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| **Viet Nam’s Bogor Goals Progress Report (as at 30 September 2016)**[[1]](#footnote-1)\* |
|   | **Highlights of Achievements and Areas for Improvement** |

* Average MFN tariffs have declined substantially in recent years, but high MFN tariffs still remain for some agricultural and industrial products.
* Import prohibitions and licensing still are applicable for certain products. Same occurs for export prohibitions.
* Tariff-rate quotas are applied to a limited number of products. Direct price controls have also been imposed on milk products.
* Progress in services liberalization. Sectors such as construction and finance have gradually been opened up.
* The Real Estate Law opened up the real estate industry to foreign investment.
* The Investment Law changed the list of sectors for foreign investment from a positive list to a negative list.
* Successful rollout of the VNACCS/VCIS electronic system for customs procedures to facilitate cross-border transactions; 100 percent of customs agencies are using the system.
* Steps to strengthen rules and enforcement of intellectual property rights.
* Enhanced the role of the Competition Council to monitor, investigate, and penalize anticompetitive behavior.
* Law on Immigration imposes limits on visa purpose and length. Restrictions on reentry for visa-free visitors.
* ABTC validity is extended from three to five years.
* Viet Nam reported nine FTA/RTAs in force and six under negotiation.

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|   | **Summary of Topics** |

**Tariffs**

Since Viet Nam’s accession to WTO, its average MFN tariffs have declined substantially from 18.5% in 2007 to 9.5% in 2014. About one-third of the tariff lines (35.1%) are duty-free.

However, high MFN tariff rates remain for some goods. For example, among the agricultural products, average MFN tariffs are still high for beverages and tobacco (43%), coffee and tea (26.8%), fruits, vegetables and plants (20.1%), sugars and confectionery (17.8%) and cereals and preparations (17.3%). As for industrial products, high MFN tariffs are in place for clothing (19.8%) transport equipment (17.5%) and fish and fish products (15.6%).

Viet Nam has been reducing tariffs through the implementation of their RTAs/FTAs in force.

**Non-Tariff Measures**

Viet Nam applies trade restrictions to a list of products for public health, safety and security reasons; or for compliance with international commitments. Exports are prohibited for items such as weapons and ammunitions, antiques and national treasures, logs and timbre, and rare wild animals. Likewise, import bans and licenses are required for certain goods. The purpose of these restrictions is to ensure minimum quality standards, local network compatibility, monetary security or cultural sensitivities. Among the products facing import prohibitions are certain household items, used vehicles, and medical equipment.

The list of products subject to import licenses has been modified several times in recent years, adding mobile phones, radio transmitters, and radio transmitter receivers to the list in 2014. In 2014 and 2015, it was stipulated an auto-import licensing scheme for specific types of fertilizer products and steel products.

Tariff rate quotas are applicable for certain imports such as eggs, unrefined or raw sugar, unmanufactured tobacco, and salt. Price stabilization measures for dairy products of children under six years old are applicable, such as maximum prices, price reductions on milk formulas and setting a maximum retail mark-up of 15 percent.

**Services**

Several measures in a number of sectors have increased competition in the domestic market. In 2014, the government issued regulations and procedures on the internal movement of foreign workers in 11 service sectors not subject to labor licensing. In addition, Viet Nam opening up the banks and credit institutions market to foreign investment. The decree increases ownership limits for foreign organizations and foreign strategic investors (i.e., long-term investors) while maintaining limits for foreign individuals. Aggregate foreign ownership of banks and credit institutions is still pegged at 30 percent of charter capital. In 2015, Viet Nam clarified rules covering foreign construction firms operating in the economy while simplifying procedures for obtaining construction permits.

However, restrictions were imposed in some services sectors. For example, new regulations on websites and social networks are requiring sites to locate a server within Viet Nam and to store posted information for 90 days and metadata up to two years.

In the transportation sector, the government has issued measures to facilitate cross-border transportation in the Greater Mekong Subregion; to regulating the quality of air and airport services and specifying compensations for air transport passengers; and to improve the quality of inland marine transport services in Viet Nam.

**Investment**

The Law on Investment 2014 came into force in July 2015, changing the list of prohibited sectors for foreign investment from a positive list to a negative list. The law states that foreigners can own an unlimited share of capital in companies except three cases specified in the law (e.g., state-owned enterprises or barred by other laws or treaties). The law also lists 267 sectors where foreign investments are subject to pre-approval by the government.

The Real Estate Law 2014 allows foreigners to obtain a certificate of land rights use for 50 years with a possibility of extension. Foreign companies are also permitted to conduct a wider range of real estate services and activities under the new law.

**Standards and Conformance**

In its 2016 Individual Action Plan submission, Viet Nam reported the publication of 842 technical standards, of which 65 percent were developed taking into account the standards by the International Standardization Organization, the International Electrotechnical Commission, the Codex Alimentarius, among others. Viet Nam also reported publishing 105 technical regulations.

By the end of 2015, four specific trade concerns raised against Viet Nam at the WTO SPS Committee have not been resolved. These concerns relate to various food products such as fruits, dairy, and meat products. With regard to TBT, four specific trade concerns raised at the WTO TBT Committee had not reached a resolution; affected products include alcoholic beverages, cosmetics, and mobile phones.

**Customs Procedures**

In 2014, Viet Nam rolled out the Viet Nam Automated Customs Clearance System/Viet Nam Customs Information System (VNACCS/VCIS), computerizing customs procedures and facilitating cross-border transactions. VNACCS/VCIS is also connected to the single window system, expediting administrative procedures for trade. As of 2015, all customs agencies in the economy are using VNACCS/VCIS.

Viet Nam issued several circulars aimed at facilitating customs procedures and clarifying rules on handling, goods classification, and inspection.

**Intellectual Property Rights**

Between 2014 and 2015, Viet Nam issued a number of laws and regulations to strengthen its IPR regime and put them in line with WTO requirements. These new regulations deal with loyalties and rewards for artistic works, trademark registration and sanctioning intellectual property violation in the industrial sector.

On the enforcement side, in 2015, Viet Nam defined inspection, supervision, and customs procedures covering trade in goods with intellectual property, as well as border control of counterfeit and pirated goods.

**Competition Policy**

In 2014, Viet Nam promulgated laws and regulations enhancing enforcement of the Competition Law, including increasing fines for anticompetitive behaviors and clarifying legal bases to strengthen cases against violators. In 2015, the government defined the tasks, powers, and organization structure of the Competition Council, giving it quasi-judicial powers to enforce the Competition Law as well as promoting research and international cooperation on competition.

Competition policy is an integral part of the RTA/FTAs negotiated by Viet Nam in 2014-2015.

**Government Procurement**

Viet Nam issued several laws and circulars strengthening government procurement processes, including those clarifying contractor selection and PPPs, guiding procurement administrative processes, and enhancing transparency through publication of tenders and selected suppliers.

**Deregulation/Regulatory Review**

Viet Nam continues to review existing regulations and promote deregulation. Recent laws and circulars have the aim of facilitating market entry, promoting competition, and liberalizing trade and foreign investment. Dialogues with the business community are ongoing to disseminate information, raise awareness, and address difficulties in doing business.

**Implementation of WTO Obligations/ROOs**

Viet Nam continues to provide necessary notifications to WTO regarding trade policies, including notices on subsidies and import licensing regimes.

Issues regarding rules of origin are included in the RTA/FTAs Viet Nam negotiates with partner economies, including the recently-concluded FTA with Korea.

**Dispute Resolution**

In 2014, regarding coordination in the resolution of international investment disputes, Viet Nam requested government agencies to coordinate international investment disputes “proactively, adequately, timely, efficiently” and specified penalties for failure to do so.

**Mobility of Business People**

The new Law on Immigration came into force in 2015, regulating the entry, exit, transit, and residence of foreigners in Viet Nam. Among other rules, the law forbids any changes to visa purpose (e.g., tourist to work visa), requires a 30-day period between entries for foreigners under the visa-free regime, and specifies instances where foreigners may be barred entry into or exit from Viet Nam. The law also stipulates that working visas can have a maximum of two years while investor visas have a maximum of five years.

In October 2015, Viet Nam extended the ABTC validity from three to five years.

**RTA/FTAs**

Viet Nam reported nine FTA/RTAs in force[[2]](#footnote-2) and six agreements under negotiation, including the Trans Pacific Partnership Agreement and the Regional Comprehensive Economic Partnership.

1. \*This brief report was prepared with information from Viet Nam’s submission of 2016 APEC Individual Action Plan (IAP) template; the 2015 WTO World Tariff Profiles and information from the Ministries of Education and Training; Finance; Foreign Affairs; Industry and Trade; Information and Communication; Justice; and Planning and Investment 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), and Viet Nam-Korea (2015). [↑](#footnote-ref-2)