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Vietnam after the accession into WTO – an ambitious country between hope and challenge

Vietnam, a young and ambitious country with its geographical and demographical Data – area 329.560 km²; population 86.1 Mio – is approximately comparable with Germany. In spite of „Đổi Mới“ – the economical renewal in 1986 – Vietnam still belongs to those poor and slow in development countries in the world and it hasn't been changed to a country with a healthy economy. However, „Đổi Mới“ was the first essential act to achieve the ambitious aims, which Vietnam has taken. Thereby the accession of Vietnam into WTO on January, 11th 2007 marks the next step on a long-some way to the integration into the global economy. It is also probative that Vietnam is on the right way with its opening policy.

Advantages and disadvantages of the accession into WTO

In spite of that Vietnam already became a member of ASEAN in 1995 (Association of Southeast Asian Nations), ASEAN is only one of several platforms, where cooperation in economy and liberalization in trade can be regionally realized. ASEAN is – beside its favorite example European Union – one of the oldest International Economy Associations. But because of an absent institutionalization, an absent transfer of authority and an equivalent institution of control however, ASEAN is inflexible in its acting possibility. Therefore, the accession into WTO is an economical farsighted step for Vietnam. It will be integrated into an inter-governmental, already existed structure of economy, to which it didn't have such a global access in the past.

The most important aim of WTO is to guarantee a worldwide transparent trade system. The commerce on other markets abroad should happen with calculable conditions and as free of discrimination as possible. The liberalization of the world trade should be allowed: most-favored-nation treatment, fixation of taxes, prohibition of quantity limitations and special agreements about non-tariff trade barrier as well are the elementary documents for the statement of transparency and equal tax treatment.

From the accession into WTO Vietnam firstly expects that it could get the necessary funds into the country, in order to raise its own competitiveness. Furthermore new employments can be recreated with this funds. So it could contribute to the property of people and establish new possibilities. With calculable, transparent and free of discrimination trade conditions the exports over seas will be simplified. Vietnam can expand into new markets and it implies higher selling ability. Vietnam also will advance its position in international relationships. Last but not least Vietnam has got a better access to raw materials, new technologies and bigger offering of high-quality and low priced products. At the end the accession into WTO signifies the springboard to a prospering economy.

Challenges

But where advantages are, there also are undesirable knocking-effects. To be in accordance with the WTO-guidelines Vietnam has to change about 52 laws, as per Hoang Phuoc Hiep, head of ministry of justice Vietnam. The most laws, which have to be

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changed, apply the trade and laws of taxes, economical actuality in sectors of services and questions about intellectual property. Now Vietnamese entrepreneurs have to compete with low-priced and high-quality products from abroad.

It is to be supposed that the competition would disable the internal sector of agriculture. Because the native agriculture in Vietnam is mostly characterized by little, geared to household farms. The method of production of the vietnamese farmers is unintended, offhanded and unorganized. Each family works for itself and the method of production normally doesn't gear to the principle of supply and demand. As far as the experience of Nguyen Duc Trieu goes – chairman of the incorporation of vietnamese farmers – this is due to the fact that the farmers haven't got an access to the market information. That's why it is very difficult to arrange the market logistics and to organize the cultivation efficiently. According to the information of Vietnamese Chamber of Industry and Trade, before the accession into WTO there are 31 percent of the companies, which still didn't know that Vietnam actually was intending this step and 45 percent didn't have any information or ideas, how to cope with the consequences which result from the accession. Furthermore 90 percent of the companies haven't got any experiences about export business.

Opacity because of bilateral and regional agreements

Another problem is the intransparent scrub of bilateral treaties and regional agreements with other WTO-members. Because with the accession into WTO these agreements will be subordinated under the rule and standards of WTO. It makes arrangements about a complete prohibition of discrimination which results from several accords. The WTO-rules and standards demands, that the existing bilateral agreements should be adapted to the assignments of the conference about world trade. But Vietnam hasn't got any experiences with this chaos, so the implementation of rules could get trouble.

The necessity of facilities for research and advisory services

Vietnam could only achieve the advantages of trade better and accomplish its interests in WTO if it possesses own expertise. That's why the Konrad-Adenauer-Foundation (KAF) in Hanoi appreciates the collective plan, to arrange a conference with the Vietnamese Association of Lawyers together, on which Vietnam's experiences with the accession into WTO should be discussed. On this conference the idea of setting up possible facilities in Vietnam for research and advisory services should also be introduced.

Such a facility should optimally be well versed in WTO-rules and standards and moreover it has to have the ability to analyze the numerous bilateral, regional and multilateral agreements as well. Then it is able to inform its government, to advise the provinces and to influence issues of international litigations with factual and judicial arguments positively.

The KAF could act as an advisor in this sector with its extensive projects and expertise to abolish those deficits which have been mentioned above. The experiences in Europe have shown us, that an effective acting inside of such a complex economical interdependence could be extremely difficult. Europe also needs a permanent consultancy in politics and economy, in order to be in accordance with the WTO-rules compliantly and results-oriented. An example for a possible cooperation between KAF and a Vietnamese institution could be an exchange of experiences and information inside events and seminars. Furthermore KAF could support such institutions in establishing modern training programs, so that the advisory service centers could work effectively. Because it will be important that such institutions are able to qualify its own experts and specialists on itself. These experts must be specialists at international legal questions, moreover they have got expertise in details in sectors of agriculture, fishing, investments and products marketing.

KAF could support by resorting to already existed advisory services from abroad.