

Opening statement

Seminar: "Vietnam: Retaining Stability, Enhancing the Competitive Edge, and Reaping the Growth Potential"

April 18, 2013, Sofitel Plaza Hotel, Hanoi

Honored guests and delegates:

First, on behalf of the State Bank, I would like to welcome you to the Seminar: "Vietnam: Retaining Stability, Enhancing the Competitive Edge, and Reaping the Growth Potential"

Dear Delegates,

In 2012, the world economy experienced great instability due to the continuing effects of the unresolved global financial crisis and European public debt crisis. The decline in the Euro zone plus the credit crisis and rising unemployment in this region still continue. Global production and commerce have been affected, and commodity prices continue to fluctuate wildly. The decreased growth of the leading economies has led to economic decline in other countries. In such an environment, the Vietnamese economy has been greatly affected by both the global economy and internal economic problems. This has had a negative impact on commercial production and the standard of living. The market for consumer goods has declined, inventories are high, purchasing power has declined, bad debt is high, and many enterprises, particularly small and medium-size enterprises, have had to cut back on production, cease operations or go out of business.

Facing such difficulties, the government has put forth guidelines and measures for economic management and administration with the overall goal for 2013 being to give *"priority to controlling inflation, stabilizing the economy at the macro level, and maintaining growth at a reasonable level along with renovating the growth framework, restructuring the economy, improving quality and effectiveness and increasing our competitive strength."* In addition, the government has also issued a number of measures aimed at resolving the difficulties in production and helping the markets in order to stabilize the economy at the macro level and stimulate domestic production.

At present, the macro-economy is relatively stable and a number of macroeconomic balances have improved. However, the Vietnamese economy in 2013 still faces many challenges due to the fact that the global economy is still in recovery, the quality of domestic growth is still low, with little visible improvement, and the growth model has been slow to change. There are still several underlying factors causing high inflation. Thus, in 2013, the Vietnamese government at different levels will actively implement measures pursuant to government resolutions, focusing on the following: (i) implementing fiscal and monetary policies in order to help control inflation, bring about macroeconomic stabilization, balance

supply and demand, and create favorable conditions to enable enterprises to expand production and trading activities; (ii) evaluating things properly and increasing clarity concerning bank bad debts, and, based on this, implementing appropriate policies to ensure solid stability, and effectively resolving the bad debt issues so that businesses have access to credit; (iii) actively, consistently and effectively carrying out the task of restructuring the economy and renovating the growth framework based on improving quality, effectiveness and competitive capabilities. The restructuring must focus on the following three areas: investment, financial markets, and business; restructuring of the weak banks; and promoting the restructuring of the state enterprises.

Honored Delegates,

Today, the Vietnam State Bank, in conjunction with the International Monetary Fund, is conducting this seminar with the goal of exchanging ideas and international experiences, with the topic being: "Vietnam: Retaining Stability, Enhancing the Competitive Edge, and Reaping the Growth Potential". This Seminar will focus on four main themes: (i) overall regional and global economic trends and their effects on Vietnam; (ii) Vietnam's monetary policy system, with its main challenges, and how to build a more effective monetary policy system; (iii) tax policy issues and their effects on Vietnam's growth during regional integration and globalization; (iv) issues concerning the restructuring of Vietnam's state enterprises and international lessons.

These are pressing and timely themes that are in accord with the present stage and that have received much attention recently. With the presentations and comments from domestic and international experts, policymakers, and economic analysts, I feel that this is an excellent opportunity for you to listen and share your ideas and experiences to assist the government in formulating and implementing policies with the target being to stabilize the macro-economy and restructure the economy.

On behalf of the State Bank, I declare the opening of the Seminar on: "Vietnam: Retaining Stability, Enhancing the Competitive Edge, and Reaping the Growth Potential." I wish you all good health, happiness and success. For a successful Seminar!

Thank you very much.