

U.S.-Vietnam Bilateral Economic Relations: 15 Years of Success



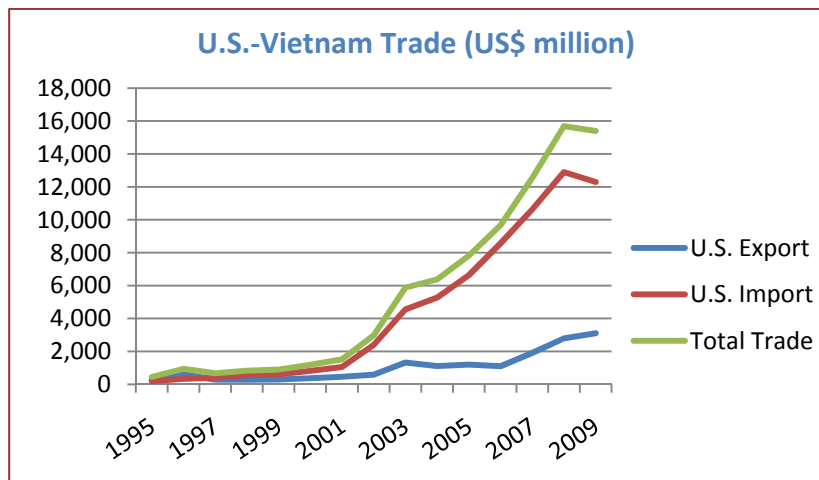
In 2009, the United States was the largest foreign investor in Vietnam and two-way trade reached \$15.4 billion. U.S.-Vietnam bilateral trade has increased more than 3300 percent since 1995!

MILESTONES IN TRADE AND INVESTMENT RELATIONSHIP

- 2001** The United States and Vietnam implement a Bilateral Trade Agreement (BTA). The United States extends Normal Trade Relations/Most Favored Nation status to Vietnam, reducing its average tariff rates on Vietnamese imports from around 40 percent to 4 percent.
- 2003** The United States and Vietnam sign their first bilateral air transportation agreement, including cargo and passengers.
- 2006** The United States extends Permanent Normal Trade Relations (PNTR) to Vietnam.
- 2007** Fulfilling the two governments' commitment that the BTA would be a stepping stone toward Vietnam's accession to the World Trade Organization (WTO), Vietnam becomes the 150th member of the WTO on January 11, 2007. The United States and Vietnam sign a bilateral Trade and Investment Framework Agreement (TIFA).
- 2008** The United States and Vietnam negotiate a cargo Open Skies agreement. The United States and Vietnam begin talks on a Bilateral Investment Treaty (BIT).
- 2010** Together with six other partners, the United States and Vietnam kick off negotiations for a Trans-Pacific Partnership (TPP) regional free trade agreement, a potential platform for economic integration across the Asia-Pacific region that will advance United States' and Vietnam's economic interests.

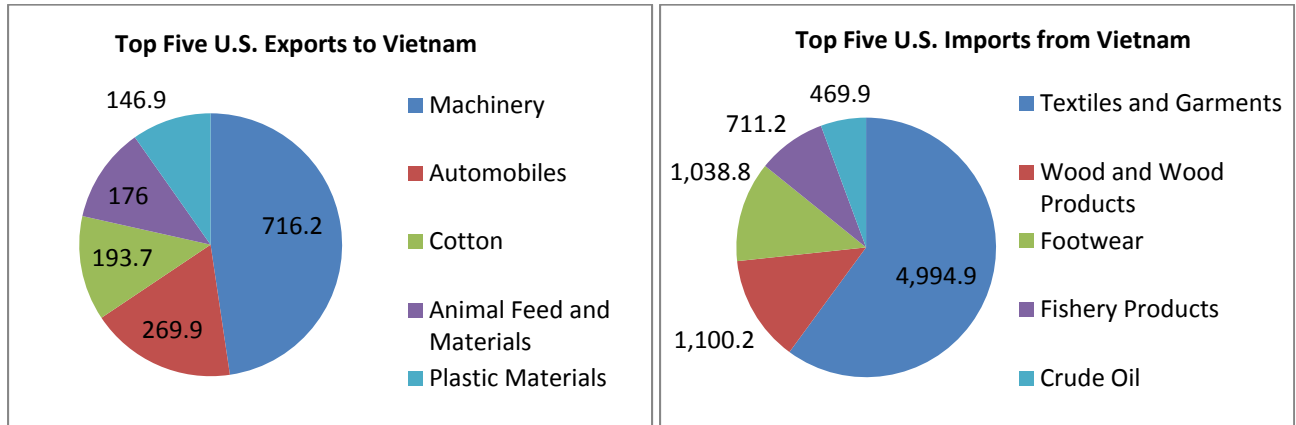
The U.S.-Vietnam bilateral economic relationship has expanded dramatically since the two countries re-established diplomatic relations in 1995.

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2009 U.S.-VIETNAM TRADE (US\$ million)

Despite the global recession, U.S. merchandise exports to Vietnam actually *increased* by 11 percent in 2009 and bilateral trade remained at 2008's record level. U.S. agricultural exports to Vietnam were up 2.5 percent to a record \$1.05 billion in 2009.



Since normalization, the number of members of the American Chamber of Commerce in Hanoi and Ho Chi Minh City has swelled to 900 companies.

Progress in our bilateral trade and investment relationship has coincided with a tremendous economic transformation in Vietnam. Real income in Vietnam has grown an average of 7.2 percent per year over the last decade, and GDP per capita has gone from \$220 in 1995 to \$1052 in 2009. Vietnam's poverty rate has fallen from 58 percent in 1993 to 12.3 percent in 2009. Vietnam is one of the most rapidly transforming countries in the world, and in many ways the U.S.-Vietnam bilateral economic relationship has helped shape this transformation.