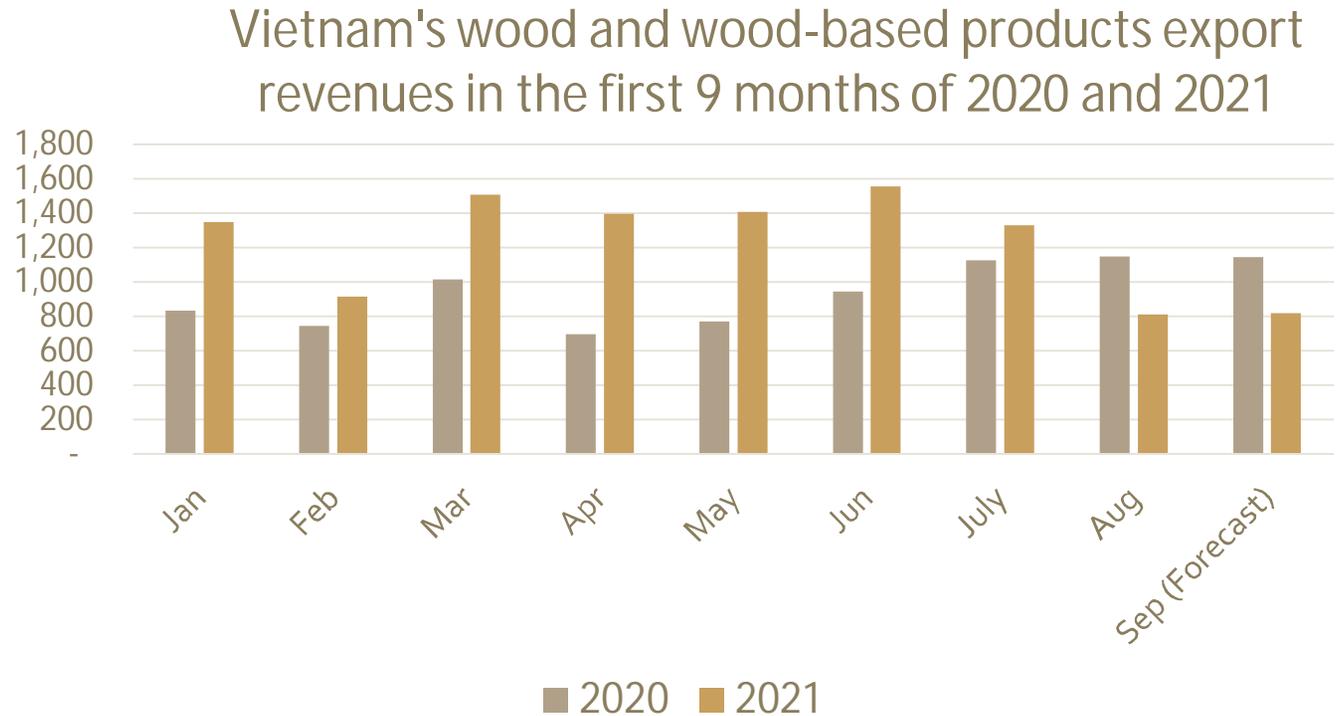


VIETNAM FURNITURE SUPPLY CHAIN RECOVERY PLAN

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COVID 19's impact on business activities



- ❖ Wood and wood-based products export revenues rose by up to 60% compared to the same period in 2020.
- ❖ In the 4th quarter, Covid 19 has negatively impacted the industry's growth. For example, import-export revenues in August 2021 has dropped by 30% compared to August 2020.



Key factors Supports from the central and local governments for the recovery of the Furniture Industry

Human Resource <ul style="list-style-type: none">❖ Vaccination for the workforce. 95% to receive 1st dose, 60% to receive 2nd dose❖ MARD has plan to secure 136.000 doses for furniture industry workers❖ Local government's supports in recruiting workers	Supply Chain <ul style="list-style-type: none">❖ The Government creates favorable conditions and policies for importing raw materials❖ Create favorable conditions for domestic wood harvesting	Output Market <ul style="list-style-type: none">❖ Support with communications and promoting to international markets❖ Recalculate delivery times. Price negotiations. Find opportunities to cooperate/associate with other companies/partners to complete orders.
Operation <ul style="list-style-type: none">❖ Local government and businesses jointly develop safe operating framework.❖ Ministry of Health issues guidance allowing fully vaccinated workers to return to work.	Transportation <p>Allows inter-provincial transportation and commute in the four furniture manufacturing hubs: HCM City, Binh Duong, Dong Nai, Long An</p>	Finance <ul style="list-style-type: none">❖ Government issues Resolution 105 to support businesses❖ Circular 14 from the State Bank❖ Reduce social insurance contributions❖ Local government initiates supports for workers and businesses



Response strategies and supply chain recoveries for the furniture industry

	Adaptation (1-3 months)	Recovery (3-6 months)	Acceleration (>6 months)
Strategies	Retain workers, maintain operations, retain customers	Prepare for upcoming peak production season, for new orders	Prepare for growth. Invest in new opportunities
Target	Restore 70% of factory operations. Estimated export 0,9 – 1,2 billion USD/month	Restore 90% of factory operations. Estimated export 1,2 – 1,4 billion USD/month	Grow 15% compared to 2021.
Workforce	Vaccination and safe production practices. Restore the workforce to pre-pandemic level	Stabilize the workforce, recruit new workers. Improve productivity.	Restructure business operations. Improve corporate endurance
Supply Chain	Remove transportation bottle necks, maintain domestic supply chains	Strengthen supports to stabilize imported material supply chains. Reassess risks in supply chains	Build sustainable supply chains
Technology	Assess current technology infrastructures. Resolve pending issues.	Increase resources for advancing technology infrastructure to meet operation demands	Invest in new technology for business growth.



Roles of Government, Associations & Businesses

Government

- Issue policies with clear and consistent recovery roadmap, from Ministry level to localities.
- Financial support: reduce social insurance contributions, taxes, bank interests, etc.
- Provide capital for reinvestment.

Associations

- Share information and liaise with the government to support member businesses.
- Provide information about input and output markets
- Liaise with localities to resolve labor recruitment needs.

Businesses

- Rebuild the workforce, initiate new technologies, increase productivity.
- Focus more on opportunities than threats.
- Liaise with associations and other businesses to cooperate and learn from each other.