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Statement in Support of Vietnam PNTR July 12, 2006

The National Foreign Trade Council (NFTC) and its 300 member companies strongly support S.3495, legislation to provide permanent normal trade relations (PNTR) status to Vietnam. Providing PNTR to Vietnam is necessary to enable the United States to receive the full benefits of Vietnam's market-opening and rules commitments upon its accession to the WTO. This legislation will also ensure the United States upholds its WTO commitments.

Vietnam's accession to the WTO is a significant step toward integration of Vietnam into the world trading system. Moreover, it would be a capstone to the steady progress by our two countries to fully normalize relations. The integration of Vietnam into the WTO will promote market-oriented and transparent rules-based reform in Vietnam's economy and will result in commercially meaningful economic gains for U.S. firms, workers and farmers by securing access to one of the fastest growing Southeast Asian economies. Vietnam is one of the fastest-growing export markets for the United States; since 2001 exports have increased by 150%. Significant commercial opportunities will be opened up for the U.S. banking, insurance, and telecommunications sectors, among other sectors, as a result of Vietnam's accession to the WTO.

The terms of the bilateral market access agreement reached between the United States and Vietnam as part of Vietnam's accession will remove trade barriers at a pivotal moment when our trade relationship is growing rapidly. Last year, our bilateral trade increased by 21.6% to almost \$8 billion, and the removal of existing trade barriers in Vietnam will further boost the prospects for growth in our bilateral economic relationship. Importantly, Vietnam's accession commitments will put in place greater transparency and improved trade governance in Vietnam's trade regime and will remove other obstacles to increased trade and investment which have been a major source of concern to American companies. Conditions agreed to by Vietnam include protection of intellectual property and progressive elimination of industrial subsidies.

The NFTC urges prompt Congressional approval of S.3495 and its counterpart legislation in the House to provide normal trade relations status to Vietnam to enable the United States to secure the full benefits of Vietnam's accession to the WTO. It is vital for continued growth in trade with Vietnam, it is important strategically, and it will provide a solid basis on which to deepen the US-Vietnam economic and trade relationship.