OPENING REMARKS BY MR S ISWARAN
MINISTER FOR TRADE AND INDUSTRY (INDUSTRY)
AT THE SINGAPORE-VIETNAM BUSINESS FORUM
GRAND BALLROOM, THE RITZ-CARLTON HOTEL
29 AUGUST 2016, 3.00 PM

Your Excellency, President of the Socialist Republic of Vietnam Tran Dai Quang
Minister and Chairman of the President’s Office Dao Viet Trung
Minister of Industry and Trade Tran Tuan Anh
Minister of Planning and Investment Nguyen Chi Dung
Distinguished Guests
Ladies and Gentlemen

1 Good afternoon. It gives me great pleasure to join you this afternoon for the 2016 Singapore-Vietnam Business Forum.

2 I would first like to extend a very warm welcome to His Excellency President Tran Dai Quang, distinguished Ministers, and members of the business delegation from Vietnam. We are honoured to have President Quang grace the business forum today. Your Excellency’s presence underscores the importance that Vietnam attributes to its trade and investment ties with Singapore. In addition, the attendance of many of our companies and business leaders at today’s business forum reflects investors’ strong interest in the Vietnamese market.

*Vietnam’s economic priorities will accelerate growth and open up opportunities for businesses*

3 The 2016 Singapore-Vietnam bilateral business forum takes place at a time when Vietnam has become one of the most attractive emerging economies in Asia. This is largely due to Vietnam’s sound economic fundamentals and political stability,
young and dynamic working population, and rich natural resources such as arable land, minerals, oil and gas. Vietnam’s economy has been performing well and forecast to be on a strong growth trajectory.

4 Vietnam’s economic priorities also correspond with business interest. Vietnam's government has embarked on economic reforms that will accelerate growth and open up new business opportunities. These include positive steps to improve the business environment and enhance support for companies. Singapore welcomes the implementation of business-friendly policies and infrastructure improvements, as well as policy initiatives such as the revision of Vietnam’s Foreign Investment and Property laws. These measures will help to attract more foreign investments. Investors are also closely following how the obstacles and issues faced by companies in Vietnam are being addressed. It is important for Vietnam's government to send a strong and positive signal to current and future investors, through smooth and expeditious resolution of the issues faced by enterprises.

5 Foreign direct investment into Vietnam is on the uptick. The Vietnamese government has focused on building up its economic connectivity through a strong network of Free Trade Agreements. Vietnam's participation in the ASEAN Economic Community, the Trans-Pacific Partnership, as well as its recently concluded bilateral FTAs will serve to boost Vietnam’s international integration and economic liberalisation efforts.

6 These priorities demonstrate the Vietnamese government’s commitment to enhance economic competitiveness, the ease of doing business, and governance. This forum is therefore a very good opportunity for our companies and business leaders here to learn more about the economic vision and policies that President Quang and his Ministers have for Vietnam, and to give valuable feedback to the Vietnamese government.

Singapore and Vietnam share strong bilateral economic ties

7 This forum and other bilateral exchanges take place against the backdrop of long-standing and multi-faceted ties between Vietnam and Singapore. Our two
countries reached a significant milestone in 2013, when our bilateral relations were elevated to a Strategic Partnership. The strong relationship between our governments and peoples further supports our close links.

8 Vietnam is an important economic partner for Singapore, and our economic ties have grown from strength to strength. Bilateral trade has doubled over the past decade to almost $22 billion last year. Singapore is also Vietnam’s third-largest investor, and the top ASEAN investor, with more than US$38 billion in total investments. The Connectivity Framework Agreement which was established in 2006, is a key bilateral platform, which has supported the growth of our economic relationship over the past decade. IE Singapore’s two overseas centres in Hanoi and Ho Chi Minh City have also facilitated a steady stream of business interests, particularly from Singapore Small and Medium Enterprises (SMEs). Regionally, Singapore and Vietnam also work closely together at ASEAN, APEC, as well as the Regional Comprehensive Economic Partnership (RCEP).

Opportunities for Singapore-Vietnam collaboration

9 There continues to be great potential for Singapore and Vietnam to build on our current trade and investment relations, and enhance economic cooperation, especially in the manufacturing, consumer services, and urban solutions sectors. There are complementarities from which our companies can benefit.

10 Vietnam is emerging as a choice manufacturing base in Asia. There are opportunities for businesses to: first, tap on Vietnam’s competitive advantage as a manufacturing location, particularly in the consumer electronics, apparel, and food manufacturing sectors and; second, offer supporting services like automation and logistics services to multinational corporations which are establishing manufacturing operations in Vietnam.

11 In the consumer services sector, the growing presence of globally recognised brands such as P&G, Unilever, McDonalds and Starbucks signal maturing and increasingly brand-conscious consumption patterns in Vietnam. Singapore’s food
service and lifestyle brands can offer innovative products and services, thus providing more options and customised consumer experiences.

12 Singapore is also a committed partner in Vietnam’s industrialisation. Our companies have invested in sectors such as port operations and logistics. Real estate players also continue to explore township, housing, and industrial developments. These include large infrastructure projects such as the Vietnam-Singapore Industrial Parks (VSIPs), a signature bilateral initiative which has been successful. With the Vietnamese government’s strong support, the VSIPs have expanded and there are now seven across Vietnam. The VSIPs are a strong and visible symbol of economic links between Singapore and Vietnam, and we look forward to the Vietnamese government’s continued support of the current and future VSIPs. As Vietnam urbanises, Singapore’s track record in urban planning and city management will be increasingly relevant to Vietnam’s needs for urban solutions. New opportunities will also arise as Vietnam moves up the value chain, and its industrialisation extends to higher-value add activities.

*Singapore is well-positioned for Vietnamese businesses seeking growth opportunities*

13 Vietnam’s companies have also been showing greater interest in business opportunities in Singapore. FDI from Vietnam into Singapore has increased by almost five times to S$165 million from 2008 to 2014, with the potential to grow much more. We are glad that Vietnamese companies have found Singapore to be an easy place to do business. They can easily tap on Singapore’s international finance hub for trade financing and access to international capital for their growth plans. Singapore also remains an attractive international headquarters location for Vietnamese companies seeking to leverage on our strong network of professional services firms to support their internationalisation. A diverse group of Vietnamese businesses have found success in Singapore. These range from petroleum product company Petrolimex, to fund management company Vina Capital, and coffee chain Trung Nguyen Café.
**Conclusion**

14 Looking ahead, I am confident that the economic partnership between Singapore and Vietnam will continue to grow from strength to strength. To achieve this, our countries must continue to work together to promote deeper and stronger trade and business ties. We should seek to enhance the business environment, which will encourage and facilitate investments on both sides. I am confident that Singaporean and Vietnamese companies can complement each other’s strengths and work together to explore new opportunities.

15 On that note, I would like to wish everyone a fruitful and successful session today. We look forward to an enriching discussion and productive outcomes for both Singapore and Vietnamese businesses. Thank you.