

**PRIME MINISTER'S SPEECH  
2014 ANNUAL VIETNAM BUSINESS FORUM**

**Prime Minister Nguyen Tan Dung delivered the following speech at the 2014 Annual Vietnam Business Forum on December 2, 2014 in Hanoi.**

*Ladies and gentlemen,*

On behalf of the Government of Vietnam, I welcome and thank you for being here in the Vietnam Business Forum, this time around with the theme of Entrepreneurship for new trade agreements. I personally give high credit to the Forum today with the selected theme.

The issues and recommendations at the Forum are straightforward, constructive and expedient to the regulatory work of our Government. Some of the concerns raised have been duly responded to by various Government agencies and officials from the State Bank, State Securities Commission, Ministry of Education and Training, Ministry of Labor-Invalids-Social Affairs and Ministry of Natural Resources and Environment.

On behalf of the Government, again, thank you for the comments and contributions which have and will be duly noted and considered by the Government of Vietnam for amendments, updates and improvements of the current regulatory systems and policies, and the Government's administration and regulatory efforts so that we remain practical in what we do and stick to the stated intent of creating every favorable condition for the business community to prosper and promote sustainable development for the Vietnamese economy along the way. Becoming an easier place to do business will drive the economy of Vietnam to grow faster, more sustainably and integrate more deeply and efficiently in the global economy.

As 2014 is closing, apart from the good news, Vietnam is also facing and has to sail through abundant obstacles and challenges, particular in the wake of China's perverse placement of its drilling rig inside Vietnam's territorial waters, threatening the very peaceful stability and sustainable development of the Vietnamese economy. In the face of both such advantageous and challenging contexts, with our own efforts, and useful and invaluable help and support from the international community, Vietnam has moved forward to achieve relatively broad-based outcomes in all economic, political and social fronts, while maintaining and improving the living standards for Vietnamese. On behalf of the Government of Vietnam, I highly appreciate all your commendation and motivation today for what we accomplished in the past year.

We must, however, admit that such accomplishments are not on par with the potentials, nor do they meet both our and your expectations. Vietnam admits that there is plenty of room for improvement, and so much more remains to be done, and in a more determined and efficient way, if rapid and sustainable socio-economic development is to be secured for Vietnam.

I would like to share with you the key objectives, missions and actions to be taken by Vietnam and Government of Vietnam in 2015 as follows:

- Vietnam looks to further maintain a stabilized and more solid macro economy. Exchange rates will be kept under control. Inflation will be maintained at 5% (the inflation rate for 2014 is under 3%) to provide momentum for economic development. Budget overspending will be kept at 5%, as the 5.3% deficit of 2014 will be cut to 5% for 2015. Government debt will be kept at a safe level, under the set cap, applied efficiently and repaid on schedule and in full. The 5.9% GDP growth rate of 2014 is expected to be raised to about 6.2% for 2015, which is a practical and viable figure. The Government has also worked out a 5-year plan for 2016-2020, in which Vietnam will achieve a GDP growth rate of 6.5%-7% a year.
- The Government will continue to concentrate its leadership and regulatory efforts to optimizing the current market economy system, considering it as a game changer and decisive factor for Vietnam. At the same time, reforms of the legislative system and administrative procedures, and promoting the robust growth of capital markets, money markets, labor markets, property markets and so on will also be focused. Added to that, the best efforts will be made to provide a conducive environment for businesses to develop through increased productivity and competitiveness, business climate reforms coupled with strengthened crackdown on contrabands, counterfeits and tax evasion of all forms, and with disclosure, transparency, based on respect for market economy principles and the rule of law.
- Vietnam will be more proactive and dynamic in taking further steps of integration with the global economy. To be specific, apart from performing well and effectively with existing trade agreements, Vietnam will enter into the free trade agreement with EU as early as the beginning of 2014, as having been agreed by the leaders of both sides; the free trade agreement with the Customs Union of Belarus, Kazakhstan and Russia by early 2015; memorandum of negotiation closure for the free trade agreement with Korea in a few days to come; and TPP negotiations with 11 other countries with a view to signing the Agreement within 2015. In our latest talks with the US President Mr. Obama in Myanmar, it was informed that the US would be flexible enough to take into consideration Vietnam's current early stage of development to help us get involved in a productive way in the TPP process. The message I would like to send to you now is that Vietnam making aggressive and proactive efforts to embrace and play a more defined role in the world economy as it pursues more rapid and sustainable development, as well as a more polished legal and market economy system.
- Vietnam will underscore economy restructuring and a shift of the growth pattern to achieve better results over 2014, particularly in the following aspects of interest: (i) tapping available resources, especially from the private sector, the population and foreign investors for infrastructure development through the favored public private partnership (PPP) approach; (ii) leveraging available resources for human resources development, especially high quality manpower, to meet the needs for production and business activities, industrialization and increased competitiveness; (iii) strong transformation of public investment, focusing efficiently on infrastructure development, while incentivizing investment of both the domestic and foreign private sector in supporting industries and high technologies; (iv) further concentration on the finance and banking system

restructuring, safeguarding systemic integrity, efficient banking business and governance, while tackling and quickly cutting bad debts to 3% within 2015; the target of bringing the non-performing debt rate back to normal and safeguarding the integrity of the banking system is very viable and within reach by the Government; (v) stepping up state-owned enterprises reform, not just through the corporatization of state-owned enterprises to reach the number of 432 state-owned business groups and large companies going public as laid down in the 2014-15 plan, but also by dramatically downsizing the State equity in the equitized state-owned enterprises; this is also a target well within reach and will help improve corporate governance, by placing state-owned enterprises in the environment of the market economy, on equal footing with other types of businesses and market players in terms of the distribution of such resources as land, minerals, finance and so on; (vi) emphasizing the strong growth of the private sector and small and medium-sized enterprises to attract and make it easier for foreign investors to come and do business in Vietnam; and (vii) focusing on restructuring agribusiness, coupled with the new countryside development campaign.

- Another priority of the Government in 2015 will be fighting corruption as some of you have commented on. We have been listening to you very closely to be more effective in combating corruption. Two key interventions we have in mind are optimizing the local market economy, promoting disclosure and transparency in wealth management, fiscal management, mineral management, state-owned enterprises management; and focusing on administrative procedure reform pertaining to the interests of citizens and firms. These processes will also enjoy disclosure and transparency to fence off corruption, while allowing for the detection and crackdown of any misconducts. The Government of Vietnam has great resolve in fighting corruption, but the question remains with how effective enforcement is to achieve the expected outcomes and materialize such commitment.
- Assuring social advancement and equality, welfare, health care, education, employment, protection of the unemployed and increasingly improved people's living, especially the poor and dwellers of hinterland areas; The plan is to further cut the poor household rate by about 2%, poor district rate by 4%, and to keep the urban unemployment rate of under 4% in 2015.

Above are the core objectives, missions and action items prioritized by the Government of Vietnam in 2015, for the overall aim of more stable and solidly developed economy and advanced society.

Thank you, and meanwhile, we hope to continue receiving contributions and recommendations from all of you and the working groups, for the economy of Vietnam to develop more effectively and sustainably, and on a mutually beneficial and co-developmental basis.

Thank you all for listening.