

CHAPTER 1. THEORETICAL BACKGROUND ON THE PROCESS OF PERFORMING EXPORT CONTRACT OF GOODS

1.1. Overview of export

1.1.1. The concept of export

Exporting is the process by which companies from one country sell their goods and services to companies or consumers in a different country. Common exports exchanged from one country to another include energy and natural resources, raw materials like food or textiles, and finished consumer products like electronics. In Vietnam Export of goods means the bringing of goods out of the territory of the Socialist Republic of Vietnam or into special zones in the Vietnamese territory, which are regarded as exclusive customs zones according to the provisions of law (Article 28 of The Commercial Law, 2005).

1.1.2. The role of export

Exports facilitate international trade and stimulate domestic economic activities by creating employment, production, and revenues. Companies that export are typically exposed to a higher degree of financial risk.

Export activities bring revenue and profits for businesses. They can sell goods to foreign markets as a way to expand the market beyond national borders. Besides, they raise the level of domestic enterprises and this is also one of the benefits the key benefits of international trade.

Moreover, it promotes corporate brands and national brands, and expands and promotes our country's external economic relations with other countries. It brings foreign currency to the country. This benefit is macro-nature and is also the key factor that countries encourage export activities to secure the balance of payments and increase accumulation and reserves currency.

1.1.3. The methods of export

The most common methods of exporting are indirect selling and direct selling.

1.1.3.1. Direct exporting

The advantages of direct exporting are more control over the export process and a closer relationship with the customer in a foreign country. This export way is more expensive than indirect exporting.

- Organizing for exporting

In some cases, the company may create an international department to keep an eye on all the exports and imports. That means more control over their product.

- Sales representatives

The sales representatives present the product to the potential buyer on behalf of the company. They work on a commission basis and assume no risk or responsibility.

- Agents

They operate on their behalf by introducing others to foreign markets. The company can control the final price and brand image.

- Distributors

Distributors purchase the product from a company, that wants to export, and resell it at a profit. The distributors provide support and service for the product.

- Foreign retailers

A company may sell directly to foreign retailers. These transactions are effective in countries that have large retail chains.

- Direct sales to end-users

A company may sell its products directly to end customers in foreign countries. The disadvantage is that the export company is responsible for shipping, payment collection, and product servicing.

1.1.3.2. Indirect exporting

The principal advantage of indirect exporting is that allows the companies to introduce their products into foreign markets without any responsibility or risk. This way is perfect for small companies.

- Commission agents

They find foreign firms that want to purchase our products. Commission agents work as an intermediary between sellers and buyers.

➤ Export management companies

Independent firms that act as an export department. In conclusion, they manage small company exports.

➤ Export trading companies

These companies could act as an export department for producers or export the product for its account.

➤ Export agents

Export agents buy the goods from the producers and then they sell these products in foreign markets where they assume all the risk.

1.2. Export contract of goods

1.2.1. The concept of contract for exporting goods

A contract for the export of goods is an agreement between traders based in different countries, whereby a party called the seller or the exporter is obliged to transfer ownership to another party known as the buyer or the importer of a certain asset called the goods. The buyer is obliged to receive the goods and pay for them.

Besides, a contract is an agreement enforceable as law: both sides can ask a court to enforce their rights, and it will do so. (Not all agreements are contracts: if a teenager agrees with his parents to come home before midnight and is late, he is not in breach of contract; his agreement is not a contract, because it is not, for various reasons, legally enforceable.) The essence of an enforceable agreement is that the parties when they made it, intended to be legally bound by their promises. A contract is an exchange of rights and duties within the framework of the private law. These rights and duties are specially created by the two sides and apply only to them. (Exporting And The Export Contract by JamesR .Pinnells).

1.2.2. The characteristics of contract for exporting goods

Commodities – consolidated products transferred across national borders. This border is a Customs border, not simply a geographical border. For example,

a sales contract signed by a manufacturing company with a non-exporting company is considered by law to be an export contract with a manufactured company, but the goods under that contract do not move outside the country's borders.

The currency of payment will be foreign currency.

It takes place between traders based in different countries.

Export contracts are often governed by many different sources of Law: National Law, International Law, international customs and practices, etc.

According to Article 24 Commercial Law, 2005:

- Contracts for sale and purchase of goods may be expressed in verbal or written form or established by specific acts.
- For types of contracts for purchase and sale of goods, which, as provided for by law, must be made in writing, such provisions must be complied with.

1.2.3. The main contents of the export contract of goods

The structure of the export contract consists of two main parts, the general presentation and the terms of the contract.

❖ **General presentation:** These are the mandatory parts that any contract must have, otherwise the contract is worthless. Includes:

- Contract No.
- Place and date of contract signing.
- The names and addresses of the parties to the contract.
- General definitions.

❖ **The terms of the contract:**

Main terms: These are the necessary and binding terms of a contract, without which the contract has no legal value.

- Commodity
- Quality
- Quantity
- Packing and marking

- Price
- Payment
- Shipment/ Delivery

Other terms: These are essential terms for a contract, but without it the contract is still legally valid.

- Force majeure acts of god
- Claim
- Warranty
- Penalty
- Arbitration

Appendix: These are the technical specifications of the goods, the additions accompanied in case of modification of the contract and the accompanying notes.

1.3. The process of performing the export contract of goods

According to the Import-Export Management Textbook-Ph.D. Doan Thi Ngoc Van & MBA Kim Ngoc Dat. The process of performing export contracts of goods as follows:

Step 1: Ensure that export procedures are carried out in compliance with State regulations.

License is a significant legal premise to carry out other steps in each export shipment. Procedures for applying for an export license in each country, in each period, have different characteristics. Over the years, obtaining a license in Vietnam has become increasingly easier and more convenient. The process for exporting goods is now governed by the Law on Foreign Trade Management, Law No. 5/2017/QH14, which was approved by the National Assembly of the Socialist Republic of Vietnam during their 3rd session of the XIVth term on June 12, 2017, and came into effect on January 1, 2018. In Chapter II: Administrative Measures of the Foreign Trade Management Law, export procedures are regulated with specific regulations.

In Vietnam, the process of obtaining a license has become much simpler and more convenient in recent times.

Step 2: Complete the tasks associated with the initial payment stage.

Payment is a crucial step in the process of implementing import-export contracts. The tasks involved will vary depending on the chosen payment method. If payment is made through L/C, the seller must:

- + Remind buyers to request banks to open L/C in accordance with the agreement.

- + Verify the L/C.

If paying in CAD, the seller needs to remind the buyer to open a trust account as required. Once the account has been opened, contact the bank to check payment conditions. Payment by TT prepaid, reminding buyers to transfer money in full and on time. Wait for the bank to say "Yes", then proceed with delivery

If paying by TT in advance, remind the buyer to transfer the money in full and on time. Wait for the bank to say "YES", then proceed with the delivery.

As for other payment methods, such as TT postpaid, Clen Collection, D/A, D/P, the seller must deliver the goods, and then can perform the work of the payment stage.

Step 3: Prepare goods for export

For export production units: Manufacturers need to carefully research the market, produce goods with quality, design, design, ... by the tastes of buyers... Finished goods need to be carefully checked for quality, carefully packaged, and clearly marked with symbols,... to fully meet the specified conditions of the contract. Towards building sustainable supply chains.

Enterprises that produce export goods but do not want or cannot directly export their goods can choose the route of export entrustment. This issue is stipulated in Articles 17 and 18 of Decree 12/CP.

For units specializing in import and export business: Thoroughly exploit sources of export goods in many diverse forms: Purchasing goods according to

obligations, Direct investment export goods, Processing, Selling Buy raw materials, buying finished products, placing orders, exchanging goods

Step 4: Check exported goods

Testing and quarantine are conducted at two levels: at the facility and at the border gate. In particular, inspection at the facility plays a decisive role. Inspection of goods at the border gate has the effect of verifying the inspection results at the facility.

- The goods inspection process includes the following steps:
- + Submit application for appraisal including: Appraisal request form, Contract + contract accessories (if any), L/C and L/C amendment (if any)
- + The inspection agency conducts goods inspection at the scene and analyzes samples at the laboratory.
- + The inspection agency notifies the results and issues a temporary certificate for carrying out customs procedures, (if required)
- + Check the hygiene of the cargo hold (exporting rice, agricultural products, etc.)
- + Supervising the delivery process: at the factory, warehouse, field, etc.
- + Inspection agency issues official certificate: If the goods require disinfection, an application must be sent to the "Fumigation Company - Plant Quarantine Department" for disinfection. After the goods are disinfected, the owner will receive a certificate.

Step 5: Complete customs procedures.

- Customs procedures (Customs Law, 2014): According to Article 21 of the Customs Law 2014, when carrying out customs procedures, the customs declarant is responsible for:

- + Declare and submit customs declarations; Submit or present documents included in customs dossiers as prescribed in Article 24 of this Law;
- + Bring goods and means of transport to the prescribed location for physical inspection of goods and means of transport;

+ Pay taxes and perform other financial obligations according to the provisions of the law on taxes, fees, charges and other relevant laws.

Step 6: Rent transport means

If the export contract stipulates that the seller leases a vehicle to transport the goods to the destination (the basis of delivery of the export agreement is CIF, CFR, CPT, CIP, DAP, DPU, DDP), then the exporter must lease the transport vehicle. If the contract stipulates delivery in the exporting country, the importer must hire the vehicle to transport back (conditions of the delivery base EXW, FCA, FAS, FOB).

Depending on the case, the exporter chooses one of the following modes of rental:

Liner: The shipment volume is not large; the goods are mainly dry goods; the packaged items; the route of the train is predetermined; the time the train runs is known in advance; the charges are prescribed by the carrier; the parties do not negotiate the contract but only follow the terms available on the left side of the shipowner's available B/L. The train rental procedure is simple, but it costs a lot.

+ Voyage charter: Freight frequently fills the vessels (90-95%). It's usually used to transport large volumes of cereals, minerals, fertilizers...

+ Both sides have to negotiate a rental agreement.

+ Usually use B/L under the voyage charter contract.

+ Usually use a maritime broker.

+ Low fares, but complicated business, asking the landlord to be good and hold on to the relevant information.

Time Charter: Renting a vessel as a permanent owner to the landlord of the vessel for use to carry goods or for re-leasing for a certain period, the owner is responsible for transferring the right to use the ship to the tenant and ensuring the "maritime capability" of the ship throughout the lease period. The landlord is responsible for paying the rent and the business of operating the ship, after the expiry of the lease period to the owner of the ship in good technical condition at the port and within the prescribed time.

Step 7: Deliver goods to the carrier

Our exports are mainly shipped by sea. If the shipment is by air or by car, the exporter after signing the shipping contract to the carrier, finally receives the delivery order.

If you ship the goods by rail, the exporter or the shipment to the railway (if it's retail) or the registration of the carriage, then the shipments to the wagon and then the deliveries to the Railways (if they're complete) and finally, the receipt of a railroad order.

Shipping by Container: There are two ways:

+ FCL (Full container load): The shipper and recipient are responsible for the delivery and unloading of the goods from the container.

+ LCL (Less than a container load): The carrier or shipper receives a collection goods - receives several different consignments to be packed together in one container, is responsible for the delivery of the goods into and out of the container.

Step 8: Buy insurance

If the exporter sells goods at CIF, CIP prices under Incoterms 2010 terms, the exporter must buy insurance in accordance with the contract requirements. If the exporter sells goods under Group D terms under the Incoterms 2010 terms, the exporter must discuss further with the importer.

Step 9: Set up payment documents

After the delivery, the exporter quickly prepared a set of payment documents to the bank to claim the bank money. The requirements of these documents are accurate and in accordance with the requirements of L/C in both content and form (if payments are made in L /C), and if payment is made by the State by other methods, according to the requirement of the contract or the bank.

The payment documentation package consists of the means of payment and shipping documents. Specifically, there are:

- Commercial Invoice
- Packing List

- Clean shipments
- Certificate of Insurance (if CIF, CIP)
- Commercial bond
- Certificates of Quality
- Certificates of Quantity
- Certificates of Origin

Step 10: Complain

If the importer breaches the contract, the seller has the right to complain, a complaint dossier includes:

- Complaints;
- Attached documents: commercial contracts, commercial invoices, and correspondence transactions between the two parties.

Step 11: Liquidation

At the end of the export contract, the exporter will evaluate and learn from the experience for the implementation of the next export contract.

1.4. Factors affecting the process of performing contracts for exporting goods

1.4.1. External environment

1.4.1.1. Macro environment

❖ Social and cultural environment:

Socio-cultural factors always surround enterprises and customers and have a great influence on the business operations of enterprises. These factors can be studied from different perspectives depending on the research objectives. In this case, we are particularly interested in the influence of these factors on the formation and characteristics of the firm's consumption market.

Markets always include real people with the money they spend on satisfying their needs. Simply: the market = customers + their pockets. This environmental information allows businesses to understand at different levels (from general to

specific) about their audience. Thereby, it is possible to accurately suggest products and how to serve customers.

The identity and socio-cultural characteristics of each (large) customer group reflect the opinions and ways of using the product. It requires market segmentation and a compatible marketing strategy to improve competitiveness.

❖ **The political and legal environment:**

– State policy:

This factor affects the export performance of the business now. It also affects these activities in the future. Thus, an enterprise must comply with and respond to the current policies and on the other hand, also have to prepare plans. Vietnam has set out export incentive policies, this is a strategy that focuses on creating products that are more and more suitable for international markets based on exploiting national potentials.

– Legal and political features:

Political factors are factors that can either encourage or limit the internationalization of business activities. Government policy can increase the linkage of markets and boost the growth of exports by removing tariff barriers, and non-tariff barriers, and establishing relationships in the infrastructure, the floor of the market. Political instability hinders the country's economic development and creates a bad mentality for entrepreneurs.

– Foreign Trade Policy:

The government's foreign trade policy in each period has changed, and that change is one of the major risks for export traders. Therefore, they must grasp the country's economic development strategy to know the movement trends of the economy and state intervention.

❖ **Economic and technological environment**

The influence of factors in the economic and technological environment on the business operations of the enterprise is very large. These environmental factors dictate how business and the economy as a whole can use their potential and thereby create business opportunities for each business. Movement trends and any

changes in these environmental factors create or narrow the business opportunity of the business to varying degrees and even, leading to the need to change the goals and business strategy of the business.

The key factors of this environment and its impact on the business opportunities of the business.

- Exchange rate:

Current exchange rate: The exchange rate is the price of foreign currency in local currency or the relative value comparison between local and foreign currencies.

- The country's technical infrastructure development level

This is a factor in the export infrastructure. It includes the development of the transportation system and the level of development of the communication system. These factors can enhance or limit the trading capacity of the business, expand the export market of the enterprise, and increase or limit the export transport services of the enterprise.

❖ **Geographic environment – ecology**

Participating in the process of identifying opportunities and exploiting business opportunities also factors in the geographical and ecological environment. Geographic factors have long been studied and reviewed to come to conclusions about how and how to do business. Factors of ecological issues and natural environmental protection are now very important and greatly affect the business (sales) opportunities of enterprises. Ecological factors are not only related to a country's sustainable development but also greatly to the ability of each business to develop sustainably. The basic factors that need to be studied include:

- Geographical location:

Location affects many aspects of a business's commercial activities:

The distance (space) when connecting with groups of customers that businesses can conquer. Regarding the convenience of shipping and shipping costs, competitiveness is due to the advantage of low shipping costs. The effect of geographic location on shipping costs.

- Climate, weather, seasonal nature:

Influence on regional production and consumption cycles, customers' demand for products to be consumed, requirements for product conformity, stockpiling, preservation diversity in the direction of specialization, or comparative advantage in trading.

- The balance of ecological pollution and environmental pollution

The regard to human concerns about the environment and unusual events of the climate, and weather directly affects the requirements of sustainable development. The relationship between the societal nature of the protection of the natural nature surrounding people, the social perceptions and attitudes about protecting nature, and the tendency to change natural conditions at the same time. Narrow the business structure, just opening up the possibilities of business development around the requirement of protecting the natural environment.

1.4.1.2. Microenvironment

❖ Suppliers

Suppliers are business organizations or individuals that supply the necessary materials for the production of businesses and competitors. To decide to buy inputs, businesses need to clearly define, source, and select quality and choose the best suppliers in terms of quality, delivery reputation, reliability, and assurance sale off.

❖ Customers

For any business that wants to survive and develop in the market for a long time, the first thing is to have an existing set of customers, so the business needs to meet the desires and requirements of customers because customers are the vital factor of the business. Therefore, all businesses find ways to retain and attract more customers in many ways.

❖ Competitors

In general, every company has to deal with different competitors. Competitors are in many different forms, existing and latent, directly and indirectly.

Depending on the degree of product substitution, competitors can be divided into four categories:

- Brand competition
- Industry competition
- Competition in demand
- Budget competition

1.4.2. Internal environment

❖ Management Organization Level

This is a very important factor, decisive to the success of the business. Because the management and management capacity of the business management allows enterprises to have the right business strategies, ensuring that businesses can take advantage of the opportunities of the above international market. The basis of their inherent abilities.

❖ Financial capacity of the business

Expression in the size of existing capital and the ability to raise the capital of the business. Financial capacity can limit or expand other capabilities of an enterprise, as capital is the premise for all business activities of the enterprise.

The business strategy of an enterprise has a significant impact on the business performance of the enterprise. If the right business strategy makes the business lose money, leading to bankruptcy and is still appropriate (in the right direction), it will develop well.

❖ Advanced level of equipment, technology, and technological know-how of enterprise

Directly affect productivity, cost, cost, and quality of goods given to the customer. Relating to the level (quality) satisfying the needs, competitiveness, choice of opportunities, and other operations of enterprises in the market.

❖ Marketing activities

In the field of production and business of goods, marketing, finding output for the product is extremely important and this function belongs to the marketing activities. This activity includes: market research, market share determination,

advertising, product marketing, and its main task is to promote products for the business.

❖ **Potential human**

Sales officers are those who directly carry out the work of exporting goods. Therefore, their qualifications and capabilities in export activities will determine their work efficiency, which will determine the business performance of the whole business.

SUMMARY OF CHAPTER 1

In Chapter 1, we will learn about the basics of export operations. This includes the theoretical concepts behind import and export business operations. We will also be presented with the step-by-step process involved in exporting, organizing foreign trade contract implementation, and evaluating export business activities. Besides those, we can see two main factors affect export business activities: the internal environment and the external environment. These groups include micro- and macro-environments.

CHAPTER 2. THE ACTUAL SITUATION OF THE PROCESS OF PERFORMING THE DOWN AND FEATHER EXPORT CONTRACT AT NAM VU DOWN - FEATHERS JSC.

2.1. Overview of Nam Vu Down - Feathers JSC

2.1.1. General information about the company

International business name NAM VU DOWN - FEATHERS JOINT STOCK COMPANY.

Company name NAM VU DOWN & FEATHERS JSC

Tax code 1102001011

Address Lot 11, Street 15, Tan Duc Industrial Park, Huu Thanh Commune, Duc Hoa District, Long An Province, Vietnam

Legal representation NGUYEN NGOC DAI

Phone 0986943936

Date 2019-12-21

Type of business Non-state joint stock company

Email namvu.down@gmail.com, theanh.namvudown@gmail.com

Website namvudown.com

Logo



Vision: Become the leading feather manufacturing and exporting company in Vietnam.

Mission: Providing the best products from domestic and foreign feathers. Building Nam Vu chain system - Feather production - Nam Vu brand garment - Complete construction of feather-related products.

Core Values: The philosophy of “CREATIVE – PROFESSIONAL – QUALITY” has deep roots and has become the spirit of Nam Vu. That spirit is consistent and permeated in every action, the words of the company members:

- *Creativity:* Nam Vu constantly innovates and creates new products to target potential market needs.
- *Professional:* Professional in work, culture of behavior, spirit of solidarity and support in every operation of the company, always serving customers most effectively.
- *Quality:* Nam Vu dedicates every resource, combining the most advanced technology to bring the best quality products to customers.

2.1.2. History of formation and development

This company was established in 2018 in Bac Ninh. Thanks to the hard work of the leadership team, staff members, and labor workers, the company gained a positive reputation and became known to international customers. Over time, it gradually expanded its market share and grew into a large company.

From the beginning, Nam Vu has prioritized sustainable development to establish trust with its partners. They invested in constructing new factories and enterprises with advanced machinery and manufacturing processes to create competitive products for the market.

After five years of construction and development, Nam Vu has grown into a business group with four subsidiaries, including the headquarters and factory in Bac Ninh, the factory in Bac Giang, the Factory in Khanh Hoa and Nam Vu Down - Feathers JSC.

When recruited, these workers are trained and skilled by the production technology process. It is precisely for this reason that the production activity of the company continues to grow, and revenue is constantly growing every year.

Nam Vu Down - Feather Joint Stock Company branch was established in December 2019 in Duc Hoa-Long An to produce and distribute mainly down and feathers from geese and ducks used in industry. Nam Vu Down - Feathers Joint Stock Company has analyzed and developed key products for customers in

manufacturing industries. The company has created an effective working team with the policy of "Best quality at affordable prices".

2.1.3. Business characteristics of the company

The main business of the Company is the manufacture, and supply of high-end down and feather products from goats and ducks on orders of foreign partners for export purposes.

2.1.4. Organizational structure and function of departments

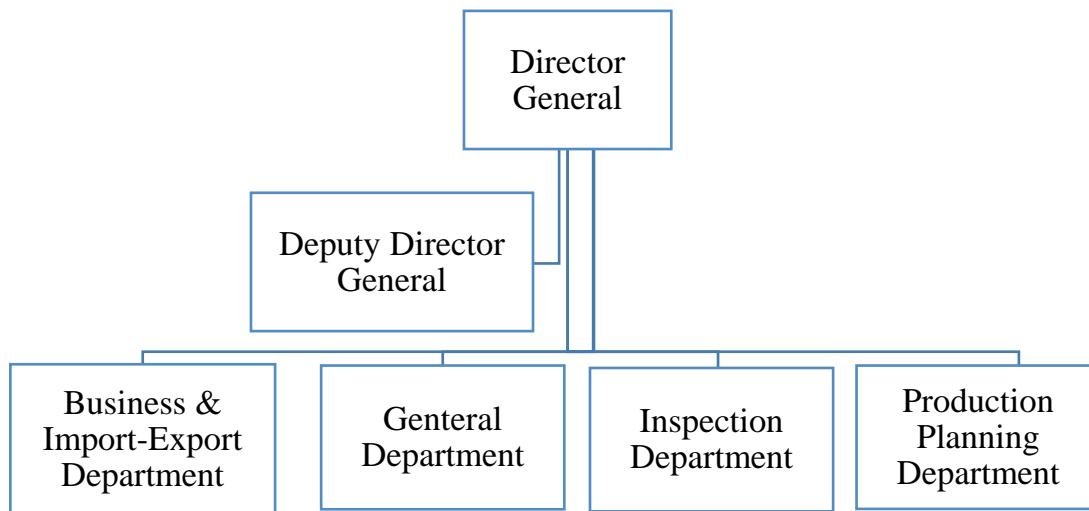


Diagram 2.1: The company's organizational structure

(Source: Administration and Human Resources)

❖ Functions and duties of departments

The company has selected the appropriate organizational mechanism, clearly showing the powers and responsibilities of each department:

The Director General organizes the company's business activities, enacting internal management regulations, and appointing and dismissing management positions. The current director of the company is Mr. Nguyen Ngoc Dai.

The Deputy Director General supports the Director General in maintaining the entire operations of the company, checking documents, and documents, from other departments transferred before approval. In addition, the

Deputy Director General assesses the operational situation of the company of the departments through the reports of departments.

Business – Export and Import Department: Business employees search for customers, receive import and export needs from dealers or customers in demand, offer company services to dealers, and customers, and negotiate with shipping companies to get the best prices for customers. Then the import-export staff proceed to review and quote, and the parties agree and sign the contract. The department is responsible for carrying out all the work content of the import and export business from the filing of documents to the completion of the export procedure abroad or the import of goods into the warehouse for the enterprise. The import and export officer also must solve the customer's problems in a brief and precise manner for each shipment, creating a good reputation for the customer.

General Department: Employees whose main tasks are to be in charge of the company's revenue and expenditure, complete planning of the accounting tasks arising, reporting accurate statistics periodically monitoring and organizing for continuous business operations, and efficient expenditures for the import and export employees to complete the work.

Production Planning Department: Based on the company's development orientation, plan production by week, and by month with the production management. The department is also tasked with monitoring the situation of imports of raw materials and finished goods to develop a suitable plan for the company promptly.

Inspection Department: Staff responsible for testing and assessing product quality. Certifying product quality conformity and checking acceptance work.

2.1.5. Business results of the company in the past three years

Table 2.1: Results of export activities of Nam Vu Down -Feathers SJC

(Unit: VND billion)

Target	Year			Difference			
				2021/2020		2022/2021	
	2020	2021	2022	+/-	%	+/-	%
Revenue	10.236	12.681	18.098	2.445	23,8%	5.417	42,7 %
Expenses	6.943	8.575	11.668	1.632	23,5%	3.093	36,0%
Profit	3.293	4.106	6.43	0.813	24,7%	3.324	56,6%

(Source: Accounting - Finance Department)

(Unit: VND billion)

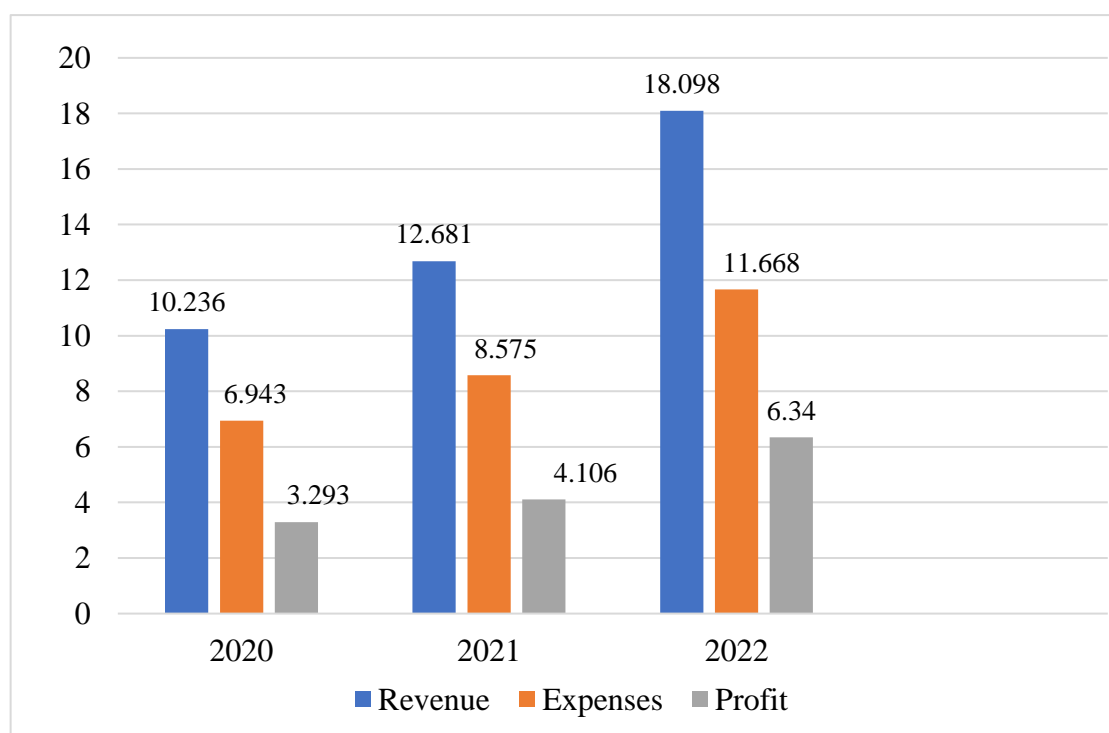


Chart 2.1: Business results of Nam Vu Down -Feathers JSC

(Source: Accounting - Finance Department)

❖ **Comment:**

Revenue: The increased revenue from 2020 to 2022 shows the company's success and growth in business. In particular, revenue in 2022 reached VND 18.098 billion, an increase of 42,7% compared to 2021, which is equivalent to a rise of VND 5.417 billion, and in 2021 revenue reached VND 12.681 billion, which is 23,8% more than in 2020, which corresponds to an increase in VND 2.445 billion. The reason is that the Vietnamese economy and the world are adapting flexibly to the unpredictable developments of the COVID-19 pandemic. Countries around the world are re-exporting and importing fast-paced goods, together with the unceasing effort of all employees in the company, always putting the interests of the company first and seeking the source of customers for the company so that the company has more potential customers, generating big revenues to the company.

Expenses: Over the years, costs have consistently risen and in 2022, they reached a total of 12.668 billion. This is a 36% increase from 2021, which amounts to 3.093 billion. In 2021, costs were at 8.575 billion, which is a 23,5% increase from 2020, equivalent to 1.632 billion. These escalating costs are a result of inflation and rising energy prices, as well as increased transportation charges due to the impact of the COVID-19 pandemic and the Russian-Ukrainian war on production and transportation operating costs.

Profit: The profit of the company in 2022 reached VND 6.43 billion, an increase of 56,6%, equivalent to VND 3.324 billion compared to 2021. And in 2021 the profit reached VND 4.106 billion, an increase of 24,7% or VND 0.813 billion compared to 2020. Such growth is due to the development of investment policy of the management of the company choosing ways to operate by the economy in each period.

2.2. Overview of down and feather exports

2.2.1. The situation of down and feather exports in the world

Table 2.2. The value of the world's down and feather exports in 2022

(Unit: USD million)

Country	Value
China	773
Asia	205
Germany	110
Polish	102
US	98
Other countries	51

(Source: TrendEconomy.com)

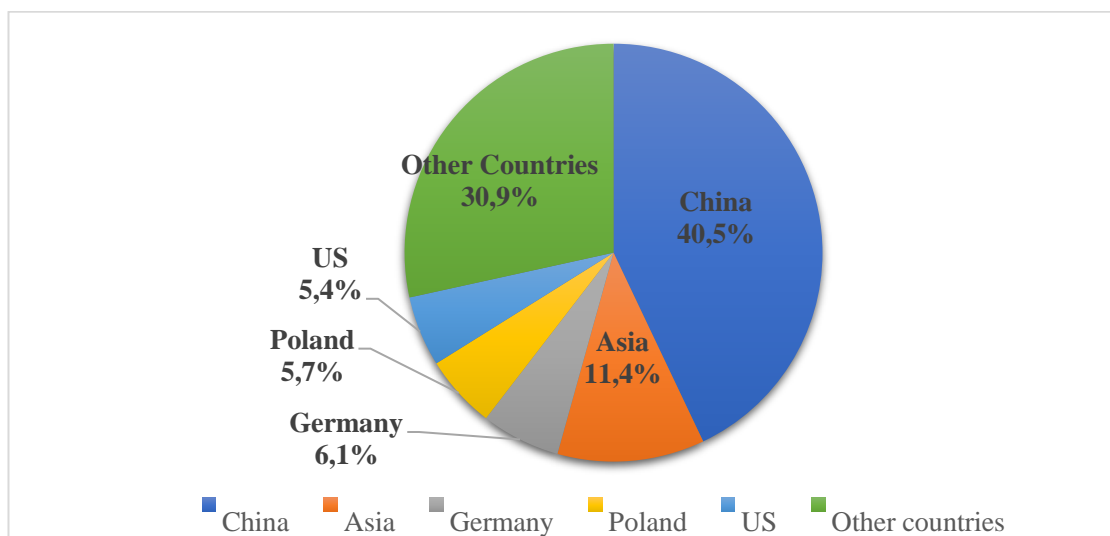


Chart 2.2. The value of the world's down and feather exports in 2022

(Source: TrendEconomy.com)

❖ **Comment:**

According to TrendEconomy's report, by 2022, the world's exports of "skin and other parts of birds, with feathers or furs, feathering and parts of feather (with or without cutting) and feather, not over-processed, cleaned, disinfected or treated

for preservation; powder and waste of feather or feather parts" exceeded \$1.8 billion, an increase of 34.3%, or \$0.46 billion, compared to 2021. Because of the economic recovery from the COVID-19 pandemic, exports and imports have returned to a vibrant pace.

The world's leading exporter of fur products is China, accounting for 40,5% with a value of \$773 million. In second place are the Asian countries such as Vietnam, Japan, Turkey, etc. accounting for 11,4% with a value of \$205 million. Third place was Germany with 6,1%, worth \$110 million. The fourth place is Poland, which accounts for 5,7% with a value of \$102 million. The fifth is the United States, which accounts for 5,4%, with a value of \$98 million. And finally, the other nations accounted for 30,9%, worth \$512 million. These are the top five countries in the world for down and feather exports because of the huge consumption of poultry in these countries. People with a culture and habits of duck and goose eating should release abundant quantities of fur, making these countries the world's leading in down and feather export.

2.2.2. The situation of down and feather exports in Vietnam

Although exports are not large compared to other agricultural and marine products, Vietnam's livestock exports have grown strongly since the beginning of the year. Remarkably, there are very special items such as down and feathers that are popular with the big markets, and there are many opportunities for export growth.

Information from the Veterinary Administration indicates that, after the agreement with Vietnam on the model of the down and feather export business certificate in January 2020, so far, there are 20 Vietnamese enterprises exporting down and feather. Vietnam's major customers include China, Korea, the USA, EU... due to the need to use winter fashion to keep the body warm because the climate in these countries is cold. In addition, the importing countries currently have very high requirements for exported down and feather products in conditions of storage, storage that meets the standards of blurrability, and oxygen consumption... Besides, the feathers must be taken from healthy poultry in an epidemic-protected area and ensure that there are no impurities.

In 2022, Vietnam exported about 10,000 tons of down and feather to countries worth more than \$40 million, a 50% increase, equivalent to \$20 million, compared to 2021. Of these, the Chinese market buys the most, with over 8,000 tons. The reason is that Vietnam’s down and feather meets all the international quality standards. In addition, state support policies facilitate business exports to the world.

2.2.3. Overview of down and feather exports of the company

Table 2.3. Turnover and Structure of down and feather export at Nam Vu Down – Feathers JSC in 2022

Nations	Duck Down		Goose Down	
	Quantity (kg)	Value (USD)	Quantity (kg)	Value (USD)
Korea	5,440	201,280	1,360	84,320
China	3,800	140,600	1,100	68,200
US	3,230	119,510	900	55,800
Myanmar	1,700	62,900	-	-
Other Nations	1,200	44,400	-	-
Total	15,370	568,690	3360	208,320

(Source: The Import-Export Department)

The company's total export value in 2022 is 777,010 USD. Of which, the export value of duck down is \$568,690, and the export value of goose is \$208,320. Besides, the company's total export turnover in 2022 is 18,730 kg. Of which, duck down export turnover reached 15,370 kg, and goose down export turnover reached 3,360 kg.

The company's main export products are duck down and goose down. Most of them are duck down with 90% because this is a product with a low price, abundant raw materials, and high applicability in production such as blankets, pillows, clothes, etc. Nam Vu guarantees product quality and reputation with

customers. Nam Vu produces and supplies high-quality feather products from geese and ducks with certificates and quality inspection by international organizations such as Katri, Intertek, Controlunion, RDS, etc in all production activities. The preliminary processing technology has been renewed and equipped with the most advanced machines, processing processes, and production technology. It saves processing time, ensures good quality products, the capacity to meet the output plan of the company. The company always meets the demanding standards and requirements worldwide

The company's main export market share is headed by Korea with 40% (equivalent 6,800 kg), followed by China with 25% (equivalent 4,900kg), third is the US with 20% (equivalent 4,130 kg), fourth is Myanmar with 10% (equivalent 1,700 kg) and other countries with 5% (equivalent 1,200 kg). The reason is the cold winter weather, so these countries develop winter fashion, including warm and comfortable items such as pillows and blankets..

2.3. Analysis of the process of performing the down and feather export contract at Nam Vu Down - Feathers JSC.

2.3.1. Summary of the export contract

Seller: NAM VU DOWN - FEATHERS JSC

CN-27.2 Land, Thuan Thanh 2 Industrial Area, An Binh Commune,
Thuan Thanh District, Bac Ninh Province, Viet Nam

Telephone: 84-222-377-5388

Buyer: BYVOW CO., LTD

C-215, U-Tech Valley, 25, Misagangbyeonjungang-ro 7beonan-gil,
Hanam-si, Gyeonggi-do, Korea

Telephone: 82-31-794-1905

Clause 1: Description of commodity – quantity – price

No	Description	Quantity (kg)	Price (USD/KG)	Amount (USD)
	Washed White Duck 80/20	1,500.00	37	55,500
Amount (US dollars fifty-five thousand and five hundred)				55,500

Price: USD 37/KG CIF Incheon, Korea, Incoterms 2020

Clause 2: Shipping

Shipping time: before 17th January 2023

Loading port port: Hai Phong Port, Hai Phong, Vietnam

Unloading port: Incheon, Korea

Partial shipment: not allowed

Transshipment: Allowed

Clause 3: Payment

Payment By T/T after arrival in Incheon, 30% advance payment before shipment

Bank Vietnam Joint Stock Commercial Bank For Industry And Trade,
Tien Son Branch, Tien Son Industrial Area, Tu Son District, Bac
Ninh Province, Vietnam

Account No – 111 002 668 455 / SWIFT Code – ICBVNVX285

Clause 4: Documents

No	Type of document	Provider	Original, Copy
1	Signed Commercial Invoice		3 Original
2	Bill of Landing		3 Original
3	Packing List		3 Original
4	Health Certificate	Veterinary Department	1 Original

2.3.2. The process of performing the down and feather export contract at Nam Vu Down - Feathers JSC

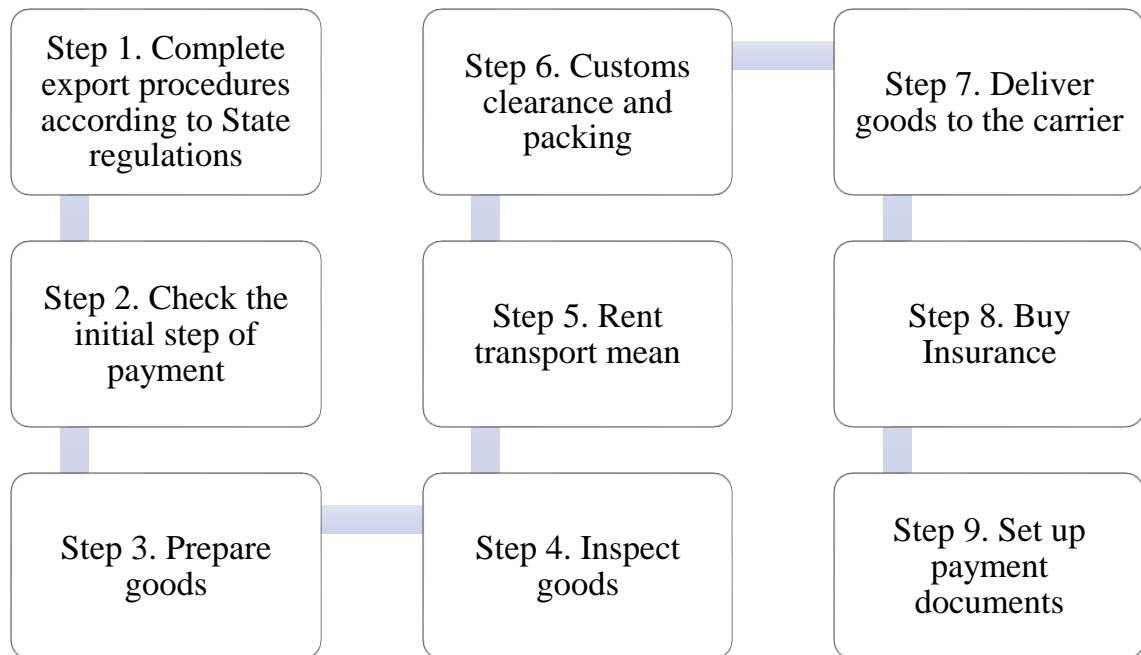


Diagram 2.2. The process of the export contract at Nam Vu Down – Feathers JSC

(Source: Import-Export Department)

2.3.2.1. Complete export procedures according to State regulations

❖ **Export License**

According to Clause 2, Article 31 of Circular 04/2020/TT-BTC dated February 12, 2020, the Ministry of Agriculture and Rural Development licenses the export of feathers products.

Feathers are not included in the List of endangered, precious, and rare wild fauna and flora specimens banned from export in CITES Appendix I issued with this Circular. Therefore, the company performs exports as normal goods.

❖ **Legal grounds**

According to Clause 1, Article 10, Section 5, Circular 11/2009/TT-BNN, when exporting down and feathers, the company needs to apply for a veterinary quarantine certificate for animal products. Regulations on quarantine of animals and animal products; veterinary hygiene inspection for animal products and

documents and certification procedures for export products under the management of the Ministry of Agriculture and Rural Development.

❖ **HS code and export duties**

According to the 2023 import and export duties, the HS code of the down and feather is: 05051010

Down and feather products are exempt from VAT and export duties.

2.3.2.2. Check the initial step of payment

Total: \$55,500 (US dollars fifty-five thousand and five hundred only.)

According to the agreement, both parties have agreed to make T/T 30% advance payments. The company will send a reminder to the buyer to transfer the deposits on time and in the correct amount. Once the bank notifies that it has received payment from the importer, the company will verify it against the terms of the contract. If there are no issues, the company will proceed to the next steps. However, if there are any errors, the company will request and remind the buyer to pay according to the transaction signed in the contract.

Under the agreement, the buyer (BYVOW.CO.LTD Company) pays 30% in advance (equivalent to \$16,650) before delivery. 70% of the remaining amount (equivalent to \$38,850) will be paid after the shipment arrives in Incheon.

2.3.2.3. Prepare goods

To fulfill the obligations in the export contract, the exporter must prepare the export goods, packaging, symbols, etc. In accordance with the provisions signed by the importer.

The raw materials imported by the Company at the poultry processing facilities and imported from abroad will be processed and cleaned at the company.

❖ **Production phrase**

Step 1: The ingredients will be put into the washing machine Model: SX2001 Wattage: 16K, with 100 m³ of water per piece (200kg of raw material) and a washing time of about 100 minutes per piece.

Step 2: After the material is passed through the washing machine, it is transferred to the wringers model: PS1601. Wattage 18.5kW, 30 minutes per piece.

Step 3: After the wringers, the raw material will be transferred to the dry machine with the model: HG2001 Wattage: 16 Kw. Dry at a temperature of 120 °C, the drying time is approximately 30 minutes per piece (100 kg/ piece).

Step 4: After drying, the raw materials will be transferred to the cooling machine. Model: LQ2000 hair dryer. Wattage: 22Kw, drying time is approximately 30min/ 1 piece (100kg/ piece).

Step 5: Close the package.

- Item: Washed White Duck Down
- The quantity of 1,500 kg is contained in 80 bags
- Packaging: Goods are packaged in white bags, each bag is 21kg, printed with the logo and label of NAM VU DOWN - FEATHERS JOINT STOCK COMPANY,
- The code mark: WDD70130 is written on the outside of the packaging to inform the information necessary for the delivery, unloading, and storage of goods. At the same time, the code needs to be bright, clear, and recognizable.

2.3.2.4. Inspect goods

According to Circular No. 25/2016/TT-BNNPTNT and Circular. No. 35/2018/TT BNNPTN, animals and animal products included in the Animal Catalogue and animal products on land are subject to inspection before the export must be inspected and issued a certificate of inspection as required by the importing country or the landlord.

The Certificate Of Veterinary Examination is registered online on the Vietnam National Single Window (<https://vnsw.gov.vn/>)



Figure 2.1. Vietnam National Single Window

(Source: Vietnam National Single Window <https://vnsw.gov.vn/>)

Certificate attached at registration:

- Invoice
- Contract
- Packing list
- Production process
- Certificate of Veterinary Hygiene (Veterinary department)
- Intake material certificate

After registering, an officer inspects the factory and checks if the product meets standards. If it passes, the veterinary department issues a clearance certificate to the company.

2.3.2.5. Rent transport mean

According to the signed contract, both parties agree that this shipment will be shipped by CIF method (Incoterms 2020). Therefore, Nam Vu Down - Feathers Joint Stock Company will rent a means of transportation.

The sequence of steps to proceed with the lease agreement through FWD is as follows:

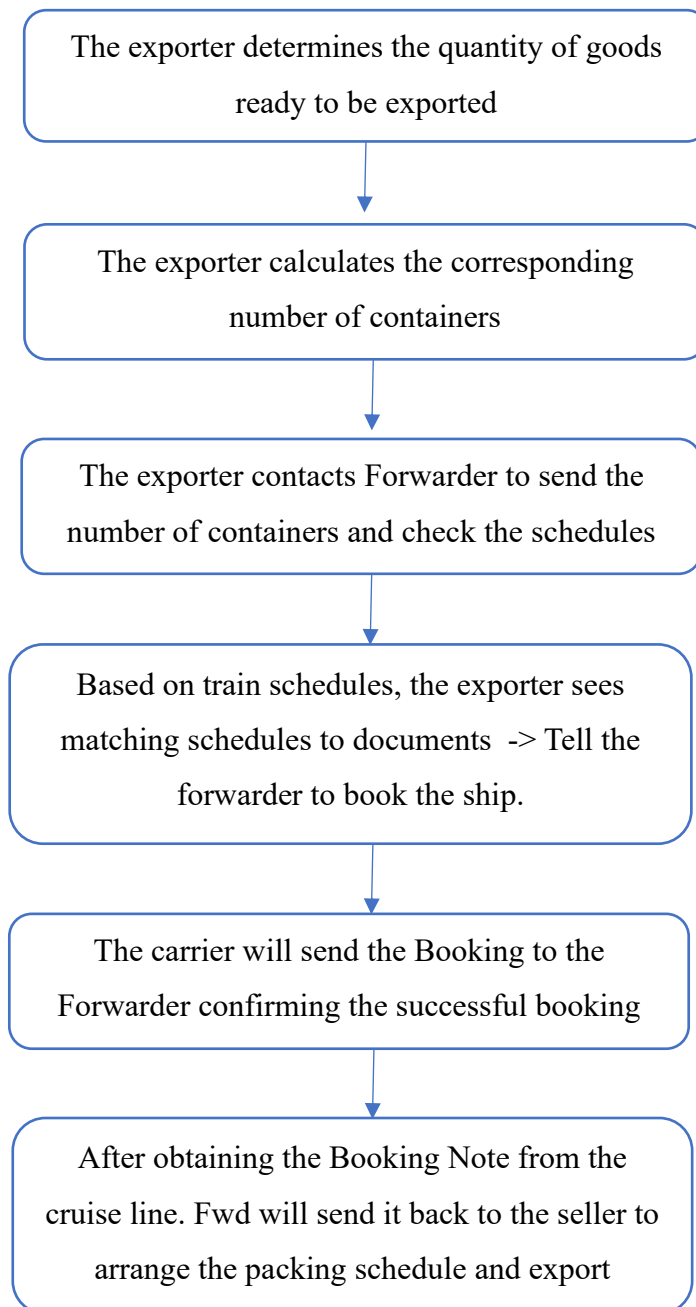


Diagram 2.3. The process to rent transport of Nam Vu Down - Feathers JSC

(Source: Import-Export Department)

The company exports 1,500 kilograms of down and feather in 80 bags, equivalent to a container of 20 feet.

After determining the number of containers, the Company will contact the FWD (Tuan Hai Company) to send them a ship schedule. Based on the schedules provided by the FWD, the company will look at the timetable that matches the date

of documents and then report it to the FWD. The FWD Company will book the ship with the carrier company and if successful, it will send the FWD a Booking Note confirming the successful booking including full information.



		SITC Vietnam Co., Ltd.		
Haiphong HQ: 4th Floor, Room 419+420+421 TD Business center, Lot 20A, Le Hong Phong Str., Haiphong, Viet Nam. Phone: (84) (225) 3757800 · Fax: (84) (225) 3757805 · Mail: cs.hph@sitc.vn;cs1.hph@sitc.vn				
Hanoi Ref. Office: 15th Floor, C Land Tower, No. 156 Xa Dan II Str., Hanoi, Viet Nam Phone: (84) (24) 39747487 · Fax: (84) (24) 39747795 · Mail: cs.han@sitc.vn				
BOOKING NOTE & EMPTY CONTAINER DELIVERY ORDER				
Booking number:	HPH22125466	Date:	23-12-2022	
Kính gửi (To):	TUAN HAI INTERNATIONAL TRANSPORT CO.,LTD			
We hereby confirmed your booking as following details:				
Số lượng, loại container (QTY & Cont type):	1*20GP	Trọng lượng (Cargo weight):	5000KGS	
Mặt hàng (Commodity):	FEATHER			
Ghi chú (Special remark):				
Dự kiến xếp lên tàu (Vessel):	SITC MACAO	Chuyến (Voy):	2301N	
Ngày tàu chạy (ETD):	04-01-2023	Ngày tàu đến (ETA POD):	10-01-2023	
Cảng xuất (Terminal):	DINH VU PORT	Cảng chuyển tải (POT):		
Cảng dỡ (POD):	INCHON,SOUTH KOREA	Nơi nhận hàng (DEL.):	INCHON,SOUTH KOREA	
SI cut time :	10:00 02-01-2023	CY closing time:	10:00 03-01-2023	
Freight term:	Prepaid			
NOI LẤY CONTAINER (EMPTY PICK UP PLACE):	SITC-DINH VU			
Đóng hàng tại(stuffing place):	CLIENT'S WAREHOUSE			
NOI HẠ HÀNG (FULL RETURN PLACE) :	DINH VU PORT CONTAINER TERMINAL			
<u>ĐỀ NGHỊ QUÝ KHÁCH ĐỌC KỸ VÀ THỰC HIỆN ĐÚNG CÁC YÊU CẦU SAU:</u>				

Figure 2.2. Booking Note

(Source: Import-Export Department)

2.3.2.6. Customs clearance and packing

Once the goods have been fully prepared under the signed contract, the company proceeds with E-customs procedures and packing. These two works are performed simultaneously to save time and after the customs declaration, the container is sealed.

❖ E-Customs Declaration

E-Customs declaration is an important document that must be present during customs proceedings. Entering the information on the declaration is a very important step in the electronic customs declaration process. Specifically, in the case of the shipment when the declaration is incorrect, when the Customs officer receives, checks for this defect, the duty officer will divide the flow or red flow for the shipment. This costs the company and takes longer to get the goods back to the warehouse.

After checking the documentation set, the document staff will proceed with the electronic customs declaration using the licensed ECUS5-VNACCS Customs Declaration Software with the company's electronic signature.

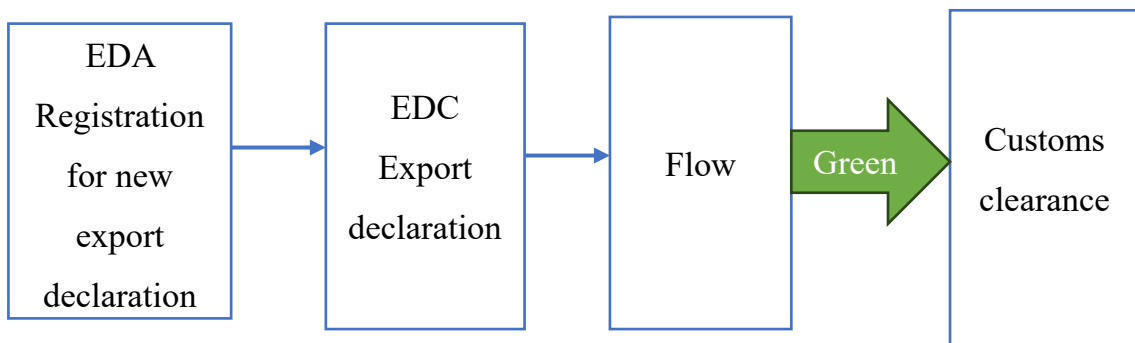


Diagram 2.4. Electronic customs declaration process

(Source: Import-Export Department)

The E-Customs declaration steps for exports are as follows:

- *Step 1: Declare goods information*

After opening the software and choosing EDA a new registration for the export declaration, the staff enters the information of the goods accordingly: the importer, the exporters, types of export, information about goods, quantity, location, ship, invoice number, total invoicing value, export tax, tax value. After checking all the information is correct, go to the EDC register the export declaration. After declaring and saving the information, click the “Receive Results” button so that the data will be transmitted to the Port Customs Division and receive feedback from the Customs.

- *Step 2: Selectivity of the customs declaration form*

Customs checks the accuracy and validity of the information declared by the enterprise, conducts selection, and returns the results to the enterprise.

For this shipment of the Company, after the Customs receives the documents and checks, the shipment is selected as a green flow (so it is exempt from inspection of documents and goods) and stamped as having completed customs procedures and will be cleared and exported abroad.

Step 3: Print the declaration and go to the port to complete customs clearance procedures for the shipment

The operation staff prints the declaration into 2 sets (one set for customs to keep and one set sent to the customer after completing all steps) to go to the port to complete customs procedures for the export shipment.

❖ **Packing**

After the Company receives the empty container, the staff needs to check the container. When a container is found to be in trouble, the company notifies the shipping line to request a replacement of the container or makes a clear note of the status of the container on the Equipment Interchange Receipt to avoid the container owner being charged compensation for the previously damaged container.

External inspection of the container: Observation of traces of rupture, breakage, distortion of the impact,... must proceed to inspect the roof part, the corners of the Container as this is the most frequently missed place but is an important factor of the container in connection with the safety of the shipment.

Internal inspection of the container: Check the water tightness by closing the door from the inside and observing the light rays passing through to detect holes or cracks. Check the rivet, and rive and see if it is damaged or popping up.

Container Door Check Check the operating situation when opening and closing the door and latches to ensure the door opens and closes safely and tightly, preventing water from entering the container.

Check the sanitation status of the container: The container case must be cleaned, dry, and odorless, the greatest risk is the smell, pay close attention to the many cases of exported goods being returned due to smell.

=> As indicated in the Booking Confirmation, the container is picked up at SITC-Dinh Vu and the place of packing is the exporter's warehouse – Nam Vu Down And Feathers JSC. After checking the container, if there's no problem, the company will proceed with the packing.

After a successful customs declaration, the Company will seal the container. The Seal indicates that the container has been securely closed at the port of departure and cannot be opened until it reaches the buyer, preventing any unauthorized access during the sea journey. This measure not only prevents theft but also reduces the risk of transporting illegal goods such as arms, goods, and drugs.



Figure 2.3. A container is sealed before delivery

(Source: Import-Export Department)

2.3.2.7. Deliver goods to the carrier

After the goods have been packed in the warehouse of the exporter, the container will be shipped to Dinh Vu port for delivery to the carrier. At the port, the company's staff will be monitoring and carrying out the documentation work.

For this export shipment, as shown on the Booking Note, the SI cut time is 10h00 on January 2, 2023. This is the deadline for the exporter to provide

information to the shipper. Exporters need to prepare shipping instructions. Once prepared, the information will be sent to the shipping line to ensure that the goods are transported according to the requirements and to limit the maximum error on the Bill of Lading (B/L). The staff at the port will submit VGM to the shipping line confirmation of the full weight of the container and the shipping line returns the B/ draft to the staff to verify that the B/L draft matches the information of the shipment. If there is a mistake, let the shipping line know and edit it in time before the original B/L is released.

Closing time is 10:00 on January 3, 2023, this is the deadline for exporters to complete customs clearance for the shipment and liquidate containers to the port to load goods onto ships. When the goods are loaded onto the ship, the shipping line sends the original B/L to the FWD company and then the FWD company issues the B/L to the company.

2.3.2.8. Buy Insurance

When exporting under CIF terms, the seller must buy insurance for the goods. For this export shipment, the company chose to trust and buy insurance from the **Bao Viet Insurance Company**. The type of insurance that the company purchased was *type A: 100% risk*.

Documents you need to send to the insurance company to purchase insurance:

- Contracts
- Commercial invoices
- Bill of lading draft

Insurance fee is calculated in CIF:

$$I = R \times A = R \times 110\% \times \text{CIF}$$

$$I = 0.13\% \times 110\% \times 55,500 = 79.365 \text{ USD}$$

$$1 \text{ USD} = 23.700 \text{ VND}$$

=> The total insurance amount for the shipment is: $79,365 \times 23,700 = 1,880,951$
VND

2.3.2.9. Set up payment documents

The exporter makes a set of payment documents to claim the importer's money.

According to the contract signed between the two parties, the T/T payment method is paid 30% in advance (equivalent to \$16,650). After the importer receives the goods and documents, the remaining 70% (\$38,850) will be paid.

The payment documents include:

- Bill of Lading
- Commercial invoice
- Certificate of origin of goods
- Packing List
- Health Certificate
- Insurance

2.4. Factors affecting the process of performing the export contract at Nam Vu Down - Feathers JSC.

2.4.1. External environment

2.4.1.1. Macro environment

Economic Factors: The objectives of Vietnam's exchange rate policy are to control inflation, stabilize macroeconomics, maintain economic growth at a reasonable and sustainable level, contribute to export incentives, improve the international balance of payments, and increase foreign exchange reserves... To these goals, Vietnam has used a variety of exchange-rate operating tools such as currency band, adjustment of re-discount interest rates, regulation of compulsory reserve rates; foreign exchange operations; rigorous management of the exchange market, and reduction of dollarization... The contribution of the exchange rate factor is one of the key proofs that Vietnam does not manipulate currencies to gain an unfair competitive advantage in international trade. With the State stabilizing the macroeconomy, inflation, and exchange rates help the company to import raw materials at reasonable prices and the company's import and export activities are

stable, the prices are not too expensive or too cheap compared to other countries, and do not reduce competitiveness compared with other countries.

Cultural-Social factors: Statistics show that Vietnam is one of the countries that consume huge amounts of food for poultry, up to 70 million a year due to the habit of eating Vietnamese poultry. Vietnamese people often have the habit of eating poultry meat on holidays, at parties, etc. After buying ducks, and geese back for meat, the people usually leave their fur in their place and then sell it back to the collection units. Therefore, the company has an abundant supply of down and feather, ensuring that there are sufficient raw materials for stable production and can supply the full quantity of products to customers.

Natural Factor: Non-profit organizations, like Responsible Down Standard (RDS), are trying to find the best ways to minimize and heal the impact of production on water, soil, air, and people so that consumers can trust that the fur and fur used in the products they choose are sustainable. The awareness of animal welfare issues has led to a successful development in the use of standards such as the Responsible Down Standard (RDS), which has therefore increased the production of fur and feathers globally. After a lot of effort, Nam Vu has achieved RDS certification. This has helped the company build a good reputation in the market and has many advantages in entering the international market. Besides, changes related to climate change, temperature, and rainfall will affect the emergence of pathogens that affect animals. This has a huge impact on the quality of the company's input. If the down and feather don't guarantee quality, the company can't import and proceed with production.

Policy-Law Factors: To make effective use of the New Generation Free Trade Agreements (FTAs), the Department of Commerce has provided information on the 17 new generations of FTAs that Vietnam is negotiating and has signed, as well as supporting online searches for preferential tariffs that countries are granting to Vietnam's exports, helping to initiate its production business plans. Updated support, providing new import regulations from FTA countries to, enable to effectively take advantage of the tariff reduction route of the CPTPP, EVFTA, UKVFTA, and RCEP to boost exports. The Veterinary Office has also successfully

registered accounts on the EU's Traces Nt system to support firms exporting fur to foreign markets. By making good use of policies and agreements, the company has been able to reduce costs by benefiting from tax incentives and giving it a more competitive advantage in the international market.

Market Factor: The global fur and goose fur market is expected to reach a CAGR rate of 6.72% in the forecast period, 2022-2027. Over the years, the use of duck and goose fur in general has increased, which has led to a wider supply of fur throughout the world. These fur fibers are processed and then used by a large number of companies involved in the manufacture of cotton blankets, cushions, clothes, pillows, and so on. Demand for down and feather products in both the civil and commercial sectors is now growing at a rapid rate, which has increased overall demand for fur production, allowing the company to easily find customers, boost fur exports, and grow more in the future.

Technological Factor: The risk of competitive enterprises always changing technology and using increasingly modern machinery and equipment leads to fierce competition. Therefore, Nam Vu still regularly updates modern technology systems and equipment. But this requires businesses to have large and solid financial resources.

2.4.1.2. Micro environment

Suppliers: Retailers usually collect fur and goose fur at poultry markets. These people are going to sell the fur to the shops that collect and repair the fur. The feathers will be dried up and sold to the garbage collectors who specialize in fur, duck, or goose fur. Here, they get them back and then sort, process, dry and sell them to warm clothes factories and export them to high-end clothing companies. In addition to domestic supply, the company also expanded its suppliers abroad to provide the company with abundant supply, ensuring the company's production volume.

Competitors: The market for goose down and feather is highly competitive. Currently, we can mention several competitors such as Thang Ha Export Company, Vina Down, Dai Loi Wholesale Co., Ltd., etc. Identifying and analyzing

competitors will help the company to grasp the advantages and disadvantages of competition as well as a better understanding of the situation of its business. This allows the company to plan and create effective business campaigns to help the company grow and stay in the market.

Customers: The main customers of the company are:

- Clothing companies, export clothes companies, and fashion brands.
- Companies that manufacture blankets, pillows, and feathers.
- Interior manufacturers, and exporters.
- Main export markets: Korea, Japan, Myanmar, Bangladesh, China, USA,...

The company's customers are extended across many industries and countries, so the company is not so dependent on one customer that the company can be flexible whenever there is a crisis in a partner country or a profession that Nam Vu supplies with raw materials. In addition, for each customer, the Company always researches the customer's market and a long-term, sustainable partnership.

2.4.2. Internal environment

Financial potential: The company's capital increases year by year. Increased revenue from 2020 to 2022 shows the company's success and growth in business. In particular, revenue in 2022 reached VND 18,098 billion, an increase of 42.7% compared to 2021, which is equivalent to a rise of VND 5,417 billion, and in 2021 revenue reached VND 12,681 billion, which is 23.8% more than in 2020, which corresponds to an increase in VND 2,445 billion. We see that the use of the company's capital has been gradually rearranged to effectively realize the number of assets as well as the amount of capital that allows the company to have sufficient financial resources to invest in more modern and scalable machinery.

Human potential: The company has 11 to 50 employees. The company always tries to select and recruit people who are competent, experienced, and suitable for the working environment at the company. The company's large force ensures that the company has the human resources needed to expand its production business. The unity of the corporate staff and the team of businessmen with many years of experience in international trade. The company has emphasized its interest

in improving skill training for employees to better meet the requirements of business production.

Marketing Operations: The company has been very active, actively expanding its business network. The company will continue to maintain good relationships with long-term customers as most of the company's orders come from traditional customers. In addition, some new customers are often introduced by organizations promoting trade, and supporting enterprises abroad such as events, and seminars organized by the Vietnam Textile Society (VITAS). In the foreseeable future, the company will implement market-specific marketing strategies, advance the deployment on digital platforms, and take full advantage of online tools such as website, Google Ads, social networks Facebook, Instagram, YouTube... to take advantage of the influence of social networking to be more proactive and effective in finding new customers. The strategy is expected to be successful, helping to reach more new customers, and boosting the company's quota as well as export profits.

Technical facilities: Nam Vu started the construction of the first factory in Thuan Thanh 2, Thuan Thanh district in Bac Ninh Province, then three auxiliary factories stretching north-central-south including the factory at Binh Duong, Khanh Hoa, a company in Long An and a representative office in HCM. From the moment the first brick was placed, the company identified the two most important factors which are product quality and environmental protection. That can only be achieved by investing in technology: fully imported, state-of-the-art machinery lines, high-automatic, standardized Japanese wastewater treatment systems, including washing machines, presses, one-door chambers, dryers, quality checking items, etc. to produce quality products and maximum productivity in production. checking items, etc. to produce quality products and maximum productivity in production.

Management level: Nam Vu is a system with close connections toward goals. The company wants to achieve its goals and at the same time attain a corresponding level of organization and management. Organizational and managerial capabilities are based on a comprehensive, integrated perspective,

focusing on the interactive connections of all the components that make up the whole that makes real power for the business. The company is always proactive in the management work, solving the problems that arise. This keeps the company stable, growing, and closely linked.

SUMMARY OF CHAPTER 2

Through Chapter 2, we learn general information about Nam Vu Down - Feathers JSC and the situation of exports and imports of the down and feather in the world and Vietnam. At the same time, we learn more about the process of implementation of the company's down and feather export contracts as well as the internal and external environment that affects the import and export activities of our company. From there, we can come up with solutions to perfect the process of execution of export contracts at the company.

CHAPTER 3. SOLUTIONS TO IMPROVE THE PROCESS OF PERFORMING THE DOWN AND FEATHER EXPORT CONTRACT AT NAM VU DOWN - FEATHERS JSC.

3.1. Evaluation of the process of performing the down and feather export contract at Nam Vu Down - Feathers JSC.

3.1.1. Strengths

❖ **The E-customs declaration procedure is carried out quickly, with fewer errors.**

Thanks to the use of electronic customs declaration software ECUS5-VNACCS with the long-term working experience of well-trained staff (university level) of the import-export department. Customs declaration is done quickly in about 10 - 30 minutes depending on each item and the rate of information errors during the declaration process is very low. Using electronic customs declarations helps reduce costs for businesses participating in international trade because there is no need to go directly to customs offices, as well as minimizing the time for circulation and transportation of goods.

❖ **Stable supply of raw materials.**

In addition to sourcing raw materials from domestic poultry processing facilities, the company has expanded its import network from abroad. In addition, with each supplier, the company has a long-term cooperative relationship, signing a long-term supply contract ensuring a stable and abundant supply. In selecting suppliers, the company always checks the quality of the goods and requires certificates that meet the supplier's quality requirements to ensure that the input meets the standard.

❖ **Quick preparation of goods**

Since the company has connections with many suppliers, it is easier to prepare for exports and meet the conditions for goods. From the start of the acquisition, the company works closely with its suppliers and affiliates to implement effective acquisition methods that ensure the quality of the product.

Especially in production and preservation, the company has quality facilities, ensuring the quality of the product. The goods comply with international standards and the contracts are concluded with foreign partners. Good inspection always ensures objectivity and high reliability.

❖ **Choose suitable terms of trade**

The company regularly signs export contracts with CIF delivery terms. When businesses proactively decide rent means of transport and insurance, they will easily negotiate transport prices, insurance fees, shipping times to achieve more favorable prices, and save costs for businesses. In addition, it also indirectly promotes the shipping industry in Vietnam to develop faster and with better quality. While other domestic companies currently always sign contracts with FOB terms, this proves the company's stability and international business experience.

3.1.2. Weaknesses

❖ **T/T after shipments are detrimental to the exporter.**

If the importer delays in ordering a transfer (for some reason) sent to the bank, the exporter will delay in receiving the payment even though the goods have been shipped and the recipient may have already received them. If the importer does not receive the goods, the exporter will be charged additional shipping costs, and forced to sell them cheaply or re-export them. As a result, the exporter is more likely to suffer losses from slow capital recovery, affecting production. Meanwhile, the bank has no obligation to force the exporter to pay the money.

❖ **Disadvantages of renting a ship through a broker**

The company rents transportation through broker. So, a major disadvantage to working with brokerages is that customers lose some control of their shipments to the middleman setup of brokerages. They are unaware of how reliable and trustworthy the partner carriers are that have their shipments. Sometimes, forwarder companies are inefficient and may not be reputable.

❖ **The human resources are young, and not very experienced.**

The company uses CIF trade terms, so it requires staff with extensive experience in foreign trade techniques, the ability to rent vehicles and insurance along with other related operations. However, the company's employees are mostly young people and don't have much experience or opportunity to rub the reality so sometimes embarrassed at some steps of the process, may encounter cases of pressure in negotiations, errors in the preparation of documents, etc.

3.1.3. Opportunities

Vietnam signed bilateral and multilateral free trade agreements that have enabled Vietnamese to expand their markets, access regional and global markets as well and access the services markets of partner countries.

Most of the barriers and conditions in trade have been promised to be removed, mainly the tariff barriers that have provided an enormous competitive advantage and a bright prospect for many commodity industries, with the benefit of a large percentage of the workers in companies that operate import and export

Legal procedural barriers are also reduced and simplified, facilitating enterprises to enter the international market.

The impact of the COVID-19 epidemic creates new awareness, shifts in consumer tastes, new trade transactions on remote principles, restrictions on exposure, the emergence of new online based on the digital economy,... Create a change in demand for several essential products and services such as food processing: Healthcare, pharmaceutical chemicals, digital conversion, and E-logistics... This is seen as a driving force for the company to use new, more advanced technologies.

With a large labor force cheap labor prices, good infrastructure, and a good geographical location, Vietnam will be more and more attracted to corporations in need of relocation, making the export of the Company as well as other enterprises easier.

3.1.4. Threats

Human resources are flowing back to the logistics sector from other industries due to the influence of Covid 19 (tourism, restaurants, hotels). This leads to a massive labor market. In addition, today, companies are competing hard, and talented people in this field are required when adding staff, the company must choose carefully as well as have attractive treatment.

Due to the increasing globalization work as it is today, requires a higher level of specialization, in addition, the level of change, and constant update of information will also cause the Company to quickly update new knowledge if you do not want to be outdated.

Although the economy has reopened after the COVID-19 pandemic, the level of consumption and demand for non-essential goods by the people of the countries also needs time to return to the way it was before COVID-19.

Shipping costs are high, and energy and raw materials are rising. The recent conflict in Ukraine has also had a strong impact on Vietnam's import and export activities.

Import and export activities in Vietnam are still difficult due to policy mechanisms, administrative procedures, market institutions, infrastructure conditions, and quality of human resources... still limited and blocked in some areas.

3.2. Bases for building the solutions

Based on the following factors:

- Production characteristics of the Company's business;
- The situation of the export of fur products at the Company;
- The process of performing the down and feather export contract at the Company;
- Factors affecting the process of performing the contract for the export of goods in the Company;

- General assessment of the process of performing the contract for the export of goods in the Company.

3.3. Solutions to improve the process of performing the down and feather export contract at Nam Vu Down - Feathers JSC.

3.3.1. Solutions

❖ Solutions to improve the payment methods

The most common payment method used by the company is T/T payment as mentioned. The frequent use of this method is because the partners are often regular customers of the company and partners in neighboring countries whose geographical location is not too far away. However, to be more competitive in this field, the company is required to regularly work with new partners and customers that both sides will transact with for the first time. In that context, the company should:

– Use a method of payment that is safe for both sides: L/C. Because the bank is the party that makes payment in accordance with the provisions in the credit in any case. Besides, the seller can rest assured that the buyer will pay the full amount of the goods, avoiding the case of unjustly losing money.

– Use the T/T payment method in advance. This payment way ensures safety for exporters as the exporter receives the deposit amount before delivering the goods. Besides, T/T payment is a quick payment method with relatively low costs. As long as the importer sends the payment order, the money transfer order can be completed within 1 working day.

– Choosing a reputable bank in payment is also a good solution for the company, with a reputed bank, the ability to pay quickly, and the cost of preferential services to help the company in both export and import activities.

❖ Solutions to enhance the quality of human resource

Labor is seen as an important factor, it determines every business production activity of the enterprise. Therefore, the training and upgrading of the company's staff is essential. The company should perform the following tasks:

- Propose senior officials to train at prestigious business training centers at home and abroad. Through this, they can capture and process information about the market, and product, and consolidate their business in the field of business, foreign language skills, etc.

- Take part in short-term training courses on quality standards and professional training for technicians to perform quality inspection tasks before delivery.

- Recruit quality staff and train them to be good employees. This helps ensure that the company will have employees who have the skills and knowledge to meet their job requirements.

- Creating a positive working environment is essential to motivate and encourage the company's employees. Companies can organize recreational activities, skills training, reward programs, and profit sharing to help boost the spirit of their employees.

❖ **Solutions for the preparation and the production of goods**

Modern machinery greatly contributes to increasing production productivity, saving time, and high product quality. Therefore the company should:

– To better prepare for exports, it would be wise to invest in machinery and equipment that will increase productivity. The company has already introduced several new technology lines and has a team of highly skilled workers who can produce a variety of products to fulfill export orders from partners. This will ultimately lead to increased profitability for the company.

– Choose the right supplier of raw materials, with quality assurance requirements set for the product as well as requirements from the partner.

– Strengthen the organization of domestic raw material purchasing to limit foreign currency costs and quickly source goods for production.

❖ **Solutions for the transportation and delivery**

To avoid confusion and delays caused by unexpected changes to delivery schedules, companies should take a proactive approach. Therefore, to be able to solve this problem, the company should:

- Rent a ship directly from the shipping line to get more preferential prices and be able to rent ship reputable, quality shipping line.
- Should not be scheduled too close to the due date to allow for additional time in case of unexpected changes. Companies can ensure smoother and more efficient delivery processes by following these steps.

3.3.2. Recommendations to the Government

When Vietnam was a member of the WTO, ASEAN, APEC... Vietnam's position was greatly enhanced on the international stage. The State should strengthen its policy of economic cooperation and foreign policy with the countries, thereby promoting international trade activities and facilitating export and import development.

❖ Continue to study and refine import and export policies

A perfect legal system will create a favorable business environment for exports and imports. Fill and develop information technology, exchange electronic data in commerce, e-customs declaration, take advantage of the advantages of information technology to bring high labor productivity, save time, and cost, minimize negative situations, trade fraud, export and import, and customs. Strict, rigorous sanctions are needed for violations to limit existing ones in customs to build business confidence in State officials.

❖ Investment and infrastructure development

The government must improve the condition of bridges and roads, make road transportation more convenient, and decrease the time taken to transport goods from company warehouses to customs branches. Additionally, investing in the expansion of ports will allow larger cargo ships, carrying up to 18,000 containers, to access them easily. This will enhance export capabilities and promote the growth of maritime transport.

SUMMARY OF CHAPTER 3

Through Chapter 3, the thesis presented the strengths, weaknesses, opportunities, and challenges of the export contract organization process is Nam Vu. It is the basis for proposing solutions to improve the organization of the company's export contract execution to help the company grow further and further in the future. Besides, we also make several recommendations to the State to help make it easier to export and import.

CONCLUSION

International economic integration creates a common market and an economic playground for all countries. Since then, international trade activities have continued to become more and more dense, bringing advantages and difficulties to businesses operating in the field of import and export. The State, Government, and Ministries should research and complete the Law, and policies and reform administrative and customs procedures to form a unified whole... to support and create conditions for businesses to operate more effectively.

Nam Vu Down - Feathers Joint Stock Company specializes in exporting feathers. The company is committed to improving its operations and has seen growth in its export activities in recent years. To expand its export markets, the company places great importance on organizing and implementing export contracts. They recognize the significance of feather products and have policies in place to improve the contract implementation process and promote the feather export business. Additionally, the company conducts research on product orientation, consumer markets, and payment methods to ensure steady growth in export turnover. The board of directors and employees are dedicated to achieving these goals.

From the suggestions in the thesis, the author hopes to help Nam Vu Down – Feathers JSC company boost its export activities worldwide and further develop the company. Due to the limited research conditions in terms of resources as well as research time, the topic cannot avoid certain shortcomings that need to be further studied and completed. So we hope that our lecturers and readers who are interested can comment and modify the topic to be more complete.