


# EU-VIETNAM FREE TRADE AND INVESTMENT AGREEMENT 2020

Prepared for NLinBusiness by


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# Introduction




Took effect on 1  
August 2020



Elimination of  
customs duties



Reduce existing  
non-tariff barriers to  
trade with Vietnam



Promote high-quality  
investment between  
Vietnam and EU



# EU-Vietnam Free Trade Agreement



## Why is it important?

- ✓ It helps grow trade between the EU and Vietnam, what contributes to jobs and welfare.
- ✓ At the same time it strengthens the protection of human and labor rights and the environment.

## What will the agreement do?

- ✓ Eliminate over 99% of customs duties on goods.
- ✓ Make exporting and importing easier through improved standards and regulations.
- ✓ Protect traditional European & Vietnamese delicacies from imitation.

## Netherlands imports from Vietnam

2019

Categories	Value
Electrical, electronic equipment	\$3.14B
Machinery, nuclear reactors, boilers	\$636.84M
Footwear, gaiters and the like	\$513.81M
Articles of apparel	\$244.62M
Articles of leather, animal gut, harness, travel good	\$273.10M
Articles of apparel, knit or crocheted	\$229.07M
Edible fruits, nuts, peel of citrus fruits, melons	\$230.87M
Fish, crustaceans, aquatics invertebrates	\$187.29M
Plastics	\$124.61M
Furniture, lighting signs, prefabricated buildings	\$122.86M

## Netherlands exports to Vietnam

2019

Categories	Value
Machinery, nuclear reactors, boilers	\$350.25M
Pharmaceutical products	\$84.21M
Optical, photo, technical, medical apparatus	\$64.18M
Beverages, spirits and vinegar	\$60.42M
Vehicles other than railway, tramway	\$57.63M
Electrical, electronic equipment	\$54.20M
Aircraft, spacecraft	\$50.56M
Meat and edible often offal	\$42.38M
Live trees, plants, blues, roots, cut flowers	\$41.71M
Draft beers, distillation products	\$30.09M

# Quick wins: EU exports to Vietnam

## TEXTILE FABRIC

- ▶ All EU textile fabric exports will see their duties removed at entry into force (currently with a tariff of 12%).

## MACHINERY AND APPLIANCES

- ▶ Almost all EU exports of machinery and appliances will be fully liberalized at entry into force of the EVFTA and the rest after 5 years.

## CHEMICALS

- ▶ Close to 70% of EU chemicals exports will be duty free at entry into force (current duties up to 5%) and the rest after 3, 5 or, respectively, 7 years (current tariffs up to 25%).

## FISHERIES

- ▶ Vietnam has accepted liberalisation at entry into force for salmon, halibut, trout and rock lobster and others after three years.

# Quick wins: Vietnam exports to EU

## AGRICULTURE

- ▶ • Rice
- Sweet corn
- Garlic
- Mushrooms
- Sugar and high containing sugar products
- Surimi
- Manioc starch

Quota based duty free

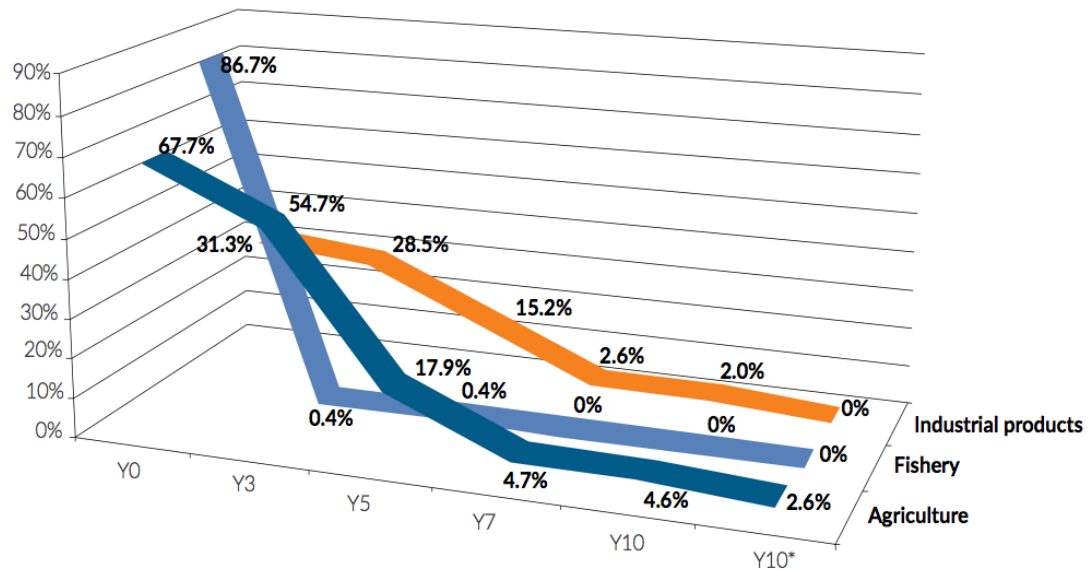
## FISHERIES

- ▶ • Non processed shrimps
- Pangasius in three years

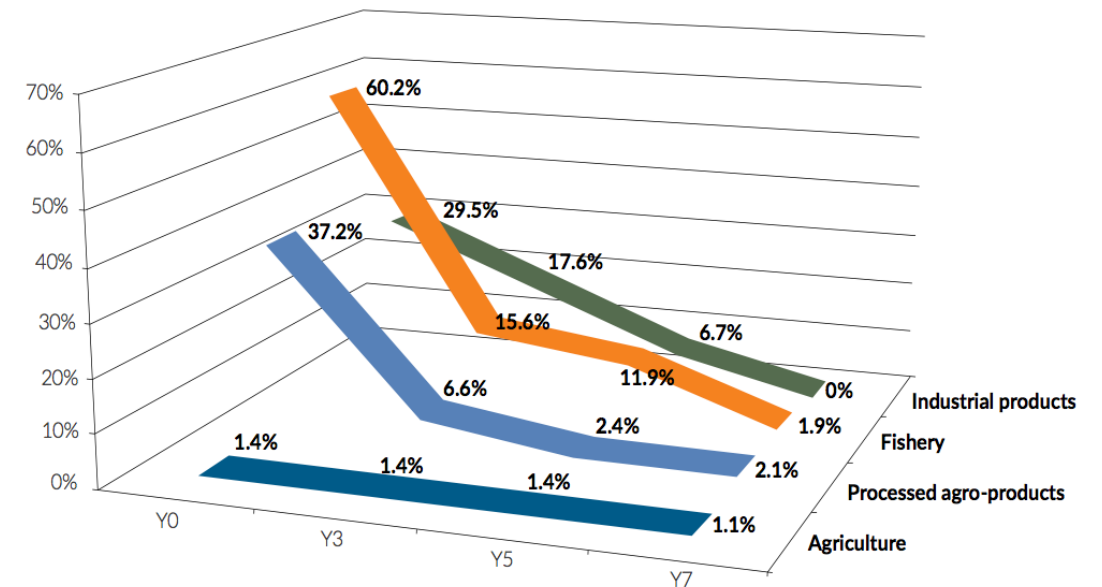
## TEXTILE FABRIC

- ▶ All Vietnam textile fabric exports will see their duties removed from three to seven years.

## Tariff elimination by Vietnam for EU products (Value in % accumulated)



## Tariff elimination by the EU for Vietnam products (Value in % accumulated)



# How to benefit from EVFTA?

Only goods from Vietnam and EU (rules of origin)

## Non-alteration

The products can transit through third countries:

- not been altered,
- adding/affixing marks, labels, allowed

## Product specific rules

A single set of product-specific rules (PSR) for both EU and Vietnam has been agreed.

## Cumulation

EU textile producers may supply Vietnamese garment producers with fabrics originating in the EU.

## Certification and self-certification

Based on the EU standard system available in other agreements. EU approved exporters can make use of self-certification.



# Administrative Trade Barriers

- Easier customs procedures
- Technical, sanitary measures do not create unnecessary obstacles
- Proper protection of intellectual property



Vietnam will apply the same export requirements for all EU Member States.

All products from EU Member States will be subject to a faster and more transparent approval procedure when entering Vietnam.

If any problem occurs in a specific region of the EU, Vietnam will continue keeping its market open for products from the unaffected EU regions.

# Public procurement

Upon the entry into force of the EVFTA European companies will be able to bid for public procurement contracts under the same conditions as Vietnamese companies for the following entities:



Important State-Owned Enterprises



Two major universities and two major research institutes



Entities in Hanoi and Ho Chi Minh City



34 public hospitals directly under the control of the Ministry of Health



All Vietnamese ministries at central level

# New precise standards on investment protection EVIPA

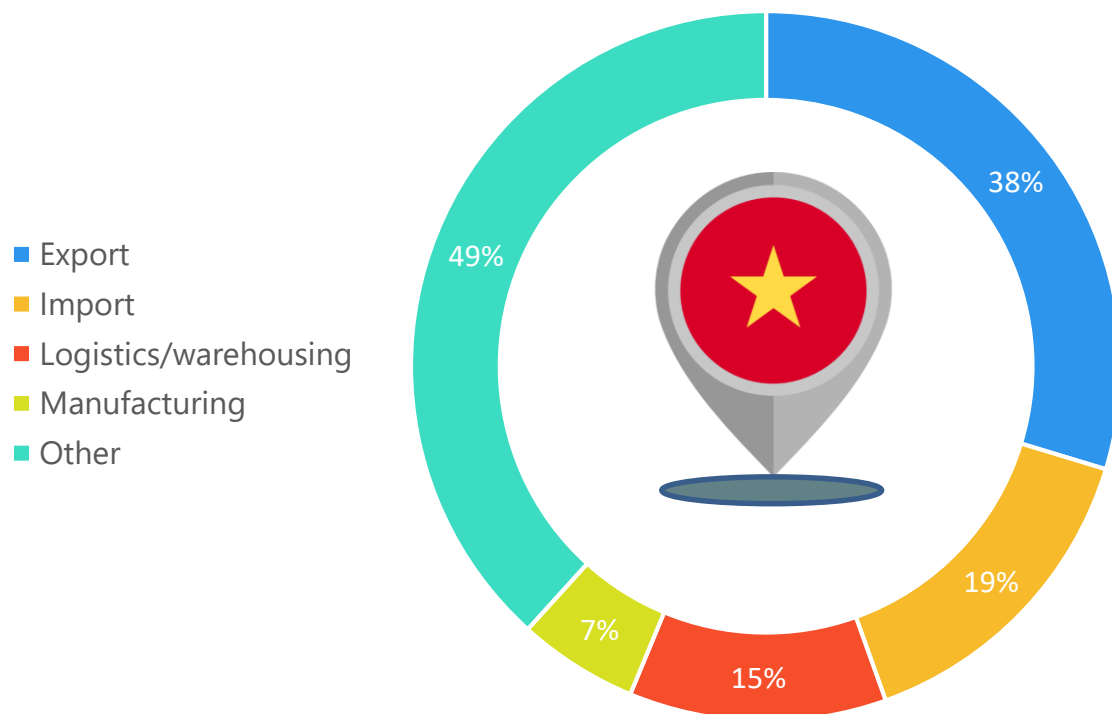
(Not yet in force)

- a commitment to compensate for losses in certain circumstances linked to war or armed conflict.
- no expropriation without prompt 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
- non-discrimination
- A final award must be enforced. Domestic courts cannot question the legal validity

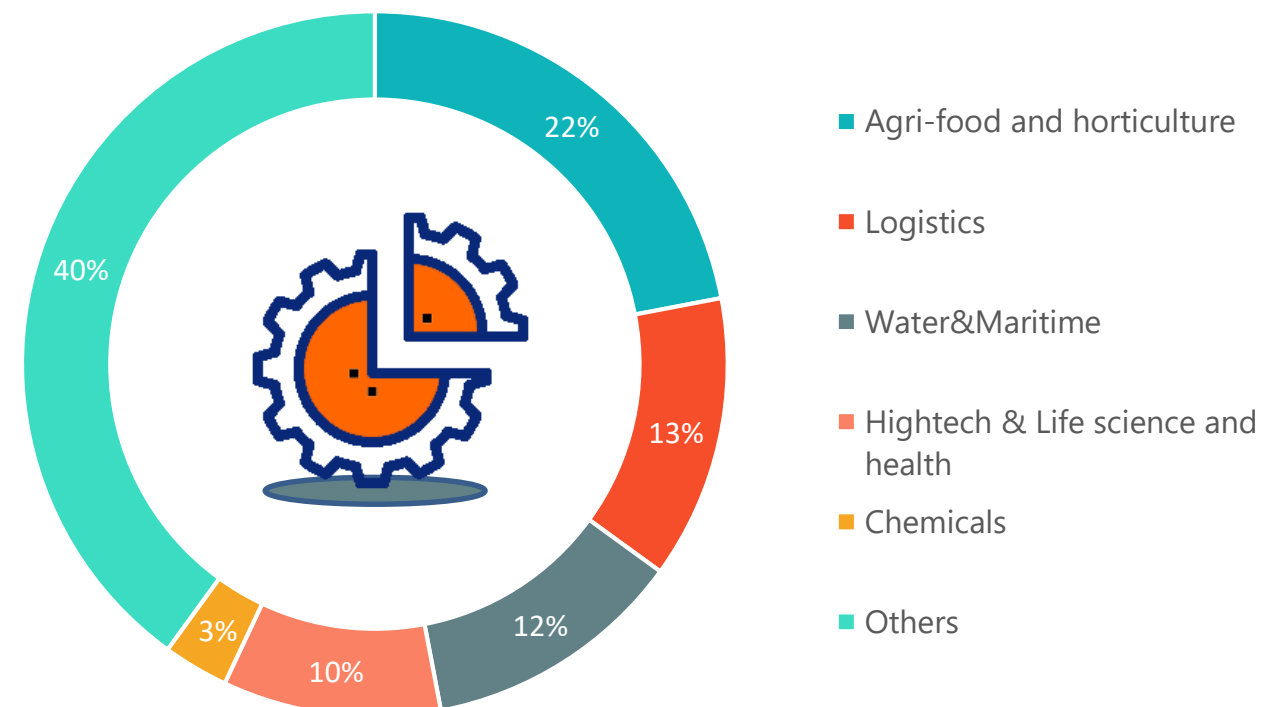
# EVFTA SURVEY

## WHO ARE THE PARTICIPANTS?

### BUSINESS IN VIETNAM



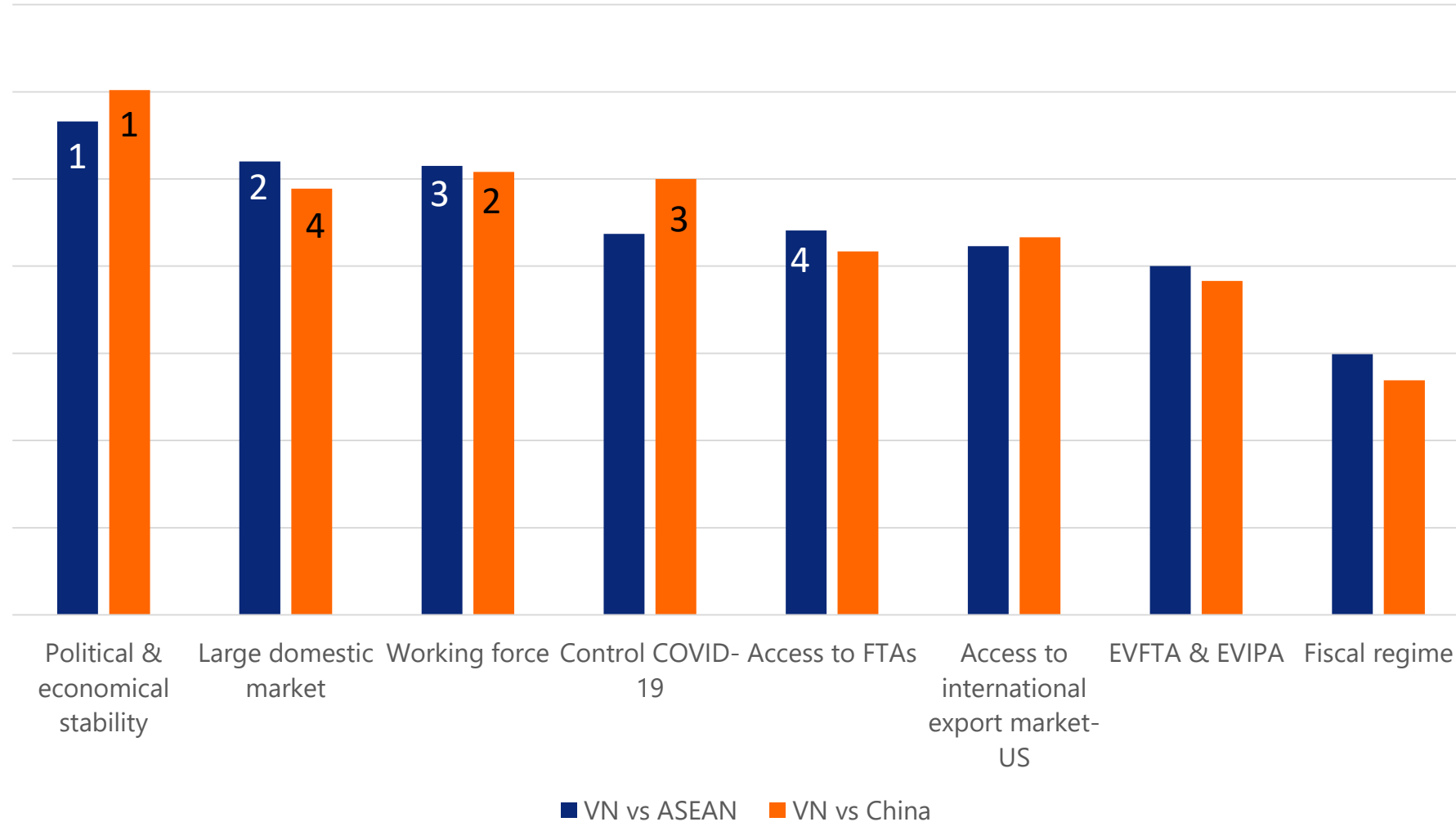
### SECTORS





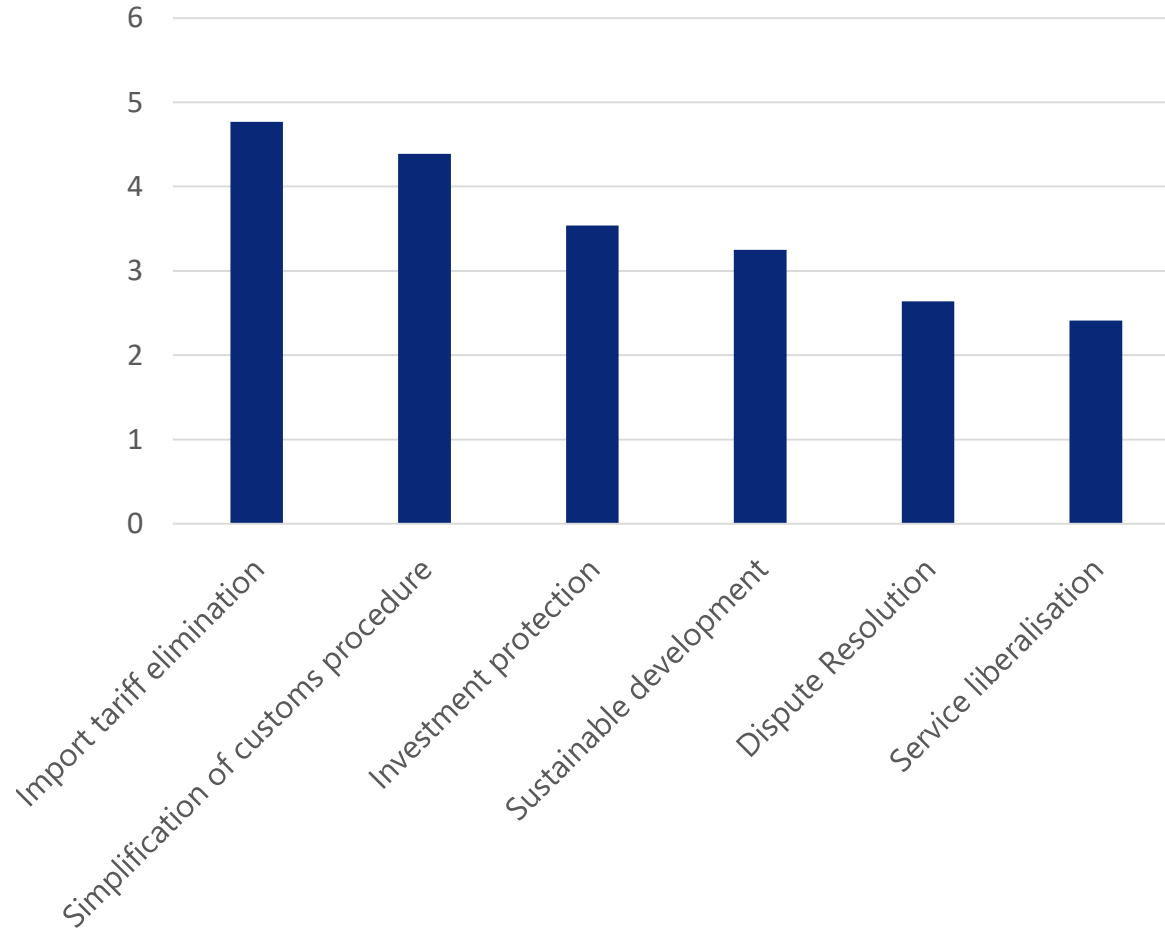
# CHINA + 1 BUT WHERE TO GO?

CHINA+1: KEY OPPORTUNITIES AND CHALLENGES FOR VIETNAM

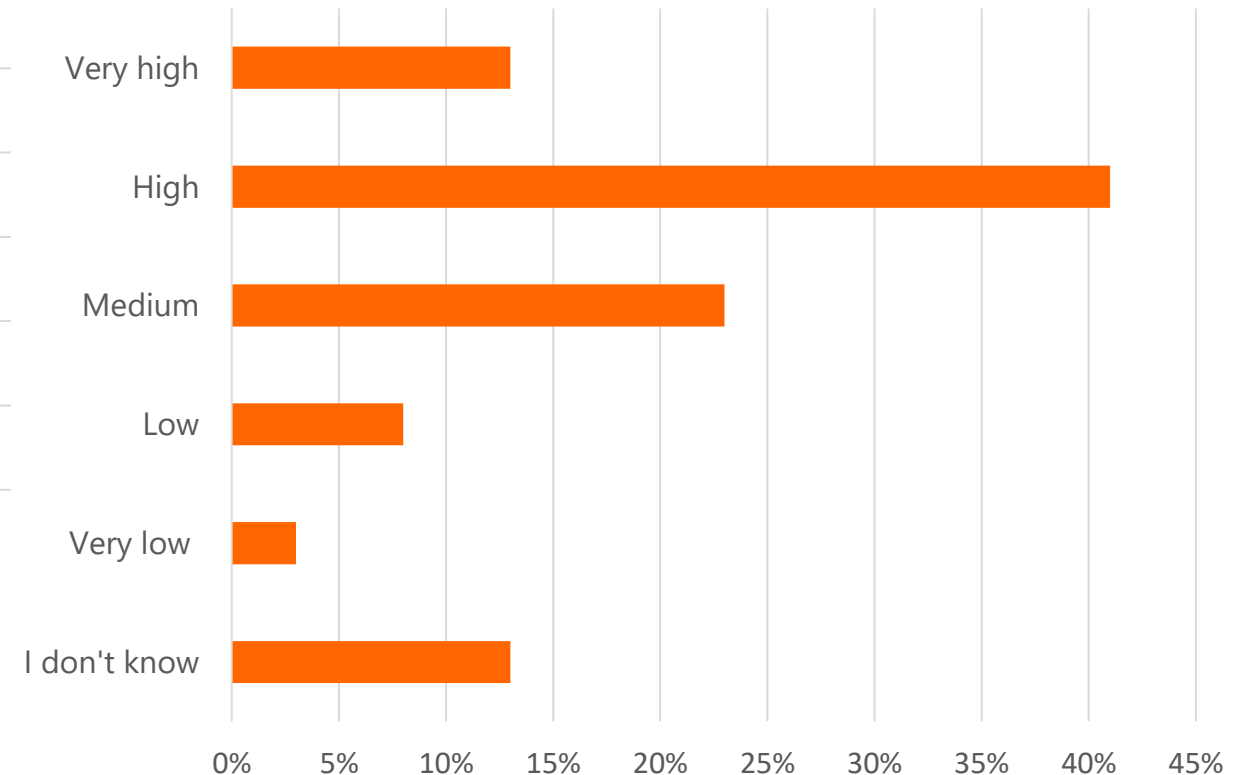


# WHAT DO PARTICIPANTS SAY ABOUT THE EVFTA? WHICH PRACTICAL ACTIONS TO TAKE BY VN GOVERNMENT?

IMPORTANCE OF EVFTA FACILITIES



IMPACT EVFTA ON BUSINESS

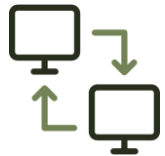


# EVFTA SURVEY

## PARTNERS



CEO Round Table Mid October



Facilitate a direct line of communication with the different ministers and their offices



The meeting is expected to be hosted by Ms Ingrid Thijssen, incoming Chair of VNO-NCW

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