Project title: WTO accession and the adjustment of Vietnam’s agricultural policies (KT.09.03)

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Objectives:
This research aims to analyze the adjustment of Vietnam’s agricultural policies during the WTO accession, and to give recommendations for the further improvements in agricultural policies.

Main contents:
This research is organized into three chapters. Chapter 1 gives an overview of the Agreement on Agriculture of the WTO. This chapter conducts a detailed analysis of WTO regulations on tariffs and subsidies in agriculture, including the special and differential treatment for developing countries and the current negotiation issues under the Doha round. Chapter 2 reviews Vietnam's agricultural policies before the WTO accession and the country's commitment under the WTO deal. The chapter also gives a detailed and up-to-date analysis of the adjustment of Vietnam’s agricultural policies during the WTO accession and assesses its conformity with WTO rules and regulations. The impacts of the adjustment process on Vietnam’s agriculture has been discussed.

Despite the success in the adjustment of agricultural policies in recent years, further adjustment are needed to improve the effectiveness of Vietnam’s agricultural policies to meet with the opportunities and challenges from ongoing process of economic integration. This is the topic for chapter 3, in which we have
discussed some orientations and solutions for further improvement in Vietnam’s agricultural policies.

**Results obtained:**
This research has completed the objective and tasks previously proposed. The main results obtained are as follows:
- A detailed analysis of WTO rules and regulations on tariffs and subsidies in agriculture as well as negotiation issues under Doha round.
- A detailed and up-to-date investigation of Vietnam’s agricultural policy adjustment during WTO accession.
- A discussion of orientations and solutions for further adjustment of Vietnam’s agricultural policies in the forthcoming years.

This research has shown that Vietnam has conducted a profound adjustment of agricultural policies during WTO accession, and in many areas the adjustment of agricultural policies has gone beyond Vietnam’s commitments and obligations under the WTO deal. In addition to the efforts on the part of Vietnam, the rising world prices of agricultural products during the period 2005-2008 has created a favorable condition for Vietnam’s policy adjustment and mitigated the adverse impacts of the adjustment process on agricultural production and farmers.

In regards to the future adjustment of agricultural policies, we have argued that the scope for using tariff to protect domestic agriculture is limited. Thus Vietnam needs to rely more on domestic supports to promote the development and diversification of agriculture. Since the WTO rules on domestic supports are not bound, there is a large room for the extensive use of support measures, especially under the provision of the green box and agricultural and rural development programs. There is also a need for better targeting of agricultural policies to improve their effectiveness. Vietnam needs to provide more direct support to farmers instead of providing concessional loans and support to trading and processing companies. There is also a need for the establishment of crop
and income insurance mechanisms to protect farmers, especially small farmers, from the price volatility in the world market and adverse natural conditions.