

Vietnam says that China is mislabeling products as Vietnamese to avoid U.S. tariffs
Nicholas Wu

WASHINGTON – Vietnamese officials say China is intentionally mislabeling its products as "made in Vietnam" to avoid American tariffs, and have ordered offices to more aggressively examine products' certificates of origin.

Chinese firms first export products to Vietnam, then change the labeling on packages before exporting the goods to the United States, Japan or Europe, they said.

"Dozens" of products have been identified, Hoang Thi Thuy, a Vietnamese Customs Department official, told state-run media, and goods like textiles, fishery products, agricultural products, steel, aluminum, and processed wooden products were most vulnerable to the fraud.

Vietnamese state media noted that in 2017, the Customs Department exposed a company called INTERWYSE for trying to rebrand 600 Chinese-made speakers and phone chargers with a "Made in Vietnam" label.

"It will sabotage Vietnamese brands and products and it will also affect consumers. We could even get tariff retribution from other countries, and if that happens, it will hurt our economy," Foreign Minister Pham Binh Minh told the Vietnamese National Assembly last week.

Vietnam does not have any legal requirements for certification of the "Made in Vietnam" label. The country's current regulations require that goods be produced partly or completely in Vietnam, but does not provide a mechanism for determining the veracity of the label.

Amid President Donald Trump's escalating trade war with China, international firms have shifted some of their supply chains to Vietnam in an effort to avoid American tariffs. The United States is currently Vietnam largest export partner.

The trade war shows few signs of slowing down. On Monday morning, Trump threatened to increase tariffs on Chinese products unless Chinese President Xi Jinping agreed to meet with him at the G20 summit later in May.