# Viet Nam

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| **Viet Nam’s Bogor Goals Progress Report (as at 3 September 2018)**[[1]](#footnote-1)\* |
|   | **Highlights of Achievements and Areas for Improvement** |

* Average MFN tariff rate was 9.6% in 2016 with tariffs on agricultural products almost twice that of non-agricultural goods.
* Safeguard measures were put in place on certain steel and chemical products.
* Regulations in many service industries clarified, including the role of foreign workers.
* Restrictions on foreign participation in pay-TV remain.
* Law on Investment amended to reduce the number of business sectors where government pre-approval for foreign investments is required.
* Some new specific trade concerns have been raised against Viet Nam in the WTO SPS and TBT Committees in recent years.
* New Customs Law guides the implementation of the National Single Window, which connects 11 government agencies. Use of online systems and electronic forms introduced.
* Viet Nam ratified the WTO Amendment of the Agreement on the Trade-Related Aspects of Intellectual Property Rights (TRIPS) in January 2017.
* Plans to amend Competition Law to extend scope of its application.
* Viet Nam is looking at reducing unnecessary regulatory burden on trade and investment issues.
* Online processing system for temporary residency for foreigners, as well as pilot e-visa program implemented.
* Viet Nam is expanding its network of RTA/FTAs and engaging in several RTA/FTA negotiations

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|   | **Summary of Topics** |

Tariffs

Average MFN applied tariffs in Viet Nam were 9.6% in 2016, with average tariffs on agricultural goods at 16.3%, almost twice those of non-agricultural products at 8.5%. 15.6% of agricultural products were duty free, compared to 38.3% of non-agricultural products.

Nonetheless, high MFN tariffs of over 20% apply to certain types of goods such as beverages and tobacco (50.2%), petroleum (34.2%), sugars and confectionery (33.3%), coffee and tea (26.8%), transport equipment (22.2%), fruits, vegetable, plants (21.2%), and cereals and preparations (20.9%).

Between 2016 and 2017, Viet Nam has implemented a number of decrees to reduce tariffs according to their RTAs/FTAs in force.

Non-Tariff Measures

Viet Nam prohibits the export and import of certain goods for reasons of national security, health, environmental or cultural reasons. Items prohibited from export include ammunition, national relics, and rare fauna and flora. Import prohibitions apply to goods such as second-hand consumer goods, right-hand-drive motor vehicles, and certain chemicals.

Safeguard measures in the form of tariff quotas were applied on pre-painted galvanized steel products imported into Viet Nam, effective from 15 June 2017. In addition, Viet Nam applied definitive safeguard measures on the imports of certain fertilizers of Diammonium Phosphate (DAP) and Monoammonium Phosphate (MAP) on 02 March 2018. The fertilizers under the investigation included: DAP and MAP containing substantial elements of Nitrogen and Phosphorus with minimum content of 7% Nitrogen and 30% Phosphorus. However, fertilizers are excluded from scope of subject products having one of the elements as follows: N < 7%; P2O5 < 30%; K2O >3%.

Services

Viet Nam released several circulars clarifying the regulations of foreign investment in industries such as petroleum, foreign exchange management of borrowing and repayment of overseas loans applied to enterprises, maritime services, amongst others.

Several decrees and circulars were also issued to clarify the role of foreign workers in certain industries. For example, a decree from 2017 clarified that foreign contractors in the construction sector are allowed to directly carry out import and export procedures. Likewise, a circular in 2016 identified foreign workers eligible for work permit exemption, who are internally reassigned by enterprises operating within eleven service sectors specified in Viet Nam's WTO Schedule of Commitments on trade in services, including accounting and auditing, telecommunications, construction and engineering, financial services, and health related services.

Local content requirements apply in some areas. For example, the number of foreign channels broadcasting on subscription television in Viet Nam is limited to no more than 30% of the total number of channels.

Investment

Annex IV of the Investment Law came into effect on 1 January 2017 to reduce the number of sectors where both domestic and foreign investments are subject to conditional post-approval from 267 to 243 sectors. Business lines that were removed include consulting services, manufacture of animal feed, and lighting and greenery system operation services. There were also new conditional business lines added, such as manufacturing assembling and import of automobiles, registration and maintenance of ".vn" internet domain name services, and manufacture and repair of liquefied petroleum gas containers (LPG containers).

An interconnected mechanism for processing Applications for Investment Registration and Enterprise Registration Submitted by Foreign Investors was introduced in April 2017. This mechanism aims to simplify administrative procedures.

Standards and Conformance

Viet Nam has issued a number of decrees and circulars to clarify on standards, technical regulations and also regulated conditions for conformity assessments, accreditation, calibration and testing in the economy between 2015 and 2017.

In 2017, Viet Nam had three specific trade concerns raised against it at the WTO Technical Barriers to Trade (TBT) Committee. The concerns raised were regarding shipping requirements on alcoholic beverages, issues on cybersecurity and regulations on the conditions for automobile manufacturing, assembling importing and automotive warranty & maintenance services. By the end of 2017, Viet Nam had two specific trade concerns raised against it at the WTO Sanitary and Phytosanitary (SPS) Committee in recent years with no reported resolution. These issues relate to undue delays in the approval process for dairy and meat products, and the suspension of certain groundnut seed imports.

Customs Procedures

The new Customs Law, which came into effect on 1 January 2015, provides guidelines on the National Single Window and gives priority to modernizing their customs process through the use of electronic forms. The Single Window connects 11 government agencies including: Ministry of Industry and Trade, Ministry of Science and Technology, Ministry of Transportation, Ministry of Agriculture and Rural Development, and the Ministry of Finance.

An electronic customs declaration information portal was also launched on 15 March 2017, to allow relevant agencies to make tax-related procedures, payments by banks and other administrative procedures.

Intellectual Property Rights

Viet Nam ratified the WTO Amendment of the Agreement on the Trade-Related Aspects of Intellectual Property Rights (TRIPS) in January 2017.

The Domestic Office of Intellectual Property of Viet Nam piloted the e-filing system on e-Government, which serves to simplify procedures and shorten the time needed for filing applications for IP registration.

Competition Policy

Viet Nam intends to amend its Competition Law in May 2018 to extend the scope of its application, changing its approach in controlling the restrictiveness of agreements, abuse of dominant market position, and economic concentration, amongst other aspects.

Government Procurement

A number of circulars were released between 2016 and 2017 to provide guidance on the government procurement process in Viet Nam. This includes issues such as e-procurement, as well as procurement processes in specific industries like engineering, construction, and land-using projects.

Deregulation/Regulatory Review

Viet Nam has implemented some regulatory reforms, through reviewing its Foreign Trade Management Law, Export and Import Taxes Law and Planning Law, among others. Viet Nam is also looking at reducing unnecessary regulatory burden on trade and investment issues.

Mobility of Business People

Online systems for processing passport applications for Vietnamese citizens and temporary residency for foreigners were implemented. A pilot e-visa program for foreigners from 40 economies was also implemented on 1 February 2017.

RTA/FTAs

Viet Nam currently has ten RTAs/FTAs in force[[2]](#footnote-2), and nine agreements under negotiation including the Regional Comprehensive Economic Partnership (RCEP) and Viet Nam – European Free Trade Association (EFTA) Free Trade Agreement. The Comprehensive and Progressive Trans-Pacific Partnership Agreement (CPTPP) was signed in March 2018.

1. \* This brief report was prepared with information from Viet Nam’s submission of 2018 APEC Individual Action Plan (IAP) template; the 2016 WTO World Tariff Profiles, AmCham Vietnam, and information from the Ministries of Education and Training; Finance; Foreign Affairs; Industry and Trade; Information and Communication; Justice; Customs; Planning and Investment; and Government of Viet Nam websites (laws, decrees, circulars, and decisions). [↑](#footnote-ref-1)
2. Viet Nam’s RTA/FTAs in force are the following ones: ASEAN (1992); ASEAN-China (2005); ASEAN-Korea (2007); Viet Nam-Japan (2009); ASEAN-Japan (2009); ASEAN-Australia-New Zealand (2010); ASEAN-India (2010); Viet Nam-Chile (2012); Viet Nam-Korea (2015); and Viet Nam-Eurasian Economic Union Free Trade Agreement (2016). [↑](#footnote-ref-2)