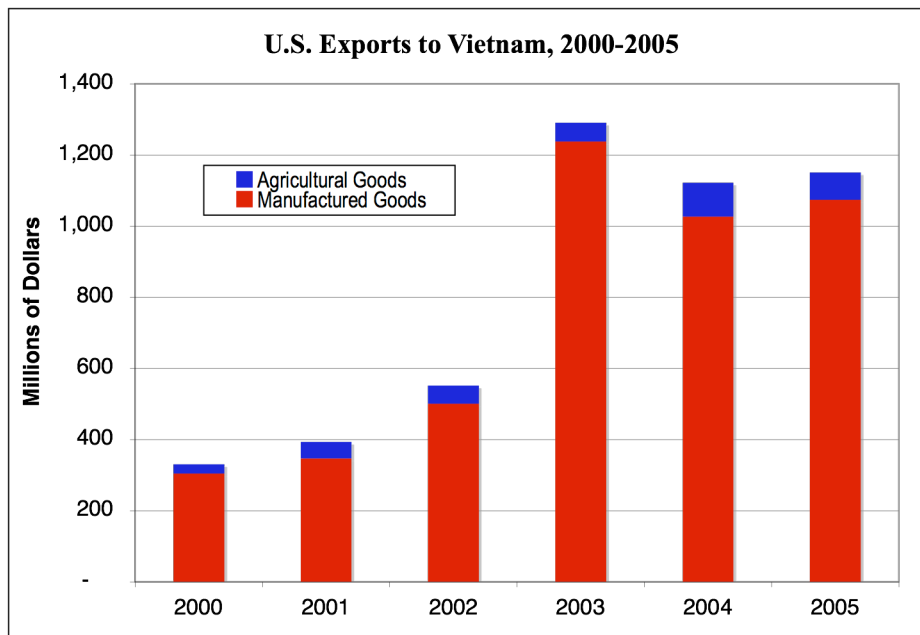




Permanent Normal Trade Relations with Vietnam: Promoting American Competitiveness

The Facts:

Permanent normal trade relations (PNTR) to Vietnam will give American businesses the tools they need to compete successfully in the growing Vietnamese market.



Vietnam is already a fast-growing export market for U.S. manufacturers. Since 2000, total U.S. exports to Vietnam have increased by nearly 250 percent. Vietnam is also a growing market for U.S. agricultural products, with exports increasing nearly 200 percent since 2000. Overall top exports to Vietnam include passenger aircraft, cotton, polymers and chemicals, and dairy products. PNTR for Vietnam, which accompanies Vietnam's accession to the WTO, will not only enable this trade to expand further but will provide U.S. companies with the assurances they need that the trade will take place according to strong international rules and disciplines.



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To Compete and Grow, American Manufacturers Need Tariff-Free Access to Foreign Markets

Immediately upon accession to the WTO, Vietnam will reduce tariffs affecting 94 percent of U.S. exports to a rate of 15 percent or less. Vietnam will immediately eliminate tariffs applied to information technology products, such as computers and telecommunications equipment. Vietnam has committed to reducing tariff to harmonize tariff rates applied to the vast majority of U.S. chemical exports. As a WTO Member, Vietnam will participate in future multilateral efforts to its lower duties even further.

To Compete and Grow, U.S. Services Providers Need Access to Foreign Markets that Have Fair and Transparent Investment and Regulatory Environments

Vietnam will allow U.S. banks and insurance providers to operate through 100 percent U.S.-owned subsidiaries. U.S. firms will be allowed to operate in several key areas of Vietnam's telecommunications infrastructure. Upon accession to the WTO, Vietnam will allow U.S. express delivery companies to operate as majority shareholders in joint ventures with Vietnamese partners and as 100 percent U.S.-owned ventures within five years. Furthermore, Vietnam has agreed to liberalize its wholesale and retail sectors, allowing 100 percent U.S.-owned enterprises by 2009.

To Compete and Grow, American Manufacturers Need Trading and Investment Rules that Are Transparent and Enforceable

Vietnam's accession to the WTO will bind Vietnam to the rule of law. The United States will be able to hold Vietnam accountable to its commitments through various WTO mechanisms, including the Dispute Settlement Body. Already, WTO accession has prompted Vietnam to enact over 80 new laws covering all aspects of trade and commerce supporting a predictable commercial environment.

To Compete and Grow, American Companies Need Strong Intellectual Property Protection

Vietnam's intellectual property rights provisions, now inconsistent and scattered across approximately 40 laws, decrees, and regulations, will be completely overhauled to meet its accession commitments. Combined with Vietnam's implementation of the Agreement on Trade-Related Aspects of Intellectual Property, U.S. companies will have better intellectual property protections and enforcement options.



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PNTR Will Promote Economic Freedom and Strengthen the U.S.-Vietnam Relationship

Granting PNTR to Vietnam will legitimize the extensive legal and economic changes Vietnam has undergone already in preparation for WTO accession. Entrance into a rules-based world trading system will further promote economic freedom and strengthen civil society in Vietnam. Closer engagement with Vietnam continues the maturation of U.S.-Vietnam relations and enhances U.S. messages to Vietnam regarding human rights, religious freedom, and POW/MIA operations.

Sources

- *U.S. Department of Commerce*
- *Bureau of the Census*
- *Office of the U.S. Trade Representative*

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