

KEY POINTS

- Over the last decade, Viet Nam has made major strides toward global and regional integration, exemplified by the country's accession to the World Trade Organization (WTO) and its active participation in several free trade agreements (FTAs).
- Viet Nam has committed to an ambitious level of liberalization in goods to reduce or eliminate tariffs on around 90% of all tariff lines beginning in 2015.
- In order to fully take advantage of the opportunities of integration, Viet Nam must ramp up domestic negotiating capacities and develop a comprehensive export strategy.

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VIET NAM'S PARTICIPATION IN FTAS: HISTORY, COMMITMENTS, AND CHALLENGES¹

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1. Introduction

For much of the past 2 decades, Viet Nam—together with the Philippines, Cambodia, and other lower income developing countries in Southeast Asia—has relied on the Association of Southeast Asian Nations (ASEAN) to steer its free trade agreement (FTA) partner choices. However, recently the government has responded independently to negotiating opportunities by engaging with Japan, Chile, the European Union (EU), and members of the Trans-Pacific Strategic Economic Partnership (TPP). What has led Viet Nam to take a more independent path, and what are the implications for future regional as well as global integration? This policy brief explores Viet Nam's economic integration process as a means of providing answers to these questions.

2. The Economic Integration Process of Viet Nam

Viet Nam has progressively liberalized its economy over the past 3 decades. Progress can be divided into two distinct periods. The first was 1986–2000 when the focus was moving from a subsidized and bureaucratic centrally-planned economy to a multi-component commodity production economy. The Doi Moi initiative kicked off reform efforts in 1986. Within 10 years, Viet Nam had joined ASEAN and applied for World Trade Organization (WTO) membership.

¹ This policy brief is part of a series that highlights the competitiveness challenges that Asian countries face in the current economic environment where volatility has increased and trade is increasingly organized into regional value chains. It comes out of issues raised during the Asian International Economists Network (AIEN) Call for Papers Workshop, Trade Competitiveness in a World of Rapid Changes: Challenges and Opportunities for Asia, held at the Asian Development Bank (ADB), Manila on 22 March 2013.

During this initial period of liberalization, Viet Nam became more active in regional economic integration as the two processes of economic reform and integration developed in parallel. In this way, economic integration has motivated domestic reform and in return domestic reform has been the basis for promoting sustainable integration.

In Viet Nam’s second period of liberalization from 2000 onward, the goal has been to build Viet Nam into a socialism-oriented market economy. This period has been characterized both by greater international involvement via the WTO and also greater participation in trade agreements in the region.

Though Viet Nam initiated WTO membership activities in 1995, it was not until 2001 that the country focused on WTO accession after successfully signing a bilateral trade agreement with the United States (US). Accession to the WTO posed several difficulties for Viet Nam. First, the accession process required Viet Nam to make substantial institutional changes to the domestic legal structure to achieve compliance with WTO rules, especially with regard to liberalization of trade in services. This

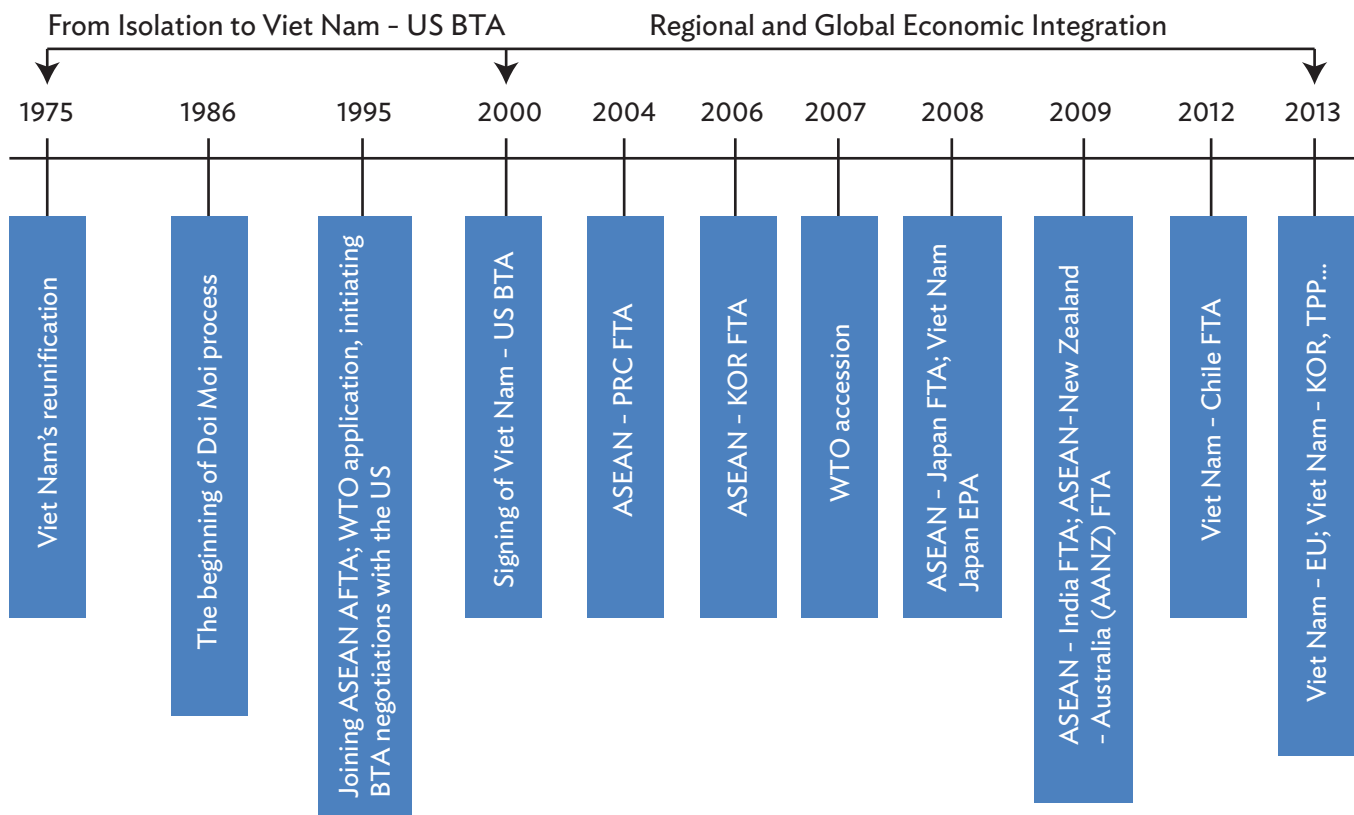
was complicated by a lack of bureaucratic capacity and technical, administrative, and human resources. As a result, it was not until January 2007 that Viet Nam officially became a member of the WTO.

In this phase of liberalization, particularly after 2007, Viet Nam has become a more active participant in regional negotiations. This trend can be seen in Figure 1 with the rise of independent bilateral FTAs such as the Viet Nam–Japan FTA (2008) and Viet Nam–Chile FTA (2012). These agreements were pursued with the intention of minimizing the trade-distorting effects that FTAs can have on non-members.

3. Viet Nam’s Expanding FTA Commitments

The rise of Viet Nam’s participation in FTAs occurred as a natural progression in its process of liberalization, which began as a function of Viet Nam’s participation in ASEAN activities. Initially, Viet Nam relied on ASEAN to direct regional integration initiatives. This was seen as a way to use ASEAN to level the

Figure 1: The Economic Integration Process of Viet Nam



ASEAN = Association of Southeast Asian Nations, BTA = bilateral trade agreement, EU = European Union, FTA = free trade agreement, TPP = Trans-Pacific Partnership, US = United States, WTO = World Trade Organization.

Note: FTAs listed in 2013 are currently under negotiation.

Source: Author’s compilation from information available at <http://wtocenter.vn> and <http://www.wto.org>.

playing field with its larger trading partners. In addition, as part of the ASEAN process, Viet Nam can delay the ratification process if it is not yet ready to implement such commitments.

In recent years, Viet Nam has begun pursuing FTAs independently of ASEAN. This is partly a result of Viet Nam's reclassification by the World Bank as a lower middle income country in 2009, with Viet Nam no longer identifying itself with low income countries. In addition, it has been 12 years since the Viet Nam–US Bilateral Trade Agreement (BTA) was signed and Viet Nam is now in a position to pursue more ambitious FTAs, such as the TPP.

The coverage of Viet Nam's FTAs, as indicated in Table 1, has also evolved to include both traditional measures (e.g., tariffs on goods) as well as non-traditional elements (e.g., trade in services, and investment). In more recent FTAs, Viet Nam has agreed to measures including rules on investment and competition that go beyond its WTO commitments. Below we look at how Viet Nam's FTA commitments have changed in terms of both trade in goods and trade in services.

A. Commitments on Trade in Goods

Provisions on tariff reductions remain the major component of all FTAs signed by Viet Nam. Furthermore, all of the “ASEAN+” FTAs acknowledge the differences in the levels of development within ASEAN by allowing certain member states extended compliance periods. Specifically, Cambodia, the Lao People's Democratic Republic (Lao PDR), Myanmar, and Viet Nam have been given extended dates for total compliance and are also required to commit to fewer tariff lines.

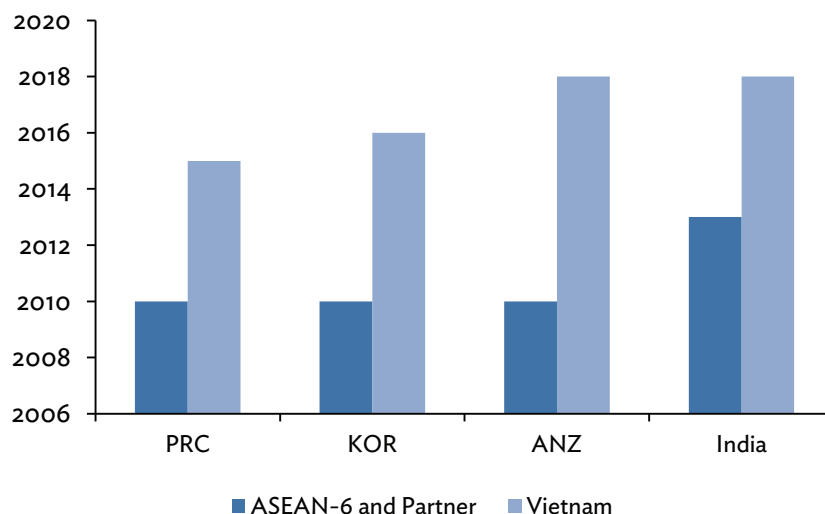
As shown in Figure 2, under its “ASEAN+” commitments, Viet Nam is given five or more additional years to attain full compliance, starting from 2015 for the ASEAN–PRC FTA, 2016 for the ASEAN–Republic of Korea FTA, and from 2018 for the ASEAN–Australia–New Zealand FTA. Additionally, Table 2 below indicates Viet Nam's commitments on tariff reductions in normal tracks at an aggregate level. For instance, most applied MFN tariff rates in ASEAN–Japan shall be eliminated to zero by 2018, 2023 and 2024 depending on the corresponding tariff line.

Table 1: Areas of Coverage of FTAs Signed by Viet Nam

	ASEAN			ASEAN–PRC	ASEAN–Rep. of Korea	ASEAN–India	ASEAN–Japan	ASEAN–Australia–New Zealand	Viet Nam–Japan
	G	S	I						
Trade in Goods	x				x	x	x	x	x
Trade in Services		x			x		x	x	x
Technical Barriers to Trade	x				x*	x	x	x	x
Sanitary and Phytosanitary Measures	x				x*	x	x	x	x
Customs and/or Trade Facilitation	x					x	x	x	x
Investment			x	x	x		x	x	x
Intellectual Property								x	x
Rules of Origin	x			x	x	x	x	x	x
Trade Remedies	x		x	x	x	x	x	x	x
Dispute Settlement	x	x	x	x	x	x	x	x	x
Transparency			x	x	x	x	x	x	x
Competition								x	x
Movement of Natural Persons			x	x				x	x
E-Commerce								x	

ASEAN = Association of Southeast Asian Nations, FTA = free trade agreement, G = goods, I = investment, PRC = People's Republic of China, S = services. Note:* means the agreement refers to non-tariff barriers in general.

Source: Author's compilation.

Figure 2: Completion Date for Tariff Reduction in “ASEAN+” FTAs (Normal Track 1)

ANZ = Australia and New Zealand, ASEAN = Association of Southeast Asian Nations, PRC = People's Republic of China. KOR = Republic of Korea.

Source: Multilateral Trade Department, Ministry of Industry and Trade of Viet Nam.

Table 2: Viet Nam's FTAs Commitments on Tariff Reductions

FTA	Tariff Lines Liberalized (%)	Full Implementation Deadline
AFTA	99% tariff lines (HS 8-digit level)	0-5%: 2005; 0%: 2015; 7% tariff lines shall be subsequently reduced by 2018
ASEAN-PRC	90% tariff lines (HS 6-digit level)	NT 1: 2015; NT 2: 2018
ASEAN-Republic of Korea	90% tariff lines (HS 6-digit level)	NT 1: 2016; NT 2: 2018
ASEAN-India	80% tariff lines (HS 6-digit level)	NT 1: 2018; NT 2: 2021
ASEAN-Australia-New Zealand	90% tariff lines (HS 8-digit level)	NT 1: 2018; NT 2: 2020
ASEAN-Japan	88.6% tariff lines (HS 10-digit level)	NT1: 2018; NT2: 2023; NT3: 2024
Viet Nam-Japan	89.3% tariff lines (HS 10-digit level)	NT1: 2019; NT2: 2021; NT3: 2023; NT4: 2025

AFTA = ASEAN Free Trade Agreement, ASEAN = Association of Southeast Asian Nations, NT = normal track, PRC = People's Republic of China.

Source: Multilateral Trade Department, Ministry of Industry and Trade of Viet Nam.

For Viet Nam-Japan, 8,873 out of 9,930 tariff lines (89.35%) shall be gradually reduced and eliminated by 2019, 2021, 2023 and 2025.

Table 3 gives further details on the thresholds to which applied most-favored nation tariff rates of Viet Nam have to be

gradually reduced in each stage of the implementation period. Within 10 years from the date of entry into force of each agreement, Viet Nam has committed to reduce a substantial number of tariff lines to zero, with some exceptions where the country can extend its implementation period an additional 2-6 years. As shown in Table 4, each of the FTAs also include a

Table 3: Thresholds for Reductions of Applied MFN Tariff Rates

X = Applied MFN Tariff Rate	Preferential Tariff Rate (not later than 1 January)																	
	ASEAN-PRC (NT ₁) %		ASEAN-Republic of Korea (NT ₁) %		AANZFTA (NT ₁) %						AANZFTA (NT ₂) %							
	2013	'15	'15	'16	'13	'14	'15	'16	'17	'18	'13	'14	'15	'16	'17	'18	'19	'20
X ≥ 60%	10	0	10	0	20	15	10	7	5	0	20	15	10	7	5	5	3	0
45% ≤ X < 60%	10	0																
40% ≤ X < 60%			10	0	20	15	10	7	5	0	20	15	10	7	5	5	3	0
35% ≤ X < 45%	5	0																
35% ≤ X < 40%			0-5	0	20	15	10	7	5	0	20	15	10	7	5	5	3	0
30% ≤ X < 35%	5	0	0-5	0	20	15	10	7	5	0	20	15	10	7	5	5	3	0
25% ≤ X < 30%	5	0	0-5	0	15	10	7	7	5	0	15	10	10	7	5	5	3	0
20% ≤ X < 25%	0-5	0	0-5	0	10	7	7	5	0	0	10	7	7	5	5	5	3	0
15% ≤ X < 20%	0-5	0	0-5	0	7	7	5	0	0	0	10	7	7	5	5	5	3	0
10% ≤ X < 15%	0-5	0	0-5	0	5	5	5	0	0	0	5	5	5	5	5	4	3	0
7% ≤ X < 10%	0-5	0	0-5	0	5	5	5	0	0	0	5	5	5	5	5	4	3	0
5% ≤ X < 7%	0-5	0	0	0	5	5	5	0	0	0	5	5	5	5	5	4	3	0
X < 5	SS	0	0		STANDSTILL			0	0	0	STANDSTILL (SS)						3	0

AANZFTA = ASEAN–Australia–New Zealand FTA, ASEAN = Association of Southeast Asian Nations, FTA = free trade agreement, MFN = most favored nation, PRC = People's Republic of China.

Source: Author's compilation.

Table 4: Scope of Tariff Reduction and Elimination in Viet Nam's FTAs

Tariff Reduction List	Normal Track	Sensitive Track			Exclusion	
	Normal List (tariff lines)	Highly Sensitive List (tariff lines)	Sensitive List (tariff lines)	Special List (tariff lines)	Unbound (tariff lines)	General exclusion
ASEAN–PRC	9.544 (tariff rate reduced to zero)	941 (tariff ceiling: 50%) by 2018	560 (tariff ceiling: 5%) by 2020			94
ASEAN–Republic of Korea	8.907 (tariff rate reduced to zero)	108 (*)	852 (tariff ceiling: 5%) by 2021	378 (tariffs reduced by 20%)	766	101
ASEAN–Japan	9.425 (tariff rate reduced to zero)		1224 (5%) by 2018		498	
Viet Nam–Japan	8.873 (tariff rate reduced to zero)	132 (tariff ceiling: 50%)	2 (tariff ceiling: 5%)		517	

ASEAN = Association of Southeast Asian Nations, FTA = free trade agreement, PRC = People's Republic of China.

Notes: The number of tariff lines is based on HS 2002. For information on implementation deadline for Normal Track, see Table 2 above. (*) refers to tariffs reduced by 50% for Group A and C, 20% for Group B by 1 January 2021.

Source: EU–Viet Nam MUTRAP III, Activity Code: FTA–HOR Follow-up. 2011. p. 18.

sensitive list that details tariff lines that will not be reduced to zero and where reductions will take place over a longer period.

Viet Nam also maintains a list of products that are generally excluded from tariff concessions for the purpose of protecting human health and the environment, preserving cultural and ethical values, and maintaining national security.

Rules of origin (ROOs) are another feature that has evolved along with the nature of Viet Nam's FTAs. Viet Nam's FTAs are expected to enhance trade liberalization in goods through lowered tariff barriers for products originating from the parties as determined by ROOs (Table 5). There are two primary

methods to determine origin: (i) the amount of regional value content (RVC) of a good and (ii) whether there has been a transformation of the good that results in a change in the tariff code (CTC).

In most of Viet Nam's FTAs, the RVC ratio or CTC can be used interchangeably as the main criteria for determining ROOs, except the ASEAN-PRC FTA where RVC is the sole element. In either case, what matters is the method to calculate RVC and the ratio that can be accepted. In this regard, provisions on ROOs in Viet Nam's FTAs remain complicated and irregularly overlap, which causes compliance difficulties for Vietnamese firms, especially small-and-medium-sized enterprises (SMEs).

Table 5: Rules of Origin in Viet Nam's FTAs

FTA	Main Rule		Additional Rules	
	Main Criteria	RVC Ratio	Accumulation	De minimis
AFTA (ATIGA)	Regional Value Content (RVC) or Change in Tariff Code (CTC) at HS 4-digit level	Not less than 40%	The ASEAN Value Content (RVC), to be cumulated in proportion to the actual domestic content, equals to at least 20%	10%, for a good that does not undergo a change in the HS tariff classification (CTC)
ASEAN-PRC	Regional Value Content (RVC)	Not less than 40%	The aggregate ASEAN-PRC FTA content (full cumulation) on the final product is not less than 40%	Not mentioned
ASEAN-Republic of Korea	Regional Value Content (RVC) or Change in Tariff Code (CTC) at HS 4-digit level	Not less than 40%	A good shall be considered to originate in the Party where the working and/or processing of the finished good has taken place.	10%, for a good that does not undergo a change in the HS tariff classification (CTC)
AANZFTA	Regional Value Content (RVC) or Change in Tariff Code (CTC) at HS 4-digit level	Not less than 40%	A good shall be considered to originate in the Party where the working and/or processing of the finished good has taken place.	10%, for a good that does not undergo a change in the HS tariff classification (CTC); as well as other applicable criteria
ASEAN-India	Regional Value Content (RVC) and a change in HS tariff sub-heading (CTSH), 6-digit level	Not less than 35%	A good shall be considered to originate in the Party where the working and/or processing of the finished good has taken place.	Not mentioned
ASEAN-Japan; Viet Nam-Japan	Local Value Content (RVC) or Change in Tariff Code (CTC) at HS 4-digit level	Not less than 40%	The originating materials of a Party used in the production of a good in the other Party shall be considered as originating materials of that other Party.	7% or 10%, for a good that does not undergo a change in HS tariff code (CTC); depending upon good classification

AANZFTA = ASEAN-Australia-New Zealand FTA, AFTA = ASEAN Free Trade Agreement, ASEAN = Association of Southeast Asian Nations, FTA = free trade agreement, PRC = People's Republic of China

Source: Author's compilation.

B. Commitments on Trade in Services

Not all of Viet Nam's FTAs include a services component. Under the services agreement within the ASEAN-PRC framework, Viet Nam has agreed to the first package of commitments, which runs parallel to its WTO commitments. Likewise, negotiations on services under the ASEAN-Republic of Korea FTA have not generated much progress as the parties have only concluded their first package. Services commitments

under ASEAN-Japan and Viet Nam-Japan are generally similar to Viet Nam's General Agreement on Trade in Services (GATS) commitments, except for some broader definitions with regard to telecommunications services. Within the ASEAN Framework Agreement on Services (AFAS), member countries have also concluded seven packages of services commitments as well as mutual recognition agreements in six services sectors and sub-sectors, including accounting, medical practices, dental practices, engineering, nursing, and architectural services.

Table 6: Index Scores for GATS Commitments and FTA Commitments by FTA

FTA	Japan-Viet Nam		ASEAN-Australia-New Zealand			ASEAN-Republic of Korea		PRC-ASEAN		ASEAN (7th Package)
	Japan	Viet Nam	Viet Nam	Australia	New Zealand	Viet Nam	KOR	PRC	Viet Nam	Viet Nam
GATS	52.89	34.18	34.18	57.06	54.42	34.18	48.81	39.29	34.18	34.18
FTA	54.51	34.18	34.35	57.06	55.44	34.18	49.70	39.97	34.18	38.27

ASEAN = Association of Southeast Asian Nations, FTA = free trade agreement, GATS = General Agreement on Trade in Services, PRC = People's Republic of China. Note: GATS refers to GATS commitments and the Doha Development Agenda (DDA) services offers.

Source: WTO Services Database, Dataset of services commitments in regional trade agreements. http://www.wto.org/english/tratop_e/serv_e/dataset_e/dataset_e.htm (Accessed on 14 May 2013).

Note: "GATS" stands here for GATS commitments and Doha Development Agenda (DDA) services offers.

Table 7: GATS Score and "Best" FTA Score in Selected Sectors

Sector	Viet Nam	
	GATS	FTA
Professional Services	73	78
Computer Services	75	75
Postal-Courier Services	50	50
Telecom Services	50	50
Audio Visual Services	10	10
Construction Services	42	42
Distribution Services	50	50
Education Services	15	20
Environmental Services	44	44
Insurance Services	50	50
Banking and other Financial Services	35	35
Health and Social Services	25	50
Tourism Services	42	42
Recreational Services	6	6
Maritime Transport Services	17	38
Air Transport Services	58	58
Auxiliary Transport Services	36	36

FTA = free trade agreement, GATS = General Agreement on Trade in Services.

Notes: 100 = full commitment in services liberalization across all services sub-sectors. GATS reflects the index value for both GATS commitments and services offered in the ongoing Doha Development Agenda. FTA reflects the index value for a member's "best" FTA commitments across all its FTAs and for each sub-sector. The index value is for both mode 1 (cross-border trade) and mode 3 (commercial presence).

Source: WTO Services Database, Dataset of services commitments in regional trade agreements. http://www.wto.org/english/tratop_e/serv_e/dataset_e/dataset_e.htm (Accessed on 14 May 2013).

As shown in Table 6, Viet Nam meets its GATS commitments in the services liberalization components of the Viet Nam–Japan FTA, ASEAN–Republic of Korea FTA, and ASEAN–PRC FTA as reflected by equal index scores. Viet Nam committed slightly more in terms of services liberalization under the ASEAN–Australia–New Zealand FTA than through GATS (a score of 34.35 for the FTA vs. 34.18 for GATS). This type of index score was developed in Roy (2011) to measure “GATS+” commitments in FTAs. The approach used is to assess the contents of a member’s GATS schedules emerging from the Uruguay Round and the preferential trade agreements signed by that member for each sub-sector and mode of supply. Accordingly, a score of 1 is given for a full commitment (without limitations), 0.5 for partial commitments, and zero for the absence of commitments.

With respect to index scores in selected service sectors, the method is to use a scale of 0 to 100 for each sector, with a score

of 100 given for a full commitment (without limitations) across all relevant sub-sectors of a sector grouping. As indicated in Table 7, compared to its “best” FTA, Viet Nam generally maintains the same level of liberalization except in a few sectors as requested by FTA partners (e.g., professional, health, and maritime transport services), with its FTA commitments ranked as being more comprehensive than the GATS score.

Regarding commitments by modes of supply, the majority of services sub-sectors that Viet Nam committed under GATS were not further improved in FTAs, accounting for 45.1% and 63.2% for modes 1 and 3 respectively, compared to commitments under GATS that were further improved in FTAs which stood at 0.7% for both mode 1 and 3. Vietnam maintains to gradually open services sectors in FTAs, with 47.89% of subsectors remain uncommitted for mode 1 and 30.26% for mode 3.

Table 8: Proportion of Services Sub-Sectors where Viet Nam’s FTA Commitments Exceed GATS (%)

	Mode 1	Mode 3
Sub-sectors committed under GATS that are not further improved in FTAs	45.1	63.2
Sub-sectors committed under GATS that are further improved in FTAs	0.7	0.7
Sub-sectors that are newly committed in FTAs	6.3	5.9
Sub-sectors uncommitted	47.9	30.3

FTA = free trade agreement, GATS = General Agreement on Trade in Services.

Notes: GATS reflects the index value for both GATS commitments and services offered in the ongoing Doha Development Agenda. FTA reflects the index value for a member’s “best” FTA commitments across all its FTAs and for each sub-sector. The index value is for both mode 1 (cross-border trade) and mode 3 (commercial presence).

Source: WTO Services Database on services commitments in regional trade agreements. http://www.wto.org/english/tratop_e/serv_e/dataset_e/dataset_e.htm (Accessed on 14 May 2013).

4. Policy Implications for Future Economic Integration

Currently, Viet Nam’s FTA strategy targets three types of partnerships: (i) a completely new trading partner (e.g., the EU), (ii) a group of countries in which Viet Nam already has existing FTAs (e.g., the TPP), and (iii) signing a new comprehensive agreement with its old FTA partners (e.g., the Regional Comprehensive Economic Partnership [RCEP]). In all of these cases, the first challenge is the ambitious level of trade liberalization. This is most clearly highlighted in the broad issue coverage, which includes many WTO+ issues such as labor and the environment.

Economic integration has had positive impacts on Viet Nam’s export growth (Bagnai, Rieber, and Tran 2013), reflected by the increases in exports of manufacturers, agricultural produce and services over the periods of study (Figure 3 and 4). In addition, Viet Nam mostly exports to its FTA partners as shown in Figure 5.

Thus, the second challenge Viet Nam faces is the likelihood that the trade balance will continue to deteriorate from 2015 onward when Viet Nam starts to implement its FTA commitments for trade in goods. To avoid such a scenario, Viet Nam may consider a trade strategy with three components.

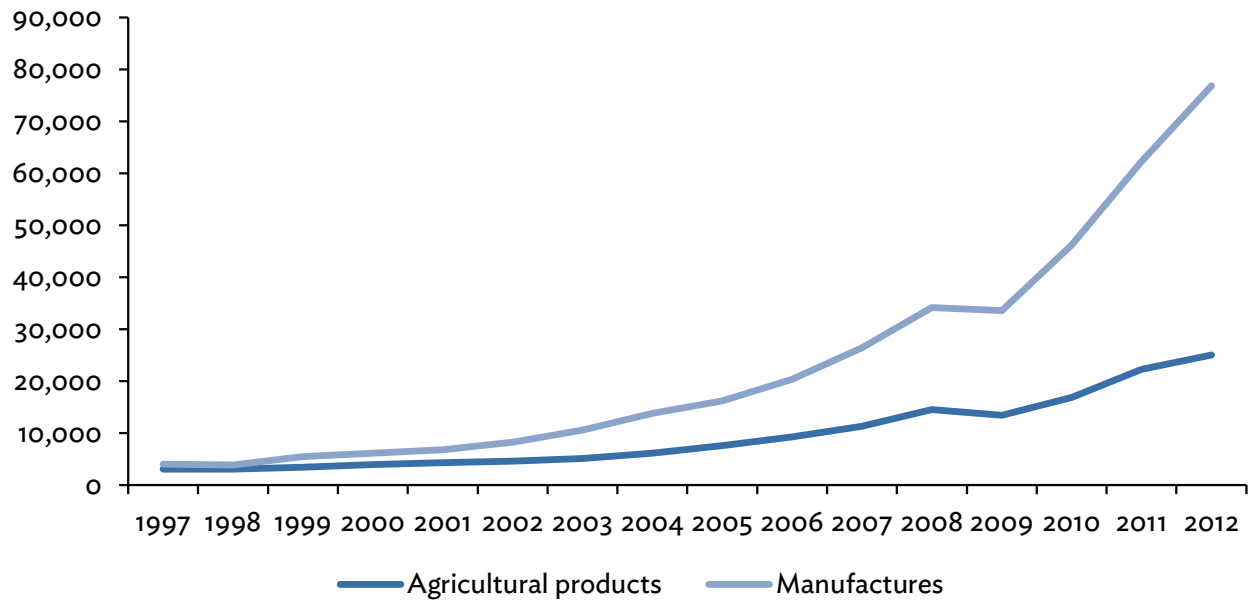
A. Diversifying Export Markets and Product Lines

Viet Nam’s agricultural export commodities comprise mainly crude oil, marine products, rice, coffee, rubber, tea, and garments. For a long-term plan, Viet Nam should seek to boost growth in manufacturing as this sector expanded 20.6% per year between 2006 and 2010. There is potential for export growth, especially when the demand for such products remains significant.

B. Developing Supporting Industries

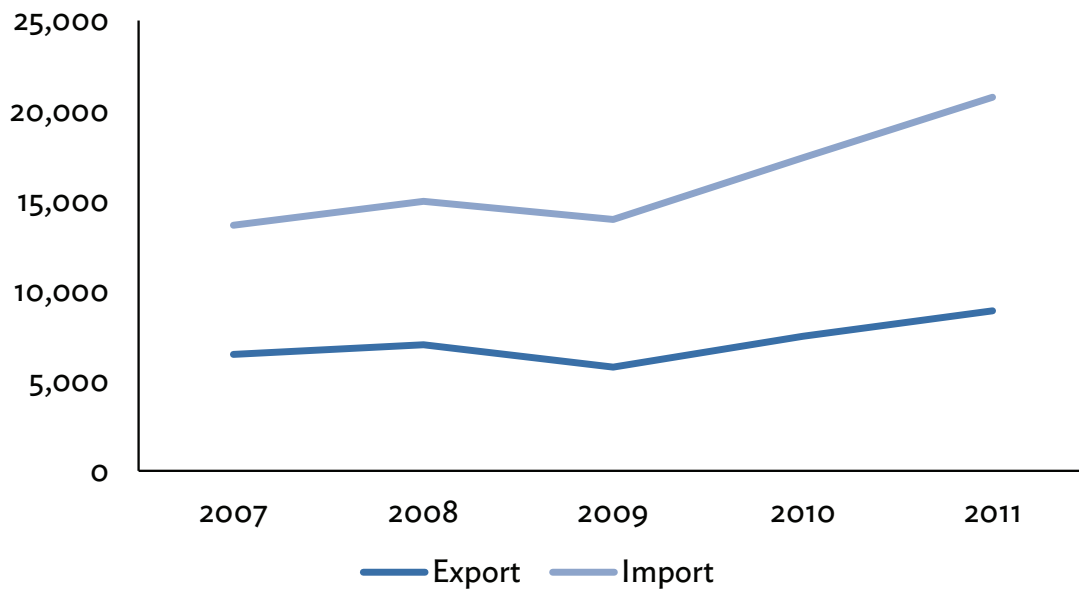
As imports of raw materials needed in the clothing and footwear industry account for a substantial portion of the industry’s total output, Viet Nam should develop supporting

Figure 3: Viet Nam's Exports of Manufactures and Agricultural Products, 1997–2012 (\$ million)



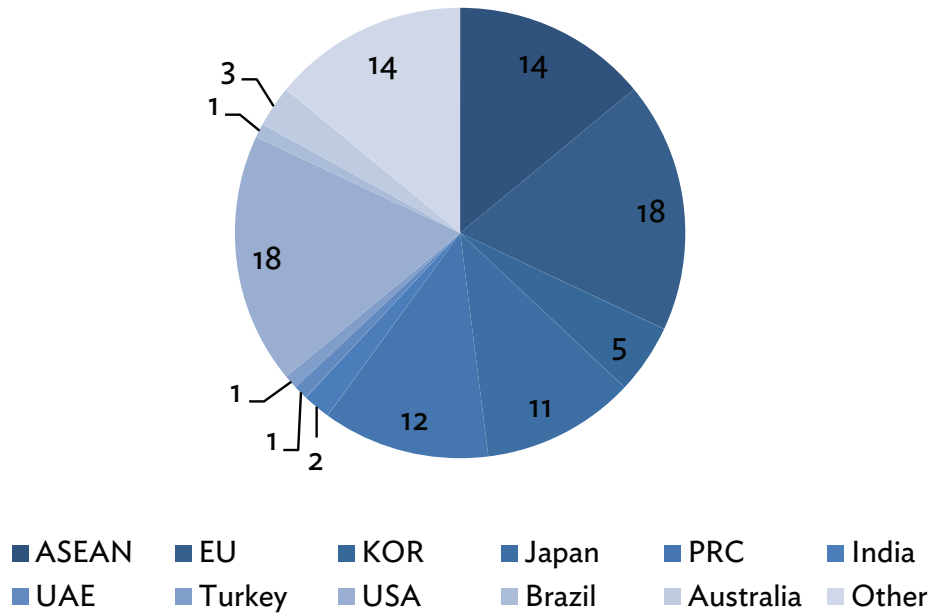
Source: WTO Statistical Datasets. http://stat.wto.org/StatisticalProgram/WSDDBStatProgramTechNotes.aspx?Language=E#Def_Meth_TMV

Figure 4: Viet Nam's Exports and Imports of Services (\$ million)



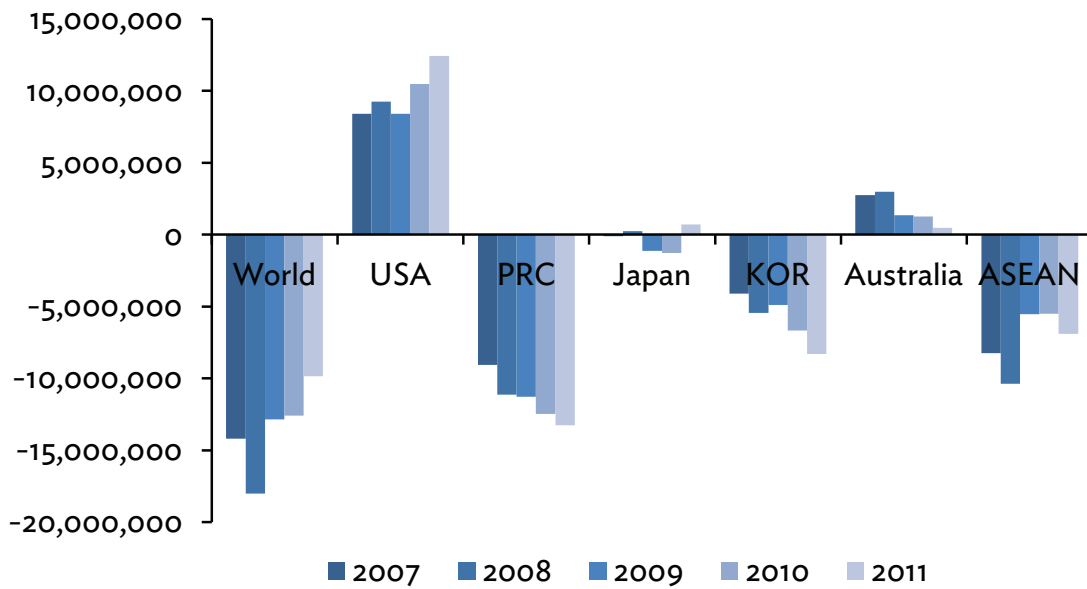
Source: General Statistics Office of Vietnam. <http://www.gso.gov.vn/>

Figure 5: Direction of Viet Nam's Exports in 2011 (%)



Source: General Statistics Office of Vietnam. <http://www.gso.gov.vn/>

Figure 6: Viet Nam's Goods Trade Balance (\$ thousands)



Source: Calculations based on UN COMTRADE statistics. http://www.trademap.org/Country_SelProduct_TS.aspx (Accessed on 1 May 2013).

industries to provide these needed raw materials. This would be beneficial for exporting textiles products as well as reducing the goods trade deficit.

C. Preparing for Cases to Protect Domestic Industries

Along with facilitating the recognition of Viet Nam as a market economy, the government should be prepared to challenge its trading partners for any violations of commitments in order to protect Vietnamese exporters and importers.

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Note: References also include the legal texts of Viet Nam's free trade agreements, including the ASEAN Free Trade Area, ASEAN–India Free Trade Agreement, ASEAN–PRC Free Trade Agreement, ASEAN–Republic of Korea Free Trade Agreement, ASEAN–Australia–New Zealand Free Trade Agreement, ASEAN–Japan Comprehensive Economic Partnership, and Viet Nam–Japan Economic Partnership Agreement.

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