



SPEECH OF JAPANESE CHAMBER OF COMMERCE AND INDUSTRY IN VIETNAM MIDTERM VIETNAM BUSINESS FORUM 2018

*Presented by
Mr. Koji Ito
JCCI's Chairman*

Your Excellency, the Prime Minister Mr. Nguyen Xuan Phuc,
Your Excellency, Mr. Nguyen Chi Dung, Minister of Planning and Investment,
Ladies and Gentlemen.

I am Koji Ito, chairman of The Japanese Chamber of Commerce and Industry in Vietnam (“JCCI”).

Given the key theme of today’s forum being “Linkages between Domestic and FDI Businesses - Partnership for Common Interests”, on behalf of JCCI, I would like to put forward three points that we expect the Vietnamese Government to take actions (or consider).

First of all, we understand that it is extremely vital to strengthen the relationship between FDI companies and Vietnamese companies, in order for Vietnam to play leading roles in the Global Supply Chains. Accordingly, we believe that it is one of the Government’s responsibilities to set the rules that enable companies to do business activities as freely as possible, with high disciplines. To be more specific, for both sides – Vietnamese companies with entrepreneur spirit and foreign-invested companies with capital and business expertise, to improve access to business resources, such as people, goods and capital is of essential importance.

We, JCCI would like to contribute to Vietnamese Government’s efforts to build these rules from investors’ perspective. On that note, today, JCCI would like to propose regarding three specific items, 1) administrative procedure reform, 2) the government’s debt issue, and 3) environmental issues.

First of all, on “the administrative procedure reform”. At the annual meeting last year, we put forward two recommendations: (1) to establish a new committee which has an authorized power to strongly proceed and solve any issues, chaired by Prime Minister; and (2) to make unified rules for “Official letters” relating to law interpretation.

This year, in addition to these, we would like to propose “to launch a piloting project, accelerating administrative procedure reform”. To be more specific, we select the General Department of Vietnam Customs as the test site, in collaboration with the Chambers of Commerce, and pursue to accelerate further transparency and promptness of customs clearance procedures. We appreciate, if this initiative would soon take off and develop practical and effective solutions under the strong leadership of Prime Minister Nguyen Xuan Phuc.

Secondly, on “the government debt issue”. Again, last year we raised a concern that too strict discipline on the government’s fiscal policy, namely to control the size of the public debt lower than 65% of GDP, might block investment in infrastructure building which is vital to mid and long-term economic growth for Vietnam. Obsolete infrastructure must undercut Vietnam's

attractiveness to foreign investors, furthermore, the opportunities to connect Vietnamese and foreign businesses would be missed.

Needless to say, we have no objection to the importance of maintaining the discipline for the fiscal policy. Rather, we strongly suggest the Government to tackle with actual cause of the issues and take fundamental actions, such as promoting structural reform in both the revenue and expenditure sides, and reviewing the effectiveness of existing public debts. We really hope that necessary finances to build the infrastructure needed will be secured, and help to strengthen the linkage between Vietnamese and foreign companies.

Thirdly, on “the environmental issues”. It is likely to be getting worse year by year in Vietnam, however, we would like to embrace this issue as a new business opportunity for foreign companies that possess advanced environmental technologies and Vietnamese companies that are strongly motivated to address the issue.

Japan once faced the serious environmental problems during the rapid growth period, when huge production, large-volume consumption, and large amounts of wastes caused environmental pollution. However, we successfully overcome the problems mainly with “advanced environmental technologies” and “Incentive policy to encourage enterprise’s environment-friendly efforts”.

We believe that those experiences will be beneficial to solve environmental issues in Vietnam, and going forward, hope to further develop the partnerships between Japanese and Vietnamese firms in environment-related sectors.

We, JCCI, highly appreciate if Vietnamese Government would support to implement our proposal today so that Vietnam will be more attractive country for foreign investors.