

**SPEECH**  
**of H.E. Deputy Minister Tran Hong Ha**  
**at the Global Green Growth Forum 2014**

*Thank you, Mr. Chair,*

*Ladies and gentlemen,*

First of all, on behalf of the Vietnamese delegation attending this Forum, I would like to express our sincere thanks the host country Denmark for the very warm hospitality extended to our delegation.

Attending the Global Green Growth Forum 2014, I am pleased to be involved in the discussion of the partnership initiative of “*Creating sustainable apparel value chains*” addressed by this session. From the point of view of the environmental regulator of a developing country that is participating actively in the global value chain of the apparel industry, I would like to share with you some related information and opinions.

The apparel industry is one of key industries in the national economy of Viet Nam, creating millions of jobs and supplying essential daily products for people not only within Viet Nam but also around the world.

In recent years, export turnover of this industry has always been the second biggest in term of earning foreign currency from all export activities of Viet Nam; the fourth in the world in term of manufacturing apparel products, and the second in term of apparel products’ export to EU, USA and Japan markets; contributing significantly to the state budget.

It’s been well noted that the apparel industry in Viet Nam has been enjoying certain competitive advantages, such as: stable political environment, young and abundant workforce, large domestic market (of more than 90 million people population - which is a relatively large and potential market for foreign producers). Viet Nam’s climate is suitable for the development of natural and raw materials for the industry. Joining the WTO has also created more favourable conditions for further development of the industry as members of WTO have lifted export quotas and given the apparel industry of Viet Nam preferential tariff.

However, there are many sustained and growing challenges for this industry. Wastes and wastewater have yet to be addressed in an appropriate manner. Vietnamese enterprises are now mainly sub-contractors of foreign companies. Local material producers have yet been integrated to the global chain. So far, the

percentage of locally made materials in the production process is quite low. This has resulted in a paradigm. That is though Viet Nam's apparel export turnover is quite high the industry's added value and the participation of the global value chains have remained modest.

Vietnamese government sees sustainable apparel not as a challenge but as an opportunity to increase its textile industry's value in the global supply chain and to increase its competitiveness. I would like to share some solutions to creating sustainable value chains for apparels and textiles.

Vietnamese government is working with local apparel companies to show their leadership in sustainability and triple bottom line. We are also working to get the private sector involved by convincing them about the benefits they will receive, in particular when it is more environmentally friendly and more socially inclusive. For example, by applying cleaner production practices, the industry can save energy and raw material consumption and hence reduce production costs.

The Vietnamese government encourages and facilitates the formation of partnership and coalition between Vietnamese manufacturers and overseas importers, retailers, and importing governments to create sustainable products, facilities and brands.

Sustainable products and brands should not always be expensive. The Vietnamese government calls on importing governments for preferential tax treatment for imported products made by local sustainable materials. On the other hands, the Vietnamese government is putting in place policies to create favourable conditions for the manufacture and export of environmentally and socially sustainable products.

We welcome the investment in sustainable textile machinery and technologies. We already have in place policies for preferable finance and land treatment for companies that uses greener, cleaner technologies either with local innovation or with imported technologies.

The Vietnamese government is committed to facilitate the use of standards and assessment tools for Vietnam textile industry to promote sustainability. So far, a large number of local enterprises has certified as SA 8000. We welcome more standards and assessment tools, not limited to living wages, child labour and health and safety, but also cover the provision of sustainable livelihoods for apparel workers. Improved working safety and conditions, good healthcare services, sustainable livelihoods for workers, are one of the key factors to contribute to a sustainable development of the industry at the global and local scales.

We are pleased to know that 3GF partners are launching the initiative of “Creating sustainable apparel value chains”, and we are eager to join it.

I am thinking of some initial considerations about what we should do with joining this initiative, which are:

- Firstly, Introducing and ensuring the enforcement of better environmental-related production standards, norms and best practices that are aligned with green-growth vision.
- Secondly, raising awareness and assisting in compliance capacity building for local business participating in the global value chain of the apparel industry.
- Thirdly, encouraging foreign investors in the apparel industry to join the common efforts by sharing joint responsibilities for the shared green growth vision.
- And finally: raising the awareness and encouraging the participation of both local and global consumers by enabling them to choose rights products and responsible brands.

The global apparel industry is transforming, the value chains have been in a process of being sustainable with optimised environmental footprints and adequate working conditions.

However, a lot of homework still requires doing at the global and local scale for creating sustainable apparel value chains.

I would like to take this opportunity to thank 3GF Secretariat for having invited me to this event.

The Ministry of Natural Resources and Environment of Viet Nam will closely coordinate with local partners to strengthen dialogues with 3GF partners to implement initiatives and good practice towards sustainable development.

Thank you./.