

ROADMAP			
TITLE OF THE INITIATIVE	Commission proposal for conclusion, signature and provisional application of EU-Vietnam Free Trade Agreement		
LEAD DG – RESPONSIBLE UNIT – AP NUMBER	TRADE C2 2015/TRADE/046	DATE OF ROADMAP	28/07/2016
LIKELY TYPE OF INITIATIVE	Commission recommendation for Council Decision on conclusion of trade agreement		
INDICATIVE PLANNING	1st quarter 2017		
ADDITIONAL INFORMATION	-		
This indicative roadmap is provided for information purposes only and can be subject to change. It does not prejudice the final decision of the Commission on whether this initiative will be pursued or on its final content and structure.			

A. Context, Subsidiarity Check and Objectives
Context
<p>The initiative relates to the EU's external trade and investment policy and contributes to the EU's jobs and growth strategy by generating new economic opportunities. Moreover, the Agreement with Vietnam contributes to the EU's policy objective of strengthening trade relations with the countries of ASEAN (Association of South East Asian Nations). In accordance with the negotiating authorisation by Council in April 2007, the EU launched negotiations with the ASEAN region.</p> <p>After the negotiations on the EU-ASEAN Free Trade Agreement were paused in May 2009, the EU launched bilateral FTA negotiations with ASEAN countries with Singapore and Malaysia in 2010. The possibility of negotiating at bilateral level with individual ASEAN countries had in fact already been foreseen in the negotiating directives of 2007. Thus, the EU-Vietnam FTA was launched and has been conducted in accordance with the original negotiating directives of 2007. These bilateral FTAs with ASEAN countries represent building blocks towards the EU's long-term objective of concluding a region-to-region FTA with ASEAN as set out in the Council's initial negotiating authorisation. The EU-Vietnam FTA negotiations were substantially concluded in August 2015 and formally completed in December 2015 and represents the second FTA with an ASEAN country. The EU concluded negotiations with Singapore in October 2014. The Vietnam negotiation has been conducted in such a way so as to ensure overall policy coherence with the Singapore agreement.</p> <p>On the EU-Singapore FTA, an economic assessment of the negotiated outcome was published in September 2013. This analysis showed that EU exports to Singapore would rise by some €1.4 billion over a ten-year period.</p>
Issue
<p>The reasons for the Agreement are trade liberalisation and the creation of new business opportunities for EU-Vietnam trade and investment, notably through improved market access and enhanced rules on trade-related issues for EU and Vietnamese operators, in compliance with WTO rules and in line with the commitment of both parties to sustainable development and human rights. The proposed initiative is a legal consequence of the finalisation of the Vietnam negotiations.</p> <p>Annual EU-Vietnam trade currently amounts to about € 38 billion, but there is still untapped economic potential for further trade. Both Vietnam and the EU are keen to strengthen their trade and investment relationship, supported by their respective industries and other stakeholders.</p> <p>EU and Vietnamese businesses, including manufacturers, investors and traders, will be affected by increased market opportunities and lower barriers to trade and investment. Consumers and workers in the EU and Vietnam are also likely to be affected by a wider choice of products and a growth in job opportunities.</p>
Subsidiarity check
<p>The initiative falls under the exclusive competence of the EU according to Article 207 of the Treaty on the</p>

Functioning of the European Union (TFEU). Therefore, the subsidiarity principle does not apply.
Main policy objectives
<p>The aim of the initiative is to eliminate customs tariffs on trade in goods, remove other non-tariff barriers to trade and investment and increase trade and investment flows between the EU and Vietnam.</p> <p>Further objectives include opening up respective procurement markets by laying down detailed rules for international tendering, establishing transparent and simplified trading rules, creating an institutional framework for dialogue and a dispute settlement mechanism.</p>
B. Option Mapping
<p>No change in EU action (baseline) is not likely to produce the substantial growth of trade and investment volumes between the EU and Vietnam. Thus, no significant GDP gain could be expected.</p> <p>Moreover, the agreement also addresses non-tariff measures and other features of the regulatory environment which can be best more effectively be tackled in a trade agreement. SMEs stand to gain in particular from such trade-facilitative measures.</p> <p>Finally, EU operators would not secure a level-playing field on the Vietnamese market vis-à-vis other major trading partners and competitors already active in the region.</p>
Proportionality check
<p>The scope of the action is limited to those areas where Union has exclusive competence and can achieve better and more efficient outcomes due to increased negotiation leverage (goods, services/investment, government procurement, intellectual property rights/Geographical Indications etc).</p>
C. Data collection and Better Regulation instruments
Data collection
<p>An analysis of the potential impacts was developed in the framework of the EU-ASEAN Trade SIA.</p> <p>The SIA also provides country-specific information on Vietnam with findings on the direction and magnitude of economic, social and environmental impacts. After the conclusion of the Vietnam agreement, an economic assessment of the negotiated outcome will be carried out by DG Trade. An ex-post evaluation is also planned during implementation of the EU-Vietnam FTA.</p>
Consultation approach
<p>Various stakeholders were consulted on the course of the negotiations in public meetings in the framework of the EU-ASEAN SIA, both in Brussels and in the ASEAN region. Moreover, affected stakeholders, such as manufacturers, traders and consumers, have been regularly consulted and debriefed at different stages of the trade negotiation process, including in the EU's Civil Society Dialogue (CSD) meetings on trade agreements.</p> <p>EU stakeholders and experts were also consulted in a Roundtable Discussion in May 2015 on Trade, Sustainable Development and Human Rights in EU-Vietnam Relations which addressed the potential impacts of the Vietnam FTA from the view of sustainable development and human rights. A Summary Paper of the event has been published. Furthermore, an <i>Ad Hoc</i> Report will be published building on this stakeholder event, by reviewing relevant provisions in the FTA/PCA and other relevant policy framework and ongoing flanking measures and identify new ones, if deemed necessary, to maximise impact and address possible concerns.</p>
Will an Implementation plan be established?
<input type="checkbox"/> Yes <input type="checkbox"/> No
Yes

Will an impact assessment be carried out for this initiative and/or possible follow-up initiatives?

An analysis of the potential impacts was developed in the framework of the preparation of the negotiating authorisation¹ and a Trade Sustainability Impact Assessment (SIA)² was carried out during the EU-ASEAN negotiations of the FTA providing for an independent evaluation of the likely economic, social and environmental impacts of the future FTA. The SIA concludes that the EU and Vietnam will benefit from welfare gains. A country specific annex highlights the economic, social and environmental impacts identified that are of particular importance with regard to Vietnam.³

¹ http://trade.ec.europa.eu/doclib/docs/2007/march/tradoc_134020.pdf

² http://trade.ec.europa.eu/doclib/docs/2010/april/tradoc_145989.pdf

³ http://trade.ec.europa.eu/doclib/docs/2013/may/tradoc_151230.pdf