



For Immediate Release  
Office of the Press Secretary  
November 8, 2006

## **Memorandum for the United States Trade Representative**

SUBJECT: Determinations under Section 1106(a) of the Omnibus Trade and Competitiveness Act of 1988 -- Socialist Republic of Vietnam

Consistent with section 1106(a) of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 2905(a)) (the "Act"), I determine that state trading enterprises account for a significant share of the exports of the Socialist Republic of Vietnam (Vietnam) and goods that compete with imports into Vietnam. I further determine that such state trading enterprises unduly burden and restrict, or adversely affect, the foreign trade of the United States or the United States economy, or are likely to result in such burden, restriction, or effect.

Vietnam is seeking to become a member of the World Trade Organization (WTO). The terms and conditions for Vietnam's accession to the WTO include Vietnam's commitments that it will ensure that all state trading enterprises within the meaning of section 1106 will make purchases not for governmental use and sales in international trade based solely on commercial considerations (including price, quality, availability, marketability, and transportation) and that U.S. firms will have an adequate opportunity, in accordance with customary business practice, to compete for participation in sales to and purchases from these enterprises on nondiscriminatory terms and conditions. In addition, the Government of Vietnam will not influence, directly or indirectly, commercial decisions on the part of state trading enterprises, including decisions on the quantity, value, or country of origin of any goods purchased or sold, except in a manner consistent with the Marrakesh Agreement Establishing the World Trade Organization (WTO Agreement) and the rights accorded to nongovernmental enterprise owners or shareholders.

The obligations that Vietnam will assume under the WTO Agreement, including Vietnam's protocol of accession, meet the requirements of section 1106(b)(2)(A) of the Act (19 U.S.C. 2905(b)(2)(A)), and thus my determinations under section 1106(a) do not require invocation of the nonapplication provisions of the WTO Agreement.

You are directed to publish this memorandum in the Federal Register.

GEORGE W. BUSH

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