



**EUROPEAN COMMISSION**

**STATEMENT**

Hanoi, 25 August 2014

**Joint press statement between the Socialist Republic of Vietnam and the European Union**

1. At the invitation of Prime Minister of the Socialist Republic of Viet Nam Nguyen Tan Dung, President of the European Commission (EC) José Manuel Durão Barroso, paid an official visit to Viet Nam from 25-26 August 2014.

During the visit, President José Manuel Durão Barroso held talks with Prime Minister Nguyen Tan Dung; paid courtesy calls on General Secretary of Viet Nam Communist Party Nguyen Phu Trong, State President Truong Tan Sang; received the Degree of Doctor Honoris Causae upon H.E. Mr. José Manuel Durão Barroso from National Economics University (NEU) in Hanoi and addressed NEU students; visited Ho Chi Minh city; had a meeting with the Chairman of the People Committee of Ho Chi Minh City and met with Vietnamese and European businesses.

2. In the spirit of friendship and mutual understanding, President José Manuel Durão Barroso and Prime Minister Nguyen Tan Dung informed each other of the developments in the European Union (EU) and Viet Nam, discussed measures to intensify Viet Nam-EU multi-faceted cooperation, and exchanged views on international and regional issues of mutual interest.

3. The two leaders expressed satisfaction with the impressive development of bilateral relations. They highly appreciated the Framework Agreement on Comprehensive Partnership and Cooperation (PCA) between Viet Nam and the EU as a qualitative leap in the bilateral partnership, that allowed the broadening and deepening of relations beyond the traditional areas of trade and development to include areas such as environment and climate change, human rights, science and technology, transport, tourism, energy, education and culture, peace and security. Both sides also welcomed the increased flow of visits and contact at all levels since signing of the PCA, especially the highest level. President Barroso underlined the commitment of the EU to its relations with Viet Nam, appreciating Viet Nam's role as important partner for the EU and a key player in ASEAN and internationally.

4. President Barroso expressed his pleasure to return to Viet Nam since 2007 and witness first-hand Viet Nam's impressive socio-economic achievements. The two leaders welcomed the deepening of Viet Nam-EU economic ties and rapid development of two-way trade and investment. They welcomed the continued expansion of bilateral trade and the EU's position as Viet Nam's largest export market and 2nd largest trade partner. The leaders noted that the EU is also one of the largest foreign investors in Viet Nam with a total of EUR 495 million in 2013. President Barroso expressed his belief that Viet Nam would continue to be an attractive destination for foreign investors, including European investors and businesses.

5. The leaders welcomed the good progress in negotiations towards a Viet Nam-EU Free Trade Agreement and expressed the wish to conclude the negotiations swiftly. They emphasized that a mutually-beneficial Free Trade Agreement (FTA) will offer new business

opportunities for economic operators, enhance inflows of Foreign Direct Investment and promote growth and employment. President Barroso acknowledged the substantial progress Viet Nam has made in its transition to a market economy initiated by the Doi moi policy and encouraged Viet Nam to pursue the path of economic reform. The EU and Viet Nam agreed to intensify the market economy status (MES) process which aims at enabling Viet Nam to qualify for MES as soon as possible towards mutually beneficial and equal partnership.

6. Both sides agreed to continue encouraging and facilitating Vietnamese and European businesses to step up investment, business and establish partnership, particularly in prioritised areas including, among others, industry, infrastructure, transportation, energy, finance, services, health, space applications and tourism.

7. President Barroso informed the Prime Minister of Viet Nam about the ongoing economic recovery in the EU. Domestic demand is firming; important reforms have been implemented, and growth-friendly fiscal consolidation is bearing fruit. Europe's economic recovery is gradually also reaching the labour market, where unemployment figures have started to decrease, though they are still at an unacceptably high level. Prime Minister Nguyen Tan Dung highly appreciated the visit by the European Commission President at a time when Viet Nam-EU relations had seen significant progress and both sides were preparing for the celebration of 25 years of diplomatic relations (1990-2015). Prime Minister Nguyen Tan Dung congratulated the EU on successfully overcoming the recent macro-economic challenges and moving forward with the process of expansion and integration.

8. Prime Minister Nguyen Tan Dung appreciated the ratification by a large number of EU Member States of the PCA between Viet Nam and the EU and expressed hope that the European Parliament and remaining EU Member States would soon ratify the PCA.

9. Prime Minister Nguyen Tan Dung thanked the EU and the EU Member States for the pledge of EUR 542 million development assistance for Viet Nam in 2014. The EU and the EU Member States thus remain the largest grant aid donor of Viet Nam. President Barroso assured the EU's continued support to Viet Nam's reform process, including through development cooperation. He confirmed the significant increase of bilateral development assistance to Vietnam from EUR 300 million in 2007-2013 to EUR 400 million for the period 2014-2020. Prime Minister Nguyen Tan Dung expressed appreciation for the strong contribution of the EU to Viet Nam's development efforts and welcomed the choice of focal sectors "sustainable energy" and "governance and rule of law" as pertinent and well aligned with Viet Nam's development priorities.

10. The two leaders agreed that good governance, human rights, the rule of law and adherence to the international rules based system were conducive to development internationally and nationally. President Barroso recognised the progress of Viet Nam in meeting the challenges that come with a modernizing society. In this connection, President Barroso shared the benefits of vibrant media and internet. The EU side welcomed Viet Nam's election to the UN Human Rights Council in November 2013 as sign of determination to further promote and protect human rights.

11. The two sides stressed the importance of ASEAN – EU cooperation to the region and welcomed the achievements both sides have accomplished in over 37 years of relationship. The two sides appreciated the agreements made by both sides' Foreign Ministries during the recent 20th ASEAN – EU Ministerial Meeting in Brussels in July 2014, including working towards the upgrading of the partnership to a strategic one and enhancing cooperation in ASEAN Connectivity and maritime security and safety. In this regards, the EU highly appreciated the role and efforts of Viet Nam as the current Country Coordinator of the ASEAN – EU relationship and as Co-chair of the Ministerial Meeting in achieving those results.

President Barroso further stressed strong commitment to ASEAN centrality in the evolving regional architecture and support to ASEAN Community building efforts, including the ASEAN post – 2015 Agenda. Prime Minister Nguyen Tan Dung reaffirmed supports for EU's enhanced engagement in ASEAN-led regional architecture and in this connection, applauded EU's recent doubling of the support for ASEAN to EUR 170 million in the period 2014 - 2020. Both sides agreed to work closely to further enhance ASEAN – EU relationship.

12. Viet Nam welcomed the EU's commitment to support the sustainable development of water resources in the Mekong sub-region, including Mekong-Danube cooperation in the ASEM dialogue on Sustainable Development, particularly in sustainable water management, environmental protection, infrastructure development, public-private partnership, capacity building, etc. in line with the EU Water Diplomacy and support ASEAN centrality in regional cooperation mechanisms.

13. Both sides highly valued the exchanges and cooperation between Viet Nam and the EU at multilateral fora and international organizations; agreed to continue coordinating and supporting each other on issues of mutual interest. The two sides recognized the 10th ASEM Summit (Asia – Europe Meeting) to be held on 16th and 17th October 2014 in Milan as an important opportunity to forge stronger ties between Asia and Europe.

14. The two leaders discussed the ongoing tensions in the South China Sea/East Sea and agreed that territorial disputes should be settled peacefully in a spirit of cooperation and respect of international law, including the United Nations Convention on the Law of the Sea 1982 (UNCLOS 1982). President Barroso reiterated the EU's support for a political-diplomatic process and the rights of claimants to seek peaceful resolution of disputes in accordance with international law, including through legal dispute settlement mechanisms. President Barroso also affirmed the EU's support of ongoing efforts to work towards a formal and legally binding Code of Conduct. While hoping that these discussions can be intensified and completed as soon as possible the EU calls on all parties in the meantime to avoid unilateral actions that escalate tensions, threaten peace, stability, maritime security and safety in the region and abide by all other elements of the Declaration on the Conduct of Parties in the South China Sea (DOC).

15. Prime Minister Nguyen Tan Dung expressed his conviction that the official visit to Viet Nam by President of the European Commission José Manuel Durão Barroso would contribute to developing Viet Nam–EU multifaceted cooperation in breadth and depth, bringing about practical benefits for both sides, and actively contributing to peace, stability, cooperation and prosperity in the region and the world.

16. President of European Commission José Manuel Durão Barroso extended an invitation to Prime Minister Nguyen Tan Dung to visit the EU in October 2014 on the occasion of the Prime Minister's attendance in the 10th ASEM Summit, and expressed gratitude for the thorough and warm reception reserved by the Vietnamese side for himself and the European Commission Delegation.