



GUIDE TO THE EU-VIETNAM TRADE AND INVESTMENT AGREEMENTS



Delegation of the European Union to Vietnam

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LIST OF ACRONYMS

ASEAN	Association of Southeast Asian Nations
BIT	Bilateral Investment Treaty
BSE	Bovine Spongiform Encephalopathy
CBD	UN Convention on Biological Diversity
CITES	UN Convention on International Trade in Endangered Species
CPTPP	Comprehensive and Progressive Agreement on Trans-Pacific Partnership
CSR	Corporate Social Responsibility
CTH	Change of Tariff Heading
DAG	Domestic Advisory Group
EFSA	European Food Safety Authority
ENT	Economic Needs Test
EU	European Union
FDI	Foreign Direct Investment
FTA	Free Trade Agreement
GATS	General Agreement on Trade in Services
GI	Geographical Indication
GPA	Government Procurement Agreement
GSO	General Statistics Office of Vietnam
GSP	Generalised Scheme of Preferences
ICH	Conference on Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use
IEC	International Electrotechnical Commission
ILO	International Labour Organization

IMDRF	International Medical Device Regulators Forum
IPA	Investment Protection Agreement
IPPC	International Plant Protection Convention
IPR	Intellectual Property Rights
ISO	International Organization for Standardization
ISP	Intermediary Service Providers
ITU	International Telecommunication Union
MEA	Multilateral Environmental Agreement
MFN	Most Favoured Nation
OECD	Organisation for Economic Co-operation and Development
OIE	World Organisation for Animal Health
PCA	Partnership and Cooperation Agreement
PIC/S	Pharmaceutical Inspection Convention and Pharmaceutical Inspection Co-operation Scheme
PSR	Product Specific Rules
REX	Registered Exporter
RoO	Rules of Origin
SDR	Standard Drawing Rights
SME	Small and Medium-sized Enterprises
SOE	State-Owned Enterprise
SPS	Sanitary and Phytosanitary
TBT	Technical Barriers to Trade
TL	Tariff Lines
UNCITRAL	United Nations Commission on International Trade Law
UNECE	United Nations Economic Commission for Europe
UNFCCC	UN Framework Convention on Climate Change
UPOV	International Convention for the Protection of New Varieties of Plants
WHO	World Health Organization
WIPO	World Intellectual Property Organisation
WTO	World Trade Organization



FOREWORD BY **Ms. CECILIA MALMSTRÖM**

EU COMMISSIONER FOR TRADE

The European Union (EU) and Vietnam having completed trade and investment negotiations is good news – the kind of thing we both need to ensure sustainable economic growth for our countries and good, stable jobs for our people.

The EU-Vietnam trade and investment agreements are the most ambitious and comprehensive ones that the EU has ever concluded with a middle-income country. As such, they set a new benchmark for Europe's engagement with emerging economies. They also represent a great opportunity for European exporters and investors. Vietnam has a vibrant economy of more than 90 million consumers, a growing middle class and a young, dynamic workforce. It is a market with great potential for the EU's agricultural, industrial and services exports.

Vietnam is also one of the fastest growing countries of the Association of Southeast Asian Nations (ASEAN), averaging a GDP growth rate of around 6% for the past two decades and projected to maintain this growth rate in the coming years. Trade-wise, Vietnam has climbed to become the EU's second biggest trading partner in ASEAN after Singapore and ahead of Malaysia, with trade in goods between the EU and Vietnam worth € 48 billion.

The free trade agreement (FTA) will put EU exporters and investors at least on a par with those from other countries and regions which have already concluded FTAs with Vietnam. These include ASEAN, Australia, New Zealand, Chile, China, India, Japan, and South Korea, and the countries that make up the Comprehensive and Progressive Agreement on Trans-Pacific Partnership (CPTPP). At the same time, it will

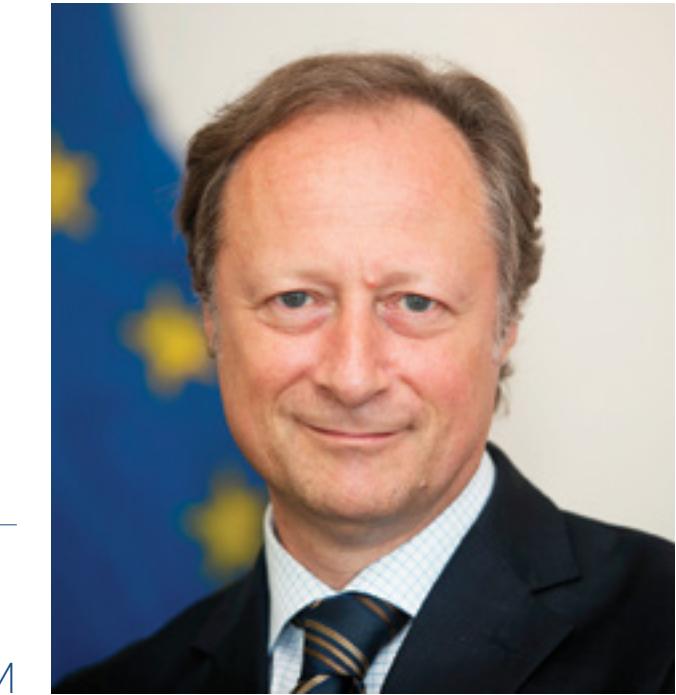
put Vietnam in the same league as, for instance, South Korea, Japan and Singapore, who have concluded trade agreements with the EU.

It will create new opportunities for growth and development on both sides – for example, by making cuts in customs duties which will come into force quickly, while protecting those sectors which are especially sensitive.

The investment protection agreement (IPA) that accompanies the FTA will help promote high-quality investment between Vietnam and the EU. The EU's updated approach to investment protection strikes a better balance between boosting job-creating investment and protecting governments' right to pursue policies in the public interest.

Moreover, the agreements will promote sustainable development on both sides and include strong commitments to protect people's basic rights at work, their human rights more broadly, and the environment. And it will support Vietnam's efforts to grow and develop its economy for the benefit of its people.

After Singapore, Vietnam is the second ASEAN country with which the EU has concluded trade and investment agreements. The agreements are, therefore, also an important step towards the EU's ultimate goal of securing trade and investment agreements with the whole ASEAN region.



FOREWORD BY **Mr. BRUNO ANGELET**

AMBASSADOR - HEAD OF
DELEGATION OF THE
EUROPEAN UNION TO VIETNAM

The EU - Vietnam Free Trade agreement marks a milestone in our strong and fruitful relationship that EU Member States and Vietnam have enjoyed for the past three decades. During this time Vietnam has experienced remarkable economic growth. As the skyline of cities and provinces has transformed, Vietnam continues to demonstrate its global ambition by embracing sustainability and Industrial Revolution 4.0.

The EU continues to play a pivotal role in Vietnam's development. The EU has been Vietnam's major donor in grants with over 5 billion over the last decade and is today Vietnam's biggest non-Asian investor (ranking fifth of total cumulative investment). The EU is Vietnam's fourth largest trading partner after China, South Korea, and the US, and the second biggest export market for Vietnam after the US. Since 2015 Vietnam has been the EU's second biggest trade partner among the 10 ASEAN countries (after Singapore) and, amongst them, the largest exporter of goods to the EU.

The significance of our mutually beneficial relations is clear. Bilateral trade has not only established a strong and productive link between the EU and Vietnam, but has also created an impetus for further economic development and strategic collaboration amongst the regions. This momentum is to be bolstered with the forthcoming signature and implementation of the EU-Vietnam Free Trade Agreement - most ambitious and comprehensive agreement that the EU has ever concluded with a developing country.

The trade agreement seeks to deepen Vietnam's economic integration, facilitate trade liberalisation and improve the legal framework for enforcement of standards at both domestic and international level. By taking the advantage of EU's expertise and technological innovation, Vietnam has the opportunity to further the advancement and diversification of its economy while improving competitiveness of domestic businesses.

This presents a win-win relationship for both Vietnam and the EU. The trade agreement, together with the Partnership and Cooperation Agreement (PCA) that entered into force in 2016, consolidates existing areas of cooperation and engagement, and deepens and diversifies our relations further in areas of mutual interest. Our aim is that, through the trade and investment agreements, we can encourage more European firms to be present in Vietnam, and promote better access for Vietnamese businesses to the European market. As Vietnam turns into a middle-income country, we share a common agenda to stimulate growth and employment, improve competitiveness, further fight against poverty and consolidate reform.

We sincerely hope that this pragmatic guide will contribute to a better understanding of the trade and investment agreements between the EU and Vietnam. We have tried to explain in simple and clear language the main outcomes and achievements of the agreements so that businesses can grasp the opportunities they present from day one of their entry into force.

GUIDE TO THE EU-VIETNAM TRADE AND INVESTMENT AGREEMENTS



INTRODUCTION

The purpose of this publication is to provide first-hand information to businesses about the different areas covered by the EU – Vietnam Free Trade Agreement and Investment Protection Agreement. It has been prepared to help businesses understand better the main outcomes and achievements of the negotiations.

This guide is divided in four parts. The first provides an overview of bilateral trade and investment relations between the EU and Vietnam. The second and third parts provide a more detailed explanation on what is actually in the free trade agreement and the investment protection agreement. Finally, the last part outlines useful information and tools for making the most of the opportunities offered by the agreements.

The texts of the trade and investment agreements can be found on the website of the European Commission's Directorate-General for Trade⁽¹⁾.

The texts of the agreements presented on the website are, for the moment, those at the end of the negotiations conducted by the European Commission and have been made public solely for information purposes. The texts are not binding under international law and will only become so after completion of the ratification process by each Party according to their respective internal legal procedures

1. <http://ec.europa.eu/trade/policy/in-focus/eu-vietnam-agreement/>

PART I

TRADE & INVESTMENT RELATIONS

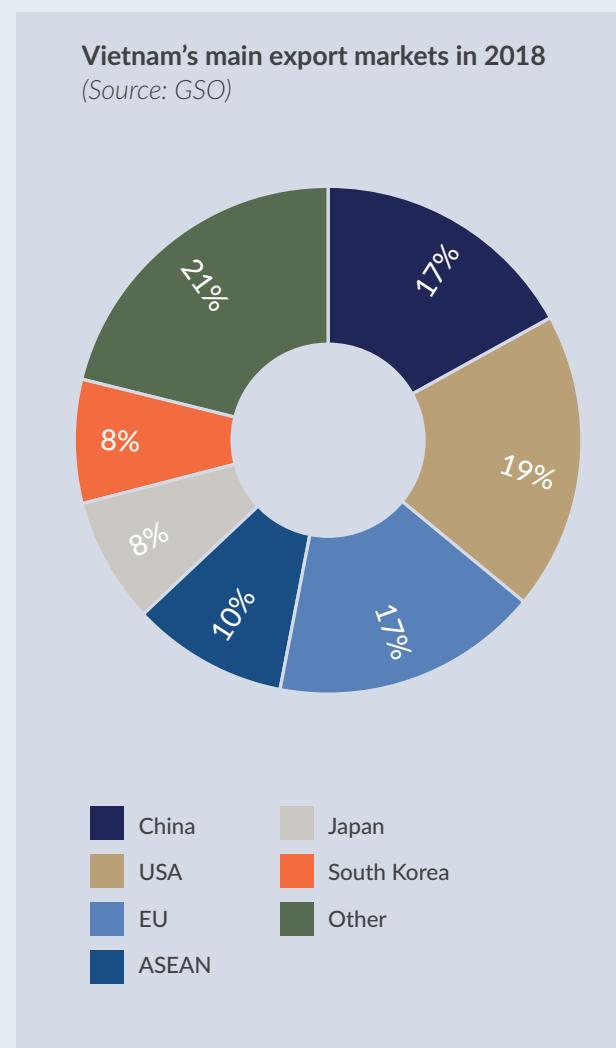


EU - VIETNAM BILATERAL TRADE AND INVESTMENT RELATIONS

BILATERAL TRADE RELATIONS

Bilateral trade and investment links between the EU and Vietnam have steadily strengthened since the two sides established formal diplomatic relations in 1996. For years, the EU has been the second largest overseas market for Vietnamese products and Vietnam's fourth most important two-way trading partner after China, South Korea and the US. This has been a dominant trend since 2004, when the EU and Vietnam concluded the bilateral negotiations of Vietnam's accession to the World Trade Organization (WTO) – the first bilateral agreement Vietnam had with a big WTO member – and the early harvest agreement¹ which enabled mutual market access for the two sides' companies three years before Vietnam became an official member of the WTO. 2017 witnessed a historical milestone in bilateral trade when Vietnam became one of the ten largest exporters to the EU for the first time.

On average, Vietnam's exports of commodities to the EU account for around 19% of its exports to global markets. This figure has seen double-digit growth for the past decade, annualised at 13-15% and even reaching 25% in certain years. In 2018, commodities exports grew by 11% year-on-year to US\$ 42.5 billion according to Vietnam's General Statistics Office (GSO). It was even larger at around €40 billion according to Eurostat. Imports of Vietnamese products into the EU represented 2% of the EU's global imports. Similarly, the past 10 years have seen Vietnam increasing imports of commodities from the EU. This figure has grown annually in terms of value by an average of



1. The Agreement on Market Access or "early harvest agreement" is an offshoot of the bilateral WTO accession deal signed by former EU Trade Commissioner Pascal Lamy on his visit to Hanoi, during the ASEM 5 Summit in December 2004. Effective from January 2005, the agreement suspended quotas on Vietnam's clothing exports to the EU. In exchange, Vietnam commits itself to treat the EU not less favourably than US or Japan. In addition, Vietnam offers companies of EU origin reduced tariffs on yarns, clothing, fabrics and made-up articles, fibres, beverages, motorbikes as well as manufacturing licenses in the pharma and cement sectors. Vietnam also committed itself to increase market access for service providers in the telecom, construction, computer, engineering, integrated engineering, architecture, and urban planning service sectors. Further licenses are being granted to EU companies in the life insurance, distribution, shipping, computer reservation system, environmental, and real estate service sectors.



5-7%. In 2018, Vietnam's imports of commodities from the EU rose by 11% year-on-year to nearly € 12 billion as estimated by Eurostat or 13.1% year-on-year to US\$ 13.8 billion according to Vietnam's GSO.

The EU is Vietnam's second largest export market and the number one destination for many of Vietnam's key exports. The figures speak for themselves: in 2018 EU imports of telephone sets from Vietnam were valued at US\$ 13.12 billion, which represented nearly one third of Vietnam's global exports of telephones. Similarly, its purchase of Vietnamese-made computers and electronics represented 16% of the country's revenues from global exports of computers and electronics. For footwear such figure was 29%. In addition, the EU has been the second largest importer of Vietnamese textiles and garments for a long time (representing nearly 13.5% of Vietnam's global export in 2018). The EU has been an indispensable market for quite a few Vietnamese agro-products such as coffee (buying more than one third of Vietnam's global coffee exports in 2018), cashew nuts (nearly 25%), fishery (16%) and wooden products (nearly 10% of its global exports in 2018).

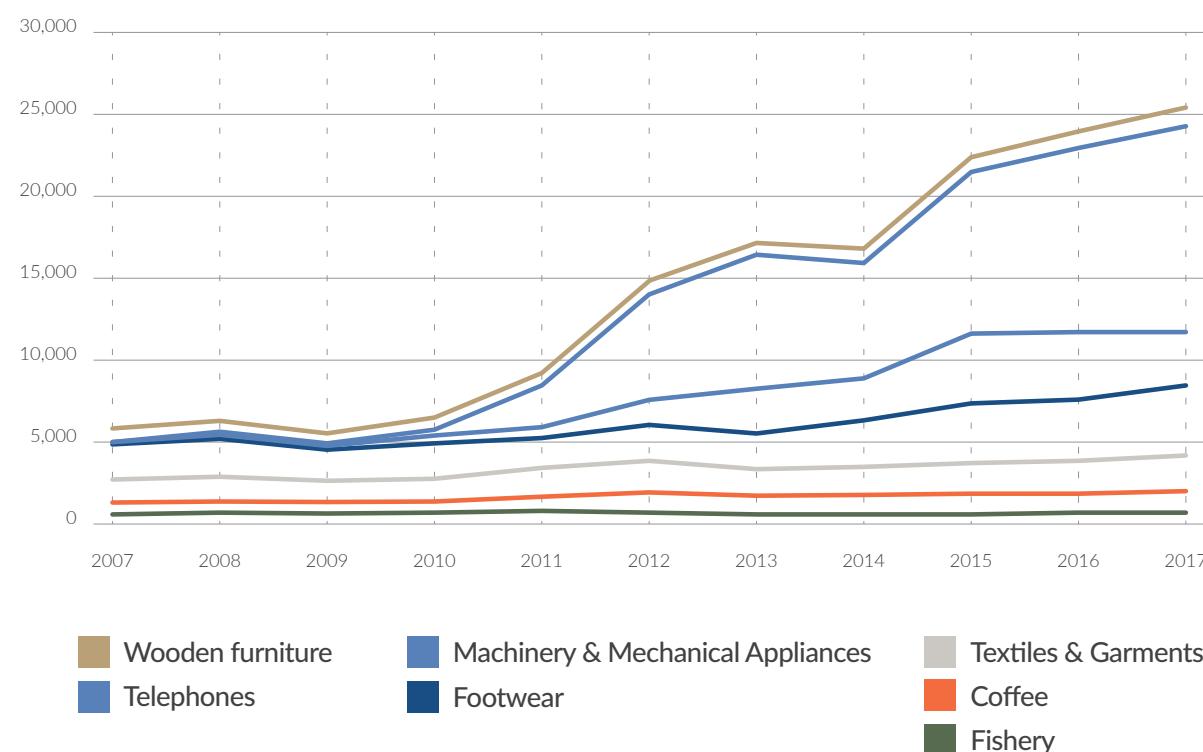
There have been important shifts in the structure of Vietnam's exports of commodities to the EU during the past decades. In 2005, the products mainly comprised agri-food, footwear and apparels, many of which were either in the form of raw materials or simple processing with little value added. Today, Vietnam – with strong

presence from overseas firms that have invested in the country – is exporting to the EU highly sophisticated products such as smartphones, scooters or accessories for transport. Vietnam has, for instance, become a hub of manufacturing for the Italian Piaggio Group and supplies many brands of modern scooters to Asia and Europe. Similarly, Samsung's multi-billion-dollar projects have turned Vietnam into a regional hub for assembling smartphones, with around one third of them exported to Europe. While considerable potential exists to enhance the position of Vietnamese producers in global production chains, further liberalisation has benefited Vietnam's economy.



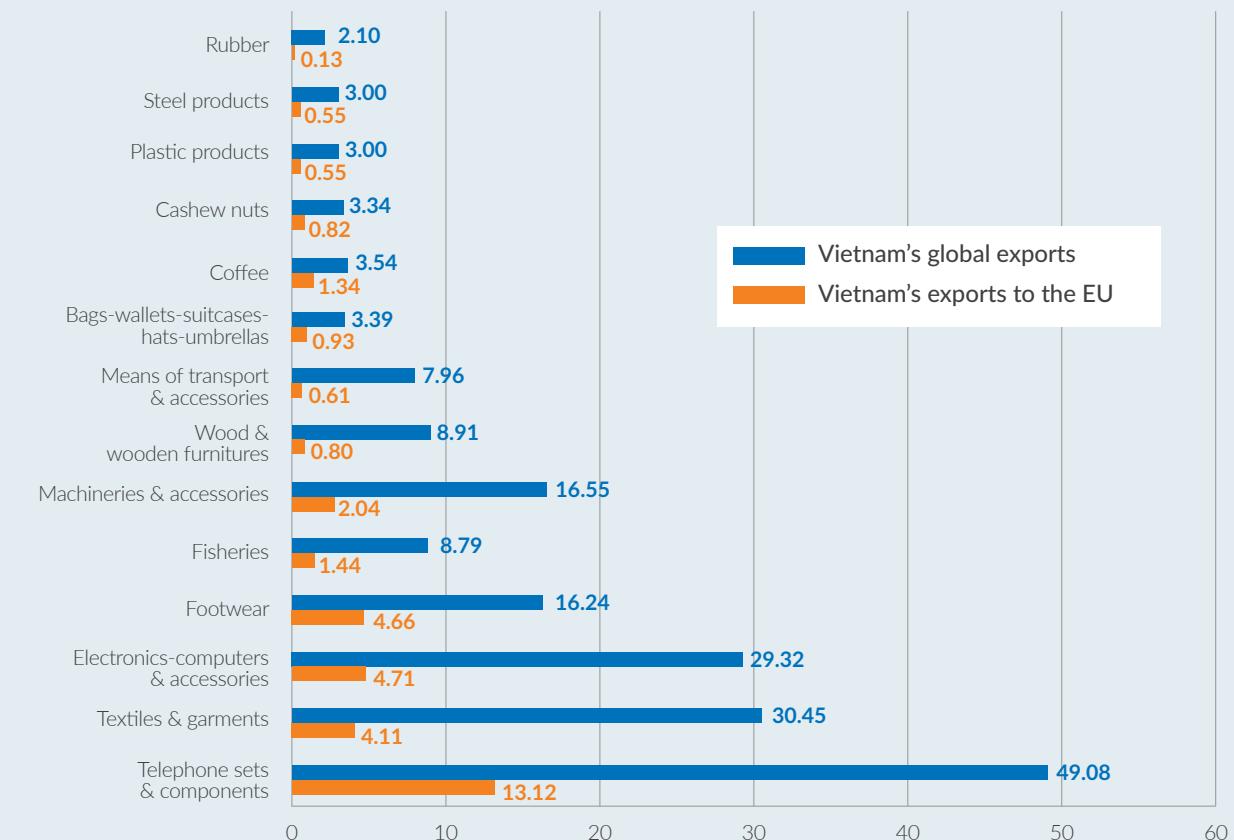
Evolution of some Vietnamese key export items to EU from 2007 - 2017

Unit: million euro; Source: Eurostat



Vietnam's main exports to the EU versus its global exports in 2018

(Source: Vietnam Customs; Unit: US\$ billion)

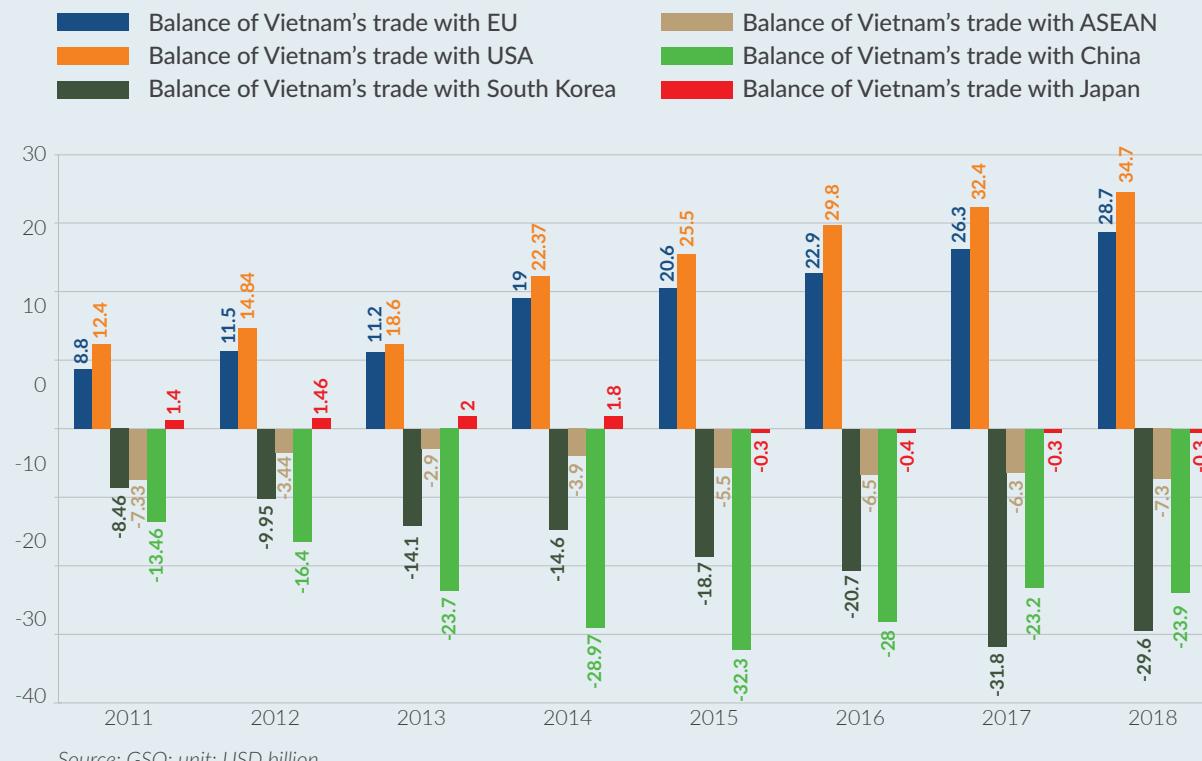


There are three underlying features to the EU-Vietnam bilateral trade relations. First, the two partners' economies are strongly complementary. Vietnam's competitiveness in the agri-food sector and labour-intensive industries is undeniable, while the EU, with its capital, high-tech and top quality management expertise, is a competitive and reliable supplier for Vietnam. The EU's ability to supply advanced technologies and sophisticated machineries and equipment matches Vietnam's needs for its manufacturing sectors. One

example is the nearly € 1.45 billion that Vietnam spent on imports of Airbus and accessories from the EU for its air fleet and the US\$ 4.66 billion that European consumers spent on the purchase of footwear from Vietnam in 2018. Such complementarities will ensure sustainable and healthy growth of bilateral trade ties in the long run. It was also an important reason behind the robust double digit growth of Vietnam's exports to the EU and imports of commodities from the EU in the past two decades.

Vietnam's trade balance with main partners 2011 - 2018

(Source: GSO; unit: US\$ bilion)



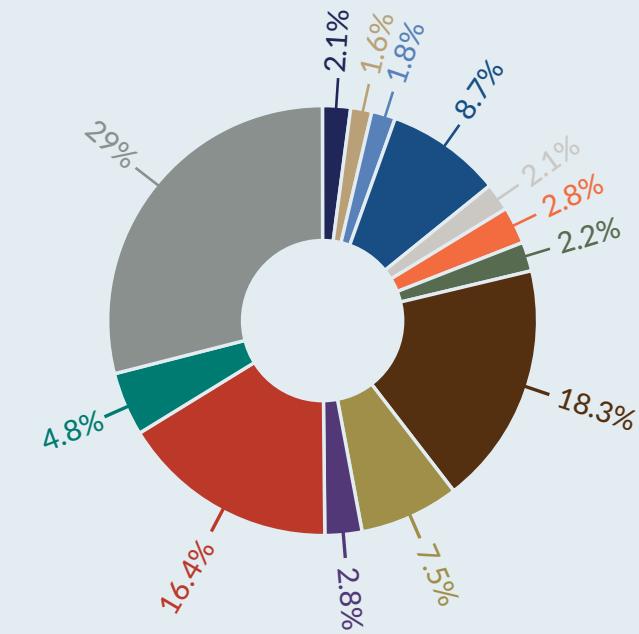
Source: GSO; unit: USD billion

Second, the solid political relationship and strong commitments from Europe's and Vietnam's leaders act as a crucially important factor for promoting bilateral trade ties. The EU has long been a supporter of Vietnam's economic and trade liberalisation. It not only provides considerable concessional loans and grants to accelerate Vietnam's reforms and international integration but also offers meaningful and practical opportunities for Vietnam's trade to mature. This close political partnership and the strong commitment to cooperation of the Government of Vietnam has convinced the EU to provide as much help as possible for Vietnam to develop sustainably. For many years, the EU has offered unilateral preferential treatments to a large number of commodities originating in Vietnam under the Generalised Scheme of Preferences (GSP). This unilateral scheme has allowed many Vietnamese products to be imported into the EU duty-free or with reduced duties.



EU's main export products to Vietnam in 2017

(Source: Eurostat)



Lastly, the dynamic and pro-active Vietnamese business community have undeniably played a decisive role in Vietnam's success in harnessing trade opportunities. Before 1997, it would have been inconceivable that Vietnam would be able to export fishery products to the EU, let alone have a leading share of the EU market. To give just one example, the quality of management at some modern fishery processing facilities in Southern Vietnam is high. The success in exporting its fishery products to the EU, with its high sanitary and phytosanitary standards, has enabled Vietnam to unlock other key markets such as Japan and the United States. Vietnam is witnessing similar success stories with electronics and computers, telephones, footwear, textiles and garments etc. The EU-Vietnam trade and investment agreements will create the momentum to further strengthen the already robust trade and investment ties between the EU and Vietnam.





BILATERAL INVESTMENT

The EU has been an important source of investment for Vietnam since the country opened its economy to the world. In terms of cumulative investments, the EU ranks fifth out of Vietnam's 80 Foreign Direct Investment (FDI) partners. By the end of 2018, investors from the EU had invested more than US\$23.927 billion into

2133 projects in Vietnam, making the EU the 5th largest FDI partner in terms of total stock. In 2018 alone, European investors poured nearly US\$1.1 billion.

European investors have been active in all 18 economic sectors and present in 52 out of the 63 provinces and

municipalities of Vietnam. The three most prominent sectors are manufacturing, electricity production and transmission, and real estate. In the manufacturing sector, EU investors have had 652 projects with investments capital worth more than US\$8.4 billion, followed by the electricity production and transmission sector (FDI: US\$5 billion; number of projects: 26) and real estate (capital: US\$2.66 billion; number of projects: 52).

Most of the EU-invested projects are located in places where infrastructures are well developed, such as Hanoi capital city, Quang Ninh Province and in the business hub in Southern Vietnam, including Ho Chi Minh City, Ba Ria Vung Tau Province and Dong Nai

Province. Ho Chi Minh City ranks first as the most attractive destination for European investors with 833 projects worth US\$ 3.584 billion, trailed closely by Hanoi (capital: US\$ 3.74 billion; number of projects: 478) and Ba Ria Vung Tau Province (capital: US\$ 3.68 billion; number of projects: 40).

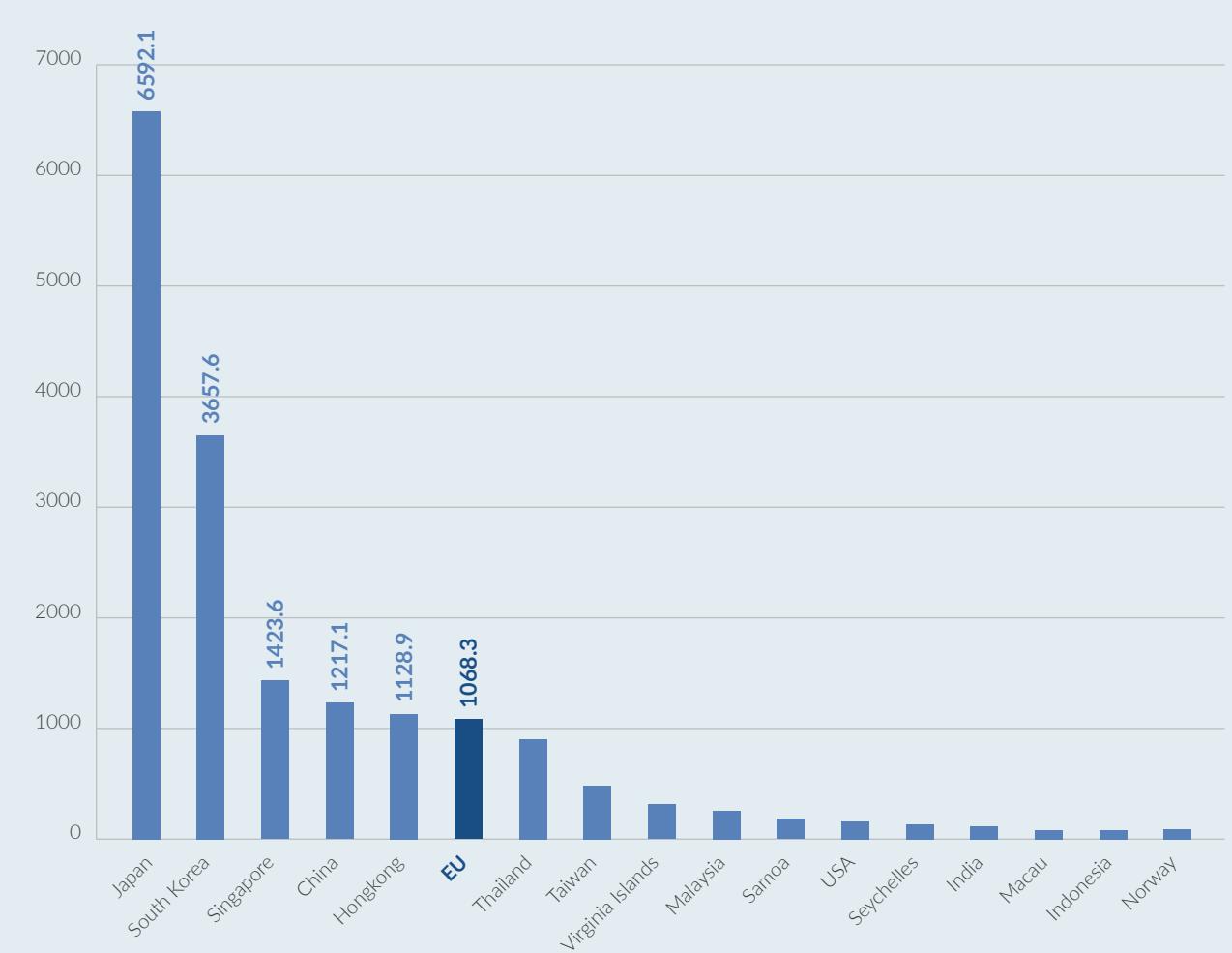
Twenty-four EU Member States now have FDI projects in the country. Among the Member States, the Netherlands with nearly US\$ 9.33 billion in capital and 318 projects is taking the lead as the biggest FDI partner. France ranks second with nearly US\$3.62 billion and 525 projects, followed by the UK with nearly US\$ 3.49 billion in capital and 340 projects.

Cumulative Foreign Direct Investment from EU into Vietnam		Unit: million US\$
EU Member States	No. of Projects	Total cumulative capital
Netherlands	318	9,332.82
France	525	3,619.95
UK	340	3,489.12
Luxembourg	47	2,338.38
Germany	304	1,797.79
Belgium	68	912.53
Cyprus	16	477.99
Denmark	131	417.26
Italy	88	388.15
Sweden	64	349.77
Poland	14	182.59
Slovakia	9	151.78
Austria	31	143.90
Spain	67	93.58
Czech Republic	37	90.06
Hungary	17	63.56
Bulgaria	9	30.99
Finland	18	22.60
Ireland	17	20.80
Slovenia	4	3.27
Estonia	3	0.26
Portugal	3	0.13
Greece	2	0.05
Latvia	1	0.01
Total	2,133	23,927.35

Source: Vietnam Foreign Investment Agency

Committed FDI in 2018

Unit: million US\$



Source: Foreign Investment Agency, MPI

OVERVIEW OF VIETNAM's FTAs WITH OTHER PARTNERS

1. **Vietnam – Japan Economic Partnership Agreement (EPA)**
Status: signed in December 2008, in force since 1 October 2009
2. **Vietnam – Chile FTA**
Status: signed on 11 November 2011, in force since 1 January 2014
3. **Comprehensive and Progressive Agreement on Trans-Pacific Partnership**
Status: signed in 8 March 2018, seven including Vietnam have ratified the CPTPP by January 2019
Members: Australia, Brunei, Canada, Chile, Japan, New Zealand, Peru, Singapore, Malaysia, Mexico and Vietnam
4. **Vietnam – Eurasia Economic Union**
Status: signed on 29 May 2015, will enter into force 60 days after the final member country ratifies the FTA
Members: Vietnam, Russia, Belarus, Armenia, Kyrgyzstan and Kazakhstan
5. **Vietnam – EFTA (European Free Trade Association)**
Status: negotiations launched in April 2012, still going on
Members: Vietnam, Switzerland, Iceland, Norway and Lichtenstein
6. **Vietnam – South Korea**
Status: signed on 5 May 2015, in force since 20 December 2015
7. **Vietnam - European Union FTA**
Status: concluded in December 2015; expected to be signed in 2019

ASEAN FTAs

1. **ASEAN Free Trade Area**
Status: signed, in effect since 30 January 2003
2. **ASEAN – China FTA**
Status: signed, in effect 2003
3. **ASEAN – Japan FTA**
Status: in effect since December 2009
4. **ASEAN – India FTA**
Status: in effect since January 2010
5. **ASEAN – Australia and New Zealand FTA**
Status: in effect since January 2010 (Laos, Cambodia and Indonesia in effect since 2011 and 2012)
6. **ASEAN – South Korea FTA**
Status: Trade in goods chapters signed in August 2006; trade in services signed in November 2007

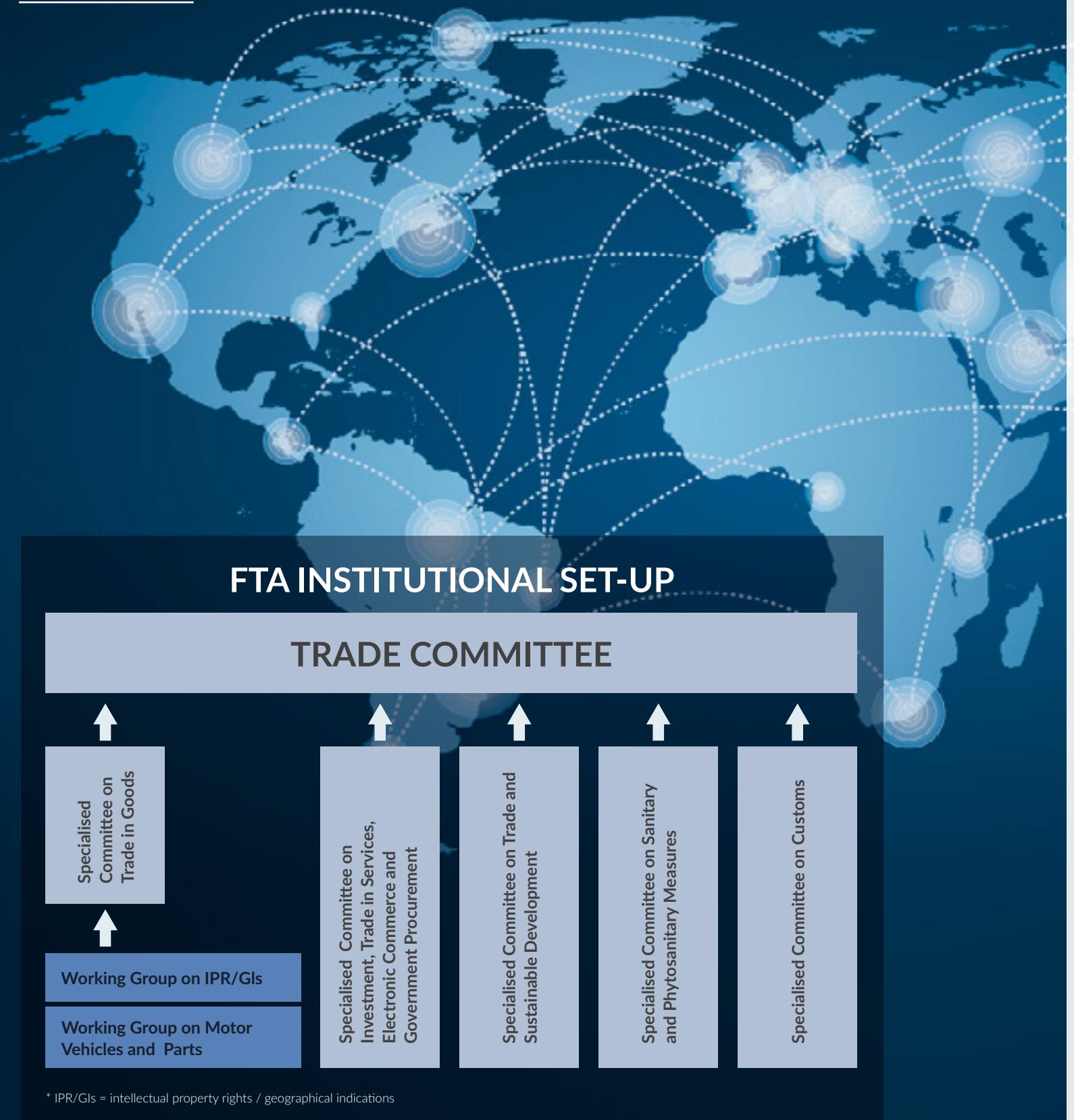




PART II

EU-VIETNAM
FREE TRADE
AGREEMENT

INTRODUCTION TO THE FTA



The European Union manages trade relations with countries outside the EU through its trade policy. Trade policy is an exclusive competence of the EU – so only the EU, and not individual Member States, can legislate on trade matters and negotiate international trade agreements, be they multilateral, regional or bilateral.

Economic relations between ASEAN and the EU have proven to be mutually beneficial. The EU has always been an important trading partner for ASEAN, and vice versa. ASEAN is a key pillar of growth in Asia and a market of enormous potential. Strengthening trade relations between the EU and ASEAN is of importance to both regional blocs. The EU is ASEAN's second largest trading partner after China and by far the largest investor. ASEAN is the EU's third largest trading partner outside Europe after the US and China.

As highlighted in the European Commission's trade strategy 'Trade for all'¹, strengthening trade relations with ASEAN remains a key priority for the EU. The EU is fully engaged with ASEAN and its member countries in pursuing an ambitious trade agenda. The EU has concluded trade and investment negotiations with Singapore and with Vietnam, and has in the meantime also launched trade and investment negotiations with Malaysia (2010), Thailand (2013), the Philippines (2015) and Indonesia (2016). At regional level, the ultimate objective is for the bilateral trade and investment agreements under negotiation to serve as building blocks towards an ambitious and comprehensive EU-ASEAN regional agreement.

Trade and investment agreements aim fundamentally at obtaining preferential treatment for goods and services and eliminating non-tariff barriers encountered by both sides. They also set up a clear and transparent legal framework to govern trade and investment relations between both trade partners. Knowing the rules of the game is vital for businesses as it provides stability and predictability and allows them to make long-term plans.

For the past years, Vietnam has enjoyed preferential access to the EU through the Generalised Scheme of Preferences granted by the EU to developing countries. With the trade agreement, the EU and Vietnam have offered

each other preferential access to their respective markets in a predictable manner.

Last but not least, this trade agreement is also significant because of its emphasis on sustainable development with strong commitments on fundamental labour rights and environmental protection. Respect for human rights is also embedded in the agreement. It will support Vietnam's efforts to further enhance economic growth and development for its people in the years to come.

Institutional structure of the EU – Vietnam FTA

A Trade Committee, in addition to specialised committees and working groups, will be responsible for ensuring the proper operation of the EU – Vietnam FTA. The different bodies provide an opportunity both to seek resolution of market access concerns and to engage in closer regulatory cooperation.

Meeting annually, the Trade Committee will be co-chaired by the Minister for Industry and Trade of Vietnam and the Member of the European Commission responsible for Trade, or their respective designees. The Trade Committee will manage the agreement.

The EU – Vietnam FTA also foresees the establishment of five specialised committees and two working groups, which will meet in principle once a year. The Trade Committee may decide to establish other specialised committees and working groups to assist it in its tasks.

1. http://trade.ec.europa.eu/doclib/docs/2015/october/tradoc_153846.pdf

TRADE IN GOODS

Tariff elimination

Improved market access is one of the key objectives of any trade agreement. The EU-Vietnam trade agreement contains full dismantling of nearly all tariffs except for a few tariff lines that are subject to duty-free tariff rate quotas.

Widespread coverage is achieved already at entry into force with 65% of EU exports to Vietnam coming in duty-free from day one. The remaining trade – with the exception of a few products – will be liberalised after 10 years. The EU will liberalise 71% of its imports from Vietnam from day one and 99% will enter duty-free after seven years.

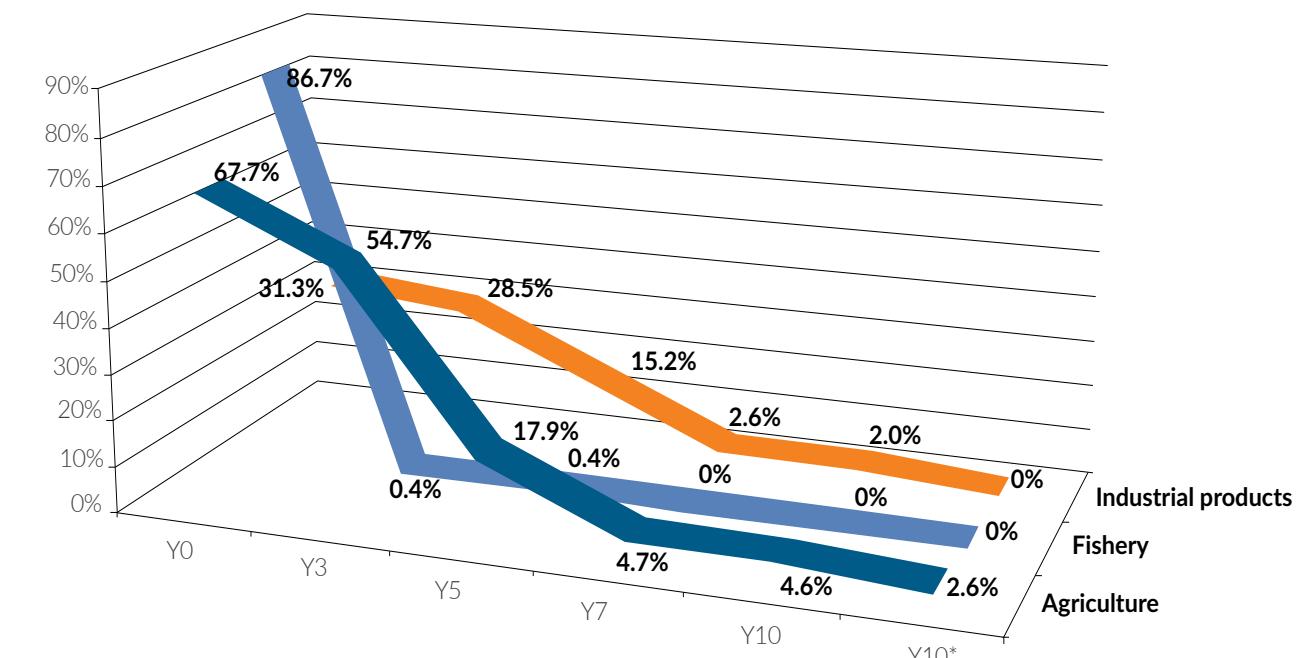
Custom duties will be removed over a transitional period (of a maximum period of seven years for Vietnamese goods and 10 years for EU goods) so that domestic producers can gradually adapt. Consumers from both sides will benefit from lower prices and exporters from strengthened competitiveness.

EXAMPLES OF BENEFITS FROM TARIFF ELIMINATION FOR EU EXPORTERS

- Almost all EU exports of machinery and appliances will be fully liberalised at entry into force of the FTA.
- Around half of EU pharmaceutical exports will be duty free immediately and the rest after seven years.
- All EU textile exports will be liberalised at entry into force.
- Car parts will be duty free after seven years.
- Motorcycles with engines larger than 150 cc will be liberalised after seven years and cars after 10 years except those with large engines (>3000cc for petrol, >2500cc for diesel) which will be liberalised one year earlier.
- Close to 70% of EU chemicals exports will be duty free at entry into force and the rest after three, five and seven years respectively.
- Frozen pork meat will be duty free after seven years, dairy products after five years and food preparations after seven years. Chicken will be fully liberalised after 10 years.
- As for fisheries, Vietnam has accepted liberalisation at entry into force for salmon, halibut, trout and rock lobster and others after three years.
- Wines and spirits will be liberalised after seven years and beer after 10 years.
- Vietnam will maintain existing WTO tariff rate quotas (albeit with reduction of the in-quota rate to zero over 10 years) for refined sugar, salt and eggs.

Tariff elimination by Vietnam for EU products

(Value in % accumulated)



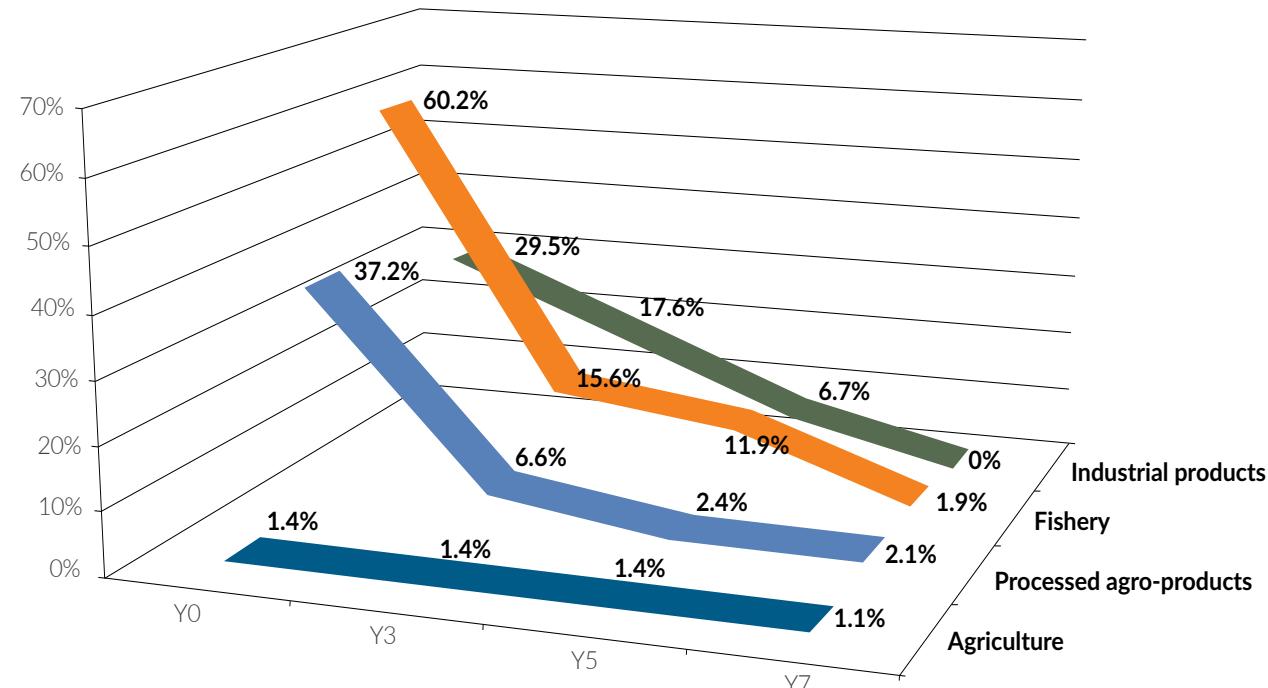
EXAMPLES OF MARKET ACCESS PREFERENCES GRANTED BY THE EU TO VIETNAM

- EU duties on textile apparel have dismantling periods stretching from five to seven years for the more sensitive items and three years and at entry into force for less sensitive goods. Footwear also gets the longest EU staging period, of seven years, for sensitive EU items and three years or elimination at entry into force on items which are less sensitive¹.
- The EU offered mostly duty-free tariff rate quotas for Vietnamese rice exports: (1) 30,000 tons of milled rice; (2) 20,000 tons of husked rice (in product weight, equal to 13,800 tons milled equivalent); (3) for broken rice: 50% tariff cut at entry into force and then linear reduction over 5 years; (4) 30,000 tons fragrant rice.
- Other products which received improved market access via duty-free tariff rate quotas include sweet corn (quota of 5,000 tons and liberalisation for baby corn), garlic (quota of 400 tons), mushrooms (quota of 350 tons), sugar and high-sugar-containing products (combined quota of 20,000 tons), manioc starch (quota of 30,000 tons), surimi (quota of 500 tons) and canned tuna (quota of 11,500 tons and strict rules of origin; liberalisation of fresh/chilled tuna);
- Non-processed shrimps will be liberalised as of entry into force;
- Pangasius (catfish) will be liberalised in three years.

1. On footwear, Vietnam agreed on a solution based on an ex-out definition, which enables liberalisation of athletic/sports footwear either at entry into force or in three years; the rest of the footwear products will be liberalised in seven years.

Tariff elimination by the EU for Vietnam's products

(Value in % per accumulated)



Disciplines

The agreement's chapter on trade in goods sets new standards in many respects. The main provisions are explained below.

National treatment

The trade agreement prohibits discrimination between imported and domestically produced goods with respect to internal taxation or other government regulation. This principle will be key to ensure that EU goods are not treated differently from domestic goods once they are on the Vietnamese market.

Import and export restrictions

The agreement forbids any prohibition or restriction on the importation of any good of the other Party or on the exportation or sale for export of any good destined for the other Party, in accordance with the WTO rules. This prohibition covers the adoption of:

- (a) import licensing rules that condition the granting of the license to the fulfilment of a performance requirement; or
- (b) voluntary export restraints.

In the text of the trade agreement, there is only a short list of items

where Vietnam can restrict importation, including right-hand steering vehicles, used consumer goods such as textiles and clothes, footwear, electronic goods, furniture and used motor-vehicles more than five years old as well as a few other products.

State trading enterprises

State trading enterprises are allowed but shall operate in a transparent manner in accordance with the WTO rules. This covers requests for information on individual cases of such enterprises and on their operations, including information on their bilateral trade.

Remanufactured goods

The text includes for the first time the concept of 'remanufactured goods' – which is increasingly important for many policy objectives and not least for the protection of the environment. The substantive discipline stipulates that remanufactured goods shall receive the same treatment as provided to new like products – whilst of course specific labelling shall be allowed. Until now these remanufactured goods were considered by Vietnam to be

'used' goods and used goods are generally prohibited to be imported into Vietnam.

Therefore, this category of remanufactured goods opens trade for a lot of very high value products like in the medical device area (e.g. magnetic resonance tomography apparatus that easily cost beyond a million euros in a remanufactured condition) and is equally important for car parts (especially for commercial vehicles) to serve the after sales market with original (remanufactured) parts. Vietnam can continue to restrict trade on specific 'used goods' under most favoured nation (MFN) conditions.

Repaired goods

The text also includes disciplines on the category of 'repaired goods'. It establishes duty-free temporary import and export of goods that are repaired. This is essential for ensuring fair and competitive conditions with regard to specialised maintenance services, for example, for aircrafts.

Marking of origin

This is the first time a trading partner officially accepts in an FTA the marking of origin of 'Made in EU' for non-agricultural goods. This allows manufacturers to reflect the increasing integration of the EU market, with the exception of pharmaceuticals where there is still an important portion of national approvals. More traditional markings of origin referring to EU Member States will, of course, continue to be accepted. This provision gives manufacturers the choice to make a broader use of the EU's internal market without obliging them to establish specific systems of differentiating production locations inside the EU.

Import and export licensing procedures

The text contains much amplified and improved disciplines. The extent of detailed provisions which is not covered by the WTO rules is certainly noteworthy especially on export licensing.

- As to import licensing, the bilateral obligations are very much written to help and enforce the implementation of the WTO Agreement on Import Licensing Procedures. It also contains a number of substantive provisions that reduce the possibility of seeking recourse to these measures or that reduce any possible trade restricting effect.
- On export licensing, the text provides for an obligation to first create full transparency regarding the existing export-related measures. Any future

changes to that situation would need to be notified to the other Party. The content of such notification is described in detail, and is inspired by the notifications required under the WTO Import Licensing Agreement, though adapted as necessary for export licensing. In case that licenses are denied, the applicant shall receive a written explanation promptly and has a right of appeal or review of the decision.

Administrative fees and formalities

Consular transactions are prohibited under the trade agreement. Consular authentication shall no longer be required three years after entry into force. This was considered a particularly burdensome practice for cosmetics, pharmaceuticals and vehicles exports. This positive change will lead to direct real-world trade facilitation as a result of this chapter.

Export duties

Vietnam will eliminate all its existing export duties, with very limited exceptions. Out of the 603 tariff lines (TL) subject to export duties at present, Vietnam has committed to:

- a standstill on 134 TL currently subject to 0% export duties;
- elimination of export duties on 412 TL, either after five, seven, 10, 12 years in one cut, or after 10, 12, 15 years through linear staging; and
- capping at 20% on 56 TL after five years, and a 10% cap for one TL of manganese ore, also after five years.

Export subsidies on agricultural goods

Introducing and maintaining export subsidies on agricultural goods by the exporting Party for products liberalised by the importing Party will be prohibited.

Further info:

• **Chapter 2: National Treatment and Market Access for Goods**
<http://trade.ec.europa.eu/doclib/html/157339.htm>

• **Annex 2-A-1: Tariff schedule of the EU:**
<http://trade.ec.europa.eu/doclib/html/157341.htm>

• **Annex 2-A-2: Tariff schedule of Vietnam:**
<http://trade.ec.europa.eu/doclib/html/157342.htm>

CARS

Improving market access for European cars to Vietnam was one of the key interests for the EU during the negotiation process. The trade agreement contains far-reaching provisions that will improve market access for European cars to Vietnam.

Tariffs

- All cars: duty free after 10 years;
- Cars with large engines (> 3000 cc for petrol, > 2500 cc for diesel): duty free after nine years;
- Car parts: duty free after seven years;
- Motorcycles with engines larger than 150 cc: liberalised after seven years;
- Smaller motorcycles: duty free after 10 years.

Rules of Origin

- Vehicles (chapter 87): maximum 45% of materials not originating in either Party;
- Motorcycles (chapter 8711): change of tariff heading or maximum of 50% materials not originating in either Party;
- Parts and accessories for motorcycles and bicycles (chapter 8714): change of tariff heading or maximum of 50% materials not originating in either Party;

Investment

Manufacturing of motor vehicles and of transport equipment remains restricted;

Investment in automobile and motorbike assembly and manufacture is subject to Vietnamese Government planning that may give preferences to local investors in terms of production quantity to meet the demand of the domestic market and location preferences.

Non-tariff barriers

Eliminating customs duties does not mean automatic access to the market of the trade partner if the EU goods are not in compliance with Vietnam's rules regulating the car sector. The text of the agreement contains an Annex which is solely devoted to address non-tariff barriers in this sector. The aim is to facilitate trade and avoid unnecessary trade barriers.

The commitments included in this Annex build on the spirit and provisions of the 1958 UNECE Agreement. This is remarkable as Vietnam is not yet a UNECE member but in the trade agreement made far-reaching commitments stemming from the 1958 Agreement. Through this Annex, Vietnam will itself profit from an intensification of the preparatory activities necessary for becoming a contracting party of the 1958 Agreement. It is therefore expected that the lengthy accession process of Vietnam may well be accelerated by the Annex.

The Annex will enter into effect three years after entry into force of the agreement.

The coverage of the Annex is very broad, going beyond what the EU has negotiated in any other FTA, notably:

1. Passenger cars up to 3.5 tons, including short pick-up trucks, as well as parts and equipment for these passenger cars and a substantial proportion of parts for commercial vehicles.

• All 77 UNECE Regulations applicable to passenger cars and parts and equipment thereof will be covered.

2. Parts for small buses (having a maximum mass not exceeding five tons) and big trucks

(vehicles used for the carriage of goods having a maximum mass exceeding 12 tons) to the extent that they are included in one of the UNECE Regulations that also cover passenger cars.

- 57 of the UNECE Regulations applicable to small buses are also covered (with only 13 Regulations left out that are very specific, for example theft protection).
- 55 UNECE Regulations applicable to (replacement) parts and equipment for large trucks will be covered (out of the possible maximum of 69, and excluding a few areas such as advanced emergency braking systems or retrofit emission control devices specifically designed for big lorries).
- 3. The Annex does not cover motorcycles and parts. However, upon request, after 10 years, the Parties can reconvene to discuss also a possible extension of coverage (for a few categories of specialised parts).

The disciplines included in the Annex will result in the following:

Parts and equipment

- Vietnam will accept on its market, on the basis of EU type approval certificates and without any further requirements in terms of testing and certification, EU parts and equipment complying with the UN Regulations.
- Vietnam will also discontinue its practice to require voluminous conformity of production reports. Vietnam is also encouraged to accept parts on the basis of UNECE marks only, until it becomes a UNECE party, after which it shall be obliged to align fully with UNECE practice.

- Regarding parts and equipment with new features, Vietnam accepted not to unduly delay placing them on the market of products on the grounds that they incorporate new features.

Whole passenger cars

- Vietnam will accept a whole vehicle EC Certificate of Conformity as sufficient proof for accepting on its market EU vehicles without further testing, conformity assessment or marking for at least seven years following the entry into force of this provision (after five years from the date of entry into force of the agreement). After that, it shall in any case continue to accept the UNECE International Whole Vehicle Type Approval (which is already in force) issued by EU authorities for an unlimited period of time.
- Vietnam also agrees to recognise the UN vehicle Regulations as the relevant international standards. It also accepts that these UN Regulations provide a sufficient level of protection of safety and environmental protection and will not introduce further requirements in these areas.

In order to ensure that the Annex works in practice, it envisages better cooperation between regulatory authorities and relevant information exchanges. If necessary, Vietnam will be granted technical assistance according to the EU rules and procedures.

Further info:

United nations Economic Commission for Europe (UNECE)
<http://www.unece.org/info/ece-homepage.html>

PHARMACEUTICAL PRODUCTS

Pharmaceutical products represent an important share of European exports to Vietnam, reaching 9.3 % in 2017 (Eurostat). The FTA achievements in this domain secure easier access to high-quality innovative drugs for the Vietnamese population. Provisions related to pharmaceuticals are covered in various chapters of the trade agreement.

Tariffs, trading rights and related rights for pharmaceutical products

Roughly half of EU pharmaceuticals exports will be duty free at entry into force of the agreement and the rest after seven years.

Vietnam will allow foreign pharmaceutical companies to establish foreign-invested enterprises in order to import pharmaceuticals that have duly been authorised to be sold on the Vietnamese market.

Such foreign-invested enterprises will be allowed to:

- Sell pharmaceuticals imported by them to distributors or wholesalers in Vietnam and to perform other activities
- Build their own warehouses
- Provide information about their product to Health Care Practitioners and do clinical study and testing

Government procurement of pharmaceutical products

Vietnam offered procurement of all pharmaceutical goods purchased by the Ministry of Health, the departments of health of Hanoi and Ho Chi Minh City and the 34 hospitals directly under the control of the Ministry of Health.

In the event that Vietnam sets up a centralised procurement mechanism for pharmaceuticals in the future, it was agreed that such a mechanism would be also subject to its FTA government procurement commitments.

For pharmaceuticals, specifically, Vietnam will maintain a set-aside scheme, as follows:

Year	1 st – 2 nd	3 rd – 9 th	10 th – 15 th	16 th onwards
% of contract value	100	65	60	50

It means in practice that, after a transitional period of two years from entry into force of the agreement, EU suppliers will have legally secured market access. From that point, the share reserved for domestic suppliers/ producers will diminish over 15 years to a final share of 50 %. The remainder will be open to all suppliers with market access rights.

Intellectual Property Rights

Important improvements on intellectual property rights (IPR) will make Vietnam more attractive for producers of pharmaceutical products and thus enable better access to quality medicines for the population:

- Vietnam will provide regulatory data protection to pharmaceutical (as well as to agro-chemical) products for five years. In other words, Vietnam shall not allow competitors to rely on test data in support of an application for pharmaceutical product approval for at least five years.
- It will also provide an extension of patent protection, up to a limit of two years, to compensate for delays in the marketing approval of pharmaceutical products if the approval process takes more than 24 months.
- Vietnam will withdraw existing clinical trials requirements on ethnicity which were not in line with international standards –in particular those of the International Conference on Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use (ICH).

Annex on pharmaceutical products and medical devices

The provisions of the annex ensure the use of international standards, practices and guidelines for pharmaceutical products or medical devices utilising those developed by relevant international standard setting bodies, such as the World Health Organization (WHO), Organisation for Economic Co-operation and Development (OECD), ICH, the Pharmaceutical Inspection Convention and Pharmaceutical Inspection Cooperation Scheme (PIC/S) and the International Medical Device Regulators Forum (IMDRF). The recognition of these specific bodies as a benchmark for standard-setting is essential for increased regulatory cooperation.

Vietnam will also simplify requirements for marketing authorisation, which in turn will reduce delays and costs in delivering products to the Vietnamese population. This is of particular importance for research-based medicinal products.

Further info:

EU-Vietnam FTA:
<http://trade.ec.europa.eu/doclib/press/index.cfm?id=1437>

Pharma-specific issues are cross-cutting and are covered by various chapters of the Agreement:

• **National Treatment and Market Access for Goods:**
<http://trade.ec.europa.eu/doclib/html/157339.htm>

• **Tariff schedule of Vietnam:**
<http://trade.ec.europa.eu/doclib/html/157342.htm>

• **Government Procurement:**
<http://trade.ec.europa.eu/doclib/html/157364.htm>

• **Intellectual Property:**
<http://trade.ec.europa.eu/doclib/html/157370.htm>

• **Annex on pharmaceutical products and medical devices:** <http://trade.ec.europa.eu/doclib/html/157347.htm>

ALCOHOLIC BEVERAGES

Improved market access conditions have been achieved in the trade agreement for the alcoholic beverages sector.

Tariffs

Customs duties for wines and spirits will be liberalised after seven years and for beer after 10 years.

Rules of Origin

The agreement will facilitate the use of regional hubs by EU exporters, for example to label, re-package and re-consign shipments, thanks to the non-alteration clause contained under the rules of origin.

Distribution licences

Vietnam has committed itself to ensuring that the conditions for the distribution and sale of spirits will not become more restrictive than at present and that it will abide by certain principles while issuing licences for wines (i.e. Vietnam will not apply any discriminatory quantitative and/or qualitative vertical or horizontal restrictions on licensing, etc.).

Existing licences for spirits will be renewed on the same terms.

Investment

Vietnam removed or eased limitations on the manufacturing of beverages.

Excise duties are not covered in the text of the trade agreement, as they are a matter of internal taxation. Nevertheless, the general disciplines in the agreement on national treatment and level-playing field will be applied if ever internal duties discriminate against EU products in relation to local products.

Geographical Indications

Many EU geographical indications (GIs) will be protected automatically upon entry into force of the trade agreement. A few examples are (not exhaustive list):

- Inländerrum – a spirit from Austria
- České pivo – beer from Czechia
- Bayerisches Bier – beer from Germany
- Rioja – wine from Spain
- Cognac; Eau-de-vie de Cognac; Eau-de-vie des Charentes – spirits from France
- Ouzo – a spirit from Greece and Cyprus
- Pálinka – a spirit from Hungary
- Irish Cream – a spirit from Ireland
- Grappa – a spirit from Italy
- Genièvre/Jenever/Genever – a spirit from The Netherlands
- Polska Wódka/Polish vodka – a spirit from Poland

Champagne will be fully protected after a transition period of 10 years, during which all uses incompatible with the GI protection, including translations and transliterations in Vietnamese script will be phased out

- Porto/Port/Oporto – wine from Portugal
- Cotnari – wine from Romania
- Svensk Vodka/Swedish Vodka – a spirit from Sweden
- Vinohradnícka oblast' Tokaj – wine from Slovakia

Further info:

<http://ec.europa.eu/agriculture/wine/>

CUSTOMS AND TRADE FACILITATION

The importance of trade facilitation

Beside tariff reduction and opening up of markets, trade facilitation is a critical part of cross-border trade. According to the WTO definition, trade facilitation refers to measures simplifying and modernising customs and other import and export procedures and requirements. For business, the benefits of trade facilitation are well known. It promotes transparency, cuts red tape and stops possible institution of non-tariff barriers in export markets. In short, it saves time and money.

EU-Vietnam FTA disciplines

Customs and trade facilitation provisions in the trade agreement aim at addressing non-tariff issues at the border in order to facilitate legitimate trade without compromising effective customs controls. This chapter calls for the modernisation and simplification of customs rules, requirements, formalities and procedures related to import, export and transit trade.

The trade agreement promotes, among others:

- Exchange of information concerning customs requirements (e.g. legislation, implementation and customs procedures).
 - Conformance of customs requirements and procedures to international instruments and standards, in particular modernisation and simplification of customs procedures as per the World Customs Organization Revised Kyoto Convention.
 - Ensuring transparency of all customs requirements including mechanism of consultations between the administrations and the business community (e.g. on new legislation and procedures).
- A Specialised Committee on Customs will be established under the agreement where issues of concern can be addressed between the EU and Vietnam. In addition, the trade agreement contains a Protocol on Mutual Administrative Assistance in Customs Matters that will allow information exchange ensuring a correct application of customs legislation and prevent customs violations.
- Commitment to further simplification and standardisation of data and documentation required by customs and other agencies:
 - » separating release of goods from payment of duties and taxes;
 - » electronic submission of shipment information
 - » pre-arrival processing of shipments (advance electronic submission and eventual processing of information before physical arrival of goods to enable release of goods on arrival)
 - » single administrative document or electronic equivalent
 - » risk assessment and selective inspections
 - » post clearance audits
 - » advanced rulings for classification
 - » customs valuation



Further info:

<http://trade.ec.europa.eu/doclib/html/157349.htm>

RULES OF ORIGIN

The rules of origin (RoO) are the legal instrument used to link a product with a country with a view to granting the product a specific treatment based on its origin. The preferential rules of origin define when a product can be considered as sufficiently transformed in a country in order to grant it a tariff preference under an FTA or under unilateral preferences.

Preferential RoO have become trade policy instruments used to enhance or to limit market access for preferential partners. Trade partners therefore negotiate the content of these rules in the framework of FTA negotiations, or define it unilaterally in the case of autonomous preferences.

How is it possible to benefit from the tariff elimination?

Under an FTA, only products originating in one of the parties can benefit from the preferences granted under the agreement: rules of origin are therefore an important aspect. The relevant provisions for trade between the EU and Vietnam are laid down in the Protocol on Rules of Origin.

The following conditions have to be met for goods exported from the EU to benefit from preferential treatment at the Vietnamese border.

Goods must:

- 'originate' in the EU;
- be accompanied by a certificate of origin; and
- fulfil certain additional requirements.

The rules of origin included in the FTA with Vietnam follow the EU approach and their main features are the same as those of the rules of origin of the EU's General Scheme of Preferences (GSP) as well as of the EU's trade agreement with Singapore. They contain, however, a number of limitations and flexibilities, which take into account the specific situation of



Vietnam and of the EU, for example in relation to products containing sugar and dairy, to steel products, mechanical machinery, electrical machinery and others. There are simplifications which will guarantee a similar level of flexibility as the GSP rules both for Vietnam and for the EU.

Main principles

Non-alteration: The Protocol contains the principle of non-alteration which means that the products can transit through third countries, as long as they have not been altered, transformed or subject to operations other than preserving them in good condition or adding/affixing marks, labels, seals or any other documentation to ensure compliance with specific domestic requirements of the importing country. Documentary proof of compliance with non-alteration (certificate of non-manipulation) may be required in case of doubt. This ensures that the authorities of the importing country cannot systematically require that evidence. This will facilitate the use of regional hubs such as Singapore.

Certification and self-certification: The trade agreement with Vietnam is based on the EU standard system available in other agreements. EU approved exporters can make use of self-certification. Any EU exporter may also use self-certification in case of consignments not exceeding the value of €6000. EU exporters may also

export goods covered by certificates EUR.1 issued by customs. In the future the EU may move to a system of registered exporters (REX). Vietnamese exporters will need government certificates (Certificates of Origin) but Vietnam can also introduce self-certification whenever it is ready to do so.

Cumulation: The protocol provides for bilateral cumulation. It means, for example, that EU textile producers may supply Vietnamese garment producers with fabrics originating in the EU. The FTA provides cumulation with South Korea in relation to fabrics used for producing garments after complying with certain administrative requirements. Vietnam will also benefit from cumulation with ASEAN countries with which the EU has an FTA in force for two fishery products: squid and octopus. A review clause foresees the possibility of agreeing to extended cumulation for more products and/or more countries with which both parties have an FTA in the future. This has to be requested by one of the parties and will require consensus from both sides.



Duty drawback is allowed: Exporters using inward processing schemes¹ for subsequent export to Vietnam or to the EU may benefit from suspension or reimbursement of duties applied to non-originating inputs used in the manufacture, if they have complied with Product Specific Rules (PSR).

Product Specific Rules (PSR)

A single set of product-specific rules (PSR) for both EU and Vietnam has been agreed and will apply without discrimination or any differential treatment to all producers in both countries who wish to benefit from the preferential treatment.

Most of the basic agricultural products have to be wholly obtained in Vietnam or in the EU. The PSR for agricultural and processed agricultural products



mostly require the change of tariff classification (also referred to as change of tariff heading (CTH)) but often provide for weight limitations (between 20% and 60%) in relation to non-originating content of raw agricultural materials (i.e. dairy, sugar, cereals etc.). The PSR for other products mostly require the change of tariff classification or alternatively a limitation in value of non-originating materials between 50% and 70%. Some products benefit from rules expressed in specific manufacturing operations. The PSR for textiles and garments require double transformation (from fibre to fabric or from yarn to garment). Printed fabrics benefit from the so called 'printing rule'. Vehicles have to comply with the value limit of 45% of non-originating materials and vehicle parts with the value limit of 50% of non-originating materials.

Further info:

Text of the FTA:

<http://trade.ec.europa.eu/doclib/press/index.cfm?id=1437>

DG Taxation and Customs Union, European Commission

http://ec.europa.eu/taxation_customs/customs/customs_duties/rules_origin/index_en.htm

GSP rules of origin – guide for users

http://ec.europa.eu/taxation_customs/resources/documents/guide-contents_annex_1_en.pdf

Rules of Origin according to WTO:

https://www.wto.org/english/tratop_e/roi_e/roi_e.htm

World Customs Organisation:

<http://www.wcoomd.org>

1. Inward processing allows imported raw materials or semi-manufactured goods to be processed for re-export without a requirement that the manufacturers have to pay customs duty and VAT on the goods being used

TECHNICAL BARRIERS TO TRADE

An open and fair international trading system is one of the foundations of Europe's competitiveness. Addressing barriers to EU exports in other countries accounts for the bulk of the potential to improve the competitive position of EU industry. The EU has consistently removed these barriers in its own economy and now has one of the most open markets in the world. With the elimination of customs duties in the trade agreement, the impact of technical requirements on trade is more apparent.



The chapter on technical barriers to trade (TBT) under the agreement covers mandatory technical regulations and voluntary standards that define specific characteristics that a product should have, such as its size, shape, design, labelling, marking, packaging, functionality or performance. The specific procedures used to check and demonstrate whether a product is in compliance with these requirements are also covered by the chapter. These so-called 'conformity assessment procedures' can include, for example, product testing, inspection and certification activities.

Technical requirements are usually introduced by government authorities with a legitimate public policy objective in mind – for example, protecting human health and safety, animal and plant life and health or the environment or safeguarding consumers from deceptive practices. Nevertheless, in some cases, they are more restrictive than necessary to protect that legitimate objective, and become barriers to trade. Adjusting products and production processes to comply with different requirements in export markets, as well

as demonstrating compliance with these requirements, increase product costs and time-to-market, and can ultimately hurt the competitiveness of exporters, in particular small and medium-sized enterprises (SMEs).

Technical barriers to trade exist in all sectors of the economy, for example: the labelling of the food, the safety of toys, technical specifications of cars or the safety and energy efficiency of the home appliances.

The trade agreement contains provisions to address such barriers, going beyond the obligations of the WTO TBT Agreement. The aim is to ensure that technical regulations, standards, and conformity assessment procedures are non-discriminatory and do not create unnecessary obstacles to trade. The TBT Agreement strongly encourages members to base their measures on international standards as a means to facilitate trade. Through its transparency provisions, it also aims to create a predictable trading environment.

Technical regulations

Vietnam has agreed to the following:

- to assess the available regulatory and non-regulatory alternative to the proposed technical regulation and to endeavor to assess the impact in the form of a regulatory impact assessment as recommended by the WTO TBT Committee
- to refer to standards drafted by the International Organization for Standardization (ISO), International Electrotechnical Commission (IEC), International Telecommunication Union (ITU), and the Codex Alimentarius Commission as examples of international standards that will be used as a basis for their technical regulations.
- to review technical regulations with a view of increasing their convergence with relevant international standards.

Standards

The agreement includes the following commitments:

- To encourage standardising bodies to participate in the preparation of international standards by relevant international standardising bodies.
- to use relevant international standards as a basis for the development of domestic standards.
- to avoid duplication of, or overlap with, the work of international standardising bodies.
- to review national and regional standards not based on relevant international standards at regular intervals, with a view to increasing their convergence with relevant international standards.
- to notify technical regulations and conformity assessment procedures making voluntary standards mandatory.

Transparency

The trade agreement contains enhanced transparency provisions, including the following commitments:

- to ensure that all technical regulations and mandatory conformity assessment procedures are publicly available on official websites and free of charge.
- to allow economic operators of the other Party to participate in any formal public consultation process concerning the development of technical regulations.
- to provide responses to the comments made by the other Party to proposed technical regulations.

Market surveillance

The trade agreement contains provisions:

- to ensure no conflict of interest between market surveillance function and conformity assessment function as well as between market surveillance bodies and economic operators subject to control or supervision.

Further info:

DG TRADE website:
<http://trade.ec.europa.eu/doclib/html/157350.htm>

http://ec.europa.eu/trade/policy/accessing-markets/dispute-settlement/trade-barrier-investigations/index_en.htm

DG GROW TBT Database:
<http://ec.europa.eu/enterprise/tbt/index.cfm?FUSEACTION=Search&viewMenu&dsLang=EN>

WTO website:
http://www.wto.org/english/tratop_e/tbt_e/tbt_e.htm

SANITARY AND PHYTOSANITARY MEASURES

Trade policy must help ensure that traded food and feed is safe and meets the relevant sanitary and phytosanitary (SPS) measures in the importing country. The safety of food is of critical importance for the EU. Consumers must be confident that the food they buy and eat is not harmful. Nevertheless, these measures are at times misused and become a protectionist barrier. In recent years, the use of SPS measures by the EU's trade partners as trade barriers for imports has increased considerably. This creates serious obstacles for EU exporters.

Third countries have confidence to allow imports from the EU because they are produced with the highest hygiene standards, which are legally binding for all Member States. This is because EU exported products must comply with the same standards as those consumed in the EU.

To achieve these food safety standards, amongst other requirements, in the EU:

- food businesses have the primary legal responsibility for ensuring food safety;
- the competent authorities of all EU Member States put strict official controls in place;
- the EU's audit/inspection body evaluates the performance of the competent authorities of EU Member States with the aim of ensuring correct enforcement of the EU provisions;
- the European Food Safety Authority (EFSA) provides scientific opinions (risk assessments) on SPS issues.

Food safety requirements are defined at EU level and applied to all products regardless of their origin. The aim of the FTA is not to set such standards but to reconfirm a commitment to their application and to facilitate market access through the removal of unjustified and

unnecessary barriers. It builds on commitments already established in the WTO SPS Agreement. The SPS chapter focuses on securing progress based on the respect of the WTO SPS Agreement and other standards developed by international standard bodies: Codex Alimentarius on food safety, the World Organisation for Animal Health (OIE) on animal health, the International Plant Protection Convention (IPPC) on plant health. It thus provides a framework and system to facilitate trade and to make the WTO SPS requirements more operational when 'applied on the ground'.

EU as a single entity

The purpose of this chapter is to set up a single and transparent procedure for the approval of EU exports of food products into Vietnam. This is an important step forward to accelerate the approval of EU export applications and to avoid discriminatory treatment. Vietnam commits itself to applying the same import requirements to like products coming from all EU Member States. Considering that – with very limited exceptions – food safety requirements are mainly defined at the EU level, Vietnam should not define different principles for each Member State as it has done in the past.

Pre-listing

Once Vietnam has approved a category of food products from the EU and is confident that the competent authority of the Member State in question has the capacity to check and monitor compliance of the EU food safety requirements by its establishments, Vietnam will automatically allow imports from all of the establishments submitted by that EU Member State. This is what is known as 'pre-listing', i.e. approval of establishments in the exporting Party without prior individual inspections. In the event that Vietnam has doubts about a particular

establishment and wishes to undertake an inspection, the costs of the inspection will be borne by Vietnam and no longer by the EU.

Regionalisation

Vietnam shall recognise the EU official animal health status as determined by OIE in an area, region or zone affected by a disease, and shall thus limit possible trade restrictive measures only to the affected area and not to the whole country. It shall also not maintain import restrictions for longer than necessary and justified, especially as indicated in the Article 5.7 of WTO SPS Agreement and the Terrestrial Animal Health Code of the OIE. Vietnam shall also objectively consider the evidence of claims of disease free-regions presented by the EU to allow the importation of animal and animal products from such areas, and recognise the concept of free-pest areas, areas of low pest prevalence, protected zones, and pest free production in accordance with the SPS Agreement and IPPC standards, guidelines and recommendations.

OIE health status

The specific recognition by the Parties for certain diseases of the official health status of the other Party accepted by international organisations such as the OIE is innovative and will help to tackle barriers in Vietnam related to bovine spongiform encephalopathy (BSE). This should lead to the elimination by Vietnam of barriers linked to BSE (and other diseases for which the OIE grants an official status), except when aligned to the OIE standards.

Exports of fruits and vegetables

Very clear commitments have been included in the FTA to tackle existing market access barriers and delays encountered by EU exports:

- » When a pest risk assessment is needed it will be carried out without undue delay.
- » Recognition of the concept of pest free areas, areas of low pest prevalence, protected zones and pest free production sites shall be granted.
- » The need – in principle – to base the plant health status on the information provided by the exporting party. This will lead to increased trust and over time open the door to recognition of the plant health status of areas in the EU

Equivalence and transparency

The FTA includes provisions on equivalence, and also on technical assistance. This should contribute to helping Vietnam with its needs while respecting its status as a developing country.

Equivalence means that Vietnam (or the EU) shall accept the SPS measures of the other Party as equivalent if it can objectively demonstrate that they achieve the same level of protection.

There is also increased transparency with strict deadlines for communicating relevant information.

Verifications and costs

The two Parties have the right to carry out verifications in accordance with international standards and share the results according to precise deadlines. The relevant expenses shall be borne by the Party carrying out the verification.

Animal welfare

Enhanced cooperation on animal welfare is foreseen in the cooperation chapter of the FTA and the FTA's Specialised Committee on SPS Measures shall be consulted for the necessary arrangements for its implementation.

Specialised Committee on SPS Measures

A bilateral Specialised Committee on SPS Measures will be set up, where experts from both sides will meet annually to ensure a good dialogue on effective FTA implementation as well as on any delays or barriers encountered by the EU or Vietnamese operators. This will provide a suitable forum for discussing problems and ways forward. This intensified dialogue should lead to increased trust between the partners.



Further info:

DG TRADE
<http://trade.ec.europa.eu/doclib/html/157351.htm>

INTELLECTUAL PROPERTY RIGHTS

According to the World Intellectual Property Organisation (WIPO), IPR refer to creations of the mind: inventions; literary and artistic works; and symbols, names and images used in commerce. IPR protect intangible assets of companies and ensure that inventors can actually benefit from their creative and innovative activities. As such, IPR can become an important source of revenue (licensing, franchising, etc.). These days, it is not exceptional that intangible assets represent over half of the value of companies and their importance is growing.

Intellectual property can be divided into two categories:

- Industrial Property includes patents for inventions, trademarks, industrial designs and geographical indications.
- Copyright covers literary works, films, music, architectural design and artistic works like drawings, paintings, photographs and sculptures, etc.

Important positive improvements in IPR field have been agreed in the FTA, which will bring benefits to both the IPR owners as well as consumers:



Copyright

- Vietnam will accede to the WIPO Internet Treaties. The WIPO Copyright Treaty and the WIPO

Performances and Phonogram Treaty (known together as the "Internet Treaties") set down norms preventing unauthorised access to and use of creative works on the Internet or other digital networks.

They address the challenges posed by today's digital technologies, in particular the dissemination of protected material over digital networks such as the Internet.

Most importantly, the Treaties ensure that the owners of those rights will continue to be adequately and effectively protected when their works are disseminated through new technologies and communications systems such as the Internet.

The Treaties also require Vietnam to ensure that right holders can effectively use technology to protect their rights and to license their works online:

- » First, by providing adequate legal protection and effective remedies against the circumvention of technological measures (such as encryption) used by right holders to protect their rights. These 'anti-circumvention' provisions tackle the problem of 'hacking'.
- » Second, by prohibiting the deliberate alteration or deletion of electronic 'rights management information': that is, information which accompanies any protected material, and which identifies the work, its creator, performer, or owner, and the terms and conditions for its use.

- Authors, broadcasters, performers and producers gain additional rights through the FTA, such as the right of reproduction, distribution and of making available, rights of communication to the public and the right to single equitable remuneration (for broadcasts and communication to the public). This means, for example, that European artists can get royalties from food, drink and retail establishments that play music to attract consumers.



Trademarks

Vietnam will apply the WIPO recommendation on the protection of well-known trademarks, which takes into consideration additional parameters that are not restricted exclusively to its degree of prominence amongst relevant consumers in a country.

Additional clarifications for grounds for revocation have been agreed, including the obligation to have a requirement of use and protection against misleading use of names.

Designs

Vietnam has committed itself to accede to the Hague Agreement Concerning the International Registration of Industrial Designs and to extend the term of protection for designs to 15 years.

Patents

Patent owners can enjoy an extension of patent protection in case of delays in marketing authorisation procedures.

Protection of undisclosed information and data

Data protection for pharmaceutical products (i.e. including biologics) and agrochemical products has been set at five years.

Plant varieties

The Parties shall protect plant varieties rights, in accordance with the International Convention for the Protection of New Varieties of Plants (UPOV) and its latest revision (the so-called '1991 UPOV ACT'). This means that innovative plant varieties, for example, those that give better yields or are pest-resistant (such as certain rice varieties that are resistant to rot) will be protected and are therefore likely to be introduced more quickly onto the Vietnamese market to the benefit of farmers and consumers.

Geographical Indications

Geographical indications are distinctive signs used to identify a product as originating in the territory of a particular country, region or locality, where its quality, reputation or other characteristic are linked to its geographical origin. They are also protected under the FTA (see the section on geographical indications).

Enforcement

Efficient enforcement of IPR is necessary to ensure continuous investment in innovation and to avoid commercial-scale intellectual property rights infringements that result in economic harm. The obligations of Vietnamese authorities and customs officers are more precisely defined. They also gain increased competences and better tools to address possible infringements.

As such, the agreement contains strong provisions improving the legal framework for enforcement at all levels:

- The obligation to recognise a number of entities as entitled applicants to enforcement measures.
- The obligation to provide for provisional measures and injunctions against intermediaries.
- Making the right to provide information an obligation and extending it to other entities than the infringer.
- Additional obligations regarding provisional measures, such as the possibility of recurring penalty payments, blocking of bank accounts and other assets.
- Possibility to replace injunctions or corrective measures by pecuniary compensation in certain cases of unintentional infringement.



- Measures to dispose of infringing goods at the expense of the infringer.
- Publication of judicial decisions.

Customs

- Ability for customs officers to act 'ex-officio' – in other words to intervene without having to wait for a complaint.
- The obligation to extend border enforcement measures to exports of infringing goods.
- The obligation to cooperate with right holders and to use risk analysis.

Liability of Intermediary Service Providers

- Rules defining the role of intermediaries' services in the digital environment.
- Liability limitations for infringements of copyright by intermediary service providers (ISPs) performing specific functions through telecommunication networks ('mere conduit', 'caching' and 'hosting').
- This means it will become easier to carry out e-commerce in Vietnam as the rules are clearer as to the liabilities of service providers.

IPR for pharmaceutical products

Important improvements in the IPR field will make Vietnam more attractive for producers of pharmaceutical products and thus provide people with better access to quality medicines (for more information, see pages 32-33 on pharmaceuticals).

Further info:

EU-Vietnam FTA, Chapter on IPR:
<http://trade.ec.europa.eu/doclib/html/157370.htm>

World Intellectual Property Organization
<http://www.wipo.int/portal/en/index.html>

IPR Helpdesk
www.southeastasia-iprhelpdesk.eu
http://www.southeastasia-iprhelpdesk.eu/sites/default/files/publications/Vietnam_Factsheet.pdf

GEOGRAPHICAL INDICATIONS

A Geographical Indication (GI) is a distinctive sign used to identify a product as originating in the territory of a particular country, region or locality where its quality, reputation or other characteristic is linked to its geographical origin.

The EU supports better protection of Geographical Indications internationally, with a view to prevent their increasing misuse and counterfeiting. The abuse of geographical indications limits access of the genuine products to certain markets and undermines consumer confidence. Fraudulent use of Geographical Indications thus hurts both producers and consumers.



As a result of the trade agreement, farmers and businesses producing 169 European GIs¹ will benefit from recognition and protection on the Vietnamese market at a comparable level to that of EU legislation. This means that the use of GIs such as Champagne, Feta, Parmigiano Reggiano, Rioja or Roquefort will be reserved in Vietnam for products imported from the European regions in which they originate. This protection will apply once the trade agreement enters into force and will be enforced on the Vietnamese market through appropriate administrative sanctions, including upon request of an interested party.

The listed GIs will benefit from direct protection through the agreement that will provide for the legal

basis to challenge any usurpation, with only very limited exceptions: specific solutions were agreed for five EU GIs (Asiago, Champagne, Feta, Fontina and Gorgonzola), addressing possible coexistence with prior registered trademarks or uses in Vietnam.



39 Vietnamese GIs will be also recognised and protected as such in the EU thanks to the agreement, providing the adequate framework for further promoting imports of quality products such as Phú Quốc fish sauce, Mộc Châu tea or Buôn Ma Thuột coffee.

Further info:
DG TRADE http://ec.europa.eu/trade/policy/accessing-markets/intellectual-property/geographical-indications/
DG AGRI http://ec.europa.eu/agriculture/quality/schemes/index_en.htm
WTO https://www.wto.org/english/tratop_e/trips_e/gi_background_e.htm
OriGI http://www.origin-gi.com/

1. The full list of EU and Vietnamese GIs can be found as an Annex to the chapter of the FTA on Intellectual Property
<http://trade.ec.europa.eu/doclib/html/157371.htm>



SERVICES, INVESTMENT LIBERALISATION AND E-COMMERCE



MARKET ACCESS FOR INVESTMENTS IN SERVICES SECTORS, CROSS BORDER TRADE IN SERVICES AND TEMPORARY PRESENCE OF NATURAL PERSONS

These days, economic relations among countries go far beyond traditional flows of goods. Trade in services has been growing and represents around 70 % of GDP in Europe and 40 % in Vietnam. It is, therefore, positive that the FTA not only grants further opening in trade in services and investment but also provides improvements and more stable conditions to already existing investments.



The FTA will offer new opportunities to EU investors as Vietnam further liberalised its services markets by offering access beyond their WTO commitments. This would include investments in many services sectors, and among those:

Business services

The FTA ensures new market access openness in various services sectors such as building cleaning services, including disinfecting and exterminating; packaging services; trade fairs and exhibitions services; rental/leasing without operators relating to machinery and equipment; interdisciplinary Research and Development; technical testing and analysis services for cross border in certain services or certain special photography services; nursing services, physiotherapists and paramedical personnel.

Computer services

Vietnam committed to the whole sector of computer services, which does beyond their WTO commitments. Their commitments ensure that all

future technologies in the computer sector are captured and the EU suppliers can have a wide choice in offering computer services in Vietnam.

Postal services

Vietnam committed to all postal services beyond the provision for courier services. Certain postal services are still provided under monopoly: The FTA guarantees that the EU will benefit from further liberalisation in this sector and in case that Vietnam decides that certain reserved services will no longer be supplied only by the universal service provider.

Vietnam agreed to a set of principles ensuring fairer competition, certain standards on licensing, the independence of the postal authority and its impartiality from the market participants. These are important principles especially in the light that part of the postal services are still reserved to the state as universal service while other services such as courier are open to competition.

Social services

Vietnam has now opened its social services market covering both services with or without accommodation subject to certain requirements (foreign equity cap of 70% on establishment).

Higher education

The provision of cross border higher education services by EU suppliers is now possible based on the new commitments offered by Vietnam to the EU. This would allow the provision of such services from the EU territory directly to consumers in Vietnam.

Environmental services

EU investors will be now allowed to provide, among others, sanitation and similar services and nature and landscape protection services be that on a cross border basis or by establishing themselves in Vietnam subject to no limitations;

Distribution services

Five years from the entry into force of the FTA, Vietnam will eliminate completely the *economic needs test* (ENT) on outlets for retail services while before that, no ENT will apply for outlets beyond the first one which are less than 500 square meters. Vietnam has signed an *Understanding concerning specific commitments on distribution services of wines*

and spirits which ensures that the commitments made in General Agreement on Trade in Services (GATS) are not implemented in a detrimental manner for the EU providers of wines and spirits.

Financial services

In banking, within 5 years from the entry into force of the FTA, two EU banks could invest up to 49% (from the previous 30% applied in GATS) in certain joint stock commercial banks of Vietnam. EU investors are allowed to transfer cross border financial information and financial data processing as well as supply advisory intermediation and other auxiliary financial services. On insurance, cross border retrocession is now possible while EU investors can establish themselves in Vietnam to provide health insurance services and open branches to provide re-insurance.

In Securities, EU investors can provide cross border financial data processing and cross border advisory, intermediation and other auxiliary securities related to trading for own account or for account of customers as long as they are permitted to Vietnam's own financial services suppliers, participating in issues of all kinds of securities, asset management settlement and clearing services for securities etc.

Financial services text

Vietnam committed to certain disciplines applying on financial services and among others, Vietnam will try to ensure that internationally agreed standards for regulation and supervision in the financial services sector and for the fight against tax evasion and avoidance are implemented and applied in its territory; will apply a set of principles on transparency while, subject to requirements, will permit EU suppliers to provide any new financial service that would permit its local suppliers to supply; will permit EU suppliers in the future to transfer information electronically or in other form, into and out of Vietnam, for data processing; will observe certain principles such as non-discrimination and others if Vietnam requires the membership or participation in self-regulatory organisations etc.

Maritime transport services

Vietnam liberalised the cross border passengers and freight transportation and offered better conditions to EU investors in establishing their companies in Vietnam to provide these services. Vietnam also liberalised the maintenance and repair of vessels services. Further,

EU investors are allowed to supply *maritime agency* services while EU managers will be able to work in maritime agencies. They can also supply cross border *container station and depot* services, *maritime cargo handling services* and *container handling services*; EU investors can also supply *storage and warehouse services*

without any limitations as well as *dredging services* through joint ventures with local partners.

Vietnam agreed to a text on *international maritime transport* ensuring clarity of what is committed under the FTA and unrestricted access to the international maritime markets and trades on a commercial and non-discriminatory basis. Both Parties are obliged to grant treatment no less favourable than that accorded to their own ships to access to ports, the use of infrastructure and the use of maritime auxiliary services etc while neither Party can introduce cargo-sharing arrangements in future agreements with third countries.

EU maritime transport service suppliers are allowed to *re-position their owned/leased empty containers*, between Quy Nhon port and Cai Mep-Thi Vai port and in 5 years from the date of entry into force of the FTA, to re-position owned/leased empty containers subject to certain conditions. EU maritime transport service suppliers also are allowed to *provide feeder services* between Quy Nhon port and Cai Mep-Thi Vai port for their own vessels with the condition that the fed vessels (i.e. mother vessels) should call at Cai Mep-Thi Vai port.

Air transport services

Vietnam committed, among others, to allow EU investors to provide *air transport ground handling services* and *in-flight meal serving services*.

Telecommunications

EU investors can provide any type of telecommunications service forming, in most of the cases, joint ventures with local partners and subject to foreign equity caps depending on the type of the service to be provided. They can also establish their wholly owned companies to provide internet and/or value added services such as emails, online information and data processing etc. using the facilities of a third-party. Such market access openness is coupled with significant regulatory disciplines which ensure the strengthening of the independent regulatory authority and that EU investors will operate on an equal footing and receive a fair treatment, not less favourable than the local suppliers.

Domestic regulation

A set of principles will apply in the licensing and qualification procedures and requirements for any type of service and non-services sectors. They will ensure, among others, that any measures on licensing and qualification are based on clear, objective, transparent and pre-established criteria, guaranteeing the

impartiality of the process with respect to all applicants, the right to appeal, the obligation of the Parties to try their best to ensure that all applicable procedures are as simple as possible etc.

Mode 4:

Managers, executives, specialists, business visitors, trainee employees, business sellers etc are guaranteed the right to be transferred to the territory of Vietnam for a certain period of time to set up or manage or engage in agreed activities in line with the specific requirements of the FTA. Contractual services suppliers in engineering, architectural, urban planning and landscape architecture services, integrated engineering, computer, higher education, foreign language and environmental services will be able to move to the territory of each Party to provide their services under contract for a certain period of time.



Mutual recognition of professional qualifications (MRA)

While no automatic recognition of professional qualifications is envisaged by the FTA, the agreement on the MRA sets up a step by step process in achieving such recognition. The process will be launched following the expression of interest by the relevant professional bodies of each Party.

MARKET ACCESS FOR INVESTMENT IN NON-SERVICES SECTORS (E.G. MANUFACTURING)

Increased access to the Vietnamese market will attract foreign investors and create opportunities for developing manufacturing in Vietnam.

- Limitations in the following sectors have been eased:
 - » food products and beverages including on processing of fish and aquaculture products
 - » cane sugar

- » fertilisers and nitrogen composites
 - » tyres and tubes, gloves and plastic products; and.
 - » ceramics
- On machinery, restrictions have been removed on assembly of marine engines and services related to general purpose machinery, as well as on agricultural machinery, domestic appliances and bicycles.
 - Restrictions for the production of construction glasses, clay bricks and cement products have been reduced.
 - Licenses for the manufacturing of soft drinks have been allowed.

ELECTRONIC COMMERCE

E-commerce is an area that is rapidly developing because of technological and business innovations such as cloud computing or the internet of things. In the EU alone, the percentage of turnover on e-sales in 2014 amounted to 17% of the total turnover of firms with 10 or more persons employed in the EU-28.

E-commerce in the agreement refers to use of electronic means to conduct business. As such, it is an issue cutting across various sectors. Rules on e-commerce apply to a wide variety of services, including retail services but also financial services or business services or any other service, to the extent that those services are provided by electronic means.

The agreement promotes a number of rules on e-commerce, such as:

- » the prohibition of customs duties on electronic transmissions;
- » setting a forum to discuss issues related to the provisions of e-commerce services;
- » liability exemptions for online intermediaries (in order to increase legal certainty for internet access providers and e-commerce platforms);
- » treatment of unsolicited electronic commercial communications (spam); and
- » cooperation on e-commerce matters.

GOVERNMENT PROCUREMENT



Public procurement is about how public authorities spend public money when buying goods, works or services. This can range from buying IT equipment or providing water, gas and electricity, to building a hospital or a road.

Public procurement affects a substantial share of world trade flows, amounting to € 1,000 billion per year. In the EU, the public purchase of goods and services has been estimated to account for 16% of GDP. Vietnam is one of the countries with the highest ratio of public investment to GDP in the world. Since 1995, this ratio has maintained at over 39% annually with a large part invested in infrastructure projects. This market has become very attractive to many foreign investors.

Hence, under the FTA, Government Procurement is an important chapter. Vietnam and the EU have agreed on disciplines in line with the WTO Government Procurement Agreement (GPA) rules of the World Trade Organization. This is particularly valuable as Vietnam is not yet member of the GPA. The government procurement chapter of the FTA achieves a degree of transparency and procedural fairness comparable to other FTAs that the EU has signed with developed and more advanced developing countries.

Market Access

Upon entry into force of the agreement, EU companies will be able to bid for public procurement contracts under the same conditions like Vietnamese companies for the following entities:

- All Vietnamese ministries at central level including for infrastructure such as roads and ports and two other entities equivalent to ministries (Committee on Ethnic Minority Affairs and Government Inspectorate).
- Two key utility-related State Owned Enterprises (i.e. the branches of the national electricity operator Electricity of Vietnam (EVN) in charge of power transport and distribution and the nationwide railway operator VNR).
- 34 public hospitals directly under the control of the Ministry of Health.

- Two major universities and two major research institutes.
- Entities in Hanoi and Ho Chi Minh City covered by the annex, which stand for 50 % of procurement conducted at sub-central level.

As a developing country, Vietnam will benefit from differentiated treatment and/or transitional measures in certain areas. This particularly concerns threshold values. Only those procurement activities that are carried out by covered entities purchasing listed goods, services or construction services of a value exceeding specified threshold values are subject to the agreement. For threshold values, a transitional period of 15 years will apply across the board with a progressive scaling-down of thresholds up to a level comparable to those offered by other GPA members.

For example, the initial threshold of 1.5 million Standard Drawing Rights (SDR) for goods and services for procurement done by central government entities would be gradually reduced to 130 000 SDR (equivalent to around €160 000 ; see Table on page 56 for more details).

Vietnam agreed to develop a central web portal for advertising procurement contracts that should be operational at the latest 10 years after entry into force of the FTA. It is also of great importance for the foreign investors that summaries of procurement notices will be available in English.

Goods procurement

Vietnam offered a large coverage of products, essentially only excluding a few agricultural products and a few manufactured goods of minor value.

A specific scheme has been agreed for pharmaceutical products (see the section on pharmaceuticals).

Services procurement

Vietnam offered a number of sectors including most computer-related services. For public works, Vietnam offered almost all construction services, including procurement under the Ministry of Transport, and dredging services – these are two sectors of importance for a number of EU Member States.

1. 100,000 SDR correspond to € 120,796 and 130,000 SDR are equivalent to 157,035 (October 2018).

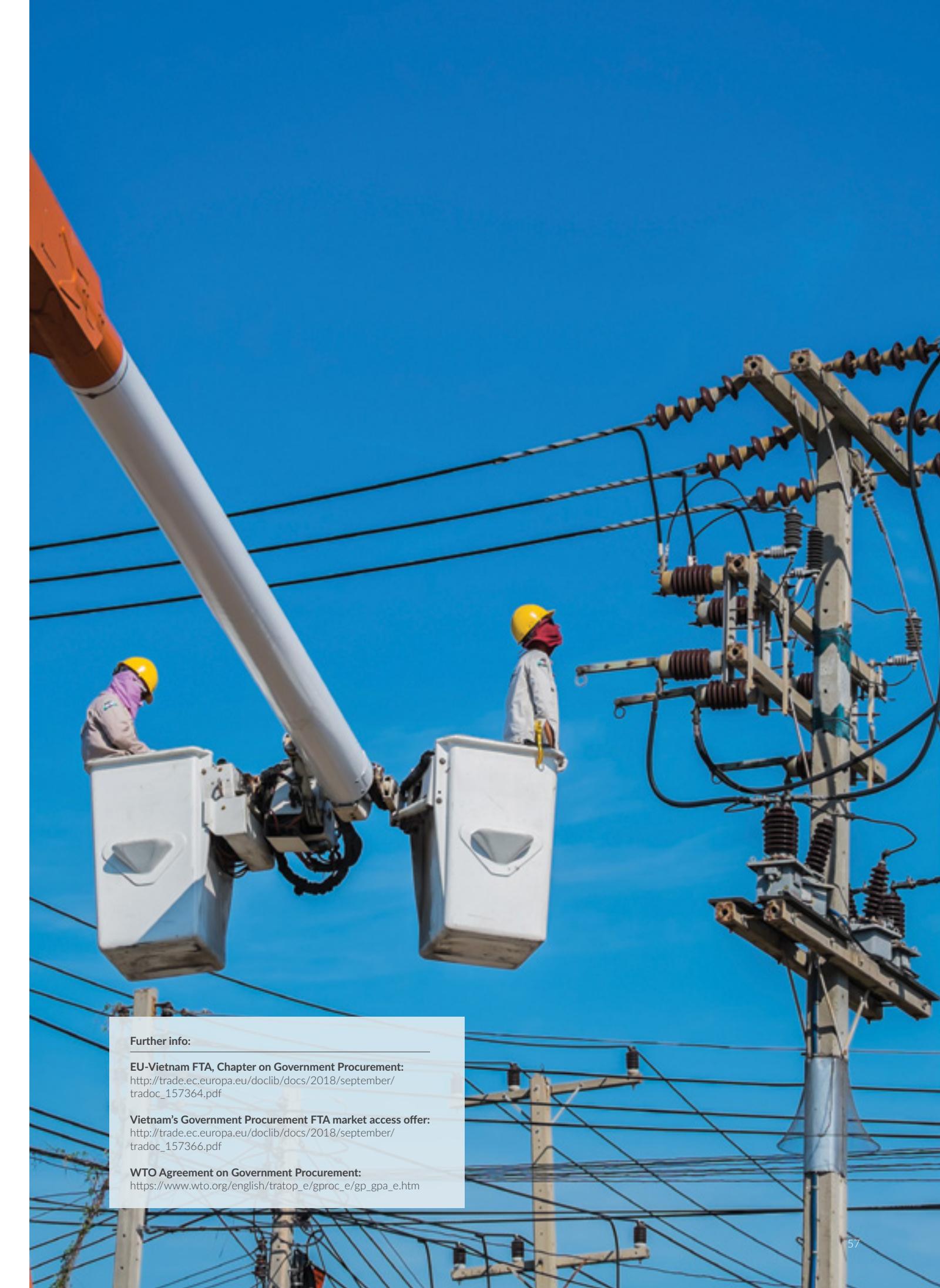
Overview of Vietnamese thresholds (SDR) and coverage in the trade agreement:

	Section A: Central Level of Government Entities		Section B: Sub-Central level of Government Entities		Section C: Other covered entities	
	Goods and services	Construction services	Goods and services	Construction services	Goods and services	Construction services
at entry into force	1,500,000	40,000,000	3,000,000	40,000,000	3,000,000	40,000,000
after transition period 15 years	130,000	5,000,000	1,000,000	15,000,000	1,000,000	15,000,000

Note: Currently, the procurement contracts for the purchase of a single pharmaceutical product tend to be considerably smaller than the thresholds indicated in the table. Vietnam therefore considered a much lower final threshold of 130,000 SDR for these contracts (equivalent to around € 160,000).



Vietnamese companies will also get access to the EU procurement market. Procurement for goods and services by both central and local entities in the EU Member States will be open to Vietnamese bidders. The value of tenders advertised across the EU is approximately € 420 billion per year (in 2010).



TRADE AND SUSTAINABLE DEVELOPMENT

Supporting economic growth, social development and environmental protection are three basic elements for achieving sustainable development. Trade policies can have wide-ranging effects on an economy, employment, labour standards, social cohesion and the environment. It is the EU's objective, therefore, to ensure that its trade policy supports sustainable development within the EU, in its partner countries and globally.

The trade agreement includes a robust, comprehensive and binding chapter on trade and sustainable development, dealing with labour and environmental matters relevant to trade relations between the EU and Vietnam.

The chapter sets specific provisions in this area with the two-fold aim of (1) promoting mutual supportiveness between trade and investment, labour, and environmental policies, and (2) ensuring that increased trade and investment do not come at the expense of workers and environmental protection. Against this background, the chapter includes obligations from both the EU and Vietnam regarding a core set of labour and environmental issues.



Multilateral labour and environmental rules

With respect to labour matters, specific commitments address the effective implementation of each of the four International Labour Organization (ILO) core

labour standards (freedom of association and right to collective bargaining; forced or compulsory labour; child labour; non-discrimination in respect of employment and occupation) and of all the ratified ILO Conventions (not only the fundamental ones), as well as progress towards ratification of non-ratified fundamental ILO Conventions.

On the environment, the agreement includes commitments to the effective implementation by each Party of all the ratified Multilateral Environmental Agreements (MEAs), including, among others, the UN Convention on Biological Diversity (CBD), the UN Convention on International Trade in Endangered Species (CITES) and the UN Framework Convention on Climate Change (UNFCCC). With regard to the latter, a dedicated article on climate change further underlines the common commitment of the EU and Vietnam to achieve climate change objectives.

Domestic levels of labour and environmental protection

The agreement also establishes specific disciplines to avoid a 'race to the bottom' in the labour and environmental areas. This means in practice that neither the EU nor Vietnam can derogate from, or fail to effectively enforce, any of its domestic labour and environmental laws in order to attract trade or investment. At the same time, it recognises the right of each Party to regulate in the area of labour and the environment and to establish the levels of protection it deems appropriate beyond – but not below – the commitments to ILO standards and Conventions and to MEAs.

Thematic issues

Specific attention is paid to trade and investment practices that foster sustainable development. This includes fair and ethical trade and other voluntary sustainable assurance schemes, as well as Corporate Social Responsibility (CSR), where reference is made to international principles and OECD guidelines on responsible business conduct.



Furthermore, the agreement provides for specific action to advance the conservation and sustainable management of natural resources. In particular, it sets commitments on biodiversity, including with regard to strengthening cooperation under CITES and addressing illegal trade in wildlife; forestry, including with regard to combatting against illegal logging; fisheries including with regard to fostering cooperation with Regional Fisheries Management Organisations, fighting against Illegal, Unreported and Unregulated fishing (IUU) and promoting sustainable aquaculture.

Institutional set-up and civil society involvement

The agreement establishes dedicated institutional structures to ensure the full implementation of the chapter and its oversight, through both a governmental body and channels for the involvement of independent civil society, including social partners, in the EU and in Vietnam, both domestically and jointly.

A Specialised Committee on Trade and Sustainable Development will specifically monitor the implementation of the trade and sustainable development chapter.

In addition to this Specialised Committee, the chapter also foresees specialised structures for the active involvement of civil society from both sides. At the domestic level, both the EU and Vietnam will consult Domestic Advisory Groups (DAGs). DAGs will comprise independent civil society representatives and include employers' and workers' organisations, business groups, and environmental organisations.

At bilateral level, the trade agreement establishes a joint forum as a suitable platform for regular exchanges among EU and Vietnamese civil society on all sustainable development aspects of trade relations among the EU and Vietnam. Members of each side's DAGs are an integral part thereof.

NON-TARIFF BARRIERS TO TRADE AND INVESTMENT IN RENEWABLE ENERGY GENERATION



The FTA contains a dedicated chapter on Non-tariff Barriers to Trade and Investment in Renewable Energy Generation. It covers specific rules for the renewable energy sector on non-discriminatory treatment in general (licensing and authorisation procedures), on local content in particular and further on the use of international standards.

The benefits that would derive from boosting trade in this sector are obvious. Vietnam has great potential whereas the EU can rely on considerable experience and know-how. Cooperation with the EU can help Vietnam to profit from the EU's successful experience in this sector. Clear rules will provide for better trade opportunities and investor confidence.

This chapter brings added value. It shows that the EU and Vietnam are able to use trade agreements not only for the benefit of trade but also for the benefit of tackling climate change: more renewable energy will contribute to that.

Further info:

<http://trade.ec.europa.eu/doclib/html/157353.htm>

ANTITRUST AND MERGERS, SUBSIDIES AND STATE-OWNED ENTERPRISES

Competition policy helps to ensure a more efficient allocation of scarce public or private resources. Rules on competition are not about increasing market access *per se*, but rather about ensuring appropriate conditions which will enable market access to become effective and translate into real business opportunities. Anticompetitive behaviour and certain subsidies are not the traditional tariff barriers to trade but can be important behind-the-border barriers.

The EU is particularly interested in ensuring a level playing field for European and Vietnamese companies and avoiding trade benefits stemming from the FTA being neutralised by anti-competitive practices.

When properly designed, competition related issues are inherently pro-development, since it is developing countries whose companies and consumers are the most vulnerable victims of anti-competitive practices. Transparency and basic control of subsidies also ensures a better use of scarce public resources. Moreover, it will be easier for Vietnam to attract foreign companies if these can be reassured that basic competition laws will be respected.

Antitrust and mergers

The EU and Vietnam have agreed to a section on antitrust and mergers (anticompetitive conducts), including the obligation to maintain competition laws and relevant authorities and to apply the laws in a transparent and non-discriminatory manner. This means that companies operating in Vietnam should respect the same basic competition principles as

in Europe, i.e. no abuse of a dominant position and no agreements between enterprises that restrict competition and scrutiny of the competitive effects of a merger. At the same time, companies are assured that their rights in the competition procedures will be respected (procedural fairness) and that they can turn to the Vietnamese competition authorities to ask them to ensure an efficient competitive environment.

Subsidies

Companies can receive subsidies for well-defined public policy objectives such as research and development, training and regional development. However, the FTA acknowledges that certain kinds of subsidies can hinder competition and trade. Therefore, rules limit the potential negative effects of the subsidies. These cover transparency, consultations and some of the most distortive types of subsidies, which are made subject to specific conditions.

Important achievements levelling the playing field between EU and Vietnamese enterprises:

- Vietnam has agreed to notify not only subsidies to goods but also subsidies to services. This goes well beyond the existing WTO rules.

As a result, at least every four years both sides will notify or make public subsidies to companies in selected services sectors, which are important from market access point of view such as telecommunications, banking, transport and energy.

- Companies have the possibility to alert their governments to potential subsidies with negative effects for their business. Governments can then engage in a consultation process with the other Party, in the first place to get information and, in case the distortive subsidy is confirmed, try to find a satisfactory solution.
- Unlimited guarantees (in amount or duration) are not allowed and subsidies to failing companies are not possible without a viable restructuring plan.
- Both Parties can provide aid to public services and continue subsidising services of general economic interest. Limited exemptions to the competition rules apply in this regard.

State-Owned Enterprises

The agreement contains rules regarding state-owned enterprises (SOEs), designated monopolies (public and private) and enterprises granted special rights or privileges in order to ensure that trade liberalisation achieved by the agreement is not undermined by the unfair behaviour of such companies.

A very ambitious and high level agreement on SOEs has been reached. This achievement is even more significant as SOEs have traditionally been a backbone of Vietnamese economy and create around 40% of GDP.

Core rules related to SOEs:

- **Non-discrimination and commercial considerations:** rules applicable to SOEs will put SOEs and private enterprises on an equal footing when engaged in commercial transactions (sales and purchases with a profit making objective).
- **Transparency:** Parties can request information on a case-by-case basis on corporate structures and finances of the companies.
- **Corporate governance:** regulatory functions will treat SOEs and private enterprises in the same way and that all laws and regulations will be applied in a non-discriminatory manner.

Public services are fully safeguarded under the agreement and nothing in the SOE chapter will affect the Parties' ability to continue providing services of general economic interest.

To target the most important SOEs from the trade and investment point of view, a turnover threshold of 200 million SDR (around €242 million in October 2018) has been agreed. Moreover, the rules will apply also to sub-central levels of government five years after the entry into force of the agreement.

TRADE REMEDIES

DISPUTE SETTLEMENT

The use of trade defence instruments in the FTA is based on rules set out by the WTO. These instruments – Anti-Dumping, Anti-Subsidy and Safeguard measures – allow the EU and Vietnam to defend its producers against competitive distortions in the form of dumped or subsidised imports and, in the case of safeguard action, against dramatic shifts in trade flows among them.

Some of the FTA provisions go beyond WTO concerning anti-dumping and countervailing duties. In particular, regarding transparency, both parties agreed to ensure adequate right of defence to the Parties. For greater efficiency, the investigating authorities will use the English language for bilateral communications and exchanges of documents.

Both sides shall also endeavour to apply the so-called lesser duty rule (by which the amount of duty imposed on imports should not exceed the duty necessary to remove the injurious element of dumping) and consider the interest of the various businesses (public interest test) before imposing measures.

Bilateral safeguard clause

Unlike subsidies and dumping, safeguards are not enacted to address unfair trade practices. Such specific bilateral measures are limited to remedying problems caused on either side by an unforeseen significant increase of imports as a result of the liberalisation of trade in goods. Producers cannot reasonably be expected to adapt immediately to a changed trade situation. Bilateral safeguard measures in the FTA can be used by either party during a transitional period of 10 years after the entry into force of the agreement.

The bilateral dispute settlement mechanism under the FTA is an efficient tool in cases where the Parties have divergent views on the interpretation and application of the agreement. Ideally, the Parties should arrive to a mutually agreed solution and avoid disputes through dialogue in the institutionalised committees set up under the agreement. If not feasible, the dispute settlement mechanism provides a way to resolve trade irritants through binding decisions of a panel.

The FTA improves on the existing WTO dispute settlement in various respects:

A faster system through stricter deadlines

The FTA dispute settlement proceedings are much faster than in the WTO. While a case in the WTO dispute settlement system can take up to 860 days, the timeframe under the EU's FTA with Vietnam is 425 days.

A more efficient system of panel composition

The FTA will establish a mandatory use of roster lists of arbitrators, which is designed to enhance the mutual trust in arbitrators as well as the efficiency and automaticity of the panel selection process. The advantage of this system is that it is less exposed to litigation tactics and arbitrators enjoy the general support of both Parties.

Further info:

EU-Vietnam FTA, Chapter on remedies:
<http://trade.ec.europa.eu/doclib/html/157348.htm>

A more transparent system (*amicus curiae*, public hearing)

The FTA enhances the transparency of dispute settlement proceedings compared to the WTO by providing that, subject to certain confidentiality rules, panel hearings are generally open to the public. In addition, the FTA gives a right for private parties established in either Party to submit *amicus curiae* submissions (information relevant to the case) to the panel.

An innovative system through the establishment of an elaborated mediation mechanism

The FTA clarifies the scope, procedural rules and effect of the mediation. The mediation mechanism is a voluntary system to which the Parties subscribe on an ad hoc basis.

Further info:

EU-Vietnam FTA, Chapter on Dispute Settlement:
<http://trade.ec.europa.eu/doclib/html/157375.htm>



INVEST

PART III

EU-VIETNAM
INVESTMENT
PROTECTION
AGREEMENT

INVESTMENT PROTECTION STANDARDS

With the Treaty of Lisbon that entered into force on 1 December 2009, foreign direct investment was incorporated in the common commercial policy of the European Union. This made it an EU exclusive competence and opened up new possibilities for action at EU level through the negotiation of investment protection agreements.

In October 2013, the Council mandated the European Commission to extend the ongoing bilateral negotiations with ASEAN countries to also cover investment protection. As a result of this negotiation, the EU and Vietnam have concluded an investment protection agreement that once in force will replace the 21 bilateral investment treaties (BITs) in force between Vietnam and EU Member States.

The EU-Vietnam IPA contains reformed investment protection rules that are not present in the existing BITs. The agreement contains guarantees that EU investors will enjoy the best available treatment when investing in Vietnam. In addition, the agreement will ensure a high level of investment protection while preserving the EU's and Vietnam's right to regulate to pursue legitimate public policy objectives such as the protection of health, safety or the environment.

New precise standards on investment protection

Standards of investment protection are basic guarantees that governments will respect certain fundamental principles of treatment that a foreign investor can rely upon when making a decision to invest in a certain country.

These guarantees include

- » non-discrimination
- » no expropriation without prompt and adequate compensation
- » possibility to transfer and repatriate funds relating to an investment
- » a general guarantee of fair and equitable treatment and physical security
- » a commitment that governments will respect their own written and legally binding contractual obligations towards an investor
- » a commitment to compensate for losses in certain circumstances linked to war or armed conflict.

The IPA defines precisely when governments are in breach of the fair and equitable treatment obligation and removes the scope for discretionary interpretation. Such cases may be observed when justice in criminal, civil or administrative proceedings is denied or parties are seriously in breach of due process in judicial and administrative rulings.

The IPA does not protect the so-called 'shell' or 'mailbox' companies. To qualify as an investor, companies have to run real business operations either in the EU or in Vietnam. Finally, the IPA further provides a detailed set of provisions giving guidance on how to decide whether or not a government measure constitutes indirect expropriation. Detailed language has been included to clarify that legitimate public policy measures cannot be challenged by investors.



INVESTMENT DISPUTE SETTLEMENT

Vietnam and the EU have agreed on a modern and reformed investment dispute resolution mechanism which guarantees the respect of the substantive investment protection rules applicable to European and Vietnamese investors. The system strikes the right balance between protecting investors and safeguarding the right of a state to regulate.

Investment Tribunal System

The agreement sets up a permanent dispute resolution system under which disputes about the respect of one of the investment protection provisions included in the IPA (such as protection against expropriation without compensation, non-discrimination or fair and equitable treatment) can be submitted to a standing international and fully independent Investment Tribunal System. The Members of the Tribunal System will be appointed in advance by the EU and by Vietnam and will be subject to strict requirements of independence and integrity. Cases will be heard by divisions of the tribunal which will be composed of three Members, one from the EU, one from Vietnam, and a presiding Member from a third country. Decisions of the Tribunal can be appealed to a permanent Appeal Tribunal which will ensure legal correctness and certainty about the interpretation of the agreement.

Members of the Tribunal

Investment disputes will be adjudicated by highly qualified, independent and impartial Tribunal Members.

All Members of the Tribunal and Appeal Tribunal will be appointed through a joint decision taken together by the EU and Vietnam. The EU and Vietnam have committed themselves to only appoint Tribunal Members whose independence is beyond doubt, who are not affiliated with any government and who do not take instructions from any government and must have demonstrated expertise in public international law and must possess

the qualifications required in their respective countries for appointment to judicial offices or be jurists of recognised competence. The agreement further provides that it is desirable that Tribunal Members have expertise in international investment law, international trade law and the resolution of disputes arising under international investment or trade agreements.

The EU and Vietnam can also propose the appointment of trusted Members who are nationals of third countries in lieu of their own nationals if they cannot identify sufficiently qualified candidates. The EU-Vietnam agreement, together with the procedure for appointing Tribunal Members, therefore guarantees that legally sound decisions will be rendered by highly qualified, impartial and independent Tribunal Members. If a particular technical knowledge is required for an individual dispute, the agreement also foresees the possibility to appoint one or more experts to the Tribunal.

All Tribunal Members must comply with a binding code of conduct annexed to the agreement. In the event of doubts about the impartiality of a Tribunal Member, challenges are possible and will be decided by the President of the Tribunal, who is a national of a third country.

Enforcement of awards

The legal grounds for non-enforceability are included into the grounds for appeal, i.e. a final award must be enforced and domestic courts cannot put into question the legal validity of the decisions. This represents an important advantage for European investors abroad.

Vietnam will be granted a five-year transition period for the entry into force of the enhanced enforcement regime as Vietnam is currently revising its internal legislation in this respect.

Transparency of the proceedings

Proceedings before the Tribunal System will be fully transparent and interested third parties will be allowed to make submissions. The text incorporates the recently adopted United Nations Commission on International Trade Law (UNCITRAL) rules on transparency which will apply to all proceedings. Article 4 of the UNCITRAL rules allows interested third persons to make submissions in proceedings before the Tribunal. Hence, third persons will be able to intervene in the proceedings even if they are not recognised as a party to the dispute. The UNCITRAL provisions will apply to all proceedings under the EU-Vietnam agreement, before the Tribunal of First Instance and before the Appeal Tribunal.

Provisions against abusive claims

While the investment dispute resolution mechanism ensures that the rights of European and Vietnamese investors will be respected, it also safeguards the EU and Vietnam against potential abuses of the system, notably through the prohibition of multiple and parallel claims, as well as enhanced disclosure requirements incumbent upon investors.

Loser-pays principle

The application of the 'loser-pays principle' applies to the allocation of procedural costs.



PART IV

USEFUL
INFORMATION
AND PRACTICAL
TOOLS



EUROPEAN CHAMBER OF COMMERCE (EUROCHAM)



Since its establishment with only 60 members in 1998, the European Chamber of Commerce in Vietnam (EuroCham) has grown to represent more than 1.000 European businesses by late 2018, counting among its supporters many of the world's leading companies. With offices in both Hanoi and Ho Chi Minh City, EuroCham's mission is to represent the business interests of its European members in Vietnam, and to improve the business environment in Vietnam for the benefit of all players. EuroCham also aims at helping Vietnamese enterprises to successfully meet the many challenges posed by the country's on-going global economic integration.

As the lead organisation representing European business interests in Vietnam, EuroCham works in partnership with the Belgium-Luxembourg Chamber of Commerce in Vietnam (BeluxCham), the French Chamber of Commerce and Industry in Vietnam (CCIFV), The Central and Eastern European Chamber of Commerce in Vietnam (CEEC), the Dutch Business Association Vietnam (DBAV), the German Business Association in Vietnam (GBA), the Italian Chamber of Commerce in Vietnam (ICham), the Hanoi Chapter of the Nordic Chamber of Commerce Vietnam (NordCham), the Spanish Business Group in Vietnam (SBG) and Chamber of Commerce and Industry Portugal-Vietnam (CCIPV). EuroCham is also a member and founder of the EU- ASEAN Business Council representing European business interests in ASEAN and a founding member of the European Business Organisations (EBO) Network, which promotes interests of European businesses in more than 30 countries across the globe.

Representing a plethora of industry sectors and type of companies ranging from SME to MNC size, EuroCham

has a very strong business network in both Vietnam and Europe.

EuroCham offers a wide range of benefits and services to its members:

- Support establishment and growth of business (market insight, training, legal advice, etc.)
- Information on legal, tax, socio-economic environment in Vietnam
- Networking with other businesses and business leaders
- Policy dialogue and advocacy (yearly Whitebook, meetings with Vietnamese Ministries and government stakeholders)

Hanoi Office
Unit 08, 3B Floor, Horison Towers, 40 Cat Linh, Ha Noi
Tel: (84-24) 3 715 2228 | Fax: (84-24) 3 715 2218
Email: info-hn@eurochamvn.org

Ho Chi Minh City Office
15F, The Landmark, Room 2B, 5B Ton Duc Thang, District 1, HCMC, Vietnam
Tel: (84-8) 3827 2715 | Fax: (84-8) 3827 2743
Email: info-hcmc@eurochamvn.org
Web site: www.eurochamvn.org



The EU-Vietnam Business Network (EVBN)

The EU-Vietnam Business Network (EVBN) is a project co-funded by the European Union and established in the end of 2013. EVBN's core objective is to help European companies, in particular small and medium sized enterprises (SMEs), to access the Vietnamese market and do business in Vietnam, as well as to improve the trade and investment environment and to foster exports, market entries and investment from Europe to Vietnam and ASEAN.

EVBN business support services, activities & events

Website

- www.evbn.org
- Update on Vietnam market & EVBN activities
- Free first guidance & orientation to European SMEs

"Ask the expert"

- Unique comprehensive startup facilities for European companies

Business Incubator

- Guide of 60 pages to support SMEs in their approach of the Vietnamese market - accessible for free on EVBN website

Market studies

- Opportunities and challenges in different activity sectors:
Free download on EVBN website

Pre-market consultation

- Tailored report with information about your target market including legal consideration - quotation upon request

Partner search

- Tailored agenda of 3 to 4 days with potential Vietnamese partners interested in your products / services - quotation upon request

Events

- Trade missions to Vietnam, presentations and roadshows in Europe
- Presence in main fairs in Europe, business luncheons and conferences

Database

- Database of European services providers in Vietnam, useful to start your business - accessible for free on EVBN website

Newsletter

- Subscribe on the website to receive regularly our newsletter & flashlight

More information and details available
www.evbn.org / info@evbn.org

About EuroSphere

EuroSphere is an innovative exhibition dedicated to bringing the European Art of Living to Vietnam and Southeast Asia region.

The exhibition hosts a wide range of sectors in Gourmet Food, Wine & Spirits, Fashion, Fashion Accessories, Jewellery, Horology, Perfumery, Cosmetics, Furniture, Interior Design, Automotive which present the elegance, the sophistication and the harmonious living of European culture. The concept of EuroSphere creates a lively flow of interactions among the exhibiting companies and visitors.



EuroSphere offers an exclusive opportunity for visitors to experience the elegance, the sophistication, the harmonious living of European culture, and high-quality products from European exhibitors.

Visit EuroSphere website at www.eurosphere.com.vn
or contact eurosphere@evbn.org for more details.

SOUTH-EAST ASIA IPR SME HELPDESK

Free South-east Asia Intellectual Property advice for European SMEs *#knowbeforeyougo!*

The SEA IPR SME Helpdesk provides **free information and services** in the form of jargon-free **first-line confidential** advice on IP and related issues, plus training materials and online resources.

It **raises awareness** about IP matters in South-east Asia affecting European SMEs, and helps them make **informed IP decisions**.

For more information on how we can work together,
please contact us:

Tel: +84 28 3825 8116 / + 32 2 663 30 51

E: question@southeastasia-iprhelpdesk.eu

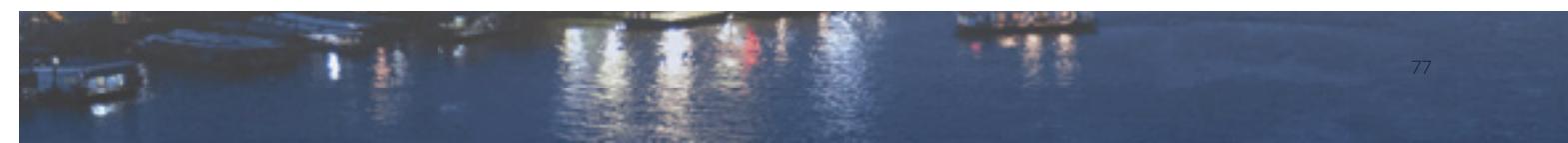
www.ipr-hub.eu



A initiative of the
European Commission



Project implemented by:



MARKET ACCESS DATABASE (MADB)



The Market Access Database (MADB) is a platform operated by the European Commission. It provides information free of charge to companies exporting from the EU about import conditions in third country markets:



<http://madb.europa.eu/madb/indexPubli.htm>

Tariffs

- Duties and taxes on imports of products into specific countries

Procedures and Formalities

- Procedures and documents required for customs clearance in the partner country

Statistics

- Trade flows in goods between EU and non-EU countries

Trade barriers

- Main barriers affecting your exports

SPS: Sanitary and Phytosanitary Issues

- Food safety/animal health/plant health measures

Rules of Origin

- Preferential agreements and rules of origin

Services for SME

- Useful links to services targeting small and medium-sized enterprises

EU TRADE HELPDESK

What is the EU Trade Helpdesk?

The Export Helpdesk (EH) is a freely accessible online database for companies from non-EU countries which intend to sell products on the EU market. The system holds real-time information on the EU's import conditions for any type of product from machinery and chemicals to textiles, food and wine. Businesses can access applied customs duties for all goods listed in the EU tariff schedule and also retrieve the actual EU import requirements for these products, the applicable tax rates in the 28 EU Member states and comprehensive trade statistics going back to 2002. Special features of the database are the EU's product specific requirements such as sanitary and phytosanitary rules, technical standards and labelling rules that can be searched product-by-product. The website is regularly updated and thus a reliable source of information. Most of the information is available in English, French, Spanish and Portuguese.

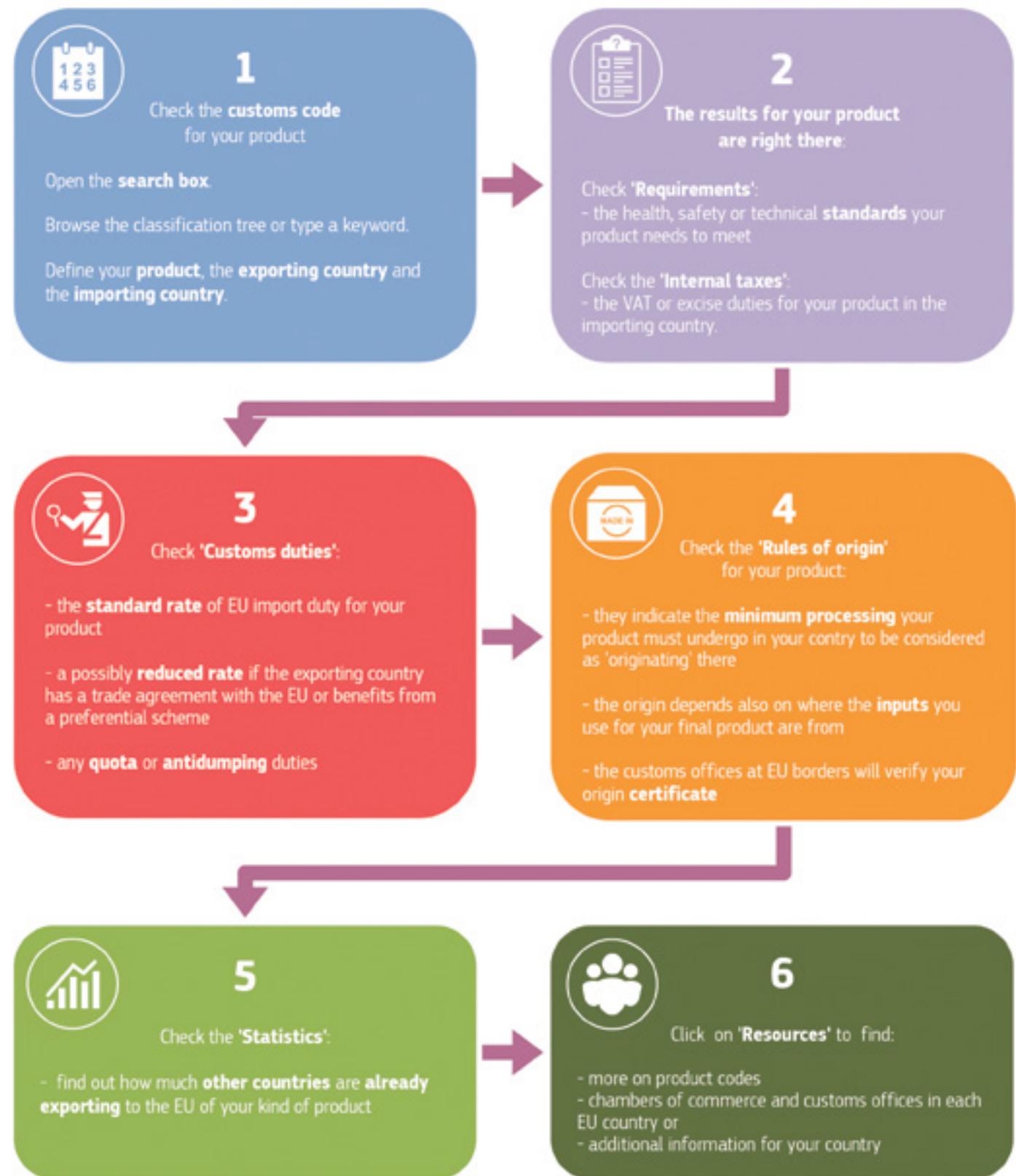


www.exorthelp.europa.eu

When planning to export to the EU businesses can check:

- Which documents they need to produce to get access to the EU market (customs documents, import licenses, freight insurance papers) – the general import requirements
- Which EU legal requirements for human health, consumer safety, packaging, marketing and labelling apply to the product they intend to import – the specific import requirements
- Which import duties, tariffs and preferential and non-preferential tariff quotas apply to their products
- Which preferential arrangements the EU has with other countries and how to claim lower duty rates by respecting the rules of origin for a product
- The VAT rates and excise duties applying in each of the 28 EU Member States
- Trade statistics for trade flows between non-EU and EU countries.

EXPORTING TO EUROPE IN 6 EASY STEPS



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THE ARISE PLUS VIETNAM

Expected Results include:

- Enhanced compliance with Sanitary and Phytosanitary Standards to improve the safety of Vietnam agro-food products and facilitate exports to the EU
- A national quality infrastructure is in place that boosts competitiveness and addresses technical barriers to trade
- High quality products and services from Vietnam are exported to the EU, with a focus on SME internationalisation and sustainable business practices
- Comprehensive implementation of the EU-Vietnam FTA and Investment Protection Agreement (IPA), through a rapid response facility

ARISE Plus is the successor programme to EU-MUTRAP which ended in January 2018 and provided trade related assistance to the Government of Vietnam, notably during the negotiation of the EU-Vietnam FTA.

EU MEMBER STATES' EMBASSIES AND BUSINESS SUPPORT STRUCTURES

AUSTRIA



EMBASSY OF THE REPUBLIC OF AUSTRIA

Website: <http://www.bmeia.gv.at/hanoi>
Email: hanoi-ob@bmeia.gv.at
Address: Prime Center, 8th floor, 53 Quang Trung str, Hanoi
Tel: +84 24 3943 3050

BELGIUM



EMBASSY OF THE KINGDOM OF BELGIUM

Website: <http://countries.diplomatic.belgium.be/en/vietnam/>
Email: hanoi@diplobel.fed.be
Address: 9th Floor, Hanoi Towers, 49 Hai Ba Trung str, Hanoi
Tel: +84 24 3934 6179 / 80

Embassy of Belgium – Flanders Investment and Trade Office

Website: www.flandersinvestmentandtrade.com
Email: hanoi@fitagency.com
Address: Hanoi Towers, 9th Floor, 49 Hai Ba Trung, Ha Noi
Tel: +84 24 3934 6172 / 73

Embassy of Belgium – Wallonian Export & Investment Agency (AWEX)

Website: www.awex.be
Email: hochimnhville@awex-wallonia.com
Address: Lim Tower, 23rd Fl. 9-11 Ton Duc Thang, D1 – Ho Chi Minh City
Tel: +84 28 38219228

Embassy of Belgium – Brussels invest & export Vietnam

Website: www.brusselsinvestexport.be
Email: hanoi@brusselsinvestexport.com
Address: Hanoi Towers, 9th Floor, 49 Hai Ba Trung, Ha Noi
Tel: +84 24 3934 6182

BULGARIA



BULGARIAN EMBASSY

Website: <http://www.mfa.bg/embassies/vietnam/setlang/en>
Email: embassy.hanoi@mfa.bg
Address: 5 Nui Truc Street, Van Phuc Quarter, Hanoi
Tel: +84 24.3845.2908

Commercial and Economic Office in Ho Chi Minh City of Embassy of Republic of Bulgaria

Website: <http://www.stiv-hcmc.com/en/>
Email: bgtrade.hcmc@gmail.com
Address: Floor 14, Vincom Center B, Office No. 13, 45A Ly Tu Trong
Street, Dist.1, Ho Chi Minh City
Tel: +84 914373844

CZECH REPUBLIC



EMBASSY OF THE CZECH REPUBLIC

Website: <http://www.mzv.cz/hanoi/en/>
Email: commerce_hanoi@mzv.cz
Address: 13 Chu Van An street, HANOI
Tel: + 84 24.3845.4131 / 32

CZECH TRADE (Ministry of Industry and Trade of the Czech Republic)

Website: www.czechtrade.vn
Email: ho-chi-minh-city@czechtrade.cz
Address: 4 Nguyen Dinh Chieu, Da Kao Ward, Dist.1, Ho Chi Minh City
Tel: +84 28.6288.8689

DENMARK



EMBASSY OF THE KINGDOM OF DENMARK

Website: www.vietnam.um.dk
E-mail: hanamb@um.dk
Address Hanoi: 7th Floor, BIDV Tower, 194 Tran Quang Khai, Hoan Kiem, Hanoi
Tel: +84 24 3823 1888

Address HCMC: Suite 505, 5th Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai, District 3, Ho Chi Minh City
Tel: +84 28 3821 9373

FINLAND



EMBASSY OF THE REPUBLIC OF FINLAND

Website: www.finland.org.vn
Email: Email: janne.oksanen@formin.fi; sanomat.han@formin.fi;
Address: 24th floor West Wing, Lotte Centre, 54 Lieu Giai, Hanoi, Vietnam Hanoi
Tel: +84 24 3826 6788

BUSINESS FINLAND – Finland Trade Center

Website: www.businessfinland.fi
Email: ejja.tynkkynen@businessfinland.fi; sanomat.han@formin.fi
Address: F/5, Somerset Chancellor Court, 21-23 Nguyen Thi Minh Khai str, District 1, Ho Chi Minh City
Tel: +84 28 3823 2644

FRANCE



EMBASSY OF THE FRENCH REPUBLIC

Website: <http://www.ambafrance-vn.org/>
Email: ambafrance.hanoi@diplomatie.gouv.fr
Address: 57 Tran Hung Dao str, Hoan Kiem, Hanoi
Tel: +84 24 3944 5830

GENERAL CONSULATE OF FRANCE

Website: <http://www.consulfrance-hcm.org/>
Email: info@consulfrance-hcm.org
Address: 27 Nguyen Thi Minh Khai str, District 1, Ho Chi Minh City
Tel: +84-28 3520 6800

BUSINESS FRANCE

Website: www.businessfrance.fr
Email: vietnam@businessfrance.fr
Address Hanoi: 57 Tran Hung Dao str, Hoan Kiem, Hanoi
Tel: +84 24 3944 5800

Address HCMC: 27 Nguyen Thi Minh Khai str, District 1, Ho Chi Minh City
Tel: +84 28 3520 6885

GERMANY



EMBASSY OF THE FEDERAL REPUBLIC OF GERMANY

Website: www.vietnam.diplo.de
Email: info@hano.diplo.de
Address: 29 Tran Phu Street, HANOI
Tel: +84 24 3267 3335

CONSULATE GENERAL OF THE FEDERAL REPUBLIC OF GERMANY

Website : www.vietnam.diplo.de
E-mail: info@hoch.diplo.de
Address: 33 Le Duan, District 1, Ho Chi Minh City, 710088, Vietnam
Tel.: +84 28 – 3828 8100 / Fax: +84 28 – 3828 8101

DELEGATE OF GERMAN INDUSTRY AND COMMERCE IN VIETNAM (GIC/AHK VIETNAM)

Website: www.vietnam.ahk.de
Email : info@vietnam.ahk.de

Address Ho Chi Minh City
Deutsches Haus Ho Chi Minh City
4th Floor, 33 Le Duan Blvd
District 1, Ho Chi Minh City, Vietnam
Tel.: +84 28 3823 9775
Fax: +84 28 3823 9773

Address Hanoi
Lotte Center Hanoi, East Tower,
18th Floor, 1803 - 1804, 54 Lieu Giai, Ba Dinh Dist.,
Hanoi, Vietnam
Tel.: +84 24 3825 1420
Fax: +84 24 3825 1422

GREECE



EMBASSY OF THE HELLENIC REPUBLIC

Website: www.mfa.gr/hanoi
Email: greemb.han@mfa.gr
Address: 27-29 Au Co, Tay Ho str, Hanoi
Tel: +84 24 3715 2254

HUNGARY



EMBASSY OF HUNGARY

Website: <https://hanoi.mfa.gov.hu>
Email: mission.hoi@mfa.gov.hu
Address: Hanoi Lake View, 9th Floor, 28 Thanh Nien, Tay Ho, Hanoi
Tel: +84 24 3771 5717

GENERAL CONSULATE OF HUNGARY

Website: <https://hcmc.mfa.gov.hu>
E-mail: mission.hcm@mfa.gov.hu
Address: Lim Tower, 21st Floor, 9-11 Ton Duc Thang Street, Ben Nghe Ward, Dis-
trict 1. HCMC
Tel: +84 28 36221001

IRELAND



EMBASSY OF IRELAND

Website: www.embassyofireland.vn
Email: irishembassyhanoi@dfanet.ie
Address: 2nd floor, Sentinel Place, 41A Ly Thai To, Hoan Kiem, Hanoi
Tel: +84 24 3974 3291

ITALY



EMBASSY OF THE ITALIAN REPUBLIC

Website: www.ambhanoi.esteri.it
Email: commerciale.hanoi@esteri.it
Address: 9 Le Phung Hieu str, Hanoi
Tel: + 84 24 3825 6256

Italian Consulate

Email: hochiminh.commerciale@esteri.it
Address: President Place, 10th Floor, 93 Nguyen Du Street, Ben Nghe Ward, District
1, Ho Chi Minh City
Tel: + 84 28 3827 5445

Italian Trade Commission – Trade promotion section of the Italian Embassy

Website: www.ice.it/en/markets/vietnam and www.ice.gov.it
Email: hochiminh@ice.it
Address: Unit 2205 – 22 Floor, Saigon Trade Center, 37 Ton Duc Thang str, District
1, Ho Chi Minh City
Tel: +84 28 3822 8813

GRAND-DUCHY OF LUXEMBOURG



EMBASSY OF THE GRAND DUCHY OF LUXEMBOURG (based in Thailand)

Website: <https://bangkok.mae.lu/en>
Email: bangkok.amb@mae.etat.lu
Address : 1 South Sathorn Rd., Q House Lumpini Building, 17th Fl.
Tungmahamek, Sathorn, Bangkok 10120
Tel: +66 (0) 2677 7360

NETHERLANDS



EMBASSY OF THE KINGDOM OF THE NETHERLANDS

Website: <https://www.nederlandwereldwijd.nl/landen/vietnam>
Email: han-ea@minbuza.nl
Address: BIDV Tower, 7th Floor, 194 Tran Quang Khai, Hanoi, Vietnam
Tel: +84 24 3831 5650

CONSULATE GENERAL OF THE KINGDOM OF THE NETHERLANDS

Website: <https://www.nederlandwereldwijd.nl/landen/vietnam>
Email: hcm@minbuza.nl
Address: Saigon Tower, Suite 901, 29 Le Duan, Dist.1, Ho Chi Minh City
Tel: +84 28 3823 5932

POLAND



EMBASSY OF THE REPUBLIC OF POLAND

Website: <http://www.hanoi.msz.gov.pl/>
Email: hanoi.amb.sekretariat@msz.gov.pl
Address: 3 Chua Mot Cot Street, Hanoi
Tel: + 84 24 3845 2027

FOREIGN TRADE OFFICE of Polish Investment and Trade Agency

Website: <https://www.paih.gov.pl>
E-mail: webmaster@paih.gov.pl
Address:
Sun Wah Tower, 14th floor, room 1401, 115 Nguyen Hue, District 1
Ho Chi Minh City, Vietnam
Tel: +84 28 3821 9990 ext.104

ROMANIA



EMBASSY OF ROMANIA

Website: <http://hanoi.mae.ro/en>
Email: romambhan@fpt.vn ; hanoi@mae.ro
Address: 5, Le Hong Phong street, Hanoi
Tel: +84 24 3845 2014

SLOVAKIA



EMBASSY OF THE SLOVAK REPUBLIC

Website: <http://www.mzv.sk/hanoi>
 Address: 12 Ba Huyen Thanh Quan, Hanoi
 Tel: +84 24 3734 7601 /02

SPAIN



EMBASSY OF THE KINGDOM OF SPAIN

Website: www.exteriores.gob.es/Empajadas/Hanoi
 Email: emb.hanoi@maec.es
 Address Hanoi: 4 Le Hong Phong Street, Ba Dinh District, Hanoi
 Tel: +84 24 3771 5207 / 08 / 09

Economic and Commercial Office – Embassy of Spain in Vietnam

Web site: <http://www.icex.es>
 E-mail: hochiminchcity@comercio.mineco.es
 Address: 701-702, 7th Floor, Diamond Plaza, 34 Le Duan Ave.,
 District 1, Ho Chi Minh City
 Tel: +84-28.38250173
 Fax: +84-28.38250174

SWEDEN



EMBASSY OF SWEDEN

Web site: www.swedenabroad.com
 Email: ambassaden.hanoi @gov.se
 Address: Daewoo Business Centre, 15th floor, 360 Kim Mã, Ngọc Khánh, Ba Đình, Hà Nội, Vietnam
 Tel: +84 24 3726 0400

Business Sweden – The Swedish Trade & Invest Council

Website: <http://www.business-sweden.se/en/contact/offices-abroad/Vietnam/>
 Hanoi/
 Email: asean@business-sweden.se
 Address: Daewoo Business Centre, 15th floor, 360 Kim Mã, Ngọc Khánh, Ba Đình, Hà Nội, Vietnam
 Tel: +84 24 3211 5722 (Switchboard Embassy of Sweden in Hanoi)

UNITED KINGDOM



EMBASSY OF UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

Website: www.gov.uk/world/vietnam
 Email: UKTIVietnam@fco.gov.uk
 Address: 4th floor, Central Building, 31 Hai Ba Trung str, Hanoi
 Tel: + 84 24 3936 0500

BRITISH CONSULATE GENERAL

Email: bcghcmc@hcm.vnn.vn
 Address: 25 Le Duan Street, District I, Ho Chi Minh City
 Tel: + 84 28 3825 1380

EUROPEAN UNION



DELEGATION OF THE EUROPEAN UNION TO VIETNAM

Website: <http://eeas.europa.eu/delegations/vietnam>
 Email: delegation-vietnam@eeas.europa.eu
 Address: 24th floor West Wing, Lotte Centre, 54 Lieu Giai, Hanoi, Vietnam Hanoi
 Tel: +84 24 39410099

CHAMBERS OF COMMERCE AND BUSINESS ASSOCIATIONS

FRANCE

La Chambre de Commerce et d'Industrie Française au Vietnam (CCIFV)

Website: <http://www.ccifv.org>
 Email: info@ccifv.org
 Address Hanoi: Horison Tower, 40 Cat Linh Street, Hanoi
 Tel: +84 24 3715 2229

Address HCMC: The Landmark, 15th floor, 5B Ton Duc Thang, Dist.1, Ho Chi Minh City
 Tel: +84 28 3825 8625

GERMANY

German Business Association in Vietnam (GBA)

Website: <http://www.gba-vietnam.org>
 Email: info@gba-vietnam.org
 Address: Deutsches Haus Ho Chi Minh City, 4th Floor, 33 Le Duan Blvd, District I, Ho Chi Minh City
 Tel: +84 28 3823 9772 / Fax: +84 28 3823 8909

German Industry and Commerce Vietnam (GIC/AHK Vietnam)

Email: info@vietnam.ahk.de
 Website: www.vietnam.ahk.de

Address: Deutsches Haus Ho Chi Minh City, 4th Floor, 33 Le Duan Blvd, District I, Ho Chi Minh City
 Tel: +84 28 3823 9775 / Fax: +84 28 38239773

18th Floor, East Wing, Lotte Center Hanoi, 54 Lieu Giai Street, Ba Dinh District, Hanoi, Vietnam
 Tel: +84 24 3825 1420 / Fax: +84 24 3825 1422

IRELAND

Irish Business Association, Vietnam (IBAV) who is based in HCMC.

Address: Toong Office Space, 3rd Floor, Vista An Phu, 628C Hanoi Highway, District 2, Ho Chi Minh City
 Contact: Mr. John Marron
 Email: jmarron.vn@gmail.com
 Mobile: +84 909 815099

ITALY

Italian Chamber of Commerce in Vietnam (ICHAM)

Website: www.icham.org
 Email: info@icham.org
 Address Hanoi: 18 Le Phung Hieu, Hoan Kiem District, Hanoi
 Tel: +84 24 3824 5997

Address HCMC: Floor 15, The Landmark, 5B Ton Duc Thang, District 1, Ho Chi Minh City
 Tel: +84 28 3822 4059

NETHERLANDS

Dutch Business Association Vietnam (DBAV)

Website: www.dbaiv.org.vn
 Email: info@dbav.org.vn
 Address: Floor 15, The Landmark, 5B Ton Duc Thang, District 1, Ho Chi Minh City
 Tel: +84 28 3822 4019

SLOVAKIA

Slovak - Vietnam Chamber of Commerce

Website: www.svcc.sk/vi and <https://www.facebook.com/Slovak-Vietnamese-Chamber-of-Commerce-186445441349>
Email: huycuong1961@gmail.com
Address: 16 Ly Thuong Kiet, Hanoi
Tel. +84903 404 541 (Mr Nguyen Huy Cuong)

SPAIN

Spanish Business Group in Vietnam

Ms Sonia Aparicio
[Email: sonia@ms-decor.com](mailto:sonia@ms-decor.com)

UNITED KINGDOM

British Business Group Vietnam (BBGV)

Website: <http://www.bbgv.org/>
Address: G/F 25 Le Duan Blvd, Dist. 1, Ho Chi Minh City
Tel: +84 283829 8430

MULTINATIONAL CHAMBERS

Belgium-Luxembourg Chamber of Commerce in Vietnam

Website: www.beluxcham.com
Email: info@beluxcham.com
Address: Floor 15, The Landmark, 5B Ton Duc Thang, District 1, Ho Chi Minh City
Tel: +84 28 3822 4029

Central and Eastern European Chamber of Commerce in Vietnam

Website: <http://ceecvn.org/>
Address Hanoi: Unit 08, 3B Floor, Horison Tower, 40 Cat Linh,Hanoi
Tel: +84 24 3715 2224

Address HCMC: Ho Chi Minh Office, The Landmark, 15th Floor, 5b Tôn Đức Thắng, Ho Chi Minh, District 1, Vietnam
Tel: +84 28 3827 2869

CEEC is representing: Austria, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia as well as the EU candidate countries Serbia, Montenegro and the Republic of North Macedonia.

Nordic Chamber of Commerce (NORDCHAM) Nordcham in Hanoi

Website: www.nordchamvn.com
Tel: +84 24 3715 2228
Address: Unit 08, 3B Floor, Horison Towers 40 Cat Linh, Ha Noi

EUROPE

EUROPEAN CHAMBER OF COMMERCE (EUROCHAM)

Website: www.eurochamvn.org
Email: info-hn@eurochamvn.org
Address Hanoi: Horison Tower, 3B Floor, Unit 08, 40 Cat Linh Street, Hanoi
Tel: +84 24 3715 2228

Address HCMC: The Landmark, 15th Floor, 5B Ton Duc Thang, Dist 1, Ho Chi Minh City
Tel: +84 28 38272715
Email: info-hcm@eurochamvn.org

Useful links

EU websites:

- European Commission, Directorate General for Trade
<http://ec.europa.eu/trade/>

- Twitter EU Trade:
https://twitter.com/Trade_EU

- EU Trade Commissioner:
http://ec.europa.eu/commission/2014-2019/malmstrom_en

- EU Trade Newsletters:
<http://trade.ec.europa.eu/eutn/register.htm>

- How to export into the EU:
www.exporthelp.europa.eu

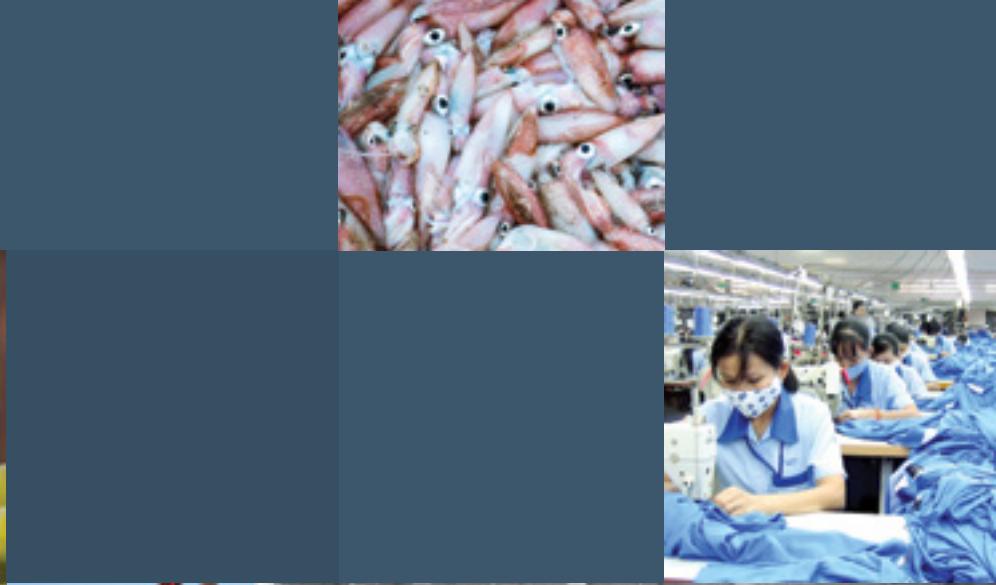
- EU-Vietnam FTA:
<http://trade.ec.europa.eu/doclib/press/index.cfm?id=1437>

Vietnamese websites:

- Ministry of Industry and Trade:
<http://www.moit.gov.vn/en/Pages/default.aspx>

- The official portal of MOIT:
<http://portal.moit.gov.vn/fta/?page=home>

- The portal of the WTO centre under VCCI:
<http://www.trungtamwto.vn/vn-eu-fta/toan-van-hiep-dinh-thuong-mai-tu-do-giua-viet-nam-va-lien-minh-chau-au-evfta>



DELEGATION OF THE EUROPEAN UNION TO VIETNAM

Address: 24th floor, West Wing, Lotte Centre,
54 Lieu Giai street, Hanoi, Vietnam
Tel: +84-24 39410099

Website: http://eeas.europa.eu/delegations/vietnam/index_en.htm
Email: delegation-vietnam@eeas.europa.eu