EuroCommerce for retail & wholesale

Press release
12 February 2020

EU-Vietnam deal: a long time coming, but still good news for consumers

EuroCommerce Director-General Christian Verschueren commented today on the approval by the European Parliament of the EU-Vietnam Free Trade Agreement (FTA).

"*We have been pushing for a free trade agreement with Vietnam for many years, and are delighted at the European Parliament's decision to approve the deal. With its liberalisation of tariffs and deepening of business links the agreement offers real opportunities for European businesses – granting exporters access to a strong emerging market of close to 100 million people, and offers EU importers and consumers new opportunities in a sustainable and responsible source of quality products. With the commitments made by Vietnam, the agreement will also reinforce the improvements already made to conditions for Vietnamese workers."*

The EU-Vietnam FTA will eliminate over 99% of the tariffs at present in force. Vietnam will liberalise 65% of import duties on EU exports to Vietnam at entry into force of the agreement, with the remainder of duties on, for example, dairy products and wines and spirits, being eliminated over a 5-10-year period. EU duties will be eliminated over the next 7 years.

Provisions on e-commerce will facilitate online trade, and Vietnam has committed to substantially improve access for EU companies to a broad range of service sectors.

The agreement also contains a strong chapter on trade and sustainability which guarantees environmental and human rights standards, with clear powers of enforcement. The Vietnamese government has committed to address earlier European concerns about workers' rights in the country. They have undertaken to ratify and implement three core ILO conventions: one has already been transposed into Vietnamese law, and the others will be implemented shortly, significantly improving the situation of all workers in Vietnam. While the agreement covering goods only needs the agreement of Council and European Parliament, the investment provisions in it will require ratification by national parliaments.

Verschueren concluded:

"This is the most ambitious EU agreement ever signed with a developing country. Its benefits are significant, and I am pleased we have got there now. But it is perhaps worth remembering that the negotiations were concluded in December 2015. I sincerely hope that in this, and other pending agreements important to European business, the institutions and member states can speed up ratification so that the benefits for both sides are not withheld for too long."

---ENDS---

Contact:
Neil McMillan - +32 2 737 05 99 - mcmillan@eurocommerce.eu
Vincent Yhuello - +32 2 894 64 83 - yhuello@eurocommerce.eu