

UPDATE

April – July 2006



Above: Deputy U.S. Trade Representative Karan Bhatia and Vietnam Trade Vice Minister Luong Van Tu signed the U.S.-Vietnam WTO bilateral market access agreement on May 31, 2006, in Ho Chi Minh City (HCMC).

Vietnam's WTO Accession

Conclusion of U.S.-Vietnam bilateral negotiations on WTO accession – May 14 (DC)

The U.S. and Vietnam reached a bilateral agreement-in-principle on Vietnam's accession to the WTO. Before and during this week-long crucial round of negotiations, the U.S.-Vietnam Trade Council (VTC) provided support to both sides with technical analyses and memos on outstanding issues including industrial subsidies, textile safeguards, non-market economy status, banking, trading & distribution rights, etc. The U.S.-Vietnam Trade Council / the U.S.-ASEAN Business Council (VTC/ABC) organized a business briefing with Trade Minister Tuyen for our member companies, met daily with the negotiation team to discuss remaining obstacles, and finally coordinated U.S. business support for the closing of the agreement.

UPCOMING HIGHLIGHTS

(See page 6 for further details)

- ★ APEC Life Sciences and Innovation Forum – September 6-7
- ★ Seminar: Border Enforcement of IPR – September
- ★ Vietnam's WTO Accession - expected fall 2006
- ★ APEC CEO Summit – November 16-18

Official signing of the bilateral agreement and Reception for USTR – May 31(HCMC)

Deputy United States Trade Representative (USTR) Karan Bhatia and Vietnam Trade Minister Luong Van Tu officially signed the bilateral market access agreement in HCMC on May 31, prior to the start of the 12th Annual APEC Meeting of Ministers Responsible for Trade on June 1st and 2nd. VTC/ABC and the U.S.-Vietnam WTO Coalition organized a reception in honor of USTR Ambassador Susan Schwab and Trade Minister Tuyen and their negotiation teams.

Vietnam PNTR Bills introduced to the U.S. House and Senate – June 13 (DC)

On June 13, the two bills extending PNTR to Vietnam were introduced simultaneously in the U.S. Senate and House of Representatives. The Senate bill (S. 3495) is currently co-sponsored by 11 Senators led by Senators Gordon Smith (R- OR) and Max

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Baucus (D-MT). In the House, H.R. 5602, currently referred to the House Ways & Means Committee, is co-sponsored by 46 Representatives led by Representatives Jim Ramstad (R-MN) and Mike Thompson (D-CA). More information about the two PNTR bills is available at <http://www.usvtc.org/trade/wto/index.htm>.

The U.S.-Vietnam WTO Coalition, led by VTC/ABC, organized a Rollout press event in the Capitol Building to show support for the two bills. The Rollout was attended by USTR Ambassador Susan Schwab, Vietnam Ambassador to the U.S. Nguyen Tam Chien, National Assembly Member Madam Ton Nu Thi Ninh, and bill sponsors: Senators Baucus and Smith, Representatives Ramstad, Thompson, Herger, Meeks, Ryan, Crowley, Kolbe, Kline, Jefferson, McDermott, and Blumenauer. More than 150 people from Congressional offices, the business community, the WTO Coalition, and the press were in attendance at the Rollout event.



Above: Senators Gordon Smith, Max Baucus, Ambassador Nguyen Tam Chien and Madam Ton Nu Thi Ninh at the Congressional Rollout Press event on June 13 in Washington, DC.

Senate Finance Hearing on Vietnam PNTR – July 12 (DC)

After the Vietnam PNTR bill (S.3495) was introduced in the Senate and referred to the Senate Finance Committee on June 13, the Committee held an open hearing on July 12. VTC President Virginia B. Foote, Deputy USTR Karan Bhatia, and Deputy Assistant Secretary of State Eric John were among the 12 people testifying at the hearing. Please visit our website for their statements and other materials submitted for the hearing.

Senate Finance Committee Markup and Approval of Vietnam PNTR – July 27 and July 31 (DC)

Senate Finance Committee held a markup session on Vietnam PNTR on July 27 but did not vote until July 31. With 18 “Ayes” votes and 2 “Present” votes, S.3495 extending permanent normal trade relations to Vietnam was approved by the Committee and is now reported out for the full Senate vote.

Events organized by the U.S.-Vietnam WTO Coalition – May to July (DC)

The U.S.-Vietnam WTO Coalition, led by VTC/ABC, is currently comprised of more than 150 U.S. companies, associations and NGOs supporting the completion of Vietnam’s WTO accession and the U.S. granting of PNTR to Vietnam. Over the last few months, the Coalition met weekly to discuss strategies, and to organize events and meetings to gather support for Congressional passage of Vietnam PNTR bills. Coalition members issued press releases, sent letters and made phone calls to the U.S. Administration and Congressional offices to request their support for Vietnam PNTR. The Coalition arranged over 80 meetings with Congressional offices to voice support for Vietnam PNTR, and discuss outstanding issues. In order to facilitate Coalition meetings on the Hill, VTC/ABC acting as the Coalition’s Secretariat prepared and distributed “Talking Points” and fact sheets on labor, textile provisions, and human rights and religious freedom issues, etc. These documents are available to the public at our website:

<http://www.usvtc.org/trade/wto/index.htm>

The Coalition also arranged for briefings and meetings with representatives of the U.S. Administration and other experts in PNTR process and U.S.-Vietnam relations, including:

- Business briefing with Trade Minister Truong Dinh Tuyen – May 9
- Breakfast meeting with Ambassador Michael Marine, U.S. Ambassador to Vietnam – May 19
- Briefing by Assistant USTR for WTO Dorothy Dwoskin – May 22
- Breakfast meeting with Vice Minister of Foreign Affairs Le Van Bang – May 23

- Reception following the signing of the U.S.-Vietnam WTO bilateral market access agreement – May 31 (HCMC)
- Business briefing with USTR Susan Schwab – June 2 (HCMC)
- Briefing by National Assembly Delegation led by Madame Ton Nu Thi Ninh and U.S.-Vietnam Caucus Chairman Vu Xuan Hong – June 12
- Briefing with Karan Bhatia (Deputy USTR), Tiffany M. Moore (AUSTR Intergovernmental Affairs and Public Liaison), and Jennifer Mulveny (Deputy AUSTR Congressional Affairs) – June 22
- Briefing with Rod Hunter (Special Assistant to the President and Senior Director for International Trade, Energy and the Environment at the National Security Council) and Scot Marciel (Director of Office of Mainland Southeast Asia at the Department of State) – July 13
- Briefing with National Assembly Delegation led by Foreign Affairs Committee Chairman Vu Mao – July 13
- Briefing with Dorothy Dvoskin (AUSTR WTO & Multilateral Affairs) – July 27 (DC)
- Briefing with Adam Peterman (Senior Legislative Assistant to Congressman Jim Ramstad) – July 27

Vietnam's WTO Accession: Breakfast meeting with Senator Baucus. Washington, DC – June 27, 2006

Senator Max Baucus, Ranking Member of the Senate Finance Committee, who is also a co-sponsor of the legislation to grant Vietnam PNTR status, discussed the benefits of Vietnam's WTO membership and the prospects for Congressional approval. Senator Baucus is a ranking member on the U.S. Senate Finance Committee, which oversees U.S. trade policy. This event was co-hosted by the Asia Society, VTC/ABC, and was sponsored by Chevron.

Ambassador Pete Peterson mission to Washington DC – July 17-21

After the two Vietnam PNTR bills were introduced in the U.S. Congress, former Congressman, first U.S. Ambassador to Vietnam, and VTC board member, Pete Peterson visited Washington and called on a number of Members of the House and the Senate for support on Vietnam PNTR. Ambassador Peterson met and discussed with Senators Reed and Durbin,

Representatives Tanner, Ramstad, Rangel, Levin, Miller, Cardin, Shaw, Hunter, Mica, Thompson, DeLauro, Pelosi Pomeroy, DeFazio, Farr, Emanuel, Slater, Skelton, Gene Taylor, Moran, Bishop, Rush, Costello, Scott and Obey. During his trip, Ambassador Peterson also had interview with Congress Daily, Bloomberg News, and wrote an Op-ed on the Miami Herald.

Vietnam's National Assembly delegation led by Madame Ton Nu Thi Ninh and Vietnam-U.S. Caucus Chairman Vu Xuan Hong – June 11 to 20 (DC)

The National Assembly delegation, led by Vice Chairwoman of the Foreign Affairs Committee Madame Ton Nu Thi Ninh and Chairman of the Vietnam-U.S. Caucus Vu Xuan Hong, was in Washington DC from June 11-20 to meet with U.S. Congressional Members and staffers to discuss Vietnam PNTR bill. During their visit, the delegation also met with members of the U.S.-Vietnam WTO Coalition to discuss the overall U.S.-Vietnam relationship as well as issues related to Vietnam's PNTR and WTO accession. The six-member delegation included three representatives from the Budget and Economic Affairs Committee: H.E. Nguyen Thi Hong Minh, H.E. Pham Quang Du, and H.E. Vu Tien Loc; and Mr. Nguyen Manh Cuong, Deputy Director of the International Cooperation Department, MOLISA.

Vietnam's National Assembly delegation led by Foreign Affairs Chairman Vu Mao – July 10 to 14 (DC)

In early July, Vietnam's National Assembly sent a high-level delegation from the Foreign Affairs Committee to the U.S. to review and engage on current issues related to the U.S.-Vietnam bilateral relationship, and to study the process by which U.S. Congress grants PNTR for Jackson-Vanik countries, such as Vietnam. Led by Chairman Vu Mao of the National Assembly of the Foreign Affairs Committee, the delegation included five other National Assembly Members and three National Assembly Staff. VTC, in collaboration with STAR, set-up meetings and organized events during the four-day working visit including meetings with DOS, DOT, USTR, USAID, and U.S. Congress. The visit concluded with a half-day policy roundtable on "The New Vietnam". The

roundtable provided representatives from leading think-tanks, and USG agencies an opportunity to learn more about Vietnam and discuss issues affecting U.S.-Vietnam relations. After their Washington DC visit, the delegation traveled to Houston, Texas and Los Angeles, California.

APEC Updates

APEC MRT Business Symposium: “An Enabling Environment for Trade and Investment” – May 31 to June 1 (HCMC)

The APEC Ministers Responsible for Trade (MRT) met on June 1-2, 2006 in HCMC to discuss key global and regional issues, notably the WTO Doha Development Agenda (DDA), FTAs, RTAs, and, the Busan Business Agenda. The U.S.-APEC Business Coalition, led by VTC/ABC, worked closely with Vietnam’s Ministry of Trade to organize a Business Symposium, as part of the official program. The symposium brought together more than 200 government officials and business representatives to discuss how to move the trade and investment agenda forward. At the concluding luncheon, representatives presented APEC Ministers with their recommendations.

Business Briefing by USTR Ambassador Susan Schwab and Deputy USTR Karan Bhatia – June 2 (HCMC)

VTC and AmCham HCMC organized a briefing with USTR for 55 U.S. company representatives on June 2, 2006 in HCMC. The USTR delegation including USTR Susan Schwab, Deputy USTR Karan Bhatia, Assistant USTR for Japan, Korea and APEC Affairs Wendy Cutler and other USTR representatives visited HCMC for the June 1st and 2nd meeting of the APEC Ministers Responsible for Trade. Ambassador Schwab and Deputy USTR Bhatia spoke with U.S. business representatives on the ground about U.S. trade policy with APEC member countries, the Doha round, and other issues.

Briefing on APEC CEO Summit Preparations by the Organizing Committee – June 14 (DC)

During a working visit to Washington DC, APEC CEO Summit Organizing Committee Executive Director Nguyen Van Thao and his staff from Vietnam Chamber of

Commerce and Industry (VCCI) met with the leadership of the US-APEC Coalition (which VTC/ABC chairs this year) and discussed issues related to the preparations for the CEO Summit in November. VCCI Chairman and Head of the APEC CEO Summit Mr. Vu Tien Loc joined Mr. Thao at a larger meeting that afternoon, to update member companies and sponsors on planned APEC events and activities.

Breakfast meeting with Vietnam’s Minister of Health Tran Thi Trung Chien – July 20 (Washington DC)

Vietnam Minister of Health Tran Thi Trung Chien was on a working visit with the U.S. Department of Health and Human Services in DC from July 18 to July 20. VTC/ABC organized a breakfast meeting for our members to meet with Madam Chien to discuss Vietnam's health sector priorities as well as new reforms and policies in Vietnam. Also key to the meeting was the preparation for the APEC SOM III meeting in Hoi An which VTC/ABC will be arranging with MOH.

New Chairman for the National Committee on APEC 2006

On July 21, Vietnam’s Prime Minister Nguyen Tan Dung signed a decision to assign Deputy Prime Minister Pham Gia Khiem to take the post as Chairman of the National Commission on APEC replacing former Deputy Prime Minister Vu Khoan. On the same day, the Prime Minister appointed former Deputy Prime Minister Vu Khoan as his special envoy on foreign relations.

Technical Assistance Updates

Technical Assistance on WTO Accession – April to July

In support of Vietnam’s multilateral and bilateral negotiations with its Working Party, and the U.S. in particular, VTC submitted letters and memos addressing concerns regarding Vietnam’s WTO commitments on industrial subsidies. These documents were provided to the leadership and working level negotiators at the Ministry of Trade and Ministry of Planning & Investment. In addition, VTC worked with representatives of U.S. companies based in Vietnam and the U.S. Consulate General in an effort to dispel

false information that was being shared regarding WTO requirements on industrial subsidies and Vietnam's negotiations.

Roundtable discussion with the Vietnam's National Assembly Delegation on High-Tech Promotion – May 8 (DC)

VTC organized a roundtable discussion for our members with a visiting National Assembly Delegation responsible for drafting a new Ordinance on high-tech promotion. Led by Vice Chairman of the Committee on Science and Technology, Mr. Tran Viet Hung, the delegation visited the U.S. to survey U.S. strategies and the legal framework for promoting the advancement of science and technology. Council members had an opportunity to learn about and comment on the upcoming High-tech ordinance. VTC worked with the U.S. Department of State and the Embassy of Vietnam to facilitate this visit.

Corporate Governance / Business Ethics Seminar – May 31 (HCMC)

In collaboration with the Public Affairs Section of the U.S. Consulate General, the U.S. Commercial Service, the American Chamber of Commerce, the Vietnam Chamber of Commerce and Industry, the HCMC Young Business Persons Association, VTC organized a corporate governance seminar on May 31. The seminar aimed to support Vietnam's effort in training its local and state-owned enterprises in international best practices for corporate governance, including business ethics and corporate social responsibilities. 270 participants, comprised of senior and mid-level business executives, government officials, academicians and press, attended the seminar.

Fulbright Economics Teaching Program Seminar – June 12 (HCMC)

A select group of twenty senior government officials, policy experts, analysts, and business representatives attended a full-day seminar on "The Current State of the Legal Institutions and Policies Supporting the Development of Large Internationally Competitive Vietnamese Enterprises." This seminar, funded by VTC and the Vietnam Veterans of America Foundation, is the first in a series of public policy workshop for senior officials and other participants to

discuss policy challenges in light of Vietnam's WTO accession. VTC Executive Vice President Robert Schiffer spoke to participants on "The Broad View: Challenges and Opportunities for the Development of Large Vietnamese Enterprises in the Context of WTO Accession."

Other Updates

Vietnam's 10th Party Congress – April 18 to 25 (Hanoi)

Vietnam's Communist Party held its five-yearly congress, announcing top leadership changes, officially revising past statutes, approving the Secretary General's political report and setting the socio-economic strategy and targets for the next five years. At the 10th Congress, General Secretary Nong Duc Manh was reappointed for another term. Since the meeting, the National Assembly announced a number of new appointments including National Assembly Chairman Nguyen Phu Trong, President Nguyen Minh Triet, and Prime Minister Nguyen Tan Dung. For a complete listing of new government appointments please visit our website.

U.S. Congressional Delegation to Vietnam – April 12 to 17 (HCMC & Hanoi)

U.S. House Speaker Dennis Hastert led a Congressional delegation to Vietnam during their spring recess. The visit to Vietnam was part of an 11-day long program, which also took the delegation to Greece and India. In Vietnam, the delegation met with the U.S. Embassy team and U.S. business representatives in both Hanoi and HCMC. The delegation included the following 8 U.S. Representatives: Rep. Hastert (R- IL), Oxley (R- OH), Boehlert (R- NY), Lucas (R- OK), LaHood (R- IL), Ryan (R- WI), Neugebauer (R- TX), and Boren (D- OK).

Visiting Delegations from Vietnam – July (DC)

In addition to the visit by Vietnam's Health Minister and a delegation from the National Assembly Foreign Affairs Committee, other high-ranking Vietnamese officials visited the U.S. to discuss the bilateral relationship. From July 11 to 13, a delegation from the National Assembly's Committee on Economic and Budgetary Affairs, led by

Chairman Nguyen Duc Kien, visited with Congressional counterparts and officials responsible for overseeing budgetary affairs in the U.S. In addition, Vietnam's Ministers responsible for Health, Ethnic Minority Groups, and Science and Technology also visited Washington, DC and signed an Agreement with the U.S. on Health and Medical Sciences Cooperation.

APCAC Annual DC Doorknock – June 11 to 15 (DC)

VTC's International Trade Policy Analyst Dana Doan and 6 VTC/ABC members participated in the Asia-Pacific Council of the American Chambers of Commerce's annual meeting and "doorknock" in Washington, DC. Company representatives met with leadership from Executive Branch (White House, State, Treasury, Commerce, Homeland Security and USTR) and the Legislative Branch, both the Senate and the House, to discuss issues affecting U.S. relations with the Asia Pacific region and countries. Given the large representation by U.S. companies based in Vietnam an additional day of meeting was organized on Capital Hill to lobby for Vietnam PNTR.

Upcoming Highlights

VTC/ABC Breakfast Meeting at the APEC Life Sciences and Innovation Forum IV – September 7 (Hoi An)

The APEC Life Sciences and Innovation Forum (LSIF) will hold its 4th annual meeting in Hoi An, Vietnam, along the sidelines of the APEC SOM III. On day two of the forum, VTC/ABC will host a breakfast meeting for members and forum participants to meet and talk informally with government officials.

IPR Seminar Series: Border Enforcement of IPR – September (HCMC)

With generous support from an anonymous donor, VTC plans to organize the 8th seminar in our IPR Seminar Series on "Border Enforcement of IPR". At the seminar, we hope to focus on the following topics: (1) legal basis for border enforcement in Vietnam; (2) roles and responsibilities of Vietnam Customs Officials in enforcing IP at the border; (3) roles and responsibilities of other players involved in border enforcement including other

government agencies, judges and lawyers; (4) current practices and experiences enforcing IP at the border. Potential speakers at the seminar include the Deputy Director of the Department of Customs in HCMC, a U.S. business representative engaged in the import/export of marked U.S. goods, and an IP legal expert.

Vietnam's WTO Accession (expected fall 2006)

Since the latest Working Party meeting on July 19, Vietnam has continued to work to complete multilateral negotiations with its WTO Working Party and finalize the Working Party Report. The Report will then be incorporated into a Protocol of Accession. Vietnam targets to have its accession package ready for the WTO General Council to approve when it meets on October 10-11. Once Vietnam's membership has been approved, its National Assembly has to ratify the deal. Vietnam will become a full member 30 days after ratification. Vietnam expects to be a full member of the WTO by the time it hosts the APEC Leaders' Summit in Hanoi on November 18-19. In other for the U.S. to take advantage of Vietnam's WTO Accession, the House and the Senate will need to vote on Vietnam PNTR bills by the time Vietnam becomes a member, or the U.S. will have to invoke "non-application" clause.

APEC CEO Summit – November 16 to 18 (Hanoi)

The APEC CEO Summit is a prestigious annual event that provides opportunities for business leaders from the Asia-Pacific region to engage with APEC Economic Leaders, economists, policy makers and other business leaders on relevant economic and trade issues. With Vietnam playing host to APEC this year, VTC/ABC chairs the U.S.-APEC Business Coalition and is involved in organizing a number of events leading to and during the CEO and Leaders' Summits in Hanoi. For more information about APEC events, please visit our website.