

# EVFTA – IMPACT AND OPPORTUNITIES



## AGRIFOOD

Over 120 Dutch companies operating in Vietnam

- EVFTA will create opportunities for Dutch companies to penetrate the market with their high-quality food products including
  - ✓ Fruits and vegetables
  - ✓ Beverages
  - ✓ Meats

- 20 % of Dutch companies in Vietnam are active in the agribusiness and processing industry

The EVFTA will have powerful effects for the Dutch business community, especially on reducing import tariff

Commodity	Current tariff (%)	Tariff elimination	Comment
Fruit and berry products	0-20	All tariffs reduced within five years	Open market to EU
Fruit and vegetables	0-20	All tariffs reduced right after EVFTA takes effect	Open market to EU
Coffee	0-15	All tariffs reduced right after EVFTA takes effect	Open the export markets, FDI into the processing industry
Cashew	0	All tariffs reduced to 0 per cent after EVFTA takes effect, remaining for 3 years	Open the export markets, FDI into the processing industry
Poultry (Frozen skinned)	0-20	50 per cent tariffs reduced right after EVFTA takes effect	Open market to EU
Swiss chard	0-10	All tariffs reduced after 3 years	Under SPS, TBT measures



- Successful Dutch companies specialised in agribusiness (DBAV members)
  - ✓ FrieslandCampina for milk and dairy products
  - ✓ NedCoffee for coffee trading and processing
  - ✓ Nedspice for manufacturing agricultural products
  - ✓ De Heus for animal feed and nutrition
  - ✓ East-West Seeds for vegetable seeds
- Food safety and hygiene
  - ✓ Increasingly important in VN
  - ✓ Opportunities for Dutch companies to penetrate the market with their high-quality food products, including fruits and vegetables, beverages, and meats

\*SPS: The Sanitary and Phytosanitary Measures  
\*TBT: The Technical Barriers to Trade

## RENEWABLE ENERGY

- Vietnam has had major stressors placed upon its power and energy grid for years
  - ✓ The country was at risk of facing power shortages in the 2020s
  - ✓ Inefficiencies in the utilization of energy resources and infrastructure
- Solar Renewable Power holds particular promise
  - ✓ No foreign-ownership restrictions placed on investors in the agreement
  - ✓ More prevalent in Vietnam's southern regions, most of them being developed by foreign investment
  - ✓ 25 solar farms have signed power purchase agreements (PPAs) with EVN
  - ✓ 221 projects are awaiting approval, with a combined 13,000MW of potential output
  - ✓ Dutch Renewable Energy sector is doing a feasibility study with NL government and NL Embassy in Hanoi

## MARITIME TRANSPORT

- EU firms are now able to take part in **tenders** for public infrastructure projects in Vietnam
  - Transportation services for **energy terminals and pipelines** will open to EU businesses in Quy Nhon and Cai Mep-Thi Vai ports
  - Expected to raise Vietnam's exports to the EU by an extra 20% in 2020, 42% by 2025, and 60% by 2030
  - Enable domestic logistics firms to **gain efficiency, reduce costs, improve technology expertise**, and reduce outsourcing services
  - Attract **investment** from the EU
  - NL invests in Vietnam with **EU-based firms**

For a selection of sectors

Agriculture & Food

Renewable Energy & Maritime

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- ✓ Meats

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The EVFTA will have powerful effects for the Dutch business community, especially on reducing import tariff

Commodity	Current tariff (%)	Tariff elimination	Chance
Milk and dairy products	5-30	All tariffs reduced after five years	Open market to EU, FDI into the processing industry
Fruits and vegetables	0-20	All tariffs reduced right after EVFTA takes effect	Open market to EU
Coffee	0-11.5	All tariffs reduced right after EVFTA takes effect	Open the export markets, FDI into the processing industry
Cashew	0	All tariffs reduced to 0 per cent after EVFTA takes effect; remaining for 3-7 years	Open the export markets, FDI into the processing industry
Fishery (frozen shrimp, fish fillets)	0-26	50 per cent tariffs reduced right after EVFTA takes effect	Open market to EU
Livestock	0-10	All tariffs reduced after 3-7 years	Utilise SPS, TBT measures

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# MARITIME TRANSPORT

EU firms are now able to take part in **tenders** for public infrastructure projects in Vietnam

Transportation services for **empty containers and feeders** will open to EU businesses in Quy Nhon and Cai Mep-Thi Vai ports.

Expected to raise Vietnam's exports to the EU by an extra **20%** in 2020, **43%** by 2025, and **44%** by 2030.

Enable domestic logistics firms to **buy affordable products**, save costs, improve technology expertise, and reduce outsourcing services.

Attract **investment** from the EU

NL invests in Vietnam with **PIB Inland Water Roads**

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## SERVICES PROVIDED BY DBAV



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