



**2018/0356(NLE)**

13.9.2019

# **DRAFT OPINION**

of the Committee on Development

for the Committee on International Trade

on the draft Council decision on conclusion of the Free Trade Agreement  
between the European Union and the Socialist Republic of Viet Nam  
(06050/2019 – C9-0023/2019 – 2018/0356(NLE))

Rapporteur for opinion: Tomas Tobé



## SHORT JUSTIFICATION

For decades, the EU and its Member States have contributed to Vietnam's development in many of its different sectors and various regions and provinces. Over the years, the country witnessed one of the fastest growth rates in ASEAN countries (Association of Southeast Asian Nations) and hence, became an increasingly attractive partner for Europe and other regions of the world. According to the Commission Vietnam had an average GDP growth rate of around 6% between 2000 and 2014.

The Vietnam agreement is the most ambitious and comprehensive FTA that the EU has ever concluded with a middle-income country. As such, it sets a new benchmark for Europe's engagement with emerging economies. Not only will it eliminate over 99 % of customs duties on goods, it will also open up Vietnamese services markets to EU companies. According to European Commission figures, the FTA could boost Vietnam's booming economy by as much as 15 % of GDP, with Vietnamese exports to Europe growing by over one third.

The ultimate goal in South-East Asia is a region-to-region FTA with all ten ASEAN countries; a deal with Vietnam (the EU's second largest trading partner in the region) would be an important step in this direction.

The agreement aims to promote sustainable development on both sides. It includes commitments to protect people's basic rights at work, their human rights more broadly, and the environment. It also aims to support Vietnam's efforts to grow and develop its economy for the benefit of all its people.

In response to labour rights and environmental concerns about Vietnam, the FTA includes commitments to implement International Labour Organization core standards (for instance, on freedom to join independent trade unions and on banning child labour) and UN conventions (for instance, on combatting climate change and protecting biodiversity).

Despite the economic benefits of a free trade agreement with Vietnam, many stakeholders have expressed reservations due to human rights concerns. Political change in Vietnam has not kept pace with economic development. The country remains a one-party state where no dissent is tolerated. It has some of the least free media in the world (ranked 175th out of 180 countries in the 2018 Reporters Without Borders Press Freedom Index).

Despite the abovementioned human rights concerns, your rapporteur is of the opinion that concluding the FTA will be in the interest of both the EU and Vietnam. With this in mind, he therefore recommends to give consent to the agreement.

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The Committee on Development calls on the Committee on International Trade, as the committee responsible, to recommend that Parliament give its consent to the proposal for Conclusion of the Free Trade Agreement between the European Union and the Socialist Republic of Viet Nam (INTA/8/14829); (2018/0356(NLE)).