

Trade Policy Review of Viet Nam (First Session on 27 April 2021)

Statement of Hong Kong, China

- Thank you, Chair.
- I would like to start by extending a warm welcome to the Vietnamese delegation led by their Deputy Minister of Industry and Trade, Mr TRAN Quoc Khanh. I would also like to thank Ambassador Monique VAN DAALEN of the Netherlands for sharing with us her insights as discussant, and the Secretariat for the comprehensive reports prepared for this review.
- Hong Kong, China congratulates Viet Nam on its robust growth in external trade, which amounted to US\$518 billion in 2019 and was more than six times its value in 2007 when Viet Nam joined the WTO.
- Hong Kong, China and Viet Nam have long been enjoying strong bilateral trade and economic relations. Viet Nam was HKC's 8th largest trading partner in 2020, while HKC was Viet Nam's 11th largest trading partner and 5th largest export market. The bilateral trade volume between Hong Kong, China and Viet Nam has recorded strong growth, with an average annual growth rate of 10% between 2016 and 2020, and a year-on-year increase of 16.7% in 2020.
- We look forward to continued growth in our bilateral economic ties in the years to come, making the best out of the smooth implementation of the ASEAN-HKC Free Trade Agreement and the related Investment Agreement since June 2019.
- Let me now turn to three specific topics in Viet Nam's trade policies.
- First, **trade facilitation**. We would commend Viet Nam's continued effort in reforming its custom procedures. For example, Viet Nam has completed and enhanced its customs risk management, implemented post-clearance inspection in accordance with international practices, implemented the national single window and ASEAN single window, and expanded the application of information technology and modern equipment to customs activities.

- Viet Nam has also introduced various trade facilitation measures in response to the COVID-19 pandemic. These measures include enhanced IT application for customs and goods clearance, expedited clearance of goods, reduced physical review of goods, and simplified customs procedures for goods in transit or transshipment. We applaud Viet Nam's dedicated efforts in facilitating trade amidst this challenging time.
- Second, **agriculture**. We note that there has not been substantial changes in Viet Nam's average applied MFN tariff on agricultural and non-agricultural products since the last review. At 18.1%, the average applied MFN tariff on agricultural products remains much higher than the 10.9% on non-agricultural products. We would encourage Viet Nam to further liberalise its agricultural sector.
- Viet Nam has notified the WTO in August 2020 of its 20-day export quota on rice amidst the COVID-19 pandemic. We appreciate Viet Nam's effort in maintaining transparency, as well as its restraints in imposing this emergency agricultural measure. Meanwhile, we also note with concerns that Viet Nam has not provided any notification on export subsidies since 2016, and its last notification to the WTO on domestic support covers only up to calendar year 2017. We would encourage Viet Nam to submit the outstanding notifications as soon as practicable.
- Lastly on **services**, while Viet Nam has continued to liberalise trade in services progressively, state-owned enterprises still dominate various services sectors including banking and telecommunications, and there are six MFN exemptions in place relating to commercial presence, audio-visual and maritime transport services. We would encourage Viet Nam to consider removing these MFN exemptions and further promoting free trade and foreign investment in its services sectors.
- Chair, Hong Kong, China would like to reiterate our commitment to fostering our economic and trade cooperation with Viet Nam, and to collaborating with Viet Nam in pursuing progressive liberalisation of international trade. We thank Viet Nam for its replies to some of our written questions and look forward to receiving their further responses on the others. We wish Viet Nam a productive and successful trade policy review.
- Thank you very much.