

EU-Vietnam Partnership and Cooperation Agreement

Twenty-five years after establishing diplomatic relations with Vietnam, the EU is now close to ratifying an upgraded partnership and cooperation agreement (PCA) with the country. The agreement should help to cement ties between the two sides and facilitate progress towards an EU-Vietnam free trade agreement (FTA), currently under negotiation.

Key dates in EU-Vietnam relations

October 1990: the European Community and Vietnam establish diplomatic relations.

May 1996: the European Community and Vietnam sign a [cooperation agreement](#).

June 2012: the EU, its Member States and Vietnam sign a new [framework agreement on comprehensive partnership and cooperation](#) (PCA). That month, the two sides begin talks on a free trade agreement (FTA).

2012-2015: ratification of the PCA by Member States (France, Greece, Italy and Ireland have [not yet ratified](#)).

February 2015: Council of the EU requests EP consent to conclude the PCA, as required by [Article 218 TFEU](#).

August 2015: the EU and Vietnam [agree](#) on the broad outlines of an FTA; some technical issues still need to be resolved before the text can be finalised.

Content of the partnership and cooperation agreement

Compared to the 1996 agreement, the new PCA considerably broadens the scope of cooperation, adding areas such as energy, good governance and migration, as well as human and labour rights, both areas of concern in Vietnam. It also provides for more regular meetings between representatives from the two sides.

Article 57 stipulates that each party may take 'appropriate measures' if the other party does not meet its obligations. According to official [statements](#), the future FTA will refer to this clause, in line with an EP demand for an 'institutional and legal link' between the two agreements stated in its 2014 [resolution](#) on the EU-Vietnam FTA negotiations. Such a link would empower the EU to suspend the FTA if Vietnam commits major human rights violations.

Implementation of [some aspects](#) of the PCA has already begun in advance of its entry into force, for example an upgraded human rights dialogue and consultations on security and crisis management.

Benefits of the partnership and cooperation agreement

For the EU: the EU has an obvious interest in cooperating with the countries of south-east Asia, home to one tenth of the world's population and one of the world's fastest growing markets. The EU has [committed](#) itself to closer cooperation with the regional organisation, ASEAN, and is also developing bilateral ties with its member states. So far, only the [Partnership and Cooperation Agreement](#) with Indonesia has entered into force, but PCAs and FTAs are being negotiated with several other countries in the region. The PCA with Vietnam, the third-largest ASEAN country in terms of population, is fully consistent with this approach.

An EU-Vietnam PCA would facilitate progress towards an FTA. This in turn could ultimately serve as a stepping stone to a region-to-region EU-ASEAN FTA, talks on which were suspended in 2009.

For Vietnam: the EU is Vietnam's [second-largest](#) export market and [aid donor](#), and (in 2015) [fifth-largest](#) investor. Vietnam is also keen to diversify partnerships to reduce dependence on China, relations with which are complicated by territorial disputes in the South China Sea; it is for example [participating in](#) the Trans-Pacific Partnership and has signed a [free trade agreement](#) with the Russia-led Eurasian Economic Union.

At its December 2015 plenary session, the EP will vote on its consent to EU conclusion of the PCA and debate the accompanying [report](#) adopted by the AFET Committee on 16 November 2015. The report welcomes the PCA, which it believes will strengthen the EU's role in Asia, and urges its speedy ratification; expresses its continuing concern about human rights abuses and environmental degradation; and praises Vietnam for poverty reduction.