

U.S. gains second largest tax sum from Vietnam exporters

10/20/2017 10:13:45 PM

Quoc Hung



Nate Herman (C), senior vice president of supply chain at the American Apparel and Footwear Association, speaks at the seminar on October 19 - PHOTO: QUOC HUNG

HCMC – Total tax collections by the U.S. from Vietnamese exporters take the second position after China although Vietnam ranks 12th among the largest suppliers of commodities to the world's largest economy, an American expert said yesterday.

Nate Herman, senior vice president of supply chain at the American Apparel and Footwear Association, told an international seminar on product safety and compliance issues in HCMC yesterday that Vietnamese exporters had paid more than US\$2.2 billion in duties in the year to August. During this period, Vietnam exported goods worth over US\$30.16 billion to the U.S., accounting for a mere 1.99% of America's total imports.

Therefore, Vietnam ranks second, behind only China among 15 countries paying the highest import tax amounts in the U.S.

According to the vice president, the amount of import duties from Vietnam made up 10.11% of the U.S.'s import tax revenue in the eight-month period.

He suggested Vietnamese exporters are losing their competitiveness compared to their rivals in other countries and territories in the same period, due to exorbitant tariffs.

In particular, developed countries like Canada, Japan, Germany, South Korea, the United Kingdom and France fetched higher export revenues than Vietnam in the U.S. market, but paid much smaller tax sums due to lower rates.

For example, Japan shipped goods worth over US\$89.2 billion to the U.S. and took the fourth place in export earnings but merely paid around US\$1.56 billion in taxes.

He added textile and garment products take the lead in Vietnam's exports stateside in terms of revenue, though the Southeast Asian nation is at a disadvantage, as the U.S. has pulled out of the Trans-Pacific Partnership (TPP) agreement. However, the sector still has competitive advantages.

He forecast the export growth rate of commodities from Vietnam to the U.S. will outstrip the rates of its competitors, even if Vietnam does not benefit from any trade incentive programs and free trade agreements.

Jon Fee, senior counsel at Alston & Bird LLP, said Vietnam had seen respective rises of 8.74% and 11.83% in shipping apparel and footwear to the U.S. in the 12 months to 31 August.

Behind China, Vietnam is the U.S.'s second largest provider of these products, he noted, adding that American retailers and consumers are aware of Vietnam's plus points in terms of quality, price and delivery commitment.

Other U.S. experts said at the seminar that Vietnam will face more difficulties in shipping goods to the U.S. as the current administration is tightening regulations and standards over the safety of imported products in a bid to reduce America's trade deficit.