

Dear Prime Minister

Ladies and Gentlemen

I am honored that the European Chamber of Commerce has been invited to this high-level meeting as part of Team Europe to discuss the challenges that we are facing during this fourth wave of COVID-19.

Let me begin on a positive note. Vietnam has been one of the international success stories of this global pandemic. The first three waves were managed through swift and successful state interventions which led to minimal disruption to commercial activities and positive economic growth.

The challenges we now face are the result of new, more infectious strains. The Delta variant, in particular, is more difficult to control through traditional public health methods such as lockdowns, travel restrictions, and social distancing. Therefore, we are encouraged to see Vietnam's focus on mass vaccination as the roadmap to reopening businesses and resuming normal life post-pandemic. This is the first and most critical step to living with COVID in the new normal.

However, there is no disguising the fact that – despite the heroic efforts of the authorities and the Vietnamese people – the impact of this fourth wave on our members has been dire.

The EuroCham Business Climate Index (BCI), our regular barometer of European business leaders, is now recording the lowest sentiment in more than a decade of monitoring. My colleagues will elaborate details but I want to emphasize the most critical point: If these conditions persist for too much longer, new investment projects could be put at risk and companies could consider relocating elsewhere in the region. Our data shows that almost one fifth of companies have shifted some production overseas so far, with a further 16 per cent considering doing so in the future.

However, we know that COVID cannot be contained overnight. And we appreciate the difficult, delicate balancing act between protecting health and promoting economic growth. In the spirit of our long cooperation and strong friendship, EuroCham is doing whatever we can to support Vietnam in achieving these twin goals.

Regarding the first: Our 'Breathe Again' fundraising and medical donation campaign has now secured over EUR one million to purchase essential equipment such as ventilators and monitors for hospitals and front-line healthcare workers. And we hope to raise more over the coming weeks from donors in Vietnam and the EU.

Meanwhile, EuroCham has tried to source additional vaccines both in Europe and elsewhere around the world. We were able to find some available stocks. However, due to the exclusive arrangements between manufacturers, suppliers, and governments it was not possible for us to purchase additional vaccines for Vietnam, even though our members were willing to fund this acceleration of the vaccination rollout.

Since then, we have been urging our EU member states to put Vietnam at the front of the queue when donating vaccinations both through their embassies in Vietnam and also through our members' corporate headquarters in Europe. I have been pleased to see significant donations in recent weeks from the German, Polish, Italian, Czech, French, and Hungarian governments, to name a few.

Turning to the second goal: this week, EuroCham has been supporting the delegation of the National Assembly Chairman to Europe, bringing together Vietnamese lawmakers, government, and European business to promote greater trade and investment between our two sides. We are also working with Vietnam Airlines to help the national flag-carrier retain its essential landing spots at major European airports. This, again, will be essential to economic growth once the virus is back under control.

I will soon introduce the members of our delegation who will share the specific challenges facing their individual sectors and industries. I will not pre-empt their presentations. However, to summarize, what our members need now is a clear roadmap out of these

current measures; one which resolves the roadblocks to their commercial operations and gives them a predictable path on which to plan the reopening of their businesses.

One of the most pressing issues is the need for electronic vaccination passports to ease the free movement of vaccinated people both within and into Vietnam. There should be a fast-track process for returning foreign business leaders, experts, and their families. The current procedure is both time-consuming and burdensome. It also represents a significant barrier to the trade and investment activities which will be essential to achieving economic growth post-pandemic.

Meanwhile, the current 'Three-in-One' policies need to be refined. While the principle is sound, it places a huge burden on both companies and their workers in practice.

Our other speakers will cover these issues in more detail but, for now, I would also like to highlight the need for a vaccination roll-out which prioritizes those most at risk to allow a gradual opening up of cities and provinces so that commercial operations can resume; consistent, centralized regulations to reduce confusion for companies and to ensure the smooth circulation of goods; alongside a streamlining and simplification of customs requirements.

Before I hand over to our other speakers, I would like to emphasize that these are short-term challenges. In the long term, once COVID-19 has been brought back under control, we have significant opportunities to increase EU-Vietnam trade and investment thanks to the EU-Vietnam Free Trade Agreement (EVFTA). In the first 12 months of its implementation – and even in the midst of a global pandemic – bilateral trade has increased. Vietnamese exporters, in particular, have seen significant benefits.

In particular, we appreciate the fact that Vietnam has kept to the tariff reduction schedule or backdated duties in some cases. However, in some sectors – such as automotive and pharmaceuticals – we have seen the implementation periods designed to give Vietnam time to adjust to the new tariff regime being used to create new technical barriers to trade. This undermines the spirit of the EVFTA and threatens the mutual benefits it was intended to bring.

In short, Vietnam should embrace competition as a tool to make its own businesses more competitive. In increasing trade with Europe, we can help domestic companies to level-up at home and become more attractive in overseas markets.

Over the course of the next decade, we can unlock a new wave of FDI if Vietnam continues its recent record of reform. Vietnam is now a more open, more competitive, and more attractive investment destination thanks to three decades of liberalization. In light of this, we have discussed and agreed with MPI Minister to join hands in promoting Vietnam as a destination for EU investors. The first event might take place in the coming month.

In our upcoming Whitebook, our 18 Sector Committees share their insights and recommendations for how Vietnam can go further and faster on this positive path. If taken on board, we believe that these recommendations will help to further improve Vietnam's business environment and attract more EU investment. This, in turn, will help both our markets to rebound and recover through free, fair, and rules-based trade.