

**Statement of the representative from Ministry of Trade of Vietnam
at the hearing on the DOS's Monitoring Program on Textile and
apparel import from Vietnam**

April 24, 2007 at Washington DC

The Ministry of Trade of the S.R. of Vietnam (Vietnam MOT) expresses our thanks to the U.S. Department of Commerce for organizing the hearing to gather the different opinions from interested parties regarding to the "Monitoring Program on Textile and apparel import from Vietnam" initiated by the DOC.

But on this occasion, Vietnam MOT must continue to reaffirm our clear and consistent view to strongly protest the "Monitoring Program on Textile and apparel import from Vietnam." Our views remain unchanged from our official diplomat notes of December 22, 2006 and January 29, 2007. MOT also notes that the written comments submitted by interested parties in response to the Department's requests for views have proved that this Monitoring Program does not have any support from most of the major interested parties.

Vietnam's MOT understands that to the extent the present U.S information system on all imports of textiles and apparel from all countries from the world including Vietnam is a transparent system, and above all, a fair and equitable system that treats alike all trading partners to the US who are the WTO members. However, there is neither legal ground nor arguments convincing enough for an additional monitoring system designed specifically for textile and apparel import from Vietnam.

The US has established a unique and separate monitoring system on textiles and apparel import from Vietnam only. It is clear that this program is discriminatory, contrary to the most important principle and the pillar of the WTO, GATT Article 1.

This program also runs contrary to Article XXIII of the GATT Agreement as it causes nullification of the benefits of the WTO and seriously prejudices the interests that Vietnam rightfully anticipates from the WTO agreement. To be clear: in the Bilateral Agreement on Vietnam's Accession into WTO between Vietnam and the US this mechanism was never mentioned. Vietnam did not agree to such discrimination or nullification of the benefits of its accession. In addition, this mechanism violates the Agreement on Antidumping of WTO; among those are Article 18.1, which bars any specific action except in accordance with the requirements of the Antidumping Agreement, and other articles.

Vietnam is being harmed by the establishment of the monitoring system. In response to this system, many US importers have reduced their orders with apparel manufacturers in Vietnam, stating that

they can not predict the actions and measures of the US Government on the antidumping issue and therefore they must divert their orders to other countries that are not encumbered by the monitoring system and therefore are now considered more competitive than Vietnam. Many foreign and Vietnam investors had to suspend their expansion/ construction of new facilities in Vietnam.

As a result, that is having a severe affect on jobs and employment in Vietnam, slowing down Vietnam's process of poverty reduction. This is the first and clear loss for Vietnam upon becoming a WTO member. Vietnam made many significant and difficult concessions to the US and to other WTO members in all aspects of its trade rules, with the hope that the people of Vietnam could enjoy the benefit of exporting textiles and apparel products to the U.S. market freely, with their goods being treated as all other normal goods. But because of the monitoring system, Vietnam is not realizing this expectation.

In fact, Vietnam textiles and apparel are not so competitive with the U.S. textile manufacturers, the manufacturers of cotton, yarn, fabrics and high quality materials that Vietnam has to import billions of dollar value. Among the product groups that are considered as most sensitive by the US and placed under the monitoring system, Vietnam accounts for a modest share of the U.S. market, far behind the big exporters such as China, Bangladesh and Indonesia.

Vietnam supports all initiatives that are in accordance with the WTO regulations and nondiscrimination to protect the legal interests of lawful behaviors companies from both Vietnam and the U.S. That is why during the last few years of implementing the bilateral agreement on apparel and textiles, Vietnam closely, timely and effectively coordinated with the related US government authorities, among them are the US Customs and Border Protection (CBP) to ensure the strict enforcement of the US Customs' regulation. Therefore, Vietnam strongly calls for any measures taken on the textiles and apparel trade among the two countries should guarantee nondiscrimination as compared with the measures taken with respect to other WTO members. Further, no measure should create damages to Vietnam's manufacturers and workers or to US customers who are doing business in Vietnam.

The Ministry of Trade of the Socialist Republic of Vietnam avails itself of this opportunity to renew to the United States Department of Commerce the assurance of its highest consideration.