

# **Project title: Implementation of WTO's commitments - Challenges for Vietnam (QK.05.07)**

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**Presiding Institution:** Vietnam National University, Hanoi

**Implementing institution:** Faculty of Economics

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**Purposes:**

Identifying the challenges of the implementation of WTO's commitments for Vietnam and basing on those findings to suggest some solutions at the macro and micro level to overcome those challenges.

**Main contents:**

- Chapter 1: Theoretical and practical basis of WTO's integration for Vietnam.
- Chapter 2: WTO's integration roadmap and the challenges for Vietnam's implementation of WTO's commitments.
- Chapter 3: Some solutions to overcome the challenges of the implementation of WTO's commitments for Vietnam.

**Results obtained:**

In the first Chapter, the tendency of globalization and integration were studied and reiterated as an inevitable process. For a country, international integration in

general and accessing the WTO in particular means to participate in the game in which one only can succeed if it could take full advantages and overcome the challenges brought about by that participation. The most fundamental issue of the process of access the WTO is how to settle the relationship between liberalization and protectionism in the trade policy of a nation in order to maintain the total interest. Studying the experiences of accessing the WTO of Australia, China, India, countries with different economic development inclinations, showed that they have some common experiences that Vietnam can take under consideration: (i) to connect closely the trade policy with other macro economic policies, and the most important is to create the positive competitive environment for business; (ii) to implement actively the liberalization of the trade policy (iii) to connect the aim of protection with the aim of export, or to exploit the nation's comparative advantage, (iv) to enhance the role of trade in services and the policy on trade in services; (v) to use flexibly the protection instruments in accordance with the rules of the WTO.

In the Chapter II, after the brief introduction of the roadmap and the commitments of Vietnam when accessing the WTO, the project concentrated on identifying the main challenges that Vietnam had to cope with. The common challenges are: instable economic growth and high risk of instability; corruption, uncompleted policies and institutions and the threat of declining the confidence of partners; discrimination towards Vietnam's goods; the lag of the policies behind the integration's demand. Implementing the commitments to access the WTO also brought many challenges: severe competition in the domestic and international markets; inappropriate system of domestic legal regimes to the requirements of the WTO; the limitations of knowledge about the WTO; the limitation of using the clauses of the WTO to protect the domestic trade interests. The project still studied the main threats for Vietnam after accessing the WTO. Emphasis has been put on the right to protect the vulnerable sectors, the sensitive sectors and

enterprises that have strong protections from the Government during a very long time.

Chapter III presented the consideration about some solutions at the macro and micro level to overcome the challenges. Among the solutions, the project especially emphasized the enhancement of the knowledge and the understanding about the WTO, opportunities and challenges in implementing the commitments of the WTO for organizations, enterprises and people; building the management mechanism to ensure the effectiveness of the trade policy; renovation of the management mechanism of the trade in services; enhancing the institutions capacity, the quality of the human resources and the infrastructural development; building and developing the system of the comprehensive solutions for the enhancement of the competitiveness of the economy and businesses.