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Remarks and a Panel Discussion on Entrepreneurship at the DreamPlex Coworking Space in Ho Chi Minh City, Vietnam

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The President. Thank you. *Xin chào.* Thank you very much. Thank you. Well, it's wonderful to be here in Ho Chi Minh City. Please have a seat.

I just had the opportunity to visit the Jade Emperor Pagoda. And I think going from a 100-year-old sacred temple to this 21st-century DreamPlex is, I think, a wonderful expression of the evolution that's taken place here in Vietnam, a country that honors its history, but is also boldly racing towards the future.

And that's also the story of this city. This is a city on the move. And we could see as we were traveling in from the airport all the activity that's currently taking place. And I'm not just talking about the traffic—[*laughter*]—although I do think it might be easier to be on a motorbike than a motorcade. [*Laughter*]

But this city, like its—this country, is full of energy. You can see it in the skyscrapers shooting above the horizon and the shops that are springing up in every corner. You can see it online, where tens of millions of Vietnamese are connecting with each other and with the world. And you can feel it here at DreamPlex, where ideas are becoming a reality. I just had the chance to see some of those ideas in action: young people who are making things happen. I saw a virtual game that can help people recover from nerve injuries, to a machine that lets your smartphone control a laser cutter, although you have to be careful with the laser cutter where you point it. [*Laughter*]

But some of this energy may be due to your famous *cà phê trứng*. That stuff is strong, I understand. But the real driver of Vietnam's growth, and the engine of Ho Chi Minh City, is the spirit of entrepreneurship, the spirit that brings us here today.

And I see it everywhere I travel all around the world. I meet people—and especially young people, like the three that we're about to meet—who are eager to strike out on their own, start something new, and shape their own destinies. Many want to do more than just create a great new app for a phone. They want to contribute to their communities and help people live better lives.

And that's what entrepreneurship is all about. It's building businesses, making a profit, hopefully. But it's also about creating good jobs and developing new products and devising ways to serve others. Entrepreneurship is also the fuel for prosperity that puts rising economies on the path to success. It's what gives young people like so many of you the chance to channel your energy and your passion into something that is bigger than yourselves. And it allows us to come across countries and cultures to solve some of the world's greatest challenges.

Of course, being an entrepreneur is not easy. It's not easy in the United States; it's not easy here in Vietnam; it's not easy anyplace in the world. It can be tough to get started. It's hard to access capital. It's hard to get the skills that you need to run a business. You might not always have the mentors and the networks that can help guide you along the way. And it can be especially difficult for women, for others who traditionally are not viewed as being at the center of business life in a country, haven't had all the access to the same opportunities.

So we've got to tap all the talent that's out there. Just because you are born poor does not mean you should not be able to start a business. Just because you don't look like the traditional businessman doesn't mean you can't make a great product or deliver a great service.

And that's why DreamPlex is so important. It's not only a home for digital entrepreneurs like you, it's also a place where you can share ideas and work together and build a community that supports each other.

And incubators like this allow Vietnam, alongside its emphasis on entrepreneurship, to see more startups happening in this country than ever before. Recently, in 1 year alone, the funding for startups doubled in this country. And we're seeing major acquisitions, like Fossil Group's takeover Misfit Wearables, a Vietnamese company that makes devices like fitness trackers. We're seeing Vietnamese Americans who are coming here to start new ventures, and that shows the strong bond between the United States and Vietnam.

And the world is taking notice. A leading global venture capital firm called 500 Startups just launched a $10 million fund here in Ho Chi Minh City. Next month at our Global Entrepreneurship Summit—something that I've been hosting now for several years—I'll welcome eight Vietnamese entrepreneurs to Silicon Valley so that they can learn from some of the best entrepreneurs and startups and venture capitalists in the world. And your success sends a message to global investors about this country's incredible potential for innovation. Hopefully, it also encourages other Vietnamese entrepreneurs to chase that new great idea and start that new company, which will continue to fuel a ever-expanding Vietnamese economy.

I'm here today because the United States is committed to being a partner as you grow. With the Peace Corps coming to Vietnam for the first time, our volunteers are going to help more Vietnamese learn English, the language that so often is used in the global economy. With programs like our Young Southeast Asian Leaders Initiative, we're helping give thousands of young people across Vietnam the skills and networks they need to turn their ideas into action. With our U.S.-ASEAN Connect initiative, we're matching American investors with Vietnamese entrepreneurs in areas like clean energy. With the women's entrepreneurship center we're going to open here in Vietnam—WECREATE is what we're going to call it—we'll help empower the next generation of women business owners.

And if we really want to encourage entrepreneurship and innovation, I should mention that we need to move ahead with the Trans-Pacific Partnership, because TPP will not only let us sell more of our goods to each other and bring our economies closer together, it will accelerate economic reforms here in Vietnam, boost your economic competitiveness, open up new markets not only for large companies, but also for small and medium-sized businesses. It will raise labor and environmental standards, and it will improve business conditions so that entrepreneurs like you can thrive.

So my message to all the entrepreneurs here today is that I believe in you, America believes in you, and we're going to keep investing in your success. Ultimately, it's the inventors and dreamers, people like those that I just met, those that we'll about—we'll hear from soon, and all of you in the audience who are going to shape Vietnam's future for decades to come.

So I'm looking forward to hearing from these outstanding young leaders. Thank you very much. *Cám ơn.*

Entrepreneurship

So I'm just going to introduce very quickly these outstanding young businesspeople who are leading the way here in Vietnam. We invited them here to give us some of their thoughts about what would make it easier for them to start their businesses and to continue to nurture the startups that they're involved with.

The first is Khoa Pham, who is the director of legal and corporate at Microsoft Vietnam. We have Lê Hoàng Uyên Vy, who is the founder of Adayroi, which is aiming to become the Amazon

of Vietnam. And we have Đỗ Thị Thúy Hằng, who's the vice president of Seedcom, which invests in Vietnamese companies. So please give them a big round of applause, and we'll start our conversation.

So, Vy, let's start with you. And tell us—it sounds like you started being interested in business at a very young age.

Adayroi Founder Lê Hoàng Uyên Vy. Good evening, Mr. President. And good evening, everyone. First of all, I'd like to say thank you to the Vietnamese and U.S. governments for organizing such a wonderful event. My name is Vy, and I graduated from Georgetown University in 2009, majoring in finance. Actually, I have a passion for technology since I was in school. When I was 13, I decided to start my own web design company. And I love the idea of connecting buyers and sellers through an online platform, just like eBay or Amazon.

But at the moment, I was so young, and I couldn't start a formal business. So therefore, after my college graduation, I decided to come back to Vietnam and started chon.vn. It's an e-marketplace selling fashion items. And luckily, after 5 years, we became one of the top destination for fashion lovers in Vietnam. And we got acquired by the biggest conglomerate in Vietnam, called Vingroup. And right now I'm running adayroi.com. Basically, we're the Amazon of Vietnam. We sell everything from electronics to even groceries online. And our goal is to bring the safe and high-quality products at affordable price to every family in Vietnam.

The President. That's great. The—now, you look very good. Is this some of your fashion that you can sell online? [*Laughter*] Is that like you can buy the necklace and the earrings?

Ms. Vy. Yes, available on adayroi.com. [*Laughter*]

Women Entrepreneurs

The President. Okay. So I just wanted to—so if you're looking for a good deal—[*laughter*]

Ms. Vy. Thank you.

The President. Excellent.

The—and, Hằng, you started out as an investor—or as an entrepreneur. Now you're an investor as well. Tell us what have been the challenges that you've met. And have there been some special challenges about being a woman entrepreneur and investor here in Vietnam?

Seedcom Vice President Đỗ Thị Thúy Hằng. Thank you, Mr. President. It's my honor to be here as well. And I guess let's take it back a little bit. I came back to Vietnam 5 years ago after 9 years in the States. So America is truly my second home. And when I came back, it was basically because of my very close ties with Vietnam. My family has been here; my hometown is here; I love the people here. Because the environment has been very supporting; I've learned a lot from previous generations. And certainly, because I have seen successful role models here, and that's why I came back.

I never thought that being a female entrepreneur would be a disadvantage here in the local market, because from my experience and observations around the area, I'm very proud to say that in Vietnam women are treated equally and given a lot of opportunities. So whether we try or not is—starts within ourselves. And we see a lot of women entrepreneurs in the room as well. Chang from Misfit, that you just mentioned, she's incredible. Rena, she's not an entrepreneur, per se, but she has done a terrific job here in Ho Chi Minh City. We all love her. [*Laughter*]

So if the world is run by women—and I'm hinting at the United States election this year—it would be a better place. Like you always say. You always say that.

The President. I do. [*Laughter*] So the—what kind of businesses are you looking to invest in at this point?

Ms. Hằng. So Vietnam is among the top exporters of agricultural products in the world. Yet there are a lot of untapped opportunities in agriculture. And it is still a very low-tech, low-productivity sector. And at Seedcom, we've worked with a lot of companies across retail, technology, and logistics. But the project that we're most excited about at the moment is in agriculture, Cau Dat Farm. We apply technology to traditional farming, very simple stuff like from tracking to automation. And basically, we bring the products all the way to end users at a higher value.

So that signals, I guess, the next wave in innovation in Vietnam, where entrepreneurs and investors come together, using technology to tackle very traditional problems in traditional industries. And we are really, super excited about it.

Microsoft Corporation/Vietnam-U.S. Business Cooperation

The President. Excellent. So the—Khoa, you were born here, moved to the States when you were 11. Is that right?

Microsoft Vietnam Director of Corporate, External and Legal Affairs Khoa Pham. That's right.

The President. And got your education there, worked in Washington, ended up at a very—an impressive startup called Microsoft—[*laughter*]—and so now are here representing Microsoft in Ho Chi Minh City. Tell us about, what are the opportunities that Microsoft is seeing, and how you think U.S. companies can most effectively interact with Vietnamese businesspeople and startups and entrepreneurs.

Mr. Pham. Well, welcome to Vietnam, Mr. President. I know it's early morning in Washington, DC——

The President. I've gotten over the jetlag.

Mr. Pham. So I'm glad you're awake.

The President. I'm fine. [*Laughter*]

Mr. Pham. So I returned to Vietnam for the same reason that my parents had when they took me out of Vietnam as a young boy, and that is that they wanted me to have an opportunity for a better life. And we found that in the U.S. And after 35 years living in the U.S., I decided to return to Vietnam to give the same opportunity and to make a difference to the young people of Vietnam. Many of them are sitting here today.

And so the way I look at my return is that Microsoft gives me the opportunity to make a difference, to improve lives for people through the use of technology, as well as to accelerate the development of the country through technology by the improvement of their ICT infrastructure. So I see a lot of impressive, young entrepreneurs and the spirits of entrepreneurship here in Vietnam. And that's the reason I returned to Vietnam.

Digital Commerce

The President. Good. So, Vy, you were mentioning how you want to be the Amazon of Vietnam. Tell me about the challenges you have in trying to build a digital platform for commerce here in Vietnam and what makes it different trying to develop that here than it might be in the United States, where, obviously, there's more digital platforms and penetration. I'm assuming that, particularly if you want to reach rural areas, that some of the logistical challenges are different. So tell us what has been some of the hardest aspects of building on your vision and

how do you think both the Vietnamese Government or the U.S. Government or companies that are interested in working with you or other entrepreneurs, how they can be most helpful. Where do you see the biggest roadblocks?

Ms. Vy. Thank you, Mr. President. I'm very fascinated about building—bringing convenience and modern lifestyle to Vietnamese people. So imagine that working moms has a job from 6 to 9—to 9 to 6, and then after 6 p.m., she has to rush to the supermarket to shop for her home dinner, it would probably take her an hour to get home and then ready to cook for the family.

The President. Because the traffic is——

Ms. Vy. Right, the traffic jam. [*Laughter*] So basically, imagine that one day she can sit in her office and order all the ingredients, and when she gets home, the ingredients will be ready for her to cook dinner for her family. So every day, we can save her an hour to spend more time with her family. Imagine that we can save her 360 hours per year, which translates to 7,300 hours over 20 years, which is equivalent to almost a year. So we can save a woman a year over 20 years. So that's our dream.

The President. Right.

Ms. Vy. But basically, it's very challenging because even online grocery in America is difficult because of the infrastructure. It's very, very difficult for us to get the items to the customer on time, and especially, we have a commitment to deliver it within 2 hours, which is quite impossible when we first started. But then, we are very committed. So we built our own delivery infrastructure; we built our own delivery men. And up to now, I think we have the feeling of it so we are able to deliver our product as fast as we can to satisfy the customers.

So a couple of challenges that I think either the Government in Vietnam or the U.S. Government can help us is, first, is to help us to develop our infrastructure: the logistics, the payments, et cetera, and bring new technology to Vietnam. So that's always been my dream.

Infrastructure

The President. Right. So the—one of the challenges is just making sure that you have the physical infrastructure so that you can deliver fast enough. But in terms of the digital infrastructure, is that well developed, because everybody has a smartphone now?

Ms. Vy. It's much, much better now because people are getting used to using their smartphone to order things online. Three years ago, when I first started, it was so difficult to get people online. But now it's very easy. But still—so the operational infrastructure is not there yet, so we need to learn it from successful companies like Amazon, or we need to come up with our own solution in Vietnam. Because the street in Vietnam is not the same in the U.S. You understand, right? So we have all the delivery men in motorbikes. And they have to know their way around. It's very difficult to install GPS for the delivery men.

Access to Capital

The President. Yes, yes. And just one last question. In terms of access to capital, the—typically, are startups here financed—self-financed or are they financed through the banks? Is there enough of a sort of a bank infrastructure for small businesses and medium-sized businesses? Or are you using—are most entrepreneurs using family savings? Is there venture capital? How are people getting started?

Ms. Vy. Well, that's a very good question. To be honest, I think in Vietnam, it's very difficult to get early funding. Especially, there's not that many venture capital funds here in Vietnam. For seed funding and angel investors, very limited. I think most of the investors in Vietnam, they

want to invest in companies that have track records, which is quite a challenge for a startup in Vietnam. So we have family startup here. It's a good news for us. And we hope that in the near future, more venture funds can come to Vietnam, especially from America, to help us grow all of the business—all the new businesses.

Agriculture

The President. Well, I'm trying to do some advertising for you here. [*Laughter*]

Ms. Vy. Thank you very much.

The President. Hopefully, somebody is paying attention back in the United States.

So, Hằng, you were talking about agriculture. Obviously, a large portion of Vietnam is still dependent on basic agricultural—and small farmers. Is the goal here for them to be able to move their products to market at a better price and more quickly? Or is it that you want to move up the value chain so that there's more processing that's taking place, so it's not just rice or other crops, but it's also the products that are derived from the foodstuffs that are being grown? Or is it all of the above? Tell me a little bit more about how you see the opportunity for agriculture to accelerate here in Vietnam.

Ms. Hằng. I guess all of the above. Of course, by ourselves, we cannot change the whole industries, but with many investors and entrepreneurs working together, we believe we that can make a positive impact. So as I mentioned, there are two parts in our business. One is to apply more technology in agriculture. Some technology is just very, very simple: using text message, using simple tracking tools, simple automation on the farm, greenhouse, et cetera. That improves the productivity massively, and that helps directly the farmers to increase their output and, as a result, their income.

And secondly, basically, have a trusted brand and add more value and bring the products to the end users at a higher price. And obviously, the result of that is also higher income. And we understand that there are a lot of challenges like Vy mentioned. The logistics is not there yet, quite yet. The infrastructure, there is still a lot to do. But we have a very young team in Dalat, in—where our farm is. And we have lot of—I know personally a lot of people, young people who are—who start their work in agriculture. And we have so much passion and energy and drive, and beyond that, we even have a strategy and action plan to make this happen. So hopefully, in the next few years, you'll see some very positive change in agriculture in Vietnam.

U.S. and Vietnamese Entrepreneurship/Microsoft Corporation

The President. Excellent. The—so, Khoa, when you think about business here versus business as you're accustomed to seeing in the United States, what are some of the big differences? And are there particular areas where you think a strategic investment would really make a big difference in helping all these startups take off? And in terms of Microsoft's strategy, is—are your main clients large businesses and just helping them with respect to IT, or are you also working with some of these smaller startups to see how you can grow their businesses and, hopefully, help them really take off?

Mr. Pham. I'm sure you have heard from Satya Nadella, our CEO. Our company mission is to empower every person and every organization on the planet to achieve more. And I think there is no better market to do that than in Vietnam, because of the young entrepreneurs that we have here and the Internet penetration, the mobile base that we have here with young people. And I think that in terms of capturing the opportunity, I think that's important for us to look at—for our government—and businesses and entrepreneurs to really balance the opportunity and the responsibility in this new world that we live in, which is the mobile-first, cloud-first world.

And so if you look at the challenges in that respect, I think public policy, regulatory environment, it needs to be more conducive, right? Would be—need to be modernized to address the digital economy. And I think that Vietnam is not unique in that space as a developing market. I think in the U.S., the same is being faced with how do we deal with e-commerce, cross-border taxation issues, and things of that nature. But I think that Vietnam can leapfrog other markets and seeing and capturing that opportunity.

And for Microsoft Vietnam, in particular, we have a national empowerment plan that basically mirrors the Government ICT master plan by 2020 to really develop Vietnam as an ICT-advanced nation. And so, in that regard, we look at the three key pillars, which is the ICT infrastructure of the country, helping really secure the cybersecurity apparatus of the country, really looking at the issue of privacy, data protection, the ICT infrastructure for a national cloud—to really take advantage of that.

And also, our investment, in the second pillar, which is about small and medium-sized enterprises, I think that is going to be the driving factor for the economic growth of this country. We have about 500,000 SMBs, businesses here in that size, and so I would say that the startup community is also the micro businesses that are starting out. And we have programs that provide free software, free cloud services to these startups. So this way, they can really focus on developing the best products.

And then, honestly, the education side, we really have to look at capacity building, and that is to really help the Vietnamese move from a labor-intensive economy into more of a knowledge economy, knowledge-based economy. And that is really getting them with the right skill set for ICT skill sets, and also, we need to really invest a bit more on STEM education. And we're doing that—and teaching with technology in the classrooms and really doing a lot of these startup community, coworking space, community events to really promote coding, because I think that's where it's—that's very important. And I think you were in the K.L. when we did the Hour of Code and where you worked with the Prime Minister and coding with the children. And I think that's something we do here annually as well. Yes.

Education

The President. Absolutely. The—I think that's a great point, and, Vy and Hằng, maybe you want to talk about this a little bit. Ultimately, what makes startups and entrepreneurs successful is good ideas and the human capital. Obviously, investors are important, and infrastructure is important, but the most important thing is people. And when you look at Vietnam right now, it seems as if a culture of entrepreneurship is really beginning to grow. But one of the questions that I always have to ask myself in the United States is whether our education system is equipping our children effectively enough to be able to move forward on their ideas.

So you're both very young, so you can still remember what it's like to go to school. [*Laughter*] For me, it's—I've forgotten. But I will say that when I was going to school, we didn't have computers. Well, you had these big mainframe computers—[*laughter*]—but you didn't have personal computers. [*Laughter*]

So, how do you see the education system here adapting to the needs of this new 21st-century economy?

Ms. Vy. Sorry. I still remember taking entrepreneurship classes in the U.S., and I found it so helpful for me to learn about how to write a business plan, how to pitch to an investor, how to develop financial models. And I think when I got back here, I don't find that many entrepreneurship classes in Vietnam. So I think that there's an empty area that we can tap on.

The President. Right.

Ms. Vy. And secondly, I think after your startups get funding, I think they also need mentorship program. Those are the things that really helps the startup community here in Vietnam. And I also think that—I used to be an exchange student. I came to U.S. when I was 17. And I'm very thankful for that because I learned so much about innovations, and I learned how to dream big and always hope for a brighter future. So I think there's a chance for us to also create exchange programs, not just for students, but for working adults. Especially, we can send young startups to do on-the-job training or internship programs at some U.S. company. So those are the things that I really wanted to get to the audience.

The President. Good. Hằng.

Ms. Hằng. I would like to add to what Vy just said, as the power of technology. Again and again, I go back to this point. With technology, really, students nowadays have access to a lot more information, a lot more well informed, and education opens a new sector for startups to come and basically try to disrupt the sector. So our friend—[*inaudible*]—he has his own startup, education startup. Another friend that we know very well, Tú, she launched ELSA, that helps students to learn English through an app. So all of those examples you can see that technology basically just opens the doors and opens opportunities for Vietnamese students for access to global knowledge.

And the evidence of that is, most of the team that I work with in Vietnam, from my previous startup, and even at many companies, at Seedcom right now, they all educated in Vietnam. I'm one of the very lucky few that got years of education in the States. But I respect my colleagues a lot every day for—they're so smart. They learn in Vietnam. They learn not only by going to school, but also by doing, by talking to older people, and obviously, learning from the Internet. So I do think technology is changing education.

Telecommunications Infrastructure/Education

The President. Well, Khoa was talking about leapfrogging. One of the things that you're seeing in countries all around the world is, if they hadn't already developed a telephone infrastructure with cellular—or with landlines and telephone poles and underground tunnels, now, suddenly, they just go straight to cellular towers and smartphones. And banking is done there, and commerce is done through phones. And so they've leapfrogged over the infrastructure requirements of old systems.

And the same is true with education. Right? The—if done properly, the opportunity for online education that is much cheaper, but is still of high quality, that can accelerate the ability of a child here in Vietnam to learn coding, learn business practices and so forth, without an expensive education or having to study overseas is hugely important. And with our contribution through the Peace Corps, through entrepreneurship summits, through the sponsorships that we're getting various companies to engage in, our hope is, is that we'll be able to provide the kind of training to young people that will be incredibly powerful for them in the future.

And we want to thank the Vietnamese Government for their cooperation, because a lot of these systems that we're trying to build we could not do if it were not for the strong support that we're receiving from them.

But any other closing thoughts that you think either the President of the United States—[*laughter*]—or the President of Vietnam or any of these business leaders here should hear about?

Public Service/Entrepreneurship

Ms. Vy. Mr. President, let me ask you a question. [*Laughter*]

The President. Oh, sure. [*Laughter*] The tide has turned. [*Laughter*]

Ms. Vy. So when you were a kid, did you dream of becoming President one day?

The President. No. [*Laughter*] I think there are some people who, they had a very clear vision for themselves. I really didn't—I was not as well organized as all of you when I was young. I think it wasn't until I was in college that I began to develop a sense of wanting to make a difference. And even then, I did not know exactly how I might do it.

I was actually very skeptical of politics because I thought politicians weren't always looking out for the people; that too often, I thought, they were looking out for themselves. So I actually worked in communities to try to hold politicians accountable. That was the first job that I did in nonprofit—the nonprofit sector.

So it wasn't really until, I think, I finished law school that I thought that I might be interested in public service. In fact, I went to law school with my now—is my Trade Representative, our Ambassador Michael Froman. And he was much smarter than me. [*Laughter*] But it wasn't until I came out of law school that I thought that maybe I might run for office at some point.

But the important point, I think, I want to make is that so many of the young people here today—certainly all of you—Khoa, you sort of qualify as young—I'm not——[*Laughter*]

Mr. Pham. Young at heart.

The President. You're young at heart. [*Laughter*] These two are young. You're sort of—you're younger than me. [*Laughter*] But so many of the young people I meet today I think have a different idea of their careers and their lives. I think they're much more sophisticated. I think the Internet has exposed them to a lot more ideas of what they can do. I believe that many young people recognize that the old system where you find yourself a job and then you work in that same job for 30 or 40 years is less likely to be the path for them, because the economy is just changing so quickly.

And so I think there's much more interest on the part of all the young people I meet—certainly here in Southeast Asia, in the States, Africa, Europe, wherever I go—to try to make it on their own and to try to find collaborations with groups of people who are interested in the same things they are and to see if they can make it happen. And I think that's a wonderful thing. It's challenging. I think there's—one of the well-known rules in Silicon Valley is, is that if you haven't failed quite a bit, then you're probably not a very good entrepreneur, because the first idea you have is not always going to work. And you have to be resilient and to be able to learn from your failures as much as your successes.

But I truly believe that this generation is not only being entrepreneurial when it thinks about business, but also entrepreneurial when it thinks about trying to solve social problems, entrepreneurial when it thinks about government and making government more responsive and accountable to ordinary people. And it makes me very hopeful for the future. So okay, yes.

Malia Obama/Vietnam-U.S. Student Exchanges

Ms. Hằng. I guess the entrepreneurial spirit is very much ingrained in Vietnamese people, just like for Americans. And you have seen and your staff have seen here the very vibrant startup and business community here in Ho Chi Minh City. Just imagine how much more it can be if there is more exchange—of knowledge, of capital, technical know-how—between the two countries, U.S. and Vietnam.

And on that note, my question for you would be—[*laughter*]—if your daughter taking a gap year from Harvard College, tell you—tells you next week that she wants to live in Vietnam for a year, what do you tell her?

The President. Oh, I would encourage it. But what I've learned is, is that—my daughter Malia will be 18 next month, and she already doesn't listen to me, whatever I say. [*Laughter*] So the—so if you wanted her to come to Vietnam, I shouldn't be the one to tell her. [*Laughter*] Maybe you should tell her.

Ms. Hằng. Sure.

The President. Yes, absolutely. But I—certainly I would recommend students from the States to come and study here as much as I'm encouraging Vietnamese students to come and study in the United States.

I—young people are going to be living in a interconnected world, in a global marketplace. And every business has to think globally. Even small businesses. If you have a good product today, you can reach billions of people if you have a good strategy, you have good marketing, you can handle the logistics. And so the barriers to entry that used to exist where only a Boeing or a GE or a very large company could operate in Vietnam is no longer true. And the same is true for small businesses here in Vietnam. If you have a interesting product that is unique and perhaps is very common in Vietnam, but nobody knows about in the United States, oftentimes, one—some of the best ways to start a business is to take something that is very popular one place, but is unknown someplace else and be the first person to sell that product to—in another country.

So I think part of the education that young people have to have is to understand other cultures and understand other markets. If you're lucky enough to be able to travel, then that's one way to do it. But one of the wonderful things about the Internet is, it gives you an opportunity to learn about another place, even if you can't set foot there. So that's something that I continually emphasize. So, all right.

Last question or comment.

Trans-Pacific Partnership Agreement

Mr. Pham. Sure. I have a question. In your opening remarks, you mentioned about TPP, and we didn't have a chance to talk about that. And so TPP is considered a 21st-century trade agreement, dealing directly with the digital economy, talking about the rules of law extending to security and privacy and also cross-border data flow. TPP is very important to Vietnam, and I know that the Vietnamese business community supports it. And as an employee of Microsoft, I can reaffirm that our company supports TPP.

As we look at the latest report published by the U.S. International Trade Commission, that indicates that, fully implemented, TPP will bring about $57 billion into the U.S. economy. But currently, the U.S.—American politics is sort of turning against TPP. So what I'd like to hear from you is, what do you think is going to be—what it takes to pass TPP in Washington, DC? And what will you do in your power to make that happen?

The President. Well, it's a great question. And first of all, just to describe why TPP is so important. What TPP does is, it takes 12 countries along the Asia-Pacific region that represent a huge portion of the entire world marketplace, and it says we're going to create standards for trade and commerce that are fair; that create a level playing field; that have high standards; that encourage rule of law; that encourage protection of intellectual property so if Vy or Hằng come up with a great idea, somebody is not just going to steal it off the Internet, but the work that they've put in is protected; that has strong environmental provisions so that countries can't just take advantage of no environmental protection to undercut competitors who are following more responsible environmental practices.

And not only do all the countries who are participating stand to gain from increased trade, but Vietnam, in particular, I think economists who have studied it believe would be one of the biggest beneficiaries.

From the United States perspective, it's a commonsense thing to do because, frankly, our markets are already more open than many of the markets of the countries that are signing up. So Japan, for example, is able to sell a lot of cars in the United States, but has a lot of problems importing beef from the United States. And what we've done is to make sure that a lot of the tariffs that are currently being placed on U.S. exports and U.S. goods are reduced.

And so it will create a better environment for U.S. businesses, particularly because of some of the intellectual property protections, a lot of what we sell today are products of our knowledge-based economy. And so it's a smart thing to do across the board.

Now, the problem in the United States around trade—and this is not new, this has been true for the last 30 years—is that some of the previous trade agreements did not have enforceable labor protections or environmental protections. I think when China came in to the WTO, it was able to take advantage of the growing global supply chain, and a lot of manufacturing shifted to China in a very visible way. So a lot of Americans saw companies close and saw what they viewed as their jobs being exported to China. And some of that happened in Mexico with NAFTA as well.

And so the perception was that this is bad for U.S. workers and U.S. jobs. If you look at the data, then what is true is that some manufacturing jobs were lost as a consequence of trade. On the other hand, other sectors of the economy improved significantly. And overall, it was good for the U.S. economy. But I think that in the design of some of the old trade deals and some of the mistakes that may have been made in the past, people became suspicious of trade and worried that if we do TPP, then the same pattern will repeat itself, and U.S. will lose more jobs.

My argument is that if you're dissatisfied with the current trading arrangements where tariffs are placed on U.S. goods, but other people's goods are already coming into the U.S., why would you want to just maintain the status quo? Why not change it so that everybody is operating in a fair and transparent way?

And the good news is, is that the majority of Americans still believe in trade and still believe that it's good for our economy. The bad news is, politics in the United States is not always—how would I put it?—reasonable. [*Laughter*] That's the word I'm looking for. [*Laughter*] But I'm confident that we're going to be able to get it done because, in the past when we've negotiated trade deals, even though there's a lot of opposition, at the end of the day, we end up getting it done. Keep in mind that we negotiated a very big free trade agreement with Korea, and even though the Bush administration negotiated it, he didn't get it passed. When I came into office, we—one of the first things we did was, we worked with Korea, we made some small modifications to some of the terms, and we got it done, and it's in force today.

So the argument that I've made and I will continue to make in the United States is that we're not going to be able to end globalization. We have to make globalization work for us. And that means that we don't try to put barriers and walls between us and the rest of the world; but instead, we try to make sure that the world has high standards, treats our companies fairly. And if we do that, I'm confident we can compete with anybody.

So nothing is easy in Washington these days. But despite sometimes the lack of cooperation with Congress, I seem to be able to get a lot of things done anyway. [*Laughter*] It could have been easier. I wouldn't—I would have less gray hair—[*laughter*]—if Congress was working more effectively, but we do have some Members of Congress who are here. That's Congressman Castro and Congressman O'Rourke who are two outstanding young Congressmen from Texas. They're

strong TPP supporters, and we're very proud of the work that they've done. So we're just going to have to work hard to convince some of their colleagues. But ultimately, I think we can get it passed.

Well, everybody, I think that if you had any doubt about the outstanding future of Vietnamese entrepreneurs, then all those doubts have been pushed away because of the outstanding presentations by these three individuals. Give them a big round of applause.

Thank you so much.

NOTE: The President spoke at 5:20 p.m. In his remarks, he referred to Ngô Huỳnh Ngọc Khánh, Bui Hai An, Nguyen Minh Tuan, Nguyen Ba Hoi, and Nguyen Anh Thi Thu, Young Southeast Asian Leaders Initiative participants who presented interactive demonstrations prior to the President's question-and-answer session; and President Tràn Đại Quang of Vietnam. Ms. Hằng referred to U.S. Consul General Rena Bitter, U.S. consulate in Ho Chi Minh City, Vietnam; and Ngô Thùy Ngoc Tú, chief procurement officer, ELSA. Mr. Pham referred to Prime Minister Najib Razak of Malaysia.

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