



Vietnam's WTO Accession

Non-Market Economy Status

- The *U.S.-Vietnam WTO Agreement* contains robust measures that protect the U.S. market against Vietnamese imports arising from unfair trade practices. In the agreement, Vietnam will continue to accept U.S. designation as a "non-market economy" (NME) for up to 12 years after accession, or until it is able to meet the economic criteria for a "market economy" (ME) designation. Without this commitment, imports of Vietnamese origin would be subject to the general rules and standards of the *WTO Agreement on Anti-Dumping* for market economies.
- Under U.S. trade law (19 U.S.C. 1677), a non-market economy (NME) is any foreign country that the administering authority determines not to operate on market principles of cost or pricing structures, so that the sales of merchandise in such a country do not reflect the fair value of the merchandise.
- Upon Vietnam's accession to the WTO, the United States may continue to employ its current methodology to assess whether Vietnamese companies have engaged in dumping. This methodology allows surrogate markets to be used for pricing and dumping margins may be determined. When NME provisions apply, to determine to extent to which a foreign country is dumping, the U.S. Department of Commerce does not use home market prices or costs [of that foreign country] but "constructs" a normal value based on factors of production, values for which are derived from a "surrogate" market economy.
- Countries with designated NME status include China, Kazakhstan, Vietnam, Albania, Armenia, Georgia, Kyrgyzstan, Moldova and Mongolia. The U.S. has in recent years granted ME status to Kazakhstan and Russia, and in February 2006 ME status was granted to Ukraine.