

3. Achievements and Lessons

3.1. Achievements

3.1.1. Awareness building

This technical assistance was first of its kind to discuss officially and publicly about the PD system in Vietnam. As definition and function of the PD systems varies country to country, NRI provided the market participants of both public and private sectors with case studies of the PD systems with particular emphasis on ASEAN+3 region, through the introductory seminar and the feedback workshop. NRI believes that the technical assistance has contributed to awareness building of not only the TA counterpart but also the market participants on PD.

3.1.2. Reform orientation

During the course of technical assistance, intensively discussed between MOF as the TA counterpart and NRI were a number of bottom-line issues including, but not necessarily limited to, ceiling interest rates, scattered issuance modes, unclear issuance schedule, limited variety of end-investor base, limited number of successful bidders and underwriters, limited number of active intermediaries in secondary market, etc. This technical assistance identified and listed up all such bottom-line issues of the government bond market in Vietnam at one place and to make it open to the market players for discussion among them. Also, it was recognized that, as prerequisites for introducing PD and for making it to work effectively, structural reforms of both primary and secondary market must come first and are severely needed indeed. NRI believes that this technical assistance has been the very first attempt to draw overall pictures of such issues and reform orientation in necessity for introducing PD in Vietnam.

3.1.3. Data analysis

Data on bond market, both primary and secondary market, was scarce and scattered, and remained mostly undisclosed to the public in Vietnam. Vietnam has no domestic debt management office or alike, and data on primary and secondary market is scattered and spread over a number of organizations, making it very difficult for anyone, especially market participants, to have an overall picture. During the course of the technical assistance, enormous efforts were made on collecting, aggregating and screening the numerous data by Banking and Financial Institutions Department of MOF and NRI. NRI believes that this technical assistance has served as a very scarce opportunity to undergo data mining and data analysis in Vietnam where sensitivity on information, especially on data, remains to a large extent. Moreover, such data analysis was disclosed to participants of the feedback workshop, so that the market participants can also know and share the market data.

3.2. Lessons

While this technical assistance has been first of its kind to undergo a full range of data mining, its quantitative analysis is still preliminary more or less. Indeed, there remains not a little discrepancy and inconsistency in original data and NRI encountered with difficulty in deepening data analysis. Such original data of primary and secondary markets are recorded in and collected from State Treasury, Securities Trading Centers, and SBV. Most seemingly, they don't necessarily share data at all time and their manner of data transmission each other is through paper documentations at most. Therefore, at different organizations and at different levels, there may be several of duplicated data recordings, which most likely increases chances of inaccuracy in recordkeeping. Moreover, they seem to seldom reconcile data each other. While NRI do appreciate for enormous efforts by Banking and Financial Institutions Department and International Relations Department in collecting relevant data from different sources, it still may be worth establishing a committee along with working groups involving bookkeepers of data on the bond market more closely. This lesson learned from the technical assistance is accordingly reflected in next steps of this report, which suggests Vietnam to establish Bond Market Reform Committee or alike.