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United States, Vietnam Conclude In Principle Bilateral WTO Accession Agreement on Market Access 05/14/2006

WASHINGTON – The United States and Vietnam have reached an agreement in principle on a bilateral market access agreement that will lower trade barriers to a wide range of U.S. industrial and agricultural products and services and help clear the way for Vietnam's accession to the World Trade Organization (WTO).

"This is a very good agreement for the United States. It opens a new and growing market for American agricultural goods, services, such as financial services, and manufactured products," said U.S. Trade Representative Rob Portman. "This agreement also signals an historic step in our bilateral relationship. Vietnam recognizes that broad-based reform and economic liberalization are essential to its integration into the global economy. We intend to work hard with Vietnam to complete the process of its full accession to the WTO in the near future."

The agreement would substantially lower tariffs on U.S. industrial and agricultural products and remove non-tariff barriers currently faced by U.S. service providers. The agreement will also continue the process of political and economic reform in Vietnam, which includes increased transparency in commercial activity and adherence to the rule of law.

The formal signing of the bilateral agreement will take place in the near future once both sides have undertaken the required legal consultations.

Background

Over the course of the negotiations, the Administration consulted closely with Members of Congress, particularly Members and Staff of the House Ways and Means Committee, the Senate Finance Committee and the House and Senate Agriculture Committees, on their interests in making sure a bilateral deal would create new market opportunities for the farmers, ranchers, manufacturers and service providers they represent. The Administration also worked with advisory committees representing private sector interests. Congressional action is necessary to grant Permanent Normal Trade Relations (PNTR) to Vietnam. This will clear the way for the two countries to apply the WTO Agreement between them when Vietnam becomes a WTO member.

Vietnam has been negotiating its terms of accession to the WTO since 1995. To complete its accession bid, Vietnam must complete bilateral market access negotiations and also the multilateral negotiations on a Working Party Report and Protocol of Accession. Vietnam is also still in the process of enacting legislation that will enable it to apply WTO provisions after its accession.

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