



## News Release - June 14, 2006

### U.S. wheat industry supports Permanent Normal Trade Relations for Vietnam

The U.S. wheat industry applauds the introduction of legislation granting Permanent Normal Trade Relations (PNTR) to Vietnam and strongly urges Congress to move forward with a vote this summer. Granting PNTR would ensure that the U.S. reaps the trade benefits negotiated in Vietnam's WTO accession agreement.

With PNTR, U.S. wheat producers will have greater market opportunities in the fastest growing economy in Southeast Asia. Vietnam's wheat imports have doubled over the last ten years, to more than 1.2 million metric tons this year. With the anticipated increase in economic growth, tourism, and exports of manufactured products, Vietnamese demand for wheat flour will likely continue to increase by an estimated 5 to 10 percent per year. Unfortunately, despite the desires of Vietnamese millers and food manufacturers for the qualities offered by U.S. wheat, the U.S. market share has been consistently held to less than 8 percent.

"We have appreciated the opportunity to work with Vietnam's millers, bakers, noodle-makers and others in the grain trade in the years since the market first opened up to U.S wheat," said Boyd Schwieder, chairman U.S. Wheat Associates, the industry's export market development organization. "We hope we can soon welcome them to the WTO, as our collaboration and trade relations take another step forward."

The Wheat Export Trade Education Committee and the National Association of Wheat Growers will lead the industry's effort to garner Congressional support for the PNTR vote.

"We look forward to this legislation moving quickly as a part of the process to bring Vietnam into the WTO, where all members operate under the same set of trade rules, as this is an important market for our growers," said Randy Wilks, chairman of the Wheat Export Trade Education Committee.

WTO accession would help ensure an open and rules-based trade arena for wheat as Vietnam would be subject to global trade rules, including science-based sanitary and phytosanitary standards, transparency and non-discrimination.

The U.S. wheat and 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; membership in the WTO serves to further open this vibrant and growing market to American products and services. Vietnam's accession into the WTO will also continue to spur economic growth within Vietnam and help increase demand for high-quality U.S. wheat.