

As Vietnam has emerged as the largest beneficiary of the U.S.-China trade conflict, Ho Chi Minh City is the center of this activity. The United States exported over \$10.9 billion to Vietnam in 2019 (ranking well below the leading suppliers), as the overall trade deficit with Vietnam grew to over \$55 billion. U.S. food and agricultural product exports account for nearly 40 percent of that total, reaching a peak of over \$4 billion in 2018 before falling 10 percent in 2019. Vietnam's 2018 GDP growth of 7.1 percent continued Vietnam's reign as one of the fastest growing economies in the region and world. However, due to the COVID-19 crisis, recent growth forecasts are cut to the range of 3 to 4 percent for 2020 /2021 periods. Vietnam's manufacturing, trade and tourism sectors have been particularly hard hit. Vietnam's agriculture sector continues to recover from the African Swine Fever (ASF) outbreak, while facing challenges of Fall Army Worm and climate change. Continued technical engagement on quarantine measures, facility registrations, and pesticide approvals are needed to further expand US agricultural export opportunities.

In light of the long-term growth potential Rumik recommends the placement of at least one FSO and 2 LE staffers in a new office in Ho Chi Minh City to support a strong US industry and government capacity building effort already engaged. This office will also support the market access effort as the industry liaison office for the myriad of technical barriers to trade as well as assisting in and providing support in Vietnam's effort against African swine fever and army worm infestations. They would also be heavily involved in the preclearance efforts which largely occur at Ho Chi Minh City ports.