



Vietnam's FTAs

Benefits for foreign businesses and investors in Vietnam



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A panorama on Vietnam's FTAs



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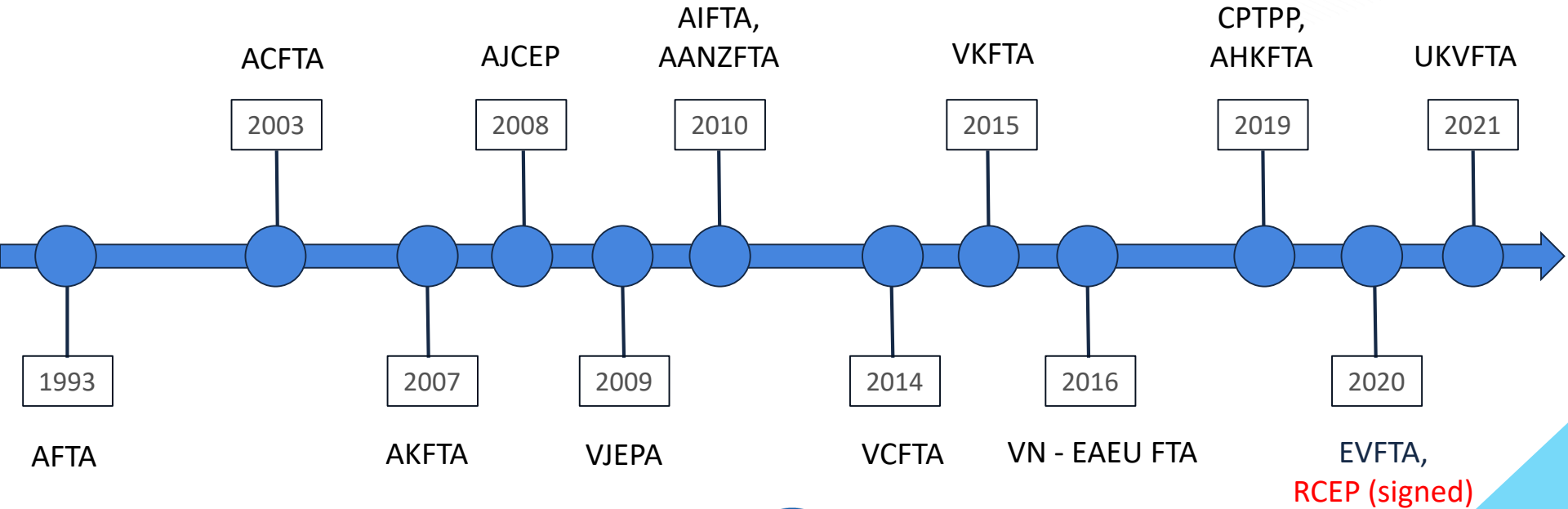


01



FTAs of Vietnam – A panorama

Vietnam FTAs Mapping



No.	FTA	Status	Parties
FTAs in effect			
1	AFTA	Effective since 1993	ASEAN
2	ACFTA	Effective since 2003	ASEAN, China
3	AKFTA	Effective since 2007	ASEAN, South Korea
4	AJCEP	Effective since 2008	ASEAN, Japan
5	VJEPA	Effective since 2009	Vietnam, Japan
6	AIFTA	Effective since 2010	ASEAN, India
7	AANZFTA	Effective since 2010	ASEAN, Australia , New Zealand
8	VCFTA	Effective since 2014	Vietnam, Chile
9	VKFTA	Effective since 2015	Vietnam, South Korea
10	VN – EAEU FTA	Effective since 2016	Vietnam, Russia, Belarus, Armenia, Kazakhstan, Kyrgyzstan
11	CPTPP	Effective in Vietnam since 14 Jan 2019	Vietnam, Canada, Mexico, Peru, Chile, New Zealand, Australia, Japan, Singapore, Brunei, Malaysia
12	AHKFTA	Effective in Vietnam since 11 Jun 2019	ASEAN, Hongkong (China)
13	EVFTA	Effective since 01 Aug 2020	Vietnam, EU (27 members)
14	UKVFTA	Effective since 01 May 2021	Vietnam, The UK
Signed FTAs, not yet in effect			
15	RCEP	Signed on 15 Nov 2020	ASEAN, China, Korea, Japan, Australia, New Zealand
FTAs under negotiation			
16	Vietnam - EFTA FTA	Negotiations commenced in May 2012	Vietnam, EFTA (Switzerland, Norway, Iceland, Liechtenstein)
17	Vietnam – Israel FTA	Negotiations commenced in December 2015	Vietnam, Israel

Vietnam's FTAs



Vietnam has FTAs



01

With 57 trade partners, all continents (except for Africa)

02

Covering some large economic areas

- CPTPP: 13.5% global GDP
- EVFTA: 15%
- RCEP: 30%

03

Including most substantial “new-generation” and “high-standard” FTAs

- “New-generation”: Broad issues committed (at-border and behind-border issues)
- “High-standard”: Most-liberal commitments (goods, services, investments, rules, etc.)



02

Benefits brought to foreign businesses and investors

Market entrance

Lowered barriers for foreign goods (tariff and non tariff)

Stt	FTA	End of Tariff Elimination Schedule	Percentage of eliminated tariff lines at End of Schedule
1	ASEAN - China (ACFTA)	2020	90% với các nước ASEAN 86% với Trung Quốc
2	ASEAN - Korea (AKFTA)	2021	86.3%
3	ASEAN – Japan (AJCEP)	2026	87%
4	Vietnam-Japan (VJEPA)	2026	90%
5	ASEAN-Australia-New Zealand (AANZFTA)	2022	90%
6	ASEAN (ATIGA)	2018	98%
7	ASEAN - India (AIFTA)	2024	69.71%
8	Vietnam – Chile (VCFTA)	2029	88.55%
9	Vietnam – Korea (VKFTA)	2029	89.7%
10	Vietnam – Eurasian Economic Union (VN-EAEU FTA)	2027	87.1%
11	CPTPP	2034	97.8%
12	ASEAN – HongKong (AHKFTA)	2032	72%
13-14	Vietnam – EU (EVFTA) and Vietnam – UK (UKVFTA)	2029	98.3%

Market entrance (cont.)

Larger access for foreign services and investments

Examples of sectors offering better access for selected FTA investors

Sectors	Concrete services
Some professional services)	Nursing, Research and Development, Building-cleaning, Special photography, Packaging, Trade fairs and exhibitions, etc.
Distribution services	Commission Agent, Retail, Wholesale
Communication services	Postal, Telecommunication
Environmental services	Sanitation and similar services, Nature and landscape protection
Financial services	Insurance, Banking, new financial services
Health-related and social services	Hospital, Medical and dental, Social services
Transport services	Maritime Passenger and Freight Transport, Maintenance and repair of vessels, Maritime agency, Container station and depot, Ground-handling, In-flight meal serving, Maritime cargo handling, Dredging, etc.
Manufacturing	Food, Textile, Wood Furniture, Paper, Chemical, Rubber, Plastics, Basic and fabricated metals, Machinery, Medical, Precision and optical instrument, Transport equipment, Recycling, etc.

Operation and performance



- Minimum standard of treatment (FET, full protection and security)
- Non-discrimination (MFN, NT)
- Non-intervention (Local Presence, Performance requirements)

WTO+ standard of treatment

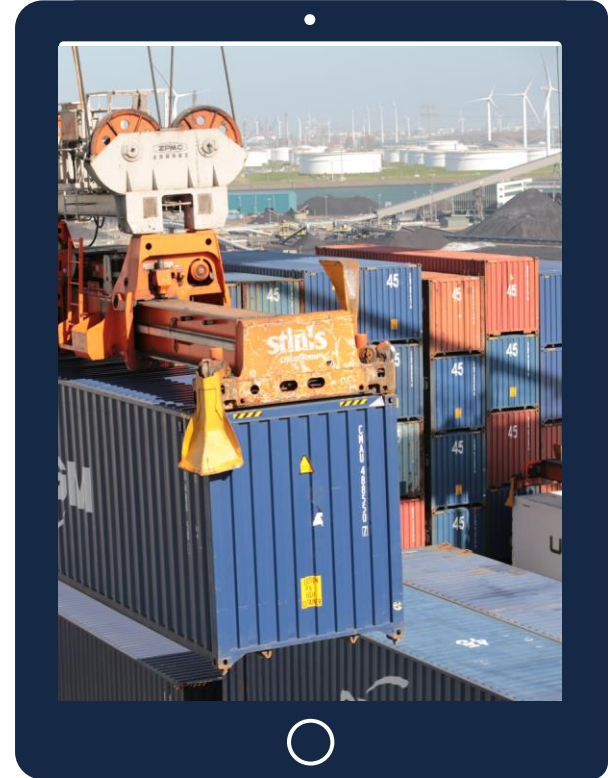
- Longer temporary stay
- More kinds of personnels
- More sectors
- Transparent application procedures and approval conditions

Freer movement of natural persons

Input

Cheaper imported inputs from FTA sources

- Machinery, equipments
- Vehicals
- Chemicals
- Textile, footwear materials



Output



Better domestic markets for outputs

Output (cont.) Better competitiveness thanks to FTA tariff eliminations

Sectors	VN Export to EU – UK markets (EVFTA, UKVFTA)	VN Export to CPTPP markets
General	From 1 Aug 2020: 85,6% tariff lines eliminated From 1 Aug 2027: 99,2% tariff lines eliminated	From 14 Jan 2019: 78-95% tariff lines eliminated End of Schedules (around 2029): 97-100% tariff lines eliminated
Furnitures and wooden articles	From 1 Aug 2020: 83% Remaining: 3-7 year	All except Japan: Almost all tariff lines eliminated from entry into force
Vegetable, Coffee, Honey	100% eliminated from 1 Aug 2020	100% eliminated from entry into force except: -Processed/canned vegetable: Eliminated after 3-5 years -Mexico: after 5-10 year for coffee; Japan: after 7 year for honey
Textile	From 1 Aug 2020: 42.5% Remaining: 3-7 year	Singapore: 100% lines eliminated from entry into force Australia, Canada, Chile, Nhật Bản, Malaysia, New Zealand: 80% eliminated at entry, remaining after 3-11 year Mexico, Peru: Eliminated after 5-16 year
Footwear	From 1 Aug 2020: 37% Remaining: 3-7 year	Singapore, Malaysia: 100% lines eliminated from entry into force Canada, New Zealand: 80% eliminated at entry, remaining after 3-11 years Mexico, Peru: Eliminated after 5-16 year Japan: Majority eliminated after 11 years, remaining after 16 years

Properties Protection



Higher standard of protection for IPR

- Larger rights
- Better enforcements



More reliable rules

- Expropriations, civil strife
- Capital transfer



Better dispute settlement

- Private dispute settlement mechanisms
- Investor-State Dispute Settlement (ISDS)

Sustainable Development



01

Sounder labor standards

- ILO fundamental labor rights
- Acceptable working conditions
- Heading to stronger protections

02

Environment-friendly practices

- Heading to stronger protections
- Focused areas: Biodiversity, Climate change, Legal Timber, IUU, etc.

Thanks



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