

EU-Vietnam agreements a major step forward and need to be implemented soon

Speaking today after the signature over the weekend in Hanoi of the EU-Vietnam Free Trade and Investment Protection Agreements, EuroCommerce Director-General Christian Verschueren commented:

“We have been pressing for a free trade agreement with Vietnam for many years. We are therefore very pleased that Commissioner Malmström and her Vietnamese counterpart were able to sign these two agreements yesterday in Hanoi. This is the most ambitious EU agreement ever signed with a developing country, and after more than three years since the initial deal was struck, we hope to see the agreements ratified and in force as soon as possible.”

The negotiations between the EU and Vietnam were concluded in December 2016, but legal review and the translation, as well as concerns about labour standards in Vietnam, slowed down the process of taking the agreements forward. It was therefore a very welcome that the Council last week gave a green light for signature, and that the signing ceremony could take place on 30 June in Hanoi.

Vietnam has recently ratified one of three outstanding International Labour Organisation conventions on workers’ rights, and developed a timetable for the other two conventions and set out its plans to revise its Labour Code.

The EU-Vietnam FTA will eliminate over 99% of the existing 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 gradually eliminated over a 5-10-year period. EU duties will be eliminated over the next 7 years. Vietnam has also committed to substantially improve access for EU companies to a broad range of service sectors. The agreement contains provisions on e-commerce and a comprehensive chapter on sustainability which guarantees environmental and human rights standards.

In 2018 the EU imported goods worth €38.3 billion from Vietnam and exported €11.1 billion, while exporting services worth €2.3 billion against services imported from Vietnam of €1.8 billion.

****ENDS****

Contact:

Kinga Timaru-Kast - +32 2 894 64 83 - timaru@eurocommerce.eu

Neil McMillan - +32 2 737 05 99 - mcmillan@eurocommerce.eu

www.eurocommerce.eu

EuroCommerce is the principal European organisation representing the retail and wholesale sector. It embraces national associations in 31 countries and 5.4 million companies, both leading global players such as Carrefour, Ikea, Metro and Tesco, and many small businesses. Retail and wholesale provide a link between producers and 500 million European consumers over a billion times a day. It generates 1 in 7 jobs, providing a varied career for 29 million Europeans, many of them young people. It also supports millions of further jobs throughout the supply chain, from small local suppliers to international businesses. EuroCommerce is the recognised European social partner for the retail and wholesale sector.