



REPORT

**(Review of present legislation on Trade fairs, exhibitions and display,
introduction of goods and services)**

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“Revision of the Commercial Law of Viet Nam”

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Contents

A. Report/research on trade fairs and exhibitions	3
1. Overview of current legislation on trade fairs, trade exhibition in Viet Nam	3
1.1 Overall observation	3
1.2 Current legal provisions on trade fairs, trade exhibition in Viet Nam	3
2. Current situation of implementation of trade fairs and trade exhibition.....	7
2.1. Implementation of the regulations: Market and regulatory realities.....	7
2.2. Issues in legal framework and regulatory bodies	11
3. Overview of international best practices.....	16
3.1 France	16
3.2 Germany	19
3.3 Singapore	19
4. Conclusion and recommendations	23
4.1 Conclusion.....	23
4.2 Recommendations.....	24
B. Display of goods and service	25
1. Current legal provisions on display of goods and service	25
2. Current situation of implementation of trade fairs and trade exhibition.....	28
2.1 The achievements, the obtained results	28
2.2 The limitations/ obstacles in the process of implementation.....	29
3. Overview of international best practices.....	29
3.1 Thailand	29
3.2 Korea	30
3.3 France	32
3.4 The United States	32
4. Conclusion and Recommendation	34

A. Report/research on trade fairs and exhibitions

1. Overview of current legislation on trade fairs, trade exhibition in Viet Nam

1.1 Overall observation

Since the promulgation of Commercial Law in 2005, the legislation on trade promotion in general and on trade fairs, trade exhibition in particular in Viet Nam remains largely unchanged. There is only a small change in 2009 but the rest of the legislation remains unchanged. According to the sectorial annual reviews of the Commercial Law done by Department of legal affairs – MOIT, this area of trade regulation is definitely one of the most stable.

The stability of this area of regulation may lie principally on two (02) main reasons. On the one hand, the current regulation was well studied, updated with extensive international best practices and internal consultations. Indeed, the Commercial Law was drafted and promulgated with a very specific background: the accession of Viet Nam to the WTO at the end of 2006. In order to respond to requirements of WTO members, Viet Nam was pressured to amend or to complete its trade legal system in line with international trade standards. By consequences, all provisions in Commercial Law 2005 was carefully studied which reflect the capability with international trade standards, best practices but also the level of economic development of Viet Nam. That explains why trade promotion as prescribed in the law is still limited in form but extensive and detailed in each of the form prescribed.

On the other hand, there are actually issues that the implementing government agencies have left over in their state management activities or just could not predict while drafting the provisions. These issues could be relating to the incompleteness of the subjects regulated by this specific part of the law or the practicability of some of provisions when applying to the real world. In whole, the so called stability could also be maintained by the slowness of regulatory bodies in response to reactions of the real world.

But at least, even with the WTO accession, these two reasons show a point in common: the trade policy remains largely unchanged with a deep, heavy state intervention in commercial activities.

1.2 Current legal provisions on trade fairs, trade exhibition in Viet Nam

As mentioned earlier, the legal framework for trade fairs and trade exhibition in Viet Nam is confined by section 4 Chapter 4 in the Commercial Law and Decree no 37/2006/ND-CP of the Government detailing the Commercial Law regarding trade promotion.

a. Definition

The trade fairs and exhibitions are defined in the Commercial Law as follows:

According to Article 129, “Trade fairs and exhibitions mean commercial promotion activities conducted in a concentrated manner at particular locations and for given periods of time for traders to display and introduce their goods and/or services for the purpose of promoting them and seeking opportunities for entering into contracts for sale and purchase of goods or service contracts.”

When making a further analysis into the definition of trade and exhibitions of Commercial Law 2005, we can immediately observe two main characters of these activities: First, trade fairs and exhibition must be “**commercial promotion activities conducted in a concentrated manner at particular location and for a given time**”. This character of trade fairs and exhibitions inherently differ from the activity of display, introduction of goods and services as prescribed in Section 3 of Chapter IV. This very important character will lead to further analysis when reflecting the current regulation to the real world. Secondly, trade fairs and exhibitions are for the purpose of “**promoting goods and services and seeking opportunities for entering into contracts for sale and purchase of goods of services**”. This character will definitely dictate rights and responsibilities of traders (mainly trade fairs and exhibitions organizers and participants).

b. Subject of the regulation

According to the Article 131, the Commercial Law prescribed 03 main categories subject to the regulation of trade fairs and exhibitions:

- Vietnamese traders: In this category, the law makes a clear distinction between the organizers of trade fairs and exhibitions and the participants.
- Foreign traders.
- Representative offices.

c. Regulatory policies regarding trade fairs and exhibitions

There are two types of policies regulating trade fairs and exhibitions:

- The first one is “subject oriented”. “Subject oriented” simply means the policy is driven toward the subject regulated by the law which allows or waive certain right of a subject. As mentioned earlier, there are three (03) category of subject who is regulated by the law:

Vietnamese traders in the meaning of the law includes 100% Vietnamese owned traders, 100% foreign invested traders, the branches of Vietnamese traders and foreign traders branches. These traders have the most extensive right allowing them to directly organize and participate in trade fairs and exhibitions in Viet Nam or hire other traders to do the work at their expenses.

The representative offices in the meaning of the law include 100% Vietnamese traders and the foreign based trader’s representative offices. These offices are with the mission of

“conduct market survey and a number of commercial promotion activities permitted by Vietnamese law”.¹ These offices have the least extensive right among the subjects regulated when only allowed to sign a contract hiring a trader to do the work for the trader they represent.

The foreign traders also have a limited right to involve in trade fairs and exhibition in Viet Nam. They only have the right to hire Vietnamese traders to do so at their expenses.

- The second type of policy is the “activities oriented”. The “activities oriented” means the policy is driven toward the actions of traders which are allowed or restrained in performing certain activities relating to trade fairs and exhibitions.

The first regulatory requirement enabling traders to involve in trade fairs and exhibitions activities, is the obligatory registration and certification at the state management agencies of traders, organizations (thereafter traders) every time such events organized domestically or oversea.

According to the Article 34, in term of domestic procedure, this registration and certification processes could be done at trade management of the provincial government in case of events hold in that province with a clear deadline for traders at 1st October of the year before the materialization of events . If there are two or more traders or organizations engaged in commerce-related activities register for organization of trade fairs or exhibitions under the same name and theme, on the same date and at the same venue, provincial/municipal Trade Services shall organize consultations to select traders or organizations engaged in commerce-related activities to organize such trade fairs or exhibitions. And if consultation is failed, the Trade services should give the final decision certifying one trader to hold the fair or exhibition base on 04 criteria specified in clause 4 Article 35 of Decree no 37/2006/ND-CP.

According to Article 36, in case of events hold oversea, traders and organizations must register and get certification from Ministry of Trade (Ministry of Industry and Trade) before the first day of November of the year preceding the year of organization of such trade fair or exhibition. Beside, where two or more traders organizations engaged in commerce-related activities register for organization of trade fairs or exhibitions under the same name or theme or at the same time and venue overseas, the Ministry of Trade shall organize consultations to select a trader or organization engaged in commerce-related activities to organize the participation by other traders, organizations or individuals in such overseas trade fairs or exhibitions. Traders that organize by themselves overseas trade fairs or exhibitions for their goods and/or services shall not have to comply with the provisions of Clauses 1, 2, 3 and 5 of this Article. This article differ a little bit from Article 34 when it don't give the right to MOIT to decide the trader engaging in such trade fair or exhibition.

¹ Para 6 Article 3 Commercial Law 2005 on definition of Viet Nam based representative offices of foreign based traders. There is no definition detailing the status and mission of representative offices of Viet Nam traders.

The second regulatory policy is allowing only certain type of goods and services to be displayed and introduced in trade fairs and exhibitions domestically and overseas. According to Article 134, certain goods and services are banned trade fairs and exhibitions in Viet Nam:

“1. Goods and/or services which are not permitted for participation in trade fairs and exhibitions include:

a/ Goods and/or services banned from business, subject to business restrictions, or not yet permitted for circulation according to the provisions of law;

b/ Goods and/or services provided by overseas traders and banned from import according to the provisions of law;

c/ Counterfeit goods and goods infringing upon intellectual property rights, except where they are displayed and introduced for comparison with genuine ones.

2. Apart from the provisions of this Law on trade fairs and exhibitions, goods and/or services subject to specialized management must also comply with regulations on specialized management of such goods and/or services...”

According to Article 135, certain goods and services are banned trade fairs and exhibitions overseas:

“1. All types of goods and services shall be permitted to participate in overseas trade fairs and exhibitions, except for those banned from export according to the provisions of law.

2. Goods and/or services banned from export shall only be permitted for participation in overseas trade fairs and exhibitions when so approved by the Prime Minister.”

The third regulatory policy is allowing the sale, give – away gifts of goods and services at trade fairs and exhibitions. The law prescribed as follows:

“Article 136. - Sale, presentation of goods as gifts and provision of services at trade fairs and exhibitions in Viet Nam

1. Goods and services displayed and introduced at trade fairs and exhibitions in Viet Nam are permitted to be sold, presented as gifts or provided at such trade fairs and exhibitions; for imported goods, registration thereof must be made with customs offices, except for the cases specified in Clause 2 of this Article.

2. Goods which are imported under permits of competent state agencies shall be sold or presented as gifts only after written approvals of such competent state agencies are obtained.

3. The sale and presentation of goods as gifts at trade fairs and exhibitions mentioned in Clause 2, Article 134 o this Law must comply with regulations on specialized import management of such goods.

4. Goods sold or presented as gifts, and services provided at trade fairs and exhibitions in Viet Nam shall be subject to taxes and other financial obligations as provided for by law.

Article 137. - Sale, presentation of Vietnamese goods as gifts and provision of Vietnamese services participating in overseas trade fairs and exhibitions

1. Vietnamese goods and services participating in overseas trade fairs and exhibitions are permitted to be sold, presented as gifts or provided at such trade fairs and exhibitions, except the cases defined in Clauses 2 and 3 of this Article.

2. The sale and presentation as gifts of goods, which are banned from export but have been temporarily exported for participation in overseas trade fairs and exhibitions, shall be made only after the Prime Minister's approval is obtained.

3. Goods exported under permits of competent state agencies shall be sold or presented as gifts only after written approvals of such competent state agencies are obtained.

4. Vietnamese goods and/or services participating in overseas trade fairs and exhibitions and being sold, presented as gifts or provided overseas shall be subject to taxes and other financial obligations as provided for by law.”

2. Current situation of implementation of trade fairs and trade exhibition

2.1. Implementation of the regulations: Market and regulatory realities

a. Issues in trade fairs and exhibition

Despite the liveliness of activities in recent years, there are a lot of issues identified in the course of development of the sector. When no statistical data or survey has been made, there are from time to time many problems in the sector explored by the press. Throughout 3 case studies, we could explore the main issues experienced in Viet Nam trade fairs and exhibitions.

- Lack of frequentation and subleasing the booth

Case study 01: The “Honoring the Vietnamese enterprises goods and service 2013”²

The trade fairs were organized by the Union of Viet Nam Cooperative 21-25 November 2013 at Giang Vo Exhibition Center –Hanoi. The event was a big failure to organizers and to the participants when for the first time in the history of trade fairs organization, 25% of participants claimed the refund of the booth payment. At the second day of the event, 30% of the booths were closed to visitors. The booth renters simultaneously sent a collective petition to the Department of Trade Promotion – Ministry of Industry and Trade. According to the report of Law and Society Newspaper, there are two main reason

² Law and Society Newspaper at <http://phapluatxahoi.vn/20131126093824826p1001c1049/cac-loai-cho-thoi-nay-ky7-hoi-cho-phu-du.htm>

for this situation:

First of all, there is a significant lack of frequentation due to the weakness of organizers to promote the fair. The participants inform that the organizers have deliberately limited the promotion and advertising activities to reduce the cost of the events. There is no advertising campaign from simply the leaflets, banners to television ads. When the participants expressed their concerns to organizers, there was a little effort from organizers to change the situation. But for 5 days events, the effort wasn't enough to attire more visitors to the fairs.

Secondly, there was a claim from participants, mostly SMEs that organizer or has subleased the booth to third parties. These people tried and succeeded to sell the booth at a much higher price to SMEs than a standard trade fair booth cost. A standardized booth cost in average only 3 million of VND (150 USD approx) but in this event, a booth could cost from 5 million VND (250 USD) up to 10 million of VND (500USD). The participants only knew this situation when they actually paid for the booth and participated to the events.

- Suspicious origins, quality of merchandises

Case study 02: The trade fair “The Vietnamese products for Vietnamese” in Quang Ninh province.³

Quang Ninh is one of developed province located in the Northeastern of Viet Nam. There are vibrant commercial activities organized each year including trade fairs and exhibitions. From 2012 to 2013, there was 38 trade fairs and exhibitions organized in the area. But, among these events, there are some received negative comments, event complaints from visitors.

First example, the fair “Vietnamese products for Vietnamese” organized in Quang Yen city – Quang Ninh province. Contradict to the name of the fair, visitors could hardly see a booth with “made in Viet Nam” merchandises. Walking around the fair, people can see all kind of merchandises from Thailand, China, Korea...but only little amount of booth exhibiting Vietnamese goods. In the total amount of booth, only 25% are conforming to the name and purpose of the events.

The second example is roughly the same. The Fair “Gastronomy, Tourism and Specialties of Quang Ninh” organized from October 18 to 15 2013 had the purpose of presenting cultural, ancient aspect of Quang Ninh richness in ethnicities. But when visitor came to the events, they could hardly see things as advertised. There was too little cultural aspect. Instead, visitors were surrounded by all kind of traders who tried their best to sale their

³ Quang Ninh Newspapers - <http://baoquangninh.com.vn/kinh-te/201311/to-chuc-hoi-cho-khong-nen-tha-noi-2212711/>

products. Moreover, visitors were charged 20.000 VND (1 USD approx).

The article conclude by informing that by survey, many fairs and exhibitions got the same problems such as misleading advertising, suspicious origins and quality of goods, stock clearance category of merchandises...

- No clear distinction of trade fairs and exhibitions and lack of professionalism

Case study 03: Viet Nam Consumer Digital World Expo 2011⁴

Exhibition or “open market”

VCW is an important event in digital and communication industry in Viet Nam. In 2011, the exhibition had the purpose to present state- of- the-art digital and communication products and services.

On the contrary of that purpose, visitors could be surprised to see a lot of booth presenting and selling goods that it had nothing to do with ICT such as binoculars, plastic guns, cars. Furthermore, some booths didn't have any brand name which made sale anything it had instead of exhibition new products. Some booths even presented its merchandises like in an open market and made sale promotion up to 50%.

This situation wasn't limited to small booths but extended to international brand name like Samsung or Taiwan Excellence (common area of big brand name of Taiwan). There were waves of negative comments and dissatisfactions among participants and observers. Main critics focused on the fact that the event, with its national status, resembled too much to an open market when local, family made products are selling in a periodical session when the same event organized elsewhere had the main purpose of presentation of new technologies and visitors come to experience these technologies instead of to buy anything.

Lack of professionalism

Other critics also focused on the lack of professionalism of organizers of the events. Despite being a biggest exhibition in ICT and have IDG – a prominent, international actor in ICT, the VCW risk to lose its status and its credibility. The bad campaign of advertising, bad location is among first complaints. Other complaints are lack of focus on technologies and products that consumers are interesting in such as tablet, smartphone or communication services (3G, mobile internet...). Besides, the organizers were also incapable to control promotion and sale activities from each booth. Finally, there is no supporting policy for SMEs which was actually developing new technologies or products which could make the exhibition livelier.

⁴ ICT News - <http://m.ictnews.vn/kinh-doanh/khi-trien-lam-bien-thanh-hoi-cho-ky-ii-85753.ict>

When problems persist in big cities as the regulation remains unchanged, in some provinces, the government tried to have solution for this situation. To counter the lack of professionalism and the quality of the fairs or exhibitions, some provincial government has administratively banned small fairs and exhibitions organized in the main cities. This administrative order lead to the fact in some provinces, there was no fairs and exhibitions organized in 2, 3 years. Some others chosen to fixed the scale of the fairs and exhibitions which are organized in the main cities. In general, even there is no provision in the regulation allowing the provincial government to use administrative measures to limit commercial activities; the provincial agencies definitively had reasons to do it themselves.

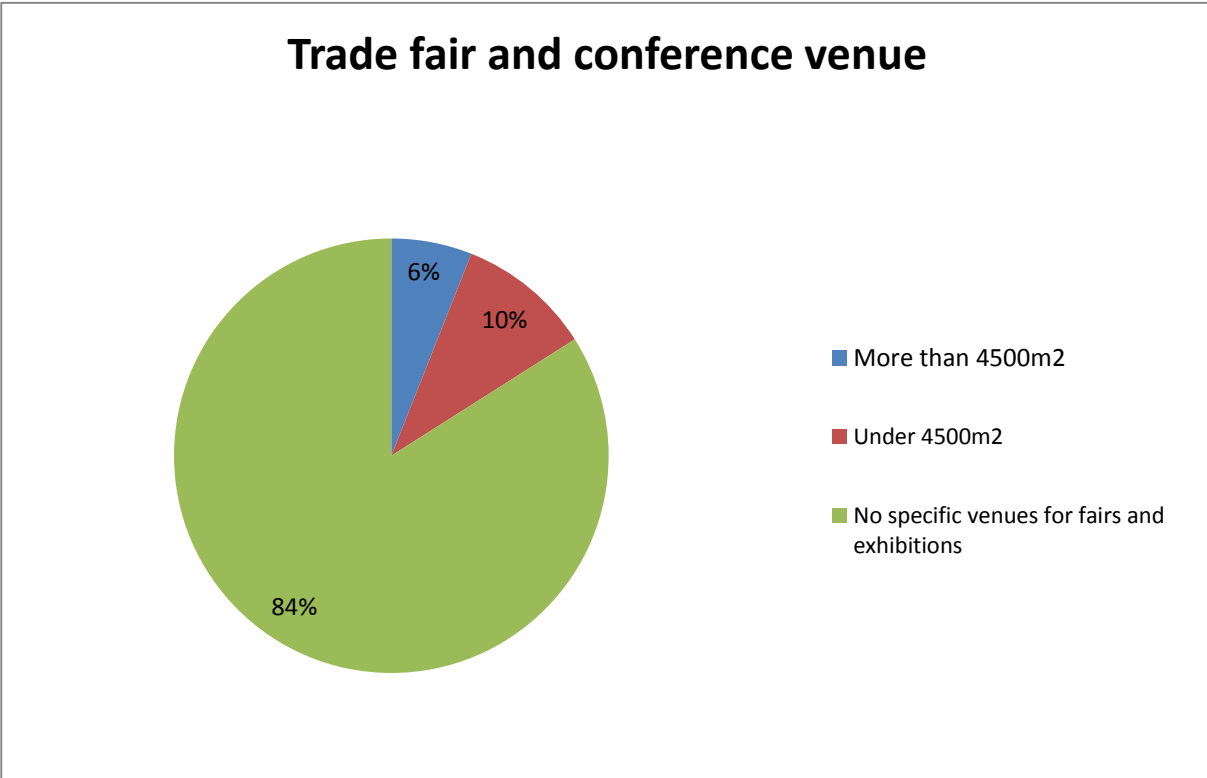
b. Status of management of trade fairs and exhibition venues

According to the survey and statistics of certified exhibitors, in 2012, there are more than 1000 trade fairs and exhibitions of all scales, divided in 03 categories (A, B, C) totaling 57.958 booths (of 9 msq standard) at the rent of 3 VND mil/booth/fair. With that number, the total turnover of this sector reached 174.000 VND bil (approximately 8 billion of USD) not including the MICE related activities (Conference, Business forums etc...) organized in Viet Nam. This figures are not include events, fairs, exhibitions participated or organized by Viet Nam oversea.

In Viet Nam today, there are many kind of venues serving to organize trade fairs and exhibitions but not yet invested and exploited in an efficient way. This reality has had a great impact to the quality and cost of these events. In 2012, Viettrade (Viet Nam trade promotion agency) and Viet Nam trade events and conferences association (VECA) jointly conducted a national wide survey and assessment of infrastructure for events such as fairs and exhibitions. The result shown there was a huge lack of specialized, large scale, modernly equipped with full relating services infrastructures. Furthermore, these existing infrastructures are ill-managed and premature in promoting its services and facility.

Otherwise, these infrastructures are very diversified and categorized in two main ones:

- Specialized locations: the specific places was built with the main purpose is to organize the exhibitions, trade events, which may be the exhibition center and conference or at large hotels fulfilling all conditions to organize workshops and seminars of national or international dimension. Besides large halls for the opening, closing ceremonies, these types of locations are also equipped a range of small rooms with full facilities and technical components (sound, lighting, recording equipment, recording machine projectors ...).



Graph 1: Survey on surface of trade fairs and exhibitions venues in provinces in Viet Nam.

Non-specialized location: the location making use of public or semi public spaces such as parks, squares, stadiums, gymnasiums, theaters ... In Viet Nam, except for some large cities, the majority of the local organizing trade events are in non-specialized locations.

2.2. Issues in legal framework and regulatory bodies

Beside all issues raised in the implementation of the regulation, the regulation itself also contains discrepancies and inconsistencies from the term defining trade fairs and exhibitions to the subjects and regulatory policies; from the Commercial Law 2005 to its guiding Decree 37.

a. Inconsistency between the definition and the regulatory policies

The term defining trade fairs are “*commercial promotion activities conducted in a concentrated manner at particular location and for a given time*” and “*for the purpose of promoting goods and services and seeking opportunities for entering into contracts for sale and purchase of goods of services*”.

In the Commercial Law, according to Article 3.1, the “Commercial activities” are “*activities for the purpose of generating profits, including: sale and purchase of goods, provision of services, investment, commercial promotion and other activities for the profit purpose*”. With this definition, commercial promotion is one among different commercial

activities such as sale and purchase of goods, provision of service, investment, which mean the commercial promotion activities are inherently different to other commercial activities like sale and purchase of goods, services...At the same time, the Article 3 also made a clear distinction by prescribing separately these activities in different clauses and emphasized the main purpose of commercial promotion activities.

In contrast with its definitions, the regulatory policies allow the sale of goods and the provision of services in trade fairs and exhibitions without any limit of quantity or value. In theory, this policy is in opposing to the main purpose of the commercial promotion as only a mean of promoting and creating opportunities. In practice, allowing the sale of goods and provision of services at trade fairs and exhibitions transform these events into a kind of “*mobile and temporary market*” in which from organizers to participants tried to sale and make turnover as highest, fastest as possible. In addition, allowing the sale of goods and provision of services make the trade fairs and exhibition particularly attractive for small traders with no brand name, no marketing strategy, who tried only to resale the merchandise of others. All these practices of traders make trade fairs and exhibitions are not what it supposed to be. Moreover, by definition, fairs are different to exhibition but no clear distinction was identified.

In legal term, these provisions of the Law are not consistent with each others, make implementation a real mess.

b. Inconsistency between the purpose and the regulatory policies

The purpose of trade promotion (including trade fairs and exhibitions) as stated by law being “*promoting goods and services and seeking opportunities for entering into contracts for sale and purchase of goods of services*”, which mean this kind of activity must be further encouraged rather than strictly regulated by the Government and all implementing agencies. Despite the fact that there are some encouraging policies such as National Trade Promotion Program, the current regulation is still state intervention oriented. Thus, there are still registration and certification processes done by traders and state agencies both for organization and participation of domestic or abroad trade fairs and exhibition.

Moreover, in a Government big effort of administration procedures simplification (widely known as Project 30) which aim to synchronize the policy objective and the implementing processes in commercial regulations, these administrative interventions in commercial activities was proposed to be cut or simplified. The Resolution 59/NQ-CP of the Government has set a clear direction to simplify the procedure when no longer require traders to register and get certification from governmental agencies (both central and provincial) to organize or participate in trade fairs and exhibitions. Instead, traders need only to give notice to these agencies of their activities without any certification in return. If this could be done, this initiative shall alleviate a big burden for traders in term of operating and opportunity cost. But this initiative of reform was encountered a legal wall: the Commercial Law 2005. The

government Resolution is not a legal document and is legally inferior to the provisions of the Law which clearly prescribe the opposite.

c. Inconsistency between policy aim and the reality

Among others, one of the regulatory flaws, in our view, is possibly the choice an unnecessary answer to a real question: How to impose order to the current chaos in trade fairs and exhibition activities in preserving a free environment to trade?

The reality shown that under the pressure of improving scale and quality of trade fairs, some of the province has to impose order by almost unlawful administrative measures: classifying fairs and exhibitions base on some intuitive criteria like the number of booth participating in these events and the very place the events will be hold. From the point of view of rule of law, such measures are obviously unlawful and must be repelled. For free trade defenders, these measures are trade restrictive ones. But taking to account all inconsistencies and obsolescence's analyzed earlier, the measures adopted by some provincial government are really good lessons to the policy and regulation makers. And in not all but some provinces, these measures have had a positive effect to the landscape of trade fairs and exhibition. More interestingly, almost all provinces adopt the same measures aiming at restoring order in the sector.

This reality suddenly appeared to policy and law maker a very unfamiliar situation and compelled them to think more in depth about how efficient and rightful policies and regulations currently are to the market and provincial regulators. Recently, the Minister of Industry and Trade signed a Decision 9428/QĐ-BCT of December 13 2013 on approval of national development Plan of trade fairs and exhibition venue in period 2013-2020 and setting orientation for 2030. In this Decision, there is a clear classification of trade fair and exhibition venues in 3 categories (A, B, C) according to specific criteria such as surface area, minimum booth containment capacity, geo-economics position...Comparing with the measures being currently adopted by provincial administration, one could see some very similar elements such as surface area, minimum booth containment capacity and geo-economics position...Despite the fact that this Decision isn't a legal document but an administrative one with a guiding purpose, there is definitely a sense of common observation and interpretation of the reality.

Upon such analyses, one could see clearly that the current regulation with its entire administrative burden is bad designed to fulfill its objective. The registration and certification processes are more burdensome tools than efficient regulatory ones. There are definitively another set of tools that regulators could use to impose order and create a more favorable environment for trade than current registration and certification processes.

d. Obsolescence's (rigidity) of regulatory policies vis-a-vis the subjects, regulated goods and services

In case of “subjects oriented” policy, the regulation clearly limited the right of foreign traders to participate or organize trade fairs and exhibitions. Although this policy totally conforms to international trade commitments of Viet Nam in WTO or FTAs, RTAs, it still has a negative impact to trade. In reality, the quality and scale of current trade fairs and exhibitions organized in Viet Nam depend mainly on the professionalism and experiences of organizers. Despite some improvements, domestic organizers showed a lack of professionalism and long-term vision for this activities which contribute substantially to the trade development. Beside, domestic organizers also have management skill weaknesses, human resources constraints and capital shortness. All these elements naturally lead to the fact that quality and scale of trade fairs and exhibitions are substantially limited. Acknowledged that this issue requires a shift in policy direction, there will be a need for possible regulation's amendments, especially the Commercial Law 2005. If there is no “open” provision in term of policy shift, a significant improvement in quality and/or scale could be hard to achieve.

In term of goods and services subject to regulation in this commercial activity, there is also obsolescence identified.

Domestically, according to Article 134, the participation of certain goods and services are banned at trade fairs and exhibitions:

“1. Goods and/or services which are not permitted for participation in trade fairs and exhibitions include:

a/ Goods and/or services banned from business, subject to business restrictions, or not yet permitted for circulation according to the provisions of law;

b/ Goods and/or services provided by overseas traders and banned from import according to the provisions of law;

c/ Counterfeit goods and goods infringing upon intellectual property rights, except where they are displayed and introduced for comparison with genuine ones.

2. Apart from the provisions of this Law on trade fairs and exhibitions, goods and/or services subject to specialized management must also comply with regulations on specialized management of such goods and/or services...”

When we look at clause 1.a, the approach of the law makers was to refer the goods and services subject to trade promotion regulation to those subject to trade regulation in general. So there are a set of goods and services banned in trade fairs and exhibitions which coincide 100% with those banned from business. This provision is currently implemented smoothly since all lists of banned goods and services are public and available.

In contrast, the rest of the clause 1.a is inherently a problem for business operator in the field of trade promotion in general and trade fairs, exhibitions in particular. By itself, the legal term “*business restriction*” doesn’t mean “*banned from business*”. As consequences, there will be an overlap in the regulation by banning the “banned from business” goods and services and in the same time the “restricted” ones. In the current state of the regulation, when there is no list of goods and services which are restricted to trade fairs and exhibitions, the list of goods and services restricted to business is automatically applied. Nevertheless, according to the Annex II of the Government Decree 59/2006/ND-CP detailing Commercial Law on goods and services banned from business, restricted to business and open to trade with conditions, the list, included but not limited to (other sectorial regulations could also prescribe restricted goods and services) , of goods and services is ranging from hunting guns and relating tools to Table 2 chemical materials (according to International Public Law), alcohol of all types or karaoke, nightclub services. Apparently, among the goods and services listed, there are some goods (even services) that prohibit them from trade fairs and exhibition is questionable: the case of alcohol, chemical material...

For the purpose of example, there are various types of alcohol according to Viet Nam regulation which are prohibited from fairs and exhibition that every country in the world would wish to have fairs and exhibitions about: the case of wine. First of all, in Vietnamese regulation, alcohol is classified by the ethanol level and even in the Commercial Law, the regulation on commercial advertising prescribe clearly that only alcoholic beverage of 30% or more of ethanol will be prohibited from advertising⁵. With that provision, wine shall be excluded of the prohibition. As a result, giving that commercial advertising and trade fairs and exhibitions are both commercial promotion activities, the treatment of the regulation vis-a-vis activities in the same categories should not discriminate one of other. Furthermore, international experiences shown that wine fairs and exhibitions are among the most extensive, specialized and attractive ones to the traders, organizers and consumers around the world. But in Viet Nam, with the current status of the regulation, Viet Nam would never have a well-organized, professional wine fairs or exhibitions unless the Law prescribes otherwise.

When we continue to look at the clause 1.a of Article 134, there is also the legal term of “*not yet permitted for circulation*” which really is critical to the freedom of commerce. In our point of view, the approach of the lawmaker when drafting this regulation is based on the principle of “*precaution*” which means the provision shall survive even when commercial activities in the real world change and the method of “*positive list*” which means only those prescribed in the list are free to trade. Both of these two principles are restrictive vis-a-vis to commercial activities. In the real world, goods and services are created along with the dynamic of economic activities to satisfy all current or future consumers’ needs. And that is exactly why all market economies need fairs and exhibitions, as one of many different vehicles, to bridge the

⁵ Clause 4 Article 109 of the Commercial Law 2005

supply to the demand. The fact that goods or services are either free to trade or not is for a different objective than goods or services are free to exhibit or not.

The same approach of clause 1.a of Article 134 could also be applied to clause 1.b: “banned from import” don’t have the same objective as “prohibited from fairs and exhibitions”. The sole problem may explain a little difference with Article 134 is the appearance of foreign traders which by definition don’t have a commercial presence in Viet Nam. This is a policy issue: how to control foreign entities participating in fairs and exhibitions giving the fact that they could actually make a “sale” of banned from import goods or services? How to collect taxes and other fees from these traders? Etc.

If we look closer to the problems just has been analyzed earlier, we will see one issue arising again and again: The unlimited “open to sale” regulation applied to traders participating in trade fairs and exhibitions. The provision of the law allowing unlimited sale in trade fairs and exhibitions is a cross-cutting issue throughout the Section 4 Chapter 4 on Trade fairs and exhibitions. The link is clear between the right to sale of traders participating in trade fairs and exhibitions and the restriction in the list of goods and services and/or the burden of administrative intervention: *banned, restricted or not yet permitted* are governmental actions toward the sale of goods and services, not the fairs or exhibitions.

3. Overview of international best practices

3.1 France

Ordinance No. 2004-274 of 25 March 2004 has profoundly altered the legal regime of fairs, previously defined by a 1945 ordinance which was repealed. The principles now apply are defined in Articles L. 762-1 to 762-3, R.762-1 to R.762-14 and A.762-1 to A.762-18 of the Commercial Code.

The outline of the reform

The prefectural authorization to hold fairs and exhibitions is replaced by a system of reporting to the prefecture for commercial events held in the exhibition center for specialized trade shows held outside a fairground.

Specialized trade shows are those dedicated to "promoting a group of professional activities reserved for visitors who have an access pass. They offer for sale on site as goods for the personal use of the purchaser, whose value does not exceed a ceiling set by decree "(Article L 762-2 of the Commercial Code). The limit value is set at 80 € per Article D. 762-13 of the Commercial Code.

The exhibition center, which was previously absent from the regulation of business events, is recognized as an interface with the government, including the prefectures. A legal definition

is given to it (Article L 762-1 of the Commercial Code). It is registered by the prefecture. It then provides reporting events held therein on behalf of the organizers of these events.

For temporary commercial events mainly oriented public sale (fair or open to public sale), the scheme of dual authorization is deleted. This type of event is

- be authorized under the unpacking sale, whatever its name, it stands in an unexpected place for trade, with the exception of a fairground;
- be declared in the annual calendar of exhibition grounds duly recorded, when he stands in it.

When declaring a trade event by its organizer, statistical data (encrypted data) relating to previous sessions regarding visitors and exhibitors must be certified by an organization that meets the conditions laid down in Article A762-9 of the Commercial Code.

The declaration made to the prefecture subject to public disclosure. Its main elements are displayed on the venue. Chambers of Commerce and Industry (CCI) shall be informed of events reported in their constituencies. Finally, the main characteristics of reported events are centralized on the public Internet server of the Ministry of Commerce.

The legal definition of fairgrounds

The exhibition center (or fairgrounds, exhibition grounds) is defined by article L 762-1 of the Commercial Code as "a self-enclosed complex, with appropriate facilities and equipment of a permanent nature (...)" Commercial establishments subject to the authorization of commercial exploitation under Article L 752-1 of the Commercial Code are excluded from this definition.

Exhibition Grounds must register with the department prefecture where it is located. The contents of the file, which must be filed in the prefecture, is defined by Articles R. 762-1 to R. 762-3 of the Commercial Code and Article A.762-2 of the Code.

The calendar of events reported by the heads of exhibition grounds

After he registered at the prefecture of the department, the fairgrounds each year declare, pursuant to Article L. 762-1 of the Commercial Code, the program of business events to be held in its within the next calendar year, passing the features provided by the organizers of these events. This schedule must be updated continuously through the park to reflect the developments in this initial program.

The terms of this declaration are set out in Articles R.762 R.762-5-7 and A.762-3 of the Commercial Code.

The legal definition of specialized trade show

A specialized trade show is defined by article L 762-2 of the Commercial Code as "a trade event dedicated to the promotion of a group of professional activities reserved for visitors who have an access track."

Such an event does not offer for sale of goods on site. However, tolerance is given for selling trade visitors for their personal needs goods whose value does not exceed a ceiling of € 80 (Article 76 D. 2-13 of the Commercial Code)

The declaration of specialized trades how

The organizer of a trade show must make a prior declaration to the Prefect of the department where it will be held, pursuant to Article L. 762-2 of the Commercial Code

When the fair is held in a park exhibition, his declaration will be made at the time of declaration of program of this park.

The terms of this declaration are set out in Articles R. 762-10 to R. 762-12 of the Commercial Code and Article A.762-4 of the Code.

The control of statistics reported

When reporting the trade event, the organizer is required to provide statistical data (encrypted data) on the number of exhibitors and visitors. Figures for previous sessions must be reported in accordance with Articles 1 and A.762-A.762-9 of the Commercial Code.

Public information statements

Its terms are set out in Article R. 762-13 of the Commercial Code and Articles A.762 A.762-10-13 of the same code.

International recognition

Decree of 24 April 2009 on the recognition of international trade events (consolidated as of December 29, 2010)

A trade event enjoys the official recognition of his single international character and "international" designation if it meets the following conditions:

- Having gathered during its previous session, at least 10% of foreign exhibitors compared to the total number of exhibitors; or hosting during its previous session, at least 5% of foreign visits by the total number of visits;
- For the session preceding the application for international recognition and for each session during the validity of international recognition, subject to the control of a certification body complying with the conditions laid down in Article A. 762-9 of the Commercial Code features figures in the first paragraph of this article (number of foreign exhibitors, net square footage occupied by foreign exhibitors, the number of foreign visits, the number of total visits).

A trade event enjoys official recognition of its international character confirmed and international appellation confirmed if it meets the following conditions:

- Match the definition trade show (Article L. 762-2 of the Commercial Code);
- Having gathered during its previous session, at least 20% of foreign exhibitors compared to the total number of exhibitors;
- Having received during its previous session, at least 25% of foreign trade visitors, including journalists, relative to the total number of trade visitors controlled or a minimum of 1,000 foreign visitors.

International fairs defined arrested are presumed eligible for prospecting COFACE insurance. The list of these shows is sent each year to enable the minister in charge of foreign trade. Other salons may be eligible for exploration COFACE insurance on a case by case decision of the Minister in charge of Foreign Trade. The recognition of the international character is valid for three years. After this period, the organizer may request an extension for a further period of three years upon production of evidence provided in the original dossier relating to its previous session in the same manner as the initial application.

3.2 Germany⁶

In Germany legislation specifically dealing with the exhibition industry is very rare. There is no specific Act on the organization of trade fairs and complimentary services.

Within the German Trade Regulation Act (Gewerbeordnung) there is a regulation defining "Messe" (trade fair) and "Ausstellung" (exhibition). If an event fulfills the requirements of the definition, exhibitors and visitors are granted certain privileges making trade on a trade fair and the protection of intellectual property easier. However, everybody is free to hold an event and call it "Messe" or "Ausstellung" even if it does not comply with the legal definition in the German Trade Regulation Act. In general there are no specific requirements, like licenses, to organize a trade fair. The success of the German Trade Fair Industry shows that the market forces make for good exhibitions rather than rules and regulations.

3.3 Singapore

a. Permit to Hold a Fair

A permit is required from the Director General of Public Health to hold a fair under Section 35 of the Environmental Public Health Act, Cap 95.

⁶Association of German trade fairs industry. At <http://www.auma.de/en/TippsForExhibitors/legalmatters/Seiten/Default.aspx>

Only grassroots organizations and charitable, civic, educational, religious or social institutions are allowed to hold fairs.

The permit will be issued to the operator who manages and operates the fair only after all requirements have been complied with. No fair shall begin operation, unless a permit is issued.

The permit fee is \$60, regardless of the duration of the trade fair.

b. Application Form

All fair applications must be made on a prescribed form and submitted to the respective National Environment Agency (NEA) Regional Office.

Alternatively, the application form can be obtained from the NEA Regional Offices and the NEA Customer Service Centre (Level 2, Environment Building, 40 Scotts Road). Please refer to Annex D for the addresses of the NEA Regional Offices.

The approvals from all the relevant authorities/agencies and all other supporting documents should be attached together with the application form, and must reach the respective Regional Office of the NEA at least two weeks before the commencement of the fair.

c. Consensus of Shopkeepers

The fair operator must obtain the consensus of the shopkeepers in the neighborhood to hold the fair in public area. The proof of consensus should be in the form of:

The application will only be processed upon receipt of complete and accurate submission of all required documents. No refund of fees will be entertained once payment has been made.

- a) Letter from the neighborhood shopkeepers' association, or
- b) Written agreement signed by neighborhood shopkeeper, or
- c) Letter from the Advisor stating that the shopkeepers have given consent.

d. Letter of Support from the Citizens' Constituency Committee (CCC)

If the fair is organized by a non-grassroots organization such as charitable, civic, educational, religious or social institution and held on public land, the organizer must obtain a Letter of Support from the Chairman of the CCC of the respective constituency in which the fair is to be held.

Approval from Relevant Authorities for Use of Fair Site, Fair approval and others license to hold fair/ Prohibition at trade fair

The fair operator must produce written approval from the following relevant authorities/agencies for the use of the fair site

Activities/Site	Relevant authorities
Common areas in HDB estates	Common areas in HDB estates
State land managed by HDB	Land Administration Section Housing & Development Board (HDB)
State land	Land Management Department Singapore Land Authority (SLA)
Public road, walkway, back lane, etc. Approval is required from LTA, which will look into possible car parking problems near fair site. LTA will also give requirements on the reinstatement of public roads damaged during the fair.	Road Management Division Land Transport Authority (LTA)
Fair site near MRT station. Approval is required from LTA if site is located next to or within 40m of MRT station or rail structure.	Development Control & Route Protection (Rail) Section Development & Building Control Division Land Transport Authority (LTA)
Parks and turf areas along roadside tables. Approval is required from NParks, which will give requirements on the use of such areas and the reinstatement of turf and plants damaged during the fair.	Operations Department National Parks Board (NParks) Singapore Botanic Gardens
Written approval from the Public Utilities Board (PUB) - Catchment and Waterways Department, Water Reclamation Network Department, Water Supply (Network) Department) is required for the installation of water and sanitary pipes and usage of PUB drainage system or drainage reserves area	PUB Catchment and Waterways Department Water Reclamation Network Department

<p>Fairs organized by grassroots organizations require approval from PA.</p>	<p>People's Association (PA)</p>
<p>Planning Approval from URA is required if the site is to be used for temporary uses* for more than 90 days in a year. [*uses include: (a) Trade fair (b) Trade exposition (c) Fun fair (d) Carnival (e) Sports meet (f) Festive bazaar (g) Festive entertainment (h) Religious entertainment (i) Religious ceremony (j) Wayang</p>	<p>Development Control Division Urban Redevelopment Authority (URA)</p>
<p>For all complex structures e.g. stage, spotlight tower, gantry, etc, approval has to be obtained from BCA regardless of the duration of the fair. BCA requires a Professional engineer to submit structural plans and calculations and to supervise the construction of such structures. Any stall or shed of lightweight material within any premises used for the purpose of holding a fair or any exhibition is exempted from the need to obtain a permit from BCA. However, BCA approval is required for such stalls or sheds if the trade fair or exhibition is for more than 35 days and held outside premises.</p>	<p>Building Plan and Management Division Building and Construction Authority (BCA)</p>
<p>Approval from the FSSD is needed for fire safety requirements e.g. fire exit, distance between stalls and distance between tentage and surrounding buildings</p>	<p>Fire Safety and Shelter Department (FSSD)</p>
<p>The operator is required to engage a licensed electrical worker to carry out any electrical work at site. If the total electricity supply capacity exceeds 45 kVA, a license shall be obtained from the EMA before the electrical installation can be operated or put in use.</p>	<p>Regulation Division Energy Market Authority (EMA)</p>
<p>Waste generated at the fair has to be properly collected and sent for disposal. For fairs organized on common property maintained by Town Councils (TCs), the Public Waste Collector (PWC) for the sector is to be engaged to provide refuse collection service for the period of the fair. For fairs held on</p>	<p>Licensing and Regulation Section, Waste Management Department National Environment Agency</p>

land other than common property maintained by TCs, the services of a licensed General Waste Collector (GWC) are to be engaged. License applications must include an agreement with the PWC or GWC, as required, showing the duration of the fair and the estimated cost for the refuse collection service provided.	
A Public Entertainment License from PLRD is required for any entertainment that is provided in any place to which the public has access. No public entertainment (PE) or arts entertainment (AE) license is required if exempted PE or AE activities are organized. However, some of these activities require the fair operator to fulfill certain conditions	Police Licensing & Regulatory Department (PLRD) Singapore Police Force
Prohibit the display and/or sale of animals at fair. The sale of any article depicting tobacco brands at fairs is prohibited.	Centre for Animal Welfare and Control Agri-food and Veterinary Authority (AVA) Tobacco Regulation Unit Centre for Drug Administration Health Sciences Authority (HAS)
The MDA requires the trade fair operator to ensure that every stall selling videos (i.e. videotapes, VCDs and DVDs) at a trade fair holds a valid video license issued by MDA. The sale of videos without a valid MDA license is prohibited	Licensing Services (Films and Publications) Media Development Authority (MDA)

4. Conclusion and recommendations

4.1 Conclusion

The trade fairs and exhibitions industry has known an exponential growth in recent years. From a just a hundred of fairs and exhibitions organized in 2005, in 2013, there are more than 600 fairs and exhibitions were organized with success. Moreover, among these events, some events have gained national and regional reputation.

To achieve that result, one cannot deny the fact that an open, stable legal framework with the promulgation of the Commercial Law of 2005 and all implementing documents contribute a big part to that success.

Parallel to the praised success, the sector received also many critics from either insiders or outsiders. On one hand, for insiders, there are critics of lack of professionalism, unfair competition, subleasing of booths. On the other hand, for outsiders, the quality, integrity of the events is the main concerns. Contributing to these issues is the discrepancies and backwardness of the legal framework. Among others, there are issues such as the unlimited sale of merchandises, no distinction between exhibitions and fairs, rigidity of the Law against changes of the real world.

4.2 Recommendations

The approach of the Commercial Law 2005 was essentially liberal toward the development of trade and business. Moreover, the Law was consistent with Viet Nam commitments in international trade agreements, both bilateral and multilateral. But there are still some areas of the Law needed for improvements, especially in trade promotion Chapter.

First of all, the Chapter on trade promotion is too much detailed which is good and bad at the same time. On one hand, it's good for stability and predictability of the regulation but in the other, it leads to rigidity and slowness of reform. The analysis in section 2.2.b shows that a too much detailed provision impeded a big effort of reform to the administrative procedures which potentially create huge benefits for businesses. This Chapter should be constructed as much open as possible making rooms for improvements and adjustments when circumstances shall require, leaving all the details to guiding documents.

Secondly, on the contrary to the precedent, the Chapter lacks some serious set of provisions: introduction of exhibition center (fairground) legal terms and relating regulations. This amendment require a much needed change of direction of the regulator: the sector evolved to the degree that the quality of events is much more important than the quantity, so are the tools of the regulators. The case of France is a good lesson for Viet Nam. For the small fairs whose forms and purposes are more likely kick – and run sale, there is no need for regulations by administrative registration before the events being hold. Otherwise, for important fairs with massive participations and frequentations, better, more complete regulatory framework focusing on the role and responsibility of the exhibition center managers is much needed to guarantee the quality and reputation of the events itself. Within the new framework, the exhibition center is the main actor: it'll play role of subject to regulators but regulator to the participants. In short, it'll be a self regulatory body in any fairs and exhibition hold in its domain.

Third, the Chapter must clarify the difference between fairs and exhibitions from definition to regulatory tools toward these two legal terms. In the same time, there must be a reconsideration of unlimited sale policy which create as much as harm as benefits to the sector. A limit must be set for any purchase at a fair or exhibition. If international experiences could be helpful, there must be a difference in fairs when buying and selling is available with exhibition which has the main purpose of advertising instead of making sale.

Fourth, the regulation must have a policy shift toward some subjects such as the goods and services allowing in exhibitions and fairs, the participation of foreign trader in the sector. With the strong development of the sector, there is enough room for completion which is a necessary element to improve the quality and the professionalism of the sector.

B. Display of goods and service

Trade promotion is a strategy of each nation in the process of development. That explains why it was prescribed in Commercial Law 2005. Trade promotion includes promotion (sales promotion); advertisement; fairs and exhibition and display goods and service. Despite legal regulations governing the subject, location and condition of products on display, they haven't attracted the attention of participants and it seems that the law has not been flexible in order to help promoting the role of trade promotion, promotional products to the people of Viet Nam in foreign countries as well. In order to respond to requirements of WTO members and the reality, it requires review and amends the regulations on display of good and service. Hence, it raised a question now is how to promote effective display and introduce products.

1. Current legal provisions on display of goods and service

The highest legal document in the field of trade promotion was enacted in 2005. This is the full document for commercial activities, trade promotion, accordingly, trade promotion contains four fields: promotion/ sales promotion, advertising, trade fair and exhibition and display of goods and service/ Each field regulates some main aspects as content, form, subject, prohibited acts and the way to carry out.

Article 117 Commercial Law definite display of goods: "Display of goods means commercial promotion activities by traders using goods to present and advertise his/her products and goods to customers for trading".

Organizing activities of displaying goods is one of the way to public information of goods and service to customers. Display of goods is also implemented by display departments. Hence, display of goods and service requires skilled employees to effectively present and persuade customers. Beside display goods and service, establishing good distribution system is necessary and important.

Section 3 Charter IV Commercial Law regulates the right to display and advertise products of subjects including: Vietnamese traders; Branch of Vietnamese traders; foreign traders and representative office. Only three main subjects, namely Vietnamese traders, branch of Vietnamese traders, branch of foreign traders have right as follows:

- Display and introduce goods and service;
- Select the suitable forms of display of goods;
- Hold or hire business persons display and introduction service by themselves.

Representative office of traders is prohibited directly displaying and introducing goods and service of traders they represent, except for displays, introduced at the headquarters of the representative office there. In the case of authorized traders, representative offices have right to sign contracts with traders showcasing services, introduction of goods and services to carry out display and introduction of goods and services for trader they represent. Foreign traders are not allowed to conduct business operation in Viet Nam, want to display and introduction of goods and services in Viet Nam, his traders to hire the services of displaying and introducing goods and services Viet Nam to implement.

Specifically, Article 123 of the Commercial Law regulate prohibited display cases, introducing goods and services including: Goods and services that threat national security, order and social safety, environment, human health; contrary to traditional history, culture, ethics, habits and customs of Viet Nam; revealing state secrets; Display and introduction of goods of other traders to compare with his goods, except in comparison with the counterfeit goods violating intellectual property rights in accordance with law and displaying, introducing the goods are different from quality, price, design, type, packaging, warranty and other quality criteria in order to deceive customers.

Display and introduction of goods and services prescribed in the Commercial Law and Decree 37/2006/ND-CP. accordingly, the Commercial Law prescribed subjects of exhibiting and introducing goods and services; forms of display and introduction of goods and services; goods and services on display, and introduce conditions to perform. In addition, the law also stipulates prohibited cases displaying, introducing goods and services; rights and obligations of the hire and the providers.

Forms of display of goods:

- Opening showroom;
- Organizing at the trade centre or in recreational activities, sports, culture and arts; organizing conferences and seminars; or on the Internet and in other forms as prescribed by law.

Furthermore, Decree 37/2006/ND-CP stipulates conditions for showroom and goods introduced at trade fairs, trade exhibitions in Viet Nam: requiring labeling under the provisions of law labeling of goods that applied for goods temporarily imported for display, introduced at fairs and trade shows in Viet Nam, they must comply with the law provisions on the labeling of goods. In case, goods temporarily imported for re-export to participate in fairs and exhibitions in Viet Nam; temporary export for re-import of goods and services fairs, trade exhibitions overseas must comply with the provisions of the law on customs and other provisions of relevant laws.

According to using name, theme of fair and exhibition, Article 31 Decree 37/2006/ND-CP prescribes as follows:

1. Traders, organizations trade-related activities that organized trade fairs and exhibitions have the right to choose a name, theme fairs and trade shows;

2. In case, the name and theme of the fair, trade show using words to popularize quality, brand name goods, services or prestigious title of merchants, organizations and individuals participating in trade-related activities, the traders and relevant organizations must comply with the following provisions:

a) Having evidences shows that the quality of the title of the goods and services fairs, trade exhibitions match the registered name, the theme of the fair, trade show;

b) Having evidences shows that prestigious title of traders, organizations or individuals to participate in trade fairs; trade exhibitions match the name and theme of the fair, trade show registration.

The display and introduction of goods and services are one of form of trade promotion to promote commercial products, goods, sales promotion and promotion, pushing and seeking the contracts. However, the difference between the display, introduction of goods, services and trade fairs, trade exhibitions is that goods at showroom or trade centers can not allowed to sold while goods at the trade exhibition or fairs can be sold. According to the time limit for temporary import of goods, goods temporarily imported to showcase their goods after the end of the exhibit not exceeding 6 months from the date of temporary import if the time limit must be made on players renew the temporary import customs. However, the time limit for temporary import for participation in trade fairs, exhibitions is shorter (thirty days after the end of the fair, trade show).

Role of the State Management Agency

Paragraph 1, Article 3 of Decree 37 is assigned that the Ministry of Industry and Trade is responsible for performing the function of State management of trade promotion.

State administration on trade is stipulated in the Law of Commerce and other legal documents such as Decree No. 95/2012/ND-CP of the Government stipulating functions, authority and organizational structure of the Ministry of Industry and Trade; Decree No. 37/2006/ND-CP; Decision 72/2010/QD-TTg; Decision 984/QD-BCT. Accordingly, the Ministry of Industry and Trade is responsible for trade promotion, managing national trade promotion program; coordinating and implementing national brand program and decentralized to the local. Accordingly, the People's Committees at provincial government, with the scope of his authority, direct the Department of Commerce, Department of Commerce - Tourism (now the Department of Trade and Industry) to State administration for trade promotion in accordance with law, for national trade promotion program, the People's Committees of provinces and cities directly under the central government to build promotion schedule and financial support fees in accordance with local practice under the current regulations.

2. Current situation of implementation of trade fairs and trade exhibition

2.1 The achievements, the obtained results

With a view to boosting trade promotion, the Government issued Decision 27/2007/QĐ-TTg February 15, 2007 approved the commercial development projects in the country till 2010 and orientation to 2020. Besides, the Ministry of Industry and Trade issued Decision 3581/QĐ-BCT approving the program of trade promotion in local market in 2009. In recent years, the effectiveness of the programs, projects of trade promotion have improved significantly in accordance with the development trend of domestic market, trade promotion programs have been organized and diversity to expand in the general trend of the development of the market economy.

Regarding the product introduction centre established by the State

Ministry of Industry and Trade has set up three centers Viet Nam's products introduced in the United States, Russia and the United Arab Emirates, approved by the Prime Minister. After four years of pilot operations, they have gained some achievements:

i) Performing the role of a good exhibition routine to introduce directly Viet Nam's export products to organizations, importers and consumers in the host countries, as well as promoting the image and the brand of the product Viet Nam.

ii) Becoming a bridge between Vietnamese enterprises and local business in the host countries such as supporting and coordinating with the concerned agencies to help host countries in terms of legal procedures for Viet Nam enterprises established representative office, branch in the host country;

iii) Supporting Vietnamese business to verify the legal status of local partners to ensure the rights and the interests of Vietnamese enterprises in trade transaction and signing contract; supporting and giving hundreds of business groups/ associations in Viet Nam a warm in order to promote trade fairs exhibitions, seminars and conferences; organizing the trade transaction for the Vietnamese delegation to communicate with importers, the potential partners in the host countries.

iii) Guiding the business to develop relations with Viet Nam; providing information about the market, partner in Viet Nam; co-organizing the delegation to survey the market, looking for business partners, imported goods, participating in trade fairs, seminars and conferences held in Viet Nam.

At present, Viet Nam has held offices of 21 foreign trade promotion organizations in foreign countries, playing the role of trade promotion for Viet Nam enterprises to promote export and import activities. Viet Nam, currently, has set up Vietnamese commercial affairs in 52 countries and one commercial affair in the World Trade Organization (WTO) in Switzerland.

2.2 The limitations/ obstacles in the process of implementation

Besides the above achievements, the display, introduce products activity exists some limitations. Specifically, its activity has not really developed and attracted customers to visit. Goods on display in the showroom are symbolic. The reason of this problem is due to: the concern about the quality of the discounted items; imprecise origin; the trend of using foreign goods; needs of customers; poor design; etc... Therefore, displaying goods and service does not really developed and attracted customers. The organizers have not paid attention to broadcast banner, logo to attract the viewers. Not only in the local country, displaying, has introducing products of Viet Nam in foreign countries not also received adequate attention.

To sum up, display of goods and service of Viet Nam in other countries has not brought into play its role and function. In fact, Viet Nam does not take advantage of centers overseas products to promote the image of Viet Nam.

3. Overview of international best practices

3.1 Thailand

The trade promotion activities in the domestic market in Thailand is diversified and effective, most forms of trade promotion are comprehensively exploited and achieved remarkably results. Thailand aims to promote trade through opening market for the supply of goods and services abroad. This is an important measure to put pressure on domestic firms to boost trade promotion activities. Every year, Thailand develops programs to promote domestic trade promotion including holding fairs, exhibitions, roadshows in each field, different sectors in order to stimulate consumption. Thailand, however, does not separate the two forms of display, product and trade fairs, exhibitions as Viet Nam.

Display, introduction of goods and service in Thailand are not prescribed as specifically as Vietnamese Commercial Law. According to Thai regulation, The Department of International Trade Promotion (DITP) is a government organization that performs its role as the main promoter of Thai exports. There are four missions, namely to: 1) expand the markets for Thai products and services; 2) develop and create added value for exported products and services; 3) provide trade information; and 4) enhance the potential of Thai exporters in the world market. The next task now on the drawing board is the all-out commitment to make the DITP Asia's leading trade promotion agency, in order to help boosting Thailand's international trade and prepare the Thai industries for the rapidly-changing global environment. Its activities focus on:

- Increase the competitiveness of Thai entrepreneurs, particularly small-and , medium-sized enterprises (SMEs) in the global market place;

- Promote the development of products and services on the basis of value-added production, brand creation, innovation, and environmental-friendly creativity in line with global trade trends in the new economic age;
- Promote and develop trade channels in new markets and establish friendly trade alliance;
- Support logistics development of reduce costs for Thai exporters;
- Maintain share of matured markets and expand trade in emerging markets, by utilizing benefits gained from free-trade agreements (FTAs), and ASEAN Economic Community (AEC).

As such, the role of State is to support and be the bridge between local businesses and the State does not deeply participate in the process of regulation of trade promotion activity.

Source: <http://www.lexadin.nl/wlg/legis/nofr/oeur/lxwetha.htm>

Regarding trade promotion activities abroad, Thailand regularly holds fairs of Thai products in Viet Nam. In fact, these activities have attracted the attention of the Vietnamese customers. This is a way to advertise products and access foreign market effectively.

3.2 Korea

According to the law as it stands, Trade promotion in Korea is implemented through KOTRA. The main type is to exhibition. Many people which are very influential people including the President of Korea visited this place at the first exhibition of photos of 50years, 'Korea International Trade 50years, KOTRA 50 years' and Many students all of grades in Korea. Moreover, People in developing countries such as President of Myanmar, Prime Minister of Laos, and delegation of Indonesia also visited this exhibition. It played a significant role in learning the history of trade of Korea.

Source:

http://english.kotra.or.kr/foreign/kotra/KHENKT190M.html?TOP_MENU_CD=KOTRA

With this space, KOTRA wants to give the opportunity to access these exhibitions of culture as an activity of CSR. (*CSR: Corporate Social Responsibility) To celebrate the 50th anniversary of KOTRA, KOTRA wants to return the main lobby on the first floor culture space of the people and provide the opportunity of fusioning the technics and arts of SMB (small and medium-sized businesses). For this reason, Kotra open gallery was built in June of 2012.

Moreover, Korea established a website to build a Portal Website Service which provides worldwide exhibition information to promote the export industry of Korea and to gain the international competitiveness of Korea exhibition industry in the world under the reality of Korea export industry that has to be adapted itself to suddenly changing world market.

- Maximizing of exhibition business effects Customers, KOTRA, Organization(Association, Government)
- On-line service wicket role of several information for Korea exhibition industry
- e-Business charge business foundation building through the cyber exhibition business settlement and expend
- Offer the integrated information and service related to exhibition like exhibition information, exhibition hall information, exhibition news etc.

Attract the industry's interest and expend the industry through the information offer about the business supported by government

The Mission of The Association of Korean Exhibition Industries is an organization specializing solely in exhibition. It was founded in September 2002 under the auspices of Ministry of Commerce, Industry and Energy. Its mission is to undertake a wide variety of tasks to develop and foster policies that will ensure the exponential growth of the trade fair industry.

At the moment, there are 38 member companies that represent the exhibition industry of Korea - including owners of exhibition centers, trade show organizers and exhibition service contractors.

The Association has eight personnel, comprising the Chairman.

Major Projects is namely to:

- 1) Support for Trade Exhibitions held in Korea and Evaluation of these Exhibitions
- 2) Operation of the Exhibition Endorsement System
- 3) Establishment of a statistical database of exhibitions held in Korea
- 4) The operation and management of portal sites for trade exhibitions
- 5) Overseas publicity of exhibitions held in Korea
- 6) International cooperation and educational projects
- 7) Involvement in various research projects and publication
- 8) Project for supporting participation in overseas exhibitions

Besides opening up market in order to encourage business to decide trade promotion by themselves, South Korea aims to expand display, introduce goods and services overseas by organizing fairs, exhibition goods in Viet Nam. It is one of the ways that Vietnamese customers know and select Korea's products.

In general, most countries try to push commerce activities through the organization despite of their different names. Some countries expand display product internal and external.

The other countries have one more organization. For example, Viet Nam has Trade Promotion Agency – Vietrade – Ministry of Industry and Trade, Japan has External Trade Organization (JETRO), Thailand has Department of Export Promotion of Thailand; Korea has Korea Trade Promotion Agency (KOTRA). Despite the different duties each countries, their common mission are enhance trade promotion.

Department of Export Promotion, Ministry of Commerce, The Royal Thai Government the Department is entrusted with the following duties and responsibilities to: Promote and expand the market for Thai exports in goods and services by penetrating new markets and to preserve existing ones. Develop and perform activities that promote trade and increase the competitiveness of the export sector, for instance, the expansion of production bases...

As role of the government agency, they do not implement above types of trade promotion. Trade promotion namely promotion (sales promotion) or display, introduce goods and service done by business.

Besides yearly budget from the government, the budget is contributed voluntarily by business. Business also finds benefits in contributing and joining the activities such as international fairs or studying international experience.

3.3 France

In general, most countries do not separate commercial exhibition and display as Viet Nam's regulations.

In France, for instance, Article L740-1 of the Commercial Code prescribed commercial exhibition (mentioned Part A) including exhibition and Trade show. According to L740-2, Trade show is a commercial event devoted to the promotion of a series of commercial activities to invited visitors only. The only goods offered for sale on site are intended for buyer's personal use and their value cannot exceed a ceiling determined by decree.

3.4 The United States

According to ... 4727, Subchapter III, Chapter 73 Title 15 U.S Code, the President shall establish the Trade Promotion Coordinating Committee (hereafter in this section referred to as the "TPCC"). The purpose of the TPCC shall be (1) to provide a unifying framework to coordinate the export promotion and export financing activities of the United States Government; and (2) to develop a government wide strategic plan for carrying out Federal export promotion and export financing programs.

The TPCC have duties as follows:

(1) Coordinate the development of the trade promotion policies and programs of the United States Government;

(2) Provide a central source of information for the business community on Federal export promotion and export financing programs;

(3) Coordinate official trade promotion efforts to ensure better delivery of services to United States businesses, including—

(A) Information and counseling on United States export promotion and export financing programs and opportunities in foreign markets;

(B) Representation of United States business interests abroad; and

(C) Assistance with foreign business contacts and projects;

(4) prevent unnecessary duplication in Federal export promotion and export financing activities;

(5) Assess the appropriate levels and allocation of resources among agencies in support of export promotion and export financing and provide recommendations to the President based on its assessment; and

(6) Carry out such other duties as are deemed to be appropriate, consistent with the purpose of the TPCC.

In comparison with France, the USA has same form of trade promotion - Trade shows. Thousands of manufacturers display their wares and take orders at trade shows. In the United States companies were spending some \$13 billion each year on trade shows as of the late 1990s. For many companies, maximum planning effort and much of the marketing budget are directed at the trade show. Success for an entire year may hinge on how well a company performs there.

Trade shows provide unique opportunities. First, trade shows provide a major opportunity to write orders for products. Second, they are a chance to demonstrate products, provide information, answer questions, and be compared directly with competitors. Since typically at least several direct competitors will be pitching their products to potential customers under the same roof, buyers have the opportunity to quickly judge quality, features, prices, and technology at these events. Similarly, such events also provide sellers with a chance to size up the competition and fortify their **competitive intelligence**.

Read more: <http://www.referenceforbusiness.com/encyclopedia/Res-Sec/Sales-Promotion.html#ixzz2zhiQnZfC>

Regarding to POP displays

Manufacturers provide point-of-purchase (POP) display units free to retailers in order to promote a particular brand or group of products. The forms of POP displays include special racks, display cartons, banners, signs, price cards, and mechanical product dispensers. Probably the most effective way to ensure that a reseller will use a POP display is to design it to generate sales for the retailer.

High product visibility is the basic goal of POP displays. In industries such as the grocery field where a shopper spends about three-tenths of a second viewing a product, anything increasing product visibility is valuable. Beyond getting attention for a product, POP displays also provide or remind about important information such as the product name, appearance of the product, and sizes. Consumers may have seen or heard some of the information in ads before entering the store. The theme of the POP should be coordinated with the theme used in ads and by salespeople.

Source: <http://www.referenceforbusiness.com/encyclopedia/Res-Sec/Sales-Promotion.html#ixzz2zhiX1Phv>

4. Conclusion and Recommendation

In terms of trade promotion activities, it is considered that the trade promotion has gained some good results, however, Viet Nam's policy still focus on local and traditional trade promotion activities such as promotional, trade fairs, exhibitions, displays, introduce products, advertising. Hence, the legal system reflects this trend. Specifically, Commercial Law only regulates the activities of traditional trade promotion; not separates domestic trade promotion from export promotion; some tools that have achieved success (such as centre of displaying goods and service of Viet Nam abroad), still has not been expanded at the same time. Furthermore, a number of measures applied successfully in the world, have not applied in Viet Nam, namely export insurance, export promotion, trade associations, etc.) This makes the State administration reduce dynamic in this field.

In general, foreign legislation specifically dealing with the exhibition industry is very rare. There is no specific Act on display, introduce goods and service. With a view to enhance the effectiveness, this report would like to recommend governance agency some solutions, namely:

- Organize exhibition for business to register display, introduce goods products.
- Become the bridge between business;
- Provide information by establish website; disseminate information about internal and external market and legal system.
- Organize study tour to foreign countries to study international experience.
- Introduce or organize (or co-organize) international international fairs, create favorable for agencies, business, promote goods and service purchase.
- Organize program to teach skills, methods to assess foreign markets.
- Stick logo on website.

The role of the state and is to support and become the bridge with enterprises. The Governments in other countries do not heavily involve in regulating trade promotion activities.

However, this model operates efficiency. Besides, these countries do not limit the subjects of trade promotion activities.

a. Regarding legal system

In provinces and cities, Viet Nam has trade promotion organization, so-called the Center for Trade Promotion or the Department of Trade Promotion. The trade promotion organizations at the local are operated by the Trade Promotion Fund and the budget of provinces and cities. In general, the activities of trade promotion agency include the above mentioned forms as the Trade Promotion Department under the Ministry of Industry and Trade but with a smaller scale.

Base on international experience, Viet Nam's commercial law shouldn't divide fair exhibition and display of goods and service. In fact, they are similar in content and they have the same purpose – trade promotion. The important thing is that regulations should be prescribed flexible and makes enterprises raise the sense of initiative.

Regarding incentives policies, the Law on Export and Import Tax prescribes exemption provisions on export taxes; import duties of goods temporarily imported for re-export for exhibition abroad. However, the state should have more policies to support exports through tax incentives for exhibiting goods or financial support for the display of goods overseas.

b. Regarding the development strategy

The propaganda of the goods on display in the showroom or the conference is a very important issue due to the fact that people have not believed of the quality and origin of the goods on display at the center, conference or showroom. In order to these activities actually promote efficiently, the organizations themselves are allowed to perform work on display, product introduction under the regulations should have policies to attract people to sightseeing as abundant goods need to ensure the quality.

In addition, the ability of the staffs at the gallery should be considered when Viet Nam wants to develop forms of the trade promotion. These people need to be knowledgeable about the products on display and introduction to viewers. Moreover, regulations on display goods and service should be flexible and make the business more proactively. Additionally, the state needs to manage the quality of goods at the showroom or fairs and Viet Trade are responsible for promoting export and expanding market.

In the coming time, it is necessary to push the establishment of promotion centers overseas, besides four centers has been established, Viet Nam should expand other centers to open relationships with other countries, boosting relations with other countries and creating favorable conditions for Viet Nam's export products to deeply penetrate markets in the world. Moreover, Viet Nam needs to cooperate with other countries to open the gallery, introducing products of Viet Nam - the advantage commodity items as well as being encouraged export products.