MEMORANDUM OF UNDERSTANDING

between

THE SOCIALIST REPUBLIC OF VIET NAM

(hereinafter referred to as "Viet Nam")

and

ICELAND,

THE PRINCIPALITY OF LIECHTENSTEIN,

THE KINGDOM OF NORWAY AND

THE SWISS CONFEDERATION,

(hereinafter referred to as the "EFTA States")

(together hereinafter referred to as the "Parties")

ON

THE EFTA STATES' RECOGNITION OF VIET NAM'S MARKET ECONOMY STATUS

IN THE CONTEXT OF THE LAUNCHING OF NEGOTIATIONS ON A FREE TRADE AGREEMENT BETWEEN VIET NAM AND THE EFTA STATES

REAFFIRMING the importance of enhancing the friendship and multi-faceted cooperation between Viet Nam and the EFTA States;

RECOGNISING the complementarities of the economies of Viet Nam and of the EFTA States and the significant potential to advance economic relations by further developing their framework for trade and investment;

MINDFUL of the Report by the Viet Nam – EFTA Joint Study Group of 17 February 2011;

RECALLING the outcome of the preparatory meeting between Viet Nam and the EFTA States on 22-23 March 2012 in Ha Noi, as contained in the attached "Arrangements for Negotiations between Viet Nam and the EFTA States";

BUILDING on the Parties' commitment to the World Trade Organisation (WTO) and determined to contribute to the harmonious development and expansion of world trade;

REAFFIRMING the need to uphold the principles and practices which promote free and unhindered trade in a stable, transparent and non-discriminatory manner;

CONVINCED that joint efforts between Viet Nam and the EFTA States toward a comprehensive Free Trade Agreement (FTA) will develop an enhanced framework for the promotion and development of economic and trade relations between Viet Nam on one side and the EFTA States on the other side in their common interest and for their mutual benefit;

The undersigned:

1. herewith declare that, to ensure stability and equal-footing bilateral trade ties and on the basis of the good relationship between Viet Nam and the EFTA States as well as the shared intention to early conclude a FTA, the EFTA States recognize Viet Nam's market economy status and also commit not to seeking recourse to paragraph 255 of the Report of the Working Party on the accession of Viet Nam to the WTO in their trade relationship with Viet Nam.

2. agree that the Memorandum of Understanding shall come into effect upon the date of its signing.

IN WITNESS WHEREOF the undersigned, being duly authorised thereto, have signed this Memorandum of Understanding.

Signed by the EFTA States at Gstaad, this 28th day of June 2012, and by Viet Nam at Ha Noi, this 3rd day of July 2012, in five originals in the English language.

For the Socialist Republic of Viet Nam

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For Iceland

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For the Principality of Liechtenstein

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For the Kingdom of Norway

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For the Swiss Confederation

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