

## **VIETNAM – EU COMMERCE TRADE: OPPORTUNITIES AND CHALLENGES FOR VIETNAMESE ENTERPRISES**

**Duong Thi Tinh**

University of Economics and Business Administration, Thai Nguyen city, Vietnam

[tinhvinh@gmail.com](mailto:tinhvinh@gmail.com)

### **Abstract**

*Over the past years, with a large export market, the EU has always been an important trading partner of Vietnam. Bilateral trade relations between the two sides have been constantly strengthened and developed. In order to create an important premise for opportunities and business capacity of Vietnamese enterprises in the context of integration with the world economy, it is necessary to evaluate the achievements and shortcomings that need to be overcome in Vietnam – EU trade relations. This article analyzed the current situation of Vietnam – EU trade relations in the period 2006-2016, assessed the opportunities and challenges as the basis for Vietnamese enterprises to develop strategies, have thorough preparations for highly effective integration as well as promote Vietnam – EU trade relations in the future.*

*Keywords: Vietnam, EU, International Integration, Trade Relations, Import-Export, Cooperation*

### **INTRODUCTION**

Bilateral economic relations between Vietnam and the EU were formally established in October, 1990. After more than 27 years, this relationship has grown rapidly, moving from trade and aid to equitable partnerships and comprehensive cooperation, deepening alliances in all fields. This is a great contribution to the economic development and international integration of Vietnam.

The signing of a comprehensive partnership and partnership agreement between Vietnam and the EU (PAC) on 27 June, 2012 is a testament to the comprehensive, profound and significant development that has made the relationship between Vietnam and the EU to a new height. In addition, the two sides officially started negotiating free trade agreement (FTA) in June, 2012. The negotiations have now reached the final stage. During the 11th round of talks

in Brussels, Belgium, in October 2014, Vietnam and the EU achieved positive results in many areas. The 12th negotiation round of the Vietnam-Japan FTA (EVFTA) was held in Hanoi in March 2015, the prospects and benefits that EVFTA will bring to the two partners are enormous. To further strengthen the economic and trade relationship between Vietnam and these countries, apart from the existing relations with France and Germany.

This is an important driving force for Vietnam and the EU to move towards new goals in setting relationship and cooperation. The two sides also reiterated that the EVFTA between the EU and Vietnam will soon be signed because the agreement is comprehensive and bilateral, bringing important benefits to businesses from both sides. This is the basis for the EU and Vietnam toward greater cooperation in promoting trade, eliminating tariffs and non-tariff barriers, developing services, attracting investment and development domestic production and business. For the EU, Vietnam is no longer a developing country but a newly industrialized country and a "big tiger" in Asia. This will force the EU to pay much more attention to economic and trade relations with Vietnam as EVFTA is evaluated positively. Vietnam should also show strong economic reforms, improve environmental standards, strengthen workers' rights, focus on motivating and supporting Vietnamese businesses to take advantage of opportunities, overcome difficulties, toward stability and development.

The analysis of the current situation of trade relations between Vietnam and the EU is absolutely necessary in order to assess the opportunities and challenges for Vietnamese enterprises. This is a basis for proposing appropriate policy implications to help businesses improve their business capacity integrate deeply with the world economy as well as continue to promote trade relations of Vietnam-EU to new heights.

## RESEARCH METHODOLOGY

*Method of collecting information:* Data on value of turnover, market structure of Vietnam - EU import and export goods and services are collected, aggregated from the General Statistics Office of Vietnam and other information related to Vietnam - EU trade relations in books, textbooks and resolutions had been published.

*Method of information Synthesis and processing:* From the collected data and information, the information has been classified in a structure way reflecting Vietnam - EU trade relations in the period of 2006 - 2016. At the same time, data on value of export turnover, market structure were evaluated and compared over the years, in order to analyze the opportunities and challenges faced by Vietnamese enterprises.

*Descriptive statistics methodology:* intended to statistical data and description of data, data collected on value, density, growth rate. The article used comparative analysis method,

clarification of differences or comparative increase and decrease over the years to evaluate the results of trade exchange of Vietnam - ASEAN, as a basis for proposing policy implications.

## RESEARCH RESULTS

### The results of trade between Vietnam and EU over ten years (2006 - 2016)

In the context of unpredictable changes in the world economy, the world economy and trade face the difficulties of the economic crisis in Europe and some countries. The situation of domestic production and business also encountered many difficulties. In order to achieve the goals set by the Party and the State, the Prime Minister have signed the Decision No. 2471/QĐ-TTg dated 28/12/2011 approving the "Strategy on import and export of goods in period of 2011-2020, towards 2030 "with the overall goal of" total merchandise exports to 2020 increase more than 3 times in 2010, per capita reached over \$ 2,000, balanced trade balance"

With a stable political environment, effective management and appropriate policies of the State in difficult periods, the country's foreign trade has achieved remarkable achievements. This is especially true for export of goods in the context of global trade decline. In particular, over the past years, the EU-Vietnam trade relations have developed rapidly and efficiently. The EU is Vietnam's third largest trading partner after China and the United States and has become a close partner contributing to the economic growth of Vietnam. EU accounts for 74.7% of the total export turnover to the European market.

In the period of 2006 - 2016, the import - export turnover of Vietnam - EU increased more than 5 times, from USD10.1 billion in 2006 to USD45.1 billion in 2016. Export from Vietnam to the EU increased from \$ 7.0 billion to \$ 34.0 billion and imports from the EU into Vietnam increased from \$ 3.1 billion to \$ 11.0 billion. This is a bright spot in the picture of integration and socio-economic development of Vietnam in the period 2006-2016.

Table 1: Import-export turnover of Vietnam - EU

Year	Export from Viet Nam to EU		Import of Viet Nam from EU		Net Export (1000 USD)
	Volume (1000 USD)	Increase (%)	Volume (1000 USD)	Increase (%)	
2006	7.093.970	28,5	3.129.152	21,2	3.964.818
2007	9.096.358	28,2	5.142.400	64,3	3.953.958
2008	10.895.815	19,7	5.581.509	8,5	5.314.306
2009	9.402.289	-13,7	5.343.332	-4,2	4.058.957
2010	11.385.478	21,1	6.361.722	19,0	5.023.756
2011	16.541.306	45,2	7.745.841	21,7	8.795.465

2012	20.301.968	22,7	8.791.010	13,4	11.510.958
2013	24.324.121	19,8	9.425.636	7,2	14.898.485
2014	27.895.464	14,6	8.842.652	-6,1	19.052.812
2015	30.937.312	10,9	10.426.448	17,9	20.510.864
2016	34.031.043	10,0	11.086.019	6,3	22.945.024

Table 1...

*(Source: Calculation of the author based on the information from General Statistic of Vietnam)*

The value of exports and imports of Vietnam - EU increased over the years. Trade balance always reached the status of trade surplus in 2006-2016. In 2006, Vietnam had a trade surplus of \$ 3.9 billion by 2016, an increase of \$ 18.9 billion; equivalent to the export surplus is \$ 22.9 billion. It can be seen that Vietnam strives to promote broader and stronger trade liberalization as well as to increase market access to the EU to create new breakthroughs in export growth.

The export structure of Vietnam to the EU has been changed in a positive way, both in terms of quality and value. From low-processed and semi-processed agricultural products, Vietnam has exported a wide range of consumer goods, labor intensive goods, including mechanical and electronic equipment, footwear, hats, textiles, plastics, rubber, coffee, plant products, agricultural products, wooden furniture ... with high and stable value. In 2006, the composition of Vietnam's exports to the EU was raw or semi-processed goods, accounting for 24.7% of total export value, equivalent to USD 1.7 billion. The ratio of raw and semi-processed products is only 11.2%, decreasing by 13.5% compared to 2006, the group of processed products increased by 88, 8% equivalent to \$ 29.2 billion, the remaining composition of other groups accounted for a low proportion. This is an encouraging result for the export structure, improving quality as well as better suited to the increasing demand of EU countries.

The structure of Vietnamese imported products from the EU, the value and proportion of processed or refined products still dominate and gradually increase over the years. In 2016, they accounted for 86.1% of the total import value. From the EU, USD 9.5 billion increased by USD 6.9 billion compared to 2006, including goods such as mechanical and electronic equipment, transport equipment and means, chemical products , food processing, beverages, cigarettes, optical devices, watches, musical instruments, medical devices, plastics and rubber are all high value added industries with scientific content. High levels of processing and processing should be those that do not directly compete with domestic goods but meet the needs of Vietnam. Thus, the imports and exports between Vietnam and the EU are complementary to each other quite high, in other words, the structure of imports and exports between the two sides does not compete directly. This is considered as the potential, promising potential for each side in the next years.

Table 2: Structure of import and export of Vietnam - EU

Year	Rough or new preliminary		Processed or refined		None of these	
	treatment products		products		two types	
	Volume (1000 USD)	Weight (%)	Volume (1000 USD)	Weight (%)	Volume (1000 USD)	Weight (%)
<b>Export of Viet Nam</b>						
2006	1.753.238	24,7	5.338.824	75,3	1.908	0,03
2007	2.445.370	26,9	6.650.519	73,1	469	0,01
2008	2.958.508	27,2	7.922.266	72,7	15.041	0,14
2009	2.597.012	27,6	6.804.019	72,4	1.258	0,01
2010	2.779.500	24,4	8.604.732	75,6	1.247	0,01
2011	3.593.419	21,7	12.947.424	78,3	463	0,00
2012	3.578.137	17,6	16.723.831	82,4	-	-
2013	3.364.274	13,8	20.959.004	86,2	843	0,00
2014	4.203.133	15,1	23.691.384	84,9	947	0,00
2015	3.740.305	12,1	27.196.489	87,9	517	0,00
2016	4.826.266	11,2	29.204.175	88,8	602	0,00
<b>Import of Viet Nam</b>						
2006	424.522	13,6	2.687.145	85,9	17.485	0,6
2007	513.830	10,0	4.588.412	89,2	40.158	0,8
2008	762.844	13,7	4.658.726	83,5	159.939	2,8
2009	885.748	16,6	4.440.454	83,1	17.130	0,3
2010	980.394	15,4	5.364.513	84,3	16.815	0,3
2011	1.134.563	14,6	6.587.260	85,0	24.017	0,4
2012	1.331.633	15,1	7.449.341	84,7	10.036	0,2
2013	1.314.981	14,0	8.100.148	85,8	10.507	0,2
2014	1.424.534	16,1	7.406.930	83,8	11.188	0,2
2015	1.620.124	15,5	8.800.693	84,4	5.631	0,1
2016	1.518.784	13,7	9.545.062	86,1	22.172	0,2

(Source: Calculation of the author based on the information from General Statistic of Vietnam)

The Agreement (EVFTA) has a separate chapter with strong commitments on trade and sustainable development, including labor and environmental issues directly related to trade relations. It is a trade that plays an important role in growth, job creation and sustainable development. These are the core standards that the ILO Convention provides for workers. In addition, there are commitments to support the sustainable conservation of natural resources such as wildlife, forests and fisheries. Corporate social responsibility as well as cooperation

mechanisms on commercial ethics Equality and fairness are also emphasized and specific measures are taken to ensure the full implementation of commitments, including mechanisms to ensure the participation of all economic sectors and communes and the independent environment of both Vietnam and the EU. In addition, EVFTA also creates new market access opportunities within the EU for services and investment.

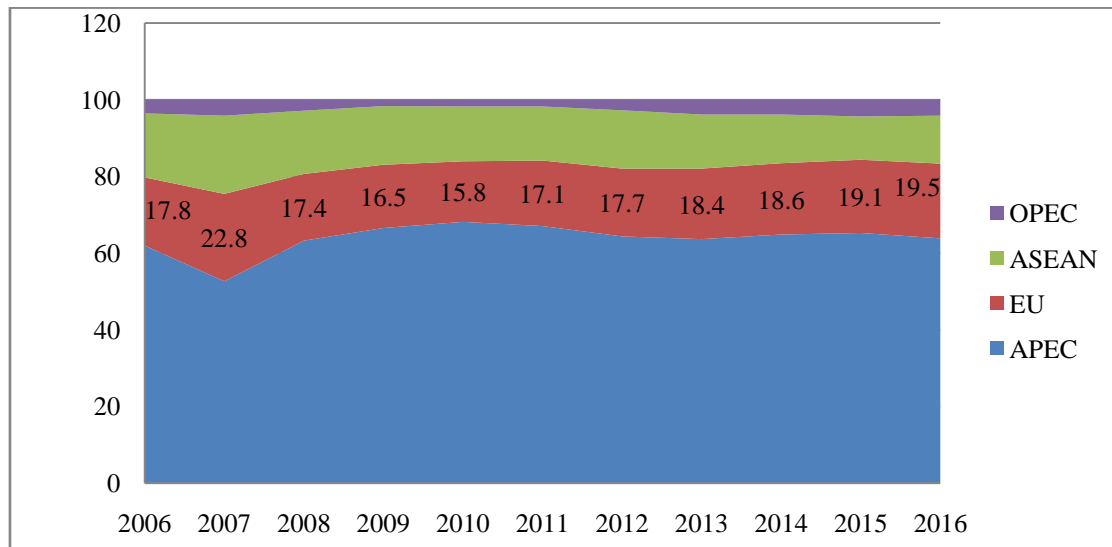


Figure 1. Structure of Vietnam's export market by economic blocks(%)

(Source: Calculation of the author based on the information from General Statistic of Vietnam)

The export market of Vietnam to the EU accounted for 15.8 - 22.8% of the total export structure of economic blocs, the highest point in the period reached in 2007, accounted for 22.8%. In 2016, it accounted for 19.5%. The export market structure to the EU is quite high, with export to some EU countries such as Germany, England, France, Italy, Netherlands, Spain; two market including Austria and Latvia imported from Vietnam not much but has high development prospects. This reflects the great impact of the EVFTA, which almost eliminates all tariffs in trade between the two economies. Specifically: When implemented, 90% of Vietnamese goods in the EU market will enjoy the tax rate of 0%. The most popular products exported in Vietnam are the products that have been shaped in the EU market such as textiles, footwear, agricultural products, and processed foods. Notably, non-tariff barriers will be relaxed on items such as instant noodles, preserved pastries and vegetables.

However, the structure of export market to EU of Vietnam has increased erratically over the years. In addition, Vietnam must accept trade liberalization in the fields of financial services, post and telecommunications, express and transportation, and the removal of many tariffs. This is also a concern of Vietnamese enterprises.

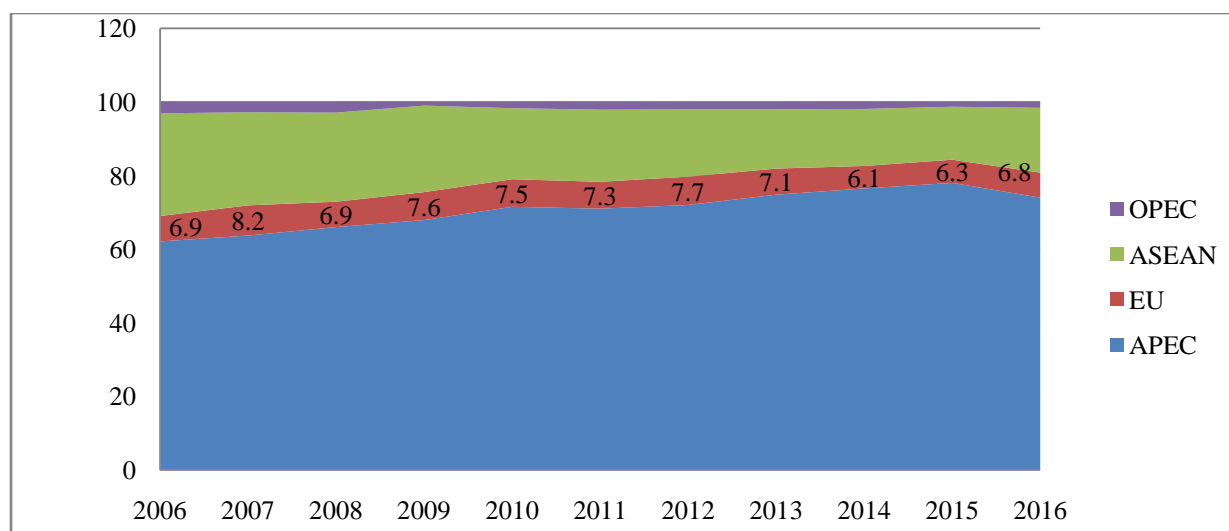


Figure 2. Structure of Vietnam's import market by economic blocks(%)

(Source: Calculation of the author based on the information from General Statistic of Vietnam)

The structure of the EU import market for goods in Viet Nam accounts for 6.1 - 8.2% of total imports of goods into Vietnam from the economy blocks. According to negotiators as well as leading economists in Vietnam and EU: with EVFTA implementation, Vietnam's export turnover to the EU will increase by 35-40%, whereas EU exports to Vietnam will increase 25-30% compared to today, which is impressive growth index for both sides. Of course, the index does not provide EVFTA itself, the question is how the Vietnamese enterprises as well as businesses of the 28 EU Member States how to prepare themselves and how to operate EVFTA, the problem the rest is just time.

The outcome of the trade relations between Vietnam and the EU in the period 2006-2016 is a very important mark marking a new evolution in the EU's relations with Vietnam. The relationship between Vietnam and the EU is developing in both breadth and depth, bringing many benefits and opportunities to businesses from both sides. However, in order to develop Vietnam-EU sustainable trade relations, apart from the opportunities Vietnam has received, it is necessary to assess the challenges to overcome, especially for Vietnamese enterprises.

## OPPORTUNITIES AND CHALLENGES FOR VIETNAMESE ENTERPRISES

### Opportunities

- Trade relations between Vietnam and the EU will be strongly developed, our country has the opportunity to become a transshipment area for EU trade in the region. This will accelerate the process of economic restructuring, transforming the positive growth model of Vietnam. When



EVFTA is signed and expected to come into force in 2018, Vietnam could become the EU's largest trading partner in the ASEAN region.

- Commitments and regulations agreed upon by Vietnam and the EU will create a more favorable business environment, with the implementation of commitments under the EVFTA on institutional and policy issues beyond the boundary line. Gender, business environment and policies, laws of Vietnam will change; improve in a way that is more transparent, convenient and more in line with international practices. Long-term, profound impact and create a solid foundation for Vietnamese businesses to benefit from the Agreement

- Vietnamese enterprises will have the opportunity to expand their market in trade, attract foreign investment in the field of trade, quickly meet the demand of foreign customers, and the level of economic development in the region and the world. Regarding exports, although the EU is currently one of the largest export markets for Vietnam, the market share of Vietnamese goods in this region remains modest due to the competitiveness of Vietnamese products in particular, price competitiveness) is limited. Therefore, if more than 99% of EVFTA tariffs are removed, businesses will have more opportunities to increase their price competitiveness when imported into this important market area. The sectors that are expected to benefit the most are the key export sectors of Vietnam, which currently maintain high tariffs for the EU such as textiles, footwear and agricultural products. On the import side, Vietnamese enterprises will also benefit from imported goods and raw materials with good quality and stability with more reasonable prices from the EU. In particular, businesses will have the opportunity to have access to machinery, equipment, technology / technology from EU countries, thereby improving productivity and improving the quality of their products.

- Goods and services imported from Vietnam into Vietnam will create a competitive pressure for Vietnamese enterprises to boost their business and raise the capacity of Vietnamese enterprises, especially small and super small one; promote export of goods, cutting down import costs, lowering production costs, and increasing labor productivity as Vietnam expands free trade agreements with the EU in line with the trend of speeding up reforms, opening of Vietnam. Vietnam's small, medium and micro enterprises also have the opportunity to participate deeply in the global and regional value chain. Many Vietnamese enterprises have grown up and developed into economic groups, not only occupying the domestic market but also exporting to other countries and investing abroad.

In addition, Vietnamese businesses can attract FDI from the EU, increase the number of exports, create jobs for workers and increase GDP. This is only possible for Vietnamese enterprises to take advantage of the opportunity to enter into international trade agreements in order to attract internal resources for industrialization, to create innovation for the state to



change the removal of barriers, as well as the bottlenecks of the economy and the restructure of the economy.

- Online services provided by the European Commission to create favorable conditions for developing country enterprises to export goods to the EU market.

This service is available free of charge in English, French, Russian, Portuguese, Spanish and Arabic. Through the information and data provided, enterprises can easily analyze market demand, competitiveness, policies as well as strict regulations on the quality of goods when exporting goods to Europe.

- International marketing has many advantages to promote and apply on many aspects such as marketing export goods, marketing services, investment marketing ... Vietnamese enterprises will accumulate much experience in organizing management companies, experience in market research and strategic planning, especially experience developing international marketing-mix strategies. As businesses gain access to more customer groups with more diverse and diverse needs, there are more opportunities for accelerating exports to the global marketplace.

## Challenges

Through trade relations between Vietnam and EU opens up great opportunities, but Vietnamese enterprises will also face many challenges with some reasons:

- Requirements on rules of origin may be difficult to meet: Normally, goods requiring tariff preferences under the FTA must meet a certain internal content ratio (material originating in the EU and / or Vietnam). This is a big challenge for Vietnamese enterprises because the raw materials for export production are mainly imported from China or ASEAN.
- EU-imposed standards are among the strictest and most difficult to achieve with the highest costs in the world. Strict environmental and animal welfare (SPS) regulations are always a challenge for developing countries in general and for Vietnam in particular. Thus, EVFTA can set Vietnam closer to dumping, subsidizing and using trade remedies. With some of its export strengths, the EU will require the reduction of non-tariff barriers, first of all eliminating subsidies from the Government of Vietnam.

Therefore, Vietnamese enterprises must comply with the provisions on hygiene, environment, labor and technological process. This will make it difficult for Vietnamese small and medium enterprises to meet the requirements due to their limited technical and financial capacity, and inadequate products for sale in the market. Meanwhile, EU businesses are very experienced, have the reputation and advantages both in technology and management, this situation makes many small and medium enterprises in Vietnam, even just for market production will also face

the threat of forced downsizing, or bankruptcy. Therefore, even with the benefit of tariffs, Vietnam's goods must also improve in quality in order to overcome these barriers.

- The risk of trade remedies: Normally, when tariff barriers are no longer an effective means of protection, enterprises in import markets tend to use more anti-dumping measures devaluation, anti-subsidy or self-defense to protect the domestic industry. The risk of businesses facing anti-dumping lawsuits is more frequent and broad. However, this sector of domestic enterprises has little experience of handling, but EU is one of the "traditional" markets using these tools.

- The competitive pressure from EU goods and services, opening the Vietnamese market for goods and services from the EU means that Vietnamese enterprises will have to compete harder in the domestic market;there will even be some sectors that have to narrow production because they are not competitive. In fact, this is a big challenge because EU businesses have advantages over Vietnamese companies in terms of competitiveness, market experience as well as the ability to make use of FTAs.

- At the same time, the EU enterprises can easily establish 100% foreign-owned enterprises operating in Vietnam and engage in sectors where Vietnam currently has no strengths, or is in the development stage. Initially, such as logistics, seaport, some consumer goods with the management experience, quality superiority of the EU companies, the risk of Vietnamese enterprises to bear in mind is quite clear. However, Vietnam's commitment to openness is a roadmap, especially for sensitive product groups, so EVFTA is also an opportunity and reasonable pressure for Vietnamese enterprises to adjust and change their directionto improve business and competitiveness.

- The challenge of technology in research, innovation and global application. In the whirlwind of technological revolution, enterprises in developed countries are and will be struggling to win the dominance and monopoly of modern technology. Vietnamese enterprises must find a breakthrough effective to push back the risk of technology lag, in addition to the challenge of technology, innovation and global application. In the whirlwind of technological revolution, enterprises in developed countries are and will be struggling to win the dominance and monopoly of modern technology. Vietnamese enterprises must find a breakthrough effective to push back the risk of technology lag.

- Finally, the signing of the Vietnam-EU FTA also poses a threat to Vietnamese businesses being annexed, as well as increasing the risk of Vietnam falling into the "trade liberalization trap" if the domestic economy does not exist extensive reforms.

This paper analyzes the current status of trade relations between Vietnam and the EU in the period of 2006-2016 with many positive achievements. It also assesses the opportunities and challenges of Vietnamese enterprises when developing trade relations with the EU. It can be

seen that it is necessary to take advantage of opportunities to enhance this relationship in terms of breadth and depth. But Vietnam also needs to develop strategies and integration methods to overcome the difficulties and challenges faced by EU codes of conducts. In particular, for Vietnamese enterprises always have to breakthroughs to survive and develop further. However, some related issues that have not been analyzed in this article and need to be considered in the coming time such as enhancing the competitiveness of Vietnamese enterprises in the context of trade relations. Studying regulations and regulations in the agreement (EVFTA) to build a good business strategy, the issue of foreign direct investment of the EU in Vietnam also needs for further research. Studying for Vietnamese enterprises to grasp opportunities, assessing the sustainable challenges in integration, that are some urgent matters should be studied in the future.

## CONCLUSIONS AND POLICY SUGGESTIONS

The results achieved in the trade relationship between Vietnam and the EU reflect the trade balance of Vietnam with trade surplus, the structure of goods moving in a positive direction, the exchange market is expanding, this is Important achievements show that Vietnam will become the most promising business destination in Southeast Asia. This is not only because Vietnam has the potential but also the focal point of the ASEAN market in the future, especially when the ASEAN economic community is formed by the end of 2015. Vietnam will become a viable bridge between the two group: the EU and the ASEAN. As a result, Vietnam's position has been enhanced in international trade relations as well as with the EU in order to meet the legitimate needs of domestic and European businesses doing business in Vietnam. Especially, it brings many big opportunities for Vietnamese enterprises to develop business and trade, but also bring many challenges. To help businesses integrate further into the EU market and enhance the trade relationship between Vietnam and the EU, it is necessary to identify and analyze the opportunities and challenges that come from EVFTA, in order to make the best use of this agreement. The Government as well as businesses should implement some solutions as follows:

### On the side of the State

Actively enter into joint recognition agreements and equivalence agreements in each specific case with the EU, step by step removing tariff and non-tariff barriers. The achievement of such agreements, especially in areas where Vietnam's exports have real or potential access to the EU market, will bring the producers, exporters The advantages and disadvantages of this approach are likely to be equivalent or even greater than EVFTA's important tax concessions.

In addition, the state needs to help businesses raise awareness in dealing with non-tariff barriers, or negotiate with importers to help them overcome barriers. For example, the EU market places new standards on chemicals used in imports from Vietnam, but the EU is also willing to cooperate with Vietnam to help businesses grasp these new features.

Besides supporting and facilitating the export of Vietnam's main products to the EU (agricultural products, minerals and labor-intensive consumer goods) with quality, design and consumption the government also has to actively increase the proportion of high-tech products, including through joint ventures, outsourcing to European businesses and step by step building the brand. Vietnam for exports to the EU; to attach importance to the import of advanced technologies from the EU in association with the transfer of technologies, particularly in the field of information technology and biotechnology, through foreign policies already committed between the Vietnamese and EU governments. , agreements reached between Vietnamese businesses and businesses in the EU through the consensus of the two governments.

Carry out wide dissemination of EU economic and trade policies, regular information on EU market policy for businesses of all economic sectors, seminars, conferences, Developing EU websites to introduce EU markets to businesses and enterprises.

Set up a project to build Vietnam trade centers in the EU member countries, in which the Vietnamese community in Europe is encouraged to support and cooperate with the domestic construction industry. To set up distribution channels for goods and services of Vietnam in the EU, attaching importance to products bearing Vietnamese trademarks and geographical indications of Vietnam, which shall be distributed directly to end-users.

Proposing plans to restore or open more air routes for passenger transport and transport of goods directly from Vietnam to EU Member States and vice versa, and to work towards the signing of the Aviation Agreement with the European Commission Europe (aiming at building Vietnam into a hub of Europe-Asia routes).

### **On the enterprises' side**

As mentioned above, the objectives and the list of negotiations for the EVFTA Agreement are not limited to the traditional areas such as trade in goods and services, but also in other areas, including: Intellectual property, public procurement, sustainable development ... Therefore, the business community should actively update information on market opportunities provided by EVFTA, especially information on tax incentives. Consider the value added of domestic goods, services and other technical barriers. From there, contribute ideas during the negotiation of the EVFTA Agreement to ensure legitimate interests.

It is also important that enterprises make efforts to renovate technology equipment, improve product quality ... to assert their position at home and take advantage of opportunities to reach the EU market.

Vietnamese enterprises should continue to exploit inter-sectorial trade with the EU. Therefore, businesses should continue to focus on investing in commodity groups with comparative advantages, especially two commodity groups that have the potential to gain the most from increased exports including shoes, Textiles. Taking advantage of opportunities to develop intra-industry trade with EU businesses, diversify products, and improve the quality of products in the food, beverage and livestock sectors to take advantage of the horizontal intra-industry trade with the EU.

Vietnamese businesses need to have solutions to diversify the import and export market, learn more about niche markets in the EU, be it small but dynamic markets, and speed up the trade with Vietnam. In order to reduce dependence on key markets. it is important to develop a mechanism for coordination and exchange of information between the Government and enterprises related to the EU market in general and EVFTA in particular in order to help Vietnam better prepare for its integration with the EU when the EVFTA officially effective.

## REFERENCES

General Statistics Office (2008, 2010, 2016), Statistical Representative, Hanoi.

Ministry of Industry and Trade (2015), Report on the performance of tasks in 2015, deployment of tasks in 2016 of the industry and trade, Hanoi.

Nguyen Anh Thu, Andreas Stoffers (2015), "Prospects for Vietnam and Germany in the context of ASEAN and EU economic integration", the 40th anniversary of diplomatic relations between Vietnam and Germany (1975- 2015), Tri Thuc Publishing House, Hanoi.

The Central Executive Committee (2016), Resolution No. 05-2017 / NQ-TW of November 1, 2016 on a number of major undertakings and policies to further renew the growth model, labor productivity and competitiveness of the economy. The fourth meeting of the Central Committee of the XIIth Party Central Committee, Hanoi.

Vietnamese Government (2011), Decision No. 2471 / QD-TTg dated 28/12/2011 approving "Import-Export Strategy for the period of 2011-2020, orientation to 2030", Hanoi.

Vietnamese Government (2017), Resolution No. 19-2017 / NQ-CP dated February 6th, 2017 on continuing to implement the major tasks and solutions to improve the business environment, raise the national competitiveness in 2017, orienting to in 2020, Hanoi.

Vo Thanh Thu (2008), International economic relations, Statistical Publishing House, Hanoi.