

Mr. Đinh Ngọc Thắng, Deputy Director of HCM City Customs Department

Other leaders and staff of HCM City Customs Department

AmCham company representatives and logistics and supply chain experts involved in Vietnam – U.S. and – global trade,

Thank you for joining us at this New Year consultations with the HCMC Department of Customs, to learn about and discuss the HCMC Customs 2018 Strategic Plan to cooperate with businesses to reform and modernize customs as a leading step to improve the business environment and competitiveness in Vietnam and to promote addition FDI, especially from U.S. companies, to Vietnam in general, and HCM City and the Southern Key Economic Region in particular.

To get right to detailed specifics, the Prime Minister's Resolution 01/2018/NQ-CP, January 1, 2018 on the implementation of Vietnam's socio-economic plan in 2018, calls for growth of export turnover at 8-10 per cent compared to 2017. We feel confident that this goal will be achieved in Vietnam-U.S. trade, since Vietnam's export turnover to the U.S. has more than doubled in five years, from \$20.3 billion in 2012 to \$46.5 billion in 2017, and increased 10% in 2017 over 2016.

Speaking more broadly, HCM City Customs calls for, "... all state management agencies in the City, especially the HCMC Customs Department, the Business Community and the people to share the responsibility and obligation together to contribute to creating a breakthrough in Customs Administration and Trade Facilitation to strongly transform the business environment to achieve a healthy competition in 2018 and future years."

This reminds me of the U.S. Customs Modernization Act of 1993, which was passed with the aim of increasing voluntary compliance with customs laws and improvements to customs enforcement.

It introduced two new customs concepts known as "informed compliance" and "shared responsibility."

These concepts are based on the idea that to maximize voluntary compliance with Customs laws and regulations, the trade community needs to be clearly and completely informed of its legal obligations.

Accordingly, the Mod Act imposes a greater obligation on Customs to provide the public with improved information concerning the trade community's responsibilities and rights under Customs and related laws. In addition, both the trade and Customs share responsibility in carrying out import requirements, based on new procedures such as "Advance Rulings," and "Authorized Economic Operator," or "Trusted Trader."

These concepts of "informed compliance" and "shared responsibility" have become a benchmark for customs authorities around the world, and for the WTO Trade Facilitation Agreement.

When the WTO Director General visited Vietnam a few years ago, he said,

“For Viet Nam, the Trade Facilitation Agreement could reduce trade costs by as much as 20%.

“Cutting a fifth off the cost of trading would make a huge difference. It will help to boost trade flows in Viet Nam. It will support SMEs to start exporting. And, in a time when production chains have been globalised, it will help the economy to connect to cross-border production networks.

“Slow, uncoordinated customs processes raise the costs of trading, harming productivity and preventing many companies from being able to export at all.

“The Trade Facilitation Agreement aims to tackle precisely this issue.

“It will help to streamline, simplify and standardise customs procedures, thereby reducing the time and cost of moving goods across borders.”

It will also promote increased FDI, since a large part of FDI in Vietnam is for production to export to global markets, and therefore depends on efficient customs and state management agencies' procedures for import and export.

In closing, I wish all participants good health, prosperity, and great success for this conference.