

**TPP NEGOTIATION
AND VIETNAM'S PARTICIPATION**

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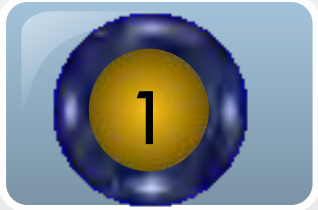
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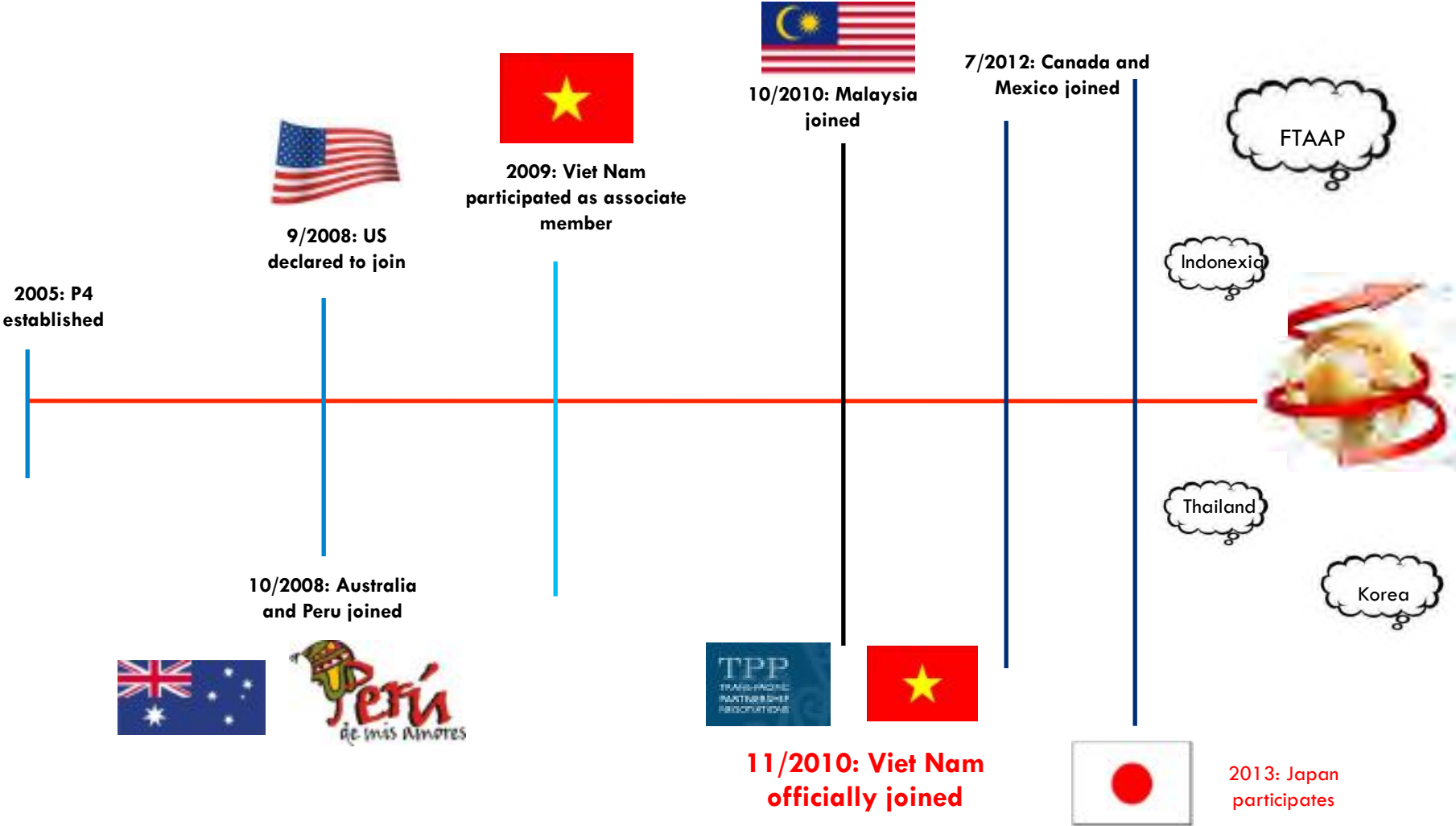
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TPP AGREEMENT - BACKGROUND



AMBITION LEVEL

- Comprehensive market liberalization (reduce and eliminate almost 100% tariff-lines, with the exception of a few sensitive goods subject to bilateral negotiation), eliminate restrictive measures regarding investment and services based on negative approach, market access on government procurement and financial services,... **The minimum liberalization is not less than US' s existing FTAs.**
- Negotiation scope is widely covered including non-traditional areas, such as labor, trade union, environment, anti-corruption with strong commitments.
- Numbers of members of the agreement are increasing including some APEC members and even external Asian- Pacific partners in the future, making TPP becoming the largest FTA in the world.

MAIN NEGOTIATION ISSUES

- 16 official negotiation rounds
- 22 negotiation groups
- Negotiation areas: Market access, cross-border trade in services, financial services, movement of natural persons, non-conforming measures relating services and investment, rules of origins, investment, horizontal issues, cooperation and capacity building, government procurement, environment, competition policies, labor, IPR, legal and institution, E-commerce, telecommunication, technical barriers to trade, SPS, trade remedies.
- Until now, TPP members have finished negotiation on SMEs, Cooperation and Capacity Building, Competition Policies. At 16th negotiation round, a great achievement was reached in chapters on telecommunication, custom, ... Some other chapters have made a good progress leading to possible conclusion of negotiation in 2013.

MAIN NEGOTIATION ISSUES



□ MARKET ACCESS ON GOODS

- Ensure to liberalize market access with ambition, balance and transparency
- Text: Tariff elimination (higher than in WTO), eliminate non-tariff barriers to trade, consideration of proposals on import – export licensing, remanufactured goods...

□ RULES OF ORIGIN

- The common rules of origin system to identify the TPP origin of a product are objective, transparent, predictable. The identification system is simple and effective.

MAIN NEGOTIATION ISSUES

□ FINANCIAL SERVICES

- Open progressively financial market, bring benefit to firms and their clients, ensure rights of financial authorities to conduct activities when necessity.
- Text: Investment in financial institutions, cross-border trade in financial services, intensify transparency, non-discrimination, investment protection, dispute settlement mechanism.

□ INVESTMENT AND SERVICES

- Liberalize investment and services through strong liberalization principles.
- Basic legal protection for investors and their investment in the territory of another TPP member's
- Text: Non-discrimination, minimum standard treatment, expropriation property rights...

MAIN NEGOTIATED ISSUES

□ INTELLECTUAL PROPERTY RIGHTS

- Strengthen and develop rights and obligations as in TRIPS
- Text: IPR objects, implementation, gene source, traditional knowledge

□ ENVIRONMENT

- Solve smoothly the difficulties in trade and environment, intensify the mutual assistance between trade and environment.
- Text: Basic provisions, supervision mechanism, some new issues such as ocean fishing, biodiversity...

□ GOVERNMENT PROCUREMENT

- GP activities are conducted fairly, transparently, non-discriminately
- Text: Endorsement of principles, GP procedures, ongoing negotiation to identify suitable activities for all TPP members.

MAIN NEGOTIATION ISSUES



□ LABOR

- Protect labor rights, solve the challenges of 21st century human resources
- Text: Protect labor rights, cooperation mechanism, dispute settlement,...

□ LEGAL ISSUES

- Transparency in issuing laws and regulations
- Text: Implementation mechanism, dispute settlement, exception, etc., endorsement of principles, GP procedures, ongoing negotiation to identify suitable activities for all TPP members.



VIET NAM' S PARTICIPATION IN TPP

Global politic and economic background

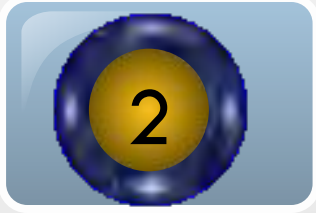
- Doha Negotiation Round has still been lasting long



- Asian – Pacific is forecasted to be the most dynamic area in the world in the forthcoming decades

- Regional integration becomes the new trend.





VIET NAM' S PARTICIPATION Target and Process

- Multilateral and diversified direction of Viet Nam's Party and States
- Viet Nam has not yet signed FTA with US
- Since becoming associated member, Viet Nam has enthusiastically participated as well as shown its good faiths in negotiation and discussed issues mutually concerned by parties



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OPPORTUNITIES AND CHALLENGES

- Increasing opportunities for market access, promote export for Viet Nam's products, especially to US's market with commodities which Viet Nam has advantages such as textile, seafood, footwear and wooden products, etc.
- Promote US's investment and other members' investment in Viet Nam.
- Utilize better chances through restructuring process as well as trend of regional economic link.
- Bring Viet Nam to higher position in international forums, promote its relations with main partners.

CHALLENGES TO VIET NAM

- Generate pressure on market access, competition to Viet Nam's firms: ambitious and wide commitments in TPP in market access on goods, services; competitive ability of enterprises remain weak.
- It may bring impacts on some areas and locals: ineffective agriculture, industries and services, need to progressively build and improve suitable social welfare system.
- Challenge on revision of legal system
- Lack of human resources: for participation in FTAs' negotiation, implementation.

PROPOSALS

- Government has been keeping widely consulting enterprises, researchers and other related agencies in order to gain the most benefit for Viet Nam's economy from this agreement.
- Government keeps disseminating TPP agreement
- Enterprises also need to be active in the consultation process
- Enterprises needs to be aware the obstacles when market is more liberalized. Then they will be able to generate timely and effective proposals to distribute to better negotiation outcome.
- Promoting competitiveness in need, participating more actively in international trade and regional supply chains in order to gain the best benefit from the agreement.



THANK YOU!