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**EU-Vietnam FTA: new growth opportunity**

***spiritsEUROPE hails new EU-Vietnam Free Trade Agreement***

Brussels, 4 August 2015. **Elimination of 45% tariff will open Vietnam spirits market to European brands. Significant growth already in past 10 years should be enhanced and deepened, says spiritsEUROPE. Spirit sector praises the Commission for the positive conclusion of the negotiations for an EU-Vietnam Free Trade Agreement launched in June 2012.**

Vietnam is a high growth market for European spirits producers, having witnessed a 730% increase in exports over the last decade - from €5m in 2004 up to €42m in 2014. Nonetheless, “*the full potential of the market, fueled by the country’s sustained economic growth and dynamic demographics, has yet to be unleashed*” said Paul Skehan, Director General of spiritsEUROPE. “*Imported* *products represent only 19% of the Vietnamese market and the agreement just concluded between EU and Vietnam will lift the barriers that were an obstacle to grow EU market share*.”

This agreement will deliver significant market access improvements for spirits products. First and foremost, the EU-Vietnam FTA foresees the full elimination of the 45% import tariff after a period of seven years (linear phasing-out). While we have no access to the final version of the agreement, we expect the rules of origin to allow for the use of logistical hubs in the region while benefiting from the tariff concession provided by the FTA. The use of such hubs is essential for economies of scale in our export activities. Finally, EU exports depend in large part on the reputation of our high quality products. It is good to see that Vietnam agrees to improve its Intellectual Property Rights legislation to protect a list of spirits products covered by European Geographical Indications (GIs). Globally, the FTA will improve our business environment in Vietnam.

“*We thank the European Commission for the hard push towards an ambitious outcome of the FTA on tariff liberalisation, protection of GIs and issues of licensing and we invite the European Parliament to ratify the EU-Vietnam FTA as quickly as possible*” concluded Skehan.

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* **spiritsEUROPE** is the representative body for the spirits industry at European level comprising 34 associations and 8 multinationals: **www.spirits.eu**
* **Trade report 2015 available** [here](http://spirits.eu/files/24/cp.ce-088-2015-trade-brochure-2015.pdf)PR-009-2015