

U.S.-Vietnam Cooperation on Economic Development, Trade and Investment

The United States and Vietnam will continue to deepen economic ties through expanded trade and investment between the two nations.

Vietnam's economic reforms have resulted in an average annual economic growth of 7.5 percent during the last decade, with Vietnam's economy growing at a rate of 8.5 percent last year. As Vietnam's third largest trade partner and its largest export market, the United States has benefitted from the strong trade relations, as has Vietnam. In 2007, total two-way trade in goods between the United States and Vietnam was \$12.53 billion, an increase of 29 percent from 2006 that also reflects a 73 percent increase in U.S. exports to Vietnam. By any measure, the United States is an important economic partner for Vietnam.

Prime Minister Nguyen Tan Dung's current visit to the United States highlights the importance of trade and investment cooperation between United States and Vietnam, and the two countries will work closely together to:

- Enhance economic cooperation and help promote bilateral investment by launching negotiations on a bilateral investment treaty in order to provide greater predictability and transparency for investors.
- Improve the trade and investment environment of both nations by addressing areas discussed during the ongoing dialogue under the Trade and Investment Framework Agreement (TIFA), including market access for U.S. beef and Vietnamese agricultural products and implementation of WTO commitments. Signed one year ago, the TIFA provides a useful forum for the discussion and resolution of bilateral trade and investment issues.
- Promote economic development by building greater aviation links between the two nations, including such steps as:
 - Commencing negotiations on an Open Skies Agreement in October 2008.
 - Signing an agreement to cooperate on a project to improve Vietnam's aviation oversight capabilities.
 - Making progress on Vietnam's accession to the Cape Town Treaty, which will improve the terms under which Vietnam finances aircraft purchases.
- Collaborate and assist in improving Vietnam's transportation logistics system through a U.S. Trade and Development Agency port feasibility study.
- Achieve compliance with U.S. requirements for the export of Vietnamese dragon fruit to the United States.

Strengthen food safety systems, by:

- Providing over \$200,000 from the U.S. Department of Agriculture for the Food and Agricultural Export Alliance that, combined with U.S. private sector contributions, will strengthen Vietnam's food safety legislation and training for officials to better assess risk in the country's food supply.
- Signing a memorandum of understanding that provides for cooperation between U.S. and Vietnamese authorities on meeting U.S. regulatory standards for the safety of food, medicine and animal feed.