

# Joint statement by the UK and Viet Nam

## News story

Joint Ministerial statement from the United Kingdom (UK) and the Socialist Republic of Viet Nam (Viet Nam) on the conclusion of the UK-Viet Nam Free Trade Agreement



The UK and Viet Nam are pleased to announce the conclusion of the UK-Viet Nam Free Trade Agreement (FTA). 1. UK and Viet Nam enjoy excellent diplomatic relations and increasingly common goals. This is demonstrated by the renewing of our UK-Viet Nam Strategic Partnership for a further ten years in September this year. The Partnership provides a framework for a strong bilateral relationship and outlines key priorities, including low-carbon development, multilateralism, the promotion of human rights, and trade. Under Viet Nam's effective role as chair of ASEAN in 2020, the UK has taken the significant step of requesting to become a Dialogue Partner of ASEAN.

1. The UK and Viet Nam share a strategic commitment to global trade, and the free flow of capital and investments. The bilateral Free Trade Agreement provides vital continuity for our fast-growing and dynamic trading relationship. In 2019, UK businesses exported goods to Viet Nam worth over £600 million. In the same year, Vietnamese businesses exported goods to the UK worth around £4.6 billion.
2. The bilateral FTA locks in benefits of our existing trading relationship through the EU-Viet Nam Agreement. Trade in goods ranging from clothing and footwear to seafood and pharmaceutical products can continue uninterrupted. Trade in services, in particular financial services and e-commerce, can continue to flourish.
3. Companies can continue to benefit from reduced tariffs on imports and exports, from increased access to services and from the protection of key British and Vietnamese products. This includes 65% of all tariffs that have already been eliminated on UK-Vietnam trade. This will increase to 99% of tariffs by the time of full implementation. Vietnam

stands to benefit from tariff savings of £114 million on Vietnamese exports. For UK exports, this figure will be £36 million.

4. This bilateral agreement therefore represents the beginning of a new phase in the relationship between our two countries in developing key areas of trade. Not only does the FTA liberalise goods and services trade, it incorporates many other important elements, such as working towards clean growth and sustainable development.
5. This agreement is also a key step towards the UK joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). As a founding member of the group, Vietnam has welcomed the UK's interest in joining the CPTPP agreement and publicly shown their support for the UK's accession to the CPTPP in the future. Accession to the CPTPP is a priority for the UK Government, which plans to apply for this in early 2021. CPTPP is one of the most important free trade agreements in the world, accounting for 13% of global GDP in 2019. This would rise to 16% of global GDP if the UK were to join. The UK and Vietnam look forward to working closely on this.

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