



Vietnam: U.S. Export Opportunities under TPP



Vietnam is a Key U.S. Export Market

- **Vietnam's** economy is valued at **\$191.5 billion***
- **\$7.1 billion** in goods in **2015** were exported from the **United States to Vietnam**
- **7,165** U.S. companies exported goods to **Vietnam** in **2014** – **84.2%** were small and medium-sized companies
- **40,682** U.S. jobs supported by goods exports to **Vietnam** and **13,041** U.S. jobs supported by services exports to **Vietnam** in 2015

TPP Will Eliminate All Foreign Import Taxes on Industrial and Consumer Goods in the Top Export Sectors in Vietnam for U.S. Exporters

	 Chemicals	 Information and Communication Technologies	 Machinery	 Forest Products	 Textiles and Apparel
Before TPP	\$530 Million in Exports to Vietnam	\$523 Million in Exports to Vietnam	\$452 Million in Exports to Vietnam	\$308 Million in Exports to Vietnam	\$220 Million in Exports to Vietnam
	35% Current Maximum Tariff in Sector	35% Current Maximum Tariff in Sector	59% Current Maximum Tariff in Sector	25% Current Maximum Tariff in Sector	100% Current Maximum Tariff in Sector
With TPP	87.5% of U.S. Goods Exports will be Duty-Free Immediately in Vietnam	96.9% of U.S. Goods Exports will be Duty-Free Immediately in Vietnam	82.9% of U.S. Goods Exports will be Duty-Free Immediately in Vietnam	95.4% of U.S. Goods Exports will be Duty-Free Immediately in Vietnam	98.4% of U.S. Goods Exports will be Duty-Free Immediately in Vietnam

* 2015 nominal GDP

To look up the TPP tariff treatment for specific products, please visit our FTA Tariff Tool at www.export.gov/FTA/ftatarifftool

Additional New Market Access Benefits for U.S. Exporters



Agriculture: TPP will provide new and commercially meaningful market access for U.S. exports of food and agricultural products; eliminate the use of agricultural export subsidies; discourage countries from imposing export restrictions; and ensure food safety, animal health, and plant health measures are developed and implemented transparently and in a science-based manner.

For more information, please visit:
www.fas.usda.gov/TPP



Services: TPP will expand market access and investment opportunities in a number of services sectors, including entertainment, telecommunications, software licensing, internet industries, retailing, and logistics/express delivery. TPP will bar discrimination against digital provision of services and prevent customs duties on electronic transmissions.

For more information, please visit:
www.trade.gov/fta/TPP

TPP Saves Money, Increases Competitiveness

Labor: Establishes enforceable obligations, including adherence to fundamental labor rights as recognized by the International Labor Organization.

State-Owned Enterprises (SOEs): Develops rules to ensure that U.S. private sector businesses and workers are able to compete on fair terms with SOEs engaged in commercial activity. These include ensuring that SOE commercial purchases and sales take place on the basis of commercial considerations and those SOEs and designated monopolies do not discriminate against U.S. enterprises, goods, and services. TPP also guarantees that U.S. SOEs providing public services continue to operate without interference.

Intellectual Property Rights: TPP establishes strong and balanced protections for patents, trademarks,

copyrights, and trade secrets, including safeguards against cyber theft of trade secrets, as well as robust enforcement that will protect innovation and the 40 million American jobs that are directly or indirectly tied to innovation. TPP goes beyond past trade agreements to require partner countries to criminalize the theft, including cyber theft, of trade secrets. Similarly, enhanced protection and enforcement tools for chemical patents and trademarks will give exporters greater assurances that their innovations and brands are secure in TPP markets.

Government Procurement: TPP guarantees new market access to government procurement markets in TPP countries and ensures fair, transparent, and non-discriminatory rules for covered procurement.

Market Opportunity Spotlights



Auto Parts

Auto Parts - The United States exports nearly \$1.3 billion in auto parts to new TPP markets each year. These exports face tariffs as high as 32% in Vietnam. At the same time, competing auto parts made in China face lower—or even zero—tariffs in Malaysia and Vietnam as a result of trade agreements China has with those countries. Under TPP, 98.1% of U.S. auto parts exports will be eligible for immediate duty-free treatment into the new TPP markets, and all remaining tariffs will be eliminated over time.



Construction Equipment

Construction Equipment - Although Vietnam is currently a small market for U.S. construction equipment exports (by volume), it is a very attractive market for U.S. construction equipment manufacturers because of its growth potential and strong demand. The United States exported \$65 million in construction machinery to Vietnam in 2015. In Vietnam, U.S. machinery competes with lower cost (but less efficient and less reliable) Chinese products. The high tariffs U.S. construction equipment manufacturers face in Vietnam (up to 59 percent) have been prohibitive while their Chinese competitors face significantly lower tariffs, thanks to existing trade agreements between Vietnam and China. The elimination of those tariffs through TPP will level the playing field and further strengthen U.S. manufacturers' competitive position.

TPP Works for America

2,991,102
Jobs Supported by
Goods Exported to TPP
countries in 2015

\$679.6 Billion
2015 Total U.S. Goods
Exported to TPP
Countries

174,331
U.S. Companies
Exported Goods to
TPP Countries in 2014

97%
SME share of U.S.
Goods-Exporting
Companies to TPP
Countries in 2014

30%
SME share of U.S.
Goods Exports to TPP
Countries in 2014