Basic information

2018/0356M(NLE) NLE - Non-legislative enactments	Procedure completed
EU/Vietnam Free Trade Agreement Accompanying procedure 2018/0356(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	Former rapporteur	Appointed
INTA International Trade		

Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs	WISELER-LIMA Isabel (EPP)	30/09/2019
DEVE Development	TOBÉ Tomas (EPP)	04/09/2019
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
24/10/2019	Committee referral announced in Parliament		
21/01/2020	Vote in committee		
28/01/2020	Committee report tabled for plenary	A9-0017/2020	
11/02/2020	Debate in Parliament		
12/02/2020	Decision by Parliament	T9-0027/2020	Summary
12/02/2020	Results of vote in Parliament		

Technical information

Procedure reference	2018/0356M(NLE)
Procedure type	NLE - Non-legislative enactments
Procedure subtype	Motion for a resolution under consent procedure
Amendments and repeals	Accompanying procedure 2018/0356(NLE)
Legal basis	Rules of Procedure EP 107-p2
Stage reached in procedure	Procedure completed
Committee dossier	INTA/9/01391

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE642.858	15/10/2019	
Amendments tabled in committee		PE643.175	14/11/2019	

Committee opinion	PECH	PE641.153	03/12/2019	
Committee opinion	DEVE	PE641.208	03/12/2019	
Committee opinion	AFET	PE641.414	05/12/2019	
Committee report tabled for plenary, single reading		A9-0017/2020	28/01/2020	
Text adopted by Parliament, single reading		T9-0027/2020	12/02/2020	Summary

European Commission

Document type	Reference	Date	Summary
Commission response to text adopted in plenary	SP(2020)136	04/06/2020	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

EU/Vietnam Free Trade Agreement

2018/0356M(NLE) - 12/02/2020 - Text adopted by Parliament, single reading

The European Parliament adopted by 416 votes to 187, with 44 abstentions, a non-legislative resolution on the draft Council decision on the conclusion of the Free Trade Agreement (FTA) between the European Union and the Socialist Republic of Vietnam.

Members stressed that the EU-Vietnam FTA is the most modern, comprehensive and ambitious agreement ever concluded between the EU and a developing country and should serve as a reference point for the EU's relations with developing countries and in particular with the Association of South-East Asian Nations (ASEAN) region. They stressed the economic and strategic importance of this agreement, given that the Union and Vietnam share common goals, as well as the significance of the agreement in terms of competitiveness of EU businesses in the region.

While recalling its commitment to multilateralism, Parliament stated that the agreement sends a strong signal in favour of a free, fair and reciprocal trade system in times of growing protectionist tendencies. The agreement should help the Union to strengthen its presence in the ASEAN region and enable the Union to promote its standards and values in the region.

Trade

Parliament believes that the FTA could help to close the EU's trade deficit with Vietnam, by exploiting the ASEAN country's growth potential in the coming years.

The agreement shall eliminate more than 99% of customs duties. Vietnam shall liberalise 65% of import duties on EU exports upon entry into force of the agreement, with the remaining tariffs to be phased out over a ten-year period. The EU shall liberalise 71% of its imports and 99% shall be duty-free after a period of seven years.

Access to public procurement

The FTA has a degree of transparency and procedural fairness comparable to other free trade agreements that the EU has signed with developed and more advanced developing countries. The FTA must not restrict domestic procurement flexibility with regard to requirements concerning, for example, the environment and working and employment conditions.

Rules of origin

Members welcome the fact that the provisions on rules of origin included in the FTA follow the EU approach, and that their main features are identical to those laid down in the EU's Generalised System of Preferences (GSP). The Commission is called on to monitor the proper and faithful implementation of these rules, with special attention to national content, and to step up action against any kind of manipulation and abuse, such as repackaging products coming from third countries.

Geographical Indications

Around 169 EU geographical indications shall benefit from recognition and protection on the Vietnamese market at a comparable level to that of EU legislation. Parliament suggested extending this list and called on the Commission to constantly monitor the flow of imports of those sensitive products and make a full utilisation of the provisions of the safeguard clause regulation whenever the legal and economic requirements are met, in order to avoid any possible negative impact on the EU agri-sectors as a direct consequence of the implementation of the FTA. It also welcomed the detailed chapter on the Single Payment Scheme (SPS) which will establish a single and transparent procedure for the approval of EU food exports to Vietnam in order to accelerate the approval of EU export applications and avoid discriminatory treatment.

Services

Parliament pointed out that Vietnam already goes beyond its WTO commitments, providing for substantially better access in a number of business sub-sectors and offers new market access to sectors such as packaging services, fair trade and exhibition services or rental/leasing. Vietnam opened cross-border higher education services for the first time.

In addition, early ratification of the FTA shall help Vietnam to improve the protection of intellectual property rights and ensure the highest possible production standards and quality for consumers. The EU shall have the right to apply its own standards to all goods and services sold in the EU and the EU's high standards must never be seen as barriers to trade.

Parliament, however, regretted that the agreement does not include a provision on cross-border data transfers, arguing that a provision on compliance with EU data protection and privacy law should be included in a future revision of the agreement.

Sustainable development

Members stated that the enforceability of the trade and sustainable development chapter could be significantly improved, firstly by examining various enforcement methods, including a sanction-based mechanism as a last resort and, secondly, by reforming the Domestic Advisory Group (DAG) system, as Parliament has repeatedly called for. They called for the establishment of a Joint Committee of the National Assembly of Vietnam and the European Parliament in order to improve coordination and implementation of the Agreement as a whole.

Parliament called on the Vietnamese authorities to present an ambitious roadmap for the eradication of child labour by 2025 and to work further towards a progressive agenda on workers' rights through concrete measures.

Combating illegal and unreported fishing (IUU)

While noting the yellow card that Vietnam has already received and the measures already taken to improve the situation, Parliament called for further action to be taken and for continuous monitoring of Vietnam's efforts to ensure that the country continues to make progress in the fight against IUU fishing and to guarantee the full traceability of fisheries products. It called on the Commission to include safeguard measures for fisheries products in future agreements, such as the possibility of suspending preferential tariffs, until the yellow card for IUU fishing has been lifted.

Lastly, Parliament welcomed the commitment to effectively implement multilateral environmental agreements, such as the Paris agreement on climate change, and to act in favour of the conservation and sustainable management of wildlife, biodiversity and forests.