

Viet Nam's Bogor Goals Progress Report (as at 13Aug2012)*

Highlights of Achievements and Areas for Improvement

- Viet Nam has reduced its average tariff in recent years, but high MFN tariffs still remain for both agricultural and non-agricultural products.
- Many quantitative and other non-tariff restrictions have been eliminated in recent years. Nevertheless, some import prohibitions and import licensing requirements still remain.
- Measures in services sectors such as telecommunications, banking and energy aiming to increase competition.
- Viet Nam is encouraging the private sector to invest in infrastructure projects.
- Active participation in international organizations for standards, metrology and quality. Nearly half of domestic standards follow international standards.
- E-customs procedures have been implemented to facilitate trade. However, there are some concerns about the length of the customs clearance process.
- Efforts to streamline government procurement process.
- Structural reforms to simplify administrative procedures and review legislation.

Summary of Updates

Tariffs

Viet Nam is implementing the preferential tariff schedules agreed in the ASEAN Trade in Goods Agreement, the ASEAN-China FTA and the ASEAN-Korea FTA for the period 2012-2014.

Viet Nam's average tariff has fallen in recent years. In fact, Viet Nam reduced its tariffs after its accession to WTO in 2007. Nevertheless, high MFN tariffs still remain for both agricultural and non-agricultural goods.

Non-Tariff Measures

In May 2010, the Ministry of Trade and Industry issued a circular stipulating the application of automatic import licensing to a number of agricultural products including meat, fish, shellfish, sugar, cocoa, cereal goods, wine and spirits, among others.

Many quantitative and other non-tariff restrictions have been eliminated in recent years. However, a limited number of products such as second-hand goods, firecrackers, right-hand drive motor vehicles, used spare parts and certain variety of meat cuts face import prohibitions. Also, some manufactures and agricultural products need to fulfill import licensing requirements.

Services

In the telecommunications sector, the Circular 11/2010/TT-BTTTT issued in May 2010 stipulated promotion activities for the sale of mobile phone services, which helped to increase competition and the number of subscribers in this sub-sector.

*This brief report was prepared with information from Viet Nam's submission of 2012 APEC Individual Action Plan (IAP) template and USTR's 2012 National Trade Estimate Reports on Foreign Trade Barriers

In the banking sector, the State Bank of Viet Nam allows foreign banks to participate in the domestic market. The Circular 40/2011/TT-BTTTT establishes that for branches of foreign banks, parent banks need to have assets for at least USD 20 billion in the year preceding the submission of the application to open the branch; generate profits for the previous five years and not having committed any serious violation of banking regulations in their home economy in the previous five years before the application.

In air cargo services, the Circular 26/2009/TT-BGTVT issued in October 2009 establishes the procedures for the approval of aircraft lease between Vietnamese and foreign organizations and individuals. It also guides the procedures to set representative or booking offices for foreign airlines.

In the energy service, the Circular 45/2011/TT-BCT, which became effective in February 2012, stipulates the operation of a competitive market in the generation of electricity

Investment

Viet Nam is expanding the opportunities to invest in infrastructure. The Decree 24/2011/ND-CP, which came into effect in May 2011, encourages the development of infrastructure facilities in medical health, education and training, occupational training, culture, sports and offices of State bodies. The investment schemes in the forms of Build – Operate – Transfer (BOT), Build – Transfer – Operate Contract (BTO) and Build – Transfer Contract (BT).

Standards and Conformance

From May 2010 to December 2011, Viet Nam published 700 standards, half of which were developed on the basis of ISO, IEC, ISO/IEC, Codex standards. In 2011, Viet Nam also published 103 technical regulations.

Viet Nam is participating actively in international organizations for standards, metrology and quality. As of December 2011, Viet Nam's competent authority had signed 23 Memoranda of Understanding and Cooperation agreements with foreign agencies and international organizations.

Customs Procedures

Since 2011, e-customs procedures have been implemented for exports, imports and processing goods for export. The implementation of this electronic system increased the number of enterprises involved (117 times higher compared to 2009) and the number of e-customs declarations (136 times higher compared to 2009). However, there are still concerns about the length of the customs clearance process.

Intellectual Property Rights

Viet Nam has been working on streamlining the process to apply for a registration of IP. The National Office of Intellectual Property, in collaboration with other agencies, drafted a series of documents to facilitate the applicant on the steps to follow, as well as to ensure transparency of the process of examination and review of industrial property applications.

Authorities in Viet Nam are implementing actions to enforce the respect of IPR. They have reported a reduction in pirated and counterfeit goods. Awareness on IPR matters is increasing among the population due to campaigns in mass media and the organization of learning programs.

Competition Policy

In 2010, the Viet Nam Competition Authority released a Handbook on Competition Law to create awareness on the matter. Later, in 2011, a working group assessing the implementation of the Competition Law provided some recommendations to improve its effectiveness in the future. The reviews included the regulations on restrictive practices, unfair competition practices, economic concentration, and appeal procedures, among others.

Government Procurement

Viet Nam has been implementing procedures to improve the government procurement bidding process. In July 2011, the Ministry of Planning and Investment issued the Circular 15/2010/TT-BKH to incorporate an online tender process.

Deregulation/Regulatory Review

Viet Nam completed the “Master Plan on Administrative Reform 2001-2010”. This plan included a number of initiatives concerning deregulation/regulatory reform policies. During this period, efforts to simplify administrative procedures and review legislation were implemented. From 2009, proposals to create laws and ordinances by either the National Assembly Standing Committee or the Government require a preliminary impact assessment report.

Mobility of Business People

Viet Nam approved issuing electronic passports to its citizens.

RTA/FTAs

Viet Nam’s network of RTA/FTAs includes agreements in force with 15 economies. An FTA with Chile was signed in November 2011. Viet Nam is currently negotiating the TPP and involved in discussions for possible FTA negotiations with three economic blocs.