CURRENT LEGAL MANAGEMENT IN DRUG RETAIL BY PRIVATE RETAILERS IN VIETNAM

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ABSTRACT

Aim: This article aims to analyze the current state of private drug retailers in Vietnam’s lower-middle-income context, investigating the causes and consequences of inadequacies in drug retail practices. The study intends to offer effective solutions to address these issues and serve as a reference for other lower-middle-income countries facing similar challenges.

Method: Employing data gathered from documentation, legal analysis, and comparative methods, this study examines the state of drug retail by private retailers in Vietnam. By analyzing the existing practices and regulations, the study identifies the factors contributing to the inadequacies in the drug retail sector.

Implications: The research reveals substantial inadequacies in the drug retail sector in Vietnam, stemming from a lack of robust regulations, inadequate oversight, and other systemic issues. These inadequacies have significant adverse effects on consumer health and the overall economy, hindering sustainable development efforts. Addressing the inadequacies in drug retail in lower-middle-income countries like Vietnam requires comprehensive regulatory reforms, improved oversight mechanisms, and enhanced collaboration between government agencies and private sector stakeholders.

Results and conclusion: By rectifying these issues, countries can better protect the health and well-being of their citizens while fostering an environment conducive to sustainable development. This study’s findings and recommendations offer valuable insights for other LMICs grappling with similar challenges in their drug retail systems.

Keywords: drug retail, private retailers, antibiotic resistance, state management, counterfeit drugs, substandard drugs, drug prices.
ATUAL GESTÃO LEGAL NO VAREJO DE DROGAS POR VAREJISTAS PRIVADOS NO VIETNÃ

RESUMO

Objetivo: Este artigo tem como objetivo analisar o estado atual dos varejistas de drogas privadas no contexto de renda média-baixa do Vietnã, investigando as causas e consequências de inadequações nas práticas de varejo de drogas. O estudo pretende oferecer soluções eficazes para abordar estas questões e servir de referência para outros países de rendimento médio-baixo que enfrentam desafios semelhantes.

Método: Empregando dados coletados de documentação, análise jurídica e métodos comparativos, este estudo examina o estado do varejo de drogas por varejistas privados no Vietnã. Analisando as práticas e regulamentos existentes, o estudo identifica os fatores que contribuem para as inadequações no setor do varejo de drogas.

Implicações: A pesquisa revela deficiências substanciais no setor de varejo de drogas no Vietnã, decorrentes da falta de regulamentações robustas, supervisão inadequada e outras questões sistêmicas. Estas insuficiências têm efeitos adversos significativos na saúde dos consumidores e na economia em geral, dificultando os esforços de desenvolvimento sustentável. Abordar as inadequações no comércio retalhista de drogas em países de rendimento médio-baixo como o Vietnã requer reformas regulamentares abrangentes, melhores mecanismos de supervisão, e uma colaboração reforçada entre agências governamentais e partes interessadas do setor privado.

Resultados e conclusão: Ao retificar estas questões, os países podem proteger melhor a saúde e o bem-estar dos seus cidadãos, promovendo ao mesmo tempo um ambiente propício ao desenvolvimento sustentável. As descobertas e recomendações deste estudo oferecem informações valiosas para outros CIMs que enfrentam desafios semelhantes em seus sistemas de varejo de drogas.

Palavras-chave: varejo de medicamentos, varejistas privados, resistência a antibióticos, gerenciamento estatal, medicamentos falsificados, medicamentos de baixa qualidade, preços de medicamentos.

1 INTRODUCTION

The retail drug market in Vietnam stood at $7.45 billion in 2021 and is predicted to reach a compound annual growth rate (CAGR) of 6% (Skorupa, Worga, & Kowalczyk, 2022). Total health expenditure increased from $16.1 billion in 2017 to more than $20 billion in 2021 and is expected to reach $23.3 billion in 2025 and $33.8 billion in 2030, with the average annual growth rate for 2020-2030 expected to be 7.6% (Skorupa et al., 2022). Nearly 90% of pharmaceutical manufacturing, distribution, and trading enterprises recorded revenue growth, and about 80% recorded profit growth in the first nine months of 2022 compared to the same period in 2021 (Skorupa et al., 2022). At the same time, these increasing indicators are predicted primarily due to the aging population, higher healthcare expenditure, higher coverage of health insurance, and increased average life expectancy (Skorupa et al., 2022).
These figures demonstrate the youthfulness and attractiveness of the healthcare market, particularly the retail drug market, in Vietnam, which is compelling for both domestic and foreign investors (Jakovljevic et al., 2021). Modern drugstores are replacing traditional independent drugstores with innovative approaches, integrating technology and digitization to provide efficient healthcare services (Jakovljevic et al., 2021).

However, amid these promising developments, the challenges in this sector include profit-driven motives and inadequate regulatory oversight by Vietnamese authorities (Skorupa et al., 2022). Instances of law violations to boost profits are not uncommon among drug retailers (Skorupa et al., 2022).

The Law on Pharmacy, enacted in 2016, governs pharmacy activities in Vietnam, including retail drug operations, yet it reveals inadequacies that need to be addressed in line with international standards (Skorupa et al., 2022). State management of retail drug activities lacks stringency, resulting in incomplete handling of private drug retailers' violations (Skorupa et al., 2022). While past research has recognized the influence of eWOM on social media, the precise mechanism through which eWOM translates into consumers' intent to purchase remains an area necessitating further exploration (Ismail Erkan and Chris Evans, 2016). Notably, several studies have concentrated on how eWOM affects product purchase intention (Porto et al., 2022; Puriwat and Triopsakul, 2022), but the connection between traditional word of mouth (WOM) and electronic word of mouth (eWOM) impact on Purchase decision has not been fully established.

The research focuses on illuminating these inadequacies in drug retail by private retailers in Vietnam (Part 1), investigating the causes and consequences (Part 2), and proposing solutions to mitigate these issues (Part 3) (Skorupa et al., 2022). While examining the Law on Pharmacy and related documents, the study delves into core issues surrounding the present situation of drug retail by these retailers, particularly state management and key behaviors (Skorupa et al., 2022).

Utilizing data gathered through documentation, legal analysis, and comparative methods, the study directly highlights the inadequacies, their origins, and their impacts, offering specific remedies (Skorupa et al., 2022). This research contributes valuable insights for scholars studying Vietnam's legal and policy landscape related to retail drug activities and serves as a valuable reference for other countries grappling with similar challenges, particularly in LMICs (Skorupa et al., 2022; Jakovljevic et al., 2021).
2 INADEQUACIES IN DRUG RETAIL BY PRIVATE RETAILERS IN VIETNAM

It can be said that the drug sale is carried out to the countryside by an extensive system of drugstores across the country, ensuring quick, timely, and convenient support for the treatment of common conditions without surgery or emergency. In fact, many inadequacies exist. The significant inadequacies are as follows:

2.1 DRUGSTORES RETAIL DRUGS WITHOUT PRESCRIPTIONS

This is the biggest problem with drug retail by drugstores across Vietnam. According to Decision No. 1847/2003/QD-BYT by the Ministry of Health dated May 28, 2003, on promulgating the regulation on writing out prescriptions and selling drugs thereon, from the second half of 2003, the purchase and sale of certain drugs, including antibiotics have been specified to accompany a prescription by the Government. Accordingly, the Law on Pharmacy 2016 prohibits “Retailing prescription drugs without prescription; retailing vaccines.” Meanwhile, Circular No. 02/2018/TB-BYT by the Ministry of Health dated January 22, 2018, on Good Pharmacy Practices (GPP) and Circular No. 08/2021/TB-BYT by the Ministry of Health dated June 25, 2021, on the issuance of the Code of Pharmaceutical Ethics detail and guide drug sellers to sell prescription drugs, including antibiotics to consumers with a prescription. In fact, anyone can go to the drugstore and buy drugs at their request, even antibiotics, by stating the drug name. Another case is by listening to customers describing their symptoms; sellers can also give antibiotics empirically or habitually without a doctor’s prescription. In a national survey conducted at 360 private drugstores in nine provinces of Vietnam with 1626 participants, 86.8% bought OTC drugs, and 28.2% of whom bought antibiotics. Of the 487 participants who purchased antibiotics, 81.7% (398 out of 487) purchased OTC antibiotics. According to WHO, this situation is so common that 88-97% of drugstores...
in Vietnam sell OTC antibiotics\(^{10}\). Most drugstores in Vietnam sell OTC drugs. Therefore, by WHO, Vietnam is listed to be one of the countries with the highest rate of antibiotic resistance, with 33\% of the total number of patients suffering from this condition\(^{11}\). This leads to the long-term consequences presented in Section 2.2 of this article.

### 2.2 DRUG SELLERS ARE INCOMPETENT

Two major inadequacies in this content make drug retail by drugstores nationwide extremely unstable and potentially risky to consumers’ health. In detail,

+ **Firstly, many drug sellers are incompetent or not really trained in pharmacy.**

This is a common practice by drug retailers in Vietnam. Training institutions want to quickly grant students a pharmacy degree to boost profits, resulting in training substandard pharmacists. They are even willing to cheat so that more students hold a degree. They open classes to earn profits and allow absent students all the time to have test scores and take the graduation exam. With only VND 35 million (equivalent to about $1,500.00) and in about eight months, these students are granted a degree in pharmacy\(^{12}\). Thus, such “pharmacists” legally have the qualifications to sell drugs to patients. Still, they do not participate in the pharmacist training program at all.

+ **Secondly, the pharmacist’s degree rental to open a drugstore** is also prevalent in Vietnam. The Law on Pharmacy states, “The person in charge of expertise of a drug retailer must be present throughout its operation, except for the case specified in Clause 3 Article 30 hereof”.\(^{13}\) However, another is present rather than the person in charge of expertise. It means, in many cases in Vietnam, a licensed pharmacist does not open a drugstore for business but allows others to rent their degree to do so. In other words, the sellers standing at the counter are not trained in pharmacy and are incompetent in selling drugs. As a result, drug selling quickly becomes stereotypical and arbitrary, mainly

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\(^{10}\) Antimicrobial resistance in Viet Nam. https://www.who.int/vietnam/health-topics/antimicrobial-resistance


\(^{13}\) Clause 2, Article 31 of the Law on Pharmacy.
targeting profits rather than customers’ healthcare. This situation has been an enormous problem for Vietnam’s health and drug retailing for many years\textsuperscript{14}.

The two situations mentioned above show the dangers of the retail drug market in private retailers in Vietnam. Sellers give drugs to customers although they are entirely unqualified, not well-trained, and sometimes “unethical.” This is reflected in the fact that drugstores sell drugs to children regardless of their age and purpose of use\textsuperscript{15} and without advising and monitoring the users.

\textbf{2.3 USERS CANNOT DETERMINE THE ORIGIN, QUALITY, AND SHELF LIFE OF THE DRUGS}

Although the Law on Pharmacy 2016 stipulates, “1. Drug information is meant to provide medical practitioners and drug users with instructions on how to use the drug reasonably, safely, and effectively. 2. Drug information must be up-to-date, unequivocal, adequate, and accurate based on evidence, understandable, and suitable for intended information recipients”\textsuperscript{16} and “Information for drug users: the drug name, effects, indications, contraindications, dosage, route of administration, and notes;”\textsuperscript{17} in fact, the drug information is not adequately provided to sellers in large drug retailers under\textsuperscript{18} companies and corporations or conventional independent small drugstores. Besides, drugs sold to consumers by drugstores are primarily in retail. This “retail” is so complete that each pill is taken from the blister pack or box to be retailed. Users cannot determine the drug name, content of substances or ingredients, and shelf life. In case the users buy a whole box or blister, there is limited access to the drug information and the origin. The

\textsuperscript{15} 11-year-old girl takes sleeping pills because ‘parents love younger sibling than me,’ and classmates disparage, Xuan Mai, 2020 https://tuoitre.vn/be-gai-11-tuoi-uong-thuoc-ngu-vi-ba-me-thuong-em-hon-con-ban-trong-lop-che-bai-2020092916532326.htm
\textsuperscript{16} Clause 1, 2, Article 76 of the Law on Pharmacy.
\textsuperscript{17} Point b, Clause 5, Article 76 of the Law on Pharmacy.
\textsuperscript{18} Although the drug information, ingredients, prices, and specifications are accessed on the website, this is only done by large corporations such as Long Chau Pharmacy chain (belonging to FPT Retail) and this information is also only available on their website (https://nhathuoclongchau.com.vn/tim-kiem/?=panadol+vi+%C3%A1n+%C3%A1n+Aa++%E1%BB%7A7i) instead of sellers providing information to buyers at the counter. Moreover, the disclosure of information about this drug does not apply in conventional independent drug retailers. Meanwhile, on the National Public Health Portal (https://congkhaiyte.moh.gov.vn/?page=Project.MedicalPrice.Home.MedicalPrice.RetailDrug.list&id = 5217696), the drug information includes only drug names, prices, ingredients, content, registration number, and drug group without indications, contraindications, dosage, usage, and warnings when using drugs as required by the Law on Pharmacy.
The drug database in Vietnam is not well digitized and lacks a complete, adequate, and accurate information retrieval system.

Previously, on August 17, 2018, the Ministry of Health issued Decision No. 5071/QD-BYT on promulgating the “Plan for applying information technology to connect drug suppliers to control prescriptions and sale of prescription drugs” to control drug sales and access to the origin of prescription drugs. Shortly after, on August 24, 2018, the Ministry of Health of Vietnam held a national online conference to implement the application of information technology to connect drug suppliers. However, until now, buyers’ access to drug information and origin is still tricky and incredibly impossible for retail drugs. At the same time, sellers are not responsible for clarifying the information about the sold pills.

2.4 DRUG RETAILERS SELL COUNTERFEIT DRUGS AND SUBSTANDARD DRUGS

The Law on Pharmacy of Vietnam explicitly stipulates acts prohibited in pharmacy activities in Article 6, including the first two banned acts in Points a and b, Clause 5 being “a) Counterfeit drugs or medicinal ingredients; b) Substandard drugs or medicinal ingredients; ...”. This must be evidently specified in business activities, particularly pharmaceutical ones. However, counterfeit and substandard drugs have been rampant in the drug market in Vietnam for a long time and are increasingly difficult to control. The situation has become so severe that 2003 WHO held a meeting in Hanoi to formally declare to fight against counterfeit drugs in countries in the Mekong Delta region, in which Vietnam was mentioned first. However, this fight has lasted and has faced many difficulties in Vietnam. According to statistics from the National Institute of Drug Quality Control, in 2021, the national control system tested the quality of over 500 active ingredients and 300 medicinal herbs and found 338 samples unqualified, accounting for 42.25% of the tested samples. Next, from the beginning of 2022 to August 19,

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2022 alone, the number of detected cases of counterfeit drugs on the market has been
tremendous. In detail, the number of cases of substandard products, forged labels, forged
certificates, intellectual property infringement, and products of unknown origin is 60, 357, 34, 162, and 982, respectively. According to data provided by Ngoc Linh Vietnam Ginseng Medicine Pharmacy Group One Member Company Limited, 90% of ginseng on the Vietnamese market is fake\(^\text{23}\). The drug market in Vietnam was fermented with the
discovery and seizure of 20 tons of dietary supplements, such as counterfeit royal jelly
and sheep placenta, produced by Vqtech Chemistry And Healthcare Development
Investment Company, labeled and distributed to pharmacies in Vietnam\(^\text{24}\). These are
typical figures and the “tip of the iceberg” about counterfeit and substandard drugs in
Vietnam.

Therefore, for these counterfeit and substandard drugs to be consumed, these
manufacturers must find a way to bring them into retailers. And the question is, do these
retailers know they are importing counterfeit and substandard drugs? Can these retailers
check and evaluate the quality of drugs before selling, or are they only capable of
reviewing the (forged) documents provided by the manufacturers? Clarifying these
questions is of great value to the transparency and wholesomeness of the drug market in
Vietnam, which directly influences the quality of drugs sold in the market and the
legitimate rights of consumers in buying and using drugs. As a result, on June 24, 2022,
the Drug Administration of Vietnam under the Ministry of Health of Vietnam had to issue
Official Dispatch No. 5607/QLD-CL on strengthening the inspection of drug quality and
prevention of counterfeit drugs nationwide\(^\text{25}\) to control drug quality throughout the
Vietnamese market.

2.5 THE SITUATION OF HIGH AND INCONSISTENT DRUG PRICES

This is also a significant shortcoming of the pharmaceutical retail business in
Vietnam. Including the following main points:

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\(^{24}\) Seizure of more than 20 tons of fake dietary supplements, M. Quang, 2015, https://tuoitre.vn/bat-giu-hon-20-tan-thuc-pham-chuc-nang-gia-758616.htm
First, it is a significant difference in drug prices. The significant difference in drug prices between urban areas and pharmacies in the same place is often seen in drug retailers. It is unfair for drug buyers and challenging to choose the right drug retailer, especially when they need urgent drug support. Meanwhile, compared to drug prices in Vietnam and other countries, some Vietnamese drugs have an average cost 47 times higher than the world drug price.

Secondly, it is the lack of transparency. Drug prices at drugstores are often not clearly publicized. Although the regulations on drug price disclosure for drug retailers have stipulated the listing of drug prices at drug retailers, these retailers, including traditional independent drugstores and modern drugstore chains, do not have a public drug price list. It not only is difficult for consumers to compare and choose to buy drugs at the best price but also deprives consumers of the right to information transparency. Thus, drugstores easily set prices, and customers are the ones who have to suffer it.

Thirdly, it is the additional costs on the invoice: According to the provisions of Point d, Clause 2, Article 135 of Decree No. 54/2017/ND-CP of the Government dated May 08, 2017, detailing guidelines for implementation of the Law on Pharmacy, “The list price includes taxes, fees, and charges (if any) of the drug”. However, some drugstores still add costs such as service, storage, or transportation fees to the purchase bill. It can increase costs and cause damage to consumers.

In general, no matter what the inadequacies of drug sales by private drugstores and dispensaries are, consumers are the ones who have to incur losses.

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28 Article 135 of Decree No. 54/2017/ND-CP of Government dated May 08, 2017 detailing a number of articles and measures to implement the Law on Pharmacy regulating the listing of drug prices is as follows:
1. Responsibility to list drug price:
   a) …
   b) Drug retailers must list retail prices of each drug at drug retailers;
   c) Drug wholesalers and retailers must not sell at prices higher than those quoted by them.
2. Requirements for the listing of drug prices:
   a) …
   b) The listing of the drug retail price shall be carried out in the form of printing, writing, or posting the retail price on the packaging containing the drug or the external packaging of the drug; or public on the board, on paper or in other suitable forms and must be convenient for the observation and identification of customers and competent authorities without obscuring the mandatory content of the drug label;
   c) The quoted currency is Vietnamese dong;
   d) The list price includes taxes, fees and charges (if any) of the drug"
3 CAUSES AND CONSEQUENCES OF INADEQUACIES IN DRUG RETAIL OF PRIVATE DRUG RETAILERS

The inadequacies in drug retail at the abovementioned private drugstores and dispensaries are outstanding and easily seen in the research process on drug retail in Vietnam. These inadequacies are rooted in core causes and have clear consequences for people and the economy.

3.1 CAUSES OF INADEQUACIES

3.1.1 On the state side

It can be said that the leading cause for the inadequacy of drug retail at private drug retailers is the State’s management of drug retail, which is still weak and lax; Inspection and handling of violations are not strict and deterrent enough.

The State management of economic, cultural, and social activities is essential for a country to develop sustainably according to its orientation. For drug retail at drug retailers in Vietnam, state management is the most important way to ensure a clean and healthy retail drug market and protect consumers’ rights and health. Violations will explode if the State does not ensure close and detailed management. The inadequacies analyzed in Part 1 are primarily due to the poor management of the State over drug retail in Vietnam today. It can be seen that state management in this area is showing the following weaknesses:

+ Firstly, state management in controlling and supervising the quality of retail drugs at private drug retailers does not ensure strictness. It is reflected in the State’s investigation. When the State conducts inspections of drug retailers and detects that drugs show signs of quality violations, they must confiscate exhibits for quality inspection. When the competent authority inspects and doubts the drug quality, it must record the confiscation of exhibits. Then it can survey product quality as a basis for handling violations.

29 In 2021, the national senior leader in the health sector, Mr. Truong Quoc Cuong, Deputy Minister of Health of Vietnam, was also criminally prosecuted in relation to irresponsible behavior that caused serious consequences in the case of trafficking in counterfeit goods as medicines labeled Health 2000 Canada (The prosecution of Deputy Minister of Health Truong Quoc Cuong: A worrying ‘gap’ in staffing in the health sector, Hong Hanh, 2021, https://tuoitre.vn/vu-khoi-to-thu-truong-bo-y-te-truong-quoc-cuong-lo-hong-dang-lo-ngai-ve-cong-tac-can-bo-trong-nganh-y-te1636280443.html).

30 Review of “Seizure of more than 20 tons of fake dietary supplements” as analyzed (Seizure of more than 20 tons of fake dietary supplements, M. Quang, 2015, https://tuoitre.vn/bat-giu-hon-20-tan-thuc-pham-chuc-nang-gia-758616.htm). If according to regulations, the seizure of these 20 tons of exhibits by the competent authority is reasonable, but not legal. Currently, legal documents related to the inspection and handling of violations of drug sales are not prescribed for competent authorities to seize products showing signs of violation.
violations. However, the Law on Pharmacy and legal documents directly related to pharmaceutical inspection, *the process of conducting a planned inspection in the pharmaceuticals* issued by the Legal-Inspection Division, Drug Administration of Vietnam on November 08, 2019 (Code: QT.TR.07.06),  does not allow the competent authority to temporarily confiscate batches of drugs showing signs of quality violations to implement quality inspection measures. Thus, when inspection teams detect drugs or batches with signs of fake or substandard drugs, they are not authorized to confiscate them. Meanwhile, on the spot, the competent authority could not determine whether the batch of drugs were fake drugs, substandard drugs, the content of substances, etc., to punish. This shows that the regulations on inspection of pharmaceutical business and drug retail are still very loose, sketchy, and unable to show the State’s power in handling retail drug violations.

Secondly, *the inspection activities of the competent authority are not enough to detect and handle violations*. Although the competent authorities continuously implement policies and measures to enhance the level and effectiveness of drug retail inspection activities at private drug retailers, such as Official Dispatch No. 5607/QLD-CL on strengthening the inspection and supervision of drug quality, prevention of fake drugs nationwide and the official dispatches of the Ministry of Health to specific localities requesting to strengthen the inspection and handling of violations in the area, they are still not frequent and effective enough. There are several causes for this condition, but the common cause can be mentioned that the inspection force has little authority and low professional qualifications. It is clearly shown in Chapter III (Power to impose penalties for administrative violations in the health sector) of the Government’s Decree 117/2020/ND-CP dated September 28, 2020, regulating penalties for administrative violations in the health sector. Accordingly, for violations related to drug retail, Articles 103, 104, 105, and 106 stipulate that people having the power to impose penalties include Chairpersons of People’s Committees at all levels, Inspectors at all levels, Market Surveillance Forces at all levels, and Public Security Forces. Thus, among the people mentioned above, it can be seen that there is no competent person specializing in the pharmaceutical sector. Therefore, to ensure the accuracy and objectivity of the inspection

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of drug retail, competent authorities must establish an inspection team with the participation of many stakeholders when conducting inspections (including unscheduled inspections). The team is required to include people specializing in a pharmacy under the local Department of Health. Referring to Plan No. 1821/KH-SYT of Nam Dinh Department of Health dated September 15, 2022, on unscheduled inspection of drug retailers in Nam Dinh Province in 202233, it can be seen that the inspection team was established, including many competent individuals such as the Inspectorate of Department of Health, Pharmaceutical Affairs Division of Department of Health, Health Division of districts and cities and the inspection time of 2022 is from September 20, 2022, to October 20, 2022. Thus, the unscheduled inspection of drug retail in Nam Dinh Province in 2022 is only carried out for 30 days. It can be understood that in the remaining 11 months of the year, unscheduled inspections are not carried out. The establishment of such inspection teams in provinces and cities makes the inspection of drug retail in private drug retailers become less prompt and cannot be carried out regularly, leading to violations of drug business taking placeexcitingly and causing adverse effects on the lives and health of consumers. The concept of sustainable development, as defined by the Brundtland Report in 1987, plays a crucial role in highlighting the need for effective state management across economic, cultural, and social domains (Redclift, 2005). This perspective underscores the importance of comprehensive and robust state oversight, particularly within critical sectors like healthcare and pharmaceuticals. However, despite the significance of sustainable development, the implementation of stringent state management within the drug retail industry often falls short of its objectives, thereby hindering the sector's progress toward a sustainable and ethical future.

Furthermore, while efforts are made to enhance inspection activities, the current state management often lacks the necessary frequency and effectiveness to adequately detect and address violations. A significant factor contributing to this is the limited authority and low professional qualifications of the inspection force (Redclift, 2005). This underlines the need for a more empowered and knowledgeable inspection force that can comprehensively address the complex challenges of the drug retail sector.

33 Plan for spot inspections of drug retailers in Nam Dinh Province in 2022, Nam Dinh Department of Health https://soyte.namdinh.gov.vn/Uploads/2022/9/11/22/KH%2020%E1%BB%91%20201821-KH-SYT%20K%E1%BA%BF%20ho%E1%BA%A1ch%20ki%E1%BB%83m%20tra%20C4%91%E1%BB%99%20x u%E1%BA%A5%20c%20C6%A1%20%E1%BB%9F%20h%20C3%A1r%20%E1%BA%BB%20hu %E1%BB%91%20or%20C4%91%E1%BB%8Ba%20h%20C3%A0n%20%E1%BB%89nh%20Nam%2 0%C4%90%E1%BB%8Bnh%20h%20C4%83m%202022.pdf
In addition to the aforementioned weaknesses, the professional qualifications of drug sellers at retailers remain a cause for concern. Fraudulent training and the widespread practice of hiring individuals without appropriate qualifications to trade in drug retail exacerbate the problem (Redclift, 2005). Insufficiently regulated practices coupled with corruption and bribery create an environment where violations thrive, posing risks to consumers and the industry as a whole. The sale of prescription drugs is another area where state management appears to be lax. With ineffective inspections and inadequate oversight, the illicit sale of prescription drugs becomes a concern, highlighting the need for stronger measures to regulate this aspect of drug retail. The inadequacies in drug retail at private drug retailers underscore the urgent need for comprehensive and effective state management. The challenges faced are multifaceted and interconnected, requiring a holistic approach to rectify the weaknesses and ensure the safety, health, and sustainability of the drug retail market. The principles of sustainable development as articulated in the Brundtland Report emphasize the need for integrated and ethical management practices, making it imperative to address the existing gaps in state oversight for the betterment of the industry and the well-being of consumers (Redclift, 2005).

+ Fifth, measures to handle violations in drug retail are still mild and not sufficiently deterrent. Health sector mentioned above, penalties for violations in the sector of drug retail can be mentioned as follows:

- For “Failing to post wholesale and retail prices in Vietnamese dong, or posting them in an insufficient, improper, and ambiguous manner that misleads customers at places where drugs are sold,” only a fine from VND 1,000,000 to 3,000,000 (equivalent to USD 42.50 and 127.60) will be imposed34;

- For “Selling vaccines or selling prescription drugs without a prescription presented,” only a fine of from VND 5,000,000 to 10,000,000 (equivalent to USD 213.00 to 425.50) will be imposed;35

- For violations of regulations on drug price management, depending on the severity of violations, drug retailers are only fined from VND 5,000,000 to 50,000,000 (equivalent to USD 213.00 to 2,130.00)36;

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34 Point d, Clause 1, Article 55 of Decree 117/2020/ND-CP regulating the penalties of administrative violations in the health sector
35 Point dd, Clause 3, Article 59 of Decree 117/2020/ND-CP regulating the penalties of administrative violations in the health sector
36 Article 66 of Decree 117/2020/ND-CP prescribing penalties for administrative violations in the health sector.

- For violations of drug information regulations, which are “Using material or financial benefits to affect doctors and drug users to promote the prescription and use of drugs,” the drug retailers may be fined up to VND 40,000,000 (equivalent to USD 1,702.00) and may be subject to “confiscation of exhibits of administrative violations that are the material and financial benefits”;
- For renting or lending a practicing certificate, the violator shall only be fined from VND 10,000,000 to 20,000,000 (equivalent to USD 425.50 to 850.00 USD), and the certificate holder shall not be deprived of the right to use the certificate;
- For “being absent throughout its operation, except for authorization cases prescribed by law” of the chief pharmacist of a drug retailer, they shall be fined from VND 3,000,000 to 5,000,000 (equivalent to USD 127.60 to 213.00). For the mentioned violations, drug retailers are only fined. If repeating the offense, they will not be subject to heavier fines, suspension of operation, or deprivation of license. Thus, if these retailers violate and their violation brings excellent profits to them, the penalties as above are too mild. Especially if they repeat violations many times, the handling measures for the retailers have not changed, even if they are still not suspended from operation. It can be seen that these penalties are reasonably mild, especially for modern retail chains of corporations doing pharmaceutical business.

3.1.2 On the seller’s side – private drug retailers

The current inadequacies in drug retail in Vietnam can be said to be mainly from the seller, or in other words, it is the fault of private drug retailers. With huge profits and full potential in the pharmaceutical retail business in Vietnam, drug retailers are willing to accept violations in selling drugs to bring high profits. It can be said that violations in drug retail are committed with intentional errors. Although they know their behavior is infringing or prohibited, they still perform to achieve the desired profit. The major violations that sellers usually do in the retail drug market in Vietnam mentioned in part 1 mainly include selling drugs without a prescription and drugs of unknown origin; not listing prices as prescribed; mixing fake drugs, poor quality drugs with real drugs;

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37 See Point b, Clause 5 and Point b, Clause 6, Article 67 of Decree 117/2020/ND-CP regulating the penalties of administrative violations in the health sector
38 Clause 3, Article 52 of Decree 117/2020/ND-CP prescribing penalties for administrative violations in the health sector
cheating in the process of studying for a degree in pharmacy; renting a degree or using a hired degree; being absent from the drug retailer, etc.

These inadequacies stem from drug sellers’ lack of professional qualifications, competence, and ethics. In particular, professional ethics is the key factor in creating a good pharmacist. In recent years, Vietnam’s health sector has exposed several dark aspects mainly related to professional ethics. Regarding drug production and retail, we can take the case of selling H-Capita 500mg, a fake anticancer drug of VN Pharma company, or the case of an anticancer drug made from the bamboo charcoal powder of Vinaca company,\(^{39}\) among others. In addition to these major cases, Vietnam’s health sector still has many inadequacies related to the professional ethics of staff in the health sector, leading to the serious degradation of many pharmacists due to profit benefits.

3.1.3 On the side of buyers – consumers

Consumers, or buyers, are a factor that seems to be passive but no less important in creating inadequacies of the drug retail from drug retailers in Vietnam. It can be seen that the following four main reasons contributed by sellers make Vietnam’s drug market easy:

+ The first one is self-medication. According to statistics, up to 40-60% of Vietnamese people wish to treat themselves rather than be treated by doctors in health facilities. This self-medication includes using and not using drugs without a doctor’s prescription. They heal themselves by their own beliefs\(^ {40}\). From a drug self-medication perspective, Vietnamese people have a habit of recognizing their symptoms and relying on experience or following instructions from relatives, friends, and the internet to go to drug retailers to buy the drug they want. This situation is so common that retailers will have very few customers if they only sell prescription drugs. With self-medication, for diseases that do not require surgery or professional emergency, the buyer is not ready and feels it is unnecessary to go to health facilities to be checked and prescribed medication. Thus, drug retailers more easily sell drugs to customers because neither party needs to buy prescription drugs.

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\(^{39}\) Fake anticancer drugs found circulating in the market, Van Anh, 2018 https://vir.com.vn/fake-anticancer-drugs-found-circulating-in-the-market-58288.html

The second one is the consumer’s preference for quickness. Vietnamese consumers are not ready to integrate into the culture of waiting and queuing. At the same time, in the current overcrowding situation in hospitals, when hospitals almost have to work at 150%[41] of their capacity, waiting for medical examinations and treatment of people becomes difficult. Meanwhile, many modern drugstores are now open 24/7, or more conveniently, customers can order drugs through online applications, and sellers will deliver them to their homes. Thus, they are willing to buy drugs from private drug retailers for diseases that do not require surgery or emergency. It creates favorable conditions for drug retailers to sell drugs without labels and packaging. Customers can not check the origin and expiration date of the drugs.

The next is the lack of understanding. The majority of people and Vietnamese people do not have basic knowledge of medicine and pharmacy. According to a study published in 2022 on the purchase of antibiotics in Vietnam, only one-fifth of 480 buyers know that they violate the law when buying antibiotics without a prescription[42]. Hence, customers are not too concerned about the kinds of drugs that drugstores sell, whether they sell antibiotics or not, and their side effects, etc. They want to cut the pain or get rid of it quickly. At that time, drug retailers often prescribe high-dose antibiotics for diseases that do not need antibiotics.

The last one is the easygoing attitude. The majority of Vietnamese people are easygoing customers. Along with the lack of knowledge about medicine – pharmacy, their easygoing attitude in buying drugs is multiplied. Buyers at private drug retailers are not too concerned about who the drug seller is, whether or not they have a license and practicing certificate, whether the drug price list is posted or not, or whether the listed price is following regulations and with market prices, etc. Although pills are often removed from the blister pack without drug names and other information, most buyers are not concerned about them. Even if fake or substandard drugs are mixed, they easily assume they are real. This makes drug retailers ready to take advantage of and easily commit violations of drug retail.

3.2 CONSEQUENCES OF INADEQUACIES

The current inadequacies in retail drug activities in the Vietnamese market cause direct harm to consumers. This is the most immediate problem that can be easily seen, especially regarding life and health. Obviously, consumers need to buy drugs when they have health problems and need to be treated. However, when customers buy drugs at retailers, their treatment is less effective or ineffective if they encounter counterfeit or substandard drugs and drugs of unknown origin or expiry dates. At that time, they must redirect to other ineffective or harmful therapies, causing additional treatment costs.43

In many cases, in addition to the slow recovery of health, they may also damage lives. This is the inevitable consequence of buying substandard drugs. At the same time, for their profits, some drugstores cooperate with doctors at health facilities to prescribe to sell drugs, preferably expensive ones, as many as possible. Such doctors enjoy a commission of 10-30%.44 This causes the professional moral degradation of doctors and pharmacists, the higher price of drugs, and the chaos of the retail drug market.

Moreover, due to the arbitrary prescribing of antibiotics by drugstores, customers will suffer from antimicrobial resistance (AMR) in the long run. Then, in the future, when this user suffers from diseases that need antibiotic treatment, these antibiotics are no longer effective, and they have to use more expensive drugs. Longer periods of illness and treatment, often in hospitals, increase healthcare costs and the economic burden on families and society.45

The inadequacies in retail drug activities in Vietnam also cause damage to the economy. It creates an ugly, unhealthy, and clean domestic economic environment. This makes foreign drug suppliers also hesitate to import drugs into Vietnam. The struggle against counterfeit and substandard goods in general and drugs in particular, along with the search for solutions to improve the management capacity of the State for retail drug sales, also cause certain costs for the economy.

Vietnam is a country under LMICs, under the warning of high antibiotic resistance. The increasing antibiotic resistance and its consequences for the people have become a pressure for society and Vietnam’s already inadequate health sector. Antibiotic resistance has threatened treatment activities, especially related to surgery such as organ

transplants, cesarean sections, etc. Also, chemotherapy treatments become much more dangerous without effective antibiotics to prevent and treat infections. These are a burden for the health sector.

In the international context, sustainable development in all fields has long become a common orientation for the country. Developing the economy, society, environmental protection, training, research, etc., must be sustainable. Therefore, protecting human potential – particularly in terms of life and health - is one of the key priorities of sustainable development. Meanwhile, the pharmaceutical sector - and its downside, such as antibiotic resistance – is becoming a global problem. Due to the ineffectiveness of conventional treatments, the number of deaths is high, with approximately 4.95 million deaths globally in 2019. According to experts’ estimates, antibiotic resistance will likely lead to 10 million deaths annually by 2050 unless addressed. In addition, if left unaddressed, by 2030, treatment related to antimicrobial resistance could result in significant costs of up to $3.5 billion annually, equivalent to 3.8% of the global gross domestic product. The world will face the fact that many infectious diseases “have no cure and no vaccine”, seriously damaging the general budget already spent for environmental protection, culture, education, etc. Also, Vietnam and LMICs are the countries that are making the world’s antibiotic resistance more serious.

Overall, although the retail drug market is still an attractive new market, the distorted behavior in drug retail of private drugstores has caused many negative images for this market. Vietnam needs to study and apply solutions to limit violations in drug retail and return to a healthy business environment.

4 SOME SOLUTIONS TO LIMIT INADEQUACIES IN RETAIL DRUG ACTIVITIES OF PRIVATE RETAILERS IN VIETNAM

From the inadequacies and their causes, the authors believe that Vietnam needs to study comprehensive solutions to address them soon. Key solutions that the State needs to implement include:

- *Firstly, to improve the state management capacity for inspection of drug retailing activities of private establishments.* To implement this measure, the competent authorities should:

+ *Firstly, in terms of strengthening inspection activities for the drug retail of private retailers.* This inspection should be carried out regularly, year-round, or even irregularly, such as weekly or daily, for any drug retailers in the area. It should not be a predetermined 30-day inspection as per the applicable regulation. Establishing inspection teams 30 days per year but quarterly or annually is also unnecessary. Inspections can be carried out more frequently and are guaranteed by professional, competent persons. This is the most important proposal for preventing violations in drug retail in private retailers in Vietnam.

+ *Secondly, in terms of competent inspectors.* Officials participating in regular or spot inspections must be professionally trained in pharmacy. The law should grant inspectors the right to handle violations like seizing exhibits, documents, and objects showing signs of violation. At the same time, they need to be trained and upgraded regularly to suit the change in science and technology and the situation of violations. These officials must have good professional ethics, resolutely fighting against misconduct and corruption. However, this is a challenging problem because it depends more on the inspector's sense of responsibility and professional ethics than on the training.

+ *Thirdly, in terms of amending the provisions of the law.* The provisions of the Law on Pharmacy 2016, the Law on Handling of Administrative Violations 2020, and related legal documents need to be reviewed and amended soon. In particular, it is necessary to clearly stipulate the regular and spot inspection activities for drug retailers in general and private establishments. It aims for simpler regulations on establishing inspection teams and expanding the inspection time, i.e., year-round inspection time. For violation handling activities, it is necessary to handle more strictly in the direction of increasing the fine level to 5 to 10 times higher than the applicable one or ten times higher than the profit or damage arising from violations. For similar violations the second time, it is necessary to revoke the practice certificate of the head of the establishment and suspend operations for one year. In case of the third violation with similar or other acts, the permanent suspension of operation shall be applied to the establishment and the practice certificate holder in the name of such establishment. In all cases, the form of
handling violations must be strict and commensurate with the extent of violations. So, it can affect violators’ legal compliance, limiting future violations in the retail drug market.

- **Secondly, to focus on improving the quality of pharmacist education and training.** This is also one of the key solutions that state management needs to implement to improve the quality and ethics of pharmacists resolutely. To completely solve this problem, the State needs to focus on tightening the management of pharmacy training. State management authorities also need to inspect the activities of training institutions regularly. It is to uphold the sense of responsibility and professional ethics of establishments to work towards implementing quality and serious pharmacist training programs with the State. In case the training institutions have violations in training, it is necessary to strictly suspend the operation for a term of years, or based on the severity of the violation, it is necessary to apply permanent suspension measures to such institutions. In addition to professional training, it is necessary to emphasize training in professional ethics for future pharmacists. As analyzed in the previous sections, the core problem of violating the regulations on drug retailing of private retailers comes mainly from pharmacists' professional and ethical issues. Therefore, when this problem is solved, most violations in drug retailing of private establishments will be solved.

- **Thirdly, to promote propaganda and education to consumers.** The State needs to implement more guidelines for consumers in purchasing and using drugs, especially the purchase of antibiotics. It is to make consumers realize that the most important issue that consumers and the State put first is their health and life. Propaganda and education activities on knowledge in drug selection, purchase, and use for consumers need to be carried out regularly and continuously. At the same time, it is necessary to handle violations for consumers if they buy over-the-counter drugs. When the consumers’ consciousness is enhanced, the violations of the seller are also difficult to replicate and develop as rampant as currently.

- **Fourthly, to digitize the pharmaceutical sector.** The State must continue to implement measures to digitize the pharmaceutical sector widely. In addition to continuing the application of information technology to connect drug suppliers to control prescribing and selling prescription drugs as started in 2018, the Government needs to study the inclusion of all drug information in the national database on drugs, where any user can access information to access the origin, ingredients, uses, shelf life and price of each drug. It is necessary to study the printing of QR codes or barcodes on each drug
blister and bottle and deploy applications to scan QR codes and barcodes for users to look up drug information. When implemented along with the increased awareness and understanding of drugs of the people, it will make an important contribution to limiting and preventing the situation of counterfeit and substandard drugs on the market. At the same time, the information provided in digital applications also helps people understand the drugs they use, thereby protecting themselves more effectively.

It can be said that the solutions mentioned above, when implemented comprehensively, will consume a large part of the national budget. However, for a safe and healthy drug retail environment and to make people’s health a top priority, it is necessary and worthwhile for the state budget to invest in these activities.

5 CONCLUSION

With the increasing demand for healthcare services, the health service market in general and the retail drug market in Vietnam, in particular, are potential markets attracting business, production, purchase, and sale of drugs and medical supplies. This market is an attractive market for domestic and foreign investors, which is an opportunity for Vietnam’s economy in the present and future.

In this context, with an extensive system of private drug retailers covering urban to rural provinces, retail drug activities are vibrant, bringing high economic profits. However, at the same time, the retail sales of drugs in these establishments also leave many inadequacies, including the following main ones:

Firstly, the arbitrary purchase and sale of over-the-counter drugs are common, with high rates in urban and rural areas, causing high antibiotic resistance in Vietnam. It is a threat to the human, economic and social development of Vietnam in the present and future;

Secondly, many drug sellers do not have the professional capacity and professional ethics in retailing drugs, leading to the sale of drugs in most cases for profit rather than for the health benefits of users;

Thirdly, consumers lack knowledge about drugs, unable to trace the origin and information of drugs. It is a favorable condition for drug retailers to sell counterfeit and substandard drugs to users easily;
Fourthly, the production and sale of counterfeit drugs on a large scale are carried out by large companies to introduce counterfeit and substandard drugs into retailers. This increases the risk to the health and life of consumers;

Fifthly, high and inconsistent drug prices take place on a large scale, limiting opportunities to buy drugs fairly and access to proper treatment drugs with good prices for customers.

The above are the main inadequacies of the retail drug market in Vietnam. They create a messy and unclean retail drug market and create apprehension for healthy investors. Most importantly, regardless of inadequacies in retail drug activities of private establishments in Vietnam, consumers will ultimately suffer damage, especially health and life losses.

To ensure the protection of people’s lives and health, a clean business environment, and towards sustainable development, the article offers the following main solutions:

Firstly, to strengthen state inspection activities for retail drug activities of private pharmaceutical establishments. For any retailer, these inspection activities must be carried out regularly and irregularly, i.e., weekly or daily. This inspection should not be carried out as planned and should be carried out by trained pharmaceutical professionals;

Secondly, the training and granting of practice certificates to pharmacists should be closely monitored on the process and quality to ensure pharmacists have professional qualifications and ethics. Competent authorities also need to strictly handle pharmacy training establishments that have violations in training activities and may even suspend the operation of these establishments if the violation is frequent or serious;

Thirdly, the provisions of the law need to be amended, focusing on regulations on the establishment, operation, and competence of inspection teams; to strengthen the level of sanctions and additional penalties for suspension of operation and withdrawal of practice certificates with a term or permanently for violations in retailing of pharmaceutical products;

Fourthly, to promote propaganda and education to improve consumers’ understanding of the purchase and use of drugs; to raise consumers’ awareness in identifying counterfeit and substandard drugs combined with the digitization of national pharmaceutical data.
The solutions are proposed in the context of the retail drug market of private drugstores with many inadequacies. These shortcomings have a certain similarity to the retail drug market of LMICs. Therefore, the abovementioned solutions studied and applied in Vietnam can be useful for LMICs in managing the retail drug activities of private retailers. Thereby, Vietnam and these countries have been able to control the retail drug situation in their countries, working towards sustainable development goals.
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