



# ***WTO accession: The Vietnamese experience***

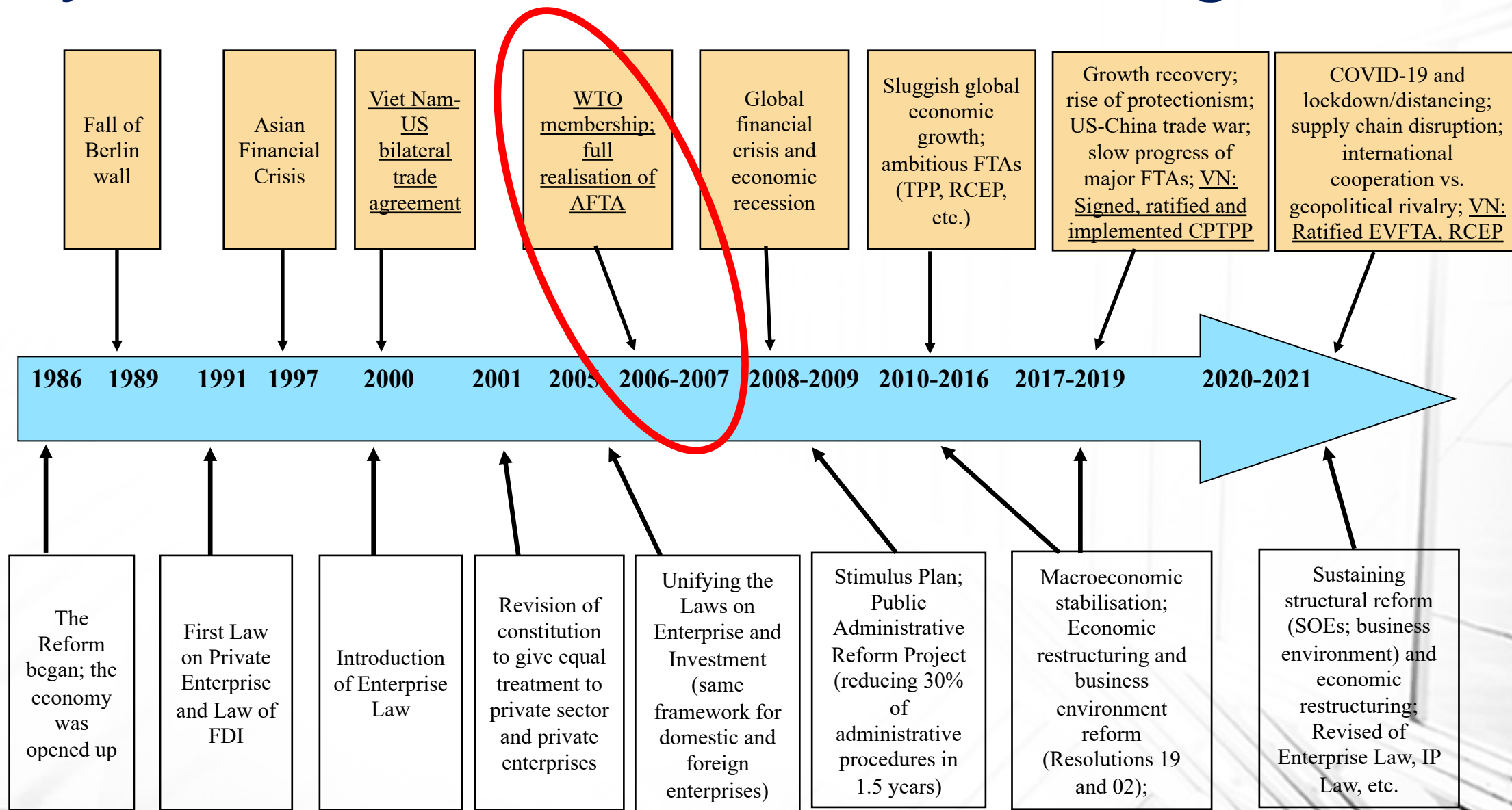
*Nguyen Anh Duong (Mr.)*

*24 November 2021*

# Introduction

- Since Doi Moi (Renovation) in 1986, Viet Nam's economic reforms focused on three pillars:
  - *Market-oriented institutional reforms;*
  - *Macroeconomic stabilization;*
  - *Open-door policy / economic integration.*
- Economic integration highly interactive with other pillars of reforms.
  - *1989-1996, 2000-2007 and 2014-2019: comprehensive progress in economic integration and also impressive economic achievements.*

# Key milestones of economic reforms and integration in VN



Source: Update from Vo (2018)

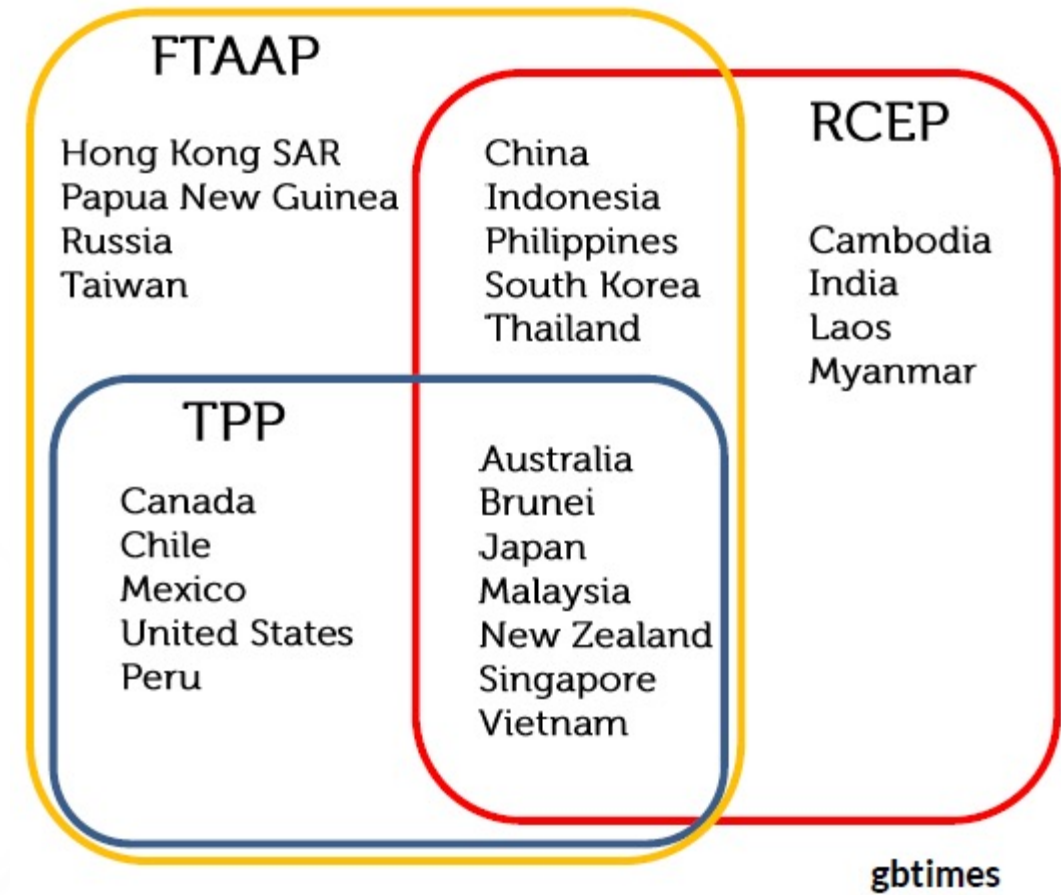
# Key integration milestones of Viet Nam

- Joined ASEAN in July 1995 and AFTA since 1996;
    - *First framework for trade liberalization: learning and adaptation;*
  - VN-US bilateral trade agreement: signed in 2000, implemented in 2001
    - *First comprehensive agreement arguably close to WTO standards;*
  - WTO accession in 2007;
  - Concluding negotiation of TPP and EVFTA in 2015
    - *Implemented CPTPP in January 2019 and EVFTA in August 2020.*
- ➔ **WTO is neither the beginning nor the end of economic integration in Viet Nam**

# Economic integration, as a process, still continues in VN

- RCEP brings about new dynamism for Asia-Pacific region
  - *Annex 1, APEC Economic Leaders' Statement 2016: RCEP and TPP are pathways to FTAAP;*

## Trade agreements in Asia-Pacific



FTAAP = Free Trade Area of the Asia-Pacific

TPP = Trans-Pacific Partnership

RCEP = Regional Comprehensive Economic Partnership



# Viet Nam's WTO accession

- Observer of GATT in 1994;
- Application in 1995;
- Formal negotiation started in 1998;
- Negotiations intensified during 2002-2006;
  - *Bilateral negotiations with 28 members;*
  - *14 multilateral negotiations.*
- Protocol of Accession on 15 November 2006;
- WTO membership on 11 January 2007.

# Experience 1: WTO accession as an integral part of economic integration and reform process

- Envisage a sufficiently long-term plan/strategy that consistently emphasizes the direction towards economic integration centering on WTO membership.
  - *Incremental steps may be necessary (VN: ASEAN, BTA with US → WTO).*
  - *If considering WTO accession as the end point → hard to convince about post-WTO reforms/liberalization efforts.*
- Reforms of domestic economic laws/institutions in consistency with WTO standard.
  - *E.g. IP law; enquiry points on SPS and TBT, etc.*

## Experience 2: Build capacity for related personnel

- Intensive trainings for negotiators
  - *Negotiation skills;*
  - *Inter-agency coordination and cooperation (Government of Viet Nam, role of Ministry of Trade, National Committee on International Economic Cooperation, etc.).*
- Build capacity for analysts
  - *Offers and impacts (economy- and sectoral levels: CIEM in Viet Nam worked with Danish experts?).*
- Build capacity for lawmaking
  - *Legal experts;*
  - *Good regulatory practices (regulatory impact assessment, public consultation, international regulatory cooperation, etc.)*



# Experience 3: Working with WTO members

- Existing WTO members with good bilateral relationship may still be working party members.
  - *Quick completion of bilateral negotiation can be encouraging.*
- Shared experiences from existing members (negotiation, promise to fulfill after accession, etc.).
- Non-market economy vs. market economy (lessons of China and VN).
- **Knowing which member is most demanding.**

## Background

[back to top ▲](#)

**Working party members:** Argentina, Australia, Brazil, Brunei, Bulgaria, Cambodia, Canada, Chile, China, Colombia, Croatia, Cuba, Dominican Republic, Egypt, El Salvador, European Union and member states, Honduras, Hong Kong China, Iceland, India, Indonesia, Japan, Republic of Korea, Kyrgyz Republic, Malaysia, Mexico, Morocco, Myanmar, New Zealand, Norway, Pakistan, Panama, Paraguay, Philippines, Romania, Singapore, Sri Lanka, Switzerland, Chinese Taipei, Thailand, Turkey, United States, Uruguay

Source: WTO (26/10/2006)

## Experience 4: Progressing after WTO accession

- Support from multilateral/bilateral donors to implement WTO commitment
  - *Lawmaking;*
  - *Building capacity (legal, economic, technical; impact assessment);*
  - *Complementary domestic reforms (not compulsory under WTO but essential: business environment reform, etc.).*
- Trade policy review under WTO.
  - *May have lots of questions by members.*

# Experience 5: Building domestic consensus

- Building consensus on what should be expected, trade-offs during negotiation
  - *Late accession and possible legal/economic costs?*
- Build domestic consensus on effective implementation of WTO commitments.
  - *Mitigation of adverse impacts after WTO accession (e.g. capital flows, trade deficit, etc.)*
  - *Complementary reforms: why and how? VN: ex ante assessments underestimate the impacts of WTO accession on GDP growth and exports (as models could not capture impacts of institutional reforms and capital flows).*

# THANK YOU!

**Nguyen Anh Duong (Mr.)**

Director,

Department for General Economic Issues and Integration Studies

Central Institute for Economic Management, Viet Nam

Email: [anhduong510@yahoo.com](mailto:anhduong510@yahoo.com)

Tel: (+84) 0912610153