



NATIONAL RETAIL FEDERATION

NEWS RELEASE

THE VOICE OF RETAIL WORLDWIDE

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Retailers Welcome Trade Agreement with Vietnam

WASHINGTON, D.C., May 31, 2006 — The National Retail Federation welcomed the trade agreement signed today by the United States and Vietnam, saying the pact would make it easier for U.S. retailers to source merchandise from Vietnam and to open stores there.

“On behalf of American retailers, the National Retail Federation is writing to endorse the bilateral market access agreement signed today between the United States and Vietnam, and to offer the full support of the U.S. retail industry as the process of Vietnam’s accession to the World Trade Organization moves forward to congressional consideration of Permanent Normal Trade Relations status for Vietnam,” NRF President and CEO Tracy Mullin said in a letter to Deputy U.S. Trade Representative Susan Schwab, President Bush’s nominee to replace U.S. Trade Representative Rob Portman.

“Vietnam is still a comparatively small but growing supplier to the U.S. market of such consumer goods as footwear, furniture, apparel and coffee,” Mullin wrote. “Now that we have had an opportunity to review the bilateral market access agreement and the provisions that would directly impact the U.S. retail industry, it is our opinion that this agreement represents a significant step forward in normalizing political and economic relations between the United States and Vietnam.”

Mullin said NRF was pleased by a number of provisions of the agreement, including language that will allow U.S. retailers to open and wholly own stores and other retail operations serving customers in Vietnam. Vietnam has also agreed to lower duties and eliminate many restrictions on the importation of most manufactured and agricultural products, including those sold at retail.

Under another provision that will greatly benefit apparel retailers, the United States will eliminate all existing textile and apparel quotas on Vietnam as soon as Vietnam’s membership in the WTO becomes official, and will not employ any special textile safeguard mechanism. In return, Vietnam has agreed to immediately eliminate all subsidies to its textile and apparel industries prohibited by the WTO and agreed to be subject to an enforcement mechanism to ensure that it abides by this commitment.

“We are persuaded that this enforcement mechanism provides an effective and appropriate means to identify and address any remaining WTO-prohibited subsidies without imposing quotas,” Mullin said.

The agreement was signed today in Ho Chi Minh City by Deputy U.S. Trade Representative Karan Bhatia and Vietnamese Deputy Minister of Trade Luong Van Tu.

The National Retail Federation is the world's largest retail trade association, with membership that comprises all retail formats and channels of distribution including department, specialty, discount, catalog, Internet, independent stores, chain restaurants, drug stores and grocery stores as well as the industry's key trading partners of retail goods and services. NRF represents an industry with more than 1.4 million U.S. retail establishments, more than 23 million employees - about one in five American workers - and 2005 sales of \$4.4 trillion. As the industry umbrella group, NRF also represents more than 100 state, national and international retail associations. www.nrf.com.