

Stepping into the modern world

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For many of my generation Vietnam has been defined by the images of a war which lasted over twenty years and was one of the most horrendous conflicts of the 20th century. Scars of that conflict are, of course, still there, but today Vietnam is a vibrant and exciting country which has an extremely bright future.

Vietnam is blessed by a diverse and fascinating culture, with a range of indigenous and foreign influences. It has spectacular scenery, including the highest mountains in the region; it has an abundance of fertile plains and the world's largest cave; it has a distinct cuisine and is one of the largest coffee and cashew producing countries in the world.

With such natural beauty, including the stunning Ha Long Bay, which is a UNESCO World Heritage Site, it is not difficult to understand why Vietnam is becoming one of the world's fastest growing tourist destinations. Vietnam's growing reputation as a tourist attraction is enhanced by the fact that visitors invariably receive a warm and friendly welcome from the Vietnamese people.

Vietnam's emergence into the global tourist market has occurred in parallel with highly significant and positive economic developments. The International Monetary Fund, for example, has projected that Vietnam's economic growth this year will be 6.6 per cent. The Asian Development Bank is even more optimistic and believes that the Vietnamese economy will register a growth of 7.1 per cent, and the World Bank has revised upwards its forecast to 6.8 per cent. Although these enormously impressive growth figures may not be sustained, there is an economic consensus that Vietnam's economy is thriving and its progress will be maintained.

Recently, the Executive Chairman of Dragon Capital, Dominic Scriven, has pointed out that the attractiveness of financial markets in emerging countries has recently diminished, in part because of the China – US trade dispute. Vietnam, however, had still been successful in attracting huge investment and was very much a country with great economic prospects.

Vietnam's rapid economic growth is bringing significant benefits to the country, with large numbers being taken out of poverty. This economic transformation is also creating huge opportunities for exporting countries like the United Kingdom. In 2017, Britain exported to Vietnam goods and services to the value of £863 million and, at the same time, British direct investment in

Vietnam massively increased. With the EU finalising its trade and investment agreement with Vietnam, and with Britain keen to have its own agreement with Vietnam post-Brexit, the future for British/Vietnamese trade co-operation looks extremely rosy.

Crucial to Vietnam's economic success is the extent to which state-owned enterprises are opened-up to private ownership and investment. Some would see the moves towards privatisation in Vietnam to be excessively slow, but the Vietnamese are determined to avoid what they see as the unstructured privatisation of some former communist states. Nevertheless, real efforts have recently been made to speed-up future privatisations.

To enhance consistent economic growth, the Vietnamese government recognises that business and financial transparency has to be at the top of the reform agenda, along with efforts to reduce red tape, curb non-performing loans from banks and tackling corruption. Since the country's adoption of the "doi moi", (renovation) policy in 1986, the moves to a "socialist-orientated market economy" have been steady and gradual, and over the next few years we are likely to see a significantly increased pace towards a truly mixed economy.

As Vietnam embarks upon the path of economic reform, there are other challenges which will have to be considered. Vietnam remains a one-party state and as a new middle class emerges there are bound to be increased demands for more freedom of speech and greater political pluralism. Friends of Vietnam must be supportive of the country as it modernises its economy and, equally, it can only be to Vietnam's benefit for its many friends to encourage Vietnam to improve its human rights record.

Vietnam is a wonderful country. It is on the cusp of developing a dynamic economy and the inherent determination and vitality of its people is a huge asset. As Vietnam steps out on to the regional and world stage, there will be huge issues for it to engage with and tackle, not least the potentially dangerous dispute with its powerful neighbour, China, over what Vietnam calls the East Sea.

The visit of Pham Binh Minh, the Vietnamese Deputy Prime Minister, is a great opportunity for Britain and its people to hold out its collective hand of friendship. The aim should be for our two countries to reinforce our constructive dialogue, on the basis of mutual respect, so that we can both draw benefit from our positive relationship.

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