



AYMAR DE LIEDEKERKE BEAUFORT, VICE-CHAIRMAN OF EUROCHAM

Speech for Party's Central Economic Commission

Hanoi, 27th June 2017

Your Excellency Mr. Phung Quoc Hien

Your Excellency Mr. Nguyen Van Binh, Member of the Politburo and Secretariat of the Communist Party of Vietnam Central Committee, Chairman of Central Economic Commission,

Honorable Guests, Ladies and Gentlemen,

My name is Aymar De Liedekerke Beaufort, Vice-Chairman of the European Chamber of Commerce in Vietnam (“**EuroCham**”).

I am very happy to be here today on behalf of EuroCham to present in this event organized by the Party Central Economic Committee, and this is also my second presentation in your conference since March 2017. This time, **I would like to focus more on EVFTA**, with a slight touch on some global movements and their impacts on some key sectors in Vietnam.

I. Global Economic trends in 2017

As you know, in May, the EU economy grew at the fastest pace in 6 years as the number of jobs created in the Eurozone reached its highest level in more than a decade. The recovery of Europe will be a good opportunity for Vietnam to push its exports to the EU market.

With the rising protectionism and recent withdrawal of the United States from the Paris Agreement, it is a good timing for Vietnam to re-consider its partnership strategies over the long-term, and to maintain sustainable development while moving closer to Europe as a natural move and making efforts to get the EVFTA finalised in good time. As mentioned, the EVFTA brings also corporate and social responsibility, integrity, transparency and shared values, which for the long term will push Vietnam to the next level.

I am sure you have observed recent developments in UK and the Brexit. EuroCham believes in an optimistic outlook with good outcomes for the both sides. In Vietnam, we are continuing to



support the British Business Group in Vietnam as usual in topics that are relevant for EuroCham and the BBGV.

The elections in three major Euro-area economies (France, The Netherlands and Germany) are also a very positive development and very pro-European. France has come out of the elections in a wonderful way. Like the elections in The Netherlands and in France in particular have shown, the polls for the German elections are clearly pro-European as well, showing Chancellor Angela Merkel as the clear favorite.

Economic growth and urbanisation are increasing demands for public infrastructure. However, the State budget is only able to meet a small part of Vietnam's infrastructure needs. The balance has to come from private investment, through better Public-Private Partnerships (“PPPs”) that balance the risks and are bankable for international companies, with public bids that are transparent, timely and fair, and through the full privatization of the market.

II. EVFTA from Business point of view

At EuroCham, our Executive Committees and Business Associations, we see hope for a bright future of trade and investments between EU and Vietnam becoming stronger and more unified, with the upcoming EU – Vietnam Free Trade Agreement.

EVFTA is the plan A for Vietnam!

The EVFTA is an historic opportunity for Vietnam and Europe. This Agreement foresees something close to a free trade corridor, where 99% of the Vietnamese exports to the EU will be tariff-free after 7 years, and EU exports to Vietnam will be tariff-free after 10 years. In the future, the value of the EU’s exports to Vietnam is estimated to increase by more than 3% annually, reinforcing the position of Vietnam as Europe largest trade partner and largest exporter of goods in ASEAN. We also foresee a "new strong wave" of European investment into Vietnam, and where trade can increase by even 50% in the next coming years¹.

¹ <http://vietnamnews.vn/economy/348357/trade-pact-with-eu-opportunities-for-vn.html#xSbFsEy6DOKzqbFO.97>



For EuroCham's members, it is not only about trade and investment; it also brings a new attitude towards business. This Agreement will create conditions for European know-how to reach Vietnam more easily. More EU businesses in Vietnam also means more awareness on responsibility and environmental protection, higher quality standards and food safety, The EVFTA is a catalyst that will push Vietnam's development in a positive way, making it ready not just for the EU market, but as a global player at the highest level of the world's economies and exploiting its comparative advantages in a smart and responsible manner.

EuroCham will be a strong partner with Vietnam in facilitating this process.

Eurocham leaders, Sector Committees and members are eagerly awaiting the final signing and implementation of the EVFTA as a major new step in the development of trade relations with Vietnam. **We have worked on the roadmap for the implementation of the Agreement** from the business point of view and we firmly believe that it would be in Vietnam's best interests to begin the amendment of key rules and procedures even before the legal enactment of the Agreement.

At EuroCham, we employ our biggest efforts in connecting and also promoting Vietnam towards current and new potential investors. Together with other partners, we will promote awareness of the EVFTA and its potential to the Vietnamese business community and we will show them a new perspective towards Vietnam as a key future trading partner. EuroCham will meet European leaders in Brussels next September (EU Parliament and EU Commission) and at various think tanks to promote Vietnam and the EVFTA.

III. Impacts on key sectors in Vietnam



With the opportunities that EVFTA brings and the continuous efforts from the Government to improve the current situation to attract investors, allow me to show how the EVFTA can have an industry-specific impact in sectors which are crucial for Vietnam's economy:

1. Banking and Finance: In the Financing sector Vietnam is facing many different challenges where the European banks can help. A) Privatization: Europe has gone through decades of Privatization and European banks can help to share its experiences which encompass among other that all stakeholders are taken care of (current shareholders, future shareholders, current employees, suppliers and clients, etc.). B) The Fintech and more broadly the digitalization will help to reduce the "paper" red tape concerns. On these topics European banks and their regulators may share best practices.

2. Agriculture & aquaculture: Vietnam has the potential to become a global agricultural and food producer and exporter. There is a need for new technology solutions, R&D and quality management services. More active involvement of customs authorities in identifying shipments containing export goods suspected of infringing IPRs, and not simply responding to the requests of IPR owners, will encourage the export of agricultural products of Vietnam to the EU.

3. Green Growth: With its availability of domestic sources of energy (biomass, wind, solar) and natural offshore gas, Vietnam has the potential for exporting energy if there is an appropriate roadmap for attracting investments into this sector to establish the foundation for building high-tech industries such as batteries and solar panels. EVFTA *will* attract private sector investment and innovation, bringing more investments in the use of domestic natural gas, in renewables, technology and service providers.

4. Healthcare: Vietnam has the opportunity to position itself as a potential hub for ASEAN pharmaceutical manufacturing and future exports with improvements in terms of transparency and accountability as well as the inclusion and implementation of IP provisions and better clarification regarding goods purchase and sale activities of FIE in Vietnam. Our Pharma Group, a Sector Committee under EuroCham's Healthcare Forum will present later today.

5. Transportation and Logistics: With its potential to become a regional transportation hub, it is necessary to have consistent enforcement at the local level and implementation of regulations and practice of Customs' risk management. This is where the EVFTA's principles can genuinely



transform the way Vietnam processes its trade. If these principles are reflected in legal text in a timely and efficient manner, with the cooperation of all parties and the business community, it could be a crucial factor in changing the face of Vietnam as a trading partner.

Vietnam is today a competitive country, it has come a long way and truly acted on its goal to be integrated in the global market. The growth of FDIs in Vietnam is a product of this, but there is still work to be done. And our position is very clear: **EVFTA will forever change EU-Vietnam economic relations.**

We urge the Government of Vietnam to continue its dialogue with EuroCham to make the EVFTA become live in timely manner, which can help shape a better future for both Europeans and Vietnamese. EuroCham would like to express our sincere desire to support Vietnam in building a stronger country in terms of its economy and geopolitical importance. We want to build strategic alliances in Vietnam and ensure we can generate win-win opportunities. We also would like to take this chance to inform that EuroCham recently won the APAC Large Chamber of the Year Award, showing a stronger, more dynamic and reliable European community in Vietnam. Thank you very much. I wish you all health, happiness and prosperity and successful outcomes for today's work!

Aymar De Liedekerke Beaufort - Vice Chairman of Eurocham