

# Partnership and opportunity

## INTERVIEW WITH HE MARK KENT

BRITISH AMBASSADOR TO VIETNAM



MARK KENT

has been British Ambassador to Vietnam since 13 February 2008, having arrived in Hanoi in December 2007. He has a degree in law, with postgraduate qualifications in European law and economics and business administration. His previous postings have been Brazil (1989-93), the UK Permanent Representation to the European Union in Brussels (1993-98), and Mexico (2000-04). He has also been seconded to NATO military headquarters (2004-05) in Mons, Belgium. His jobs in London included a spell as an FCO spokesman and most recently Head of the FCO group dealing with migration issues.

### What are the key priorities in Britain's engagement with Vietnam and how would you characterise the current state of the relationship?

I think the UK/Vietnam relationship is in very good shape and we are developing ever closer links in a wide range of areas. I see five key priorities for my time here in Vietnam:

**Trade and investment** – Bilateral trade and investment are growing and we hope that both will be boosted significantly as a result of the visit of Prime Minister Dung.

**Development** – Vietnam is a development success story. Over the last 20 years Vietnam has cut the number of those affected by poverty from 70 per cent to 20 per cent – the fastest reduction in recorded history. The UK is helping to ensure more people are lifted out of poverty in Vietnam through the targeted programme of the Department for International Development, which is the second largest grant donor to Vietnam. We have cooperation and dialogue on a wide range of issues including good governance, healthcare and education, gender issues and rule of law. And we are looking to address together the effect of globally crucial issues such as climate change.

**Foreign policy issues** – Vietnam is playing an increasingly important role on the world stage. It has just begun a two year tenure on the UN Security Council, is an active member of ASEAN (and their lead negotiator on free trade negotiations with the EU) and is one of the most successful pilots for the One UN, aimed at helping reform the institution. I and my colleagues in New York and London have a close dialogue with our Vietnamese counterparts on these issues.

**Education** – The UK is a favoured destination for Vietnamese students and we are working at an institutional level to help Vietnam provide the skills necessary in such a fast growing economy.

Lastly, we are working closely with Vietnam on the fight against crime and illegal immigration. While we are keen to boost people to people links between our countries (last year saw a 30 per cent increase in British visitors to Vietnam, and a 20 per cent increase in the number of visas we issued to Vietnamese citizens) both governments agree that we must fight abuse, which damages both our societies and often involves exploitation of vulnerable individuals.

### What are the key trade and investment opportunities for international corporations to participate in Vietnam's economic development given predicted growth rates of 7-8 per cent pa?

I expect the strong economic growth in Vietnam will continue over the long term. There is growing bilateral trade between our two countries, which is worth in excess of US\$1.8 billion a year, and UK investment in Vietnam is over US\$1.4 billion. So I think it's fair for me to say that our trade and investment links are excellent.

Secondly, as your question suggests, this growth will present opportunities for the increased involvement of international corporations. We can expect many British companies to be fully engaged in this process. The UK government is committed to supporting sustainable growth in Vietnam. Moreover, we see key trade and investment opportunities in the financial, ICT, energy, transport infrastructure, environmental and education sectors, where the UK has world leading expertise. I am confident we shall see many new investments in the near future. Many big names of British business have long-established presences, and I'm sure many will already be aware that, for example, Rolls-Royce and Vodafone have recently opened up offices in Hanoi.

### How would you define the challenges of doing business in Vietnam?

According to The World Bank annual report on Doing Business 2007, Vietnam was ranked 91 out of 178 countries, up three places compared to 2006. In comparison, China was ranked 83. (The study examined regulations affecting ten areas of everyday business; Starting a Business, Dealing with Licences, Employing Workers, Registering Property, Getting Credit, Protecting Investors, Paying Taxes, Trading Across Borders, Enforcing Contracts and Closing a Business).

As you might expect in a country that has achieved so much in so little time, there are still some challenges to be overcome in Vietnam. I've heard some investors express concerns about Vietnam's bureaucratic regulatory framework, transparency, the inadequacies of the existing physical infrastructure, and the recruitment and retention of highly skilled professional staff as barriers to doing business in Vietnam. I understand their concerns. I believe that, with the help of a number of international donors, the Vietnamese government is working to address these challenges and

have also made very clear their determination to tackle instances of corruption.

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**What has been the impact of Vietnam's accession to the WTO?**

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Vietnam's accession to the WTO has helped focus international attention on the country as a rapidly developing market. Fitch Ratings reported that in 2007 the level of Foreign Direct Investment (FDI) into Vietnam reached a record high, US\$3.9 billion, up by 60 per cent year on year. Equally important, I think this has also brought about the welcome development of international practices and standards in Vietnam. I've been especially pleased to see how the UK's financial services sector has led to significant improvements in standards in Vietnam's banking and insurance sectors: many of the products on offer today are truly world-class and will contribute to the population's well-being in years to come. I've also seen advisers from the City of London providing expert advice to state owned enterprises as they seek to become private, market-driven entities, leading in turn to a more sustainable economy in the medium term.

I think it's important that Vietnam address its remaining WTO commitments; for example, to finalise timetables for opening up of the telecommunications sector, and to speed up the process for establishment of 100 per cent-owned foreign banks. In meeting these commitments, the government should also be mindful of the need to ensure the guidance notes which accompany the new decrees do not, in some cases, actually make the market more restrictive for international investors.

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**Do you expect the liberalising reforms in Vietnam to continue into the future?**

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I think the Vietnamese authorities realise the need for continuing reform if growth is to stay at such levels, and Vietnam is to weather bumpiness in the global economy. In my short tenure so far, I have seen many encouraging developments in Vietnam and above all a frankness about the challenges faced and a determination to tackle them. As liberalisation continues, we expect to see an increase in UK investment in Vietnam's infrastructure: a number of British companies have identified opportunities in the power generation sector, for example. I also expect to ►

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power generation sector, for example. I also expect to see an even stronger British presence in the oil and gas exploration/production arena. Having recently paid a visit to Hai Phong, I am also aware that the government is planning to increase the country's seaport capacity. I am pleased that UK Trade & Investment have a number of initiatives planned for 2008/09 to encourage co-operation in this sector, including inward visits to the UK and trade delegations to Vietnam. Further liberalisation will inevitably drive up inward investment across all sectors. I think the government recognises the need to deliver certainty to potential investors, as some investors tell us that there sometimes appears to be an inconsistency in the way laws and regulations are interpreted and implemented in different regions of Vietnam. So good governance and rule of law will bolster the investment climate. And increasingly Vietnam should look to ensure the free flow of information and ideas necessary for the creativity and innovation which will be needed as Vietnam climbs the value chain away from low cost manufacturing towards a high tech future.

**What is the current state of cultural/educational ties? Do you expect further co-operation in this area?**

There are over 5,000 Vietnamese students in the UK and British Universities very highly regarded within Vietnam. Since my arrival I have been impressed with the number of contacts who tell me that they studied in the UK, or that their children are currently studying there. I hope that this trend will increase still further – we are certainly issuing more visas for students. The British Government Chevening Scholarship Award Scheme has proved very successful here, and many UK companies offer their own sponsorship and training support schemes.


British government activity is helping at each education level in Vietnam: DFID are working with the Vietnamese government on getting their primary education right; the British Council (and other British linked commercial providers) contribute high quality English language training and help in accessing to UK education; the British Council is also involved in providing advice to the government on how to deliver on their aspirations for English language skills in the Vietnamese population; and we provide support for British professional training providers to expand their operations here.

On culture more generally, we have a good interchange. The 'Charming Vietnam' event due to take place during Prime Minister Dung's visit aims to showcase the best of Vietnamese culture and arts. And more and more British tourists are coming to Vietnam. Last year the total number of British visitors to Vietnam was 110,000 – up 30 per cent on the previous figure.

**The visit of Nguyen Tan Dung to the UK will be a good opportunity to enhance further the relationship with Vietnam. What are the key objectives of the visit?**

We are very much looking forward to welcoming Prime Minister Dung to the UK. As you would expect, the objectives of the visit reflect many of the areas outlined above. Trade and investment will be centre stage with several business events and meetings. We will also look to consolidate further our dialogue with Vietnam on foreign policy issues, and would expect to cover the Security Council agenda and other UN matters. Prime Minister Dung will meet a number of British ministers as well as the Prime Minister, covering issues such as development, migration, education, co-operation on judicial and organised crime matters. We expect to sign a number of governmental agreements, and hope to see the announcement of further British investment and trade deals.

**How would you describe your own personal experiences of working in Vietnam?**

I have been here only a short time. But I have been very struck by the dynamism of the country and its people. I have found Vietnamese people eager to learn more about the UK, and develop further links with us. It is very much a 'can-do' culture. I've also been impressed by the frankness of my dialogue with Vietnamese colleagues and their constructive approach – where there are problems we work together to solve them. But Vietnamese are skilled negotiators who should not be underestimated! I have made a couple of visits to the provinces already, and have been very touched by the hospitality of the Vietnamese people throughout the country. I look forward to making the most of this great opportunity, and hope to be able to make a real contribution to even closer ties between our two countries during my time as Ambassador here. 

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Vietnam today:  
Young, confident and  
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