

Vietnam's pandemic passage: From "Zero Covid" to flexible adaptation

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ABSTRACT

The COVID-19 pandemic has become one of the most serious health crises ever known to human history and has ever spreading rapidly across the globe since end of December 2019. One year into the pandemic, Vietnam emerged as one of the few countries that has largely succeeded in controlling the outbreak, while other countries, including more advanced and developed countries, witnessed an out-of-control spreading of the pandemic, causing hundreds, even thousands of deaths every day. But the emergence of the Delta variant has put the entire system of rigorous contact tracing and other preventive mechanisms, that have enabled the country to perform so well so far, into question. The country stumbled upon its hardest days since the beginning of pandemic, with infections and death tolls rising to thousands of cases at a speed it has never known before. By end of August 2021, after several lockdowns and closures, the Prime Minister announced that from that point, the country could not rely on indefinite closures and quarantines, but instead, is switching to a strategy that will allow to be living safely with the virus. The timing might be delayed as compared to some other countries, but it marks the end of an era of severe restrictions towards more flexible and adaptive measures that allow daily life and businesses to resume to normacy. This book chapter will guide through the story of how Vietnam coped up with Covid-19, through its strategy, policy interventions and outcomes.

Keywords: coronavirus, COVID-19 in Vietnam, pandemic in Vietnam, policy responses, policy measures, Vietnam

INTRODUCTION

The world started off year 2020 hit by the outbreak of COVID-19, came as a rare, unprecedented pandemic. Governments were forced to make hard choices between saving lives and restrictions that meant high economic costs.

Strategies adopted by governments around the world range from no intervention at all to severe measures imposed on the population, such as lockdowns. Vietnam ranks among those adopting strict and drastic measures along with a “Zero Covid” strategy during an initial phase of the pandemic (lasting over 18 months), before announcing that it has become evident that humanity will have to learn how to live with the virus instead of avoiding it at high economic costs, and that it was time for Vietnam to move to a more flexible strategy in dealing with the pandemic.

Vietnam’s initial success is attributed to a harmonious combination of many factors, with centralized policy system playing a key role. From January 2020 through April 2021, the date marking the beginning of a fourth wave of infection with the Delta variant in the country, Vietnam recorded less than 4,000 cases, a large proportion of which were imported, and only 35 COVID-related deaths. Vietnam’s response to the COVID-19 pandemic can be summarized as mass mobilization of the government at all levels and its health care system, combined with a successful propaganda and communication campaign focused on public information and education on the pandemic.

However, continuous mutation of the virus, coupled with the emergence of new strains of virus, has made it more difficult to detect and isolate, thus questioning the existing system of rigorous contact tracing and other mechanisms set in place since the beginning of the pandemic. Since May 2021, over a short period of time, new infections have been detected at an exponential increase. Vietnam found itself stumbled under the spread of the virus, just any other country in the world, with hundreds of thousands of cases and over 14.000 cases of death. Following prolonged periods of severe mobility restrictions, and with vaccine supply further secured, on 29 August 2021, Vietnamese Prime Minister announced that the country may face a protracted battle and cannot rely on indefinite closures and quarantines. The moment marks a major change in the country’s strategy in dealing with the virus, moving towards an accelerated vaccination campaign to be **living safely with the virus** and gradually phase out restrictions.

Country context

Vietnam is the fifth-largest economy in Southeast Asia, with GDP of approximately USD368 billion in 2021¹ and a population of 99 million people.

Vietnam's economic growth story is often compared to a fairy tale, even modern miracle, that saw the country transformed from post-war to lower middle-income country. The *Doi Moi* reform initiated in the mid-1980's, coupled with favorable global trends, enabling the country to achieve rapid economic growth, thus propelling the country from a poor country to a lower-middle-class country. According to the IMF, by 2025, Vietnam will rise to the third position in Southeast Asia in terms of economic size with a GDP of \$571.12 billion, surpassing the Philippines and Singapore².

Before 2020, Vietnam was growing at an impressive increase of 7.02%, exceeding any the target previously set (GSO) and became one of the world's fastest growing economies since the country first opened up to foreign trade and investment more than three decades ago. The country's success has been largely attributed to the effective attraction and use of FDI, which has helped its economy create large numbers of jobs, boost State budget revenue, foster restructuring, and improve competitiveness. Recent years observed the effort of the Vietnamese Government in boosting international economic integration through the participation into many free trade agreements/ communities such as the World Trade Organization (WTO), Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), EU-Vietnam FTA, and UK-Vietnam FTA. This led to a significantly increasing FDI year on year.

With the intensification and diversification of global supply chains, Vietnam became a top destination for investment in manufacturing due to its strategic location and advantages in shipping, competitive labor, and production costs. Prior to the pandemic, as of December 2019, total foreign investment reached 38.2 billion USD, a 7.2% increase from the same period in 2018. Compared to other Southeast Asian countries, Vietnam stands out with international airports seaports, and rail links facilitating production flow and transportation. In 2020, the manufacturing and processing sector continued to take the lead in the country's foreign direct investment (FDI), making up 58.2% of the total. Facing the pandemic, Vietnam finds itself in a position more vulnerable than others, due to its concentration of manufacturing facilities and high contact services in regions around two megacities Hanoi and Hochiminh City. It might in part explain the aggressive strategy pursued by the government.

¹ International Monetary Fund (IMF) World Economic Outlook

² <https://en.baochinhphu.vn/viet-nam-to-become-third-largest-economy-in-southeast-asia-by-2025-imf-111220611102129165.htm>

The pandemic outbreak

As China announced to the world about this novel and dangerous virus, Vietnam, which shares a border of 1.281 km and an enormous volume of trade with China, was already getting prepared for a high risk of cross-border infections. Vietnam registered its first case of novel Corona virus on January 23rd, 2020 when the world was still full of uncertainty around the virus³.

Table 1. Four waves of infection in Vietnam

Wave	Date	Duration	No. of domestic cases	N. of deaths	Lockdown
1	23/1/2020–16/4/2020	85 days	106	0	First commune lockdown in February First National lockdown in April
2	25/7/2020–1/12/2020	129 days	554	35	City lock down in Da Nang
3	28/1/2021–25/3/2021	57 days	910	0	Targeted lockdowns in selected areas
4	27/4/2021–	On-going	Over 10.7 million*	43.087*	Targeted lockdowns in selected cities, provinces/ districts

** updates as of June 30, 2022*

COVID-19 halted a period of rapid income and wage growth for workers and households. Real household income per capita measured using the Vietnam Household Living Standard Surveys (VHLSS) in 2020 declined by 5% compared to 2019 (GSO) (World Bank 2021). Households and businesses experienced job losses, lower incomes, lower business turnover, and business closures in addition to substantial slowdowns in economic growth and activity. The adverse impacts from COVID-19 affected households across the entire welfare distribution.

³ The World Health Organization declared the COVID-19 outbreak a Public Health Emergency of International Concern on 30 January 2020, and officially declared it 'a pandemic' on 11 March 2020.

Fourth wave: from star to below average performer

April 27th 2021 marks the date Vietnam entered a fourth wave of infection, the most complicated and with most casualties recorded. The highly contagious Delta variant challenged Vietnam's previously effective response to the pandemic. It has spread not only in hospitals, where many were critically ill due to preconditions, but also in the local communities and large industrial areas. Thousands of community cases have put a massive burden on the whole system, including healthcare and contact tracing. The mechanisms in place during previous waves, including contact tracing, high vigilance (wearing masks, washing hands, keeping a distance) and localized lockdowns, ceased to work in light of new virus variants.

Since end of April 2021, 10.7 million cases of infection have been detected, with 43.052 casualties registered⁴. The population was shocked to be finding itself in a situation not much different from any other country in the world, while only a few months ago, people were proud and lucky to be enjoying a state of relative normalcy that was almost nowhere else to be found. The most restrictive and unprecedented measures, including targeted lockdown, mobility restrictions (both by road and by air), were introduced during this period, in addition to prolonged business and factories closure, in an attempt to slowdown the exponential spread of community cases in selected parts of the country.

From July 2021, 19 cities and provinces in the south – the country's key economic region, were placed under social distancing simultaneously under order of the Prime Minister . This is a tough decision as it would affect economic activities and social welfare of millions of people, but it was crucial given the limited supply of COVID-19 vaccines at that time and the ongoing "zero COVID" policy intended to curb the pandemic spread and ensure the people's health and life.

Ho Chi Minh city, Vietnam's largest city in terms of area, population and economic power, was hit the hardest. Its 9 million population, characterized by a majority of informal workers and immigrants to the city, struggle in face of increased restrictions. People were required to stay at home, some essential services stopped operating, but their lodging conditions and nature of work⁵ made it impossible for many to stay home and not make a living. Precarious and informal work was keeping those workers alive in the city; now with everything closed and suspended, they ended up with no income nor savings. In other cities, delivery of goods and services were still allowed to operate, but in Ho Chi Minh city, the complicated

⁴ Figures updated as of June 30, 2022

⁵ Previous to Covid-19, these workers only needed a place to sleep when they are not working therefore it is common to find many people sharing a room. But during the pandemic, the concentration of people staying at home made it extremely difficult to respect social distancing requirements.

evolution of the pandemic with rising cases and deaths, has forced authorities to restrict mobility even inside the city.

Disruption in the mobility of goods and services resulted in a surge in transportation costs while cutting on the supply of goods and services. Issues of food security emerged in a food surplus country, to a point that, by end of August, military forces were also deployed to help with the transportation of essential food to each household. Inequalities were most severe, where poor people could not afford an income loss, rising costs of living and insufficient conditions for self-isolation happened all at one. Confirmed cases and deaths were concentrated in those populous areas only further aggravated the situation. Thousands of new cases each day has exceeded the city's capacity in handling the pandemic and has brought the health care system to the brink of collapse.

The widespread outbreak of the pandemic disrupted the national economy and forced millions of domestic migrant workers working in the country's major economic centres to return home, worries for daily expenses heavy on their shoulders. Localities reported that as of mid-December 2021, they had counted some 2.2 million returning labourers, mainly from Hanoi (447,100), Ho Chi Minh City (524,000), southern cities and provinces (594,000), and other localities (676,000).

The slow vaccine rollout and rampant transmission of the new mutations of the virus has particularly complicated the government dual target of "pandemic control" while growing economically. On 29 August 2021, Vietnamese Prime Minister announced that the country may face a protracted battle and cannot rely on indefinite closures and quarantines, marking major change in the country's strategy and forced the country to accelerate its vaccination campaign to be **living safely with the virus**.

Figure 1. Vietnam COVID-19 Key figures



Source: Corona Tracker, as of July 1 2022

GOVERNMENT RESPONSE TO THE PANDEMIC

Between the first two years, Vietnamese government pursued an elimination strategy against the virus. It is one of the few countries to pursue “Zero Covid” since the beginning of the pandemic, by introducing aggressive contact tracing, social distancing and lockdowns as key measures for fighting against the virus.

Pandemic preparedness

Pandemic preparedness refers to governments’ ability to anticipate a pandemic before it materialises and prepare for a global public health emergency, by developing the right knowledge and capacities (OECD, 2015). Indeed, understanding hazards and threats, and building capacities for risk foresight and assessment, allow countries to better target prevention policies and mitigation programmes to reduce their vulnerability to risk (OECD, 2015). Additionally, risk management protocols should be set up to establish standard operating procedures and pre-defined plans for dealing with pandemics (OECD, 2015)

Unlike many other governments, **the government of Vietnam took the news very seriously and reacted quickly to the announcement of the coronavirus outbreak in China.** Its proximity to China made Vietnam much more vulnerable to a high risk of transmission. As soon as China’s announcement, Vietnamese government was already on high alert and closely monitoring the situation while kicking off a series of preventive protocols. Its previous experience with highly contagious diseases such as SARS (Severe acute respiratory

syndrome) and MERS (Middle East Respiratory Syndrome) helped the system to respond quickly.

As early as January 3, even before the first casualty in China and only 3 days after China confirmed the outbreak of a new coronavirus, the Ministry of Health (MOH) issued a directive on tightening quarantine at the Vietnam-China border⁶. On January 10, the Public Health Emergency Operation Center under the MOH followed up with a meeting to evaluate the disease situation and suggest preventive and treatment measures.

To support its containment strategy, hospital procedures and guidelines to follow in the event of a pandemic were immediately activated, with screening of patients based on respiratory symptoms and body temperature implemented across health facilities. The immediate response adopted was to actively trace down the source and isolate all those who came in contact with it, both directly and indirectly. Within two months from January 23 when the first case of COVID-19 was detected in Vietnam, there have been 239 confirmed cases with zero deaths.⁷ On February 19, 2020, the Ministry of Health issued national Guidelines for Infection Prevention and Control for COVID-19 Acute Respiratory Disease in Healthcare Establishments. This document provides comprehensive guidance to hospitals on screening, admission and isolation of confirmed or suspected COVID-19 cases, also on how to handle materials after use, isolation areas, prevention guidance for visitors, ...

A national steering committee was created to ensure a coordinated strategy and measures against COVID-19 across all levels: from central government to provincial levels and lower authorities. Risk anticipation was key, as different scenarios were always prepared by the steering committee. Bold measures were quickly introduced, including school closures and travel restrictions, as early as end of January 2020.

Crisis communication

An effective public communication campaign is believed to have played a vital role, before and during the pandemic, on keeping the public informed about the disease and its evolution. Propaganda and communication efforts were immediately deployed to inform the public on the danger of the virus, while also educating on preventive measures and government policies. Direct communication to citizens was activated through a variety of channels such as mobile phone messaging, social networks (eg., Facebook, Zalo), social media channels (eg., Youtube), national television channels, national radio channels, online

⁶ Vuong, Q.-H.; La, V.-P.; Hoang, N.M.; Linh, N.P.K.; Pham, T.-H.; Ho, T.M. COVID-19-AISDL; OSF: Peoria, IL, USA, 2020.

⁷ Ministry of Health. Information Page about COVID-19 Respiratory Disease Outbreak. Available online: <https://ncov.moh.gov.vn/> (accessed on 01 May 2020).

and offline newspapers. Propaganda and slogans were also extensively used, very creatively and regularly updated along with government policies. The government even provided funding to the remix an existing song into a song with lyrics that teach on prevention. The song, “Ghen Co Vy”, soon became a hit across the country and also became widely known on international social media.

The rapid and direct communication through a variety of channels has helped the Vietnamese government spread the information to the people almost on real-time. Information transparency further strengthen people’s confidence in government’s strategy pursued during the pandemic. Information about the virus and number of cases, both in domestic and international contexts, were timely updated and easily accessible on communication channels by an official website of the Ministry of Health. People strong compliance with social distancing policies and other restrictions has helped the country to navigate the first waves of infections.

Starting from the second half of 2021, a communication campaign on the importance and benefit of vaccination was launched in support of an accelerated inoculation strategy set out by the government. It is also a period where control of misinformation on social media was intensified due to the many inaccurate information circulating online, causing worry and distrust in vaccines. The communication work might have contributed to the disappearance of vaccine hesitancy or vaccine preference that was initially present; after all, “the best vaccine is the one you get the soonest”.

Crisis management

Decisive measures

The first significant demonstration of aggressive pandemic management was through the decision to lockdown a whole commune situated in Northern Province of Vinh Phuc for over 14 days. The decision was taken in light of few confirmed cases, but affected the lives of 10,000 people. The isolation and quarantine measure sent out a clear message by central and provincial governments that they will not let the virus spread out of control. ⁸

The National Steering Committee for COVID-19 Prevention and Control, headed by the Prime Minister, met regularly every two days to closely assess the situation of the pandemic in the country and take prompt actions. It is the organization responsible for issuing recommendations and instructions to lower government levels for the execution of various implementations.

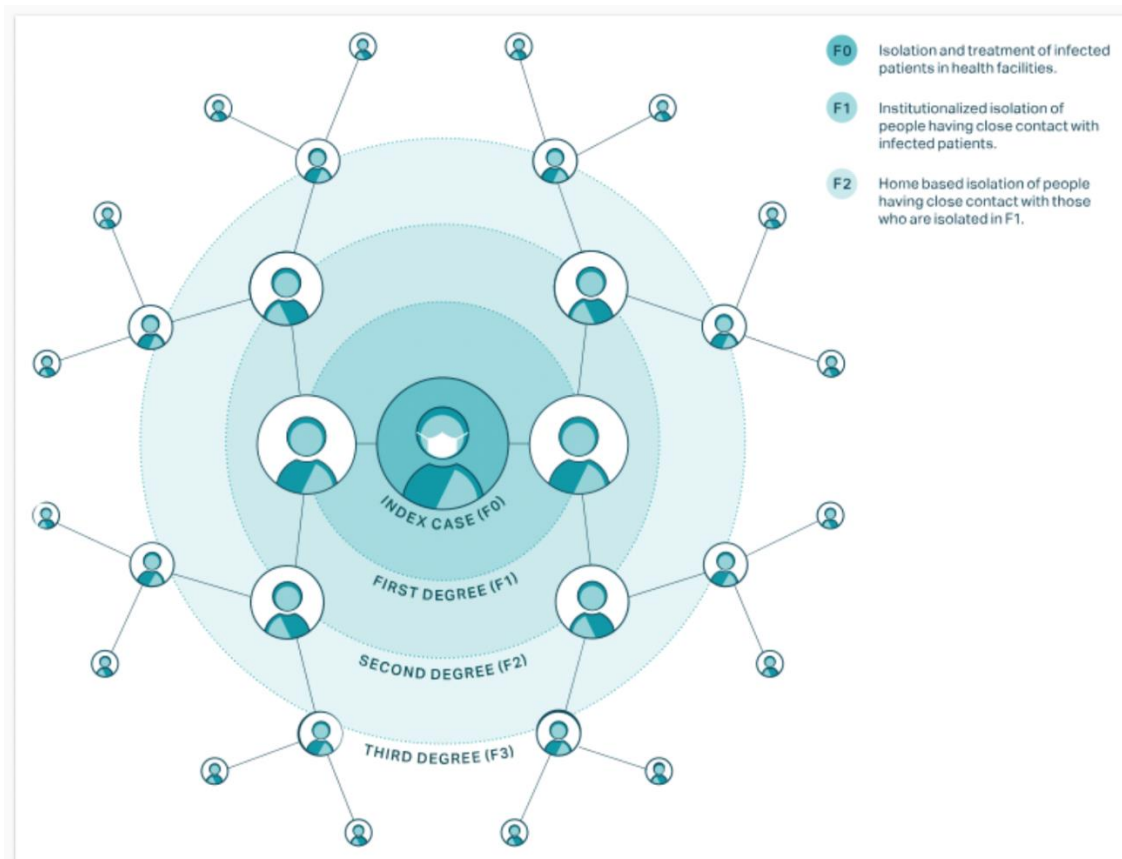
Extensive and rigourous contract tracing, up to third degree

⁸ At the end of lockdown period, only 6 cases were confirmed in Son Loi commune

Contact tracing and quarantine are the key parts of containment. On the other hand, an extensive system of contact tracing was already up and running across the country, and was regularly updated to reflect any changes to the pandemic situation in the country.

Vietnam’s contact tracing strategy stands out as uniquely comprehensive—it is based on tracing degrees of contact from F0 (the infected person) through F1 (those who have had close contact with F0 or are suspected of being infected) and F2 (close contact with F1), and all the way up to F5.

Figure 2. Third Degree Contact Tracing in Vietnam



Source: Vietnam’s Ministry of Health

There is a very small window of time in which to track and quarantine contacts before they become infectious. The incubation period between contact with the virus and start of symptoms is on average five days. Infectiousness begins two days before symptom onset. Therefore, only three days are available from the point of contact with a case to find and quarantine contacts before they could infect others. It is critical to move fast, mobilize the contract-tracing apparatus, and locate the contacts.

One noteworthy aspect of Vietnam’s approach is that it identified and quarantined suspected cases based on their epidemiological risk of infection (if they had contact with a confirmed case or traveled to a COVID-19 affected country), not whether they exhibited

symptoms⁹. The high proportion of cases that never develop symptoms (43%) suggests that this approach may have been a key contributor to limiting community transmission at an early stage¹⁰.

The government was soon to limit down international inbound flights, which was believed to slowdown the arrival of new cases while extensively tracing down cases related to confirmed cases. Senior leaderships were directly held accountable for for any negligence resulting in the virus spread under their area of responsibility.

In February 2020, the first cluster of infections appeared in Son Loi Commune, Binh Xuyen district, Vinh Phuc province, after a group workers returned from a company training in Wuhan. As a result, the small commune of 10.000 people became the country first epicenter of Covid-19 and was isolated for over 14 days¹¹. In addition to quarantine and contact tracing, several preventive measures were also deployed including large-scale health monitoring, sterilization of all vehicles entering and exiting the commune. All suspected cases were sent to central quarantine centers¹² while others were self-quarantined at home. Remaining local residents were recommended to not to leave the commune unless for urgency. The lockdown marks first large-scale lockdown outside China¹³.

Mobility restrictions, closures and group gatherings

School closures and travel restrictions were introduced as early as end of January 2020 in an attempt to limit the risk of viral spread among the largely unvaccinated population.

International inbound flights, and even domestic flights, were limited down during selected period, to slowdown the arrival of new cases from foreign territories while limiting the risk of virus spread domestically. In March 2020, Vietnam suspended granting visas for foreigners entering Vietnam, shortly followed by a suspended entry for foreigners. Only rescue planes were operating, bringing home Vietnamese citizens from other countries, and all passengers were sent to state-run quarantine facilities, or few selected facilities authorized by the government at a premium cost.

Following the first and only national lockdown since the beginning of the pandemic ¹⁴, the government was able to learn and improve its lockdown and restrictive decisions. Only

⁹ Todd Pollack et al. (2021), Emerging COVID-19 success story: Vietnam's commitment to containment

¹⁰ Pham TQ, Rabaa M, Duong LH, et al. The first 100 days of SARS- CoV-2 control in Vietnam. Clin Infect Dis. August 1, 2020. <http://doi.org/10.1093/cid/ciaa1130>.

¹¹ The lockdown, between February 13 – March 4, 2020, affected 10.000 people, but only with 6 cases registered in the commune.

¹² During the pandemic, military, health, and school facilities were mobilized to become central quarantine centers to host suspected cases (those who came into contact with confirmed cases)

¹³ Huy Thanh; Nguyễn Hưởng; Văn Duẩn (3 March 2020). "Trong "tâm dịch" Sơn Lôi trước giờ G dỡ bỏ lệnh phong tỏa, cách ly". Người lao động (in Vietnamese).

¹⁴ Vietnam Orders 15-day Nationwide lockdown between April 1 – April 16, 2020

targeted lockdowns were later introduced, depending on the threat presented by each scenario.

Table 2. Targeted lockdowns in 2020

Region	Date	Population affected	Details
Son Loi Commune (Vinh Phuc Province)	February 13 – March 4 2020	10,000 people	16 cases of COVID-19 in the country, with 6 in Son Loi.
Truc Bach Street (Hanoi)	March 6–20 2020	190 people	Patient 17 (the first confirmed case of the second wave) lived on this street; 66 households were on lockdown.
Phan Thiet Streets (Binh Thuan)	March 13–April 3 2020	150 people	On two streets (Hoang Van Thu and Ngo Sy Lien) where the patient 38 lived, 29 households were on lockdown.
Van Lam 3 Village (Phuoc Nam Commune, Thuan Nam District, Ninh Thuan Province)	March 17–April 14 2020	5,000 people	Two COVID-19 infections, patient 61 and patient 67, led to total lockdown in this area, in which movement restrictions were put in place for all residents, and all 16 entrances to the village were closed off and monitored.
Thua Loi Village (Ben Tre Province)	March 23–April 20 2020	1,600 people	Isolation measures enacted on 480 households after a resident, 17-year-old patient 123, was infected with the virus.
Bach Mai Hospital (Hanoi)	March 28–April 11 2020	4,000–5,000 people	Locked down after 45 people connected to the hospital tested positive for COVID-19. Over 15,000 people who had been associated with the hospital were tested for the virus, and 40,000 people who had come in contact with the hospital sometime before the lockdown were tracked down.
Ha Loi Village (Me Linh District, Hanoi Province)	April 7–May 6 2020	10,000 people	Sealed off during lockdown, with the last detected community cases (apart from Ha Giang patient 268).
Dong Van District (Ha Giang Province)	April 22–23 2020	7,600 people	The lockdown was put in place before obtaining the test results for suspected cases, and was released the day after when the tests were found negative, exemplifying how quickly the authorities reacted.

Source: Todd Pollack et al. (2021), *Emerging COVID-19 success story: Vietnam’s commitment to containment*

Schools have remained closed for the most part of the past two academic years (see Table 3 for timeline), forcing children to engage in online learning. Despite the negative implications, it was believed it was the best to avoid cross contamination between children and between households at a time when there was no vaccine nor treatment available. In 2022, school reopening was post poned on different occasions due to a surge in the number of cases across the country from February 2022.

Table 3. School closures between 2020 - 2022

January 30 2020 – May 4 2020	Schools closed on New Year holiday, then extended until end of March 2020, then National lockdown until April 16 2020.
May 4 – end of May 2020	Schools reopened
June – August 2020	Schools closed for summer holidays
September 2020 – April 27 2021	Schools reopened
May 2021 – April 2022	Schools closed for pandemic, and summer holidays, then again for pandemic
End of April 2022 – end of May 2022	Schools reopened for the last semester and final examinations
End of May 2022	Schools closed for summer holidays

Source: Authors compilation

Financial support in response to the pandemic

From the beginning, the government had set out an ambitious dual objective of containing the virus spread while supporting economic development. Restrictions and lockdowns have resulted in stagnant economic activities and State revenues on a decline, while spending for health expenditure and disease control have significantly increased. **The cost of financing the Covid-19 response is a heavy burden on both central and local budgets and social health insurance.** According to a recent government report presented to the National Assembly, 18.1 trillion VND from State budget went to serve pandemic prevention regulations and supporting people affected by the Covid-19 pandemic in the first half of 2020. Table 3 sums up how expenditure items under the national response plan against Covid-19 are funded, according to the Ministry of Health.

Table 4. Source of funding for COVID-19 prevention and treatment

Expenditure item	Source of fund/ funding mechanism
Overall national response plan	Central and local budgets, other local funds, and health insurance
Cost of quarantine	Central budget, local budget, and other local funds
Cost of testing	Social health insurance
Cost of treatment for COVID-19 induced illness	Social health insurance (for Vietnamese patients), out-of- pocket or own health insurance (for foreign patients)
Cost of treatment for other existing/chronic conditions of COVID-19 patients	Social health insurance covers 80% and central budget covers 20% co-payment (for Vietnamese patients), out-of- pocket or own health insurance (for foreign patients)

Source: Department of Planning and Finance (MOH), Health Insurance Department (MOH)

During the pandemic, Vietnam's State Bank has required all commercial banks to offer solutions to support businesses, including loan extension, loan term adjustment, loan fees exemption and reduction, lower interest rates, etc... As a result, Vietnam was among countries with largest interest rate deduction in the ASEAN region, allowing credit institutions to have access to low-cost capital from the State Bank. In addition, the banking industry has announced a policy of supporting interest rates of 2% per year in the two years 2022-2023 through the system of commercial banks for commercial loans to businesses, cooperatives and business households.

State interventions to help people and businesses were introduced began following the first national lockdown in April 2020. In addition to tax reduction, electricity and water bill reduction, cash support was also being introduced. The 2020 relief package, 62.000 billion VND, largest one ever issued by Vietnamese government in history, was designed to provide additional support to those who were already beneficiaries of social policies and those whose income was significantly reduced, lost their jobs, were unemployed or failing to ensure a minimum standard of living. The second group of vulnerable targets include workers, business households and enterprises who were negatively affected by the pandemic. However, the program encountered difficulties during implementation at various levels. Inability to provide certifications, complex paperwork to qualify for the application of support, have prevented many workers adversely affected, mostly informal workers, not being eligible to receive the designed support.

Relief packages designed for formal firms were different than those for households, but experienced similar implementation challenges in the early stages. These policies were primarily in the form of deferments and credits were available for a longer period of time. Despite these differences, implementation challenges were also experienced. However, given the continuous availability of assistance to firms, there appears to be some learning from experience and improvement in implementation over time.

In 2020, the Government passed a 2.6 billion USD financial support package, targeting poor people and businesses affected by the pandemic. It targets six categories of individuals and businesses, including poor and near-poor households, workers who are furloughed or put on leave without pay, and household businesses. In 2021, under Resolution No. 68/NQ-CP dated July 1, 2021, the Government implemented another relief package worth 1.13 billion USD with 12 groups of policies in support of the affected workers. According to the Vietnam Social Security (VSS), nearly 3.1 million workers have benefited from those support policies.

Lagging behind in vaccination in the first half of 2021, but becoming one of the world's best performers a year later.

Vietnam took early action to contain COVID-19 and managed health risks remarkably well but was behind on vaccinations amid rising cases of the fourth wave of infections hitting the country. In May 2021, only 0.02% of the population was fully vaccinated, far below averages in the developing South East Asia and worldwide. About half a billion people in the world were fully vaccinated in May, or roughly 6% of the world population. Viet Nam was struggling to secure an adequate supply of vaccines due to global vaccine constraints and shortages. The Government used multiple channels and strategies to ensure vaccine supply, COVAX was a game changer in the early days-but the efforts to employ vaccine diplomacy and mobilizing international vaccine supply and injection equipment was very strategic.

In June 2021, Vietnam launched the Vietnam Fund for Vaccination and Prevention of Coronavirus Disease, a public fund to secure 120 million vaccine doses by the end of the year. The government fund has the objective to cover “the activities of purchasing, importing, researching and producing vaccines in the country and using Covid-19 vaccines for people.” The fund was able secured USD 390 million (by June 30, 2022) from more than 646,442 organizations and individuals.

Among the vaccines approved by the Vietnamese Ministry of Health, most popular are Oxford–AstraZeneca vaccine, the Pfizer–BioNTech vaccine, the Moderna vaccine and Sinopharm BIBP vaccine, mostly due to the larger quantity of doses available through vaccine-diplomacy programs. As of 30 June 2022, a total of 232.432.145 doses have been administered in Vietnam.¹⁵

Table 5. List of vaccines approved by Vietnam’s Ministry of Health

Name of vaccine and manufacturer	Country of origin
Comirnaty - Pfizer/BioNTech	U.S.A. - Germany
Spikevax - Modern	U.S.A.
Vaxzevria - Oxford/AstraZeneca	U.K- Sweden
Sputnik V - Gamaleya	Russia
Ad26.COV2.S - Janssen (Johnson & Johnson)	U.S.A.
Covilo - Sinopharm (Beijing)	China
Covaxin - Bharat Biotech	India
Abdala - Center for Genetic Engineering and Biotechnology	Cuba

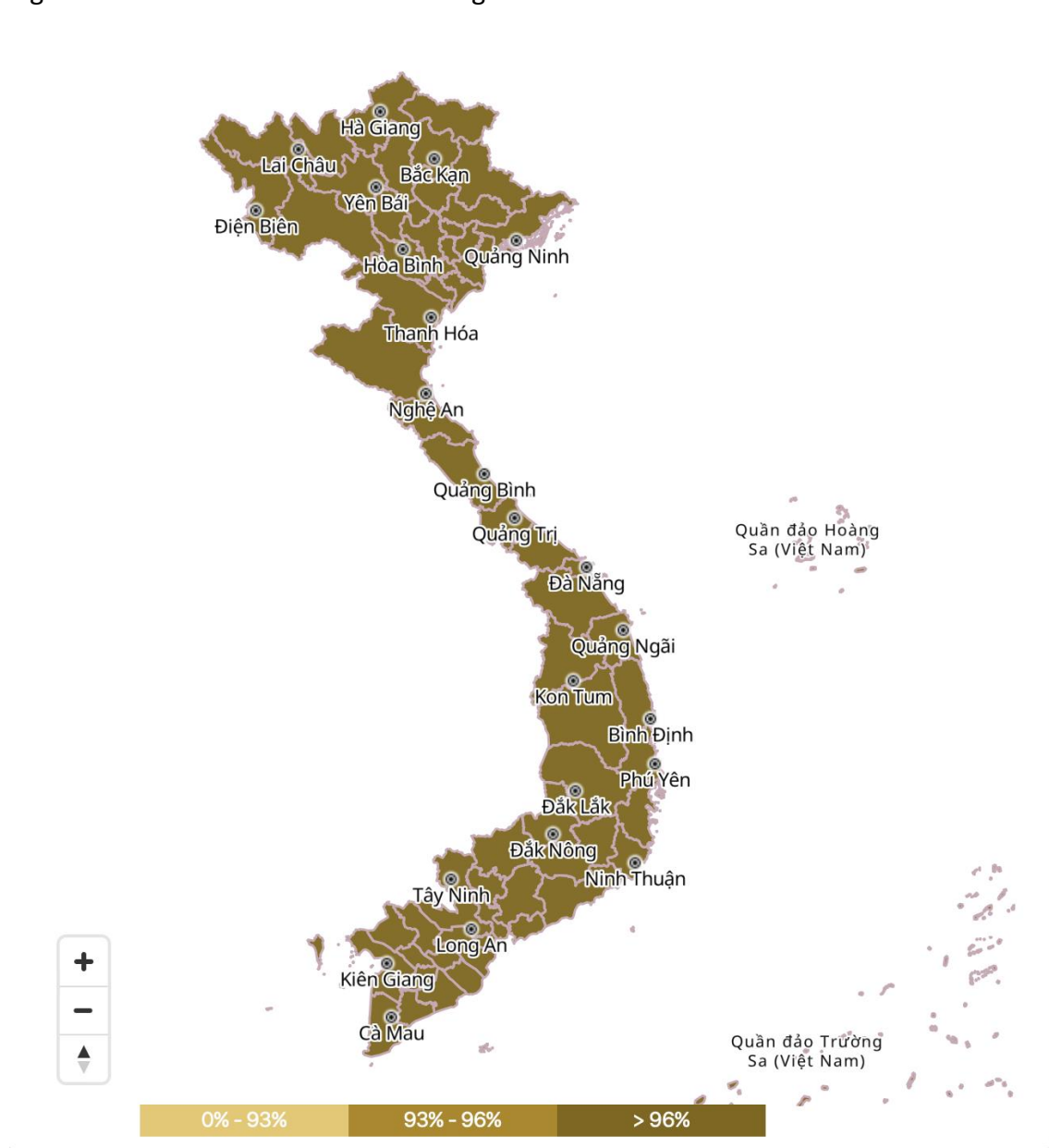
Source: Author’s computation

Vaccinations in Vietnam began on 8 March 2021 but the vaccine roll-out was significantly slower compared to countries in the region, and only really took off from July. As of mid-August 2021, only 1% of the population was fully vaccinated (with double shots), and 7.7% with at least one dose. The government however set out a national inoculation strategy that expected to complete vaccinations for 70% of the population by mid-2022.

¹⁵ Live COVID-19 Vaccination Tracker on <https://covidvax.live/location/vnm>

Despite a late start, Vietnam has outperformed many countries in reaching a national coverage. As of June 11, 2022, more than 223 million doses of vaccine were administered, with the basic dose coverage rate in people aged 12 years and older reaching approximately 100%.

Figure 3. COVID-19 Vaccination coverage



Conclusion/ Looking forward

For the first 18 months of the pandemic, Vietnamese government pursued an ambitious strategy of zero infection, thus deploying a rigorous system of contact tracing once an individual has been identified as positive (F0). Highly restrictive measures were employed, most notably a compulsory quarantine obligation for everyone: all incoming passengers from international flights were quarantined at centralized State-run quarantine facilities or selected facilities approved by authorities, and all people in close contacts with infected cases were also required to quarantine at central facilities, but as further information about the virus was learned, self-quarantine at home was later-on approved.

Such firm commitment brought huge success to Viet Nam in containing the spread, but came at significant cost to the economy that will resonate at a later stage. During the first year into the pandemic, Vietnam was not only able to limit the number of casualties (only 35 in 2020) but also to record a positive GDP growth rate of 2.9 percent in 2020. A study conducted among 23 countries in May 2020 even revealed that Vietnamese respondents recorded the second-highest level of satisfaction after China, with 77% rating positively their government's response to the COVID-19 crisis¹⁶.

The success, however, lasted for 18 months, until the emergence of the Delta variant, which marked the fourth wave of the COVID-19 pandemic in the country. In this second phase, the country was hit hard with rising cases and deaths at a level on par with an average country in the world affected by COVID-19. An extensive contact tracing and quarantine systems, lockdowns, social distancing and accelerate vaccination programs have helped Vietnam to gradually resuming to its normal life once again. In this new stage, the Vietnamese Government has rolled out various measures to contain the spread of the pandemic and build an economic recovery plan in tandem with safely adapting to the situation over short- and long-terms. By end of August 2021, the government announced that the country may face a protracted battle and cannot rely on indefinite closures and quarantines. The moment marks a major change in the country's strategy in dealing with the virus, moving towards an accelerated vaccination campaign to be **living safely with the virus** and gradually phase out restrictions.

Vietnam is not alone in being short on vaccines. Indeed, Vietnam's case exemplifies the difficulties of combating the pandemic with limited resources, which were exacerbated by institutional rigidities, most notably the Bidding Law applicable to government procurements, which twisted the Government's hands in extraordinary circumstances. Strong governance can help control the spread, but for long-term recovery, government resources that can be made available quickly are critical to securing vaccines. Like most

¹⁶ Karen Gilchrist (2020), China gets top score as citizens rank their governments' response to the coronavirus outbreak, CNBC news, published May 6, 2020

developing countries, Vietnam lagged behind developed countries that were able to secure vaccines much earlier and are in more advanced phases of immunization.

The shift to safely and flexibly adapting to the pandemic and the timely implementation of policies helped to boost socio-economic development in the first quarter of this year.

Resolution No. 128/NQ-CP on safely and flexibly adapting to and effectively controlling the pandemic, issued on October 11, 2021, has paved the way for transitioning back to a new normal. In March 2022, international flights were resumed, boosting its tourism sector. In May 2022, Vietnam dropped all COVID-19 testing requirements for international arrivals from May 15 after a drop in cases and in moving in line with the country's strategy of opening up. High-contact services recovered strongly, thanks in large part to a significant increase in spending by Vietnam's rapidly growing middle class to compensate for forced savings during the pandemic's two years. Vietnam and the Philippines logged their best performances in Nikkei's COVID-19 Recovery Index for May, as both countries managed to ease restrictions while keeping infections low.

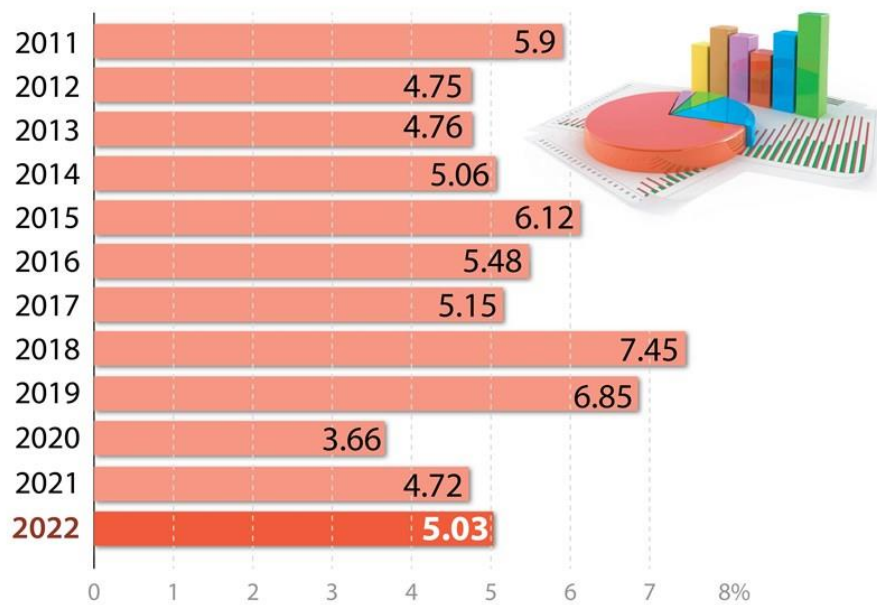
According to the General Statistical Office, Vietnam ended Q1 2022 with GDP growth at 5.03%. In the second quarter of 2022, Vietnam performed even better. The second quarter of 2022 GDP increased by 7.72 percent over the same period last year, which is higher than the growth rate of the second quarter of the years in the 2011-2021 period. The outlook for 2022 remains promising, as Vietnam is securing its image as a safe, attractive and promising destination for foreign investors. This year is forecasted a good year for foreign direct investment (FDI) attraction.

Figure 4. Q1 GDP growth rate over years (%)

GDP Q1 2022 **EST UP 5.03%**

GDP in the first quarter of this year was estimated to increase 5.03 % YOY

Q1 GDP GROWTH RATE OVER YEARS (%)



Source: General Statistics Office

<http://infographics.vn>

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Appendix 1. The Vietnamese process of contact tracing

- Once a patient with COVID-19 is identified (F0), local public health officials, with support from health professionals, security officers, the military, and other civil servants, work with the patient to identify who they might have been in contact with and infected in the past 14 days.
- All close contacts (F1), defined as people who have been within approximately 6 feet (2 meters) of or have prolonged contact of 30 or more minutes with a confirmed COVID-19 case, are identified and tested for the virus.
- If F1s test positive for the virus, they are placed in isolation at a hospital—all COVID-19 patients are hospitalized at no cost in Vietnam, regardless of symptoms.
- If F1s do not test positive, they are quarantined at a government-run quarantine center for 14 days.
- Close contacts of the previously identified close contacts (F2s) are required to self-isolate at home for 14 days.

Source: Todd Pollack et al. (2021), Emerging COVID-19 success story: Vietnam's commitment to containment