



MAIN BENEFITS

Opportunities to increase trade and support jobs and growth

The EU-Vietnam agreement offers more opportunities for companies on both sides. This will happen through

- removing tariffs
- reducing regulatory barriers and overlapping red tape
- ensuring protection of geographical indications
- opening up services and public procurement markets
- making sure the agreed rules are enforceable

Removing tariffs

The agreement will eliminate 99% of all tariffs on both sides.

	<i>Current duty in Vietnam</i>	<i>Duty once agreement fully in force</i>
Machinery and appliances	Up to 35%	0
Pharmaceuticals	Up to 8%	
Cars	Up to 78%	
Dairy	Up to 20%	
Wine	50%	
Chocolates	30%	

Many Vietnamese products currently benefit from trade preferences offered unilaterally by the EU under the General Scheme of Preferences (GSP).

The agreement will allow Vietnam to maintain free access to the EU market for those products also in the future, even if its economic situation no longer justifies a preferential treatment reserved for developing countries. In addition, the agreement will lead to a gradual tariff elimination for the remaining products.

The agreement takes into account the more sensitive situation of some agricultural sectors in the EU (such as rice, sweet corn, garlic, mushrooms, or sugar). In these cases the access of Vietnamese products to the EU market will be limited by tariff rate quotas.



Reducing non-tariff barriers

Thanks to the agreement, trade in many products will be facilitated by:



an increased use by Vietnam of international standards in its regulations



agreed rules on animal and plant health



the recognition by Vietnam of EU certificates of conformity for cars



the recognition by Vietnam of the "Made in EU" origin marking for most non-agricultural products

Protecting Geographical Indications

169 traditional European food and drinks products from a specific geographical origin will be protected against imitation on the Vietnamese market. This includes famous European delicacies like:



Champagne
Parmigiano Reggiano cheese
Rioja wine
Feta cheese



Distinctive Vietnamese products, such as Mộc Châu tea or Buôn Ma Thuật coffee, will also be protected in the EU.

The agreement also makes it possible for new products to be added to the protected list in the future.



Public procurement

European companies will have better access to the Vietnamese public procurement markets than companies from any other country. This means that they will be able to bid for public contracts involving entities such as:



The Vietnamese central administration, including as regards infrastructure projects

The two biggest Vietnamese cities, Hanoi and Ho Chi Min City

Important state-owned enterprises

At the same time, the agreement in no way curtails the right of each side to decide how they want their public services to be organised.

Levelling the playing field for EU companies in Vietnam through:



Ambitious disciplines on State-Owned Enterprises and state subsidies to avoid that an unfair advantage is given to local companies



Better protection for EU innovations, artworks and brands from being unlawfully copied

Granting access for EU service providers

The agreement provides the best access to the Vietnamese services markets ever granted by Vietnam to a trade partner.

It will substantially improve access for EU companies to a broad range of services sectors, including:



postal and courier
services



environmental
services



banking and
insurance



maritime
transport



Promoting and protecting EU investments in manufacturing in Vietnam

Vietnam has committed to open up to investments in manufacturing in a number of key sectors:

- food products and beverages
- tyres and tubes
- ceramics and construction materials

Making rules effective and enforceable



The agreement sets out a formal state-to-state dispute resolution mechanism that is faster and more efficient than the WTO framework.

There will be a possibility for fast, amicable solutions through voluntary mediation instead of formal dispute resolution procedures.