

## INFORMATION FOR VIETNAMESE ENTERPRISES ACCESSING THE AUSTRALIAN MARKET<sup>1</sup>

In addition to the ASEAN Free Trade Agreement with Australia and New Zealand (AANZFTA) which came into effect in 2010, goods and services of Vietnamese enterprises will enjoy preferential treatment on import tax and services market access to Australia under the CPTPP from 14 January 2019.

### Bilateral trade relations between Viet Nam and Australia

Australia is an important partner of Viet Nam in the Asia-Pacific region. Bilateral trade between the two countries has developed very well during recent years. According to the General Department of Viet Nam Customs, bilateral trade volume of Viet Nam and Australia reached US\$ 7.71 billion (an increase by 20% compared to US\$ 6.45 billion in 2017). Over the past years, Viet Nam's main exports to Australia include telecommunications equipment, electronics, footwear, clothing, computers, and wood products.

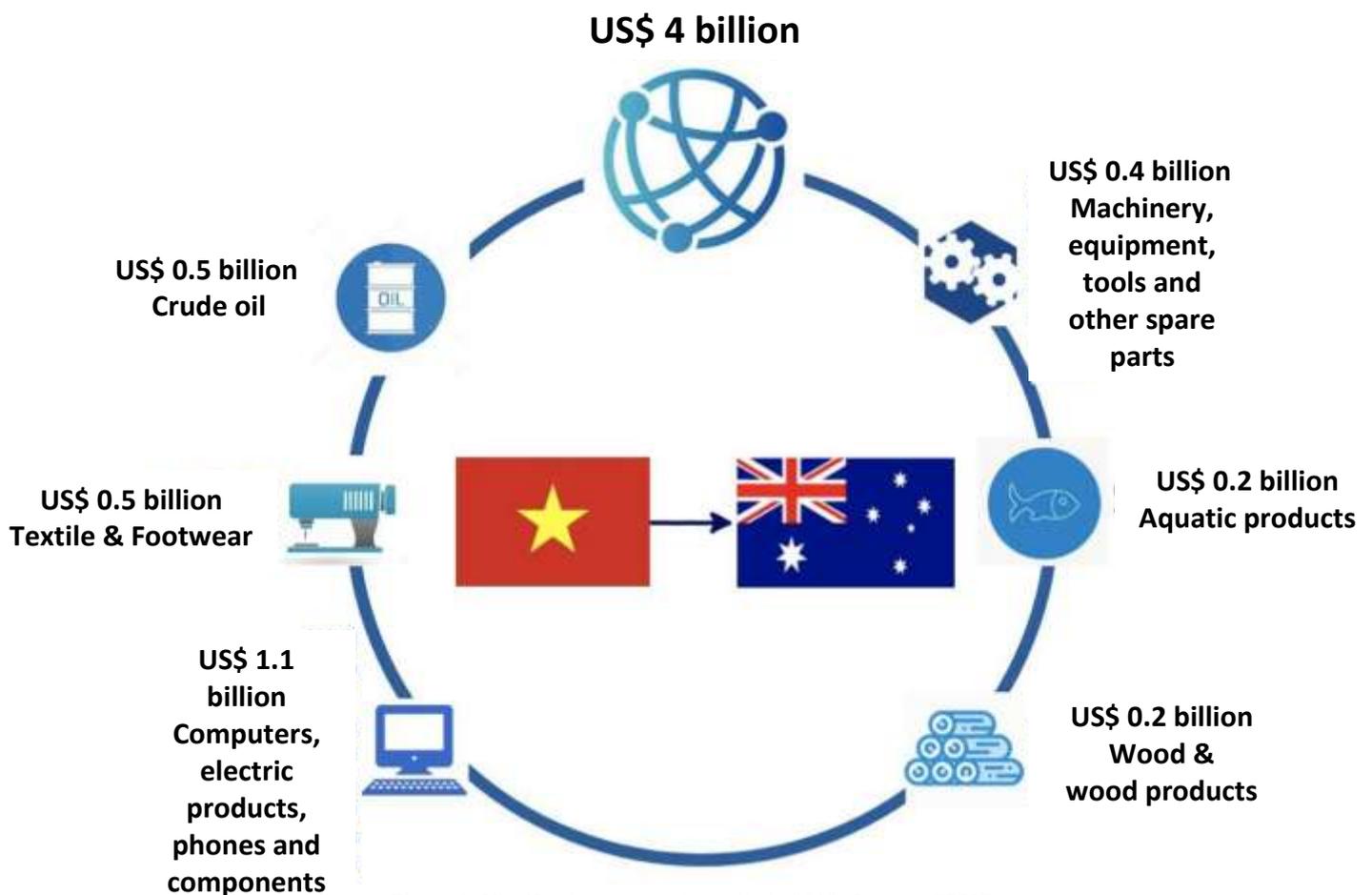


Figure 1: Viet Nam's export to Australia in 2018 (Source: GDVC)

<sup>1</sup> Original: [http://cptpp.moit.gov.vn/data/e0593b3b-82bf-4956-9721-88e51bd099e6/userfiles/files/3\\_1%20Australia-reviewed-updated.pdf](http://cptpp.moit.gov.vn/data/e0593b3b-82bf-4956-9721-88e51bd099e6/userfiles/files/3_1%20Australia-reviewed-updated.pdf)

## AUSTRALIA'S COMMITMENTS ON IMPORT DUTY ELIMINATION

### GENERAL COMMITMENTS

Pledges to reduce 93% of total tariff lines, equivalent to 95.8% of Vietnamese export to Australia (US\$ 2.9 billion) immediately the Agreement's entry into force.

Tariff imposed on the remaining products will be reduced/eliminated with a maximum 4-year roadmap.

### AGRICULTURAL & AQUATIC PRODUCTS

Duties imposed on Viet Nam's important export products such as rice, cereal, fruits and vegetable, tea, pepper, cashew, and aquatic products are eliminated immediately after the Agreement's entry into force.



### FOOTWEAR

Completely eliminate import duties within 4 years from the date of Agreement's entry into force.



### TEXTILE

Completely eliminate import duties within 4 years from the date of Agreement's entry into force.



### OTHERS

Immediately after the Agreement's entry into force, duties are reduced to 0% for products that Viet Nam has export potential or has been strongly invested to increase competitiveness, for example honey, sugar, eggs, dairy products, and husbandry products.

*Source: Ministry of Industry & Trade*

## **AUSTRALIA'S COMMITMENTS ON SERVICES MARKET ACCESS**

Australia does not maintain many restrictions on foreign service providers, including Viet Nam. Foreign service providers have the right of cross-border supply or establishment of commercial presence (ie. establishing a company or a representative office) in Australia *in order to provide almost all services sectors with no restriction*. The exception are several sensitive sectors, whose restrictions are maintained in Australia as follows:

### ***Distribution services***

Australia reserves their right to not allow distribution of *cigarettes, alcoholic beverages, and weapons*.

### ***Radio and television services***

Australia reserves the right to request a certain amount of radio and television broadcasting for programs produced by Australia. Also, Australia reserves the right to subsidize companies investing in Australia's cultural development activities.

*Remarks: The list above is for reference purpose only. It is not an exhausted list of services whose measures Australia has reserved non-compliance.*

In addition to the aforementioned commitments of liberalization, Australia agrees to provide Viet Nam with some notable commitments as follows:

### ***Bilateral agreement between Viet Nam and Australia on work and holiday visa***

Viet Nam and Australia undertake to review the operation of the Work and Holiday Visa Agreement (WHA) between the two countries. Such review will be carried out within one year of the first date that the Agreement is in force for both Viet Nam and Australia provided that the WHA has been in operation for one year. If the WHA has been in operation for less than one year as at the first date that the Agreement is in force for both Viet Nam and Australia, the review will be conducted on the first date after the WHA has been in operation for a period of one year.

More importantly, Australia pledges to increase the total number of Vietnamese citizens granted work and holiday visa allowed to enter Australia from 200 to 1500 per year. This is a highly significant premise for a group of Vietnamese work force to access this market. Accordingly, they will be able to increase income and learn essential experience such as technology and management skills, which contributes to the development of the Vietnamese work force as a whole.

### ***Viet Nam – Australia bilateral agreement on distant education and training cooperation***

With the aim to increase access to higher education in Viet Nam for both students and working people with restrained time, Australia pledges to cooperate with Viet Nam to conduct consultation and send educational experts to Vietnam to identify potential technical assistance that Australia could offer, so as to assist the development of distant learning tools and models in Viet Nam.

In particular, the two countries will pilot programs where students and working adults in Viet Nam can improve their competencies and qualifications through partial or full-time virtual learning courses offered by Australian universities.