



International  
Labour  
Organization

# Labour commitments under EU-Viet Nam Free Trade Agreement (EVFTA)

## Why EVFTA matters

The European Commission has described the EVFTA as the most ambitious free trade deal ever concluded with a developing country. Viet Nam, a fast-growing and competitive economy whose bilateral trade with the EU has quintupled over the past ten years, also expects that the deal could potentially bring EUR15 billion (US\$16.4 billion) a year of additional exports to the EU by 2035<sup>1</sup>.

Beyond its economic benefits, EVFTA also aims at promoting sustainable development in both Viet Nam and the EU. The agreement pays special attention to the sustainability in the aspects of labour, societies and environments. Therefore, like all other new-generation free trade agreements, EVFTA includes one chapter on Trade and Sustainable Development. This would guarantee win-win and sustainable achievements for Viet Nam by avoiding the “race to the bottom” and ensuring that the growth today does not come at expense of future generation’s opportunities.

## Some milestones

- The negotiation process lasted from 2012 to 2015.
- EVFTA was signed on 30 June 2019 in Hanoi, Viet Nam.
- The EU parliament voted for ratification of EVFTA on 12 February 2020.
- Viet Nam’s National Assembly is expected to vote on the ratification of EVFTA in May 2020 sitting.
- EVFTA will come into force one month after Viet Nam and the EU have notified each other that legal procedures have been completed.

<sup>1</sup> <https://www.europarl.europa.eu/legislative-train/theme-a-balanced-and-progressive-trade-policy-to-harness-globalisation/file-eu-vietnam-fta>

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## Highlights of labour commitments under EVFTA

The agreement has 17 chapters, including Chapter 13 on Trade and Sustainable Development (TSD) where labour and environment requirements are defined jointly between Viet Nam and the EU.

EVFTA requires Viet Nam and the EU “reaffirms its commitments, in accordance with its obligations under the ILO and the ILO Declaration on Fundamental Principles and Rights at Work” to respect, promote and effectively implement the principles concerning the fundamental rights at work, namely:

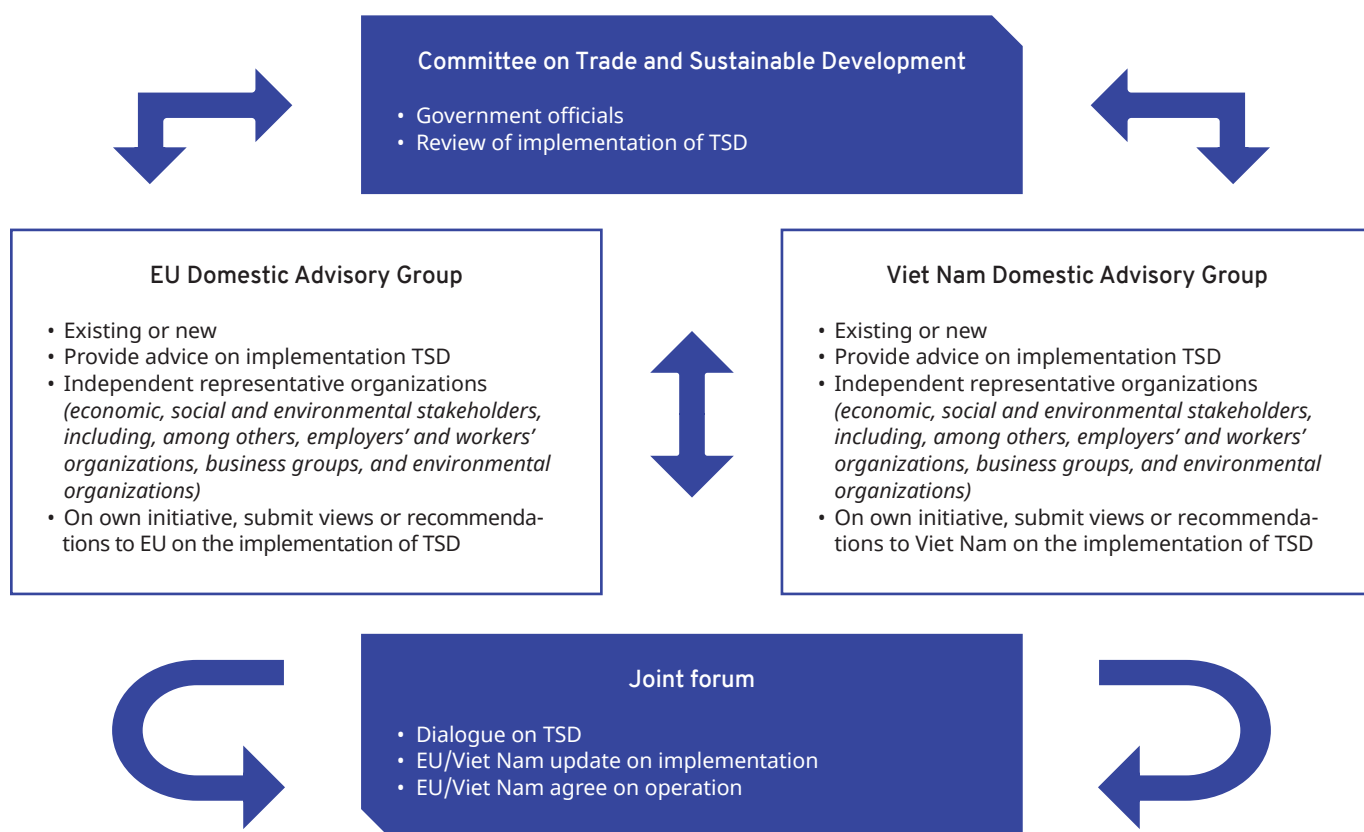
- the freedom of association and the effective recognition of the right to collective bargaining;
- the elimination of all forms of forced or compulsory labour;
- the effective abolition of child labour; and
- the elimination of discrimination in respect of employment and occupation.



Provision 3 of Article 13.4 stipulates that each Party “will *make continued and sustained efforts towards ratifying, to the extent it has not yet done so, the fundamental ILO conventions*” and the Parties will regularly exchange information in this regard.



### Monitoring and oversight arrangements of Trade and Sustainable Development



### Viet Nam's progresses and unfinished work

- Viet Nam's National Assembly voted yes to ratify ILO Convention 98 on the Right to Organise and Collective Bargaining in June 2019, bringing the number of ILO fundamental Conventions ratified by Viet Nam to six out of eight.
- Viet Nam adopted the revised Labour Code, which brought it closer to ILO fundamental Conventions, in November 2019.
- According to Ministry of Labour, Invalids and Social Affairs, Viet Nam plans to ratify the two remaining conventions – Convention 105 on Abolition of Forced Labour Convention and Convention 87 on Freedom of Association and Protection of the Right to Organise Convention by 2020 and 2023 respectively.