

*establishment of the Steering Committee for Vietnam's industrialization strategy within the framework of the Vietnam-Japan cooperation through 2020;*

*At the proposal of the Minister of Planning and Investment;*

DECIDES:

**Article 1.** To approve Vietnam's industrialization strategy within the framework of Vietnam-Japan cooperation through 2020 with a vision toward 2030 (below referred to as the industrialization strategy) with the following major contents:

1. Vision, viewpoints and objectives

a/ Vision: To strongly develop six priority industries, including electronics, agricultural machinery, agricultural fishery product processing, shipbuilding, environment and energy saving and automobiles and auto parts manufacturing, into spearhead industries of the economy with high added value and international competitiveness. Industries prioritized for development in the industrialization strategy have a leading role in promoting the attraction of investment from domestic and foreign enterprises, first of all Japanese ones, and creating a spillover of technology and skills for the industry in particular and Vietnam's economy in general.

b/ Viewpoints:

- The industrialization strategy contributes to the implementation of Vietnam's general policy on industrial development focusing on the development of the six selected priority industries on the basis of effectively tapping potentials and comparative advantages of Vietnam to develop internationally competitive industries.

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THE PRIME MINISTER

**Decision No. 1043/QĐ-TTg of July 1, 2013, approving Vietnam's industrialization strategy within the framework of Vietnam-Japan cooperation through 2020 with a vision toward 2030**

THE PRIME MINISTER

*Pursuant to the December 25, 2001 Law on Organization of the Government;*

*Pursuant to the Prime Minister's Decision No. 1075/QĐ-TTg of August 13, 2012, on the*

- The industrialization strategy contributes to speeding up Vietnam's industrialization process through 2020. The selected industries conforms to Vietnam's industrial development orientations and make great contributions to creating motives for the development of other industries during the industrialization process through 2020. The industrialization process makes direct contributions to the restructuring of sectors, serves the change of growth models together with economic restructuring towards higher quality, efficiency and competitiveness of the economy.

- The industrialization strategy must create a breakthrough in attracting investment and increase the efficiency of foreign direct investment in general and Japanese investment in Vietnam in particular; form and consolidate the production linkage between Japanese and domestic businesses; promote technology transfer and innovation and increase the quality of Vietnam's human resources.

c/ Objectives:

- Overall objectives:

To prioritize the development of the six selected industries in order to promote technology innovation, increase productivity and build international competitiveness; develop products with high added value, technology spillover and up to advanced quality standards for export and domestic consumption.

- Specific objectives:

+ To formulate and organize the implementation of a specific and feasible action plan for each of the six selected industries through 2020 with vision toward 2030; to focus on a number of sub-sectors and strategic products; and to implement pilot projects in each industry and sub-sector if necessary.

+ Vietnam and Japan cooperate in attracting Japanese quality investment projects into priority industries and relevant sectors.

+ To mobilize the utmost participation of Vietnamese and Japanese governments, businesses and scientists in the whole process of building, implementing and assessing the efficiency of the selected industries' development.

- A number of major targets for the development of priority sectors:

By 2020, the sectors will be prioritized for the development, including:

+ Sectors prioritized for development will take the lead in the application of high and clean technologies while ensuring the rationality in Vietnam's economic conditions.

+ Production value of the priority sectors will increase at least 20% annually and contribute at least 35% to the total industrial production value.

+ These sectors will rank among ten sectors with the highest labor productivity growth.

By 2030, the sectors prioritized for development will largely apply high and clean technologies while ensuring the rationality in Vietnam's economic conditions.

## 2. Orientations and solutions

a/ Orientations:

- Orientations through 2020:

+ To increase the production capacity of the six selected industries so as to adapt to the implementation of commitments to international economic integration through 2020. To convert industries depending on simple assembly and processing with low added value into industries using domestic input materials of the upstream and midstream sectors to create high added

value and gradually increase international competitiveness.

+ To build and expand the market for the six priority sectors' products.

+ To focus on developing supporting industries for the six priority sectors in combination with technology transfer and training of high-quality human resources as foundations for these industries.

+ To accelerate the commissioning of major projects that have been approved in upstream sectors (petrochemical, steel production, electricity, gas, and energy, etc.) so as to increase the efficiency of investment in the long-term development of the industries, prioritized for development.

- Orientations for 2020-2030:

To strengthen the linkage between the sectors manufacturing end products and the sectors manufacturing material inputs, or intermediate inputs, and the service sectors, and to formulate the industrial structure consistent from upstream and midstream to downstream.

b/ A number of major solutions:

- To study and formulate an action plan for each sector's development; to conduct surveys and attract the harmonious participation of enterprises, state agencies and universities during the process of formulating action plans.

- To synchronously complete the legal framework and policies to encourage the development of the selected sectors; and to publicize plans to carry out incentive and preferential policies for each sector.

- To accelerate and consistently implement the comprehensive reform of administrative procedures at all administrative levels from central to local levels.

- To develop a number of regions and localities into dynamic regions of the industrialization strategy for the development of the selected sectors, giving priority to developing infrastructure and human resource training in these regions.

- To organize the implementation of action plans in a consistent and uniform manner and on the principle of Vietnam-Japan cooperation and exchange and Japan's active assistance in the course of implementation, and to ensure the efficient use of resources.

- To build a surveillance and inspection system to monitor the implementation of action plans and assess the results.

- Vietnam and Japan focus on cooperation in a number of key areas to serve the implementation of the industrialization strategy in a consistent manner. Key cooperation fields include:

+ Reviewing and assessing existing strategies, plans and policies relating to the six priority sectors and proposing adjustments in order to ensure the synchronism of policies and the feasibility of the industrialization strategy and each sector's action plan.

+ Promoting investment in the six priority sectors for development.

+ Cooperating in the field of human resource training for the six selected sectors.

+ Cooperating in acceleration of technology transfer in the six priority sectors.

+ Cooperating in infrastructure development for the six priority sectors.

## **Article 2.** Organization of implementation

1. Instruction and managerial apparatus for the implementation of the industrialization strategy

The Steering Committee for Vietnam's

industrialization strategy within the framework of the Vietnam-Japan cooperation through 2020 with a vision toward 2030 established under the Prime Minister's Decision No. 1075/QĐ-TTg of August 13, 2012, shall formulate, publicize and organize the implementation of this strategy.

2. Assignment to implement the industrialization strategy

a/ The Ministry of Planning and Investment shall:

- Through the deputy head of the Steering Committee and the working group to assume the prime responsibility for coordinating the organization, collaboration and cooperation with Japan in implementing the industrialization strategy.

- Coordinate with the Ministry of Finance and line ministries in formulating preferential and incentive policies in conformity with the 2011-2020 socio-economic development strategy and the roadmap for tariff reduction under regional and international commitments in order to attract investment in the six selected sectors; and balance the budget and investment capital for the six industries' development and to include them in annual and five-year plans.

- Take part in formulating and implementing action plans for the six sectors' development in the industrialization strategy through the working group.

b/ The Ministry of Finance shall:

- Coordinate with the Ministry of Planning and Investment and line ministries in proposing amendments and supplements to tax, tariff and administrative procedure incentive policies to encourage the development of the six priority industries to comply with the international economic integration process.

- Coordinate with the Ministry of Planning and Investment and line ministries in formulating incentive and preferential policies in conformity with the 2011-2020 socio-economic development strategy and the roadmap for tariff reduction under regional and international commitments in order to attract investment in the development of the six selected sectors and balancing the budget and investment capital for the six sectors' development and include them in annual and five-year plans.

- Take part in formulating and implementing action plans for the six sectors' development in the industrialization strategy through the working group.

c/ The Ministry of Industry and Trade shall:

- Coordinate with relevant ministries and sectors in implementing the action plans of the agriculture machinery, automobile and auto part manufacturing, and environment and energy saving sectors.

- Coordinate with the Ministry of Information and Communications in organizing the implementation of the electronics sector's action plan, and the Ministry of Agriculture and Rural Development in implementing action plans of agricultural and fishery product processing industry.

- Take part in formulating and implementing action plans for the development of the six sectors in the industrialization strategy through the working group.

d/ The Ministry of Agriculture and Rural Development shall:

- Assume the prime responsibility for, and coordinate with relevant ministries and sectors in, organizing the implementation of action plan of the agricultural and fishery product processing industry.

- Coordinate with the Ministry of Industry and Trade in organizing the implementation of the action plan of the agricultural machinery industry.

- Coordinate with the Ministry of Planning and Investment, the Ministry of Finance and other relevant ministries in formulating incentive and preferential policies to facilitate attraction of investment in the above two industries.

- Take part in formulating and implementing action plans for the six sectors' development in the industrialization strategy through the working group.

dd/ The Ministry of Transport shall:

- Assume the prime responsibility for, and coordinate with relevant ministries and sectors in, organizing the implementation of the shipbuilding industry's action plan.

- Coordinate with the Ministry of Planning and Investment, the Ministry of Finance and other relevant ministries in formulating incentive and preferential policies to facilitate investment in the shipbuilding industry.

- Take part in formulating and implementing action plans for the six sectors' development in the industrialization strategy through the working group.

e/ The Ministry of Information and Communications shall:

- Assume the prime responsibility for, and coordinate with the Ministry of Industry and Trade and relevant ministries and sectors in, organizing the implementation of the electronics industry's action plan.

- Coordinate with the Ministry of Planning and Investment, the Ministry of Finance and other relevant ministries in formulating incentive and preferential policies to facilitate investment in the electronics industry.

- Take part in formulating and implementing action plans for the six sectors' development in the industrialization strategy through the working group.

g/ The Ministry of Science and Technology shall:

- Coordinate with relevant ministries and sectors in formulating incentive and preferential policies to facilitate investment in the priority sectors of the industrialization strategy; and formulate policies to promote technology transfer and speed up the application of high technologies in the six priority sectors.

- Take part in formulating and implementing action plans on the six sectors' development in the industrialization strategy through the working group.

h/ The Ministry of Foreign Affairs shall:

- Take part in and coordinate with the Ministry of Planning and Investment in coordinating cooperation with Japan.

- Join the Ministry of Planning and Investment and the Ministry of Finance and relevant ministries in formulating incentive and preferential policies to facilitate the investment in the six industries of the industrialization strategy.

- Take part in formulating and implementing action plans on the six sectors' development in the industrialization strategy through the working group.

i/ The State Bank of Vietnam shall:

- Coordinate with the Ministry of Planning and Investment, the Ministry of Finance and line ministries in formulating preferential credit policies for the six selected sectors.

k/ The Ministry of Education and Training and the Ministry of Labor, War Invalids and Social Affairs shall:

- Coordinate with relevant ministries and sectors in organizing the implementation of action plans on human resource training for the six selected sectors.

- Take part in formulating and implementing action plans for the six sectors' development in the industrialization strategy through the working group.

l/ Other ministries and sectors and provincial-level People's Committees shall assume the responsibility for formulating action plans and coordinating with one another in handling issues relating to proposals put forth by the Steering Committee and agencies in charge of the implementation of each sector's action plan.

### 3. Responsibilities and assistance of the Vietnamese and Japanese Governments

a/ Responsibilities and assistance of the Vietnamese Government:

- In the course of implementation of the strategic industries' action plans, the Steering Committee will set up task forces in relevant ministries and sectors and instruct the implementation of action plans for the six sectors' development in a consistent manner.

- Ministries, sectors and provincial-level People's Committees shall provide and share information, data and statistics necessary for the implementation of the industrialization strategy.

b/ Responsibilities and support of the Japanese Government:

- Japanese relevant ministries commit to actively participating in and assisting the implementation of the industrialization strategy.

- To provide financial support for conducting surveys and investigations and necessary consultations to serve the implementation of industrialization strategy.

- To actively promote investment and seek potential investors for Vietnam, select and share information with ministries, sectors and relevant parties to serve the implementation of the industrialization strategy.

**Article 3.** This Decision takes effect on the date of its signing.

**Article 4.** Ministers, heads of ministerial-level agencies, heads of government-attached agencies, chairpersons of provincial-level People's Committees and heads of relevant agencies shall implement this Decision.-