

**SOME SOLUTIONS TO ENHANCE VIETNAM'S IMPORT-EXPORT IN THE NEW CONTEXT****Nguyen Thi Quynh Huong<sup>1</sup>, Nguyen Thi Mai Huong<sup>2</sup>**<sup>1</sup>Thai Nguyen College of Economics and Techniques, Vietnam<sup>2</sup>Thai Nguyen University of Economics and Business Administration, Vietnam

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**Summary**

Import-export plays a strategic role in Vietnam's economic development, contributing to GDP growth, attracting foreign investment, creating employment, and improving people's lives. Especially in the new context of deep international integration and digital transformation, Vietnam's import-export faces many opportunities and challenges. This article proposes some solutions to enhance Vietnam's import-export in the new context, contributing to enhancing the country's position in the international market.

**Keywords:**

Import-export, Vietnam, new context.

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**1. INTRODUCTION**

In an era of globalization and increasingly tight connections, expanding import-export activities is not only a business strategy but also a key factor for the sustainable development of a country. Facing new challenges from technological revolutions and political fluctuations, Vietnam is currently presented with significant opportunities and challenges in improving export efficiency and expanding import markets.

Vietnam, with its unique geographical position and attractiveness to foreign investors, has attracted a large amount of Foreign Direct Investment (FDI) in recent years. However, maximizing this advantage to develop import-export activities still faces many limitations. Specifically, despite new free trade agreements such as the CPTPP and EVFTA opening up potential opportunities for Vietnamese enterprises to participate in global supply chains and access new markets, there still exist many trade barriers and infrastructure constraints.

Moreover, while Vietnam has achieved remarkable growth in exporting items such as textiles, electronics, agricultural, and aquatic products, there are still many untapped areas with high value-added products and services. Additionally, in the context of the international market transitioning with the increasing presence of e-commerce and non-territorial commerce, Vietnam also faces competitive pressure from both traditional and emerging competitors.

Therefore, researching and proposing solutions to enhance Vietnam's import-export activities in the new context becomes urgent. By leveraging opportunities from free trade agreements, enhancing cooperation with strategic partners, improving infrastructure, and enhancing the competitiveness of enterprises, Vietnam can create a more favorable business environment and promote sustainable economic development.

**2. THE CURRENT STATUS OF VIETNAM'S IMPORT AND EXPORT**

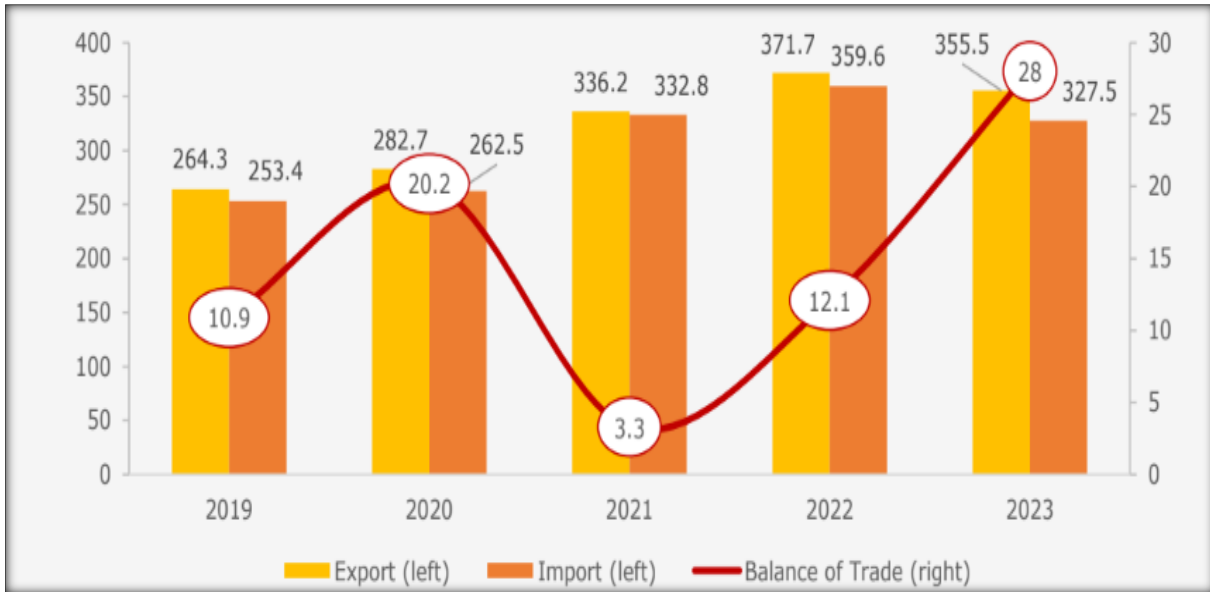
In recent times, the growth of exports has played a significant role in the overall development of the country, helping maintain economic and social stability. Vietnam's import and export activities have made remarkable strides, contributing to enhancing the country's position in the international market. Import and export not only generate income for the state budget and businesses but also create employment for millions of workers, improve the quality of life for people, and promote Vietnam's international integration. However, Vietnam's import and export also face many difficulties and challenges.

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In general, in the year 2023, the total export-import turnover reached 683 billion USD, a decrease of 6.6% compared to the previous year, with exports decreasing by 4.4% and imports decreasing by 8.9%. The trade balance of goods in 2023 saw an export surplus of 28 billion USD (compared to an export surplus of 12.1 billion USD the previous year). Specifically, the domestic economic sector had a trade deficit of 21.74 billion USD, while the foreign-invested sector (including crude oil) had an export surplus of 49.74 billion USD.

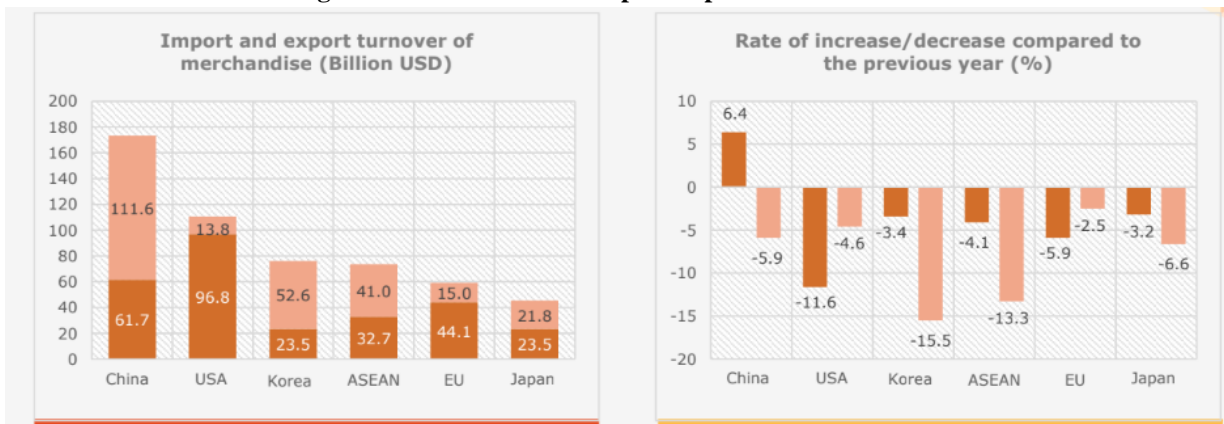
**Figure 1: Vietnam's trade activities, 2019-2023 (billion USD)**



(Source: Vietnam Banking Industry Report 2023 by the Banking Academy, 2024)

Regarding the import-export market in 2023, the United States was Vietnam's largest export market with a turnover reaching 96.8 billion USD, while China was Vietnam's largest import market with a turnover of 111.6 billion USD. In 2023, the trade surplus to many markets tended to decrease compared to the previous year, such as the United States, the EU, China, South Korea, and ASEAN; however, the trade surplus to Japan experienced a strong growth, approximately 90.3% compared to the previous year.

**Figure 2: Vietnam's main import-export markets in 2023**



(Source: Vietnam Banking Industry Report 2023 by the Banking Academy, 2024)

In the current new context, Vietnam's import and export are facing certain difficulties and challenges. Vietnam's export has not been sustainable in recent times. The value-added of exported goods remains low due to heavy reliance on natural conditions and cheap labor. Export development policies have still focused on quantity targets, lacking genuine concern for export quality and efficiency. Vietnam has not effectively utilized competitive

advantages in export based on technology, labor skills, management, etc., to create export product groups with high competitiveness, scientific content, high technology, and the ability to participate in creating high value-added in the global value chain. In addition, expanding exports poses risks of depleting natural resources, reducing biodiversity, and environmental pollution. The current export growth of our country still relies on encouraging the exploitation of natural resources and increasingly using input factors, leading to increasing pressure of pollution. The situation of importing outdated equipment, low-quality food, and hazardous chemicals through border gates adjacent to China, Laos, and Cambodia still exists.

The United States' removal of Vietnam from the list of countries benefiting from the preferential trade regime for developing countries will also have a certain impact on Vietnam's exports to this market in the future. Vietnam has signed many Free Trade Agreements (FTAs) with major partners such as the EU, Japan, South Korea, ASEAN, and CPTPP. When these FTAs come into effect, they will strongly impact the economic development as well as export opportunities of Vietnam, such as tax incentives, increased localization rates, improved science and technology, enhanced competitiveness, development of supply chains, and attracting investment. These FTAs have provided Vietnam with many opportunities to expand markets and enhance competitiveness. However, these FTAs also impose high requirements on the origin of goods, technical standards, environmental protection, labor rights, competition between Foreign Direct Investment (FDI) enterprises and domestic enterprises, etc. Failure to comply with these requirements may subject Vietnam to trade defense measures or lawsuits in international courts, posing a challenge and leading to an increase in trade risks.

Although the WTO and Free Trade Agreements aim to remove trade barriers, in practice, member countries still have the right to use some trade policy tools to protect domestic production against imported goods. Therefore, trade defense will be a tool for countries to protect domestic goods as well as shape the market, leading to the increasing risk of trade defense lawsuits against Vietnamese exports. According to a report from the Trade Remedies Authority, Ministry of Industry and Trade, by the end of June 2023, Vietnamese exports faced 231 trade defense cases initiated by other countries; among them, anti-dumping investigations accounted for the majority (128 cases), followed by safeguard investigations (47 cases), anti-circumvention investigations (33 cases), and countervailing investigations (23 cases). Thus, the majority of trade defense lawsuits are due to allegations that Vietnamese goods are being dumped. Therefore, in the coming time, it is necessary to implement some solutions to minimize the risks of trade defense investigations against Vietnamese exports.

### **3. SOME SOLUTIONS TO BOOST VIETNAM'S IMPORT AND EXPORT IN THE NEW CONTEXT**

Export and import serve as vital drivers for Vietnam's economy, particularly amidst profound international integration and the accelerating global digital transformation. The overarching objective for Vietnam's import and export development in the foreseeable future is to foster sustainable growth characterized by a balanced and harmonious structure. This involves leveraging competitive and comparative advantages, enhancing the brand value of Vietnamese goods, elevating the country's position in the global value chain, and catalyzing rapid and enduring economic growth (Prime Minister's Office, 2022). To uphold and fortify Vietnam's competitive edge in the global market, it is imperative to implement robust import-export strategies in the coming years. Here are some specific measures:

Firstly, Vietnam's strategic imperative lies in forging robust partnerships with key trading allies, including but not limited to the United States, China, the European Union, ASEAN, and neighboring nations. This collaborative approach enables Vietnam to capitalize on existing and prospective free trade agreements (FTAs) such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the European Union-Vietnam Free Trade Agreement (EVFTA), the Regional Comprehensive Economic Partnership (RCEP), and the United Kingdom-Vietnam Free Trade Agreement (UKVFTA). These FTAs serve as pivotal instruments for Vietnam to diversify its export markets, mitigate tariff barriers, and safeguard the interests of its domestic enterprises.

However, realizing the full potential of these agreements requires Vietnam to bolster its production capabilities and align with stringent origin and technical standards, as well as legal regulations mandated by importing markets. By enhancing the quality and compliance of its products, Vietnam can solidify its position as a reliable trading partner in global markets. Moreover, providing comprehensive support to small and medium-sized enterprises (SMEs) is

paramount, ensuring they have equitable access to crucial resources such as information, finance, and technology to facilitate their participation in export-import activities.

In essence, Vietnam's success in the international trade arena hinges on its ability to foster collaborative relationships and navigate the complexities of global trade dynamics. By leveraging strategic partnerships and adhering to high standards of quality and compliance, Vietnam can position itself as a formidable player in the global market landscape, driving sustainable economic growth and prosperity for its people.

Secondly, a critical aspect of Vietnam's export strategy involves bolstering its production capacity and elevating the quality of its exported goods. This endeavor necessitates a multifaceted approach that encompasses substantial investments in technology, research, development, and innovation across various industries. By modernizing production processes and embracing technological advancements, Vietnam can enhance its manufacturing capabilities, streamline operations, and ultimately elevate the competitiveness of its exports on the global stage. Moreover, there's a pressing need for industry restructuring to align with shifting market demands and emerging trends. By diversifying product offerings, optimizing supply chains, and fostering agility in response to market dynamics, Vietnam can position itself as a versatile exporter capable of meeting evolving consumer preferences and market requirements. This strategic pivot towards value-added production not only strengthens Vietnam's export portfolio but also augments its resilience to external shocks and economic uncertainties.

In tandem with capacity-building efforts, stringent quality control measures must be rigorously enforced to uphold the integrity and reliability of Vietnam's exports. Adhering to internationally recognized quality standards and certifications is paramount to instilling confidence among consumers and trading partners alike. By ensuring product consistency, safety, and compliance with regulatory requirements, Vietnam can cultivate a reputation for delivering high-quality goods that command premium prices in global markets. Furthermore, proactive measures should be taken to preemptively address potential trade defense mechanisms initiated by importing countries. By proactively addressing concerns related to unfair trade practices or perceived market distortions, Vietnam can mitigate the risk of facing anti-dumping duties or safeguard measures. This entails fostering transparent and cooperative relationships with trading partners, actively engaging in dialogue to resolve disputes, and demonstrating a commitment to fair and equitable trade practices.

Thirdly, a key aspect of Vietnam's import-export strategy revolves around the development of a skilled and competent workforce tailored to the demands of the industry. This entails the formulation of comprehensive policies aimed at attracting, training, and retaining individuals with specialized expertise and language proficiency essential for effective engagement in import-export activities. By prioritizing human capital development, Vietnam can cultivate a talent pool equipped with the requisite knowledge and skills to navigate the complexities of international trade and drive sustainable growth in the sector.

To achieve this objective, targeted initiatives should be implemented to incentivize the pursuit of relevant educational pathways and vocational training programs geared towards equipping individuals with practical skills and industry-specific knowledge. Collaborative partnerships between educational institutions, government agencies, and private enterprises can facilitate the design and delivery of tailored training initiatives that address specific skill gaps and labor market needs within the import-export sector.

Moreover, efforts to raise awareness and enhance understanding of international trade practices among businesses, particularly small and medium-sized enterprises (SMEs), are paramount. Providing access to training workshops, seminars, and advisory services can empower SMEs to capitalize on export opportunities, navigate regulatory frameworks, and overcome barriers to market entry. By fostering a culture of entrepreneurship and trade literacy, Vietnam can unleash the full potential of its business community and amplify its participation in global trade networks.

Fourthly, Vietnam should strive to improve the business environment and bolster infrastructure supporting import-export operations. Administrative reforms, cost reduction, and time efficiency are paramount, alongside investments in transportation, logistics, postal, and international payment infrastructure to minimize risks and enhance operational efficiency.

Fifthly, there's an urgent call to harness digital technology and innovation. Encouraging and supporting businesses in adopting digital solutions can foster the creation of innovative products, streamline operations, and enhance market responsiveness. Concurrently, developing e-commerce platforms for import-export transactions can facilitate market expansion and international cooperation.

Moreover, the government must adopt a comprehensive approach to boost exports, foreign engagements, and bilateral-multilateral cooperation. This involves maintaining, expanding, and exploring markets, maximizing export potential, reforming administration, reducing logistics costs, and providing credit support to businesses amidst forecasted trade barriers.

Furthermore, refining trade and investment mechanisms and policies, developing support industries, and adjusting FDI flows to prioritize key industrial sectors are critical. Establishing technical standards, optimizing product and market structures, and investing in infrastructure and technology are essential for sustained export growth.

Lastly, achieving trade balance with partners is crucial. Excessive trade surpluses can trigger trade defense investigations, necessitating a balanced approach to trade relations. This entails facilitating access for businesses, implementing favorable import duty rates, and mitigating trade imbalances to ensure equitable trade partnerships.

In conclusion, Vietnam's journey towards bolstering its import-export sector demands a multifaceted approach encompassing policy reforms, infrastructure development, digital innovation, and human capital investment. By embracing these strategies, Vietnam can strengthen its foothold in the global market and propel sustainable economic growth in the years to come.

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