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PRESS RELEASE

EU SMEs explore business opportunities in Vietnam

As part of the EU's efforts to deepen economic relations with countries in the dynamic ASEAN region, Vice President Antonio Tajani, European Commissioner for Enterprise and Industry, will lead a "Mission for growth" to Vietnam on 12 and 13 November. He will be accompanied by 47 representatives from EU industry associations and companies, in particular those operating in key areas of EU-Vietnam business: the tourism, agri-business and manufactured goods sectors. During his visit he will inaugurate the EU-Vietnam Business Network and will sign two Letters of Intent with the Government of Vietnam on SME policy and on sustainable tourism. This visit is part of a series of missions to help European enterprises better profit from fast growing international markets.

Trade and investment between the EU and Vietnam has been steadily growing over recent years, with EU companies considering the country as a potential production base, a lucrative and growing market and one of the key gateways to the wider and increasingly integrated ASEAN market. However, when compared to Asian competitors, the share of European trade and investment is slowly falling as European small and medium sized enterprises (SME's) **face difficulties in establishing a permanent foothold in Vietnam.**

The main objectives of this Mission for Growth to Vietnam are: (i) to **promote innovation and sustainable and inclusive growth** in the EU and in Vietnam; (ii) to **help EU companies**, and in particular SMEs, to operate in the ASEAN region; and (iii) to promote **EU industry in targeted sectors.**

Business networking in Ho Chi Minh City

On 12 November, the mission is in Ho Chi Minh City - Vietnam's economic capital - and the companies involved will participate in a matchmaking event with local entrepreneurs, to generate business to business information sharing and potential business leads. To further help EU businesses operate in Vietnam Vice President Tajani will also witness the inauguration of the new EU-Vietnam Business Network (EVBN). Agricultural products are a significant part of the EU's exports to Vietnam (approximately 13% of the value of all exports to Vietnam in 2011) and also of Vietnam's imports from the EU (approximately 20% in 2011). For this reason, during the two day visit, participating companies active in the food supply chain – the processing, packaging and retailing of food – can also attend the *"15th Forum on Eco-Innovation and UNEP Roundtable on Eco-innovation; Cutting waste; Resource efficiency and eco-innovation for sustainable food chains"*. The event will gather European and Asian actors from the public and private sectors, technical institutions and intermediaries working with SMEs, to examine how resource efficiency and eco-

innovation can contribute to both business opportunities and more sustainable food chains. It will be combined with a brokerage event to encourage participants to form new partnerships and launch collaborative project proposals.

Discussions on SME policy and tourism in Hanoi

On the 13th November, Vice President Tajani will meet with government officials in Hanoi, including Prime Minister Nguyen Tan Dung, Minister of Industry and Trade Vu Huy Hoang and Minister of Planning and Investment Bui Quang Vinh.

To ensure a higher degree of cooperation between export-oriented SMEs on both sides, a letter of intent to establish a dialogue on SME Policy will be signed. The dialogue will pay particular attention to the exchange of best practices to create SME friendly legislation; public-private business consultations and cooperation in research and innovation; the exchange of best practices for SME internationalisation and cooperation and the development of strong business associations.

Vice President Tajani will also meet with Vice-Minister of Culture, Sport and Tourism Ho Anh Tuan to sign a letter of intent on sustainable tourism in order to promote **dialogue and cooperation between the EU and Vietnam** on respective initiatives on sustainable tourism and exchange good practices in the in the fields of natural and cultural heritage preservation and promotion, small and medium-size enterprises, training and skills, and the improvement of tourism services quality.

Background information

Vietnam is becoming an increasingly important trading partner for the EU. In 2012, the EU surpassed the US to become the most important export market for Vietnamese products. A large proportion of the value of EU's exports to Vietnam comes from machinery and electrical equipment (22.3%), and vehicles and transport equipment (20.9%).

After China, the EU is now Vietnam's second largest two-way trade partner, with an estimated trade deficit in 2012 of over €13 billion. Of the goods Vietnam exported to the EU in 2012, apart from agricultural goods, footwear and clothing accessories were significant (11.5%).

In June 2012 negotiations for a bilateral Free Trade Agreement (FTA) between the EU and Vietnam were launched. Five rounds of negotiations have taken place so far, and the most recent round was concluded last week.

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