

Dear H.E. Prime Minister Chinh and MPI Minister Dung, esteemed guests and colleagues,

On behalf of the British Chamber of Commerce, I would like to extend our heartfelt thanks to the government and related agencies for your unwavering support to businesses in Vietnam's continued success and development, especially during these challenging times.

As we mark the 50th anniversary of UK-Vietnam diplomatic relations and the 1st year of the implementation of the Free Trade Agreement, we celebrate the growth in trade between our two countries, which has already seen an increase of over 16% despite the pandemic. UK business looks forward to continued growth in trade and investments, and our eventual accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, which will further bolster UK-Vietnam trade and pave the way for high-level bilateral visits

The Chamber would like to take this opportunity to once again say how we highly appreciate the Vietnamese commitments to zero net emissions at COP26 and the Prime Minister and the accumulated government's effort to drive this agenda. This is attracting further British investment into Vietnamese renewable energy, typically offshore wind power projects, with the UK currently being a leader in offshore wind power. BritCham, like other players in the industry, is looking for the early finalization of PDP8 which prioritizes renewable energy sources to minimize negative impacts caused by electricity production on the environment. Besides, DPPA (Direct Power Purchase Agreement) is an important mechanism to attract private investments to green energy projects. Approval of DPPA could unlock huge financial resource from the private sector.

We are pleased to witness Vietnam and its international partners, including the European Union, the UK, France, Germany, the US, Italy, Canada, Japan, Denmark, and Norway, reached a historic agreement on the Just Energy Transition Partnership on December 14th, 2022. It is estimated that the financial resources needed to achieve this goal are in the range of USD 15 - 16 billion per year through 2030. This is a large number that requires coordination from public and private sectors.

British business has had a deeper awareness and clearer action in accordance with the direction of the Government. Some banks have made commitments to assist in arranging direct and indirect financing for sustainable projects, businesses in Vietnam (Standard Chartered Bank signed a Memorandum of Understanding to commit to sponsoring USD 8.5 billion, HSBC USD 12 billion by 2030).

To achieve the ambitious goals, we also recommend Government to have a mechanism and incentive for manufacturers/importers who are using PCR (Post Consumer Resin) to replace virgin plastics in their packaging, which is the key enabling factor for circular economy in plastics to develop; provide carbon credit for enterprises that implement decarbonization initiatives e.g. tree planting

The early opening of Vietnam's borders was vital, in enabling companies generally recover from 2020 and 2021. Whilst the UK appreciates the visa waiver granted to the UK together with four other European countries. However, a greater issue for British and other investors currently is the strict application of the rules concerning visas, work permits, and temporary residence cards for workers and investors alike. This is really causing a loss of confidence on the part of investors in Vietnam's commitment to encourage foreign funding and facilitating the entry of non-nationals employed by British companies.

BritCham supports the Vietnamese government's efforts to promote sustainable tourism practices. Prioritizing sustainability can make Vietnam a leading destination for eco-tourism, benefiting the environment, local communities, and the tourism industry.

During the pandemic period, many businesses have been hard-hit. We appreciate the timely and practical actions by the Government and National Assembly to help the economy and the business community overcome difficulties caused by the pandemic. To help businesses recover and grow sustainably, we suggest the Government consider an extension of the two percent VAT reduction policy for an additional year.

Healthcare has been proven as a sector that has immense impact on the society and the economy. It is also the sector in which Vietnam and the UK have built a deep and sustainable partnership. We are confident in the potentials of Vietnam to become a centre of life sciences in Southeast Asia, a regional R&D centre, and a production hub of innovative medicines in the near future, should investment-attracting policies are effectively designed and implemented. Important elements would entail improving people's access to innovative medicines, accelerating digital health, encouraging clinical trials in Vietnam, as well as facilitating technology transfer for local medicine manufacturing.

We are glad to see progress to expand access and look forward to further legislative changes, such as the revisions of the Pharma Law, Health Insurance Law, Tender Law, Price Control Law, and Consumer Protection Law, accelerating the revision of cosmetics advertising regulations, to align Vietnam's regulations with international practices to align Vietnam's regulations with international practices. We strongly hope that these revisions will create positive impact on people's access to medicines, through simpler and fairer procedures in drug registration, procurement, reimbursement, and a more effective and meaningful IPR enforcement. Additionally, we would like to see the development of the capital markets with stronger regulations and a diversification of products. We also hope to address the multiple inspections faced by businesses and the unreasonable fines and penalties imposed with no appeal process other than the court system. Given the current economic conditions of increasing inflation and interest rates in Vietnam, there is a concern regarding the regulations that do not apply interest to foreign currency deposit accounts. This implies that exporters who receive significant amounts of foreign currency tend to take it out of the country instead of keeping it in a non-interest bearing account or converting it to VND. This is a cause of concern for many multinational

corporations operating in the country. Hence, we suggest reviewing these regulations to ensure a competitive environment.

Education has always been a priority in the UK-Vietnam strategic partnership, but barriers such as lengthy and complex procedures in securing licenses to establish and operate educational premises, as well as the lack of inter-government alignment, are hindering the sector's growth and openness to international business. We request strengthened inter-government alignment and a clear process for obtaining licenses with strict timescales and an appeal line.

To conclude, your excellency PM Chinh, the outlook and contribution of British businesses to the continued re-generation and growth of Vietnams economy is very positive across all sectors.

The key to maximizing this success is robust and consistent policy making allowing businesses to grow and develop with confidence.

On behalf of the Chamber as well as the wider British community, I would like to wish you and all present here, a successful year of the Cat.

Thank you.