

**BOOSTING VIETNAM'S IMPORT AND EXPORT DEVELOPMENT IN THE  
DIGITAL AGE****Dr. Do Kim Du****Thai Nguyen University of Economics and Business Administration, Vietnam****ABSTRACT**

The digital era is opening up vast opportunities for Vietnam to develop its import-export activities and integrate deeply into the global economy. Embracing this trend, Vietnam has been implementing various comprehensive solutions to boost import-export activities and enhance the competitiveness of its enterprises in the international market. However, alongside numerous opportunities, Vietnam's import-export activities are also facing many new challenges. This article proposes several solutions to promote the development of import-export activities in the digital era, aiming to elevate Vietnam's position in the international market.

**Keywords:**

Development, Import-Export, Vietnam, Digital Era.

**1. INTRODUCTION**

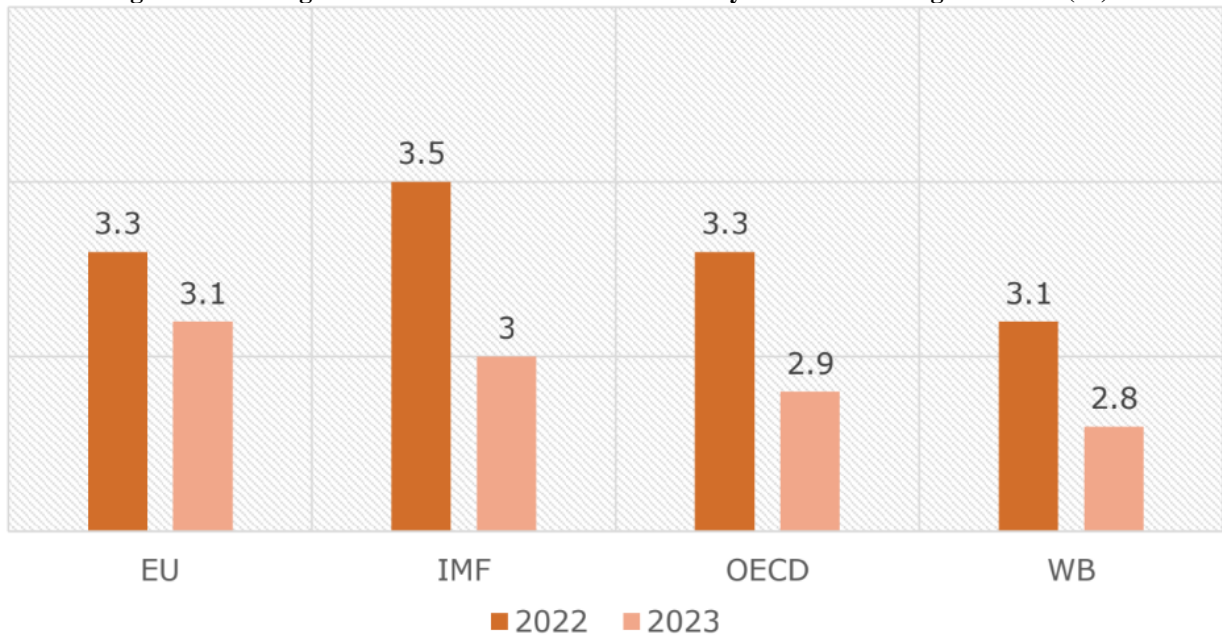
In today's era, with the tight interconnection between nations worldwide, import-export activities are not only a crucial part of the economy but also a significant opportunity for countries to develop and advance further on the path of international integration. For Vietnam, a country undergoing strong economic integration and development, import-export activities are not just an essential part of its economic development strategy but also a vital tool for GDP growth, attracting foreign investment, creating jobs, and improving living standards for its people.

Deep integration into the global economy has opened new opportunities for Vietnam to expand its export markets and attract foreign investors. Vietnam has been witnessing significant growth in import-export activities, joining free trade agreements, and participating in global supply chains. This has not only elevated Vietnam's position on the international stage but also created new opportunities for domestic enterprises to engage in global value chains. However, this also means facing many new challenges. The rapid changes in technology have created a fiercely competitive business environment, requiring enterprises to continuously update and apply new technologies to improve productivity and compete internationally. Additionally, the increasing demands for quality and safety from import markets pose significant challenges for Vietnamese exporters. Enhancing the efficiency and scale of import-export activities is one of Vietnam's top priorities in the coming period. To face and leverage the opportunities and challenges from global economic integration and development, Vietnam needs appropriate strategies and solutions, from improving production capacity to facilitating conditions for businesses and attracting foreign investment. Only by doing so can Vietnam advance further on the path of development and international integration.

**2. GLOBAL CONTEXT**

In 2023, the global economy faced numerous difficulties and challenges. The Russia-Ukraine conflict continued, while new tensions erupted in the Middle East and the Red Sea in the last months of 2023. Extreme weather conditions and climate change in many countries caused imbalances in food production and consumption. Although inflation was controlled in many countries, it remained persistently high, trade growth was weak, and business and consumer confidence was slow to recover. Many countries maintained tight monetary policies to prioritize inflation control. Alongside increasing regulations on sustainable development affecting imports, numerous countries also implemented trade protection measures. In this context, the global GDP growth recovery process faced significant challenges.

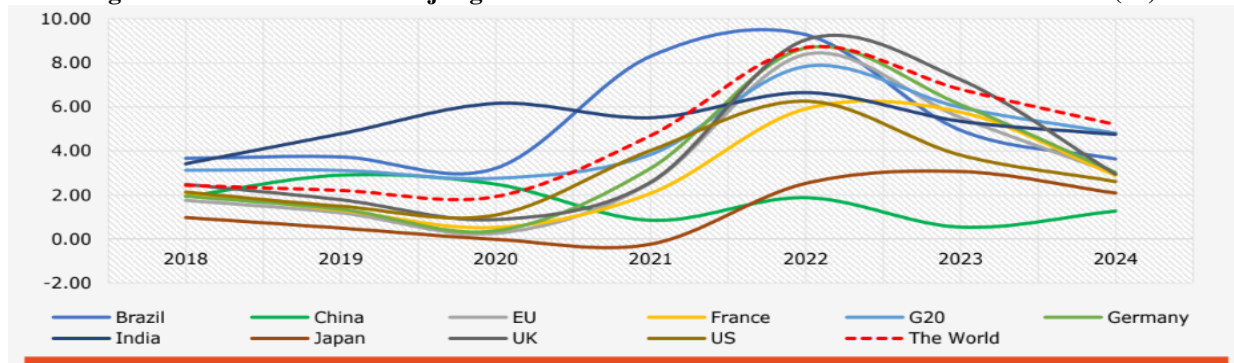
**Figure 1. Global growth in 2022 and 2023 as assessed by international organizations (%)**



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

Although tight monetary policies have begun to yield results, the primary reason for the decrease in inflation in 2023 was the drop in international commodity prices. According to the OECD, overall inflation decreased in most economies mainly due to the reversal in energy prices. However, since June 2023, production cuts by major economies in OPEC+ have driven up energy prices. Supply disruptions, along with increasing geopolitical tensions, caused natural gas price volatility in Europe in the second half of 2023.

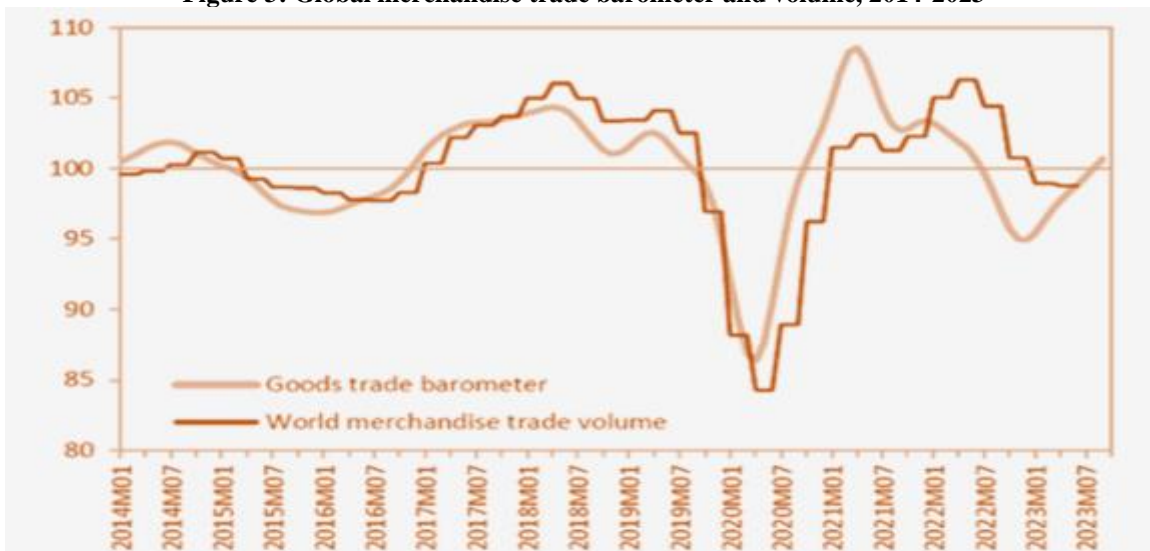
**Figure 2: Inflation rates of major global economies from 2018-2023 and forecasts for 2024 (%)**



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

Global merchandise trade continued to decline in 2023, according to the World Trade Organization (WTO) Goods Trade Barometer report published on November 27, 2023. However, the global merchandise trade barometer shows signs of recovery, driven by sales and production of automobiles and electronic components.

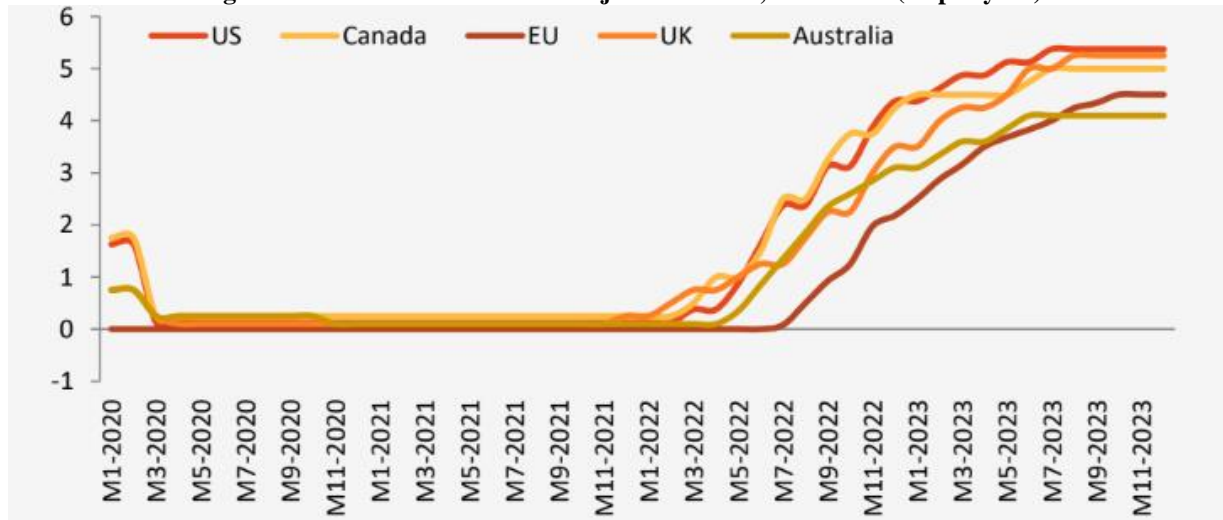
**Figure 3: Global merchandise trade barometer and volume, 2014-2023**



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

The year 2023 witnessed significant changes in the monetary policies of key countries and regions worldwide. The high inflation environment forced central banks to abandon prolonged loose monetary policies, shifting towards tightening measures to curb rising prices.

**Figure 4: Interest rate trends in major economies, 2020-2023 (% per year)**



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

In 2023, the foreign exchange market witnessed reversals in the values of many major currencies compared to 2022. Notably, the US dollar depreciated by 2% compared to the end of 2022, following approximately two years of continuous appreciation, and gold prices fluctuated amid increasing uncertainty and a weaker US dollar.

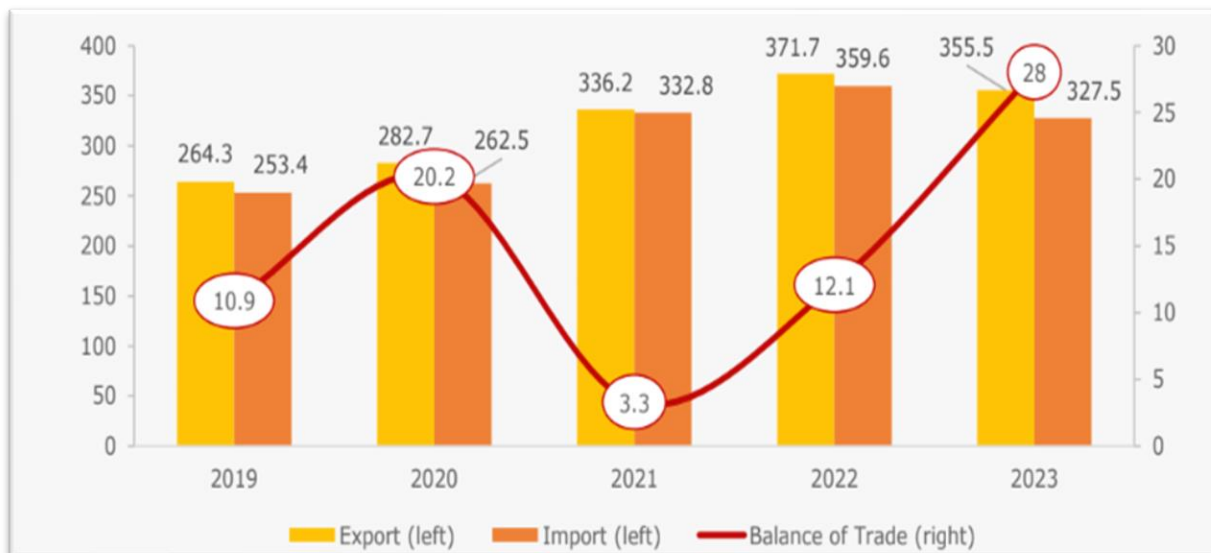
### 3. VIETNAM'S IMPORT AND EXPORT SITUATION

In recent times, exports have played a crucial role in the country's development, maintaining economic and social stability. This not only strengthened Vietnam's position in the international market but also brought revenue to the state budget and enterprises, created jobs for millions of workers, improved the quality of life for the population, and promoted Vietnam's international integration.

However, Vietnam's import and export activities have also faced numerous challenges. In 2023, Vietnam's total import and export turnover reached 683 billion USD, a decrease of 6.6% compared to the previous year. Exports fell by 4.4% and imports by 8.9%. The trade balance in 2023 recorded a positive figure with a trade surplus of 28 billion USD (an increase from 12.1 billion USD in the previous year). However, there is a significant disparity

between the domestic economic sector and the foreign-invested sector, with the domestic sector experiencing a trade deficit of 21.74 billion USD, while the foreign-invested sector achieved a trade surplus of 49.74 billion USD.

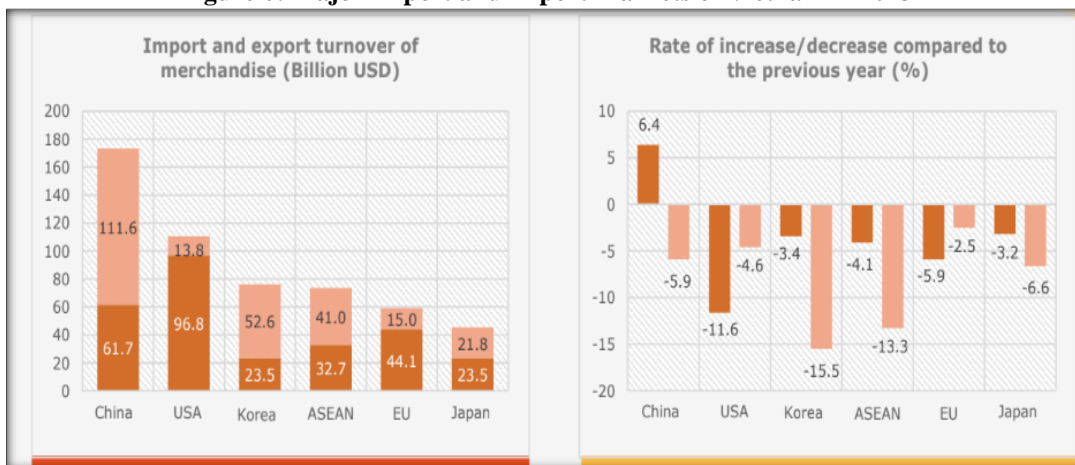
**Figure 5: Vietnam's Trade Activities from 2019 to 2023 (billion USD)**



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

In 2023, Vietnam's largest export market was the United States, with export turnover reaching 96.8 billion USD, while China was Vietnam's largest import market, with import turnover reaching 111.6 billion USD. Among the export markets, the trade surplus to many markets showed a declining trend compared to the previous year, including the United States, the EU, China, South Korea, and ASEAN. However, notably, the trade surplus to Japan saw a strong growth, increasing by approximately 90.3% compared to the previous year.

**Figure 6: Major Import and Export Markets of Vietnam in 2023**



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

In 2023, import and export activities were significantly supported by international economic integration, helping Vietnam engage in trade with more countries and become a crucial link in the global value chain. Many of Vietnam's strong industries continued to make their mark by consistently ranking among the top in global export turnover. Although Vietnam's import-export activities in 2023 have not yet fully recovered, the reduction in the rate of decline has laid the groundwork for a rebound in 2024.

### 4. OPPORTUNITIES AND CHALLENGES FOR VIETNAM'S IMPORTS AND EXPORTS IN THE DIGITAL ERA

#### 4.1. Opportunities

The digital era has brought unprecedented opportunities for Vietnamese businesses to access international markets. Digital technologies such as e-commerce platforms, social media, and online platforms have created an open global

business environment where companies can reach and interact with customers worldwide. This not only expands the market reach for their products and services but also creates new opportunities to boost sales and growth.

One of the biggest benefits the digital era brings to businesses is the ability to reduce transaction costs. Applying digital technology to business processes such as customs procedures, logistics, and payments helps optimize operations and minimize associated costs. This not only enhances operational efficiency but also enables businesses to compete in the international market by lowering the cost of their products and services.

The digital era has created a robust network connecting businesses with stakeholders such as potential customers, suppliers, and partners. Digital technologies like email, social media platforms, and instant messaging apps have allowed businesses to connect and interact with their partners quickly and efficiently. This not only strengthens customer relationships but also opens new opportunities for collaboration and business development.

The application of advanced technologies such as artificial intelligence, big data, and the Internet of Things (IoT) has helped businesses improve efficiency in production, management, and marketing. These technologies enable businesses to collect and analyze data to make intelligent strategic decisions, from optimizing production processes to enhancing customer experiences. This enhances the competitiveness of businesses in the international market and creates sustainable competitive advantages.

The digital era has driven the strong development of cross-border e-commerce, opening numerous opportunities for Vietnamese businesses to participate in the global market. Leveraging e-commerce platforms like Amazon, eBay, and Alibaba allows businesses to easily and effectively reach millions of customers worldwide. This creates an open and diverse global business environment where businesses can expand their operations and capitalize on international market opportunities.

#### **4.2. Challenges**

The digital era opens doors for Vietnam to increase imports and exports and deeply integrate into the global economy. However, alongside potential opportunities, Vietnamese businesses also face numerous challenges in this context.

One of the biggest challenges facing Vietnamese businesses in the digital era is the shortage of skilled labor in digital technology, e-commerce, logistics, and various other fields. Integration and competition in the international business environment require deep understanding of technology and modern management skills, but the reality is that there is a shortage of skilled labor. This reduces the competitiveness of businesses and hinders their development process.

Despite significant development, Vietnam's digital infrastructure still has many limitations. Slow internet speeds, high internet costs, and instability in service provision are issues that businesses must contend with. These limitations affect businesses' import and export activities, causing obstacles and reducing operational efficiency.

Cybersecurity risks are increasing, especially for businesses participating in the digital era. Cyber attacks, data theft, and other cybercriminal activities can cause severe damage to businesses. Protecting information and data has become more important than ever in the current business environment, and businesses need to invest in appropriate security measures to protect themselves from these threats.

Vietnamese businesses face intense competition from regional and global competitors. Businesses with technological advantages and resources can create significant competitive pressure on Vietnamese businesses. To survive and thrive in such a competitive business environment, businesses need to enhance their competitiveness and continuously innovate.

Some countries continue to implement trade protection measures such as tariffs, import restrictions, and other barriers, making it difficult for Vietnamese businesses to export goods. These barriers can increase export costs and reduce the competitiveness of businesses in the international market. To overcome these challenges, businesses need to master international trade regulations and promote international cooperation to eliminate these barriers.

#### **5. SOME SOLUTIONS TO PROMOTE VIETNAM'S IMPORTS AND EXPORTS IN THE DIGITAL ERA**

In order to fortify Vietnam's imports and exports in the digital age and ensure its competitiveness in the global market, a comprehensive array of strategic endeavors is imperative.

Primarily, there must be a concerted and decisive push towards enhancing technology infrastructure. This encompasses not only improving the speed and accessibility of the internet but also entails substantial investments in reducing internet costs and reinforcing cybersecurity measures. By erecting a robust digital framework, safeguarding sensitive information and data, Vietnam can nurture an ecosystem conducive to dynamic and efficient digital business operations.

Moreover, paramount importance lies in the cultivation of a highly skilled and adaptable workforce. Prioritizing the training and development of individuals proficient in digital technology, e-commerce, logistics, and related domains

# IJETRM

## International Journal of Engineering Technology Research & Management

is indispensable. Equipped with the requisite expertise, businesses can effectively navigate the complexities of the digital landscape, leveraging emerging opportunities to propel Vietnam's economic growth and competitiveness on the global stage.

Additionally, fostering a culture of relentless technological innovation is pivotal. Governmental support in incentivizing businesses to embrace and spearhead advancements in transformative technologies such as artificial intelligence, big data, and the Internet of Things is crucial. By fostering an environment conducive to experimentation and breakthroughs, Vietnam can position itself at the forefront of technological progress, thereby fortifying the competitive edge and operational prowess of its industries.

Furthermore, nurturing and advancing e-commerce platforms constitute a strategic imperative. Facilitating the establishment and expansion of robust e-commerce systems through governmental and affiliated support will enable enterprises to seamlessly penetrate international markets. By capitalizing on the burgeoning opportunities in global trade, Vietnam can substantially augment its export potential and amplify its economic resilience.

In tandem with these efforts, enhancing international collaboration emerges as a pivotal strategy. Vietnam must proactively forge stronger partnerships with global counterparts to amplify its imports and exports. Active engagement in free trade agreements and international organizations will serve to dismantle trade barriers, while fostering mutually beneficial alliances that unlock fresh avenues for market expansion and growth.

Lastly, sustained investment in energy and infrastructure stands as an indispensable cornerstone of Vietnam's economic strategy. By directing resources towards renewable energy sources and modern transportation networks, Vietnam can bolster its production capabilities and amplify its export potential. This strategic allocation of resources will not only curtail production and logistics costs but also enhance the competitiveness of Vietnamese goods and services in the global marketplace, thereby ensuring sustainable growth and prosperity in the digital era.

### CONCLUSION

The digital era brings Vietnam significant opportunities to develop imports and exports. However, to seize these opportunities, Vietnam needs comprehensive solutions to address challenges such as the shortage of skilled labor, incomplete technology infrastructure, cybersecurity threats, intense competition, and trade barriers. By investing in human resource development, improving technology infrastructure, ensuring cybersecurity, enhancing business competitiveness, and promoting international integration, Vietnam can effectively develop imports and exports in the digital era, contributing to economic growth and international integration.

### REFERENCES

1. Banking Academy (2024), Report on the Vietnamese Banking Sector in 2023, Part 1 Macroeconomics, Adaptive Transformation - Overcoming Major Waves.
2. General Statistics Office (2023), Imports and Exports in 2023 Strive for Recovery, Creating Momentum for Breakthrough in 2024.
3. Hoang Duc Than et al. (2022), Some Solutions to Promote Vietnam's Goods Exports by 2030, Communist Journal.
4. Le Quoc Hoi et al. (2022), Impact of Digital Transformation Strategy on the Performance of Export Enterprises in Vietnam, Ha Long University Science Journal.
5. Ministry of Industry and Trade (2023), Vietnam Import-Export Report 2022, Hong Duc Publishing House.
6. Nguyen Thi Trang, Nguyen Thi Huyen (2023), Situation and Solutions for Vietnam's Import and Export of Goods in the First 10 Months of 2023, Journal of Industry and Trade.