

Basic information	
2018/0356(NLE)	Procedure completed
NLE - Non-legislative enactments	
EU/Vietnam Free Trade Agreement	
Accompanying procedure 2018/0356M(NLE)	
Subject	
6.20.03 Bilateral economic and trade agreements and relations	
Geographical area	
Vietnam	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	INTA International Trade	BOURGEOIS Geert (ECR)	23/09/2019
Shadow rapporteur			
	WINKLER Iuliu (EPP)		
	LANGE Bernd (S&D)		
	KARLSBRO Karin (Renew)		
	BRICMONT Saskia (Greens /EFA)		
	LANCINI Danilo Oscar (ID)		
	MAUREL Emmanuel (GUE /NGL)		
Former committee responsible			
European Parliament	Former committee responsible	Former rapporteur	Appointed
	INTA International Trade		
Committee for opinion			
European Parliament	Committee for opinion	Rapporteur for opinion	Appointed
	AFET Foreign Affairs	The committee decided not to give an opinion.	
	DEVE Development	TOBÉ Tomás (EPP)	04/09/2019
Committee for follow-up			
European Parliament	Committee for follow-up	Follow-up rapporteur	Appointed
	PECH Fisheries	BARTOLO Pietro (S&D)	23/07/2019

	Former committee for opinion	Former rapporteur for opinion	Appointed
	DEVE Development		
Council of the European Union			
European Commission	Commission DG Trade and Economic Security	Commissioner MALMSTRÖM Cecilia	

Key events			
Date	Event	Reference	Summary
17/10/2018	Preparatory document	COM(2018)0691 	
14/06/2019	Legislative proposal published	06050/2019	Summary
15/07/2019	Committee referral announced in Parliament		
21/01/2020	Vote in committee		
23/01/2020	Committee report tabled for plenary, 1st reading/single reading	A9-0003/2020	
11/02/2020	Debate in Parliament		
12/02/2020	Decision by Parliament	T9-0026/2020	
12/02/2020	Results of vote in Parliament		
12/03/2020	Act adopted by Council after consultation of Parliament		
12/06/2020	Final act published in Official Journal		

Technical information	
Procedure reference	2018/0356(NLE)
Procedure type	NLE - Non-legislative enactments
Procedure subtype	Consent by Parliament
Amendments and repeals	Accompanying procedure 2018/0356M(NLE)
Legal basis	Treaty on the Functioning of the EU TFEU 091-p1 Treaty on the Functioning of the EU TFEU 100-p2 Treaty on the Functioning of the EU TFEU 218-p7 Treaty on the Functioning of the EU TFEU 218-p6a Treaty on the Functioning of the EU TFEU 207-p4
Stage reached in procedure	Procedure completed
Committee dossier	INTA/9/00393

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee draft report		PE642.857	15/10/2019	
Amendments tabled in committee		PE643.172	12/11/2019	
Committee opinion	PECH	PE641.139	03/12/2019	
Committee opinion	DEVE	PE641.172	03/12/2019	
Committee report tabled for plenary, 1st reading/single reading		A9-0003/2020	23/01/2020	
Text adopted by Parliament, 1st reading/single reading		T9-0026/2020	12/02/2020	

Council of the EU				
Document type	Reference	Date	Summary	
Legislative proposal	06050/2019	14/06/2019	Summary	

European Commission				
Document type	Reference	Date	Summary	
Preparatory document	COM(2018)0691 	17/10/2018	Summary	

Additional information			
Source	Document	Date	
EP Research Service	Briefing	14/11/2019	

Final act			
Corrigendum to final act 32020D0753R(01) OJ L 213 06.07.2020, p. 0023			
Decision 2020/0753 OJ L 186 12.06.2020, p. 0001			

EU/Vietnam Free Trade Agreement

2018/0356(NLE) - 17/10/2018

URPOSE: to conclude the Free Trade Agreement between the European Union and Viet Nam.

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: the dynamically growing Southeast Asian economies, with their over 600 million consumers and a rapidly rising middle class, are key markets for European Union exporters and investors. With a total EUR 227.3 billion of trade in goods (2017) and EUR 77 billion of trade in services (2016), the Association of Southeast Asian Nations (ASEAN) taken as a whole is the EU's third largest trading partner outside Europe, after the US and China.

Vietnam has become the EU's second biggest trading partner in ASEAN after Singapore and ahead of Malaysia, with trade between the EU and Vietnam worth EUR 47.6 billion in 2017.

Vietnam is one of the fastest growing countries in ASEAN, with an average GDP growth rate of around 6% in the past decade that is forecasted to be maintained in the future.

In 2007, the Council authorised the Commission to enter into negotiations for a region-to-region Free Trade Agreement (FTA) with countries of the ASEAN.

On the basis of the negotiating directives adopted by the Council in 2007, and supplemented in October 2013 to include investment protection, the Commission has 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.

CONTENT: the Commission called on the Council to adopt the Decision to conclude the **Free Trade Agreement** between the European Union and Viet Nam. In line with the objectives set by the negotiating directives, the Commission secured the following:

- **Liberalisation of services:** the FTA includes the comprehensive liberalisation of services and investment markets, including crosscutting rules on licensing and for the mutual recognition of diplomas, and sector specific rules designed to ensure a level playing field for EU businesses.
- **Procurement:** new tendering opportunities for EU bidders in Vietnam, who is not a member of the WTO Agreement on Government Procurement.
- **Trade barriers:** the removal of technical and regulatory trade barriers to trade in goods, such as duplicative testing, in particular by promoting the use of technical and regulatory standards familiar in the EU in the sectors of motor vehicles, pharmaceuticals and medical devices, as well as green technologies.
- **GI protection:** a high level protection of intellectual property rights, including with regard to the enforcement of these rights, also at the border, and a TRIPs-plus level of protection of EU GIs.
- **Sustainable development:** the FTA includes a comprehensive chapter on trade and sustainable development, which aims at ensuring that trade supports environmental protection and social development and promotes the sustainable management of forests and fisheries. The chapter also sets out how social partners and civil society will be involved in its implementation and monitoring.
- **Dispute mechanism:** a swift dispute resolution mechanisms is proposed through either panel arbitration or with the help of a mediator.
- **Investment protection:** 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.

Trade committee: the institutional chapter of the FTA establishes a trade committee that has as its main task to supervise and facilitate the implementation and application of the agreement. It shall be comprised of representatives of the EU and of Vietnam who will meet every year or at the request of either side.

BUDGETARY IMPLICATIONS: the EU-Vietnam FTA will have a financial impact on the EU budget on the side of the **revenues**. It is estimated that foregone duties could reach an amount of EUR 1.7 billion upon full implementation of the agreement. The estimate is based on average imports projected for 2035 in the absence of an agreement and represents the annual loss in revenues resulting from the elimination of EU tariffs on imports originating in Vietnam.

The EU-Vietnam **IPA** is expected to have a financial impact on the EU budget on the side of the **expenditures**. The agreement will be the EU's third (after the EU-Canada Comprehensive Economic and Trade Agreement, and the EU-Singapore) to incorporate the Investment Court System (ICS) for the resolution of disputes between investors and states. An amount of EUR 700 000 of additional yearly expenditure is foreseen from 2019 onwards (subject to the entry into force of the agreement) to finance the permanent structure comprising a First Instance and an Appeal Tribunal.

EU/Vietnam Free Trade Agreement

2018/0356(NLE) - 14/06/2019 - Legislative proposal

PURPOSE: to conclude the Free Trade Agreement between the European Union and Viet Nam.

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).

On 22 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 has 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 has become the EU's second biggest trading partner in ASEAN after Singapore and ahead of Malaysia, with trade between the EU and Vietnam worth EUR 47.6 billion in 2017. It is one of the fastest growing countries in ASEAN.

According to a study on the economic benefits to be expected from the FTA, EU exports to Vietnam are expected to increase by more than EUR 8 billion by 2035, while exports from Vietnam to the EU are expected to increase by EUR 15 billion. These estimates correspond to an increase, in relative terms, in EU exports to Vietnam of almost 29% and in exports from Vietnam to the EU of almost 18%. The EU's national income could increase by more than EUR 1.9 billion by 2035 as a result of the FTA, while Vietnam's could increase by EUR 6 billion over the same period.

CONTENT: the draft Council decision concerns the approval, on behalf of the European Union, of the Free Trade Agreement between the European Union and Vietnam. The Agreement was signed subject to its conclusion at a later date.

In line with the objectives set by the negotiating directives, the Commission secured:

- the comprehensive liberalisation of services and investment markets, including crosscutting rules on licensing and for the mutual recognition of diplomas, and sectorspecific rules designed to ensure a level playing field for EU businesses;
- new tendering opportunities for EU bidders in Vietnam, who is not a member of the WTO Agreement on Government Procurement;
- the removal of technical and regulatory trade barriers to trade in goods, such as duplicative testing, in particular by promoting the use of technical and regulatory standards familiar in the EU in the sectors of motor vehicles, pharmaceuticals and medical devices, as well as green technologies;
- based on international standards, a more trade-facilitative regime for the approval of European food exports to Vietnam;
- Vietnam's commitment to reduce or eliminate its tariffs on imports from the EU, and a cheaper access of European businesses and consumers to products originating in Vietnam;
- a high level protection of intellectual property rights, including with regard to the enforcement of these rights, also at the border, and a TRIPs-plus level of protection of EU GIs;
- a comprehensive chapter on trade and sustainable development, which aims at ensuring that trade supports labour rights, environmental protection and social development and promotes the sustainable management of forests and fisheries; and
- a swift dispute resolution mechanisms through either panel arbitration or with the help of a mediator.

The EU-Vietnam FTA and IPA include institutional provisions that lay down an implementing bodies' structure to continuously monitor the implementation, operation and impact of the agreements. It establishes a Trade Committee that has as its main task to supervise and facilitate the implementation and application of the agreement.