

**Accommodating WTO rules of  
Non-Discrimination in Domestic Law:  
The Case of Vietnam**

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## Abstract

The WTO is the only global international organisation dealing with the regulation of trade liberalisation between countries. The WTO commits to support developing members to take advantage of trade liberalisation for their economic growth and national development. Given its significance, it is understandable and desirable that many developing countries have joined the WTO for their economic growth and national development. However, joining the WTO means that all members have to accept the WTO rules and implement them in their domestic law. This is a very complex task for developing members, especially for a transitional economy such as Vietnam, because of the large gaps in economic development and legal regime between developed and developing countries.

In the case of Vietnam, with its communist political regime and unique circumstances, its accession to the WTO has significantly impacted all aspects of Vietnamese society. Vietnam made a concerted effort to integrate into the regional and international economy by its 1986 comprehensive reform, in which legal reform was central. In such reform, Vietnam had to adjust its legal system and trade regime to comply with WTO rules. In the circumstances of Vietnam's transitional economy, accommodating WTO non-discrimination rules in domestic law was the core matter of legal reform to ensure its adequate legal system and trade regime for trade liberalisation as required by the WTO. As a result of its constant efforts over 20 years of Reform, Vietnam was accepted as a full WTO member in late 2006.

Legal reform has proved positive changes towards market economy in Vietnam's economic and legal system. However, determination is needed for still ongoing legal reform involving the very complex and strategically painstaking task of implementing non-discrimination rules to warrant that all economic sectors are treated equally before the law.

This thesis will explore the level and extent of legal adjustments needed for Vietnam to meet ongoing requirements for WTO members. In the scope of its seven chapters, this thesis investigates the nature of the WTO's relationship with developing members; analyses its significance in the context of Vietnam; and identifies the driving factors behind the need for further reform. It also explores progress with accommodating of WTO non-discrimination rules in Vietnam, and existing hindrances in its domestic legal system which need to be overcome for its fuller integration into the global economy. Finally the thesis concludes with recommendations on means of improving the Vietnamese economic legal system and trade regime.



# Abbreviations

## Vietnamese Organisations

CIEM	Central Institute of Economic Management
CPV	Communist Party of Vietnam
DRV	Democratic Republic of Vietnam
MOF	Ministry of Finance
MOFA	Ministry of Foreign Affairs
MOJ	Ministry of Justice
MOT	Ministry of Trade
VCCI	Vietnam Chamber of Commerce and Industry
VNA	Vietnamese National Assembly
SOEs	State Owned Enterprises
SRV	Socialist Republic of Vietnam

## International Organisations

AFTA	ASEAN Free Trade Area
APEC	Asia Pacific Economic Co-operation Forum
ASEAN	Association of Southeast Asian Nations
CMEA	Council for Mutual Economic Assistance (Comecon)
ICJ	International Court of Justice
IMF	International Monetary Fund
ITO	International Trade Organisation
G - 77	Third World Coalition in the United Nations
G - 7	Group of seven leading industrial countries: Canada, France, Germany, Italy, Japan, United Kingdom, and United States.
G - 8	G - 7 plus Russia
GATT	General Agreement on Tariffs and Trade
NGO	Non - Governmental Organisation
PCIJ	Permanent Court of International Justice
OECD	Organisation for Economic Co-operation and Development
UN	United Nations
UNCITRAL	United Nations Centre for International Trade Law
UNCDP	UN Committee of Development Policy
UNCTAD	UN Conference on Trade and Development
UNDP	United Nations Development Programme
WB	World Bank
WTO	World Trade Organisation

## Countries and their organisations

AMCHAM	American Chamber of Commerce
ACPs	African, Caribbean, and Pacific countries

CFA	Catfish Farmers of America
CPSU	Communist Party of the Soviet Union
DoC	Department of Commerce of the US
EC	European Communities (Official name of the European Union in the WTO)
EU	European Union
LDCs	Least Developed Countries
NICs	New Industrialised Countries
NIEs	New Industrialising Economies
PRC	People's Republic of China
US	United States of America
USSR	Union of Soviet Socialist Republics
VFA	Vietnam Fisheries Association

### **WTO agreements and other international agreements**

AOA	Agreement on Agriculture
BTA	Vietnam – US Bilateral Trade Agreement
CEPT	Agreement on the Common Effective Preferential Tariff ASEM Asia-Europe Meeting
DSU	Dispute Settlement Body Understanding
GATS	General Agreement on Trade in Services
GATT 1947	General Agreement on Tariffs and Trade 1947
GATT 1994	General Agreement on Tariffs and Trade 1994
GSP	Generalised System of Preferences
GSTP	Agreement on the Global System of Trade Preferences among Developing Countries
NIEO	New International Economic Order
SCM	Agreement on Subsidies and Countervailing Measures
SPS	Sanitary and Phytosanitary measures or regulations
TBT	Agreement on Technical Barriers to Trade
TRIPS	Agreement on Trade - Related Aspects of Intellectual Property Rights
TRIMS	Agreement on Trade - Related Investment Measures
TPRM	Trade Policy Review Mechanism
UPOV	Rome Convention for the Protection of Performers, Producers of Programs and Broadcasting Organisations and International Union for the Protection of New Varieties of Plants Conventions
WCT	Copyright Treaty

### **Terminologies**

AusAID	Australian Agency for International Development
GATT B.I.S.D	GATT Basis Instrument and Selective Documents
CU	Customs Union
DSB	Dispute Settlement Body
EVI	Economic Vulnerability Index
FDI	Foreign Direct Investment

HAI	Human Assets Index
GDP	Gross Domestic Products
GMO	Genetically Modified Organisms
GNI	Gross National Income
MFN	Most Favoured Nation
NT	National Treatment
TNCs	Transnational Corporations
PNTR	Permanent Normal Trade Relations
RTAs	Regional Trade Agreements
S&D	Special and Differential treatment
STAR	Support for Trade Acceleration Project from the US
TPRB	Trade Policy Review Body
TPSSM	Transitional Product-Specific Safeguard Mechanism
TRM	Transitional Review Mechanism