



MUTRAP

EU - VIET NAM MUTRAP III

MULTILATERAL TRADE ASSISTANCE PROJECT

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Policy Networking Session and Workshop “Impact assessment of ASEAN-China FTA on Viet Nam Economy”

In 2002, Framework Agreement on ASEAN-China Comprehensive economic cooperation was signed, laying an important foundation for ASEAN-China trade and investment relationship to develop well. This is followed respectively by ASEAN-China Trade in Goods Agreement signed in 2004, ASEAN-China Trade in Services Agreement 2007, and ASEAN-China Investment Agreement 2009, which altogether established three main pillars for ASEAN-China FTA, creating a sound legal corridor that facilitates the movement of capital, technology and labor within the region.

For enterprises the fundamental challenge is the capability to grasp business and investment opportunities of ASEAN and China business community in a new context. Free trade area between 10 ASEAN countries and China (ACFTA) will create opportunities for each enterprise in regards to market, fund, technology but also the request the renovation, business and enterprise restructure, changing traditional business models.

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Within the framework of FTA-1, the EU-Viet Nam MUTRAP III organized a Policy Networking Session (PNS) and a Workshop on the “Impact assessment of ASEAN-China FTA on Viet Nam economy” at the MOIT office on 9/11 and 11/11. The PNS and Workshop was the forum for the MUTRAP experts to report the results of their researches on the qualitative and quantitative impacts of the ACFTA on trade and on some industrial sectors of Viet Nam, taking into account also the social and environmental aspects.

Participants and chairman of Workshop on 11/11 are Mr. Le Quang Lan, Deputy Director General of Multilateral Trade Assistance Department, Ministry of Industry and Trade; Mr. Hans Farnhammer, Head of Economic Cooperation and Public Administration Division, EU Delegation to Viet Nam, Mrs. Nguyen Thi Hoang Thuy, Project Director of EU - Viet Nam MUTRAP III, and representatives of relevant ministries, associations and agencies.

At the Workshop, the experts presented results of their research, identified and explained the main impacts of ACFTA on Viet Nam in regard to the economic and social aspects, showing the opportunities and challenges of ACFTA on Viet Nam economy. According to the experts, by 2015, when ACFTA officially completes, Viet Nam will get many benefits from its participation in the ACFTA, such as an increase quality of





First Secretary, Deputy Head of the Cooperation and Development Section, EU Delegation to Viet Nam Mr. Hans Farnhammer made speech at the workshop

its workforce, and general advantages from an increased resources for science and technique. Activities of investment, technology transfer tourism, human resource training cooperation, etc of China with Viet Nam will also rapidly increase.

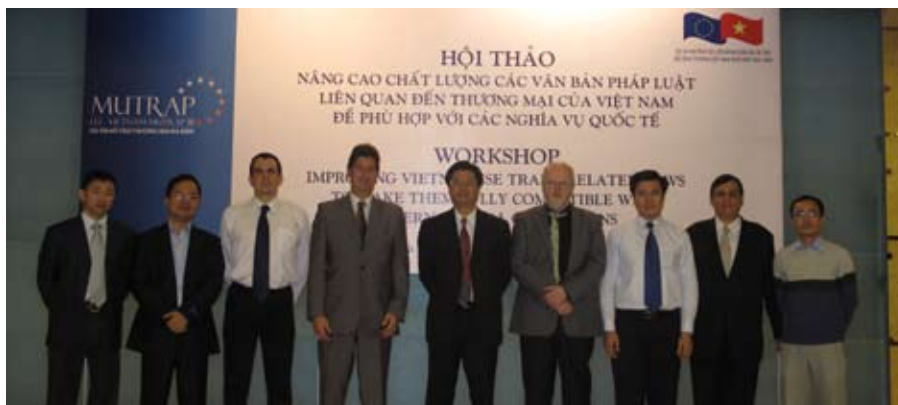
However, ACFTA will have negative impacts on trade and economic structure of Viet Nam, resulting in extensive development of Viet Nam-China trade relationship, with Viet Nam exports of raw materials, agricultural, fisheries, and forestry products and China industrial imports. This will impact on balance of trade between Viet Nam-China to develop towards Viet Nam import surplus with China. Moreover,

China enterprises are stronger than Viet Nam enterprises even in the sectors that Viet Nam have comparative advantages such as textile and garments, leather and footwear, production of domestic goods, not to mention high technology productive sectors that China has been developing. Therefore, upon the lowered tariff and non-tariff barriers, easy penetration of China goods to Viet Nam market, domestic enterprises should strive for great efforts to stand firm in domestic market.





Workshops “Improving Vietnamese Trade Related Laws to Make them Fully Compatible with International Obligations”



Speakers in the workshop

To support the MOIT in implementing its mandate assigned by the Government and within the framework of the WTO-5 activity: “Support MOIT to improve the quality of Vietnamese trade related laws and making them fully compatible with international obligations”, the EU - Viet Nam MUTRAP III, in cooperation with the Legal Department, MOIT, organized a 2 workshops in Ha Noi and Ho Chi Minh City on 16th and 17th, respectively, of November 2009 to present and discuss key findings of MUTRAP experts’ research.

The development and further improvement of a comprehensive legislative system which can ensure that the Vietnamese international trading activities with other WTO members to be in compliance with the international standards and practice is an objective requirement of the process of international integration of Vietnam. The findings of the study not only aim at fulfilling the Vietnamese WTO commitments and other international obligations in regional and bilateral agreements, but also at contributing to the course of renewal and market economy development of Vietnam, based on the creation of an adequate and

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equal legal corridor for commercial activities. To this end, at the workshops, international and local experts shared with the participants comments on certain provisions of Vietnamese trade-related legislations, i.e. Commercial Law, Competition Law and Ordinances on Safeguards, Anti-dumping and Anti-Subsidy which are found inconsistent and not uniform, or even contradictory and overlapping, or not very compatible with WTO regulations. This was also an opportunity for stakeholders, like government agencies, business community and law firms to raise issues relating to legislation understanding, and laws promulgation as well as implementation.



Project “Innovation and Trademark as a Tool to Successfully Compete in the Global Market”



Organisators and representatives of LEFASO in the launching workshop

In the context of increased integration of the Vietnamese economy into the world economy which creates new opportunities, Viet Nam enterprises in general and Leather-Footwear enterprises in particular have to cope with new challenges in the global market. To increase the competitiveness of their products in the export markets, besides the production of high-quality products with low price and the assurance of a prompt delivery, the enterprises should understand the rules and regulations on international trade.

On 18 November 2009, the Leather and Footwear Association of Viet Nam (LEFASO), together with the German-Belgium-Luxemburg Chamber of Commerce, Toscana Trade

Promotion Organization and Toscana materials Producers Association organized a launching workshop for a capacity building project for the Associations and enterprises operating in the Leather and Footwear sector with the theme: “Innovation and trademark: A tool to successfully compete in the global market”.

LEFASO project is part of the activities in the framework of EU-Viet Nam MUTRAP III with the objective: “Strengthening the capacity of the Ministry of Industry and Trade (MOIT) to further implement and develop Viet Nam’s trade and economic integration strategy”. To this goal, Ministry of Industry and Trade need to cooperate with Business association to contribute to make trade policy and inform



member enterprises about the results and impacts of trade integration, FTA. Therefore, upon design of EU - Viet Nam MUTRAP III, MOIT and EC has a component with the budget of 1.7 million Euro for: “Increased coordination of the MOIT with the private (business) sector, training and research institutions to develop a coherent, social and environmental sustainable trade integration strategy”. This project is an important part of component 2, EU - Viet Nam MUTRAP III.

Participants of the workshop include representative of European Union Delegation to Viet Nam, MUTRAP III, leaders of LEFASO, German-Belgium-Luxemburg Chamber of Commerce, Toscana Trade Promotion Organization, Toscana materials Producers Association and enterprises in Viet Nam Leather and Footwear sector.

This project plays an important role for Viet Nam Leather and Footwear sector- one of key exporting sectors in Viet Nam. The project life is 24 months, implemented by LEFASO and partners (German-Belgium-Luxemburg Chamber of Commerce, Toscana Trade Promotion Organization, Toscana Materials Producers Association). The most important fact is that Project stakeholders will become effective consultant partners for the Government on trade policy and market access issues through the experience gained with the EU partners and they will effectively assist member enterprises to take full advantages of the opportunities of emerging markets and achieve effectiveness in business operation with the assistance of State management agencies and Business Association.

“*The project’s specific objective is to improve the know how and capacity of the leather and shoe sector’s Vietnamese business association in the field of international trade issues.*”

The Launching workshop of the Project with the participation of nearly 60 delegates from local associations and sector associations; State management agencies, sector enterprises in the Northern region, international organizations, mass media. At the workshop, after a brief introduction of the project and of the project stakeholders, the project experts introduced and analyzed the role of private economic region and effective model in linking public sector with private economic sector in trade policy making for promotion of economic development in Belgium and Tuscan region, Italy. The workshop is an opportunity for representatives of enterprises and local sector association to present difficulties, obstacles relating to building trademark, existing international trade barriers and raise questions about methods to assist enterprises to build product trademark in the project, methodology of participation in the project activity.

After the successfully organized opening-event, Viet Nam Leather and Footwear Association and partners are preparing detailed contents for following activities to ensure effectiveness of project progress.





Study Tour for Learning Experiences of CFS Management and Certification

In the framework of the activity CB-3 “Support MOIT on drafting a Prime Minister’s decision on the promulgation of regulations on the issuance of Certificate for Free Sale (CFS), EU - Viet Nam MUTRAP III financed a study tour to Hungary and Czech Republic for delegation of MOIT officials from 1 to 6 November 2009 to learn about CFS issuance policies in these two countries.

“ *The promulgation of CFS regulation on one hand provides specific guidelines for export enterprises to approach foreign markets where CFS requirements are requested, and creates favorable conditions for trade as well as conform to WTO commitments on the other hand.* ”

During the tour, Vietnamese officials had meetings and discussions concerning the authentication and authorization of CFS with different agencies and organizations under the Ministry of Development and Economics, the Ministry of Health, the Ministry of Finance, the Ministry of Telecommunications and the Ministry of Labor and Social Affairs of the Czech Republic.

It is a good opportunity for Vietnamese officials to acquire new experience of CFS request, promulgation, application and management in order to apply appropriate points into the Draft Decision.

In the meetings, the Vietnamese delegation discussed and shared experiences on the various topics: Relevant ministries in charge of the CFS, list of application documents (for a CFS), time required to obtain a CFS (from the issuing authority), application procedures, requirement for verifying the CFS before it is issued, obligation of the CFS applicant/ issuing authority, validity of the CFS, goods subject to the requirement of the CFS and assessment of the satisfaction of the goods in the EU.



Senior Official Meeting of the WTO on the Doha Round

Under the sponsorship of the EU- Viet Nam MUTRAP III, a delegation of MOIT officials attended the Official Meeting of the WTO (SOM) on the Doha Round between 23 and 27 of November 2009.

This 2nd SOM meeting which were expected to provide the necessary momentum for the Doha negotiation as the WTO members moved towards the 7th Ministerial Conference, setting the tone and preparing for the next senior officials meeting in December 2009, covered agriculture, industrial goods, services, rules, trade-related intellectual property rights, and environment. The SOM week was a good chance for the participants to gain valuable experiences in approaching a topic of negotiation in the Doha Round, the way an issue is put in the agenda and how the WTO members address the issue in order to balance their rights and positions in the Round and more importantly how to protect the legitimate national interests against the demanding trading partners. Based on this information, officials found vital for Viet Nam to have the Doha Round participation strategy in place as soon as possible. The Doha Round is entering the stage of real negotiation in which national interests could be hurt if there is an absence of clear-cut instructions from the capital to negotiators to deal with different issues of negotiation.

2nd ASEAN-Japan Comprehensive Economic Partnership Joint Committee Meeting

Under financial assistance form MUTRAP III, a delegation of officials from the Ministry of Industry and Trade (MOIT) have attended the 2nd ASEAN-Japan Comprehensive Economic Partnership Joint Committee held in Pasay City, Philippines from 24-27/11/2009.

This is an usual meeting between ASEAN and Japan, which is to look at the implementation of the ASEAN-Japan comprehensive economic partnership that entered into force since 1st December 2008. The Meeting was attended by representatives from all ASEAN member countries, Japan and the ASEAN Secretariat. The parties discussed such issues as: Entry into force of the Agreement; Establishment of Sub-Committees, Transposition of the Tariff Reduction Schedule (HS 2002-HS 2007); Trade in services and Investment; Rules of Origins, etc.

Concerning the implementation of the Agreement, except Cambodia, Indonesia and the Philippines, all other members have completed domestic procedures for ratification of the Agreement and implementation process. The Meeting recalled to all parties, except Thailand, Brunei, Malaysia, to submit their tariff reduction/ elimination according to the decision of the 1st AJCEP Joint Committee Meeting. At the first Meeting, a number of Sub-Committees were established including: Rules of Origins; SPS; STRACAP; Economic Cooperation. Japan and some ASEAN members will take co-chairmanship of these committees. In addition, the Meeting this time agreed to set up the Sub-Committee on Services and Investment. The ASEAN Secretariat will revise its comparative matrix of the investment chapter in Japan's bilateral economic partnership agreements with some ASEAN member countries.





Workshop on Economic Integration through Trade Facilitation among ASEAN + 3 Countries

Within the framework of FTA-8 activity that aims to improve the capacity of MOIT to effectively negotiate, coordinate regional trade-related arrangements, EU - Viet Nam MUTRAP III sponsored a delegation of officials from different ministries to attend the Workshop on economic integration through trade facilitation among ASEAN +3 held in Jilin Province, China from 24-25/11/2009.

Around 80 participants from ASEAN +3 countries, including 10 ASEAN countries, China, Japan and South Korea attended the workshop. Viet Nam delegation composes of 3 representatives from Ministry of Industry and Trade and General Department of Viet Nam Customs. In the context of present global crisis coupled with growing development of economic integration among East Asian countries, it is increasingly important to expand intra-regional trade by promoting trade facilitation. The workshop discussed feasible ways and means to promote trade facilitation with a view to achieving a region wide Free Trade Area among the 13 member countries.

In addition, the workshop is expected to develop an action plan on future strategies for trade facilitation to enhance intra-regional trade and production networks by raising competitiveness of the region as a whole.

The workshop was reported on general status of trade facilitation in ASEAN, progress of trade facilitation in ASEAN + 3 and experience sharing. All reports expressed the important role of trade facilitation to regional economic development, calling for further cooperation, particularly in such areas as customs, SPS, trade logistics and free movement of business person.





CALENDAR OF EVENTS – NOVEMBER 2009

Date	Activity Code	Event	Co-organiser
31 October - 7 November (Hungary, Czech)	CB-3	Support MOIT to conduct study tour for regulation on the issuance of CFS	Export-Import Dept, MOIT
9 November (Ha Noi)	FTA-1	PNS Impact Assessment of ASEAN-China FTA on Viet Nam's economy	
11 November (Ha Noi)	FTA-1	Workshop "Impact Assessment of ASEAN-China FTA on Viet Nam's economy"	
16 November (Ha Noi)	WTO-5	Workshop "Viet Nam Trade-related Laws and compatibility with international obligations"	
17 November (Ha Noi)	WTO-5	Workshop "Viet Nam Trade-related Laws and compatibility with international obligations"	
18 November (Ha Noi)	CB-7	Launching Workshop "Innovation and Trademark as a tool to successfully compete in the global market"	LEFASO
23-27 November (Switzerland)	WTO-1	Senior Official Meeting of the WTO on the Doha Round	
24-27 November (Philippines)	FTA-8	The Second ASEAN – Japan Comprehensive Economic Partnership (AJCEP)	
24-25 November (China)	FTA-8	Workshop on economic integration through trade facilitation among ASEAN+3 countries	





UP COMING EVENTS

Date	Activity Code	Event	Co-organiser
2-3 December (Ha Noi)	CB-7	Workshop International Trade Policy	SEQUA and VINASME
3 December (HCMC)	CB-3	Disseminating the information regarding CFSS to the business sector	
7-8 December (Ha Noi)	CB-7	International conference research on international trade and curriculum development	FTU
8 December (Ha Noi)		PSC meeting	MOIT
9 December (Ha Noi)	CB-2	Launching Ceremony Vietnam Export Portal - VNEX	VECITA
10 December (Ha Noi)	CB-7	Kick-off meeting - FTU Grant Project	FTU
11 December (HCMC)	CB-2	Launching Ceremony Vietnam Export Portal - VNEX	VECITA
14-18 December (Switzerland)	WTO-4	Senior Official Meeting of the WTO on the Doha Round	
14-18 December (Switzerland)	WTO-2	Briefing of high level decision makers and negotiators on developments in the international trading system	IDEAS Center, Geneva
14-18 December (Singapore)	FTA-8	Meeting to prepare for ASEAN 2010, between Viet Nam's delegation and Singapore	MOIT
15 December (HCMC)	COMP-1	Training course for VCC	VCC
16 December (HCMC)	COMP-1	International Conference "Enforcement of Competition Law in ASEAN Countries and International Practices"	VCC
21 December (Ha Noi)	COMP-1	Training course for VCC	VCC
21 December (Ha Noi)	CB-1	Workshop "Dissemination of VJEPA to Vietnamese enterprises"	Multilateral Trade Policy Dept, MOIT
23 December (Da Nang)	CB-1	Workshop "Dissemination of VJEPA to Vietnamese enterprises"	Multilateral Trade Policy Dept, MOIT
25 December (HCMC)	CB-1	Workshop "Dissemination of VJEPA to Vietnamese enterprises"	Multilateral Trade Policy Dept, MOIT
29 December (HCMC)	CB-1	Workshop "Opportunities and Challenges for Female Officials and Employees in Industrial and Trading Sector after Viet Nam's 3-year WTO Accession"	MOIT





EU-VIET NAM MUTRAP III AT A GLANCE

Foreign donor

European Community

Executing Authority and Implementing Agency

Ministry of Industry and Trade of Viet Nam

Budget

10,670,000 Euros (10,000,000 Euros from the EC, 670,000 Euros from the Vietnamese Government)

Project Duration

4 years, from August 2008 to June 2012

Overall Objective

To assist Viet Nam to implement the SEDP and the Post-WTO Accession Action Plan for sustained pro-poor economic growth through stronger integration into the global trading system.

Project Purpose

The capacity of the Ministry of Industry and Trade (MOIT) to further implement and develop Vietnam's trade and economic integration strategy is strengthened.

Main Results

1. Increased capacity of the MOIT to coordinate and implement WTO commitments;
2. Increased coordination of the MOIT with the private sector, training and research institutions to develop a coherent, social and environmental sustainable trade integration strategy;
3. Increased capacity of the MOIT to effectively negotiate and coordinate regional trade related arrangements such as AFTA, ASEAN plus dialogue partners and to engage in FTA negotiations with major trade partners;
4. Improved facilitation of trade in services through better coordination, statistics and better analytical capacity;
5. Strengthened capacity of the competition policy stakeholder to ensure consumer protection, a fair and level playing field for all businesses through the implementation of the new competition law.

