



**SPEECH ON EU-VIETNAM FREE TRADE AGREEMENT  
MIDTERM VIETNAM BUSINESS FORUM - JUNE 16, 2017**

*Presented by  
Mr. Nicholas Audier  
Vice Chairman of EuroCham*

Your Excellency, the Deputy Prime Minister Mr. Vuong Dinh Hue,

Your Excellency, the Minister of Planning and Investment Mr. Nguyen Chi Dung,

VBF Colleagues,

Ladies and Gentlemen,

My name is Nicolas Audier and I am the Vice-Chairman of the European Chamber of Commerce in Vietnam, or EuroCham.

I am very happy to be here today and briefly talk about the EU-Vietnam Free Trade Agreement (or EVFTA) and its impact on trade, on Vietnam's economy, and on the potential growth of foreign investment.

As you know, the European Union is one the top trade partners and source of foreign direct investment in Vietnam. As of 2015, European companies have invested in Europe a cumulative amount of € 25 billion since the open door policy.

In the context of this dynamic relationship, the European Union and Vietnam concluded on December 2, 2015, the EVFTA and agreed on the need to prepare a Joint Indicative Roadmap to ensure an effective implementation of the EVFTA.

Although this Agreement is expected to be ratified next year, the EuroCham Business Climate Index measuring business sentiment for the third Quarter 2016 is extremely positive. The satisfaction score has jumped from 76 to the record level of 86 and this is mainly attributed to the confident expectations raised by the EVFTA.

Ladies and Gentlemen,

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 partner and largest exporter of goods in ASEAN.*



But the EVFTA 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, with new, cutting edge, smart and environmentally-friendly solutions and technology.

It will also allow for the two parties to learn more from each other on high quality services; advanced management practices and training for local employees.

More EU businesses in Vietnam also mean more awareness on responsibility and environmental protection, higher quality standards and food safety, IPR protection, and recognition of local products under Geographical Indications.

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.

The implementation of the Agreement will promote institutional changes; improve the legal framework with more transparent rules. It will also bring innovative dispute resolution and investment protection mechanisms.

All of this will raise the confidence of foreign investors. Again, not just for Europeans, but all foreign investors.

With the EVFTA, Vietnam has the potential to become a regional hub (combining the EVFTA with ASEAN EC) and a role model for other ASEAN countries, increasing its visibility and competitiveness, not just on a macro level, but on a sectorial level as well.

Allow me to show how the EVFTA can have an industry-specific impact in sectors which are crucial for Vietnam's economy:

1. In Pharmaceuticals/Healthcare, the EVFTA will create an opportunity for Vietnam to become an ASEAN hub for innovative pharmaceutical manufacturing.
2. In the Food, Agri and Aqua Business Sector, the EVFTA has the potential to attract more processing companies to establish production units in Vietnam. In addition, there will be new investments in high-tech agriculture, pulled in by an increase of machinery production and the need for new technology solutions.
3. Regarding Green Growth and Clean Energy, and if properly implemented, the 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. Or in Transport and Logistics, this is where the EVFTA's principles can transform the way Vietnam processes its trade. If these principles are reflected in legal texts in a timely and efficient manner, with the cooperation of all parties and the business community, it could be a crucial factor that can change the face of Vietnam as a trading partner.



EuroCham strongly believes that with the EVFTA, we will see a "new strong wave" of European investment into Vietnam, and where trade can increase by even 50% in the next coming years<sup>1</sup>.

EuroCham is a key partner in the EVFTA process, having provided input for the Agreement's implementation since the negotiations started in 2013. Besides bringing its added-value in contributing to enhance the Vietnamese business environment, EuroCham works towards improving the country's competitiveness index and ranking from the perspective of European investors.

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 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.

The sincere desire of the European Business Community based in Vietnam is 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 urge the Government of Vietnam to continue its dialogue with EuroCham to make the EVFTA a reality, which can help shape a better future for both Europeans and Vietnamese.

Thank you for your attention.

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<sup>1</sup> <http://vietnamnews.vn/economy/348357/trade-pact-with-eu-opportunities-for-vn.html#xSbFsEy6DOKzqbfO.97>