



TECHNICAL ASSISTANCE REPORT

VIETNAM

Report on Government Finance Statistics
and Public Sector Debt Statistics Mission
(March 3–7, 2025)

August 2025

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CDOT

BENEFICIARY COUNTRIES

Cambodia, Lao P.D.R., Vietnam, Indonesia, Malaysia, Philippines, and Thailand

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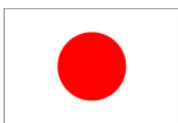


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Abbreviations and Acronyms

APD	Asia Pacific Department
CDOT	Capacity Development Office in Thailand
DFIE	Department of Finance and Industrial Economics
EFF	Extrabudgetary Financial Funds
GFS	Government Finance Statistics
<i>GFSM 2014</i>	<i>Government Finance Statistics Manual 2014</i>
<i>GFSY</i>	<i>Government Finance Statistics Yearbook</i>
IPSAS	International Public Sector Accounting Standards
<i>MFS 2016</i>	<i>Monetary and Financial Statistics Manual and Compilation Guide 2016</i>
MOF	Ministry of Finance
NFS	National Financial Statement
NLB	Net Lending/Borrowing
NPI	Non-Profit Institution
NPISH	Non-Profit Institutions Serving Households
NSO	National Statistics Office
PSDS	Public Sector Debt Statistics
PSDU	Public Sector Delivery Unit
QPSD	Quarterly Public Sector Debt
SBB	State Budget Balances
SBD	State Budget Department
SNA	System of National Accounts
SDDS	Special General Data Dissemination System
STA	IMF Statistics Department
STAFI	IMF Statistics Department Financial Institutions Division
TA	Technical Assistance
TABMIS	Treasury and Budget Management Information System
VBSP	Vietnam Bank for Social Policies
VDB	Vietnam Development Bank
<i>V-GFSM</i>	<i>Vietnam Government Finance Statistics Manual</i>
VPSAS	Vietnam Public Sector Accounting Standards
VSS	Vietnam Social Security
VST	Vietnam State Treasury

Preface

- 1. In consultation with the Ministry of Finance (MOF) of Vietnam, a technical assistance (TA) mission on Government Finance Statistics (GFS) and Public Sector Debt Statistics (PSDS) was delivered in Hanoi, Vietnam during March 3–7, 2025.** The goal of the GFS capacity development (CD) project is to assist the authorities to continue progress on GFS and PSDS compilation and dissemination according to the *GFS Manual 2014 (GFSM 2014)* and the *PSDS Compilation Guide 2013 (PSDS Guide 2013)*. The mission was part of the broader GFS CD project which is funded by the Government of Japan (JSA4) and administered by the IMF's Statistics Department (STA) in coordination with the regional CD Office in Thailand (CDOT). The mission was delivered by Mr. Deon Tanzer, Resident GFS Advisor at the regional CD Office in Thailand (CDOT) and Mr. Philip Stokoe, Senior Economist in the Government Finance Division of the IMF Statistics Department (STA).
- 2. The bulk of the mission comprised a 4-day interactive workshop focusing on classifying the general government sector, with presentations from the mission and the National Statistics Office (NSO), and hands-on exercises to classify specific Vietnamese State-Owned Enterprises (SOEs).** The workshop was arranged in collaboration with the NSO and attended by representatives from the State Budget Department (SBD), Department of Informatics and Financial Statistics (DIFS), Vietnam State Treasury (VST), General Department of Taxation, all under the Ministry of Finance, and the State Bank of Vietnam (SBV). On the final day of the mission, the mission met separately with VST and NSO to discuss the potential for improved data sharing, which will be vitally important for the goals NSO is seeking to achieve.
- 3. The mission would like to thank the staff of the Vietnamese institutions for their courtesy and willingness to share their knowledge as well as their ongoing dedication in the JSA4 project.** It is especially grateful to the staff of the various departments for the insightful discussions including Ms. Nguyễn Diệu Huyền, Deputy Director; Ms. Nguyễn Thị Thu Hương Deputy Director; and Ms. Vũ Thị Hải Anh, Senior Officer of the NSO; and Ms. Nguyen Thi Hien, Deputy Director of the VST. The mission would like to thank Ms. Nguyen Van Anh, Economist in the IMF Resident Representative Office for Vietnam for her technical contributions as well as her valuable assistance in organizing and coordinating the mission meetings. The mission team would also like to thank the two interpreters, Ms. Nguyen Thi Thu Hang and Ms. Hoang Hanh Ly, for their valuable professional services.
- 4. This was the sixth mission under the GFS CD project.** Previous missions have largely focused on working with SBD to help compile fiscal data aligned with the *GFSM 2014* framework, but progress has been limited. This is the first mission to work primarily with NSO. NSO's project to compile comprehensive sector accounts for Vietnam, including for the general government sector, provides a new opportunity to make progress with compilation of *GFSM 2014* data, in parallel with the compilation of national accounts data, given the similarities and overlap between the System of National Accounts (SNA) and the *GFSM 2014*.

Executive Summary

Background

5. **Vietnam has set ambitions to adhere to the IMF’s [Special Data Dissemination Standards \(SDDS\)](#)¹ by 2030.** As part of this endeavor, the NSO has started developing the comprehensive sequence of accounts of the sector accounts in line with the *System of National Accounts 2008 (SNA 2008)*. This will include transactions, other economic flows, and closing stocks (where relevant) for the full non-financial and financial accounts. The NSO is developing the sector that accounts for all sectors of the economy including the nonfinancial corporations, financial corporations, government, nonprofit institutions serving households (NPISH), and households’ sectors, as well as the external sector.

6. **A key starting point to compile the sector accounts is to classify public sector units as either public corporations or as part of the general government sector.** NSO has already given this extensive thought and prepared a nicely drafted set of Guidelines for classifying institutional units in Vietnam by extensively referencing the *SNA 2008* and *GFSM 2014* as well as institutional sector classification procedures used by advanced compiling countries. Related classification questions will be incorporated into surveys that the NSO annually sends out to 2,000 Vietnamese State-Owned Enterprises (SOEs), 12,000 state Public Sector Delivery Units (PSDUs) and associations, and every 5 years as part of the economic census with all enterprises, all PSDUs², and all nonprofit institutions (NPIs) of the economy. These questions were trialed during the 2023 annual survey and will be fixed into the forthcoming 5-yearly economic census. Both questionnaires request respondents to provide relevant financial data to compile the sector accounts. As a trial, the NSO sent out the annual survey to enterprises in 2023 and 2024, and to 12,000 state PSDUs and associations during 2024 but many respondents provided incomplete or inadequate answers regarding institutional sector classification even though the response rate was very high, around 95-99 percent.

7. **The interactive workshop largely focused on the process of classifying public sector units (PSUs) in Vietnam as part of public corporations (market units) or the general government sector (nonmarket units).** The workshop included presentations by the IMF and NSO, as well as practical exercises on the classification of a selection of Vietnamese SOEs to illustrate the key principles.

Findings

8. **Vietnam has a large and complex public sector, including SOEs, administrative agencies, PSDUs, some government controlled NPIs, as well as so-called *Extrabudgetary Financial Funds (EFFs)*³.** The mission discussed the need to compile and maintain a comprehensive list of public sector units. For example, the state PSDU list (divided into four groups according to financing models) is available

¹ The SDDS was established by the IMF to guide members that have, or might seek, access to international capital markets in the provision of their economic and financial data to the public. The SDDS is expected to enhance the availability of timely and comprehensive statistics and therefore contribute to the pursuit of sound macroeconomic policies and to contribute to the improved functioning of financial markets.

² In Vietnam, PSDUs are entities that operate through a mixture of own revenue and government grants operating in various sectors including science and technology, health, culture, sports and tourism, education, and media

³ Vietnam has more than 22 extrabudgetary funds, that operate mostly financial funds to serve specific policy purposes. These include the Gasoline Prize Stabilization Fund (GPSF) and the Environmental Protection Fund (EPF).

from the Department of Finance and Industrial Economics (DFIE) of the MOF. This list should then be used by all departments in the SBV, NSO, and the MOF that compile macroeconomics statistics.

9. As a first and crucial step, the mission recommends that the NSO work with VST, SBV SBD and other relevant departments to compile a comprehensive inventory of (private and) public sector-controlled units by April 2026. The proposal is for each unit to be recorded with fields on identity, industry, other typology, and national accounts codes. In addition, the mission recommends that a dedicated sector classification team be established to develop and maintain the list on an ongoing basis while also documenting key information on assessments.

10. The mission recommends streamlining the classification process by following some key principles. Considering that most units' typology and economic nature are quite constant or slowly changing over time, the mission recommends assessing units only every five years rather than annually. NSO can also streamline the process by pre-filling identity and typology information in questionnaires from the central inventory and having respondents validate or amend information as needed. Questionnaires can adopt different classification approaches for the largest representative SOEs, all other SOEs, PSDUs, and NPIs, as is the current practice. This report follows the *GFSM 2014* Figure 2.4 decision tree order that assesses control before the nonmarket test, but leads to the same outcomes with the decision tree order described in *SNA 2008* Figure 4.1

11. For the largest representative SOEs, the mission recommends the NSO to scrutinize the classification manually by analyzing financial statements and their notes. The compiler determines whether the private or public sector controls this unit by assessing the indicators of control explained in *GFSM 2014* Box 2.1. Another step will be to assess whether the unit is a nonmarket (part of government) or market (part of public corporations). The compiler determines this by assessing outcomes of an *economic significant prices* (ESP) test and *government financial support* test, where the mission provided detailed guidance on determining the inputs and outputs of these tests.

12. For all other SOEs, the mission recommends using a simplified approach. The compiler determines control only by shareholding (above 50 percent shares owned by the public sector indicate the unit is part of the public sector and otherwise the private sector). Thereafter the compilers assess only the ESP test (above 50 percent indicates the unit is market and below 50 percent nonmarket).

13. The mission recommends classifying PSDUs in groups according to their funding typology, rather than assessing all units individually. It is safe to assume that all state PSDUs are controlled by government and thereby are part of the public sector. The mission recommends that groups of state PSDUs that are fully or mostly financed from the budget should be classified nonmarket (general government sector). Units that generate mostly their own revenue for goods or services they provide can generally be classified as market units (public corporations), although the nature of their operations or nature of revenue may still lead to a nonmarket classification.

14. The mission recommends classifying NPIs according to the main source of revenue where broad market sales or voluntary fees indicate the unit is a market unit, compulsory fees and the majority funding stemming from donations or government transfers indicate the unit is a government unit. Religious and belief NPIs are classified as part of the Non-Profit Institutions Serving Households (NPISH) sector.

15. The mission also explained that the above guidance only applies to generic public sector units and that separate, specific guidance needs to be followed in some other cases. Financial

institutions need to be assessed separately according to specific *SNA 2008*, *GFSM 2014* and *Monetary and Financial Statistics Manual and Compilation Guide 2016 (MFS 2016)* guidance. Vietnam also has units where *SNA 2008* and *GFSM 2014* provide specific guidance. The project will work with the NSO to identify and assess these cases. For instance, Extrabudgetary Financial Funds (EFFs) are essentially funding vehicles serving policy purposes and fully controlled by government, that very likely should be classified as part of the government sector.

16. Efforts to compile GFS data in line with *GFSM 2014* in Vietnam over the last ten years focused on working with the SBD with limited success largely due to the less suited budget execution data used to compile GFS. The sector accounts implementation, coupled with the restructuring of the government that moved NSO into the MOF, may present a new opportunity to progress on developing Vietnam's government sector data in line with *SNA 2008* and by extension also *GFSM 2014*. In the longer run, it may be sensible for NSO to compile general government data in line with *GFSM 2014* for Vietnam in parallel to the sector accounts that follow *SNA 2008* guidelines.

17. The mission discussed with NSO and VST to share budgetary government data derived from the TABMIS system as a key near-term goal. TABMIS data should provide the adequate level of detail to comprehensively compile government sector data and thereby allow the government sector to become analytically useful. Here future missions can advise on potential remedies to resolve issues that were discussed with VST during the November 2023 mission. NSO and VST have informally initiated discussions on deriving suitable budgetary government data from TABMIS with an aim to establish data sharing protocols by April 2026.

Recommendations

18. The mission identified the following three priority recommendations:

Table 1. Priority Recommendations

Target Date	Priority Recommendation	Responsible Institutions
April 2026	NSO establishes a dedicated unit to develop and maintain a centralized inventory of (private and) public sector units, with collaboration from SBV, VST, DFIE, and SBD.	NSO, coordinated with SBV, SBD, DFIE and VST
Starting with the 2026 Economic Census.	NSO refines its Guidelines and questionnaires in line with current groupings (enterprises, PSDUs, and NPIs) with customized assessments on public sector control and (non) market classification,	NSO
April 2026	NSO and VST establish data sharing protocols tentatively by April 2026, where the GFS Advisor can contribute to potential remedies of TABMIS data shortcomings.	NSO and VST

I. Detailed Technical Assessment and Recommendations

A. Review of Guidance and Surveys

Background

19. NSO has a workplan to develop comprehensive sector accounts for Vietnam over the next five years. This fits with Vietnam's ambitions to adhere to the IMF's SDDS guidelines by 2030. The Sector Accounts will present the full sequence of accounts, in line with *SNA 2008*, covering national accounts transactions, other economic flows, and balance sheet stocks. The Sector Accounts will cover the different (sub)sectors of the Vietnam economy – the non-financial corporations, financial corporations, the general government sector, households, non-profit institutions serving households (NPISH), and the external sector. NSO will implement the sequence of accounts step-by-step, starting with the production account, then primary income account, secondary income account, capital account, and so on.

20. As part of this effort, NSO has developed guidelines and survey questionnaires to aid with the classification of units, and to gather the necessary data to compile sector accounts data. The surveys are designed to target different types of Vietnam-specific legal units, including enterprises, PSDUs and NPIs. These guidelines were mostly developed in-house through a thorough study of the *SNA 2008* and *GFSM 2014* and referred to the classification of institutional sectors in countries such as New Zealand, Canada, Finland, Australia and the EU (ESA) on the internet. As a trial the NSO sent out the survey to public sector units during 2023 and 2024. Although the response rate was very high, many respondents provided incomplete or inadequately filled out questionnaires. The NSO aims to update and finalize these questionnaires by July 2025, to implement an appropriate and workable classification assessment in the 5-yearly Economic Census, that will next take place in 2026.

21. The mission conducted a high-level review of the guidelines and the survey forms which the mission deems largely sound but also identified some potential areas for improvement.

Findings

Typology of the Vietnam public sector

22. Vietnam has a large and complex public sector, including SOEs, PSDUs, NPIs and EFFs. These legal and administrative designations are only partly helpful in determining where these entities should be classified in the sector accounts.

23. SOEs are corporations incorporated in Vietnam where government and/or SOEs own shares to a varying degree:

- Fully owned by government
- Limited liability
- Joint-stock companies

These companies often operate nationally in the nonfinancial and financial sectors and include entities such as Vietnam Airlines, Viettel Post Vietnam Railway Corp, Vietcombank, Vietnam Development Bank, Petro Vietnam and Vietlot.

24. PSDUs are entities that operate through a mixture of their own revenues and government grants and are active in various sectors including science and technology, health, culture, sports and tourism, education, and media. The mission understands that the DFIE maintains a list of state PSDUs that are divided into 4 different funding categories:

- Self-financed units [A]
- Units whose recurrent expenditures are self-financed [B]
- Units where part of their recurrent expenditures are self-financed [C]
- Units whose recurrent expenditures are covered by the State Budget [D]

PSDUs covered by the state budget, which are by far the largest group of PSDUs [D] include entities like kindergartens, primary schools, and secondary schools. At the other end of the scale, self-financed PSDUs [A] include Vietnam's 4 largest public hospitals – including Cho Ray Hospital in Ho Chi Minh City, and Bach Mai Hospital in Hanoi.

25. NPIs cover entities that operate on a not-for-profit basis serving a wider set of social and economic goals. These include the Real Estate Association, Blind Association, Red Cross Association, Bar Association, and Union of Scientific and Technological Associations.

26. Extrabudgetary financial funds are units that have been set up to serve specific funding needs of policy goals. These include entities like the Investment Support Fund, the Environment Protection Fund and the Forest Protection and Development Fund. These funds are fully funded by the government or through lending guaranteed by the government.

NSO Guidelines to classify (public sector) units

27. In 2021, NSO developed Guidelines for Statistics by Institutional Sector of Vietnam that broadly aligns with SNA 2008 and the GFSM 2014 guidance to assess which units are controlled by the government and/or public sector in Vietnam. This detailed document provides a detailed overview of the approach to sector accounts in other countries, a summary of key concepts in SNA 2008 and detailed guidelines on the process to classify institutional units in Vietnam. The Guidelines also include a series of decision trees to guide compilers on the classification of particular types of units.

28. The guidance and survey follow a sound approach to classify public sector units. The steps followed are to classify units aligned with the decision tree illustrated in Figure 4.1. of the SNA 2008 (see Appendix I). Although the order of decisions differs to the sequence explain in GFSM 2014 Chapter 2, the decision tree also assesses the 4 key GFSM 2014 steps to classify nonfinancial public sector units.

- Is the unit a resident of the Vietnam economy?
- Is the unit an institutional unit?
- Does government and/or public sector units control the entity?
- Is the unit a market entity or nonmarket entity?

Figure 4.1 of SNA 2008 goes further to distinguish between non-financial corporations and financial corporations as well as households and NPISH. These delineations are also described in GFSM 2014 Chapter 2 and are varying relevant to Vietnam public sector units.

29. This guidance is suitable for generic nonfinancial public sector units, while *GFSM 2014* Chapter 2 also provides additional specific guidance on classifying particular kinds of public sector units. This additional guidance covers entities such as *financial protection schemes, sovereign wealth funds, restructuring agencies, development funds*, and other types of units commonly created by governments. Applying this specific guidance means that some Vietnamese entities that are currently classified by NSO outside the general government sector, such as the Vietnam Development Bank (VDB)⁴ and Deposit Insurance of Vietnam, should be reclassified inside the general government.

30. After determining that entities are resident institutional units, the Guidelines follow Figure 4.1 of *SNA 2008* to assess whether units are market or nonmarket. The assessment largely aligns with the approach that Australia follows where it assesses 3 primary, and four secondary indicators based on *GFSM 2014* paras 2.65 to 2.75. During the JSA4 project, the GFS Advisor has worked with the senior GFS compiler in Australia (also the IMF GFS short-term expert for Vietnam) to refine this approach. Here the main changes relate to the order in which indicators are assessed, where the first indicator checks if a public sector unit's only customer is government, thereafter the most important primary indicator covers an economically significant prices (ESP) test, and the level of government financial support is assessed as the last primary indicator. If these primary indicators do not provide sufficient direction, the indicators covering (i) profitability, (ii) competition, and (iii) prices set by government are weighed to assess whether a unit is nonmarket. See Box 1.

31. The Guidelines further assess whether enterprises are controlled by the government using the level of shareholding as the only indicator for SOEs, whereas *SNA 2008* and *GFSM 2014* describe 8 indicators of control. These indicators are described in Box 2.2 of *GFSM 2014* and are particularly relevant for public sector control of corporations. Box 2.2 also describes additional indicators above shareholding such as: (i) control of the board; (ii) regulation and control; and (iii) borrowing through government, see Appendix II. For PSDUs and NPIs, the Guidelines assess three indicators of control on: (i) the right to appoint and dismiss the head of the unit; (ii) whether the *State*⁵ decides on important aspects of the unit's operational policies; and (iii) the unit's sources of operating funds. These align with key indicators described in Box 2.1 of *GFSM 2014* that explains 5 indicators of control. The overarching principle to determine control is the ability for government / public corporations to determine the general policy or program of an institutional unit.

⁴ The November 2023 TA mission discussed the classification of the VDB, where the IMF Government Finance and Financial Institutions divisions subsequently recommend that VDB is classified as part of the general government sector.

⁵ The NSO uses the term *State* to indicate budgetary government units, public sector units and other organizations whose operating funds are mainly provided by the *State*, separately for the central and local levels.

Box 1 – Six Market/Non-market Indicators

Primary Indicators

The first indicator checks if a SOE's only customer is government. If government is the SOE's only customer, there is no competition or tendering for the business, then this signifies a dedicated provider of ancillary services (in line with *GFSM 2014* para 2.45) and thus deemed a nonmarket operator (as noted in *GFSM 2014* para 2.72). No other indicators would need to be assessed.

The second, and most important, primary indicator covers economically significant prices (ESP). Prices can be shown to be economically significant when most SOEs goods and services costs are covered by market sales revenue and consumers can choose, based on price, whether to buy and how much to buy. *GFSM 2014* paras 2.65 – 2.75 provides an explanation on assessing economically significant prices.

An ESP ratio is calculated by sales divided by the sum compensation of employment, purchase of goods and services, so-called consumption of fixed capital (where depreciation often serves as a good proxy), and taxes paid on production.

- If the ESP ratio is <50%, the unit is nonmarket;
- If the ratio is >50% and <100%, the indicator tends market, especially closer to 100%;
- If the ratio is >100%, the indicator assesses market;
- Ratios > 50% would need to be weighed with the government financial support indicator.

Government financial support to the entity is the third primary indicator. If the entity is largely self-funded, through sales of goods and services at economically significant prices, then it is likely that this market indicator would be satisfied. However, if the government provides significant financial support, such as operating subsidies, nonfinancial investment transfers, intermittent capital injections, guarantees, and/or concessional lines of credit (loans) then this market indicator may not be met. The equity statement should additionally be reviewed when considering this indicator, where a negative equity indicates that an entity has recorded accumulated negative retained earnings and would likely need future ongoing transfers to remain operational.

To measure government financial support, several ratios can be assessed to indicate whether this support is significant. One or more of the following average ratios over the last 3 years indicate government financial support as nonmarket.

- When >50% of the debt is backed by government through on-lending and/or guarantees
- When >30% on revenue composes transfers
- When >current transfers cover 30% operating expenses
- When >capital transfers cover 50% capital investment expenditure

When government assures the continuity of a unit through blanket pledges to keep an entity operational, government financial support should be assessed as nonmarket since the unit will inherently incur low risks on its business decisions.

Box 1 – Six Market/Non-market Indicators continued

Secondary Indicators

Profitability is the first secondary indicator. Privately controlled corporations are treated as market producers and generally aim for profitability over the long-term, or to break even. This may not always be true for public sector entities (where public interest is often the primary motive ahead of profit). It can thus be instructive to assess whether a SOE breaks even or is profitable over the long-term. Profitability could, for instance, be a potential source of financial gain to the owner (government) and this can be reflected in a return on equity increasing net worth and/or through payments of dividends.

- 3 years' of accumulated losses would indicate nonmarket for this indicator

The second secondary indicator assesses whether competition is limited. In this case, this indicator would tend towards a nonmarket operation. Limited competition can be discerned if the SOE is the only provider of a service in a specific market within a wider geographical area or if SOEs are the only other providers in an overlapping market. Limited competition could result from varied circumstances. This could occur through government legislation restricting or preventing other entities from providing similar services or entrants facing other prohibitive barriers to entry such as high required capital costs, among others. This indicator needs to be qualitatively assessed.

The third secondary indicator is prices set by government. *GFSM 2014* para 2.67 notes that prices may be set by government on administrative, social, or political grounds for goods or services. These set prices are often lower than what an otherwise market price would be. Prices may be charged to raise some token revenue and/ or reduce, but not eliminate, excessive demand that may occur if goods and services are provided free of charge.

- This is a binary assessment. If government determines pricing specifically for the unit (and other public sector units) in question the indicator assesses nonmarket. However, if government regulates a market where the SOE participates in, with multiple (private sector) service providers, the indicator does not assess nonmarket. Obviously, if no pricing regulation is in place, this indicator assesses as market.

The stand-alone indicators are subsequently assessed in the following sequence:

- (i) If the SOE only provides goods to services to (or acts on behalf of) government, the SOE is assessed as nonmarket. No further steps are required.
- (ii) If the ESP ratio is below 50%, the unit is assessed as nonmarket.
- (iii) If the ESP ratio is between 50% and 100% and one government financial support ratio indicates nonmarket, the unit is assessed as nonmarket.
- (iv) If the ESP ratio is above 100% and two government financial support ratios indicate nonmarket, the unit is assessed as nonmarket.
- (v) If neither (iii) nor (iv) assess nonmarket and 2 of the 3 secondary indicators assess nonmarket and/or the unit collects taxes, the unit is assessed as nonmarket.

Survey design

32. The NSO developed questionnaires that it sends annually as a survey to 100,000 enterprises and every 5 years NSO as part of an economic census to all over 6 million entities in the Vietnam economy. The 6 million entities include about 700,000 enterprises; more than 90,000 administrative units, PSDUs and associations; 50,000 NPIs and over 5.2 million individual household-enterprises. These entities are categorized into distinct types of units, with questions customized to each type. The questionnaires contain key identifying information, typology information, background information on the operation of entities (including employment numbers), and classification assessment questions. The classification questions are

explained in line with the Guidelines described above, where respondents are instructed to self-evaluate responses. The questionnaires also request respondents to provide relevant financial data to compile the sector accounts. The NSO cross-verifies significant portions of information against administrative databases.

33. To assess control of enterprises, the NSO questionnaire simply asks respondents to provide the level of shares in enterprises belonging to the Central or Local State. A share above 50 percent indicates that the public sector has control of a unit while a level below 50 percent indicates that the unit is under private sector control. For PSDUs and NPIs, the NSO questionnaire asks on (i) the right to appoint and dismiss the head of the unit, (ii) whether the *State* decides on important aspects of the unit's operational policies, and (iii) the unit's sources of operating funds.

34. To assess whether units are nonmarket or market, the survey asks respondents to self-assess whether it sells goods and/or services at economically significant prices. The survey further asks questions to determine whether the State imposes a customer network on the unit and whether the unit's products are monopolistic. Here it provides respondents and explanations of the concept and the meaning of questions. An ESP ratio below 50 percent indicates that the units are a nonmarket unit and a level above 50 percent, along with satisfying one of the two criteria (customer base or competition), indicates that the units are a market unit.

35. As a trial, the NSO sent out the annual survey questionnaire to enterprises in 2023 and 2024, and to PSDUs during 2023 and received many respondents providing incomplete or inadequate answers regarding institutional sector classification. One potential underlying issue explaining the inadequate response level on classification questions could be related to the technical nature of the questions. As most generalists, respondents are answering technical specialist questions that macroeconomics statisticians have in-depth knowledge of. For example, for the ESP calculation, the respondent needs to be able to distinguish between sales and other revenue and also needs to distinguish production costs within all expenditure. Global experience has learnt that respondents (as nonspecialists) often lack the trained knowledge to construct the components of the ESP formula fully correctly.

36. The mission discussed with NSO an approach to refine the questionnaire design using a few guiding principles to ensure an effective and efficient possible questionnaire as feasible.

- Pre-fill existing information and ask respondents to validate this information, rather the request respondents to fill out questions and NSO cross-verify information from existing databases. This means that information covering the units on their identity (name, address, business registry number, etcetera) and typology (legal form, principal and secondary activities, financing form, etcetera) can be derived from existing administrative databases.
- Frame respondents' questions to follow their financial knowledge of their units rather than macroeconomics statistics styled specialist questions. This means that information on ESP ratios or government support can be prompted by asking for specific chart of account codes financial information and a(n) (automatic) calculation flows out from responses.
- Consider the effort required (by respondents to fill out questionnaire and the NSO to process) compared with the outcome. Here the Pareto principle⁶ is often a good underlying principle to follow,

⁶ The [Pareto principle](#) (also known as the 80/20 rule, the law of the vital few and the principle of factor sparsity) states that for many outcomes, roughly 80% of consequences come from 20% of causes (the "vital few").

whereby the 10 percent or 20 percent largest units of each sector may cover 90 percent or 80 percent of the value of all units in each sector. This means that only the largest SOEs need to be surveyed in detail while smaller SOEs can be surveyed using simple classification assessment questions or an overarching classification can be applied to groups of units according to their (financing) typology.

- When requesting information on the ESP ratio and government financial support, consider that this can be derived from the financial statement data already surveyed and may not need to be duplicated in a set of survey questions.

Central inventory of (private and) public sector units

37. The mission proposes that the statistical authorities in Vietnam establish a central inventory of all (private and) public sector units, led by NSO. A good starting point will be to collate existing lists into a single database, where it is understood that the type of data recorded in each existing list may not always be entirely the same. This can be done on a step-by-step basis to manage the process as effectively as possible. The central databases would contain fields that cover:

- Identity
 - Name
 - Address
 - Business registry / tax number
 - Etcetera
- Typology
 - Legal form
 - Principal and secondary activities
 - Financing form
 - Shareholders in %
 - Etcetera
- National accounts coding
 - (Sub-)sector
 - VSIC
 - Region

38. The mission further proposes that NSO establishes a dedicated classification team to maintain this database, with collaboration of the relevant departments in the SBV, VST, and MOF. The objective will be that all units involved with data collection and compilation in the context of Vietnam macroeconomics statistics use this central database. This can, for instance, include when financial institutions provide economy-wide information in so-called standard report forms or within financial surveillance information. In an ideal scenario, the NSO will publish the list of public sector units with their related sector, VSIC, and region codes for a broad set of users to access.

39. The mission proposes to use the central database to pre-fill annual survey and economic census questionnaires with the Identity and Typology information. Here the respondents will be instructed to actively verify or amend the data as needed. This will put the burden on the respondents to ensure the information is correct and at the same time reduce NSO's efforts. Where discrepancies are flagged by respondents, the NSO can investigate further or take over information depending on the size of the entity.

40. Considering most units' typology and economic nature are quite constant or slowly changing over time, the mission recommends assessing units only every 5 years rather than with each annual survey. The NSO may consider using anecdotal information on fundamental changes to entities or groups entities to *ad hoc* survey units in the years these changes take place where these changes could have a significant impact on sector accounts outcomes.

General approach to assessing public sector control and (non)market classification

41. The mission proposes that the survey questions are adjusted to request data defined according to the financial statements that also include references to the Vietnam universal chart of accounts codes. The data fields can be set up as separate ESP and government support styled questions or, to avoid double-requesting data, included as line-items in the financial data requested from each unit. It is possible that the chart of accounts will not provide a specific breakdown on some items under government financial support, like guarantees or lending from / through government. Here the respondents may need to find information in the notes to financial statements.

- For the ESP ratio calculation⁷:
 - Sales
 - Wages and salaries
 - Purchase of goods and services
 - Depreciation (as a proxy for consumption of fixed capital)
- For government financial support:
 - Current transfers received (transactions)
 - Total revenue (transactions)
 - Capital transfers received (transactions)
 - Net increase in non-financial assets (transactions)
 - Lending from/through government (stock)
 - Government guaranteed debt (stock)
 - Total liabilities (stock)

42. The mission notes that there is considerable room to reduce duplication and repetition for simplification. For example, the Guidelines contain numerous decision trees with significant amounts of overlap. To simplify the readability, the NSO may consider using a generic decision tree, with additional decision trees or branches in decision trees for exceptional cases.

Assess public sector units according to typology

43. The mission recognizes that a comprehensive assessment of 54,000 public sector units⁸ will be burdensome and thereby recommends that the NSO refines the assessment procedure. Here the

⁷ According to the standard Vietnam financial statement presentation, production costs can also be calculated as the sum of Cost of goods sold + Selling expenses + General administration expenses. General administration expenses also include expenses not related to production costs where the survey request data on provisions for doubtful debts, taxes, financial expenses so as to exclude these data.

⁸ This includes 2,000 state-owned enterprises; 52,000 state PSDUs and associations (excluding 32,300 administrative units that are wholly part of the Government sector)

mission supports NSO's approach to assess units according to their (legal) typology – i.e. to assess enterprises, PSDUs, and NPIs in targeted and distinct ways. This approach will also allow NSO to streamline its approach targeting classification assessment questions according to the typology of the units. The mission thus proposes to assess the nonmarket or market classification and control classification with separate approaches for groups of units.

44. The mission recommends assessing public sector control according to the following groups.

- For the largest representative SOEs, assess and document all the indicators of control, except on golden shares which are not in play in Vietnam.
- For all other SOEs, assess shareholding where a majority share by the collective central and local government plus potentially other public sector units will indicate control by the public sector.
- For *State* PSDUs, it is safe to assume that all units are controlled by government since they are dependent on financing by government, have their managements appointed by government, and/or have specific legislation designating the establishment and operations of these units.
- For NPIs, religious and belief organizations are deemed as part of the NPISH sector in line with *GFSM 2014* para 2.61
- For other NPIs, control is assessed on whether (i) a specific law mandates an NPI's existence, (ii) if government appoints the board and/or chief executive officer, and (iii) if the NPI receives a majority of financing from government.

45. The mission recommends assessing whether a unit is market or nonmarket according to the following groups of non-financial public sector units.

- For the largest representative SOEs, assess only the primary indicators (i) government only customer, (ii) economically significant prices, (iii) financial support in the sequence discussed in Box 1
- For all other SOEs, assess economically significant prices where a ratio below 50 percent will indicate the unit is nonmarket and above 50 percent is market.
- For *State* PSDUs, assess groups of units according to financing model⁹. Under *State* PSDUs there are some specific cases that required customized analyses as described in bullet 1. Here the NSO can follow the 4 different categories that APSDD groups state PSDUs under:
 - Self-financed units **[A]**
 - Units whose recurrent expenditures are self-financed **[B]**
 - Units where part of their recurrent expenditures are self-financed **[C]**
 - Units whose recurrent expenditures are covered by the State Budget **[D]**

Units whose recurrent expenditures are fully covered **[D]** or mostly covered **[C]** by government should be classified as nonmarket (inside the general government sector). Self-financed **[A]** or mostly self-financed **[B]** units can be classified as market (public corporations), although some may need to be classified inside general government depending on the nature of their revenues. For example, units may be self-financed through compulsory charges like license fees, fees for permits, or revenue types that effectively are taxes and thereby be part of the government sector.
- For NPIs, assess groups of units according to the main sources of revenue

⁹ For PSDUs, it may be useful to group units according to the typology of the activity (hospitals, universities, cultural centers, etcetera) to facilitate the broader national accounts compilation process

- If it is mainly sales, the unit is classified as a non-financial corporation. Like in Box 1, if government is the only customer, the unit classifies as a government unit.
- If fees are compulsory, the unit classifies as a government unit and if the main source of revenue are voluntary fees, the unit classifies as a NPISH
- If the NPI is mainly dependent on transfers (grants + donations), the unit classifies as a NPISH

Classification of specific units

46. The mission recommends assessing the (non)market classification of public sector financial institutions separately by following specific *SNA 2008* and/or *MFS 2016* guidance in these types of units. This classification is best done in collaboration with the SBV – the compiler of Monetary and Financial Statistics. This includes assessments of financial protection schemes, deposit insurance corporations, development funds/banks, and agricultural banks.

47. In other cases, custom (non)market assessments are needed for specific cases of nonfinancial public sector institutions. Here, the Guidelines could usefully include an overview of units like management boards, associations, and religious organizations that need custom assessments in line with *SNA 2008* and *GFSM 2014*. The JSA4 project will work with NSO to identify specific cases that require customized analysis of the macroeconomics statistical guidelines and assess accordingly. The goal will be to document these assessments comprehensively and make them available to compilers and users of sector accounts.

48. Questions to NPIs on whether entities “are engaged in solving social and environmental problems” and if “units’ operations are for social security purposes” are not relevant for sector classification. These are also likely confusing for respondents. The Social Security Fund subsector in national accounts has a very specific definition as elaborately explained in *GFSM 2014* Appendix 2 on Social Protection. Previous technical assistance in the JSA4 project assessed that the Vietnam Social Security assesses as the main unit in the social security funds subsector. NPIs more than likely do not qualify as social security funds in sector accounts.

49. EFFs should likely be classified as general government units. NSO provided a specific example of the Gasoline Prize Stabilization Fund (GPSF), which has the traits of a general government unit because EFFs are essentially funding vehicles serving policy purposes and fully controlled by government. Based on these traits, the mission assesses this unit to be classified inside the general government sector. This assessment is in line with the 2013 Public Expenditure and Financial Accountability (PEFA) Assessment for Vietnam¹⁰ conducted by prepared by the Government of Vietnam with the support of the World Bank and the Development Partners participating in the Multi-Donor Trust Fund for Public Financial Management Modernization. The PEFA assessment noted the existence of around 22 EFFs, including the GPSF, Social Insurance Fund, and Health Insurance Fund, and included all EFFs in the government sector.

50. The NSO is already correctly classifying some Vietnam-specific NPIs as part of the government sector. This includes various communist party related entities – the Communist Party of Vietnam, the Fatherland Front, and Youth Union – as part of the general government. In Vietnam’s specific political landscape, these entities are intrinsically operating as part of government.

¹⁰ See [Public Expenditure and Financial Accountability \(PEFA\)](#)

Recommendation

- A.1** NSO establishes a dedicated unit to develop and maintain a centralized inventory of (private and) public sector units, with collaboration from SBV, VST, DFIE, and SBD, starting with a list of PSDUs by type from the DFIE by April 2026. The centralized inventory will include identity, typology, and national accounts coding fields.
- A.2** NSO uses the centralized database to pre-fill questionnaires with responding to units' identity and typology information that respondents will validate and/or amend where needed, starting with the 2026 Economic Census.
- A.3** NSO refines its Guidelines and questionnaires in line with current groupings (enterprises, PSDUs, and NPIs) with customized assessments on public sector control and (non)market classification, starting with the 2026 Economic Census.
- A.4** NSO directly assesses some sub-groupings (of PSDUs and NPIs) as one group based on typology, eliminating the need for assessment questions in the questionnaire.
- A.5** NSO separately assesses the (non)market classification of public sector financial institutions separately by following specific SNA 2008, *GFSM 2014* and/or MFS 2016 guidance in these types of units together with SBV.

B. Integration of Sector Accounts and GFS Data

Background

- 51. Efforts to compile GFS data in line with *GFSM 2014* in Vietnam since the advent of the JSA project have focused on working with the SBD.** Here a key achievement has been drafting a Vietnam-specific GFS compilation manual that provides a roadmap to compile government sector data in line with *GFSM 2014* customized to the Vietnam context. Unfortunately, the implementation is inadequately in line with *GFSM 2014* guidelines where Vietnam GFS is a one-on-one translation of the finalized Budget Execution Report. The line-item data classification reasonably aligns with *GFSM 2014* revenue classifications, but expenditure data remains only at a high level, with only total expenditure, interest, and net-investment in nonfinancial assets reported. Because the finalized Budget Execution Report is only available annually and takes 18 months after the end of the fiscal year to publish, the data is not suited to for frequent and up-to-date analysis. Another key issue is that the Budget Execution Report does not follow a time of recording that is aligned with *SNA 2008* and *GFSM 2014* guidelines. These neither fit the preferred (adjusted) accrual approach or the less preferred cash approach.
- 52. An additional issue to compile *GFSM 2014* data is the restricted and confidential nature of data from some ministries that poses challenges to share data across Ministries.**
- 53. The NSO project to compile sector accounts according to *SNA 2008*, coupled with the restructuring of the government that moved NSO into the MOF may present a new opportunity to make meaningful progress on Vietnam's *GFSM 2014* data.**

Findings

54. During the workshop, the mission explained some of the linkages between the *SNA 2008* national accounts and *GFSM 2014* framework. The *SNA 2008* and *GFSM 2014* are fundamentally aligned as methodological frameworks.

- The sector classification; the delineation between revenue, expense, expenditure, and financing transactions; the definition of other economic flows; the definition of closing stocks in the balance sheet, valuation principles, and the valuation of transactions and stocks are strictly aligned between *SNA 2008* and *GFSM 2014*.
- A key difference relates to the coding structure of nonfinancial accounts, where the *SNA 2008* coding is structured according to the sequence of accounts and the *GFSM 2014* coding is structured according to the split of revenue, expense, and balance sheet. The coding structures can easily be linked, especially when developing a bridge from the chart of accounts to *SNA 2008* and *GFSM 2014* codes. See Appendix C for an example
- *SNA 2008* and *GFSM 2014* differ in some respects in how economic events are recorded in the respective frameworks, where *SNA 2008* often records a certain repetition of related transactions or split transaction according to the sequence of accounts. An example is the recording of Financial Intermediation Services Indirectly Measured (FISIM). Here *SNA 2008* splits a service component from interest received from or paid to financial intermediaries and records this as intermediate consumption. With received interest, FISIM is estimated as an expense and reciprocally topped up on interest received. In *GFSM 2014*, this FISIM estimate is ignored. The different recording approaches, however, still lead to the same outcome for balancing item net-lending / net-borrowing in both frameworks and can easily be reconciled.

55. The fact that *SNA 2008* and *GFSM 2014* are linked as frameworks, will allow NSO to compile *GFSM 2014* compliant data as a parallel process when compiling *SNA 2008* compliant government sector accounts. Alternately, the sector accounts can also be translated into *GFSM 2014* at the end of the compilation process, albeit with less than perfect coding translations.

56. NSO currently receives final Budget Execution Report data for its input to compile the national accounts budgetary government. These data include payments to individuals, expenditures for goods and services, and other expenditures and is broken down into a Vietnam-specific functional classification covering classes like state management, health care, education, science and technology, and culture and information. As explained in para 52, this data is inadequate to compile *SNA 2008* and by extension *GFSM 2014*. For the national accounts, consumption of fixed capital cannot be estimated because of the lack in expenditure data. Consequently, it is somewhat inconvenient to estimate GDP.

57. Therefore, the mission recommends NSO to liaise with VST to share budgetary government data derived from the TABMIS system as a key near-term goal. TABMIS data should provide the adequate level of detail to comprehensively compile government sector data and thereby allow the government sector to become analytically useful. This data will be supplemented with the public sector annual survey and Economic Census data that the NSO is collecting to compile extrabudgetary (nonmarket SOEs, PSDUs, and NPIs) government sector data.

58. NSO and VST have informally initiated discussions on deriving suitable budgetary government data from TABMIS. One consideration is for the VST to translate TABMIS data into *SNA*

2008 and GFSM 2014 in parallel. Previous missions have discussed various issues related to TABMIS data and potential remedies to allow for suitable GFS compilation. This includes compiling sufficiently granular data with regards to the confidential and restricted nature of the operations of the Ministries of Defense and Public Order. The restructuring of the government, which has moved NSO into the MoF, may simplify data sharing protocols, were, for instance, aggregated data for all ministries (instead of ministry-by ministry-data) could be one way around restricted data. Alternately, using estimates can be a possible solution to compile government sector data in line with *SNA 2008* and *GFSM 2014* guidelines.

59. For the longer term, VST is developing financial statements in line with Vietnam Public Sector Accounting Standards¹¹. By following these standards, VST will comprehensively compile government sector data (including budgetary government and a select portion of public sector units) using an accrual approach aligned with *SNA 2008* and *GFSM 2014* guidelines. Also, the financial statements will provide sufficient data on stocks of the (financial) balance sheet and other economic flows.

60. As part of its work to develop financial accounts, VST is collecting financial statement data of State PSDUs. However, this is consolidated into the data of the administrative agency to which this PSDU belongs, except for independent PSDUs. Future work can investigate the suitability of these consolidated data to compile government sector accounts or if any adjustments could be made in the data collection and consolidation procedure to suit GFS compilation.

Recommendations

B.1 NSO and VST establish data sharing protocols tentatively by April 2026, where the GFS Advisor can contribute to potential remedies of TABMIS data shortcomings

C. Officials Met During the Mission

No	First and last name	Position	Unit
Closing meeting			
* Also workshop participants			
1	Đỗ Thị Ngọc	Deputy Director	NSO
2	Nguyễn Thị Mai Hạnh	Director	System of National Account Department – NSO
3	Nguyễn Diệu Huyền*	Deputy Director	System of National Account Department - National Statistics Office
4	Duong Thi Kim Nhung	Deputy Director	Statistical Policy, Strategy and Data Department - NSO
5	Nguyễn Thị Hiền*	Deputy Director	State Accounting Department - State Treasury

¹¹ VPSAS is a Vietnam-specific derivative of the International Public Sector Accounting Standards. The IMF Fiscal Affairs Department, with other development partners, is supporting the VST in implementing VPSAS.

6	Luu Dinh Quy	Team leader	Statistical Survey Data Collection and Processing Team, Statistical Survey and Census Department - NSO
7	Lam Thi Hong Hanh	Deputy Team leader	State Budget Settlement Team, State Accounting Department - State Treasury
8	Vũ Thị Hải Anh*	Senior Statistician	System of National Account Department - NSO
9	Tăng Thị Thanh Hòa*	Senior Statistician	System of National Account Department - NSO
10	Nghiêm Thị Vân*	Senior Statistician	System of National Account Department - NSO
11	Ngô Như Vẻ*	Statistician	System of National Account Department - NSO
12	Trần Việt Thúy*	Statistician	System of National Account Department - NSO
13	Đặng Ngọc Tú*	Statistician	System of National Account Department - NSO
14	Trần Thị Luyến*	Statistician	Statistical Policy, Strategy and Data Department - NSO
15	Dương Thị Cẩm*	Statistician	Statistical Survey and Census Department - NSO
16	Pham Thi Huyen	Senior Expert	State Financial Reporting Synthesis Team, State Accounting Department - VST
17	Đỗ Thị Kim Dung	Senior Expert	State Financial Reporting Synthesis Team, State Accounting Department - VST
18	Vu Thi Quynh Chau	Senior Expert	State Financial Reporting Synthesis Team, State Accounting Department - VST
19	Tran Thi Thu Ha	Expert	State Financial Reporting Synthesis Team, State Accounting Department - VST
20	Duong Thi Thuy Ha	Expert	State Financial Reporting Synthesis Team, State Accounting Department - VST
Workshop			
1	Nguyễn Thị Thu Hương	Deputy Director	System of National Accounts Department - NSO
2	Nguyễn Thị Huyền	Senior Expert	System of National Accounts Department - NSO
3	Nguyễn Thùy Dương	Senior Expert	System of National Accounts Department - NSO

4	Hoàng Hải Anh	Expert	System of National Accounts Department - NSO
5	Nguyễn Thị Hậu (B)	Expert	System of National Accounts Department - NSO
6	Nguyễn Thị Hậu	Senior Expert	System of National Accounts Department - NSO
7	Nguyễn Thị Ngọc Mai	Expert	System of National Accounts Department - NSO
8	Đặng Thị Bích Hồng	Expert	System of National Accounts Department - NSO
9	Lê Thị Phương	Expert	System of National Accounts Department - NSO
10	Đỗ Thu Hòa	Expert	Foreign Statistics and International Cooperation Department - NSO
11	Nguyễn Thị Minh Ánh	Expert	Institute of Statistical Science - NSO
12	Nguyễn Thị Thanh Huyền	Expert	Integrated Statistics and Statistical Information Dissemination Department - NSO
13	Nguyễn Phi Long	Expert	Statistical Data Collection and Information Technology Application Department - NSO
14	Đinh Sỹ Nguyên	Expert	Agriculture, Forestry and Fishery Statistics Department - NSO
15	Nguyễn Thùy Dương	Expert	Industry and Construction Statistics Department - NSO
16	Nguyễn Quang Huy	Expert	Trade and Service Statistics Department - NSO
17	Tạ Hồng Thái	Senior Expert	Department of Tax Declaration and Accounting - GDT
18	Diêm Thị Thu Trang	Expert	Forecasting & Statistics - Monetary & Financial Stabilization Department - SBV
19	Hà Nguyên Vũ	Expert	Department of Informatics and Financial Statistics - MOF
20	Vũ Phương Trang	Expert	Department of Informatics and Financial Statistics - MOF
21	Vũ Linh Chi	Expert	Department of State Budget - MOF
22	Lưu Thị Kim Anh	Expert	Department of State Budget - MOF

Appendices

A. GOVERNMENT CONTROL OF NONPROFIT INSTITUTIONS – BOX 2.1 OF GFSM 2014

Control of an NPI is defined as the ability to determine the general policy or program of the NPI. To determine if an NPI is controlled by the government, the following five indicators of control would be the most important and likely factors to consider:

- The appointment of officers—The government may have the right to appoint the officers managing the NPI under the NPI's constitution, its articles of association, or another enabling instrument.
- Other provisions of the enabling instrument may contain provisions other than the appointment of officers that effectively allow the government to determine significant aspects of the general policy or program of the NPI. For example, the enabling instrument may specify or limit the functions, objectives, and other operating aspects of the NPI, thus making the issue of managerial appointments less critical or even irrelevant. The enabling instrument may also give the government the right to remove key personnel or veto proposed appointments, require prior approval of budgets or financial arrangements by the government, or prevent the NPI from changing its constitution, dissolving itself, or terminating its relationship with government without government approval.
- Contractual agreements—The existence of a contractual agreement between a government and an NPI may allow the government to determine key aspects of the NPI's general policy or program. As long as the NPI is ultimately able to determine its policy or program to a significant extent, such as by being able to fail to comply with the contractual agreement and accept the consequences, to change its constitution, or to dissolve itself without requiring government approval other than that required under the general regulations, then it would not be considered controlled by government.
- Degree of financing by government— An NPI that is mainly financed by government may be controlled by that government. Generally, if the NPI remains able to determine its policy or program to a significant extent along the lines mentioned in the previous indicator, then it would not be considered controlled by government.
- Risk exposure—If a government openly allows itself to be exposed to all, or a large proportion of, the financial risks associated with an NPI's activities, then the arrangement constitutes control.

A single indicator could be sufficient to establish control in some cases, but in other cases, a number of separate indicators may collectively indicate control. A decision based on the totality of all indicators will necessarily be judgmental in nature, but clearly similar judgments must be made in similar cases.

B. GOVERNMENT CONTROL OF CORPORATIONS – BOX 2.2 OF GFSM 2014

Control of corporations is defined as the ability to determine the general corporate policy of the corporation. To determine if a corporation is controlled by the government, the following eight indicators of control would be the most important and likely factors to consider:

- • Ownership of the majority of the voting interest – Owning a majority of shares will normally constitute control when decisions are made on a one-share, one-vote basis. The shares may be held directly or indirectly, and the shares owned by all other public entities should be aggregated. If decisions are not made on a one-share, one-vote basis, the classification should be based on whether the shares owned by other public entities provide a majority voice.
- • Control of the board or other governing body – The ability to appoint or remove a majority of the board or other governing body as a result of existing legislation, regulation, contractual, or other arrangements will likely constitute control. Even the right to veto proposed appointments can be seen as a form of control if it influences the choices that can be made. If another body is responsible for appointing the directors, it is necessary to examine its composition for public influence. If a government appoints the first set of directors but does not control the appointment of replacement directors, the body would then be part of the public sector until the initial appointments expired.
- • Control of the appointment and removal of key personnel – If control of the board or other governing body is weak, the appointment of key executives, such as the chief executive, chairperson, and finance director, may be decisive. Nonexecutive directors may also be relevant if they sit on key committees, such as the remuneration committee determining the pay of senior staff.
- • Control of key committees of the entity – Subcommittees of the board or other governing body could determine the key operating and financial policies of the entity. Majority public sector membership on these subcommittees could constitute control. Such membership can be established under the constitution or other enabling instrument of the corporation.
- • Golden shares and options – A government may own a “golden share,” particularly in a corporation that has been privatized. In some cases, this share gives the government some residual rights to protect the interests of the public by, for example, preventing the company selling off some categories of assets or appointing a special director who has strong powers in certain circumstances. A golden share is not indicative of control. If, however, the powers covered by the golden share do confer on the government the ability to determine the general corporate policy of the entity in particular circumstances and those circumstances currently existed, then the entity should be in the public sector from the date in question. The existence of a share purchase option available to a government unit or a public corporation in certain circumstances may also be similar in concept to the golden share arrangement discussed earlier. It is necessary to consider whether, if the circumstance in which the option may be exercised exists, the volume of shares that may be purchased under the option and the consequences of such exercise mean that the government has “the ability to determine the general corporate policy of the entity” by exercising that option. An entity’s status in general should be based on the government’s existing ability to determine corporate policy exercised under normal conditions rather than in exceptional economic or other circumstances, such as wars, civil disorders, or natural disasters.
- • Regulation and control – The borderline between regulation that applies to all entities within a class or industry group and the control of an individual corporation can be difficult to judge. There are many

examples of government involvement through regulation, particularly in areas such as monopolies and privatized utilities. It is possible for regulatory involvement to exist in important areas, such as in price setting, without the entity ceding control of its general corporate policy. Choosing to enter into or continue to operate in a highly regulated environment suggests that the entity is not subject to control. When regulation is so tight as to effectively dictate how the entity performs its business, then it could be a form of control. If an entity retains unilateral discretion as to whether it will take funding from, interact commercially with, or otherwise deal with a public sector entity, the entity has the ultimate ability to determine its own corporate policy and is not controlled by the public sector entity.

- Control by a dominant public sector customer or group of public sector customers – If all of the sales of a corporation are to a single public sector customer or a group of public sector customers, there is clear scope for dominant influence. The presence of a minority private sector customer and/or open competition from private producers to supply goods and services to the public sector usually implies an element of independent decision making by the corporation so that the entity would not be considered controlled. In general, if there is clear evidence that the corporation could not choose to deal with nonpublic sector clients because of the public sector influence, then public control is implied.
- Control attached to borrowing from the government – Lenders often impose controls as conditions of making loans. If government-imposed controls through lending or issuing guarantees that are more than would be typical when a healthy private sector entity borrows from a bank, control may be indicated. Similarly, control may be implied if only the government was prepared to lend to the corporation.

Although, a single indicator could be sufficient to establish control, in other cases, a number of separate indicators may collectively indicate control. A decision based on the totality of all indicators must necessarily be judgmental in nature, but clearly similar judgments must be made in similar cases.

C. EXAMPLE BRIDGE TABLE COA TO SNA 2008 AND GFSM

ID	KODI_6-Digit	KODI description ENG	GFSY_Co del	Budget	Budget2	IFS	GFSM20 145	SNA	K PG	COUNTERPART_AREA	REF_SECTOR	CP_SECTOR	ACCOUNTING_ENTRY	GFS_NA_STO	INSTR_ASSET	CLUST_BREAKDOWN	TimeAdj
1	11110	GROSS SALARIES THROUGH PAYROLL	211	211	211	21	21	D11GA	X	W0	S13	S1	D	GD11	Z	T	
2	11115	PAGESA PER SINDIKATE	211	211	211	21	21	D11GA	X	W0	S13	S1	D	GD11	Z	T	
3	11120	ADDITIONAL PAYMENTS IN PAGE-30 EUR	211	211	211	21	21	D11GA	X	W0	S13	S1	D	GD11	Z	T	
4	11125	ANTARSIM-ODA E INFERMIERVE TE KOSC	211	211	211	21	21	D11GA	X	W0	S13	S1	D	GD11	Z	T	
5	11126	ANTARSIM-ODA E MIJEKVE TE KOSOVES	211	211	211	21	21	D11GA	X	W0	S13	S1	D	GD11	Z	T	
6	11155	ADDITIONS AND OTHER COMPENSATION	211	211	211	21	21	D11GA	X	W0	S13	S1	D	GD11	Z	T	
7	11201	PAGESA NETO-PUNE JASHT ORARIT	211	211	211	21	21	D11GA	X	W0	S13	S1	D	GD11	Z	T	
8	11202	PAG.NETO-PUNE ME ORAR SHKURTU.	211	211	211	21	21	D11GA	X	W0	S13	S1	D	GD11	Z	T	
9	11203	PAG.NETO-PUNE NE NDERRIM.NATES	211	211	211	21	21	D11GA	X	W0	S13	S1	D	GD11	Z	T	
10	11204	NET PAYMENT-LEASH LOSS	211	211	211	21	21	D11GA	X	W0	S13	S1	D	GD11	Z	T	
11	11220	PAYMENT FOR WORK EXPERIENCE	211	211	211	21	21	D11GA	X	W0	S13	S1	D	GD11	Z	T	
12	11300	MEDIATION DELEGATES & COMMITTEES	211	211	211	21	21	D11GA	X	W0	S13	S1	D	GD11	Z	T	
13	11400	NET SAL.CONTR.(NON-PAYR)EMPL.	22	211	211	22	22	P2	740000	W0	S13	S1	D	GP2	Z	T	
14	11500	TATI.I NDALUR NE TE ARDH.PERS.	211	211	211	21	21	D11GA	X	W0	S13	S1	D	GD11	Z	T	
15	11600	PENSION-PUNISHER CONTRIBUTIONS	2121	211	211	21	21A	D121G	X	W0	S13	S1	D	GD121	Z	T	
16	11700	PENSION-FUNCTIONAL CONTRIBUTIONS	2121	211	211	21	21A	D121G	X	W0	S13	S1	D	GD121	Z	T	
17	11800	CONTRACT FOR HEALTH INSURANCE	2121	211	211	21	21	D121G	X	W0	S13	S1	D	GD121	Z	T	
18	11810	CONTRACT FOR HEALTH INSURANCE	2121	211	211	21	21	D121G	X	W0	S13	S1	D	GD121	Z	T	
19	11900	PAGESA PER VENDIME GJYQESORE	2821	211	211	28	28	D759A	X	W0	S13	S1	D	GD7R	Z	T	
20	13130	DIR.TRAVEL EXP.INSIDE COUNTRY	22	212	212	22	22	P2	550000	W0	S13	S1	D	GP2	Z	T	