















Procedure file

Basic information		
NLE - Non-legislative enactments	2018/0358(NLE)	Awaiting final decision
EU/Vietnam Investment Protection Agreement		
Accompanying procedure 2018/0358M(NLE)		
Subject 6.20.03 Bilateral economic and trade agreements and relations		
Geographical area Vietnam		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 International Trade	 BOURGEOIS Geert	23/09/2019
		Shadow rapporteur	
		 WINKLER Iuliu	
		 LANGE Bernd	
		 KARLSBRO Karin	
		 BRICMONT Saskia	
		 LANCINI Danilo Oscar	
	Former committee responsible		
	 International Trade		
Committee for opinion	Rapporteur for opinion	Appointed	
 Foreign Affairs	The committee decided not to give an opinion.		
 Development		04/09/2019	
	 TOBÉ Tomas		
Former committee for opinion			
 Development			
Council of the European Union	Commission DG	Commissioner	
European Commission	Trade	MALMSTRÖM Cecilia	

Key events			
17/10/2018	Preparatory document	COM(2018)0693	
07/05/2019	Legislative proposal published	05931/2019	Summary
15/07/2019	Committee referral announced in Parliament		
21/01/2020	Vote in committee		
23/01/2020	Committee report tabled for plenary, 1st reading/single reading	A9-0002/2020	
11/02/2020	Debate in Parliament		
12/02/2020	Results of vote in Parliament		
12/02/2020	Decision by Parliament	T9-0028/2020	

Technical information	
Procedure reference	2018/0358(NLE)
Procedure type	NLE - Non-legislative enactments
Procedure subtype	Consent by Parliament
Legal basis	Treaty on the Functioning of the EU TFEU 218-p6a; Treaty on the Functioning of the EU TFEU 207-p4
Stage reached in procedure	Awaiting final decision
Committee dossier	INTA/9/00391

Documentation gateway					
Document attached to the procedure		COM(2018)0694	17/10/2018	EC	
Preparatory document		COM(2018)0693	17/10/2018	EC	
Legislative proposal		05931/2019	07/05/2019	CSL	Summary
Document attached to the procedure		05932/2019	13/05/2019	CSL	Summary
Committee draft report		PE642.860	15/10/2019	EP	
Amendments tabled in committee		PE643.173	12/11/2019	EP	
Committee opinion	DEVE	PE641.171	03/12/2019	EP	
Committee report tabled for plenary, 1st reading/single reading		A9-0002/2020	23/01/2020	EP	
Text adopted by Parliament, 1st reading/single reading		T9-0028/2020	12/02/2020	EP	

Additional information		
Research document	Briefing	14/11/2019

EU/Vietnam Investment Protection Agreement

PURPOSE: to conclude the Investment Protection Agreement between the European Union and its Member States, on the one hand, and

Vietnam, on the other.

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: Council may adopt the act only if Parliament has given its consent to the act.

BACKGROUND: on 23 April 2007, the Council authorised the Commission to enter into negotiations for a region-to-region Free Trade Agreement (FTA) with countries of the Association of Southeast Asian Nations (ASEAN).

In December 2009, the Council agreed on the principle of launching bilateral negotiations with individual ASEAN countries based on the authorisation and negotiating directives of 2007, whilst preserving the strategic objective of a region-to-region agreement.

On the basis of the negotiating directives adopted by the Council in 2007 and supplemented in October 2013 to include investment protection, the Commission negotiated with Vietnam an ambitious and comprehensive FTA and an Investment Protection Agreement (IPA), with a view to creating new opportunities and legal certainty for trade and investment between both partners to develop.

Vietnam is a vibrant economy of more than 90 million inhabitants, with the fastest growing middle class in ASEAN, and a young and dynamic workforce. With its high literacy rate and education levels, comparatively low wages, good connectivity and a central location within ASEAN, more and more foreign investors are choosing Vietnam as their hub to service the Mekong region and beyond.

CONTENT: the draft Council Decision concerns the approval, on behalf of the European Union, of the Investment Protection Agreement between the European Union and its Member States, on the one hand, and Vietnam, on the other. The agreement, signed subject to its conclusion at a later date, must now be approved.

The EU-Vietnam IPA will ensure a high level of investment protection, while safeguarding the EUs and Vietnams rights to regulate and pursue legitimate public policy objectives such as the protection of public health, safety and the environment.

EU/Vietnam Investment Protection Agreement

Investment Protection Agreement (IPA) between the European Union and its Member States, of the one part, and the Socialist Republic of Viet Nam, of the other part

The EU-Vietnam IPA will ensure a high level of investment protection, while safeguarding the EUs and Vietnams rights to regulate and pursue legitimate public policy objectives such as the protection of public health, safety and the environment. Parties shall regulate within their territories to achieve legitimate policy objectives, such as the protection of public health, safety, environment or public morals, social or consumer protection, or promotion and protection of cultural diversity.

Under this Agreement, Parliament are committed to:

- complement and promote regional economic integration efforts;
- strengthen their economic, trade and investment relationship in accordance with the objective of sustainable development, in its economic, social and environmental dimensions, and to promote investment under this Agreement in a manner mindful of high levels of environmental and labour protection and relevant internationally recognised standards and agreements to which they are party;
- the principles of sustainable development in the Free Trade Agreement.

The agreement contains all the innovations of the EUs new approach to investment protection and its enforcement mechanisms that are not present in the 21 existing bilateral investment treaties between Vietnam and EU Member States. It is a very important feature of the IPA that it replaces and hence improves the 21 existing bilateral investment treaties.

Provisions on "national treatment" and "most-favoured-nation treatment" ensure that each Party shall accord to investors of the other Party and to the investments concerned, with regard to the operation of the investments concerned, (i) treatment no less favourable than that it accords, in similar situations, to its own investors and their investments; (ii) treatment no less favourable than that it accords, in similar situations, to investors from a third country and their investments.

The IPA protects EU investors and their investments in Vietnam from expropriation, unless it is for public purposes, in accordance with due process, on a nondiscriminatory basis and against payment of prompt, adequate, and effective compensation according to fair market value of the expropriated investment.

Also in line with the negotiating directives, the IPA negotiated by the Commission will offer investors the option of a modern and reformed investment dispute resolution mechanism. The agreement sets up a standing international and fully independent dispute resolution system, consisting of a permanent First Instance and an Appeal Tribunal that will conduct dispute settlement proceedings in a transparent and impartial manner.

The institutional chapter of the FTA establishes a Trade Committee that has as its main task to supervise and facilitate the implementation and application of the agreement.