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§ 751(b) Changed Circumstances Review –NME Status CCR
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The Honorable Gina M. Raimondo
Secretary of Commerce
International Trade Administration
Attn: Enforcement and Compliance
APO/Dockets Unit, Room 18022
U.S. Department of Commerce
14th Street and Constitution Avenue, N.W.
Washington, DC 20230

VIA REGULATIONS.GOV – DOCKET NUMBER ITA-2023-0010

Re: Raw Honey from the Socialist Republic of Vietnam – Alliance for American Manufacturing’s Comments in Opposition to Treating Vietnam as a Market Economy

Dear Secretary Raimondo:

On behalf of the Alliance for American Manufacturing (“AAM”), we submit these comments in response to the U.S. Department of Commerce’s (the “Department”) notice announcing its inquiry into the status of the Socialist Republic of Vietnam (“Vietnam”) as a non-market economy country under the United States’ unfair trade laws.¹ As discussed below, because government control of Vietnam’s economy does not permit the use of prices and costs in that country for purposes of determining the fair value of the merchandise in the Department’s

¹ See Raw Honey From the Socialist Republic of Vietnam: Initiation of Antidumping Duty Changed Circumstances Review, 88 Fed. Reg. 74,152 (Dep’t Commerce Oct. 30, 2023); see also Letter from the Ministry of Industry and Trade for the Socialist Republic of Vietnam re: Request for the U.S. Department of Commerce to Initiate a Changed Circumstances Review on Behalf of the Socialist Republic of Viet Nam (Sept. 8, 2023) (“GOV’s CCR Request”).

antidumping analysis, the Department should determine under the criteria set forth in the statute that Vietnam continues to operate as an NME.² This submission is timely filed in accordance with the Department’s notice of extension to the comment deadline.³

AAM is a non-profit, non-partisan partnership formed in 2007 by some of America’s leading manufacturers and the United Steelworkers. Our mission is to strengthen American manufacturing and create new private-sector jobs through smart public policies. We believe that an innovative and growing manufacturing base is vital to America’s economic and national security, as well as to providing good jobs for future generations. AAM achieves its mission through research, public education, advocacy, strategic communications, and coalition building around the issues that matter most to America’s manufacturers and workers.

AAM strongly opposes the Government of Vietnam’s (“GOV”) request that the Department no longer treat Vietnam as a non-market economy in the context of U.S. antidumping law. AAM also concurs with and incorporates by reference the arguments made by Kelley Drye & Warren LLP in their comments opposing graduating Vietnam to a market economy country.⁴ In Kelley Drye’s Comments, they provide an abundance of evidence demonstrating that Vietnam continues to operate as an NME.⁵

As demonstrated by a significant amount of public and private sector reporting and analysis provided in Kelley Drye’s Comments, Vietnam continues to operate as a non-market economy. Vietnam is a socialist republic with a one-party system led by the Communist Party of Vietnam.⁶ Since the GOV’s CCR request, the GOV has only strengthened its ties to China by memorializing a landmark agreement between the two communist neighbors.⁷ By statute, the

² See 19 U.S.C. § 1677(18)(B).

³ See Letter from the Department to The File re: Extension of Time to File Comments (Nov. 13, 2023).

⁴ See Letter from Kelley Drye & Warren LLP re: Raw Honey from the Socialist Republic of Vietnam – Changed Circumstances Review of the Socialist Republic of Vietnam’s Status as a Non-market Economy Country, ITA-2023-0010 (Dec. 21, 2023) (“Kelley Drye Comments”).

⁵ Id.

⁶ See Kelley Drye Comments at Sec. II.A.

⁷ Not only is Vietnam a non-market economy, but it has prioritized its relationship with, and tied its immediate goals for the future to, the largest non-market economy in the world, China. Shortly after the November 2023 APEC summit in San Francisco, in December 2023, President

Department must reject the GOV's request because under each enumerated factor, Vietnam cannot reasonably be understood to demonstrate the characteristics of a market economy, including for the following reasons:⁸

First, the Vietnamese currency is not freely convertible.⁹ The GOV continues to restrict the country's currency and capital accounts and influences the foreign exchange market. In addition, the GOV manipulates the value of the Vietnamese currency, and the U.S. Department of Treasury has returned Vietnam to its currency manipulating Monitoring List. These actions by the GOV put American manufacturers and workers at an unfair disadvantage compared to low-priced Vietnamese exports.

Second, wages in Vietnam are not determined by free bargaining between labor and management.¹⁰ Workers in Vietnam lack fundamental rights to organize, bargain, and strike. Any supposed reforms that Vietnam claims to be implementing are either currently unrealized or else insufficient to transition the country to a truly free labor market. The Department must not mistake the GOV's claimed commitments for the reality of its oppression of basic labor rights and suppressed wages.

Third, the GOV restricts joint ventures and the investments from foreign firms into Vietnam.¹¹ Numerous sectors of the Vietnamese economy pose high barriers to entry for foreign firms. Moreover, the GOV prohibits foreign investment altogether in many sectors of its economy. Unsurprisingly, foreign direct investment flowing into Vietnam is small both compared to other countries and to Vietnam's economy as a whole. Much of the foreign investment that is permitted in Vietnam comes from China, which enables the Chinese

Xi Jinping visited Hanoi, leading to the signing of a diplomatic, trade, and security pact between China and Vietnam consisting of 36 separate commitments. All of these agreements economically tie Vietnam more firmly to China, including strengthening infrastructure and rail links between the countries, further cooperation in China's Belt and Road initiative (in which Vietnam is a partner), and enhanced economic and trade cooperation with certain regional governments in China among others. See Kelley Drye Comments at Sec. I.

⁸ See 19 U.S.C. § 1677(18)(B).

⁹ See Kelley Drye Comments at Sec. II.B.

¹⁰ See id. at Sec. II.C.

¹¹ See id. at Sec. II.D.

Communist Party to exert control over businesses operating in Vietnam and, by extension, over sectors of Vietnam’s economy. Similarly, investment from countries other than China continues to flow back to China’s manufacturing base, which provides the inputs fueling Vietnam’s manufacturing sector.

Fourth, Vietnam’s economy is replete with state-owned enterprises and the GOV’s influence over the means of production and resources in the country is extensive.¹² Vietnam’s state-owned enterprises account for a significant share of the country’s GDP and dominate many sectors of Vietnam’s economy. In addition, Vietnam continues to eschew the notion of private land ownership—all land is owned by the State, and there is no private land ownership in Vietnam.

Fifth, the GOV exercises significant control over the allocation of resources, prices, and the output decisions of businesses.¹³ The GOV actively controls prices of numerous commodities and products across many sectors. The commercial banking sector is state controlled and lacks the traits of a competitive banking system. The GOV controls interest rates and lending while also providing crucial financial support to state-owned enterprises. As a result, the private sector in Vietnam remains limited by and disadvantaged by the prevalence of state-controlled enterprises and central government control of the financial sector.

Lastly, no other factors favor treating Vietnam as a market economy at this time.¹⁴ Graduating Vietnam to market economy status would jeopardize the United States’ economic and national security interests because the GOV is formally connected to China politically, defensively, and economically. Specifically, Vietnam is a hub for forced labor and Uyghur Forced Labor Prevention Act (“UFLPA”) circumvention. Vietnam is a proven source of dumped imports found to injure domestic industries and their workers and communities. Finally, graduating Vietnam would be contrary to the Administration’s pro-labor commitment and its efforts to protect American industries, communities, and workers from unfair trade.

¹² See id. at Sec. II.E

¹³ See id. at Sec. II.F.

¹⁴ See id. at Sec. II.G.

In short, the Socialist Republic of Vietnam has not demonstrated sufficient progress to warrant graduation to market economy status. As Kelley Drye's Comments demonstrate, overwhelming evidence and analysis in the context of the above-listed factors shows that Vietnam's government continues to dominate and control the Vietnamese economy. The Department must not deprive American businesses and workers of their ability to defend themselves against unfair trade by prematurely altering Vietnam's designation as an NME. For the reasons stated above, the Department must find that Vietnam remains a NME and continue to treat Vietnam as such for the purposes of antidumping law.

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Sincerely,

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