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GLOBAL TRADE

World Trade Organization invites Vietnam to join

As the 150th member of the WTO, Vietnam would have increased access to foreign markets and the opportunity to take trade grievances to a neutral arbiter.

By Frank Jordans

Associated Press

GENEVA - The World Trade Organization formally invited Vietnam on Tuesday to become the commerce body's 150th member, paving the way for the country to join within 30 days of its National Assembly ratifying the accord.

The organization's general council approved accession terms for Vietnam with the fall of a gavel from WTO chief Pascal Lamy, completing 11 years of entry talks with the Geneva-based group.

"I see Vietnam as one of the rising stars of world trade," said Lamy, urging the country to continue on its path of domestic reform.

Membership in the global trade body will give Vietnam increased access to foreign markets and the opportunity to take trade grievances to a neutral arbiter, strengthening its hand against nations that accuse it of illegally dumping goods on their markets. In return, the country will be required to drop its high tariffs on foreign imports and eliminate subsidies for state-owned companies.

"This will work both to the benefit of Vietnam and to the benefit of the World Trade Organization," Lamy told reporters at the WTO's Geneva headquarters.

SOCIALIST ORIENTATION

Pham Gia Khiem, Vietnam's deputy prime minister, said Vietnam would "fully implement" its commitments under WTO rules and continue to develop toward what he termed a "socialism-oriented market economy."

Vietnam is Asia's fastest-growing economy after China, and the Asian Development Bank in August projected its economy would expand by 7.8 percent this year. With a

population of 84 million, it is the second-most populous country behind Russia still outside the WTO.

While its trade with the United States has grown from \$1.2 billion in 2000 to \$7.8 billion last year, it is still waiting for the U.S. Congress to normalize trade between the two nations, which would lift trade restrictions between them.

Vietnam's Prime Minister Nguyen Tan Dung called for the United States to pass the legislation in time for President Bush's visit to the country for the Asia-Pacific Economic Cooperation summit next week.

"Sooner or later, the U.S. will give [permanent normal trading relations] to Vietnam, but if it is given by President Bush when he arrives here, we will highly appreciate it," Dow Jones Newswires quoted the prime minister as saying Tuesday during a meeting with U.S. and Vietnamese business leaders.

The Nov. 16-19 summit will put Vietnam in the spotlight, drawing leaders from 21 countries and thousands of business executives from around the world for talks on trade in the region.

Since the United States and Vietnam implemented a bilateral trade agreement five years ago, Vietnam's garment exports to the United States have skyrocketed. The industry is hoping to reap even greater profits after joining the WTO, if the United States lifts quotas on Vietnamese exports.

INVESTMENTS RISE

Outside investment in Vietnam already has risen 41 percent in the past year. Foreign companies have been encouraged by Vietnam's market reforms, which began tentatively in the late 1980s, moved in fits and starts during the 1990s and greatly accelerated over the past three years.

Vietnamese officials said Tuesday that Intel, the world's largest chipmaker, which is building an assembly and testing plant in Ho Chi Minh City, had received permission to increase an initial investment in Vietnam from \$300 million to up to \$1 billion.

Foreign companies will soon enjoy far greater access to Vietnam's economy, which has averaged 7.5 percent growth over the past decade, one of fastest rates in the world.

EU trade chief Peter Mandelson called Vietnam's acceptance "a milestone in its economic development and its integration into the global economy."

But European officials at the meeting in Geneva said Vietnam still needed to reduce red tape, increase transparency, reform its telecommunications and banking sectors and protect intellectual property rights.

Last month, the 25-nation European Union decided to impose antidumping duties on shoe imports from Vietnam, claiming Europe was being flooded by artificially cheap goods as a result of unfair Vietnamese subsidies.