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ANNEX A

Viet Nam's Current Free Trade Agreement Negotiations

ASEAN-China

The negotiation was initiated in late 2002. In 2003, ASEAN and China signed a Framework Agreement on comprehensive economic co-operation ASEAN-China. After that, two important agreements were concluded, including an Agreement on Trade in Commodities (2004) – which came into effect on 1 July 2004 – and an Agreement on Trade in Services (2006) – which came into effect on 1 July 2007. The ultimate objective is to form a Free Trade Agreement (FTA) in the year of 2010, with a phase-in period for new members of ASEAN until 2015. Presently, ASEAN and China are negotiating an Agreement on Investment and are initiating the second round for the negotiations on an Agreement on Trade in Services.

ASEAN-Korea

ASEAN and Korea signed a Framework Agreement on Comprehensive Economic Co-operation in December 2005. In August 2006 ASEAN and Korea signed the Agreement on Trade in Goods, which came into effect on 1 June 2007. In November 2007 the two sides signed the Agreement on Services, and now they are trying to conclude negotiations on an Agreement on Trade in Investment before the end of 2008.

ASEAN-Australia, New Zealand

In contrast to the step-by-step process under way in the ASEAN-China and ASEAN-Korea negotiations, ASEAN-Australia and New Zealand in 2005 commenced to negotiate simultaneously all the points of a FTA (single undertaking), including commodities, services, investment, intellectual property, competition, original principles, dispute settlement. With respect to

the model to be used for commodities in the FTA, ASEAN-CER, ASEAN-6 and Australia-New Zealand have reached certain achievements. On the other hand, the models for tariff reduction, services, investment and hygienic and technical standards still have big gaps. It is anticipated that by the end of 2007, ASEAN and Australia, New Zealand will have finished the negotiations and in early 2008 will sign a comprehensive agreement.

ASEAN-India

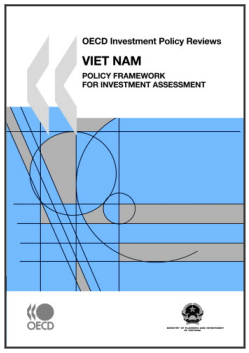
ASEAN and India signed a Framework Agreement on ASEAN-India comprehensive economic co-operation on 8 October 2003 in Bali, Indonesia. Currently, the two sides are negotiating the model of tariff reduction for creating the ASEAN-India FTA. The next step was the signing of an Agreement on Trade in Services under this Framework Agreement on occasion of the Ministerial Consultant Meeting ASEAN-India held in August of this year.

ASEAN-Japan

In 2003, ASEAN-Japan reached the General Agreement on Comprehensive Economic Partnership in Phnom Penh, Cambodia. Thereafter, the two sides held many sessions but progress has been slow. Japan wanted firstly to bilaterally negotiate with each of ASEAN countries before negotiating at the regional level. Up to now, Japan has finished negotiating with 6 ASEAN countries. Since the beginning of 2007, negotiations have progressed more rapidly. Presently, there are still divergences between ASEAN and Japan on the model for tariff reduction, C/O, and epidemic hygiene.

ASEAN-EU

In August 2005, EU and ASEAN established the Vision Group to study the feasibility of formulating an ASEAN-EU Free Trade Area. The Vision Group subsequently proposed undertaking negotiations to establish the ASEAN-EU FTA. In April 2007, ASEAN-EU formally initiated the negotiations and agreed to set up a Joint Commission of officials from the two sides to discuss the model and the manner of the negotiations. In July 2007, the Joint Commission held its first meeting in Danang, Viet Nam. The two sides intend to finalise the comprehensive structure of FTA, and set up the necessary working groups, and have the first discussions on the model for tariff reduction at the end of 2007



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