

# MPED SUCCESS STORY — VIETNAM

This article is part of a series written to highlight some of the success stories from FCM's Municipal Partners for Economic Development (MPED) program. MPED projects seeks to improve local governance and economic policy development around the world while, at the same time, emphasizing the importance of gender equality and environmental sustainability. From 2011 to 2014, the Township of Langley, Canada, worked with the City of Hà Tĩnh, Vietnam, to support and improve local economic development (LED) in Hà Tĩnh.

## City-led economic development and entrepreneurship: The story of Mr. Ngan

A meeting of partners involved in MPED recently took place in the City of Hà Tĩnh, Vietnam. The meeting enabled partners to share the lessons learned from their local economic development (LED) projects. Hà Tĩnh has recently undertaken a strategic planning process to develop an overall vision of LED in the city.

At the meeting, Hà Tĩnh provided an eloquent description of the bottom-up approach it had implemented with support from the Township of Langley, B.C., explaining how this new approach marked a fundamental paradigm shift in how the city was managed. For the first time, the City had systematically consulted its residents and civil society; this led to a common vision of economic development based on the needs expressed by the community.

The most eloquent description of how the City had changed not only its approach but also its attitude came from Mr. Ngan, the president of the local Chamber of Commerce. He is a man of few words and comes quickly to the point. This is how he described the new consultative approach:

"I have been a businessman since I was old enough to work. I have worked in several countries — but this has been the first time the authorities have ever asked for my input. The thing that astonished me most was when I opened the strategic planning document explaining the vision for the city up to 2030. There, before my eyes, were the recommendations from the business community I represent. This bottom-up strategic planning approach is a fundamental change in our country and in this city. Until today, central government has made all the decisions about which directions our cities would take. The City invited me personally to this meeting as a representative."

Comments like these piqued my curiosity, and I wanted to know more about Mr. Ngan. I asked to meet him so I could get a better understanding of Vietnam's entrepreneurial spirit. To a large extent, the pursuit of growth and wealth in Vietnam will depend on how much latitude

local and national authorities give entrepreneurs like Mr. Ngan, who are the new builders of the country's economy. The opportunity to talk to Mr. Ngan came at the end of our MPED workshop.

Mr. Ngan has had an extraordinary life. Like many young people, he followed in his father's footsteps. He studied industrial engineering at the University of Hà Tĩnh. Then, also like his father, he joined the merchant navy as a mechanic. Mr. Ngan, however, dreamt of something different. At the time, East Germany was experiencing a shortage of skilled human resources and was bringing in specialist workers from other socialist countries. So, Mr. Ngan decided to leave Vietnam to become an engineering technician in the East German merchant navy. When the Berlin Wall fell in 1989, Mr. Ngan decided to return home. He started off by exporting goods related to the merchant navy, but soon realized that construction was Vietnam's growth industry. Sensing a good opportunity, he started a construction company. However, this ended in failure, as the construction projects on which he was engaged were funded by a state-run organization that was unable to pay its bills.

Undeterred, Mr. Ngan looked for other ways to earn a living and feed his family, and tried his hand at the import-export business. With a deep desire to learn and improve his skills, he travelled to Montpellier, France, to learn French. This new skill gave him the ability to communicate with new potential markets; significantly, it also enabled him to understand economic systems in developed countries. Mr. Ngan returned to the newly reunified Germany and started importing clothes, jewelry and domestic appliances made in Vietnam and China. He also developed links with the Vietnamese diaspora in Poland and the Czech Republic, and exported consumer goods to these countries. In the mid-1990s, however, the import-export market had another downturn and, as a result, Mr. Ngan decided to return to Vietnam in 1998.

He enrolled in the Ho Chi Minh University of Industry to improve his knowledge of electrical engineering. He was still looking for business opportunities, and the domestic

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appliances and electronics market appeared to have huge potential in a Vietnam that was undergoing profound changes, and where development was happening at great speed. In 2000, Mr. Ngan opened his first domestic appliances and electronics business in his hometown of Hà Tĩnh. At last he had found his niche. In 2014, he is the owner of three large stores and, thanks to his resilience and entrepreneurial skill, has become the largest supplier of domestic appliances and electronics in the province.

Mr. Ngan's story gives us a powerful example of what it takes to be an entrepreneur: the desire to improve his skill set; the innate ability to see business opportunities; and, above all, resilience when faced with adversity. Mr. Ngan has experienced several failures in his professional career. However, rather than letting himself get beaten, he has learned from his failure and come back stronger every time, demonstrating great determination.

Mr. Ngan now wants to give something back to his community. He accepted the chair of the Hà Tĩnh Chamber of Commerce and was an advocate for the business community in the City's inclusive LED strategic planning process.

To conclude this success story, here is a final comment from Mr. Ngan during the MPED meeting in Hà Tĩnh.

"Previously, all the decisions were taken from the top down. The leaders were never wrong. There were often protests about these decisions, but they were suppressed. In the past, most businesses were managed by the State and the resources came from the top down. The real change took place some 5-7 years ago when the government understood that private enterprise creates wealth in society. To see that our local government is now adopting a new way of involving its citizens is very refreshing."