

Opening Statement - Senator John Kerry
Finance Committee Hearing on the U.S.-Vietnam Bilateral Trade Agreement
June 26, 2001

This afternoon the Committee on Finance is holding a hearing on the U.S.-Vietnam Bilateral Trade Agreement (BTA), which was submitted to the Congress by the Bush Administration on June 8. This agreement is another major step in the process of normalizing relations between the United States and Vietnam -- a process made possible by Vietnamese cooperation on the POW/MIA issue and growing recognition among Americans that US interests would be better served by building a new relationship with Vietnam.

In 1994 President Clinton opened the door to economic interaction by lifting the US trade embargo imposed on Vietnam since the war. After establishing diplomatic relations in 1995, the United States and Vietnam began negotiations in 1996 on a bilateral trade agreement. Those negotiations culminated in the agreement which we are discussing today.

The Vietnam agreement is the most sweeping and detailed agreement that the United States has ever negotiated with a so-called Jackson-Vanik country. It focuses on four core areas – trade in goods, intellectual property rights, trade in services, and investment – but it also includes important chapters on business facilitation and transparency. It is a win-win for both the United States and Vietnam.

The government of Vietnam has agreed to undertake a wide-range of steps to open its markets to foreign trade and investment including decreasing tariffs on key American goods; reducing barriers to US services particularly in the banking, insurance and telecommunications areas; agreeing to protect intellectual property rights pursuant to international standards; increasing market access for American investments; and adopting measures to promote commercial transparency. These commitments, some of which are phased in over time, will not only improve the climate for American investors but also keep Vietnam on the road of economic reform, international economic integration, and eventual membership in the WTO.

For Vietnam this agreement provides access to the largest market in the world on normal trade relations status (NTR) at a time when economic growth has slowed. Equally important it signals that the United States is committed to expanded economic ties and further normalization of the bilateral relationship.

This agreement was signed one year ago. Now that the Bush Administration has sent it to the Congress, I am hopeful that both houses will move quickly before the summer recess on the resolution that must be enacted to bring this agreement into force. Normalizing relations with Vietnam has enjoyed bipartisan support in the Congress since this process began a little over a decade ago. I am confident that there is substantial support in both houses for this agreement, and we should move it quickly so that the benefits will begin to accrue for both countries.