
총리 주재

외자기업 간담회



주베트남 한국상공인연합회(코참)

김용철 부회장

Mr. Kim Young Chul – Vice Chairman of KOCHAM

Your Excellency,

I am Kim Young Chul, - Vice Chairman of Korea chamber of commerce in VN.

First of all, I would like to express my gratitude to Prime Minister Pham Minh Chinh for hosting this meeting with FDI companies.

Vietnam is an emerging market, and the world is paying attention to VN right now.

Recently, Moody's upgraded Vietnam's national credit rating. This is making leading global economic magazines are giving positive outlooks for Vietnam's economy.

Also, global banks predict that Vietnam will easily achieve annual growth rate of 7% this year.

Even in the recent uncertain international economic environment, such as global inflation and supply chain instability, Vietnam has maintained a high and stable growth rate in trades and foreign investments, because domestic price index and exchange rates are well managed. And we highly appreciate the efforts and achievements of the Viet Nam government.

A remarkable increase in bilateral trades and Korea's investment in Vietnam is also continuing, because of the rapid recovery of Vietnam's economy.

If we pay more attention to the difficulties of Korean companies, it is expected that more investment by Korean companies will flow into Vietnam.

Korean companies will continue to make more efforts for the sustainable development of Vietnam.

Today, on behalf of Korean companies, I would like to address three points as follows.

Firstly, I would like to mention the transfer pricing and the Advance Pricing Agreement (APA).

Tax payers who do business with foreign related parties are exposed to the risk of double taxation due to transfer pricing, and to prevent this risk in advance, we applied for APA. But negotiations have not been reached so far due to the revision of the Vietnam Tax Management Act and Covid-19.

We hope that The General Department of Taxation of Vietnam will distribute detailed guidelines for existing APAs and new applications by the amended law. And we are hoping this will guide us to achieve tangible results through mutual agreement procedures this year.

Secondly, we propose legislation to prevent manpower leakage.

There has been a case in Vietnam where some companies collectively attract R&D human resources who have been heavily trained with high skills.

If R&D manpower is diminished, there will be no incentive for FDIs to train R&D manpower, or expand R&D expanses in Vietnam. And there is some concern that it will generate negative impact on attracting and expanding investment in Vietnam.

We suggest that the provisions of the legislation to prevent manpower leakage be reflected in the Intellectual Property Law and the Fair Competition Law.

Thirdly, I would like to suggest legislation for the Enforcement Decree of Personal Information Protection.

The Draft Decree on Personal Information Protection stipulates that a fine of up to 5% of Vietnam's sales volume can be imposed in case of violation of the law.

I fully agree with the legislative purpose of protecting personal information, but there is some concern that the penalty of 5% of Vietnam's sales is just too high. This will give an excessive burden on companies.

We hope a more balanced bill can be enacted and predictable, such as calculating fines based on a fixed amount (e.g. VND 500 million) rather than sales volume.

Finally, I think it would be better for Vietnam to have a more open visa policy to become a global tourism powerhouse and attract more investment.

The issuance of visa-related documents for those who work or invest in Vietnam is just an obstacle to investing, because the documents they prepare for obtaining a status of residence in Vietnam are so complex and bulky. If this part is resolved, it is believed that more investment will be attracted to Vietnam.

Lastly, short term and long term planning and implementation for infrastructures, such as power plant, energy generation, national grid of electricity is necessary to ensure progress in hi-tech industry.

For the last 15 years, the amount of investment in hi-tech area is increasing every year. In addition, the further investment from other Hi-tech companies from Korea will generate significant opportunity to escalate the level of manufacturing to hi-tech industry. Out of all the requirements for value added manufacturing industry, the core infrastructure is the power supply, especially for semiconductors and OLED. As the other countries, Korea is investing in various energy projects. Therefore, special attention is necessary for this sector.

Mr. Prime Minister, I would like to express my sincere thanks once again for making this precious event possible.

To attract investment from many Korean companies in the future, along with resolving the difficulties of some companies that have positioned into the market, continuous incentives for investment policies and government attention will be needed.

As this year marks the 30th Anniversary of the Establishment of Diplomatic Relations between Vietnam and Korea, I hope that cooperation between the two countries will take a further step forward. And we hope to receive greater attention from the government in the future.

I wish all the distinguished guests here today the best of luck.

Thank you very much.