

# Friendship and cooperation

## INTERVIEW WITH H.E. PHAM BINH MINH

DEPUTY PRIME MINISTER AND MINISTER OF FOREIGN AFFAIRS, THE SOCIALIST REPUBLIC OF VIETNAM



**PHAM BINH MINH** has been Minister of Foreign Affairs since 2011 and Deputy Prime Minister since 2013. He is a graduate of the Diplomatic Academy of Vietnam and holds a Masters in Law and Diplomacy from Tufts University, near Boston. His first foreign posting with the Ministry of Foreign Affairs was at the Embassy of Vietnam in London from 1982 to 1985. Subsequently his career in the Foreign Ministry took him to the Embassy of Vietnam in Washington and as Ambassador of Vietnam to the United Nations in New York.

### How will Vietnam make policy adjustments given the pace of change in the global economic and political environment?

The world is changing very rapidly, and becoming more unpredictable and less stable. Various major powers are undergoing dramatic policy changes. Many regional hot spots are developing in complex ways. The global economy, while maintaining strong growth, still contains much risk. Against this backdrop, countries are trying to optimally position themselves within a region that is constantly in flux, and improve their ability to adapt to such shifts.

Throughout the historical ups and downs of the last seventy years, the core principle and motto of Vietnamese foreign policy in action has always been “one unchanging essence, ten thousand variable applications”. The ‘unchanging’ essence is to ensure the national interest, to maintain independence and self-reliance, to be a friend to all countries in the world, as well as diversifying and multi-lateralising our international relations. This is the over-arching foreign policy principle that has been built upon and improved since the Doi Moi reforms. It is this essence that has helped Vietnam constantly improve its national status and power.

Given the “ten thousand variables” of the global and regional state of affairs, Vietnam remains resolved in pursuing this foreign policy line. All the same, Vietnam’s foreign policy implementation will require greater acumen, flexibility, innovation and the ability to harmonise our own interests with those of partners, so as to adapt to the new situation and position ourselves as a responsible member of the international community

### What is Vietnam’s regional diplomatic focus?

The Asia-Pacific is integral to Vietnam’s security and development environment. Vietnam’s interests and responsibility lies in contributing to the creation of a peaceful, stable region for cooperation and development, one that can maintain its role as the growth engine of the world. This region will enjoy positive and harmonious engagement from all major powers in the region as well as be an open, multi-tiered, ASEAN-centric regional architecture. In implementing our foreign policy, we attach utmost importance to our relations with neighbouring countries, major powers and multilateral cooperation

mechanisms in the region. This has been affirmed in the Resolution of the 12th Congress of the CPV. In particular, Vietnam aims to:

One, foster cooperative, friendly and traditional ties with neighbours, and promote cooperation with major powers, important partners and traditional friends. In implementing various policies, we pay due attention to advancing these ties towards greater substance, effectiveness and mutual benefit

Two, play an active and responsible role in regional cooperation mechanisms, centred around ASEAN, APEC and the Mekong sub-regional cooperation mechanisms, amongst others. We will actively participate in the development of common standards and principles of conduct in the region, on the basis of international law.

Three, take an active part in and contribute to the advancement of economic liberalisation and connectivity in the region, including negotiations of new free trade agreements

At the same time Vietnam shall work together with our partners towards maintaining peace and stability in the region. We remain steadfast in our position that all disputes, in particular in the South China Sea, should be addressed through peaceful means on the basis of international law, including the 1982 UNCLOS, giving respect to diplomatic and legal processes, without the use or threat of use of force.

### How is Vietnam addressing the challenge of the ongoing threat of economic protectionism?

International trade is an important driver for growth and job creation. Vietnam is an exemplary success story of economic opening and international integration. As such we believe that protectionism is not the optimal solution for the prosperity of nations.

As a country in the midst of extensive and intensive international economic integration, Vietnam is impacted by the many less-than-positive impacts of the rise of protectionism. The best way to respond to protectionism is through the continued and sustained advancement of economic and trade ties through various channels and in various formats. Vietnam is fulfilling its WTO and ASEAN trade liberalisation commitments; continuing to implement signed FTAs; and pushing for the prompt ratification of the EVFTA as well as the Comprehensive and Progressive

Trans-Pacific Partnership (CPTPP) Agreement. The fulfilment of such commitments shall open up vast markets for investment and trade, and help better improve the legal and business environment in Vietnam towards international standards.

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**What are your thoughts on Vietnam's hosting of the 2017 APEC Year?**

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Under the theme of "Creating new dynamisms, fostering a shared future", Vietnam's hosting of the 2017 APEC Year had been a resounding success in all respects, earning praise from both APEC members and the international community. For APEC, a vital deliverable was that the organisation was able to maintain the impetus for economic cooperation and integration, advance its role as the premier economic integration mechanism in the region, uphold its core values of trade and investment liberalisation and support for the multilateral trading system – and develop a vision for its future in the years to come. The APEC Economic Leaders' Week (AELW) in Da Nang was one of the very few AELWs in the past ten years to have received all 21 APEC economic leaders. This is an expression of the political commitment and determination of its members towards the Forum and the Asia-Pacific region.

The major outcome documents adopted during the 2017 APEC Year, in particular the AELW, have created an important foundation for APEC cooperation in the new period. APEC leaders have laid out major directions to promote APEC cooperation towards 2020 and prepared for a post-2020 vision with the establishment of a Vision Group tasked with developing a new vision for APEC in the service of people and businesses. Important results pertaining to human resource development in the digital age, economic, financial and social inclusion, cross-border e-commerce, green, sustainable and innovative micro, small and medium-sized enterprises, food security and climate change, among others, have created new drivers for APEC cooperation and continues to be vigorously implemented in the 2018 APEC Year when Papua New Guinea is our current host.

ASEAN's success and centrality were also prominent throughout 2017. For the first time, APEC leaders held talks with leaders of the 10 ASEAN members to strengthen coordination in promoting growth and regional economic integration.

The success of APEC 2017 was a manifestation of our policy of active and proactive international integration, as well as efforts to improve the quality and effectiveness of multilateral diplomacy. This was also Vietnam's contribution to the promotion of regional cooperation and integration for a peaceful, stable, dynamic, interconnected and prosperous Asia-Pacific community.

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**In recent years, Vietnam has played an increasingly important role in G20 and G7. Please outline Vietnam's strategy and initiatives in this regard.**

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We believe that all countries, large or small, have a responsibility to contribute to addressing global issues and challenges. Vietnam attaches high importance to multilateral cooperation and the role of multilateral mechanisms in handling common challenges. Vietnam's attendance at the G7 Outreach Summit and the G20 – two globally significant mechanisms – aims also to make active and responsible contributions to the promotion of international cooperation in addressing global issues, such as the promotion of economic connectivity, sustainable development, climate change adaptation and gender equality. At the recent G7 Outreach session, Vietnam recommended the G7 countries to consider establishing an Open Cooperation Forum between G7 countries and coastal countries on climate change and rising sea level adaptation, and the protection of the marine ecosystem and environment. We also called upon the international community to engage in talks, with the aim of establishing a global cooperation mechanism against plastic littering, for a clean and green ocean free from plastic litter. We stand ready to cooperate with all countries and partners to promote practical cooperation initiatives and projects in the interest of sustainable development.

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**Relations between Vietnam and the UK have developed significantly in recent years. What are your thoughts on the development of the strategic dialogue between the two countries?**

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Ever since the establishment of diplomatic relations on 11 September 1973, the friendship and cooperation between Vietnam and the UK has constantly been strengthened and advanced and has recorded many achievements. 2010 was another important milestone in bilateral cooperation with the establishment of the Strategic Partnership between our two countries. This is a new framework that enables the two countries to promote comprehensive and effective cooperation across all areas: ranging from politics and diplomacy to trade and investment, development cooperation, education and training, security and defence, culture and tourism, et cetera.

As part of the Strategic Partnership, the annual Deputy Foreign Ministers' Strategic Dialogue is now held on a rotating basis between Hanoi and London. This mechanism focuses on discussing matters pertaining to strategic cooperation as well as our foreign policies; it reviews the existing bilateral cooperation and recommends concrete measures to address hindrances and promote and

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deepen cooperation, particularly in priority areas such as politics and diplomacy, trade and investment, education and training, and security and defence. This is also a forum where the two sides can share views and coordinate in regional and international matters of common interest. Along with the Joint Economic and Trade Commission (JETCO), this Strategic Dialogue, ever since its inception, has been an especially effective mechanism and is becoming more substantive, with agenda items covering extensive areas of bilateral cooperation.

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**Following the Brexit referendum, the UK is strengthening investment and trade across the world. In your opinion, which areas of the Vietnamese economy will benefit from this?**

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As the UK continues its Brexit negotiations, the British government and business community has a growing need to diversify markets and pay keener attention to trade and investment cooperation in new markets. Vietnam is one such promising market in the Asia-Pacific. In trade, over the first six months of 2018, Vietnam's exports to the UK exceeded US\$2.2 billion, a 40 per cent year-on-year increase, while imports were more than US\$326 million. Main exports from Vietnam include cellular phones and parts, computers and other electronics, followed by textiles, footwear, woodwork and seafood, to name a few. However, many of Vietnam's strong exports, such as agricultural products, tropical fruits and processed coffee, have yet to gain a foothold in the British retailing and distribution network. In the future, we hope that Vietnamese businesses shall be able to create new breakthroughs and introduce such strong products as refined coffee, lychee and pomelo to the British market.

In investment, while the scale of British investment in Vietnam is not very big, British companies in Vietnam are all operating very effectively, with a presence by major businesses in finance and banking, insurance, education, real estate, oil and gas, and information and telecommunication technologies. In addition, as a financial centre and world leader in consultancy, the UK is extremely well poised to act as an intermediary for capital flow from all over the world, which can be invested into potential markets. Therefore, Vietnam looks forward to indirect investment from British funds into such areas as real estate, infrastructure development, industrial manufacturing, banking, insurance and tourism.

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**Will Vietnam be undertaking further reforms to achieve its economic goals and how will this be done?**

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Since Doi Moi, Vietnam has continually improved its institutional capacity. It is these institutional

breakthroughs that have helped Vietnam achieve such economic and social development outcomes and international standing as we enjoy today. Vietnam is vigorously implementing the three pillars of restructuring the economy, focusing on public investment, SOEs and credit institutions. At the same time, three strategic breakthroughs decided during the 12th Congress include (i) improving the socialist-oriented market economy, (ii) continually developing a standardised and modern socioeconomic infrastructure system, and (iii) focusing on developing human resource to meet the development and integration needs of the country. In 2018, the Vietnamese Government set the following motto for action: "discipline, integrity, action, innovation and effectiveness".

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**Last year, Vietnam achieved the strongest growth of the decade. How will Vietnam maintain this pace of growth in coming years?**

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Despite complex global changes, Vietnam continues to grow rapidly and comprehensively. In 2017, Vietnam's GDP growth was 6.8 per cent; this figure for the first 6 months of 2018 was 7 per cent, placing us among the fastest-growing economies in Asia. This is also Vietnam's highest growth rate over the past ten years. The driver for such growth comes from the export sector, increased consumption and the positive outcomes arising from economic restructuring, especially in the agricultural sector.

To maintain this positive momentum, Vietnam shall continue to create stronger and more practical changes in economic restructuring linked to transforming the growth model and improving the market economy. We shall step up the building of an enabling government, enhance the business environment, expedite administrative reforms, improve the effectiveness and quality of state administration and combat corruption. We shall also further advance the fundamental and comprehensive education reform to grasp the opportunities presented by the Fourth Industrial Revolution. Along with domestic reforms, Vietnam shall continue to advance international integration, making full use of the FTAs that we have signed.

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**What efforts is the government making to attract further foreign investment?**

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FDI firms are an integral element of the Vietnamese economy. The government is making every effort to create an enabling, transparent and fair business and investment environment for foreign investors. In addition to putting in place a comprehensive, stable and transparent legal framework, the government is vigorously removing barriers to business and strongly encouraging the spirit of startup and innovation. **F**