

Vo Tan Thanh, Director General, VCCI (HCM City)

**Remarks at the MOU Signing Ceremony
to Establish the Vietnam Trade Facilitation Alliance (VTFA)**

Friday, December 12, 2014, 5:50 - 7:30 pm

New World Saigon Hotel, 76 Le Lai, District 1, Ho Chi Minh City

- Madam Anne Aarnes, USAID's Acting Assistant Administrator for Asia
- Madam Claire Pierangelo, Charge d'Affaires, US Embassy in Vietnam
- Mr. Mark Townsend, Chairman of AmCham Ho Chi Minh City
- Mr. Herb Cochran, Executive Director of Amcham Ho Chi Minh City
- Ladies and Gentlemen

I am delighted and honored to be here and speak at this important event, which marks the beginning of cooperation between USAID, AmCham, VCCI and leading business associations in an important project to achieve a common goal - facilitation of trade and improvement of the business environment in Vietnam.

Ladies and gentlemen, today, trade facilitation has become a trend and practice on a global scale. Every year each nation can follow its ranking of trade facilitation index at the prestigious economic forum in the world like ranking in the sports Olympiads.

The Ease of Doing Business 2015 Rank for Vietnam is 78 out of 189 economies. According to the survey of the World Bank, Vietnam's ranking in Trade Facilitation, especially, Vietnam's Trading across Borders (TAB) ranking in 2013 is 74 out of the 185 global economies surveyed and for Vietnam's Logistics Performance Index, Vietnam ranks 53 out of 155 countries in the survey.

This is clearly a very modest figure that shows the gap to be bridged if Vietnam wants to fall into the group of top 50 ranking in the indexes, or to be comparable with frontier countries. Related agencies of government, business and industry associations should work together and coordinate efforts to improve the regulatory environment, infrastructure and institutional capacity in order to work toward this target.

We are now witnessing increasingly far-reaching integration of Vietnam's economy into the international economy. Vietnam has signed and is going to sign more free trade agreement FTAs and the TPP with important economic partners internationally. The responsible leaders as well as the Government of Vietnam have pledged to push ahead the cause in improving the business environment

realizing that, better trade facilitation will reduce transaction costs related to the procedures of business and thereby contribute to enhancing the competitiveness of the country and businesses.

Today, FDI businesses have become an important part of Vietnam's economy; the global supply chain has a broad reach to places which have favorable business environments. Intermediate goods flow through gateways to Vietnam more and more frequently. Inadequacies, multi-faceted complexities and uncertainties are arising that require coordination, feedback, linkage and exchange of information between the stakeholders in the supply chain as well as between relevant government agencies such as customs and businesses.

In the capacity of a national organization of trade promotion, as well as the representative of business community and a bridge to the government, VCCI has collaborated with concerned agencies and trade associations to develop mechanisms for consultations with governmental authorities. These fora have become an annual event such as "Annual Vietnam Business Forum" (VBF) in which VCCI serves as a member of the Alliance Vietnam Business Forum. The other event worth noting is the "Conference for dialogue with businesses on administrative procedures, tax and customs policy" and in these events the American Chamber of Commerce has always played an active role.

A Vietnam competitiveness initiative project called "PCI" or the Provincial Competitiveness Index has been sponsored by the Agency for International Development of the United States and implemented by VCCI, now has its own brand name and is exerting its positive impact on improving the business environment in the provinces and towns of Vietnam. In addition, VCCI has cooperated actively with AmCham in other programs related to labor relations improvement.

We believe that through this project, we will gain more of the resources needed and enlist international cooperation, thereby contributing to the capacity building of the related stakeholders, introducing the models and best practices from other economies in the world in terms of trade facilitation and, thereby helping to bring about the tangible benefits foreseen.

A regular consultations mechanism between business and public authorities such as customs, when properly established and developed, will effectively contribute to transparency, integrity of the public management system, and it also serves as feedback that helps relevant agencies to regulate their internal systems, to be

adaptable to the external business environment. This, in turn, paves the way for further partnership among stakeholders for mutual benefits.

We have outlined the context, the trends and, the opportunities and challenges posed with this project. As a party involved, VCCI is committed to implementing the provisions of this MOU in a spirit of friendship, cooperation and good will.

Thank you.