



Department for
International Trade



Department for
Business, Energy
& Industrial Strategy

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The Rt Hon. The Lord Goldsmith QC
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By email: goldsmithp@parliament.uk

24 February 2021

Dear Peter,

Thank you to your Committee and officials for the document entitled '2nd Report - Scrutiny of international agreements: Economic Partnership Agreement with Kenya, Trade in Goods Agreement with Norway and Iceland, and the Free Trade Agreement with Vietnam. I am writing to offer a response to points raised concerning the United Kingdom of Great Britain and Northern Ireland and the Socialist Republic of Vietnam (United Kingdom-Vietnam Agreement).

United Kingdom-Vietnam Agreement

The United Kingdom and Vietnam share a strategic commitment to global trade, and the free flow of capital and investments. The bilateral Free Trade Agreement provides vital continuity for our fast-growing and dynamic trading relationship. In 2019, British businesses exported goods to Vietnam worth over £600 million. In the same year, Vietnamese businesses exported goods to Britain worth around £4.6 billion.

Companies can continue to benefit from reduced tariffs on imports and exports, from increased access to services and from the protection of key British and Vietnamese products. This includes 65% of all tariffs that have already been eliminated on our bilateral trade.

This agreement is also a key step towards the United Kingdom joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). As a founding member of the group, Vietnam has welcomed our interest in joining the CPTPP agreement and publicly shown their support for our accession to the CPTPP in the future.

EU-Vietnam Investment Protection Agreement

In the Report, you criticise HM Government for not providing the reasons and for not explaining the consequences of the decision to not roll over the EU-Vietnam Investment Protection Agreement (EUVIPA). You call on the Government to address these issues, particularly on matters related to the protection of British investors in Vietnam. I can assure you that the interests of British investors were considered throughout our decision-making process.

The EU-Vietnam Investment Protection Agreement was not in force before the end of the Transition Period, as it was not ratified by all EU member states. Consequently, the Government was unable to replicate this agreement, but since it was not operational, there has been no impact to British investors in Vietnam. The current bilateral investment treaty between the United Kingdom and Vietnam remains in force and is unaffected by the end of the Transition Period or by the United Kingdom-Vietnam Agreement, ensuring continued and uninterrupted protection for British investors in Vietnam.

HM Government values scrutiny of the trade continuity programme and welcomes your Committee's report. I look forward to your future reports on our trade continuity agreements.

I am placing a copy of this letter in the House of Lords Library.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Grimstone', written in a cursive style.

Lord Grimstone of Boscobel, Kt
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