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**PRICE MANAGEMENT OF ESSENTIAL GOODS
IN VIETNAM
ANALYSIS VIA ELECTRICITY AND GASOLINE**

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INTRODUCTION

1. The necessity of the dissertation

Price management in general and State management of price in particular is considered as one of the main stages in the State activities of macroeconomic management. Price management is a tool and also one of the decisive levers to ensure the success of other management activities, including the State macroeconomic management activities. Price management is an indispensable activity to overcome market defects and contribute to the good utilization of national resources by prices; moreover, it plays a major role in stabilizing socio-political activities and the lives of the people as well as strengthening social justice in Vietnam.

In the recent years, the legal system in prices has gradually improved, institutionalizing the Party's guidelines and the State's policies on price management and administration in a social-oriented market economy. Most of goods and services prices have been becoming an objective signal to contribute to promoting production, development and technological and technical innovation as well as increasing productivity and reducing costs...

In addition to price stabilization, in order to control market imperfections and reduce social losses, the State has still managed the prices of some essential goods and services at a certain level. The price measures have been always accompanied with the activities of strengthening the examination and inspection of product costs as well as simultaneously enhancing the propaganda and transparency of price constituents. In parallel with the regulations on price management, the development and enhancement of competition management regulations have created a legal framework and maintained an equal business environment,

thereby contributed to limiting and preventing acts of abusing market domination power to cause damages to consumers.

However, besides the advantages, the State management mechanism on prices, especially on essential goods and services prices, has revealed a number of shortcomings and limitations, namely as: Some of essential goods and services under the list of the State's price determination and price stabilization have not been calculated correctly and fully and promptly adjusted when the input cost factors have changed. Moreover, it has been seen restraints of input costs with administrative and prolonged measures, which has distorted the price system and led to high increases in price adjustments in a short time. Additionally, the regulations on selling prices of goods and services have been unreasonable, which has caused difficulties for the actual application process. The price adjustment of these goods and services has also not been directly involved in market facts, leading to the limited effectiveness of the State price management. Therefore, it is necessary to introduce a research in the improvements of the State price management of essential goods and services in line with new socio-economic conditions, meeting the central requirements of the price mechanism reform and the trend of world integration. Thus, the researcher has selected the dissertation topic: **“Price management of essential goods in Vietnam - Analysis via electricity and gasoline”**.

2. Overview of the dissertation

Regarding to the price management for essential goods, some researchers have focused on major fields, namely as: (1) The general studies on the State management of economy and State management of specific fields have generalized the basic contents of State management, such as: management subjects, management objects and management functions. However,

these researches have been conducted at a general level and not been in-depth in the State management of essential goods, especially the price management. (2) The contents of price management for some essential commodities have been mentioned, such as the confirmation of the objectives and indispensable requirements for the State price management of essential commodities as well as the analysis of policies and legal provisions on the State price management of these commodities... However, they have not clarified the characteristics of essential goods which are the main reasons for the requirements of appropriate management and policies. Besides, they have not clearly analyzed the factors affecting the price management of essential commodities in Vietnam, nor have introduced a set of criteria for evaluating the State price management of these commodities. Especially, they have not studied and analyzed the State price management of essential goods in accordance with the management process, thus, the State price management of the essential goods have not analyzed in depth and logic...

The dissertation questions have been raised: How to understand essential goods in a market economy? What are the characteristics of essential goods needed to be underlined in the price management? What is the State price management of essential good under the current context? What is the content of the State price management of essential goods? What are criteria for evaluating the State price management of essential goods? What are factors affecting the State price management of essential goods? How do the countries around the world manage prices of essential goods? How do changes in electricity and petrol prices affect the consumer price index in Vietnam? How is the current State price management of electricity and gasoline in Vietnam? What are the successes and limitations of the State management of electricity and

gasoline price in Vietnam? What are the reasons for these successes and limitations? What are solutions to improve and enhance the State management of electricity and gasoline prices in Vietnam?

3. Objectives of the dissertation: To systematize theoretical basis and analyze international experience relating to the State price management of essential goods; to assess the realities of the State price management of essential goods, namely as electricity and gasoline in Vietnam; and to propose recommendations to complete macro-economic policies, particularly specific solutions of the State price management of electricity and gasoline in Vietnam.

4. Subjects and scopes of the dissertation

- *Dissertation subjects:* State price management activities for essential goods in Vietnam via price management of electricity and gasoline.

- *Dissertation scopes:* (1) About the content: The dissertation focuses on the State price management of essential goods in Vietnam, particularly two groups of essential goods with great influences on daily life: electricity and gasoline, in which it focuses on price strategy analysis of these commodities; (2) About the space: The dissertation is conducted on the State price management of electricity and gasoline at nationwide level; (3) About the time: The dissertation studies the State price management of electricity and gasoline in Vietnam from 2013 to 2018 as well as proposes recommendations for the period until 2030.

5. Research Methods

- *Research approach:* starts from the gaps in the theoretical studies on price management of essential goods as well as from unsolved practical issues in the State price management of electricity and gasoline in Vietnam, which is

combined with the examinations of the realistic analysis and the introduction of strategic directions of the State management on prices until 2030.

- *Methodology*: includes the dialectical materialism, historical materialism and others research methods, such as statistics, comparison, analysis and synthesis.

- *Specific research methods*: Based on theoretical studies, the researcher develops a theoretical framework for the analysis and assessment of the State price management of electricity and gasoline, particularly: (1) Using the management approach to analyze the State price management; (2) Using the evaluation criteria system, including the effectiveness, the efficiency, the fairness, the suitability, the sustainability and compatibility to assess the State price management of electricity and gasoline in Vietnam today; (3) Using SWOT model to evaluate the opportunities and the challenges as well as the strengths and the weaknesses of the State price management of electricity and gasoline under the current context. In the dissertation, it is used a number of primary and secondary data, particularly:

+ In regards to the primary data, the researcher has conducted surveys and interviews:

(1) As for the essential good of electricity: He issued 110 questionnaire papers to the groups of management subjects (including State management agencies as well as researching and training units) and later collected 101 feedbacks; after coding and examining, the total number of valid feedbacks is 95 (form d1). He also issued 200 questionnaire papers for the group of management objects (including enterprises engaged in electricity production and business activities and consumers) and later collected 175 feedbacks; after coding and examining, the total number of valid feedbacks reaches 160 (form h1).

(2) As for the essential good of gasoline: He issued 130 questionnaire papers to the groups of management subjects (including State management agencies as well as researching and training units) and later collected 101 feedbacks; after coding and examining, the total number of valid feedbacks is 105 papers (form d2). He also issued 200 questionnaire papers for the group of management objects (including the enterprises engaged in gasoline production and business activities and the consumers) and later collected 165 feedbacks; after coding and examining, the total number of valid feedbacks is 155 (form h2).

+ In regards to the secondary database and data: aggregated from reports of the State management agencies (the Government, the Ministry of Finance, the Ministry of Industry and Trade, the Ministry of Planning and Investment ...), scientific researches, books, textbooks, magazines, websites, etc.

The reality research method is conducted via surveys and interviews from 2018, including two steps: preliminary research and formal research.

6. The contributions of the dissertation

- In theory: The dissertation contributes to systematizing the basic characteristics and contents of price management in general and State price management of essential goods. It helps to explain the objective inevitability in the State price management of essential goods, the management basis and the contents of the State price management of essential goods. Especially, it also provides criteria for evaluating the State price management, analyzing factors affecting the State price management of essential goods along with experiences of some countries and territories. All are the basis for the process of analyzing and discussing on the realistic aspects of the State price management of essential goods in Vietnam - Analysis via electricity and gasoline.

- In practice: The dissertation analyzes the current situations of the State price management of essential goods including electricity and gasoline; assessing the State price management of these goods in accordance with the evaluation criteria, thereby, clearly evaluating the successes and limitations of the State price management of electricity and gasoline in order to propose and recommend solutions to improve the State price management of these goods in Vietnam until 2030.

7. Structure of the dissertation:

In addition to the introduction, conclusion and the list of publication, it is structured with 3 chapters:

Chapter 1: Theories of the State price management of essential goods and international experiences

Chapter 2: Current situation of State price management of essential goods in Vietnam including electricity and gasoline

Chapter 3: Recommendations to complete State price management of essential goods including electricity and gasoline in Vietnam.

CHAPTER 1: THEORY OF STATE PRICE MANAGEMENT OF ESSENTIAL GOODS AND INTERNATIONAL EXPERIENCES

1.1. General overview of essential goods

1.1.1. Concept of essential goods: Essential goods are necessary and indispensable commodities in the normal life of the majority of consumers.

When it comes to essential goods, it is possible to mention many different types of commodities as long as they meet the criteria mentioned in the above concept. Within the scope of the dissertation, there are only two specific groups of essential

goods which are particularly important for socio-economic life, namely as electricity and gasoline.

1.1.2. Price of essential goods and relationship to consumer price index: analyze prices of essential goods and clarify the impact of prices of essential goods on the consumer price index.

1.1.3. Characteristics of essential goods affecting the price management: In addition to the characteristics like ordinary goods, essential goods have their own characteristics, such as a high and popular volume of exchange in the market and the demand for essential goods with little or no elasticity. The two essential goods of electricity and gasoline are often provided by the monopoly enterprises which have dominated positions in the market.

1.2. The State price management of essential goods

1.2.1. Concepts and objectives of the State price management of essential goods

The State management impacts are diversified and widespread throughout the national economy, including important management impacts on the areas related to prices. Currently, there are many different interpretations of the concept of the State price management of essential goods and in the scope of this research, this definition is clarified as follows: *The State price management of essential goods is the process of using management tools to implement management contents, including policy and law formulation, organization of implementation as well as examination and inspection of prices of essential commodities in order to achieve the national common goals.*

Therefore, the subjects of the State price management of essential goods are the State agencies with their authorities and the objects of this management are the organizations and individuals engaged in activities related to essential goods.

The State price management of electricity and gasoline in our country is consistently implemented according to the market price mechanism with the regulations of the State. The domestic gasoline prices closely follow the changes of gasoline prices in the world. Moreover, the price of electricity is regulated to ensure a harmonious sharing of interests between the State, the enterprises and the consumers. Also, it has implemented to make public and transparent in electricity and gasoline price management mechanism, thereby, to ensure social justice and stabilize macro economy.

1.2.2. Principles of the State price management of essential goods: (1) Principle of socialist legislation; (2) Principle of democratic centralism; (3) Principle of harmonization of benefits; (4) Principle of combination of sector management and territorial management; (5) Principle of reasonable classification and combination of the State price management function and the self-pricing function of enterprises.

1.2.3. Contents of the State price management of essential goods: The State price management of essential goods is one of the activities with important roles and meanings in the socio-economic development of Vietnam and other countries. The sector of the State price management of essential goods covers:

(1) Studying, formulating and promulgating policies and laws on prices of essential goods suitable to socio-economic development guidelines and policies in each period;

(2) Organizing the implementation of policies and laws on price management of essential goods;

(3) Organizing the price examination and inspection of essential goods.

1.2.4. Forms of the State price management of essential goods: There are 02 forms of the State price management of essential goods, namely as direct and indirect management.

1.2.5. Assessment of the State price management of essential commodities: The dissertation proposes 06 criteria for evaluating the State price management of essential goods: the suitability, the effectiveness, the efficiency, the fairness, the sustainability and the compatibility. It also introduces a model for assessing the State price management of essential goods based on these mentioned criteria. Particularly, the evaluation is carried out in the following order: *Firstly*, outlining evaluation criteria; *secondly*, collecting and analyzing implementation data and impact factors, including external factors; *thirdly*, conducting a comparison between the implementation and the goals, thereby clearly assessing the strengths and weaknesses of the State price management of essential goods and evaluating the opportunities and challenges in order to identify the causes; *fourthly*, concluding and proposing recommendations to improve the State price management of essential goods.

1.2.6. Factors affecting the State price management of essential goods: As a basis for assessments of the State price management of essential goods, the dissertation has analyzed two groups of influential factors, which are:

- Objective factors: Economic factors, Political factors, Social-cultural factors and Science and Technology Factors.
- Subjective factors: Management process, Organizational structure and Human resources, Information sources and financial sources.

1.3. International experiences and lessons learned for Vietnam in the State price management of essential goods

1.3.1. Experiences in the State price management of essential goods in the world

- The dissertation analyzes the experiences of 02 countries in the State price management of electricity, namely as Australia and Brazil.

- The dissertation analyzes the experience of 06 countries in the State price management of gasoline, namely as China, Thailand, Indonesia, Singapore, Japan and the United States.

1.3.2. Lessons learned for Vietnam in the State price management of essential goods

Based on the experiences of other countries, the dissertation introduces 05 lessons for the State price management of electricity and 04 lessons for the State price management of gasoline.

CHAPTER 2:

CURRENT SITUATION OF STATE PRICE MANAGEMENT OF ESSENTIAL GOODS OF ELECTRICITY AND GASOLINE IN VIETNAM

2.1. Overview of essential goods of electricity and gasoline in Vietnam

2.1.1. Overview of essential good of electricity in Vietnam: Electricity is a special commodity. The most important feature of the activities related to electricity production and consumption is that the processes are conducted simultaneously because it is not possible to accumulate electricity into a storable amount. The process related to electricity production and consumption includes the following main activities: Electricity production, Electricity transmission, Power distribution, Export and import, Selling and buying of electricity to foreign countries.

2.1.2. Overview of essential good of gasoline in Vietnam: Gasoline is a product of petroleum refining process and used as fuels including: motor gasoline, diesel oil, kerosene, mazut oil, jet fuel, bio-fuel and other products used as engine fuels

excluding liquefied gas and compressed natural gas. Like other countries, in our country, gasoline is an energy source which plays an important role in all areas of socio-economic life. It is involved in almost all sectors of the economy, such as production, circulation and consumption. It also plays an important role in ensuring national energy security and contributing to the sustainable growth and development of the country.

2.1.3. Vietnam's consumer price index from 2013 to 2018 and the impact of electricity and gasoline prices on the price index: Overview of the performance of consumer price index in Vietnam in recent years; analyze the impact of electricity and gasoline prices on the current consumer price index in Vietnam

2.2. Current situations of the State price management of essential goods of electricity and gasoline in Vietnam

2.2.1. Situation of the state management apparatus on prices of essential goods including electricity and gasoline in Vietnam: An overview of the current state management system of prices in Vietnam, which emphasizes the standing part in state management of prices.

2.2.2. Current situation of the State price management of electricity in Vietnam: The dissertation analyzes the current situation in 3 groups of price management contents, specifically:

2.2.2.1. Current situation of formulating and promulgating policies and laws on the State price management of electricity in Vietnam

The dissertation outlines the formulation and promulgation of policies and laws on the State price management of electricity in Vietnam through stages: (1) The period before promulgating the Ordinance on Prices and the

Law on Electricity; (2) The period from the promulgation of the Ordinance on Prices and the Law on Electricity to the promulgation of the Law on Prices; (3) The period from the promulgation of the Law on Amending and Supplementing the Electricity Law and the Law on Prices until now.

2.2.2.2. Current situation of the implementation of the State management regulations on prices of electricity in Vietnam

The dissertation focuses on researching, evaluating and analyzing in detail the actual situations of the State price management mechanism for electricity in each stage, specifically:

- Actual situation of the implementation of the State management regulations on prices for electricity generation.

- Actual situation of the implementation of the State management regulations on prices for electricity transmission.

- Actual situation of the implementation of the State management regulations on prices for electricity distribution and retail.

- Actual situation of the implementation of the State management regulations on prices of auxiliary services and branch management.

- Actual situation of the implementation of the State management regulations on electricity retail prices.

- Actual situation of the implementation of the State management regulations on electricity wholesale prices.

2.2.2.3. Current situation of the price examination and inspection of electricity in Vietnam

Annually, in order to perform the function of the State price management of electricity, the Ministry of Industry and Trade is in charge of setting up interdisciplinary inspection teams to inspect the implementation of electricity price regulations. The focused content of the inspection is the electricity production and

business costs, including generation costs, transmission costs, distribution costs, industry management and auxiliary costs.

On the basis of annual inspection, the State management agencies have grasped the actual situations of the enterprises; especially, they have separated the costs and expenses for each stage (for power generation, transmission, power distribution and management and auxiliary stages), assessing the appropriateness and reasonableness of those costs and expenses as a basis for calculating price options for the price management purposes. Additionally, it has helped the management agencies to evaluate and complete the mechanisms and policies in the management and administration of electricity prices.

2.2.3. Current situation of the State price management of gasoline in Vietnam: The dissertation analyzes the current situation in 3 groups of contents of the State price management, specifically:

2.2.3.1. Current situation of formulating and promulgating policies and laws on the State price management of gasoline in Vietnam

The dissertation generalizes the formulation and promulgation of policies and laws on the State price management of petroleum in Vietnam through periods: (1) The period from September 2003 and the earlier; (2) The period from September 2003 to April 2007; (3) The period from April 2007 to the present (in this period, it is subdivided into the following periods: the application of the Decree No 55/2007/ND-CP; the implementation of the Decree No 84/2009/ND-CP of the Government dated 6th April 2007 on gasoline trading; and the implementation of the Decree No 83/2014/ND-CP of the Government dated 3rd September 2014 on gasoline trading).

2.2.3.2. Current situation of the implementation of the State price management regulations of gasoline in Vietnam

The dissertation focuses on researching, evaluating and analyzing in detail the State price management of gasoline in each sectors, specifically:

- Actual situation of decentralization in price administration;
- Actual situation of management mechanism of gasoline prices;
- Actual situation of gasoline base price calculation method;
- Actual situation of gasoline price stabilization measures;
- Actual situation of bio-fuel;
- Actual situation of transparency and publicity of gasoline prices.

2.2.3.3. Current situation of examination and inspection of gasoline price in Vietnam

In order to implement the function of supervision and inspection in accordance with the regulations, annually the Ministry of Finance in coordination with the Ministry of Industry and Trade has outlined and implemented inspection on the compliance with the regulations on business expenses and price stabilization fund at the gasoline enterprises. Besides, at each time of management, it has been reviewed the retail price decisions of these enterprises.

The specific contents to be examined by the Ministry of Finance for wholesale gasoline enterprises, distributors and agents include: the annual results of gasoline production and trading, focusing on examining in detail the domestic sale volume by specific methods; the cost of gasoline products, insurance and transportation and other costs of gasoline buying

and import; the report on gasoline business expenses; the compliance with regulations on reporting; and the Gasoline Stabilization Fund. In addition, the examination and inspection activities related to the gasoline price management activities have also comprehensively implemented in many provinces and cities under the Central Government. Consequently, all the activities have helped the management agencies evaluate the costs of gasoline business, gasoline products, insurance and transportation and profits ..., collecting the balance value and interests of the Gasoline Stabilization Fund, making publicly the information of the Gasoline Stabilization Fund of the major gasoline distributors and examining the compliance with regulations on gasoline management and business; thereby enhancing mechanisms and policies in gasoline price management and administration.

2.3. Assessment of the State price management of electricity and gasoline in Vietnam

2.3.1. Achievements in the State price management of electricity and gasoline in Vietnam and causes for these achievements

2.3.1.1. Achievements in the State price management of electricity and gasoline in Vietnam

- Achievements of the State price management of electricity in Vietnam: (1) The electricity price management mechanism is suitable to the market morphology and socio-economic conditions; (2) The effect of the State price management of electricity is guaranteed; (3) There are effective support policies for policy beneficiaries; (4) The formation of electricity selling prices has been more and more public and transparent; (5) The electricity retail price has been set up in progressive and progressive manner and ensured the

implementation of the electricity market roadmap; (6) There have been policies to encourage and support renewable energy.

- Achievements of the State price management of gasoline in Vietnam: (1) The supply-demand balance has been ensured and the distribution system has been expanded; (2) The price management mechanism has been flexible and keeping closely the world gasoline prices; (3) The Gasoline Stabilization Fund has exerted its effects and contributed to ensuring the State's management role in the gasoline market; (4) There has been an increase in the publicity and transparency in the gasoline price management.

2.3.1.2. Causes for achievements in the State price management of electricity and gasoline in Vietnam

- It has been initially well implemented the introduction process of policies and legislations related to the State price management of electricity and gasoline.

- The mechanisms and policies have been completed basically to guide orders and procedures for performing the stages of the State price management.

- The administrative procedures in management have been significantly improved.

- The resources of the State price management have been initially paid more attentions.

2.3.2. Weaknesses on the State price management of electricity and gasoline in Vietnam and causes for these weaknesses

2.3.2.1. Weaknesses on the State price management of electricity and gasoline in Vietnam

- Weaknesses on the State price management of electricity in Vietnam: (1) The formula for calculating and determining the fluctuations of basic input parameters has not been finalized; (2) The electricity retail price is no longer

suitable with the practical requirements; (3) The regulations on the period of application of the average electricity retail price frameworks have been still relatively rigid.

- Weaknesses on the State price management of gasoline in Vietnam: (1) Weaknesses in the price management mechanism of gasoline; (2) Difficulties in determining import tax rates to calculate base prices; (3) Difficulties in identifying special sale tax; (4) Unreasonable environmental protection tax rates; (5) Difficulties in identifying business costs and profits in base prices; (6) Uncompleted regulations related to the Gasoline Stabilization Fund to cover all market situations.

2.3.2.2. Causes for the weaknesses of the State price management of electricity and gasoline in Vietnam

- There has been still a lack of specific regulations and guidelines related to the State price management of electricity and gasoline;

- The price management mechanism and coordination among sectors has not been synchronized, regarding the electricity generation structure, there has been still a monopoly in buying.

- There have been negative impacts from the macro environment and other macro management policies;

- The power loss at the transmission stage is still at high rate.

- The implementation of incentives to develop renewable energy has been not drastic.

- Limited development of bio-fuels.

CHAPTER 3:

RECOMMENDATIONS FOR THE FULFILMENT OF THE STATE PRICE MANAGEMENT OF ESSENTIAL GOODS OF ELECTRICITY AND GASOLINE IN VIETNAM

3.1. Orientations to improve the State price management of essential goods of electricity and gasoline in Vietnam

3.1.1. Socio-economic context affecting the State price management of essential goods of electricity and gasoline in Vietnam

In this content, the dissertation has analyzed and forecasted the domestic and international contexts in the period until 2030, in which it has clearly assessed the advantages and difficulties for the improvements of the State price management of essential goods, namely electricity and petroleum in Vietnam.

3.1.2. State price management viewpoints and orientations of essential goods of electricity and gasoline in Vietnam

3.1.2.1. State price management viewpoints of electricity and gasoline in Vietnam

The dissertation clearly presents 4 viewpoints in improving the State price management of electricity and gasoline in Vietnam.

3.1.2.2. Orientations in the State price management of electricity and gasoline in Vietnam

The dissertation presents 15 orientations in the State price management of electricity and 2 groups of orientations of the State price management of gasoline in the short and long terms, which are the basis for proposing recommendations.

3.2. Recommendations to improve the State price management of electricity and gasoline in Vietnam

3.2.1. Recommendations to improve the State price management of electricity in Vietnam:

3.2.1.1. Recommendations to improve the formulation and promulgation of policies and laws on the State price

management of electricity in Vietnam: These recommendations focus on the following contents: (1) Improving the competence of the price management agencies; (2) Enhancing price management in line with market patterns; (3) Strengthening electricity sale price mechanism with 2 components; (4) Researching seasonal electricity sale mechanism; (5) Improving structure of electricity retail prices.

3.2.1.2. Recommendations to improve the implementation of the State price management of electricity in Vietnam: These recommendations include: (1) Strengthening the State price management in the generation stage (E.g.: Promulgating appropriate tax policies for natural water used for hydroelectricity production; Adjusting electricity generation price frameworks; Researching and adjusting price policies of buying electricity for wind energy); (2) Solutions to improve the implementation of the State price management in power transmission stage (E.g.: Reducing power losses to reduce transmission costs and applying transmission prices according to capacity and power); (3) Solutions to improve the implementation of the State price management in the distribution and retail stage (E.g.: Determining electricity selling prices for customer objects and reducing power losses in distribution stage); and (4) A number of supportive measures (E.g.: Ensuring that the electricity production and business activities would cover the costs and provide reasonable profits for investment and development; continuing to strictly control the costs of electricity production and business; strengthening the EVN's performance; accelerating the restructuring of the electricity industry to increase efficiency and the moving towards wholesale and retail competitive market levels in the near future; reusing ash from the thermal powers to help to increase revenue and protect the environment; using energy efficiently; improving the labor productivity and the

management capacity of the EVN; handling exchange rate differences; developing intelligent power grid).

3.2.1.3. Recommendations to strengthen the price examination and inspection of electricity in Vietnam: Improving the legal frameworks for electricity market control and coordination; Promoting the development and improvement of the national standard system for electricity industry to ensure the harmony with international standards; Enhancing the dissemination, guidance, inspection and examination of the implementation of the legal registrations on national standards and technical regulations; Improving the mechanism of handling violations in implementing electricity sale prices.

3.2.2. Recommendations to improve the State price management of gasoline in Vietnam:

3.2.2.1. Recommendations to improve the formulation and promulgation of policies and laws on the State price management of gasoline in Vietnam: The dissertation proposes two groups of solutions in the short and long term, specifically:

- Short-term solution group: In short-term solutions, it is focused on these following contents: (1) Unifying the authority in the State price management of gasoline to avoid the overlapping of functions and duties as well as to enhance the autonomy of agencies in charge of price administration; (2) Improving the formula for calculating gasoline base prices;

- Long-term solution group: The dissertation clearly evaluates that in the long term, it's necessary to study and apply the gasoline management mechanism in which the competent State agencies do not set petroleum base prices. The mechanism of regulating petroleum prices is similar to those conducted on other lists of price stabilization and there would be a united agency to conduct price management. Additionally,

it clearly defines some contents: (1) General principles of management; (2) Principles and methods of determining gasoline prices in the retail and distribution systems of enterprises (including distributors and wholesale traders);

3.2.2.2. Recommendations to improve the implementation of the State price management of gasoline in Vietnam

- In the short term: (1) Being flexible in time between price adjustments and time of base price announcement; (2) Supplementing regulations on reporting regimes to control actual expenses incurred in circulation as well as evaluate the effectiveness of petroleum business activities; (3) Improving the process of price declaration to unify implementation; (4) Solutions to the Gasoline Stabilization Fund; (5) Solutions for bio-fuels; and (6) Some other short-term solutions.

- In the long term: (1) Guiding the methods, orders and procedures to make the price declaration for petroleum products in the condition that there is no base price; (2) Solutions to the Gasoline Stabilization Fund.

3.2.2.3. Recommendations to improve the price examination and inspection of gasoline in Vietnam: Strengthening the price examination and inspection activities; well performing the State management of prices and valuation; as well as strictly dealing with the violations according to the legal provisions and publicizing on the media. In addition, it is necessary to develop the information and communication activities on management, administration and implementation of price regulations to create consensus and supervision of the people and society in this sector. Enhancing the efficiency and effectiveness of the examination and inspection of gasoline prices determined by major distributors.

3.3. Recommendations to improve the State price management of essential goods of electricity and gasoline in Vietnam

3.3.1. Recommendations to improve the State price management of electricity in Vietnam:

They include: (1) Synchronizing the price management mechanism of input materials in electricity production; (2) Promoting the development of renewable energy; (3) harmonizing between business activities and public interests.

3.3.2. Recommendations to improve the State price management of gasoline in Vietnam:

They include: (1) Combining price policies with social security; (2) Managing and developing the gasoline market in the direction of encouraging competition and enhancing competitiveness; (3) Continuing to strengthen the distribution system; (4) Strengthening measures to control, prevent and fight against gasoline smuggling activities; (5) Improving gasoline quality requirements and conducting the fact that the State gasoline management must be associated with minimizing environmental pollution.

CONCLUSION

The dissertation has focused on synthesizing and enhancing theories related to the State price management of two commodity groups which are particularly important for socio-economic life, namely electricity and gasoline with some specific results as follow:

- In Chapter 1, the dissertation has built a theoretical framework for the State price management of essential goods, including:

+ Introducing a general overview of essential goods, which mentions the concept of essential goods and the current common essential goods as well as clearly analyze their

characteristics in which specifically associated with electricity and gasoline;

+ Focusing on analyzing the State price management of essential goods (electricity and petrol) according to a logical system from the concepts and objectives of the State price management of essential goods to the management forms, management principles, management contents, evaluation criteria, evaluation process and factors affecting the State price management of essential goods;

+ Synthesizing and systemizing the experiences in the State price management of essential goods such as electricity and gasoline in the world, thereby drawing lessons for Vietnam.

- The part of the current situation of the price management of essential goods in Vietnam has focused on analyzing the actual situation of the State price management of two goods particularly important to the social-economic life, namely electricity and gasoline with some specific results as follows:

+ Generalizing the general contents of two groups of particularly important and essential goods in Vietnam: electricity and petroleum;

+ Focusing on analyzing the State price management of electricity and gasoline in Vietnam in the recent time by contents suitable to the characteristics of each item, from which to capture the overall picture on the State price management of electricity and gasoline in Vietnam;

+ Assessing the advantages and disadvantages as well as the causes of those. This is an important basis for Chapter 3 to introduce solutions to complete the State price management of electricity and petroleum in Vietnam in the near future in line with the development trend of the world.

- On the basis of assessments of the State price management of essential goods in Vietnam, particularly

electricity and gasoline, as well as on the basis of theoretical orientations in Chapter 1, the researcher has developed Chapter 3 with the analysis of the following specific contents:

- + Introducing an overview of the socio-economic context affecting the State price management of essential commodities, namely electricity and petroleum in Vietnam at the moment and in the coming period. On that basis, analyzing and clarifying specific views and orientations in the State price management of electricity and gasoline in the coming time;

- + Focusing on analyzing and interpreting specific solutions for the State price management of electricity and gasoline, aiming to improve the State price management of prices of essential commodities in general and electricity and gasoline in particular. The proposed solutions are considered in close relation with the basic characteristics of these two goods and the general market management trend.

- The dissertation has also analyzed the condition solutions to successfully implement the State price management of essential goods, particularly electricity and gasoline in Vietnam.

LIST OF PUBLICATION

1. Nguyen Anh Tuan, (2019), “Strengthening the State price management mechanism of gasoline in our country in the coming time”, Vietnam Economic Finance Magazine (No 2, April 2019), 2019.

2. Nguyen Anh Tuan, (2019), “Improving the effectiveness of the State price management of electricity in Vietnam”, Financial Magazine (No 702, April 2019), 2019.