

Speech: UK trade with Vietnam – Looking to the next 45 years

This is an event which marks the 45th anniversary of the UK and Vietnam establishing diplomatic relations.

Now in our culture, I've been advised by my sleuths in DIT, that means that it's a Sapphire anniversary, and sapphire indicates wisdom and good fortune.

And so with the theme of this event being Vietnam rising I'm very, very happy to sign up to that.

In fact when I look back, this is a testament to the foresight and wisdom of our foreign ministers at the time, Alec Douglas-Home in our country and Nguyen Duy Trinh.

It's also testament to those who have worked to develop that relationship, including many of you in the room, as well as the UKABC.

The Cooperation Agreement today [between the UK-ASEAN Business Council and the Vietnam Chamber of Commerce and Industry] is another step forward, which is important.

And, of course, this is a testament to the leadership of the late President Tran and General Secretary Do – for whom we offer our most sincere condolences.

Opportunities in Vietnam

Because it would have taken very real foresight, back in 1973, to see what we've already managed to establish 45 years later, in 2018. In the past few months we've had ministerial visits from both sides, culminating in Deputy Prime Minister Pham's visit this week, but a number of ministers, including myself, had the privilege to visit Vietnam and just see the opportunities there.

It's also a clear reflection of Vietnam's status as a respected member of the international system, a member now of the World Trade Organisation for 10 years – and with an upcoming Chairmanship of ASEAN, and a UN Security Council Seat in 2020.

I also know about the economic reforms having been there, and seeing Vietnam take itself up the league of the world's best places to do business – 23 places in just the last few years.

So today my message is clear: there are very real opportunities, in very discrete areas in Vietnam.

The world is definitely pivoting more towards the Pacific. That is something

we should embrace.

And Vietnam in that world is both a beneficiary but also an important contributor. And my belief in trade is that it has to go both ways – both countries need to benefit to make it a success.

Well, this is an economy that is growing – it grew 7% last year.

The World Bank predicts that in 20 years' time it will be at the upper-end of the world's middle-income economies – and one with around 100 million people.

And these aren't just abstract figures, because having been there I can see the real opportunities, right now, for businesses that have the products that will service that market – whether they're in services or goods.

And just think about that speed of growth. PWC predicts that in 2 years Vietnam will be one of the World's 20 biggest economies. So that's a market the size – if you want to frame it – of Argentina, Switzerland or Saudi Arabia.

And our trade is already growing. Last year it grew by 10%.

British success in Vietnam

And there are many more opportunities here, because it really does play to areas of our strength.

So for example – the Vietnamese government is planning to get 90% of its population speaking English. If that's successful, it will end up having more English speakers than Canada, Australia, New Zealand and Ireland combined.

As Vietnam develops, like other economies before it, it will need capital to fuel it, and services will become much more important to its GDP mix.

We as the second-largest exporter of services, with world renowned financial and legal services capabilities, are set to benefit and to help.

And the presence of UK companies in Vietnam is already substantial. Deloitte already has 800 professional employees there – whilst Grant Thornton is that country's 6th-largest auditor.

And Vietnam is buying ever more high-quality consumer goods – so Diageo, for example, have a booming market there in Scotch Whiskey.

I believe there's a session later on Vietnam as a 'connected and innovative nation'. That's something again the UK can work with. We are leading the way in some research-intensive sectors like healthcare – GlaxoSmithKline employs 1,600 people, and AstraZeneca has a major presence too.

And all of these sectors are ones where we're looking at the [Industrial Strategy](#), supported by the [Export Strategy](#). That in itself is supported by the science base of the UK.

We have 4 of the world's top 10 universities, we're ranked 3rd worldwide for

academic citations, and we're building that strength, as I said, though our Industrial Strategy. We aim to raise our R&D spend to 3% of GDP; we'll be supporting artificial intelligence as that develops through fellowships, through 'Data Trusts', which will seek to minimise the transaction costs for data – the fuel of AI.

And to be an innovation nation you have to be an education nation – it's people that do that. The people inside British business, universities, institutions can help and are helping every step of the way.

So take schools. The UK is Vietnam's number 1 choice for foreign curricula, and as I've said the Vietnamese government wants to extend English-language skills – so I hope we have some expertise there!

At university, the UK is one of the most popular overseas destinations– in fact 4,000 Vietnamese students came here last year. And in the other direction, the University of Bedfordshire for example recently won £6 million-worth of contracts.

I was lucky enough to visit Hanoi and Ho Chi Minh City in July. Firstly, it's a beautiful country – but, as Ross said, it's also exhilarating. The growth is very real. And I saw what was happening on the university campuses.

I spoke at the British University in Vietnam's new 2,500-capacity campus, a beautiful campus committed to build the connections with our country, and in Hanoi I witnessed the signing between the ICAEW – or the chartered accountants of England and Wales – with the Foreign Trade University. So we're already building those skills, and professional skills are an excellent example of that.

And that's why it's important we're here at his rather beautiful building, the Institute of Mechanical Engineers – a professional body with members across the world.

So Vietnam is a great place for education, for innovation, but having been there I look at some of the key areas that also stand out.

Very significant infrastructure opportunities for exporters; focus on building a healthcare system – and again we can do that; a focus on creative sectors – again that's a brilliant opportunity.

How the British government can help businesses trade with Vietnam

Please have no mistake – the UK government is standing ready, both through the Industrial Strategy, and with DIT in exports and Overseas Direct Investment, to support you to do more in Vietnam.

We have a dedicated team based in Vietnam to help you navigate local markets and make those connections.

We have the GREAT Campaign – our major cross govt marketing campaign – and

that is leading a 6-month campaign of events, which will culminate in the InspireMe festival – which is a 2-day celebration of British culture, music, food, fashion and much more.

We have funding to support businesses wanting to export to Vietnam. We also have development funding in areas such as green finance, future cities, trade facilitation; and up to £2 billion has been set aside to help export financing. That's available in the Dong, so you can buy and sell British, but pay Vietnamese.

And we're working ever more closely with the Vietnamese government, to identify any barriers to market access and make it easier for you to trade. Back in June, I know that Vice Minister Vuong and my colleague, Trade Minister Greg Hands, led the 10th UK-Vietnam Joint Economic and Trade Committee – or you may know it as the JETCO – and I believe the Vice Minister will recall they had incredibly useful discussions, on everything from Intellectual Property to Agriculture; from Education to Taxation.

And looking to the future, I believe that the trade between our 2 countries can flow even more than it does now, and that trade and investment both ways can continue to grow.

As many of you will know the EU is in the final stages of agreeing its trade agreement with Vietnam. We have been one of the most supportive Member States for that deal and we continue to support it now, looking to make that a UK-Vietnam Trade Agreement as we leave the EU.

And in July, we announced our 4, priority new Free Trade Agreements, for consultation, after Brexit. And one of those was to join the Comprehensive and Progressive Trans-Pacific Partnership, or – trotting off the tongue easily – “C.P.T.P.P.”, a trade agreement covering a number of countries – including, of course, Vietnam.

The [consultation](#) is out there right now. It finishes on October 26th and I would urge any business in this room, if you have particular areas you'd like to focus, or concerns, please feed into that consultation because it would be better if it was informed by you.

We want to take your interests into account, it's out there for a few more weeks – please submit.

I come from a business background. I'm very clear that it's you, businesses, that export, invest, not us.

So we at the Department for International Trade are here to help you succeed. We will try to help you play a key part in Vietnam's future, and I know talking to British businesses that's what many are equally determined to do too, so I look forward to celebrating a further continuing success, and wish you a really fantastic rest of the day.