

EU-VIETNAM FREE TRADE AGREEMENT

FACTS AND FIGURES FOR THE
SPORTING GOODS INDUSTRY



Federation of the European
Sporting Goods Industry





THE EU-VIETNAM FTA: FOSTERING ECONOMIC GROWTH AND JOBS...

The free trade agreement (FTA) between the EU and Vietnam, concluded in 2015, is the most ambitious trade deal ever negotiated between the EU and a developing country. The FTA will eliminate over 99% of all tariffs, and partly remove the rest through limited zero-duty quotas, known as Tariff Rate Quotas (TRQs). EU duties on textile apparel have dismantling periods that go up to seven years from the entry into force of the FTA for the more sensitive goods.

4.5 million people
employed by the
garment and
textile sector



4 000 textile
and footwear
companies

Vietnamese exports to the EU:

- Are expected to rise by 29% by 2035
- Will see 71% of tariffs disappear on entry into force



EU exports to Vietnam:

- Are expected to rise by 18% by 2035
- Will see 65% of tariffs disappear on entry into force

Footwear also gets the longest EU staging of seven years for sensitive EU items. However, Vietnam agreed on a solution based on an ex-out definition, which enables liberalisation of athletic/sports footwear either at entry into force or in three years. The rest of the footwear products will be liberalised in seven years.



FOOTWEAR =
2nd EU
imported
category of
goods (11%)



APPAREL =
3rd EU
imported
category of
goods (10%)

...WHILE IMPROVING LABOUR RIGHTS AND LIVING STANDARDS



Open trade drives prosperity by deepening economic ties between business, consumers, workers and citizens across the globe. It also seeks to bridge differences between social and environmental standards and conditions in the EU and its trading partners.

-35%



Poverty headcount ratio at national poverty lines from 2010 to 2014 (% of population)

+141%



GNI per capita from 2007 to 2016 Atlas method: 850\$ per month (2007) - 2050\$ per month (2016)

+275%



Minimum wage increase in Ho Chi Minh city, Hanoi and other regions between 2008 and 2017

The FTA includes robust, comprehensive and binding provisions on Trade and Sustainable Development which will help address some of the challenges Vietnam is still facing concerning labour rights and working conditions

The Sporting Goods Industry is fully aware of the challenges that concern labour rights and working conditions in Vietnam and is actively engaging with factory partners, independent organisations and international programmes and partnerships to address them.

Better Work Vietnam Annual Report 2019 states:

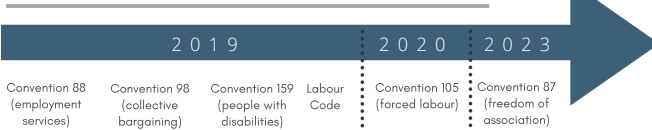
- No case of forced labour was found in the assessed factories
- Positive developments towards alignment of factory practices with international labour standards regarding freedom of association



Fair Wear Foundation 2015 Vietnam Country Study found:

- Progress was made in closing the gender gap (ranking higher than China and India)
- Implementation of Workplace Education Programme (raising workers' awareness of their rights grievance mechanisms)
- Actions were taken to reduce excessive overtime and getting more insight into subcontractor locations, health and safety remediation

Vietnam's ratification of ILO conventions and labour code





ABOUT THE SPORTING GOODS INDUSTRY IN EUROPE

Companies

85 900

Employees

4.46
million

Turnover

€81
billion

ABOUT FESI

Founded in 1960, FESI is the unique stakeholder representing the interests of the sporting goods industry in Europe. FESI brings together some 1800 sporting goods manufacturers and retailers, either directly or indirectly, through its national federations.

CONTACT US

☎ +32 (0)2 762 86 94

✉ info@fesi-sport.org

📍 43 Avenue des Arts, 1040 Brussels, Belgium

🌐 www.fesi-sport.org

🐦 @FESIsport