

**SPEECH BY VICE MINISTER OF PLANNING AND INVESTMENT HE. MR.  
NGUYEN BICH DAT AT THE “M&A VIETNAM 2009- EXPERIENCES AND  
OPPORTUNITIES”  
Hanoi, June 11th, 2009**

*Ladies and Gentlemen,*

First of all, on behalf of Ministry of Planning and Investment (MPI), I would like to warmly welcome all of you to the Conference on “M&A Vietnam 2009- Experiences and Opportunities” today.

I would like to express sincere thanks to the Board of organisers for having such an initiative of holding the conference. I expect that today’s conference will act as a bridge to connect the State management bodies, consulting firms with many investors in order to contribute to the development and improvement of the legal basis for the M&A activities in Vietnam, aiming at creating a more attractive environment for investment, in general and for M&A activities, in particular.

*Ladies and Gentlemen,*

The year 2008 has witnessed complicated economic fluctuation and at the same time the world’s economic recession is affecting Vietnam, resulting in the reduction of growth and lots of livelihood difficulties for many people.

With the serious direction from the Government and efforts of governments at all levels, all sectors, enterprises and the people, the GDP of Vietnam in 2008 was still at 6,23%; industrial production value increased by 16,2%; export value increased by 30% year on year compared to 2007.

The disbursement of FDI in 2008 reached 11.5 billion USD, increased by 43%; the registered FDI budget 64 billion USD, equal to 2.9 times compared to 2007. The strong growth of FDI in the past time confirmed the increased attractiveness of Vietnam via improvement of business environment and the accession to WTO of Vietnam.

*Ladies and Gentlemen,*

In 2009, the global economic recession is having deeper impacts on Vietnam. The recession has resulted in the reduction of export value, especially to USA, EU and Japan, where people are consuming less and some are facing with unemployment due to the downsizing of many enterprises, resulting in more pressure on socio-economic issues.

In such a circumstance, the needs for restructuring of investment and business administration activities in order for enterprises to survive and thrive is increasing, resulting in the more varied and active M&A activities. Through M&A, strong enterprises can quickly extend the business scale, markets, and save their time in approaching and having technological solutions and have less pressure on competitors and other benefits.

According to some studies, in 2007, there were about 90 M&A affairs with the total value of more than 1.7 billion USD; and in 2008, 40 affairs with total value of 350 million USD. It is estimated that in 5 to 10 years, there will be about 30 to 50% of Vietnamese enterprises to be merged or to be merging with other partners. This will be both opportunities and challenges for M&A activities in Vietnam.

*Ladies and Gentlemen,*

Compared to the hundreds of years of development of M&A in the world, those in Vietnam is only at their dawn. Within less than 10 years, since the enactment of Law on Enterprises in 1999 which has specific rules on share holding, trading and transferring, acquisition, merger, separation and dissolution of businesses; and with the revised version of Law on Foreign Investment in Vietnam dated 9 June 2000 allowing foreign-invested enterprises to change the investment modes, split, segregation, merger, unity of enterprises, the legal basis for M&A activities in Vietnam is being developed to be in line with international practices.

With Law on Competition in 2004, Law on Enterprises in 2006, Law on Investment in 2006 and other legal documents on finance and banking, the legal basis for M&A activities in Vietnam has been improved to a certain extent.

However, M&A is still very fresh in Vietnam. Furthermore, with the increase in scales, complication of forms and natures of relations in M&A, there is a need for improvement of policies and legal basis on M&A in Vietnam.

Besides positive impacts on the economy, the ever strong development of M&A has its hidden risks on the market control and unhealthy competition via the concentration of capital.

I expect that today's conference will act as another channel for related parties to share experiences in order to contribute to the improvement of legal basis for M&A, in particular, and for the legal improvement on investment and business, in general, towards a more transparent and competitive manner to create more advantages for enterprises while ensuring effective state management.

*Ladies and Gentlemen,*

With a function as an assisting body to the Government, MPI will work closely with ministries, sectors and provinces in order to create favourable condition for domestic and foreign investors while doing business in Vietnam, including M&A.

I wish you good health and a successful conference. Thank you very much.