



**Committee on Regional Trade Agreements
Hundred and Ninth Session**

**FREE TRADE AGREEMENT BETWEEN THE UNITED KINGDOM AND VIET NAM
(GOODS AND SERVICES)**

NOTE ON THE MEETING OF 8 APRIL 2024

Chair: Ambassador H.E. Ms. Clare KELLY (New Zealand)

1.1. The 109th Session of the Committee on Regional Trade Agreements (hereinafter "CRTA" or the "Committee") was convened in Airgram [WTO/AIR/RTA/34/Rev.1](#) dated 28 March 2024.

1.2. Under Agenda Item 8.4, the CRTA considered the Agreement establishing a Free Trade Agreement between the United Kingdom and Viet Nam, goods and services, (hereinafter "the Agreement"). The Chair stated that the Factual Presentation had been prepared by the Secretariat on its own responsibility in full consultation with the Parties, in accordance with paragraph 7(b) of the Transparency Mechanism for Regional Trade Agreements (document [WT/L/671](#)).

1.3. The Agreement had entered into force on 1 January 2021. It had been notified to the WTO by the Parties on 31 December 2020 under Articles XXIV:7(a) of the GATT 1994 and Article V:7(a) of the GATS as an agreement establishing a free trade area for trade in goods, within the meaning of Article XXIV of the GATT 1994, and for trade in services, within the meaning of Article V of the GATS (documents [WT/REG436/N/1](#) and [S/C/N/1032](#) respectively). The text of the Agreement, together with its Annexes, was available on the Parties' official websites and in the WTO RTA database. The Factual Presentation, document [WT/REG436/1](#), and questions and replies, document [WT/REG436/2](#), had been distributed.

1.4. The representative of the United Kingdom, also on behalf of Viet Nam, delivered a joint statement on the Agreement, which had been provisionally applied from 1 January 2021 and had officially entered into force on 1 May 2021. He thanked the delegation of Viet Nam for its important contributions in drafting and agreeing the statement.

1.5. The Agreement reaffirmed the strong bilateral relationship between the UK and Viet Nam and provided important continuity and predictability for stakeholders in both countries. Total trade in goods and services between the UK and Viet Nam was GBP 6.2 billion in the four quarters to the end of Q3 2023 – an increase of GBP 1.2 billion since 2020.

1.6. The Agreement aimed to ensure continuity in the UK-Viet Nam trading relationship, incorporating relevant provisions of the existing EU-Viet Nam Free Trade Agreement (EVFTA) *mutatis mutandis* via a short-form agreement. The Agreement was broad, covering market liberalisation for goods, services and investment, as well as chapters on government procurement, State-owned enterprises, and market competition. This included tariff elimination, which would increase to 99% of tariffs after 6-9 years following entry into force, simplification of customs procedures, and market access for a wide range of services sectors.

1.7. There were also commitments in the Agreement relating to trade and sustainable development, including labour, the environment, and corporate social responsibility. The vast majority of changes made through the short-form agreement had been related to replacing references to the EU and its Member States, for example, territorial application and removing non-UK geographical indications.

1.8. Substantive adjustments mostly related to adjusting the Agreement to the UK-Viet Nam bilateral context. These adjustments included modification of tariff rate quota volumes, and rules of origin to allow EU materials to be considered as originating in either Party if sufficiently worked or processed. Cumulation of processing was also permitted, meaning working or processing carried out in the EU was considered as having been carried out in the UK when products obtained had undergone subsequent sufficient working or processing in the UK.

1.9. The Agreement also contained various time commitments to ensure the Agreement continued to work for both Parties. For instance, acknowledging the importance of the rice sector to Viet Nam's economy, the Agreement contained a clause wherein the UK and Viet Nam were to consider reviewing the appropriateness of tariff rate quotas for rice. In line with the text of the Agreement, the UK and Viet Nam had discussed this at the Trade Committee established under the Agreement.

1.10. The Agreement also contained provisions for a review of administrative arrangements for rules of origin cumulation with the EU. This had been included to ensure that the cumulation provision would function as intended regardless of the eventual arrangement between the UK and the EU. With the UK-EU Trade and Cooperation Agreement in place, this review had not been required. Also, five years after the entry into force of the Agreement, the UK and Viet Nam were to consider extending temporary presence of natural persons provisions to independent professionals. Longer term review clauses included within the Agreement covered the review of electronic auction provisions, the broadening of the scope of commitments on sector-specific non-tariff measures on goods, and negotiations on the coverage of additional sub-central government entities.

1.11. Most of the institutional arrangements of the Agreement were covered by the established Trade Committee. The Committee was co-chaired by Trade Ministers and met annually, unless it decided otherwise, or, in urgent cases, at the request of a Party. The Trade Committee ensured proper operation of the Agreement, supervised and facilitated implementation of the Agreement, and supervised, coordinated, and evaluated the work and decisions of other specialised committees and working groups. It also considered ways to further enhance the UK and Viet Nam's bilateral trade and investment relations and sought to solve problems which might have arisen in areas covered by the Agreement. There were also five specialised committees and two working groups established under the auspices of the Trade Committee, which typically met yearly unless otherwise agreed by the UK and Viet Nam. A Joint Forum, made up of members of the domestic advisory groups of each Party, had also been established under the Committee on Trade and Sustainable Development, and met alongside the Committee each year.

1.12. The UK and Viet Nam remained committed to deepening, strengthening, and diversifying their economic ties, building on a strong and growing trade partnership, including through Committees established under the Agreement, and their Joint Economic and Trade Committee, which was in its fourteenth year.

1.13. The representative of Japan recognized the great efforts of the United Kingdom and Viet Nam, and the Secretariat in preparing the factual presentation and thanked the Parties for their comprehensive explanations. He also expressed Japan's sincere appreciation for the prompt reply to its written questions.

1.14. The representative of the United States thanked the United Kingdom and Viet Nam for their work in preparing the notification and for the information they had shared that day.

1.15. The representative of the European Union also thanked the Parties for the presentations and wished them success in the implementation of the Agreement.

1.16. The Chair noted the consideration of the goods and services aspect of the Free Trade Agreement between the United Kingdom and Viet Nam, had allowed the Committee to clarify a number of questions and conclude oral discussion of the RTA in accordance with paragraph 11 of the Transparency Mechanism. Any delegations wishing to ask follow-up questions were invited to forward submissions in writing to the Secretariat by 15 April 2024 and Parties were asked to submit replies in writing by no later than 29 April 2024. In accordance with paragraph 13 of the Transparency Mechanism all written submissions, as well as minutes of the meeting would be circulated promptly, in all WTO official languages, and made available in the WTO database on RTAs.

1.17. The Committee took note of the comments made.
