

# Vietnam



- New issues and challenges of development in Viet Nam
- Role and expectation for Japan development assistance in HRD.
- Expectation and Challenges for IDEAS



## Background

- Population of 86 million people
- GDP per capita more than USD 1,000 in 2009
- GDP growth rate In 2009 was 5.2%

# Primary results in socio-economy in 2009

- 1. Preventing economic downturn, achieving considerable economic growth rate and improving resources for investment in the context of global economic recession
- 2. Ensuring the macro-economic stability and inflation control, providing the favorable environment for development

- **3. Science and Technology, education and training achieved much progress**
- **4. Focusing on the implementation of social security policies; achieving development in the areas of culture, social and environmental protection in the economic recession context**
- **5. Enhancing administration reform, anti-corruption, thrift practice and anti-wastefulness; achieving development in external affairs and international integration**

# SHORTCOMINGS AND WEAKNESSES

- Beside achievements, Vietnamese economy faces with problems and weaknesses in the global economic crisis context of 2009.
- - *Industrial production experienced the lowest growth rate in several years.* The industrial production value growth rate reduced to the lowest level of minus 4.4% in January. The rate has been improved in the next few months, especially in the 3rd quarter but the average growth rate is still expected to be of low level.
- - *Export turnovers has reduced dramatically (about 10% compared to last year,* mainly due to the effects of price reduction, affecting the foreign revenue collection and the international payment balance

# OVERALL TARGETS IN 2010

- To achieve a sustainable rate of economic growth which is higher than over in 2008 while maintaining a stable macroeconomic environment, enhancing the economic growth quality, continuing inflation control, ensuring the social security, strengthening co-operative and international economic integration, stabilizing the political situation, ensuring national defense and social security and trying to achieve the best possible results in the implementation of the SEDP 2006-2010”.

# Major tasks in 2010

- The major task in 2010 is to complete the set targets in the socio-economic development plan of 2010 and the five year socio-economic development plan 2006-2010 while creating favorable conditions for the development of the next period, focusing on achieving breakthroughs in implementing the 10 year socio-economic development strategy 2011 – 2020, namely: (1) synchronized formation of institutions of the socialist-oriented market economy; focusing on developing a competitive economic environment and administration reform to utilize all resources in production; (2) human resource development, especially the high-quality labor, focusing on accelerating a comprehensive reform of national education and training system; (3) Development of synchronized infrastructure system, focusing on the transportation system and infrastructure in urban areas.

## *On education and training*

- Push forward the fundamental and comprehensive reform toward enhancing the quality of education and training at all levels, especially the undergraduate and vocational training. Focus on developing qualified human resources to satisfy economic development demands, particularly the highly-skilled workers. Rationalize training contents in respond to market demand; gradually reduce the imbalanced situation in education and training structure. Effectively implement national supports toward pupils and students.

# *On science and technology*

- Continue to improve the legal framework for science and technology development, create favorable conditions to strengthen science and technology capacity in parallel with the acquisition and application of technology in production. Push forward the science and technology research and transfer. Evaluate the major national programs on science and technology and apply their results in production. Develop the science and technology market. Improve the scale of technology and equipment markets in the number and value of transactions, in technology categories and technical transfer. Develop technological trading centers. Further promote technology application and technical transfer models to support the socio-economic development in remote areas.

## *On social security, hunger eradication and poverty alleviation*

- Effectively implement social security policies, especially in hunger eradication, poverty alleviation and job creation. Enhance the execution of supportive programs toward hunger eradication and poverty alleviation in 62 poor communes and unemployment insurance program. Mobilize resources from all sources to ensure social security, hunger eradication and poverty alleviation.

## *On public health care development.*

- Effectively solve urgent social problems, ensure safe transport and traffic jams prevention in large cities.

*Improve the spiritual and cultural life  
of people in mountainous and  
remote areas.*

- Further develop a popular sports and physical training movement through a widespread network and foster a pool of high-record athletes. Improve the quality of radio, television, press and publishing products and services.

# Strengthen the effectiveness of *natural resource and environmental management.*

- Accelerate the land mapping and develop land profiles. Foster to achieve the targets of granting land ownership certificates of all land categories nation-wide. Prevent and take prompt action against polluted production enterprises; enhance the control of all water exploitation or sewage dumping activities; enhance forecast activities as well as develop prompt adaptation solutions toward global climate changes; reduce raw material export; attach the development of marine economy with marine resource management and sea and islands sovereignty assurance of Viet Nam...

# *On governmental administration reform, thrift practice, anti-wastefulness and anti-corruption*

- Continue to simplify administrative procedure in all governmental administration fields to ensure the transparency, disclosure and consistency of the procedures. Focus more on reducing administrative regulations and heavily bureaucratic agencies. In the future, strive to reduce 1/3 of administrative procedures. Improve the public officials' and employees' moral and professional qualifications. Enhance administrative management through applying information technology.
- Forster thrift practice, anti-corruption and anti-wastefulness. Accelerate monitoring, investigation and auditing activities, associated with strictly and promptly solve the violation cases.

# ESTIMATED MAJOR NORMS IN 2010 PLAN

## 1. Economically

- Gross Domestic Product (GDP) growth rate to increase 6.5%
- The additional value of agriculture, forestry and fishing sector to rise 2.8%; of the industry and construction sector to rise 7%; of the service sector to rise 7.5%
- Total export revenue to increase to over 6%, compared to 2008
- Total investment capital to be equal to 41% of GDP
- CPI to increase less than 7%

## 2. Socially

- Provinces to achieve secondary universal coverage: 63 provinces
- New recruitment in university and college increases 12%; secondary professional school to increase 15% and secondary vocational school to increase 17%
- The birth rate to reduce to 0.2%
- Job creation for 1.6 million labors, among whom 85,000 to work abroad
- Poverty rate to decrease below 10%
- The rate of malnourished children under-five to drops below 18%
- The number of hospital beds per 10,000 people to be 27.5 beds
- The average urban house area to reach 13.5 m<sup>2</sup>

# 3. Environmentally

- The rate of population using clean water to reach 83% in rural areas
- The rate of population using clean water to reach 84% in urban areas
- The ratio of seriously polluted production enterprises to be resolved: 70%
- The ratio of urban solid waste to be collected: 80%
- The ratio of health care solid waste to be disposed: 80%
- The ratio of industrial zones and export processing zones with qualified sewage disposal system: 45%
- The ratio of forest coverage: 40%

# MAJOR INSTITUTIONAL AND POLICY MEASURES

## 1. Measures for economic recovery and macro-economic stability assurance

- *(1) Continue to improve the investment and business operation environment of all economic sectors*
- Continue to establish guidelines toward regulations relating to investment, business, procurement and land management... Implement coherent policies toward simplifying all business-relating administrative procedures. Effectively execute supportive policies toward investment and business operation, especially of small and medium enterprises. Develop the mechanism and policies to effectively mobilize resources from all economic sectors.

*(2) Foster investment and enhance the quality and competitiveness of the economy*

- Further push forward the implementation of policies to improve business environment; overcome economic weaknesses to further support the growth quality and investment efficiency. Promote investment in socio-economic infrastructure, agriculture, rural areas and other high-tech sectors. Renew the mechanism and policies toward mobilizing resources from all sectors to develop public services.
- Synchronously implement the 6 groups of solution to attract and manage FDI as stipulated in the Resolution 13/Q-CP dated 07/04/2009. Simultaneously promote outward investment of Vietnamese enterprises. Continue to attract and accelerate ODA disbursement. Evaluate, monitor and modify ODA related legal documents.
- Implement economic restructuring policies toward enhancing growth quality, improving economic efficiency and competitiveness. Provide supports to enterprises to renew technology and reduce production cost; improve their productivity and production efficiency as well as quality and competitiveness of the products.

### *(3) Foster export and enhance the effectiveness of international integration*

- Further accelerate export while taking control of trade deficit. Develop and diversify export markets and products, focusing on developing commercial relationship with new partners as well as promoting the assessment to new markets.
- Take full advantage of the Free Trade Agreements (FTAs) and other bilateral and multilateral agreements, the ASEAN Free Trade Agreement (AFTA) to promote export and reduce trade deficit. At the same time, accelerate the preparation of FTA negotiation with other important partners.
- Efficiently fulfill commitments on trade, investment, services and other domains with foreign countries and international organizations, firstly the commitments within the framework of WTO, AFTA, and Viet Nam – America Bilateral Trade Agreement. Actively cooperate with other countries in the region to further implement the Sub-region Mekong Delta Economic Cooperation program, the Trans-Asia road, other economic corridors and belts...
- Eliminate subsidies which are not in conformity with Vietnamese commitments and WTO trade regulations while applying suitable measures to protect proper rights of domestic producers and customers.

#### (4) *Implement the financial and monetary policies*

- Formulate and administer fiscal policies to ensure economic growth, macro-economic stability and social security. Raise efficiency and transparency in state budget funds management and utilization. Implement thrift practice, anti-wastefulness. Reduce national budget deficit.
- Transfer from loosen monetary policy to cautious, flexible policy to ensure the reasonable credit growth rate and thus, support the targets of macro-economic stability, economic development and inflation prevention. Be proactive and efficient in using monetary and financial tools in accordance with market principle to ensure macro-economic stability. Tightly control the increase of total payment tools, total credit debts to keep a reasonable inflation rate as well as ensure the liquidity and healthy operation of banking system.

## 2. Measures in education and training, job creation and social security assurance

- (1) Push forward the comprehensive *policies of education and training reform* at all levels toward socio-economic development needs. Execute vocational training programs, giving priority to the unemployed and rural labors; diversify vocational training models; provide financial supports to vocational training as well as provide more employment consultant services...

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(2) Foster *job creation policies* including promoting investment, enterprise establishment, especially enterprises using numerous labors; developing labor markets; providing loans; maintaining and widening labor export markets; effectively implementing the National Targeted Program on employment...

(3) Attach more importance to *rapid and sustainable poverty alleviation* in districts with high poor household ratio as stipulated in Resolution 30A/2008/NQ-CP dated 27/12/2009 on the support program for fast and sustainable poverty reduction in 62 poor districts. Mobilize more resources from all sectors for hunger eradication and poverty alleviation activities as well as to implement other social programs supporting individuals with special difficulties. Encourage and diversify social support programs from individuals and NGOs.

(4) The Government invests and creates *favorable policies to encourage enterprise participation in social housing development programs* for low-income individuals, student dormitory and the spiritual and physical living standard improvement of workers in industrial and export procession zones as well as other low-income labors. Continue to push forward student housing construction using the Government bond fund, ensuring adequate dormitory spaces for 40% of total students.

**Measures for fostering  
administration reform; utilizing  
the efficiency and effectiveness of  
governmental system; improving  
social democracy and anti-  
corruption**

(1) Push forward *public administration reform*; in 2010, attach importance to administrative procedure reform toward a new standard for national administration system. Basing on the evaluation result of the implementation of Administration reform 2001-2010, develop the Comprehensive Administration reform 2011-2020.

(2) *Accelerate the implementation of grassroots democracy*, especially in the field of planning and investment. Evaluate and develop the model of socio-economic development planning with the participation of citizens and social organizations. Synchronously renew personnel management procedure, improve democracy as well as enhance the official quality to satisfy the demand of industrialization, modernization and international integration. Further strengthen the quality and efficiency of grassroots democratic principle. Develop a transparent and powerful political system, especially at grassroots level.

(3) *Forster the antic-corruption program in governmental agencies at all levels;* effectively implement the Anti-corruption Law and the national anti-corruption strategy up to 2020. Strictly and publicly deal with legal violation cases, especially serious corruption cases. Simultaneously, further strengthen the supervision of National Assembly, People's committees at all level, other politic and social organizations and all citizens for anti-corruption programs.

# Japan ODA Commitments for Vietnam

	1992-2008
Total	JY1.527 bill
Grant	JY0.175 bill.
Loan	
Commitment	JY1.352 bill.
Disbursement	JY0.660 bill.

# Japan ODA for HRD

Total Japan's grant ODA for Vietnam is \$1,4 bill., which is used for following activities

- Devepment research
- Training of scientific, management staff
- Sending specialists, experts to Vietnam
- Provide equipments
- Health care

# Sectors funded by Japan's loan ODA

Total 108 loan agreements (since 1992-2008 with total fund equivalent is USD14,7 bill.) in the following sectors:

- Energy
- Transport
- Agriculture and rural development
- Telecommunication
- Watter supply and sanitation
- Urban infrastructure development, small and medium cities development etc..

# EXPECTATION FOR IDEAS

- **To further develop sustainably**
- **If possible, in the long-run, IDEAS should not only focus on short-term training center but also to train degree-courses such as masters, Ph.D**
- **To develop rich contents for the courses with diversified subjects**
- **Courses are to be wide spread through-out asia and then to the World.**
- **Location should be large enough to meet requirements**
- **Facilities should be wel-equipped.**

# Challenges of IDEAS

- Financial resources needed for the long-run programs of IDEAS
- Content of the courses needs to meet the requirements trainees.
- Trainers need to be qualified, high-training skills, rich experiences
- Keeping in touch with trainees after they come back to their countries.

**THANK YOU FOR YOUR  
ATTENTION**