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U.S. WHEAT INDUSTRY SUPPORTS PERMANENT NORMAL TRADE RELATIONS FOR VIETNAM

The U.S. wheat industry strongly supports Vietnam's accession to the World Trade Organization (WTO) and the granting of permanent normal trade relations (PNTR) by the U.S. Congress. Granting PNTR would ensure that the U.S. reaps the tremendous trade benefits negotiated in the Vietnam WTO accession agreement.

Since Vietnam began negotiating terms of accession to the WTO in 1995, the United States has become Vietnam's largest export market. Vietnam is also an important export destination for many U.S. agricultural products including wheat. This trade relationship has played an important part in Vietnam's consistent annual GDP growth rate of more than seven percent, which is among the highest in South Asia.

WTO accession would ensure an open and rules-based trade arena for wheat growers, as Vietnam would be subject to the same trade rules that the 149 other member countries abide by. WTO accession would also bind Vietnam to trade rules that use science-based sanitary and phytosanitary standards and that are transparent and non-discriminatory.

The U.S. wheat and the agricultural industry as a whole would benefit from the following commitments upon Vietnam accession to the WTO and passage of PNTR by Congress:

- Approximately three-fourths of U.S. agricultural exports to Vietnam will face bound duty rates of 15 percent or less.
- Vietnam is making improvements on sanitary and phytosanitary measures, including establishment of a WTO-consistent inquiry point.
- The agreement formalizes Vietnam's commitment to more transparent regulatory process.
- The U.S. is not required to change any market access commitments to achieve these benefits; we must only pass permanent normal trade relations for Vietnam.

The United States market is currently open to Vietnam; this agreement serves to open further this vibrant and growing market to American products and services. This agreement will give U.S. wheat producers' far greater market opportunities to the fastest growing economy in Southeast Asia. Vietnam is a young (median age 25.5 years) vibrant country with 85.5 million consumers. Vietnam's accession into the WTO will also continue to spur economic growth within Vietnam and help increase demand for higher quality U.S. wheat.