

EU/Vietnam Investment Protection Agreement

2018/0358(NLE) - 07/05/2019 - Legislative proposal

PURPOSE: to conclude the Investment Protection Agreement between the European Union and its Member States, on the one hand, and Vietnam, on the other.

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: Council may adopt the act only if Parliament has given its consent to the act.

BACKGROUND: on 23 April 2007, the Council authorised the Commission to enter into negotiations for a region-to-region Free Trade Agreement (FTA) with countries of the Association of Southeast Asian Nations (ASEAN).

In December 2009, the Council agreed on the principle of launching bilateral negotiations with individual ASEAN countries based on the authorisation and negotiating directives of 2007, whilst preserving the strategic objective of a region-to-region agreement.

On the basis of the negotiating directives adopted by the Council in 2007 and supplemented in October 2013 to include investment protection, the Commission negotiated with Vietnam an ambitious and comprehensive FTA and an Investment Protection Agreement (IPA), with a view to creating new opportunities and legal certainty for trade and investment between both partners to develop.

Vietnam is a vibrant economy of more than 90 million inhabitants, with the fastest growing middle class in ASEAN, and a young and dynamic workforce. With its high literacy rate and education levels, comparatively low wages, good connectivity and a central location within ASEAN, more and more foreign investors are choosing Vietnam as their hub to service the Mekong region and beyond.

CONTENT: the draft Council Decision concerns the approval, on behalf of the European Union, of the Investment Protection Agreement between the European Union and its Member States, on the one hand, and Vietnam, on the other. The agreement, signed subject to its conclusion at a later date, must now be approved.

The EU-Vietnam IPA will ensure a high level of investment protection, while safeguarding the EU's and Vietnam's rights to regulate and pursue legitimate public policy objectives such as the protection of public health, safety and the environment.