

FREE TRADE AGREEMENTS: OPPORTUNITIES AND CHALLENGES

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<http://vietnamnews.vn/thumbnail/450/2510-tang-truong-xanh.jpg?url=Storage/Images/2015/10/21/2510-tang-truong-xanh.jpg>

Overview

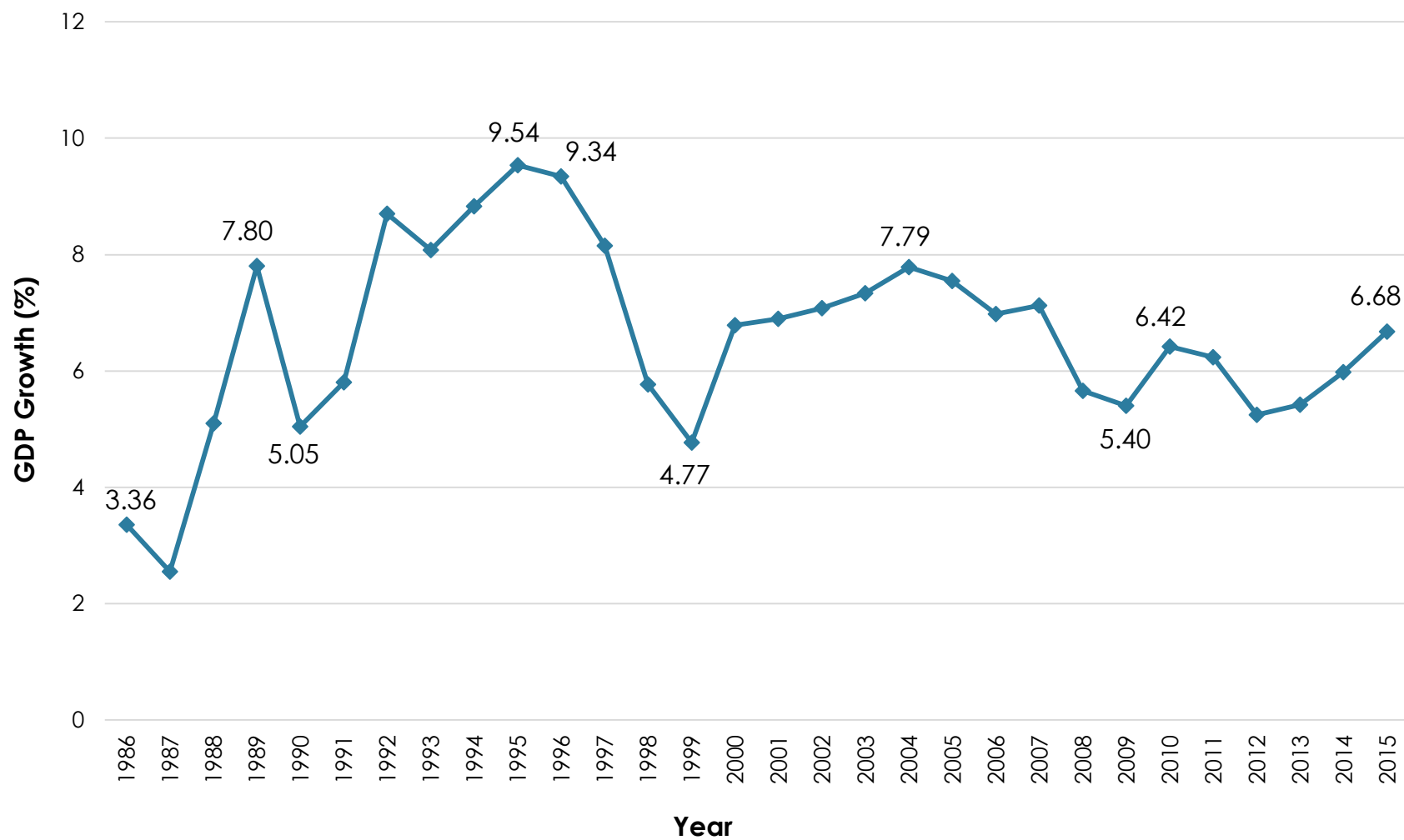
- Section 1: Vietnam's Economic Integration
- Section 2: Opportunities of Selected FTAs
- Section 3: Challenges of Free Trade



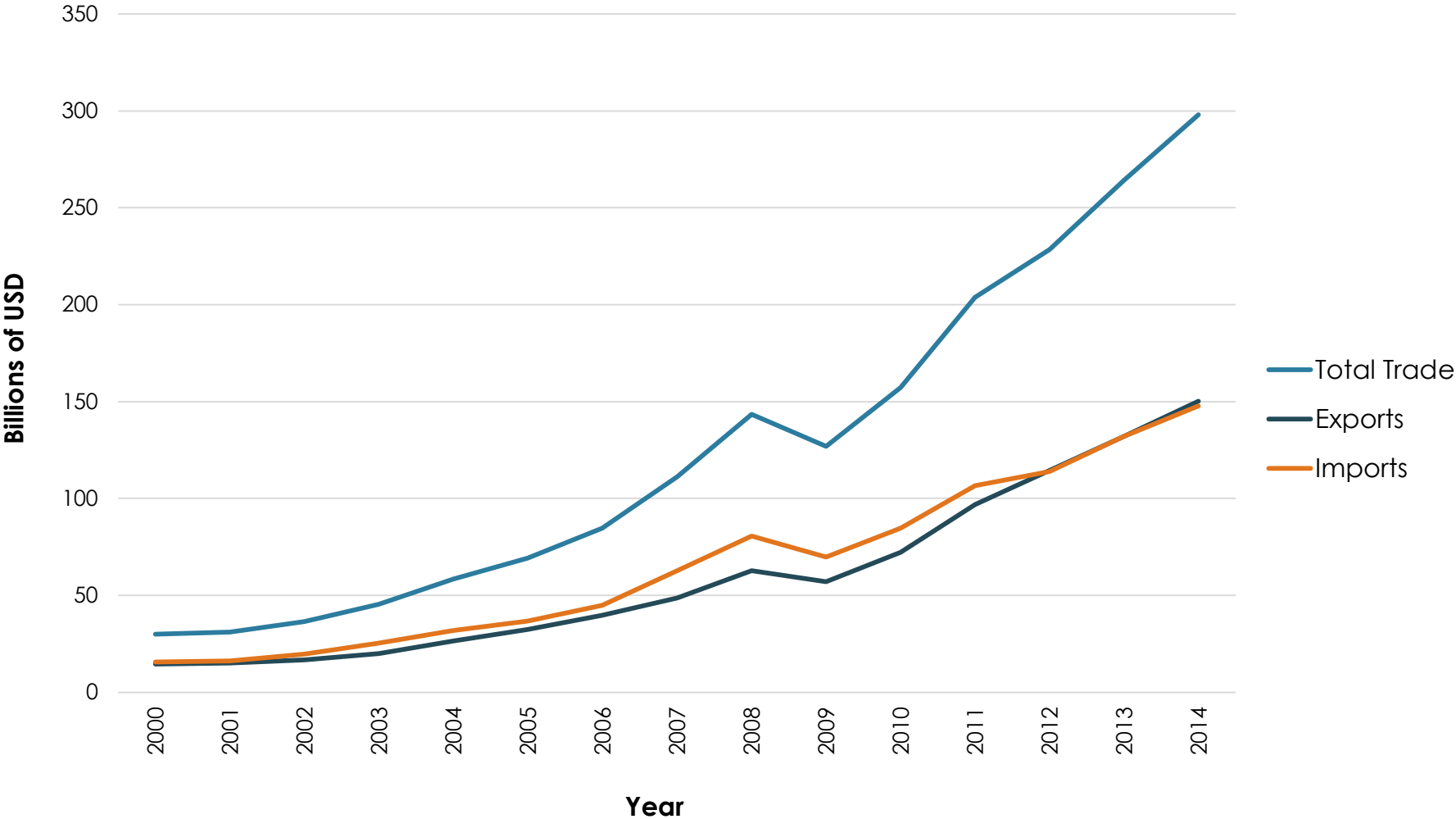
<http://www.cariasean.org/wp-content/uploads/2014/03/Vietnam-header.png>

VIETNAM'S ECONOMIC INTEGRATION

Vietnam's GDP Real Growth Rate (1986-2015)



Vietnam's International Trade in Goods

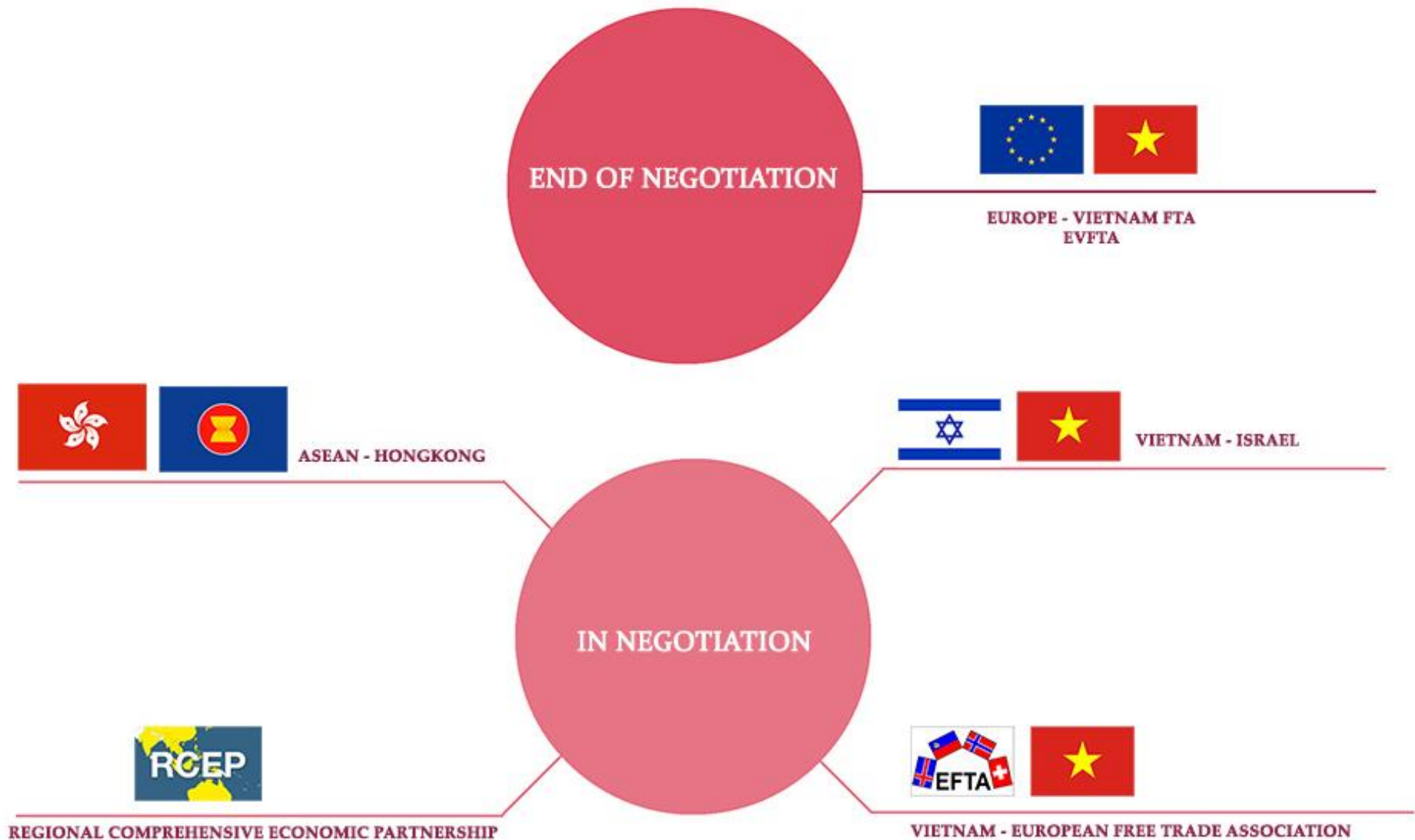


Source: General Statistics Office of Vietnam, and United Nations Comtrade

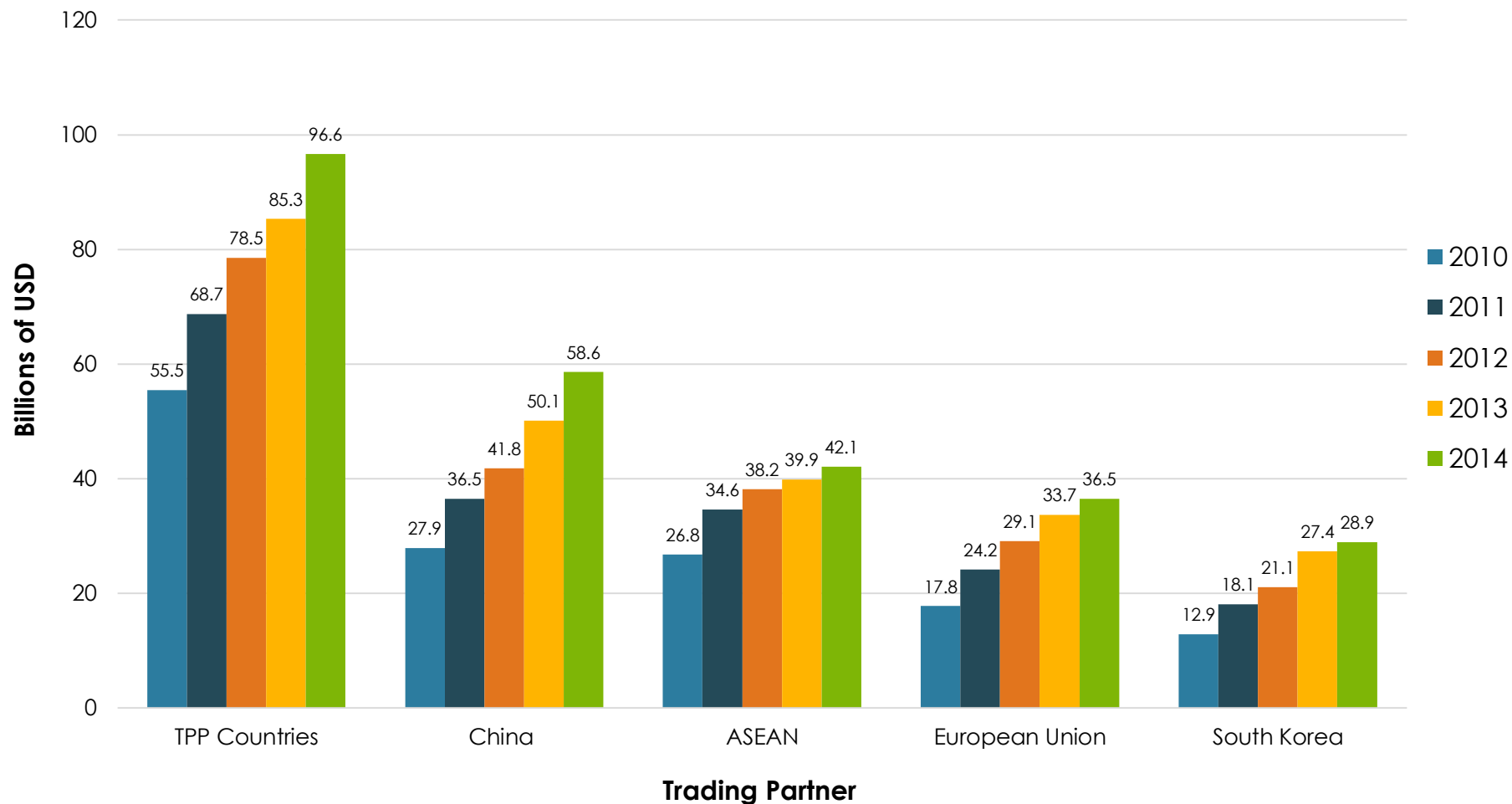
Vietnam's 15 Free Trade Agreements



Vietnam's 15 Free Trade Agreements



Vietnam's Trade with Major Partners



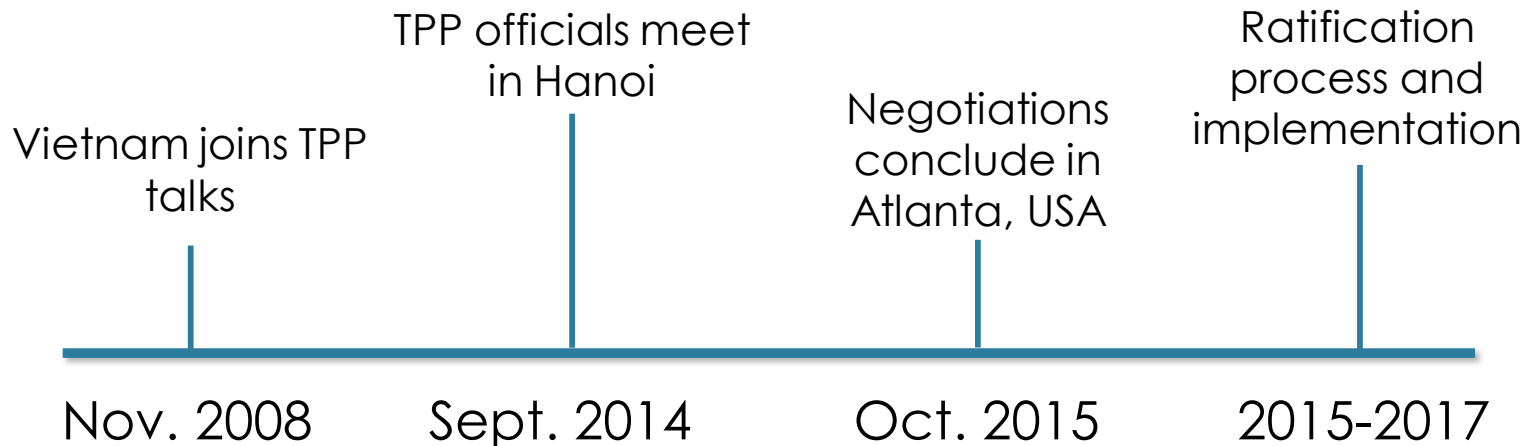


OPPORTUNITIES OF FTAS

- Trans-Pacific Partnership
- EU-Vietnam Free Trade Agreement
- ASEAN Economic Community
- South Korea-Vietnam Free Trade Agreement

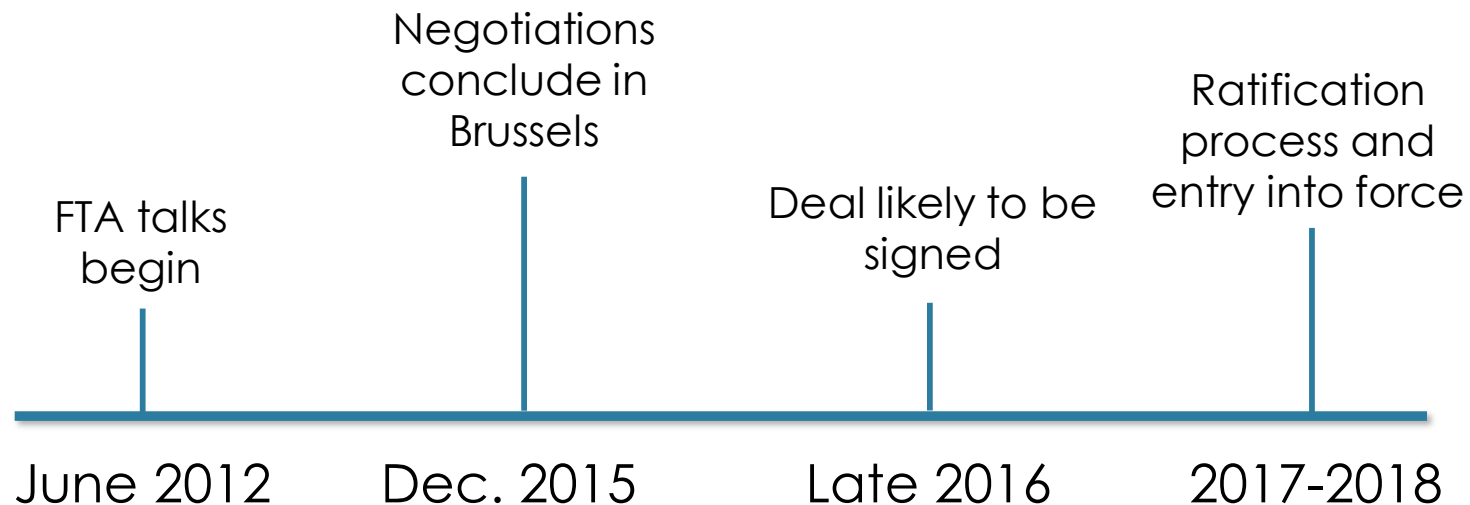
Trans-Pacific Partnership

- Represents 40% of global GDP and one-third of international trade
- Consists of one-quarter of global seafood trade and one-quarter of world's timber and pulp production
- Could accelerate Vietnam's domestic reforms and expand regional cooperation
- Could increase GDP by 10% and exports by 17% by 2030 (World Bank)



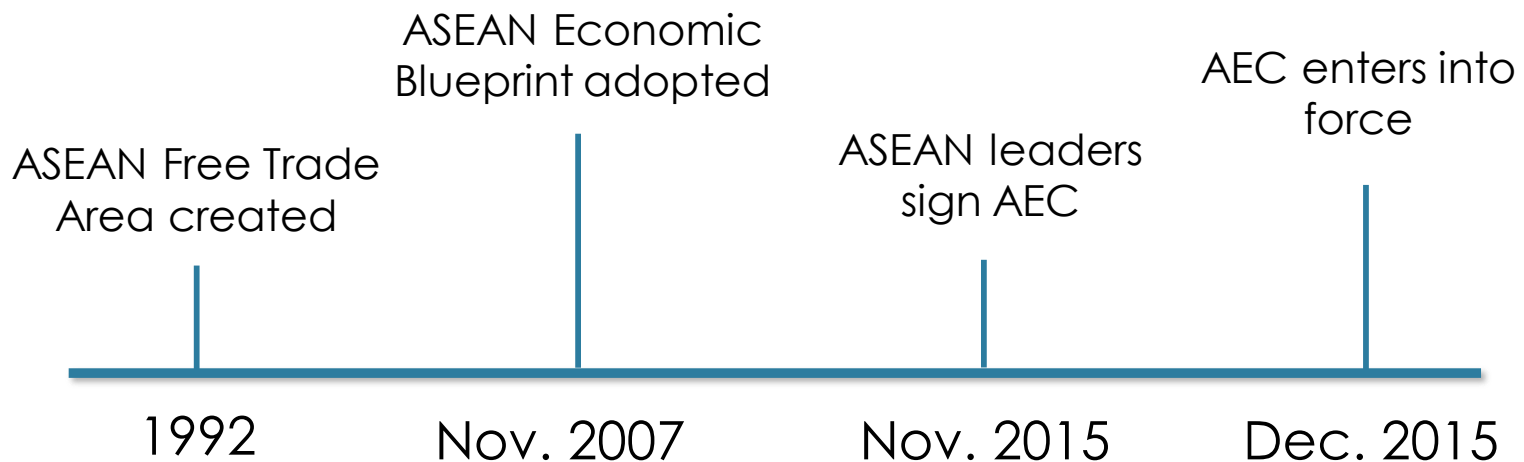
European Union – Vietnam FTA

- First “high-standard” trade deal between the EU and a developing country
- Consists of 18 chapters, including Trade and Sustainable Development (Chapter 15)
- Could increase GDP by 15% and exports to the EU by 35% upon full implementation (European Chamber of Commerce)



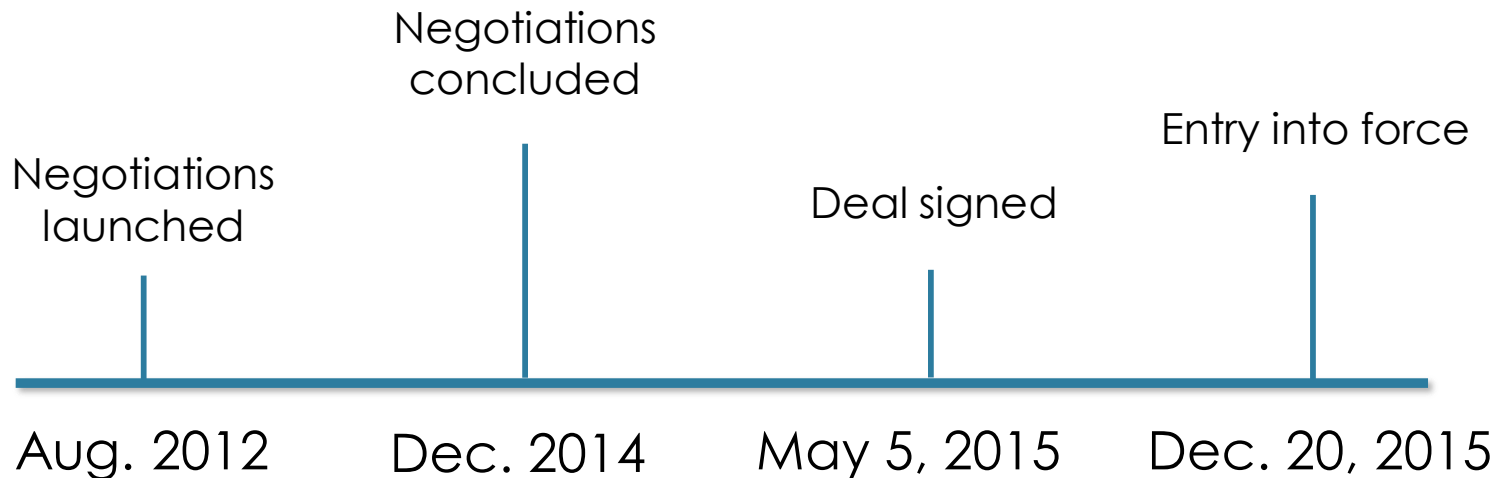
ASEAN Economic Community

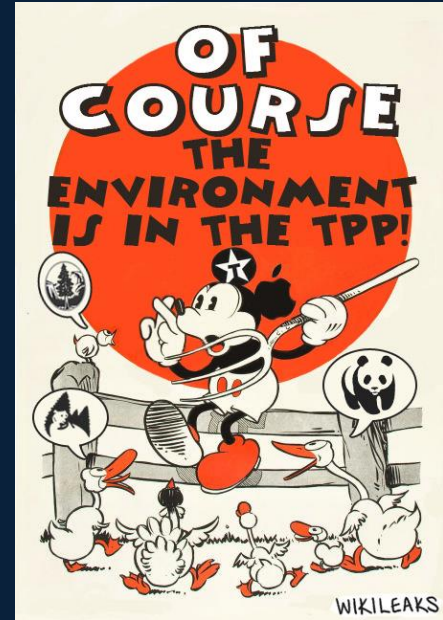
- Creates a single market for goods, services, capital, and labor
- Population of 625 million and combined GDP of nearly US\$2.8 trillion (2014)
- Could increase GDP in Vietnam by 14.5% and in ASEAN by 7.1% by 2025 (Asian Development Bank)



South Korea – Vietnam FTA

- Fosters a closer relationship between a major trading partner and Vietnam's largest source of FDI
- Could boost bilateral trade to US\$70 billion by 2020 (up from US\$28.9 billion in 2014)
- "Standard" trade deal that does not mention environmental protection or other social issues





<http://www.anonsweden.se/wp-content/uploads/2014/01/wl-tpa-cartoon.jpg>

CHALLENGES OF FREE TRADE

Legal and Environmental Challenges

- Effectively enforcing environmental laws and regulations, especially those regulating industries set to expand (i.e., textiles and apparel, footwear, and seafood)
- Adhering to the TPP and EVFTA's environmental and social standards
- Threats to governing in the public interest at the national and provincial levels, in particular due to Investor-State Dispute Settlement
- “Middle-income trap,” as mentioned in ActionAid report on EVFTA and free trade agreements
- Issues with land grabbing and land-use compensation at the local level

ISDS Encroaching on Environmental Policy

Bilcon v. Canada

- May 2008: Bilcon launched a US\$300 million ISDS case under NAFTA
- Claimed breaches of minimum standard of treatment, national treatment, and most favored nation
- March 2015: Tribunal ruled Canada violated minimum standard of treatment

McKenzie v. Vietnam

- November 2010: Michael McKenzie of South Fork Company launched a \$3.75 billion case under the U.S.-Vietnam Trade Relations Agreement
- December 2013: Tribunal agreed with Vietnam and ruled that the tribunal did not have jurisdiction in the case

**THANK YOU FOR YOUR
ATTENTION**