

UK-Viet Nam Joint Statement

News story

Joint Statement on the United Kingdom-Viet Nam Free Trade Agreement Entry into Force



1. The UK and Viet Nam have a strong and growing bilateral trade relationship and share a strategic commitment to global trade, the free flow of capital and investments. Today marks an important symbolic step in this partnership as the UK-Viet Nam Free Trade Agreement enters into force. Between 2011 and 2020, Viet Nam's share of total UK trade doubled. The Free Trade Agreement covers £5.1bn in trade and provides a platform to grow trade and investment, as well as certainty to UK and Vietnamese businesses. Trade in goods ranging from clothing and footwear to seafood and pharmaceutical products can continue uninterrupted.
2. The Free Trade Agreement secures access to staged tariff reductions between the UK and Viet Nam. The deal locks in the 65% of all tariffs that have already been eliminated on UK-Viet Nam trade. This will increase to 99% of tariffs after six years. This includes eliminating tariffs for UK exporters of machinery, mechanical appliances, and pharmaceutical products. The preferential tariffs of the FTA will provide identical opportunity for Viet Nam to increase exports of key products such as phones and components, garments, footwear, and fish to the UK. Viet Nam continues to receive duty-free tariff quotas for its 14 products, including rice, with improved market access.
3. Under the Free Trade Agreement, trade in services can continue to flourish. Viet Nam has not only opened additional sub-sectors for UK service providers, but also made commitments deeper than those outlined in the WTO – offering the UK favourable access to Viet Nam's market. Sub-sectors that have higher commitments under the agreement include financial services, telecommunications, and education services.

4. On Intellectual Property Rights, both sides continue to commit to a high level of protection. Iconic British products, including Scotch whisky, Scottish farmed salmon, Irish whiskey and Irish cream, as well as 36 of Viet Nam's agricultural products, including Moc Chau tea, Buon Ma Thuot coffee, Hai Hau rice and Phu Quoc fish sauce, continue to be protected.
5. The UK-Viet Nam FTA also maintains access to public procurement markets in Viet Nam, so that UK firms have more opportunity to bid for public procurement contracts.
6. It also serves as a stepping-stone towards the UK's membership of Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), a priority for the UK. Viet Nam supports and welcomes the UK's application for accession to the CPTPP. This will bring us closer to the CPTPP's vision of advancing economic integration and supporting the liberalisation of trade and investment globally.
7. Today is the latest milestone in a year of strengthening bilateral and trading relations between the UK and Viet Nam and follows the signing in September of a refreshed bilateral Strategic Partnership Agreement, which will sit alongside and complement the FTA. The UK is committed to deepening its engagement in the Indo-Pacific, including as an energetic and dependable partner in the growing prosperity of the region, and in this Viet Nam will be a key partner.

Published 1 May 2021