Vietnam – United States Relations





01

The History

30 years of trade relationship

1975

End of the war

After the war, economic and diplomatic relationship between the 2 countries was severed. The US cut off all trade. Several attempts were made to achieve normalization, particularly beginning in 1988.

1994

Rapprochement and Normalization Begins

In 1994, two Vietnam War veterans, U.S. Senators John Kerry and John McCain co-sponsored a bipartisan Senate resolution urging the Clinton administration to lift the Vietnam trade embargo, allowing trade and economic relations to begin. The U.S. and Việt Nam also agreed to exchange liaison offices to mark the establishment of official diplomatic relations between the two countries.
Formal normalization occurred in 1995 when both countries opened liaison offices, upgraded later that year to embassies.

2000

Bi-Lateral Trade Agreement

In July 2000, the U.S. and Vietnam concluded a Bilateral Trade Agreement, entered into force in 2001, including a legal framework for trade and investment.
President Clinton made a historic visit to Vietnam in November as the first president to visit Vietnam after the war.

Key Figures



Senators John Kerry and John McCain

Two of the most instrumental figures from the U.S. side during the normalization progress. They were one of the first to advocate lifting the embargo, believing the policy would foster binational reconciliation and post-war healing in the U.S.

2006

WTO Accession

The United States and Vietnam signed a bilateral agreement on Vietnam's accession to the WTO, paving the way for Viet Nam to officially became a member 11 January 2007.
U.S. Congress granted the Permanent Normal Trade Relation status to Vietnam bringing tariffs to MFN levels.

2013

Comprehensive Partnership

In 2013, President Truong Tan Sang paid an official visit to the U.S. and established the Comprehensive Partnership

2015

Trans Pacific Partnership (TPP)

With both the participant of Vietnam and the U.S. as the signatory, the TPP was considered the next step in the two countries' trade relationship with an FTA. However, the U.S. later withdrew from the Agreement in 2017.

2023

Comprehensive Strategic Partnership

In 2023, President Joe Biden paid an official visit to the U.S. The 2 countries upgraded the Comprehensive Strategic Partnership including economic, political and many areas of cooperation.



President Joe Biden and Party Secretary General Nguyen Phu Trong upgrading the bilateral relationship to Vietnam's highest level

02

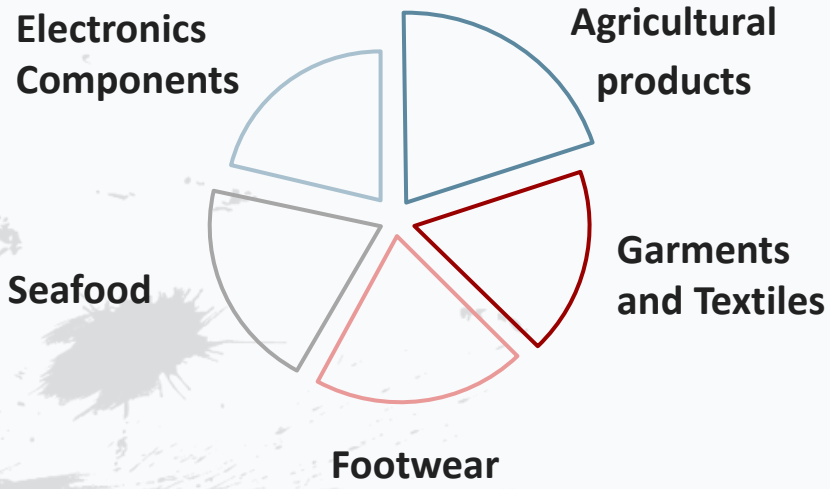
Trade Relationship



VIETNAM – U.S. TRADE

The U.S.-Vietnam trade relationship has been on an upward trajectory since economic relations began in 1994. Trade has evolved into the fastest-growing and one of the most critical aspect of U.S. – Vietnam relations

TOP 5 products Export to the U.S.



US $145 billion

Bilateral trade reached in 2022. It has increased 340 fold since normalization

360%

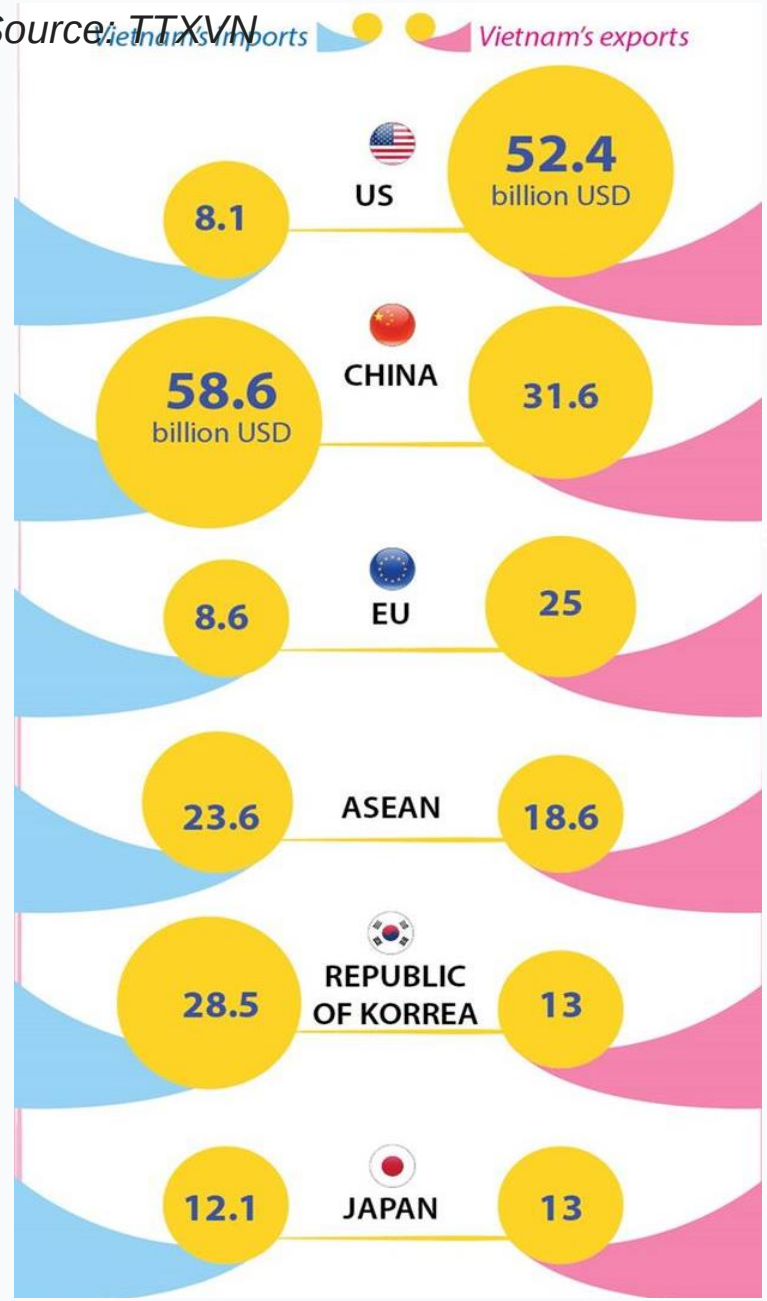
Increase in bilateral trade between the 2 countries since CP in 2013

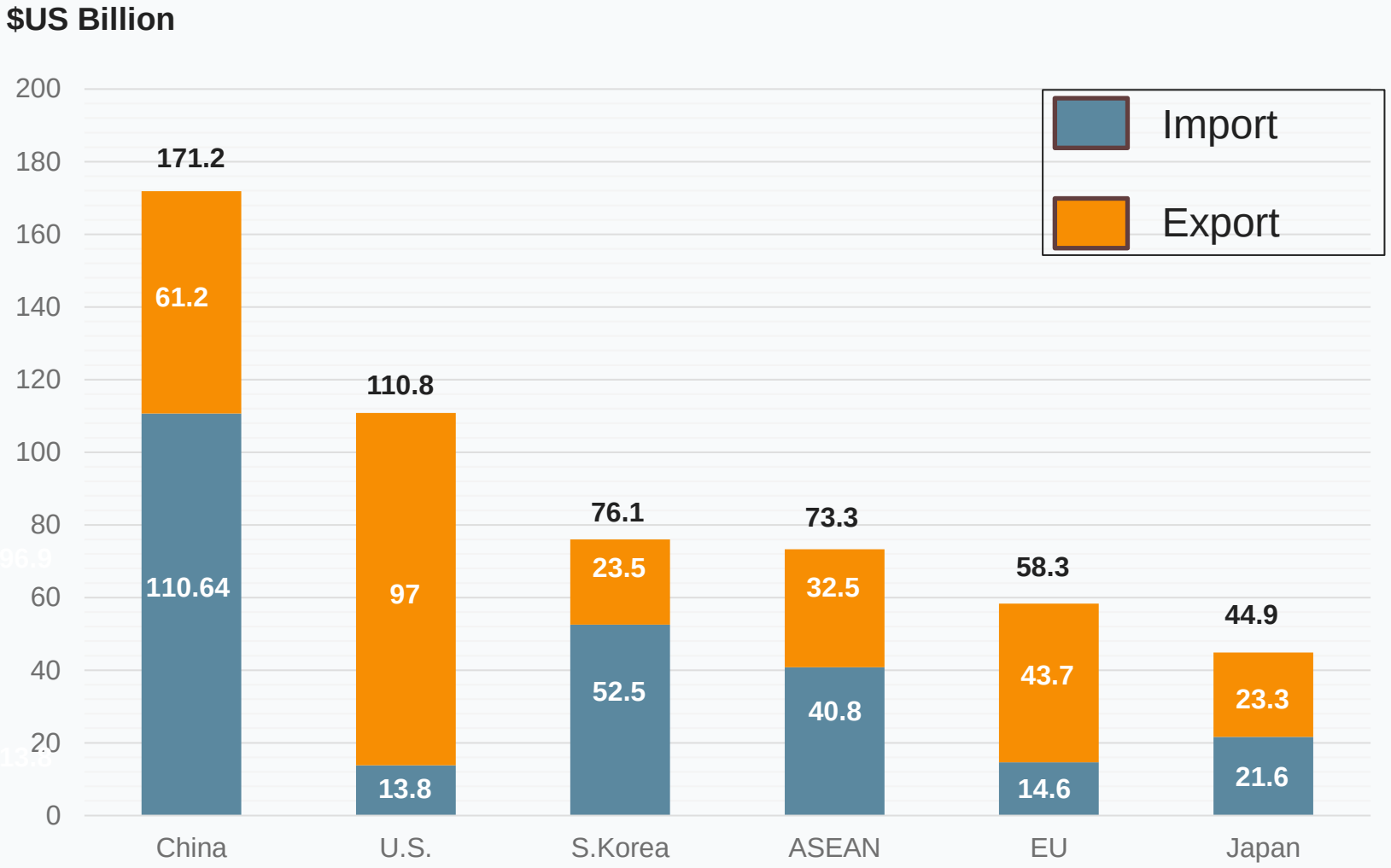
1st Export market

U.S. ranked 1st among Vietnam's export market. U.S. is also the 2nd largest trading partner

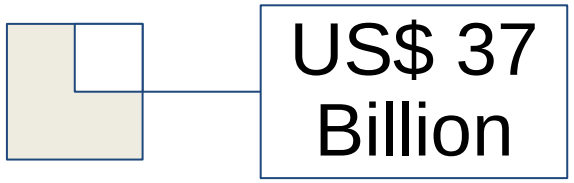
*Source: TTXVN

Vietnam Largest Trading Partner 2023



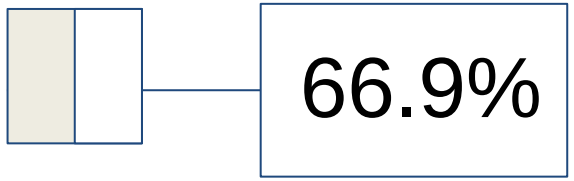


Vietnam Trade and FDI- overall



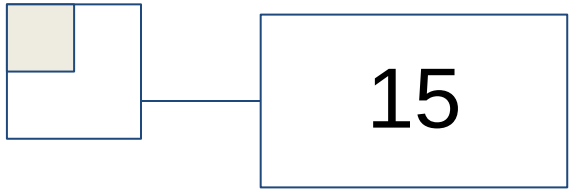
FDI attracted in 2023

A rise of 32.1% compare to last year in the same period



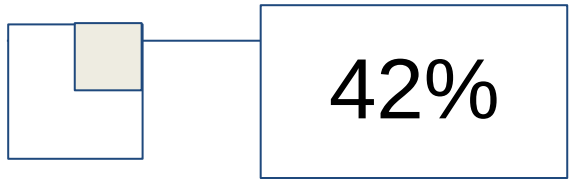
Increase of registered FDI Jan 2024

Exports from the foreign-invested rebounded after a decrease throughout 2023 with 190 projects



Industries invested in Jan 2024

21 national economic sectors. Of which, Singapore led with more than USD 1.4 billion, accounting for 59.5 percent of total investment capital in Jan 2024



Rise in export value Jan 2024

Over the same period last year, U.S. leading the way. Generating a trade surplus of 2.92 billion USD in the first month of this year.



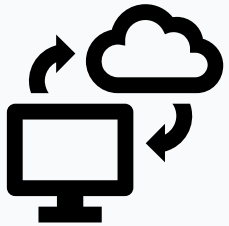
03

Prospective Cooperation



CSP Joint Statement with 10 pillars

Technology



Trade



Green Transition



Education



Promising Area of Cooperation



Indo-Pacific Economic Framework

In May 2022, the United States launched the Indo-Pacific Economic Framework for Prosperity (IPEF) which Vietnam is one of the partners. IPEF will focus on four following areas:



TRADE



SUPPLY CHAIN



CLEAN ECONOMY

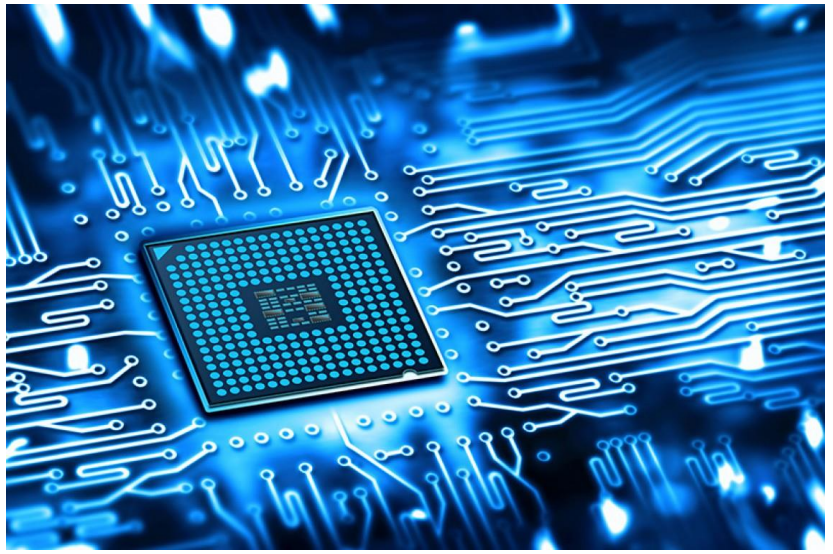


TAX AND CORRUPTION

U.S. - Vietnam Semi-conductor Industry Cooperation

The Global Semiconductor industry

- The U.S. is looking to support diversification of the semiconductor and chips industry. The market size is currently 450 - 550 billion USD/year, value chain including companies in Fabless (Design), Foundry (Wafer Processing), IDM (Integrated Design Manufacturer) and OSAT (Outsourced Semiconductor Assembly and Test).
- World largest companies in the Semiconductor Industry include Samsung, TSMC, NVIDA, Intel, Qualcomm.
- The semiconductor output is primarily from the US, Taiwan, South Korea, Japan, the EU and China.
- Supply shortages in the semiconductor industry due to COVID and global supply chain imbalances revealed weaknesses and risks in the global structure of the semiconductor supply chain.





Vietnam Semiconductor Industry

- The chip market in Vietnam reached $563 million in 2023 and is projected to grow annually at a rate of 10.1% to reach $754 million by 2026. The network of companies involved in their design, manufacturing, and testing.
- Vietnam is active in 2 stages of Semiconductor production: Fabless (R+D) and OSAT.
- Intel invested $1.5 billion in Vietnam in semiconductors and employes nearly 3,000 engineers. Amkor invested over $1.6 billion in Bac Ninh.
- Leading U.S. chip design software manufacturer Synopsys has established an R&D team of 600 people in Vietnam. Nvidia and Marvel – the leading U.S. chip developers are also expanding their engineering teams here.
- Vietnam could be eligible to receive millions of dollars from the U.S. CHIPS & Science Act for training and development.

Thank you

Happy to answer questions

