

**PRIME MINISTER'S REMARKS  
2014 MID-TERM BUSINESS FORUM**

**VGP - PM Nguyen Tan Dung delivered the following remarks at the 2014 Mid-term Viet Nam Business Forum on June 5, 2014.**

*Ms. Victoria Kwakwa, World Bank Country Director in Viet Nam*

*Ladies and gentlemen,*

I welcome and highly value the importance of the Viet Nam Business Forum which serves as the regular and effective dialogue mechanism between the Government and the business community. On behalf of the Government of Viet Nam, I would like to warmly welcome all of you to the forum today.

Ladies and gentlemen,

I would really like to listen to your ideas at this forum. Last night, I read all of your draft speeches that you sent to the organizing board. I highly appreciate and thank for the constructive ideas you share with our nation.

A number of our Ministers and Deputy Ministers presented their comments on the contents you have suggested. The two-way discussions will continue in the next sessions. Now, I would like to share some major issues that you are interested in.

- **Firstly**, in term of Viet Nam's socio-economic panorama, I would like to stress following four main points.

The first point: We can affirm that the economy in 2013, in the first five months of 2014 has been increasingly stable and sound, even for the whole year 2014. The inflation has been put under control. In 2013, the consumer price index only increased 6 percent. In 2014, we will keep the inflation rate at around 5 percent. The gross domestic product expanded 5.4 percent in 2013 and is expected to rise 5.8 percent in 2014 and above 6 percent in 2015. The average export value grew over 20 percent in the three consecutive years of 2011, 2012 and 2013. In the first five months this year, the export turnover rose 16 percent and is expected to grow 15-16 percent for the whole year. The foreign exchange rate has been stabilized and confidence in Viet Nam Dong rose. The nation's foreign reserves have sharply increased, equivalent to over 12 weeks of imports since 2012. The overall balance of payment surplus is forecast to reach over US\$8 billion this year. The gold market has been controlled quite well. The interest rate sharply decreased in accordance with the control of the inflation and the market economy. The bad debts of the banking system have been controlled and gradually decreased. Positive progress and outcomes, though not as good as expected, have been recorded in restructuring the Vietnamese economy with focus on investment, banking system and financial institutions, and State owned-enterprises, thereby contributing to the overall economic growth and gradual

improvement of the economy's competitiveness. Strong export growth also partly reflects the nation's economic competitiveness.

The second point: Along with economic development, we have continued strengthening environmental protection and social progress and equality. Positive changes can also be seen in such fields of health, education, job creation, and poverty reduction, etc. Noticeably, in the face of economic hardship, Viet Nam has fulfilled most of the Millennium Development Goals ahead of the deadline and has been encouraged and hailed by the United Nations over the past three years.

The third point: The socio-political stability has always been ensured in Viet Nam thanks to the public consensus and support for the socio-economic development guidelines and policies of the Party and State.

The fourth point: I would like to share with all of you about the recent spontaneous and illegal activities destroying foreign businesses' assets in Viet Nam.

Ladies and gentlemen, China's illegal placement of the drilling rig in Viet Nam's waters have sparked resentment among all Vietnamese people. In some localities, some people demonstrated to oppose China's perverse action. Taking advantage of the patriots' demonstrations, some individuals violated the laws by attacking people, robbing and destroying foreign business' assets. As the incident took place, the Vietnamese authorities have promptly launched drastic measures to stop the incident and determined not to let this happen again.

The Vietnamese authorities at all levels have directly shared, cooperated and supported these enterprises and almost all these affected businesses have resumed operations. Around 20 seriously damaged enterprises have not yet returned to normal operation. The Government has tasked ministries, agencies and local authorities to directly discuss with the owners of these businesses to make plans for production restoration. What we are doing is sincere and responsible and we have received the consensus and coordination from these enterprises. We hope for your support and cooperation to settle the unexpected incident so as to bring benefits for all of us.

- **Secondly**, at the forum today, I would like to inform you that the Vietnamese Government is developing the five-year socio-economic development plan for the period 2016-2020 with the overall goals of consistently and determinedly building a peaceful, independent, self-reliant Socialist Republic of Viet Nam, *wealthy people, strong, fair, and civilized country*. Viet Nam will continue to be a trustworthy partner and friend of all countries, an active and constructive member of the international community. Viet Nam will continue to pursue fast and sustainable economic development on the basis of increasingly improving market economy institutions and actively integrating deeply and widely into the global economy. Economic development must be coupled with promoting social progress and equality, protecting the environment, and firmly ensuring the national defense and security.

As the economic growth rate is expected to reach 5.8 percent in 2014 and around 6 percent in 2015, the nation sets the target to achieve the average growth rate of around 6.5-7 percent between 2016-2020, based on macro-economic stability and sustainable development.

- **Thirdly**, to fulfill the goals that I have mentioned, Viet Nam will synchronously launch a number of solutions and policies, especially the following ones:

*First*, Viet Nam will continue to improve the institutions for socialist-oriented market economy towards modernity, dynamism and efficiency. Besides, Viet Nam will actively accelerate the progress of integrating deeply and widely into the global economy. We will fully follow market economy rules, especially price system and resource allocation. At the same time, Viet Nam will also introduce suitable policies, tools and solutions, including the State economic sector's resources to orient the economy, regulate and re-allocate resources to ensure social progress and equality.

Viet Nam has been a member of the World Trade Organization (WTO) and joined eight free trade agreements (FTAs). We commit to full implementation of our international commitments while actively joining negotiations for other six FTAs, including the Trans-Pacific Partnership (TPP) and FTAs with EU, the Customs Union of Russia, Belarus, and Kazakhstan and the Republic of Korea. The talks are progressing positively. While improving its market economy institutions, Viet Nam is actively integrating into the global economy and the two aspects will mutually support each other and help beef up the country's reform progress and sharpen the competitiveness of the economy.

Against that background, we are redoubling efforts in improving the business environment and reforming administrative procedures in order to create favorable conditions for people and enterprises of all economic sectors to conduct business and production activities in a transparent and fair competition environment.

With that spirit, I really appreciate your constructive ideas. I ask my Cabinet members to consider reasonable suggestions, and assign the Minister of Planning and Investment to collect and include all your suggestions on improving the business environment in Viet Nam in a report to submit to the Government and the Prime Minister for consideration and final decision in line with the international commitments, the market economy and the international integration process of the country.

*Second*, Viet Nam is stepping up the restructuring of the economy with a view to quickly enhancing the competitiveness and effectiveness of the national economy. We consider it as a solution of decisive importance to Viet Nam's fast and sustainable development. The restructuring is being conducted across all sectors of the economy, including industry, agriculture, service, investment, banking system and financial institutions, business system and especially the State-owned enterprises (SOEs).

For SOEs restructuring, we have made a long leap forward. In 2014-2015, we will equitize over 400 SOEs, including many corporations and economic groups while solutions to improve the corporate governance capacity will also be introduced. The SOEs will be put in equally competitive environment in the market economy.

The Government will continue to create the most favorable conditions for the development of private businesses, which are considered a major impetus for fast and sustainable economic development. More favorable conditions will also be created to further attract foreign investors to do business successfully in the country's equally competitive environment. Foreign investment and trade in Viet Nam have kept on rising and been effective despite difficult situation during the past years.

*Third*, Viet Nam will supplement policies to further encourage domestic and foreign investment in socio-economic infrastructure development, including transportation, power, energy, environmental protection, healthcare and education, in which the private-public partnership (PPP) model is strongly encouraged. The Vietnamese Government will also continue to allocate sufficient resources while following the market rules in investment to spur the development of healthcare, education, especially high-quality human resource training to meet the requirements of the labor market and businesses' real demands.

*Fourth*, Viet Nam is improving the law-governed socialist state of the people, by the people and for the people; building a state as the development facilitator with an effective governance capacity, a strong and transparent state, preventing and gradually pushing back corruption, ensuring and promoting the people's direct democratic rights as well as their democratic rights via their legal voluntary organizations. To improve the efficiency of the law-governed state, we attach great importance to building and improving the institutions and policies, reforming public administration, especially in such fields as labor movement, land, tax, customs, insurance, construction investment, etc that you have mentioned in this forum.

*Fifth*, Viet Nam will continue to enhance political security and social order and safety; ensure a peaceful and safe living environment for all people. Once again, the Vietnamese Government affirms that Viet Nam will ensure absolute security and safety for foreign organizations, enterprises and nationals working, studying, doing business and living in the country. The Vietnamese political system has sufficient capacity and conditions to realize this determination.

Viet Nam is resolved to take peaceful measures to protect the national sovereignty in accordance with international law while committing that the past upsetting actions damaging business property will not repeat in the future.

*Ladies and gentlemen,*

Basing on the realities and the future policies and solutions, please keep on you belief in Viet Nam, a country of 100 million people in the near future; a country with the socio-political stability, a fast-growing and sustainable economy, a fair, transparent and friendly investment environment, an improving market economy which is increasingly integrating into the world

economy. Viet Nam will always be a trustworthy friend and partner of countries and an active and constructive member of the international community.

May you all be of good health, happiness and success.

Thank you very much!