

Good Trading, Vietnam

by Michelle Kelley - Monday, December 11, 2006

The ins and outs of Vietnam's Admission to the WTO.

After being approved by the World Trade Organization's (WTO) General Council on November 7th, Vietnam is slated to become the WTO's 150th member on December 28th.

Here are some highlights from Vietnam's ratified accession package (for more information and to view Vietnam's Trade Profile, please visit the WTO's website at: stat.wto.org/CountryProfile/WSDBCountryPFView.aspx).

Vietnam's Commitment

Vietnam has agreed to abide by all International Monetary Fund (IMF) and WTO rules, including all foreign exchange rules, and all WTO agreements with rules concerning Customs Valuation, Rules of Origin, Pre-shipment Inspection, Anti-dumping, Safeguards, Subsidies, and Trade-Related Investment Measures.

The Vietnam government has pledged to not interfere with commercial business except for products subject to consumption restrictions, cultural or moral restrictions, and for "natural monopolies", such as tobacco products, petroleum, aircrafts, and cultural products (newspapers, journals, and audio-visual materials).

Right to Import & Export

As long as they register, all foreign firms will be allowed to import and export as an importer/exporter "of record". Importers will be allowed to choose their own domestic distributors.

Goods

Most quotas and bans will be gradually phased out and eventually abolished, including bans on imported cigarettes, cigars, and used vehicles (except where allowed by WTO rules). However, several products will remain protected by tariff quotas, such as eggs, tobacco, sugar, salt, and other products that are a main source of income to Vietnam's poor coastal farmers.

Duties

To remedy the variance of duties among alcoholic drinks, within three years Vietnam will apply a separate single rate for all beers and for all spirits containing 20% or more alcohol.

Export Controls

Vietnam will maintain export controls on rice, minerals, and some wood products. In addition, the country has agreed to not subsidize exports.

Services

Vietnam reserves the right to limit foreign ownership of service companies operating in Vietnam, with a commitment to phase in foreign ownership for most service sectors after several years.

Intellectual Property Rights

Vietnam will comply with the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement immediately, without any transition period.

Information for this article was summarized from a press release posted on the World Trade Organization's website at http://www.wto.org/english/news_e/pres06_e/pr455_e.htm (7 Nov 2006).



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