in terms of assets (US\$ 19 billion), network (2,000 branches), number of employees (30,000), customers base (10 million HHs; 22,000 SMEs; 870 SOEs)
- The largest firm in Vietnam in terms of assets, turnover, tax and labour (UNDP September 2007)
- Play a leading and dominant role in rural financial market: 70% of total portfolio to agricultural sector.

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Role of Private sector in VBARD's operation



- Private sector is the main customer of VBARD (accounting for 88% of the total loan outstanding):
 - 10 million farm households with 110,000 billion of loan outstanding
 - 22,000 small & medium Enterprises with 110,000 billion of loan outstanding
- Do repayment well, with the rate of 98% to the farm households and 96% to the small & medium Enterprises (SMEs)

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Role of Private sector in VBARD's operation



- Create the financial potential and condition for the VBARD's development
- Some NGOs such as Farmer Association, Women Union, The association of SMEs make advantage to the VBARD's operation, without its assistance, VBRAD would not have lending result as above

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THANK YOU FOR YOUR ATTENTION!

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