



EUROPEAN CHAMBER OF COMMERCE IN VIETNAM

SPEECH AT THE VIETNAM BUSINESS FORUM MID-TERM 2018

*Presented by
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His Excellency Prime Minister Nguyen Xuan Phuc, Ministers and Government Officials, Country Directors of the World Bank and IFC, Ambassadors, colleagues from Chambers of Commerce, Ladies and Gentlemen.

I am Nicolas Audier, Co-Chairman of the European Chamber of Commerce in Vietnam. EuroCham is delighted to be Co-Chair of the Vietnam Business Forum in 2018. On behalf of EuroCham, I would like to thank the Government of Vietnam for the steps it has taken to make the country more competitive and to improve its business environment.

I would also like to commend the Government for its open and constructive approach. This is the latest in a series of recent events, including the dialogue with the Prime Minister's Advisory Council for Administrative Procedures Reform and our own Whitebook Launch, in which the Government has listened to the concerns of European businesses.

This year marks the 20th anniversary of EuroCham. Over the last two decades, we have helped to build strong and positive relationships between Vietnam and Europe. This is now more important than ever, as we work together to ensure the EU-Vietnam Free Trade Agreement be ratified and implemented as soon as possible.

The EVFTA is a chance to write a new chapter of stronger relations between Europe and Vietnam. This historic agreement will open up both markets and bring new opportunities for companies and consumers on both sides.

In this spirit of partnership and co-operation, we have been an active and enthusiastic participant in the Vietnam Business Forum. Through the VBF Working Groups, we have shared our insights and recommendations for better international trade facilitation, the adoption of international standards, a more efficient and sustainable agricultural sector, a common healthcare ecosystem, a sustainable energy market, and models for Smart Cities.

These ideas are designed to raise the profile of Vietnam, to make its companies more competitive, and to encourage further Foreign Direct Investment now and in the future, for the benefit of all.

I would like to share a few examples this morning.

First, I would like to talk about **cooperation and support for domestic companies**, and how this can help to improve living standards in Vietnam.

Europe has some of the most successful and innovative **healthcare** enterprises in the world. Our companies bring to Vietnam not just safe, good-quality pharmaceuticals and medical devices; but also the highest ethical and professional standards.

European healthcare companies in Vietnam share a common goal. That is to give patients greater access to high-quality treatment and care. To achieve this, our members want to help local enterprises reach their potential and share their international knowledge, experience and technology. In doing so, together we can create an innovative, sustainable and safe healthcare sector that has the best interests of patients at its heart.

The VBF's Healthcare Working Group has a crucial role here. In bringing together manufacturers, service providers, clinical researchers and others, it can help to increase exports and attract new FDI and Public-Private Partnerships in the future.

Europe is also a world-leader in **food safety**, and sustainable agriculture is another area in which European business, working together with the Vietnamese Government and local enterprises, can help to raise standards. The EVFTA will bring huge benefits to Vietnam's agricultural sector. But in order to unlock these benefits, it first needs to meet the EU's Sanitary and Phytosanitary standards.

The opening of other 'difficult markets' like Japan and Australia proves that Vietnam can achieve this. We encourage the Government to show farmers and producers how improving standards can make their produce more competitive and more attractive to overseas markets.

For our part, European companies are also sharing new technologies and agricultural practices to help make farming in Vietnam both more profitable and more efficient. For instance, precision or 'smart' farming can help Vietnam mitigate the effects of climate change and minimise the risks of natural disasters.

That leads us to the second area I would like to discuss: **environmental protection**. This is an important issue for domestic and foreign companies alike, and we believe there are some measures that the Government could take now to help address this.

For example, EuroCham's Green Growth Sector Committee has made a number of recommendations to reduce pollution and environmental damage. These include amendments to the solar, wind, biomass and waste-to-energy PPAs and investing in both gas and liquefied gas as effective substitutes for coal power. European investment and expertise can help to bring these cleaner alternatives to the market.

We also believe that **reforming the energy market** is essential, so that it not only supports low-income families and small businesses, but also encourages investment in clean, sustainable and efficient alternatives and contains transparent tariffs for those who can afford the true cost of their consumption.

Sustainable and green building standards can also reduce the environmental impact of growth and development. This has the additional benefit of helping Vietnam achieve its ambition to create Smart Cities through integrated design initiatives including water, waste and traffic management.

But European companies don't just bring new investment and new technologies to Vietnam. We also bring international skills and labour standards, to the benefit of Vietnamese companies and their workers. In signing various FTAs, not least the EVFTA, Vietnam has shown its

commitment to international labour standards. We now hope the Government complies with its obligations under the ILO Conventions as soon as possible, and encourages businesses to meet these standards to make Vietnam more attractive to new FDI.

We also believe the Government should increase the number of students allowed to attend international schools, and encourage the establishment of more international schools in Vietnam's provinces. This would help to make Vietnam's workforce more productive, and support Vietnam as it continues to integrate into the international community and the global economy.

Conclusion

While Vietnam has made huge progress in improving its trade and investment environment, there is still more that could be done. If addressed, these issues could further increase cooperation between local and international companies, to the benefit of all.

First, we encourage the Government to build on its impressive record of reform. In particular, we hope to see further cuts in administrative procedures, more guidance for private business, effective protection of investment, improved dispute-resolution mechanisms, and the consistent implementation of the Law on Investment and the Law on Enterprise.

We also encourage more progress on IPR protection and enforcement, and suggest that the Law on Technology Transfer be implemented with clear guidance.

Tax is another area in which changes to the law could bring greater FDI and international cooperation. For example, reforming the Special Consumption Tax calculations for automotive companies would help local dealers maintain successful business operations. And reconsidering the imposition of a special contribution on imported wines and spirits would reduce the health risks of increased consumption of unregulated, illegal and home-made alcohol.

We are keen to work with the Government to address these issues. Indeed, we recognise the essential role of the Government in general, and the VBF in particular, in helping to build bridges between domestic and foreign-invested companies, who often have different working practices and business cultures.

In this spirit of partnership and cooperation, we hope the insights and recommendations of our members can help Vietnam continue to grow and integrate into the international community. In particular, we will continue to advocate for the swift ratification of the EVFTA, which will bring Vietnam and Europe closer than ever and create new opportunities for companies and consumers on both sides.

Thank you.