

ADDRESS OF PRIME MINISTER H.E. Mr. NGUYEN TAN DUNG
At Midterm Vietnam Business Forum 2015
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Lotte Hanoi Hotel

The socioeconomic picture of Vietnam in the first months of 2015 has shown more promising developments, with more solid and efficiency over 2014, which is a result of Vietnam's general efforts, as well as its particular focus on the coordinated execution of targeted solutions. The outcomes, however, remain insufficiently sustainable and not on par with the country's potentials and inherent advantages. Vietnam can do better, and in a more effective and solid manner.

To that extent, Vietnam will be rolling out in a coordinated fashion the following major action items.

First, the government of Vietnam will continue its governance and regulatory role in ways that maintain and enhance macroeconomic stability. This specifically entails better inflation containment to make sure that the inflation rate does not exceed 5%; keeping exchange rates and interest rates level, responsive to market signals; building the foreign currency reserves; maintaining government over-expenditure at 5% according to the plan for 2015, and less than 5% for the next five years; keeping government debts within a safe limit; conducting effective restructuring of government debt for more concentration and efficiency; enhancing the investment efficiency of the economy; and achieving an average export revenue growth of 10%-15% per year, and a trade gap of no more than 5%.

Second, the government of Vietnam will focus its leadership efforts in easing the bottlenecks and providing opportunities for the business community to further prosper in its production and trade activities, to help achieve the set economic growth goals for all the three sectors of industry, agriculture and services. The government will further press ahead restructuring toward higher productivity, quality, performance and competitiveness. Concentrated efforts will be made in restructuring state-owned enterprises for better performance and competition on an equal ground with other stakeholders. The government will make sure that corporatization takes place according to the approved plan and pathway, in parallel to divestment of the government from companies that the government's dominating or controlling holding is no longer necessary. In the meantime, reorganization of banks and financial institutions will also be accelerated for more efficiency, disclosure, transparency and soundness.

Third, Vietnam will make active efforts in propelling international economic integration. It will seriously fulfill its parts in the trade agreements it endorsed. Recently, Vietnam had closed more free trade agreements with Korea and the Eurasian Economic Union. For now, Vietnam is in the final negotiating stages for the free trade agreements with the European Union, as with the Trans-Pacific Partnership (TPP). These will be the key cornerstone to establish the markets and enabling environments for investment and business activities, not just for Vietnamese firms but also foreign corporations doing business in Vietnam.

And fourth, Vietnam is currently concentrating its efforts in a three-prong strategic approach:

- Ensuring that the local economy operates fully according to the rules and values of the market economy, with disclosure and transparency, and on a fair competition basis, while

the government, with its available instruments, policies and resources, works to guarantee cultural development, social advancement and equality, social security, and improved living standards, and achieve good poverty reduction outcomes.

- Concentrated efforts will be made to improve the regulatory system and safeguard the rule of law with a government that is truly 'of the people, by the people and for the people', as democracy and freedom are ensured for citizens in line with the newly released Constitution. The legal system will be improved over time, with effective enforcement. In the context of Vietnam having made its way far and wide to the international community, local laws need to approach and absorb the quintessence and advancement of the world, and remain in alignment with international laws. In tandem with the improvement of the rule of law, enhancement of governance capacity and the government's administration and regulation will need to be emphasized to offer better public services and provide citizens with better democracy and freedom, as well as the rights to freedom in doing business of enterprises in accordance with the prevailing law, and fight corruption more effectively.
- Mobilizing resources for infrastructure development: investment to provide adequate infrastructure facilities for both economic and social development needs, with a focus on increasing investment in transport infrastructure and provision of sufficient energy and power supply. This will go hand in hand with solutions to provide sufficient power supply for economic growth, while focusing on efficiency and quality enhancement. At the same time, Vietnam has also made serious efforts in adopting the market mechanism in electricity pricing, as the power tariff pathway will soon be announced to provide investors with certainty as they consider investing in this field. In addition, engaging the private sector through public-private partnership (PPP) in line with international best practices will also be encouraged.
- Focus for better leadership in human resources development: capitalizing on the local training capacity, while opening doors to international education to help improve workers' skills and quality, and labor productivity. This will be a key driving force in enhancing corporate and national competitiveness.