

## **U.S.-Vietnam Bilateral WTO Accession Agreement: Pharmaceutical Market Access**

On behalf of America's leading pharmaceutical and life sciences companies, the Pharmaceutical Research and Manufacturers of America (PhRMA) welcomes USTR's recent announcement that U.S. negotiators have successfully concluded a bilateral market access agreement with Vietnam. The Agreement clears the way for the WTO Working Party to draft a protocol of accession to finalize Vietnam's membership in the World Trade Organization, and for Congress to approve Permanent Normal Trade Relations (PNTR). The market access agreement builds on the historic U.S.-Vietnam Bilateral Trade Agreement of 2000 (BTA) which led to the restoration of commercial relations.

Vietnam is one of the fastest-growing markets in Asia and an expanding market for innovative U.S. medicines. Since 2000, the resumption of economic ties under the Bilateral Trade Agreement has contributed to a rapid expansion of two-way trade and helped accelerate far-reaching economic reforms. These reforms have strengthened U.S. commerce and the rule of law, while improving the lives of ordinary Vietnamese. U.S. pharmaceutical companies have welcomed the opportunity to do business in Vietnam and supply the world's leading medicines to Vietnamese patients.

The bilateral market access agreement will sharply reduce Vietnam's tariffs on imported pharmaceuticals to between 0 and 5 %. These tariff reductions will boost exports of American medicines, while improving access by Vietnamese patients to innovative, and often life-saving, imported medical treatments.

We are pleased that Vietnam is enacting new intellectual property laws in order to bring itself into compliance with the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights, including 5-years of data exclusivity under Article 39:3, as set forth in the Bilateral Trade Agreement. We look forward to further clarification in the new law and implementing regulations that proprietary data will be protected for 5 years after submission, as in other WTO Members. These steps will begin to set the stage for Vietnam to build an innovative life sciences capability

PhRMA urges the WTO Working Party to redouble its efforts to complete the terms of Vietnam's WTO accession protocol in time for the upcoming APEC Summit. We welcome progress on trading rights. We are hopeful that the protocol will lead to additional progress on pharmaceutical distribution, the non-discriminatory application of price controls, and WTO rules. For the Vietnamese people, WTO Membership would be an historic breakthrough, accelerating the pace of economic reform, improving the transparency of government regulation, strengthening the rule of law, and expanding economic opportunity and freedom. Completion of a WTO Agreement would be an important step forward for our industry, and even more important, give Vietnamese patients better access to the world's leading medicines. We urge Congress to act quickly to approve PNTR.