



STRENGTHENING TRADE ACTIVITIES THROUGH THE INTERNATIONAL BORDER GATE IN LAO CAI PROVINCE, VIETNAM

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Abstract

The article analyzes the import and export situation of goods through Lao Cai and Ha Khau international border gates in the period of 2017 - 2019. The authors assess factors affecting commercial activities through two international border gates above and propose specific solutions to promote commercial activities through the international border in Lao Cai province. The research results show that the import and export activities have gradually developed in Lao Cai province. The infrastructure system at the border gate areas has been gradually completed in a synchronous and modern direction, serving the needs of goods import and export. The development and growth of import-export activities at high speed has become a driving force for other fields to develop (tourism, domestic trade, industry, agriculture...) province's GRDP growth. Research also proposes some recommendations for state agencies to effectively

implement the proposed international trade promotion solutions to promote trade in goods between Vietnam and China over pairs of international border gate of Lao Cai – Ha Khau and in the future.

Keywords: trade, goods, export, import, international border gate, Laocai province

INTRODUCTION

In recent years, Lao Cai has transformed strongly, gradually becoming the socio-economic center of the Northwest region. Lao Cai's economy has grown tremendously and achieved many important results. The average GRDP growth rate in recent years has always remained at double digits; industry developed strongly; Trade in Services; economic tourism at the border gate has high growth, is a breakthrough field; Trade exchange, especially import-export activities at Lao Cai international border gate took place quite bustling. Import-export activities have gradually developed in accordance with the orientation and viewpoint of the Central Government as well as of the province, which is to gradually reduce import-export activities at auxiliary border gates, openings and gradually increase at international border gates. The infrastructure system at the border gate areas has been gradually completed in a synchronous and modern direction, serving the needs of import and export goods. Operations at the border gate have made a lot of progress; administrative procedure reform in order to simplify administrative procedures in each field of state management is being promoted; Lao Cai's business and investment environment (PCI index) in the past period has always been in the top of the country. The development of trade activities between Lao Cai and Yunnan has contributed to consolidating and developing the traditional friendly neighborly cooperation between Vietnam and China; accelerate growth, expand commodity consumption markets, improve people's material and spiritual life, and consolidate security and defense in border areas.

However, the scale of trade through the Lao Cai - Ha Khau border gate is still lower than that of some northern provinces such as Quang Ninh and Lang Son and also accounts for a small proportion of two-way trade between Vietnam and China. (In 2019: The value of import and export goods of Lao Cai reached 3 billion USD, that of Quang Ninh reached 10.5 billion USD, that of Lang Son reached 14.3 billion USD and that of Vietnam and China reached 106.6 billion USD); export products of the province are still very modest and added value is not high (such as steel billet, yellow phosphorus, apatite ore, iron ore, agro-forestry products...); a system of specialized warehouses and yards to preserve agricultural and aquatic products has not yet been invested. The logistics infrastructure is still fragmented and small, leading to a

variety of agricultural products, fruits, and aquatic products that are often stuck at the border gate and not preserved in time; The work of monitoring and forecasting the market, collecting and processing information on mechanisms, policies, and markets, especially the market information of the Chinese side, have not met the requirements at times.

RESEARCH OBJECTIVES

The objectives of the study are providing a valid analysis of the actual status of import and export activities of Lao Cai and Ha Khau border gates to help Leaders of Lao Cai province and relevant agencies correctly identified the current situation of goods trade activities through Lao Cai - Ha Khau international border gate with specific strengths and limitations, and propose solutions to improve trade in goods and services, promote trade in goods between Vietnam and China through the Lao Cai - Ha Khau international border gate in the coming time.

RESEARCH METHODOLOGY

The research uses secondary data in combination with descriptive and comparative statistical methods to analyze and compare indicators and economic phenomena that have been quantified with the same content and similar properties. Through calculating ratios, comparing information from different sources, comparing over time, comparing according to space to get accurate comments on the current situation of import and export of goods and services through two border gates Ha Khau and Lao Cai .

The author applies qualitative analysis methods to interpret the data, and relate the causes from practice to the content of Lao Cai's advantages in trade with China. Statistical and comparative methods was also used. Using time-series data and at a point in time to make vertical and cross-sectional comparisons between different types of trade through international border gates.

Secondary information was collected through references, research works on international trade in Vietnam and in the world , general socio-economic indicators published at the General Statistics Office and the General Statistics Office. Lao Cai Statistical Office . These documents will be used as a theoretical and practical basis to analyze the current situation and factors affecting the import and export activities of goods through Lao Cai and Ha Khau international border gates. The author decided to choose the data in the period of 2017 – 2019 because of the available of secondary data and avoiding the impact of Covid-19 since 2020.

The data collected was organized and was subsequently analyzed using descriptive statistics.

ANALYSIS AND DISCUSSION OF FINDINGS

Export turnover of goods in Lao Cai province

In the past years, Lao Cai province has implemented many synchronous measures to create favorable conditions for businesses and transport business units to carry out procedures quickly and clear customs on time. This has contributed to increasing two-way trade activities at Lao Cai border gate.

Table 1: Export turnover of goods through Lao Cai border gate in the period from 2017 to 2019

Year	Value of exported goods (Billions VND)	Speed up and down (%)
2017	621,534.606	+ 73.07
2018	1,036,293.402	+ 66.73
2019	1,851,480,000	+ 78.66
Average	617,712,609.34	+72.82

Source: Lao Cai Border Gate Customs Branch

According to statistics in 3 years (2017-2019), the value of goods exported through Lao Cai international border gate has continuously increased rapidly. Specifically, in 2017, the value of goods exported through Lao Cai international border gate was only VND 621,534,606 billion, but in 2018 it increased to VND 1,036,293,402 billion, equivalent to 73.07% compared to 2017. As of the end of the day. On December 31, 2019, the value of goods exported through Lao Cai border gate reached VND 1,851,480,000 billion, up 78.86% compared to 2018. With the average increase in 3 years reaching 72.82%, it shows remarkable results of the team. officers and forces at the border gate as well as the trust of businesses in trading goods through this border gate.

Import turnover of goods in Lao Cai province

In parallel with the export turnover of goods, the import turnover has also taken place quite actively at Lao Cai international border gate in recent years. The value of goods imported through Lao Cai border gate in the past 3 years has increased rapidly, with an average increase of 14.91%.

Table 2: Turnover of goods imported through Lao Cai border gate in the period from 2017 to 2019

Year	Value of imported goods (Billions VND)	Speed up and down (%)
2017	538,368.560	+1.84
2018	603,732,381	+12.14
2019	789,440,000	+30.76
Average	464,570,249.85	+14.91

Source: Lao Cai Border Gate Customs Branch

The above data shows that in 2017, the import turnover of goods through Lao Cai international border gate reached VND 538,368,560 billion, an increase of 1.84% compared to 2016, but by 2018 the value had increased to VND 603,732,381 billion, an increase of 12.14 % and by 2019, the value of goods imported through Lao Cai international border gate reached VND 789,444,000 billion, an increase of over 30% compared to 2018.

Trade balance of import and export through Lao Cai international border gate

In fact, export and import trade turnover through Lao Cai international border gate in the past 3 years has increased significantly. The increase is not only in terms of the value of goods transported, but also in the range of goods.

Unit: Billion VND

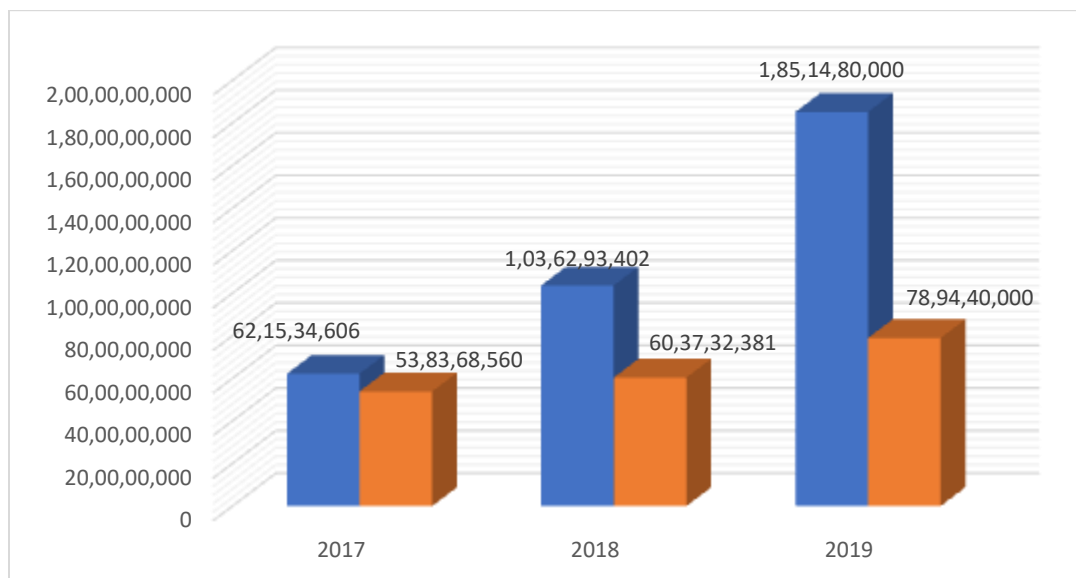


Figure 1: Import and Export value of goods in Lao Cao province from 2011 - 2019

Source: Lao Cai Border Gate Customs Branch

The figure above shows that the trade balance of border import and export activities at Lao Cai international border gate has always had a trade surplus over the years. Import and export goods and cross-border exchanges are very rich and diverse, reflecting quite fully the structure of import and export goods in Vietnam - China trade in general. In particular, the main export goods are agro-forestry-fishery products such as sugar, rice, cassava and products of cassava, fresh fruits of all kinds (watermelon, lychee, banana, dragon fruit, mango, etc.). Imported goods also include two main groups: raw materials, fuel, materials and inputs necessary for production such as fertilizers of all kinds, tobacco raw materials, coke, chemicals. ... machinery and equipment, means of transport, electronic goods, food, consumer goods and electricity.

However, the actual survey shows that the import and export situation at Lao Cai international border gate fluctuates unevenly between months of the year, in some months the volume of import and export goods is too large, and in other months, the volume of import and export goods is too low. This also makes it difficult to regulate and carry out the operations of the authorities. It can be said that this is also a characteristic and a difficult problem for international border gates in general and Lao Cai international border gate in particular.

Structure of goods imported and exported via road at Lao Cai international border gate

In recent years, the structure of goods imported and exported through the border gates of Lao Cai province is still mainly unprocessed (or newly processed) raw materials, so the export value is not high and the export value is not high. agricultural and forestry products such as: dragon fruit (Binh Thuan, Long An, Tien Giang); Lychee (Bac Giang); Pineapple, Banana (Lao Cai); Pepper (Lam Dong); Watermelon (Quang Nam); cassava and cassava products... in addition, there are export items such as iron ore, fertilizer, chemicals (yellow phosphorus)... Meanwhile, goods are imported from China through international border gates. Lao Cai is still mainly raw materials and supplies for production such as coke, chemicals, fertilizers, industrial machinery and equipment, ferro alloys, agricultural products (vegetables, tubers, fruits)... supply to the national market.

Table 3: The flow of goods exported and imported through the international road border

Year	Import		Export		TNTX		Transit		TOTAL (ton)	Comparison (%) Increase (+), Decrease (-)
	Volume	Quantity (ton)	Volume	Quantity (ton)	Volume	Quantity (ton)	Volume	Quantity (ton)		
2017	57	4,011,696	75	1,102,627	47	73,673	27	7,323	5,195,319	+112.41
2018	54	2,724,566	67	1,164,722	34	24,993	15	4,034	3,918,315	-24.58
2019	48	2,599,279	58	782,923	10	52,859	06	1,762	3,436,283	-14.03

Source: Lao Cai Border Gate Customs Branch

The above data also showed that the difference in trade balance between exports and imports at Lao Cai international border gate has increased rapidly in recent years. If in 2017, the trade balance between the value of exported goods and the value of imported goods was +83,166,046 billion VND, then by 2018 the value of goods exported through Lao Cao international border gate was greater than the value of goods exported through Lao Cai international border gate (about +432,561,021 billion) and by the end of 2019 the trade balance between exported and imported goods was VND 1,062,040,000 billion. The increase in the two-way trade balance at Lao Cai international border gate shows the efforts not only of the whole political system of Vietnam but also a recognition of the efforts in the policy of trade in goods between the province. Lao Cai and some border provinces of China, especially Yunnan province.

Table 4: Structure of goods exported and imported through international border gates

Ord	Items	2017		2018		2019	
		Quantity (Tons)	Value (USD)	Quantity (Tons)	Value (USD)	Quantity (Tons)	Value (USD)
1	Dragon fruit	237,225	151,979,079	636,175	412,954,230	828,227	773,643,238
2	Cassava	83.512	17,050.650	116,612	21,587.515	202,361	47.375.322
3	Watermelon	15,014	5,244.642	13,632	5.230,849	37,910	17,546,236
4	Banana	726	1,413,990	6.056	3.574.698	23.465	13,836,427
5	Litchi	8.607	2.517.052	15.768	8,150,334	13,395	58,323,660
6	Pepper	-	-	29,558	87,919,344	57,444	139,884.776
7	Vegetables	478,343	44,039.763	577.153	63.569.373	357.085	65,740.982
8	Fertilizer	493,940	131.103.140	601.899	198,186.180	525.815	131,890.967
9	Chemistry		38,648,570		28,671,904		33,762,581
10	Coke	258,885	93.942.886	360,664	149,801.633	260,874	94.123,114
11	Iron & Steel	45.318	4,951.210		3,746,757		5,005.655
12	Plaster		331,495	14,998	561.565	13.146	712,017

Source: Lao Cai Border Gate Customs Branch

According to statistics, the number of goods as well as the total volume of goods imported and exported through the international road border gate No. II Kim Thanh has tended to decrease in the past 3 years. Specifically, the number of exported items in 2017 was 54 types, corresponding to 4,011,690 tons, by 2019 the number of items decreased to 48 types, corresponding to 2,599,279 tons. Similarly, import goods also decreased from 75 types in 2017 to 58 types in 2019. For temporarily imported goods for re-export and transit goods also decreased respectively during this period from 47 types to 10 types. and from 27 to 6 categories. Thus, the overall assessment shows that the volume of imports and exports through the international road border gate No. II Kim Thanh has decreased significantly in volume from 5,195,319 tons in 2017 to 3,436,283 tons in 2019. To be able to overcome this situation, the province needs to implement many synchronous solutions such as developing export-import development support services such as warehousing systems, processing, processing and packaging facilities that have not yet met the demand. Transportation services by cross-border vehicles have shortcomings. The province's import-export enterprises are mainly small, medium and micro enterprises with limited capacity; Many businesses do not understand the border trade policy, leading to many inappropriate opinions, affecting the import and export management.

Besides road, railway is also considered as the main means of transporting commercial goods between Vietnam and China through Lao Cai international border gate. However, while the road mainly transports goods such as agricultural products and vegetables, the railway mainly transports goods that are raw materials and inputs such as fertilizers and machinery.

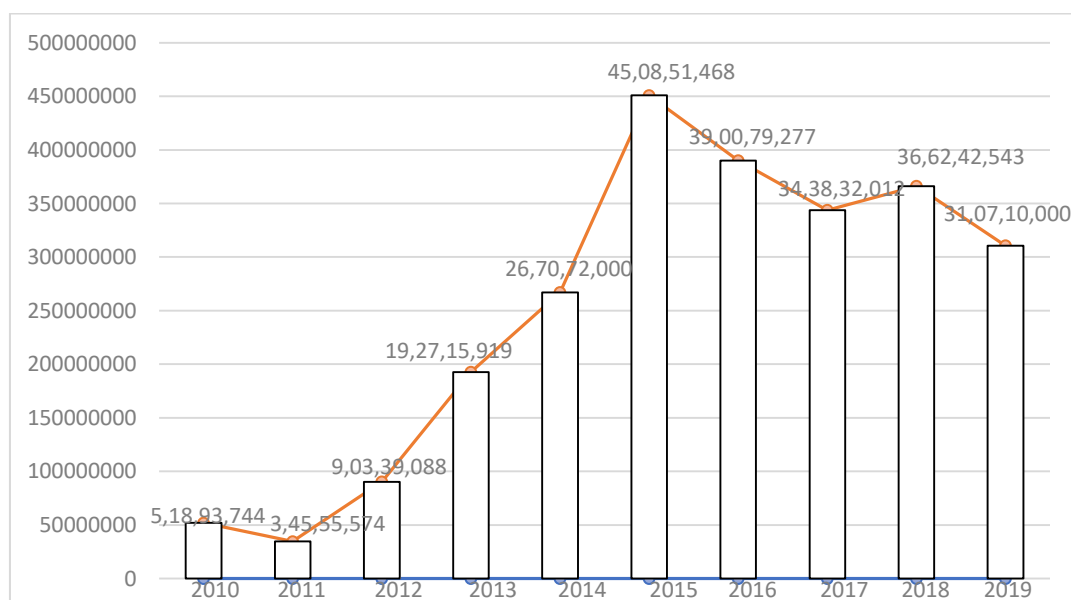


Figure 2: Import and Export value of goods via railway in LaoCai province

Source: Lao Cai Border Gate Customs Branch

The chart above shows that there is an increase in the value of goods imported and exported by railway through Lao Cai international border gate from 2010 to 2019. However, from 2010 to 2015 the value of transported goods by rail has continuously increased over the years from VND 51,893,744 billion in 2010 to VND 450,851,468 billion in 2015. From 2016 onwards, the value has tended to decrease, specifically the value of imported and exported goods by rail in 2016 decreased to VND 390,079,277 billion and continued to decrease to VND 343,832,012 billion in 2017 before slightly increasing to VND 366,242,543 in 2018 but this figure fell to VND 310,710,000 billion in 2019.

As for the volume of goods imported and exported via railway, there are fluctuations from year to year. The number of export and import items both decreased. If in 2017, the number of exported goods by rail decreased from 2 to 1, the number of imported goods also decreased from 10 to 8. This decrease can be explained because the border trade policy between Vietnam and China is still different, so import and export activities are difficult and unstable. In particular, Vietnam's policies in recent years have also changed continuously and the implementation has to go through many levels and sectors, leading to limited flexibility and reduced market opportunities of businesses.

The volume of goods imported and exported through Lao Cai railway international border gate has also changed markedly from year to year. Specifically, the export volume of goods in 2017 was only 127 tons, increased to 1,098 tons in 2018 but decreased to 660 tons in 2019. For imported goods, there was also a slight fluctuation from 294,351 tons in 2017 decreased to 282,836 tons in 2018 and increased to 311,872 tons in 2019. Similarly, in goods temporarily imported for re-export, the volume of goods fluctuated greatly from 4,282 tons in 2017 to 201,367 tons in 2018 before decreased to 30,575 tons in 2019. The fluctuation in the number of items and the volume of goods passing through the international railway border gate in recent years also caused difficulties for the planning and implementation of the projects objectives of the Customs sector of Lao Cai province. To be able to create more stability for both rail and road commercial activities, it requires the attention of the Government through the agreement and signing of an agreement with China. Besides, local authorities also need to do a good job of exchanging and negotiating with the Chinese border province.

If comparing the value of goods imported and exported by road and rail through Lao Cai international border gate, the value of import and export by rail is significantly lower than by road. However, this still cannot deny the role of import and export trade exchange between Vietnam and China for the type of railway, because according to the assessment, transportation by rail will save 20 % shipping cost compared to shipping by road.

Factors affecting import and export activities

Technical infrastructure in the border gate area

Technical infrastructure is a factor that greatly affects trade activities in general and import-export activities in particular. Currently, Lao Cai's infrastructure and techniques have been invested and planned quite comprehensively, which contributes to promoting import-export trade activities of the province. Specifically, 3 areas have been invested and planned in recent years:

Lao Cai international road border gate area Ho Kieu II bridge with an area of 4,12404 ha, including: Central area of border 22 gate management center: 15,778 m ; riverbank and campus: 4,721.4 m ; the area around the Mau Temple: 5,407 m ; Inspection zone A: 7,300 m ; Inspection zone B: 8,043 m .

The area of Kim Thanh II International Border Gate with an area of 91.5 ha, including: land in the border gate area: 81.04 ha; in which, land in the isolated area (Inter-sectoral control house, service land, inspection yards, parking lots, landscape trees,...); land outside the isolated area (administrative land, general services and warehouses, landscape trees,...); land for Kim Thanh Commercial - Industrial Zone: 10.46 ha.

Lao Cai railway international border gate area

Lao Cai international station is a train station of class I. Currently, the station has 16 roads (2 areas). It is allowed to perform the double operation of receiving and sending ships on road 1+2+3+4+5 in the first area ; has just implemented train consolidation on all roads in the second area . The longest road is about 481m.

- Passenger service equipment: Basic platform next to road No. 1 (400m x 4m x 0.3m) and intermediate platform between road 2 and road III (400m x 3m x 0.3m). 22
- Equipment for the goods: 01 yards of schools with an area of 1,400 m , 04 yard line with a total area 10,900 m , 01 warehouses with an area of 1,200 m .
- In addition, in the station, there is a place for ambulance trains, rescue teams, medical stations; equipment used to adjust locomotives and wagons (roadway to repair wagons).
- The cargo yard of Lao Cai station is cramped and degraded, limiting the loading and unloading and storage of goods.

Transportation infrastructure

Lao Cai border gate economic zone is the gateway connecting China 's economic zones with Lao Cai. Meanwhile, Lao Cai is an important gateway connecting the Kunming - Lao Cai - Hanoi - Hai Phong economic corridor.

In the area of Lao Cai border-gate economic zone, there are three types of traffic by road, rail, and waterway. National transport routes (road, railway) run through the area with high traffic density, directly or indirectly affecting the provision of transport infrastructure services in the Lao border gate economic zone. Cai.

Road Traffic: The transport network of Lao Cai connects to the national transport network through National Highway 70, National Highway 4D, National Highway 4, National Highway 4E and especially the Lao Cai - Hanoi Expressway (CT05). In addition, Lao Cai also has 611.7km of provincial roads that play an important role in linking development areas in the province together. However, only 2/3 of these are asphalted and permeated with asphalt, the rest are gravel roads and dirt roads, especially in the rainy season, landslides and subsidence often occur in many areas. The route makes traveling difficult. The road traffic system of Lao Cai border gate economic zone connects to the transport network of Lao Cai province and surrounding areas through National Highway 70, Lao Cai - Hanoi expressway, National Highway 4, National Highway 4D, National Highway 4E. By connecting with traffic routes in the region, the road transport system of the study area can be connected with Lai Chau province, Ha Giang province, which is an important focal point in the Kunming economic corridor. – Hanoi – Hai Phong.

Railway traffic: Lao Cai has the rail Hanoi - Lao Cai (total length 296km) run through the province is 62km long route's second most important after the Vietnam Railways Unified railway. Currently this route has been upgraded, renovated in 2012 and is C whopping classified government projects key traffic works. The project includes restoring and upgrading 73 weak bridges and renewing 6 bridges, box culverts, Mai Tung station; upgrade and renovate the system of upper floors and crossroads; The roadbed of the whole route is reinforced, especially focusing on the slip points..., with the total cost of the project is 160 million USD (equivalent to 2,552 billion VND). Completing the project and putting it into use, contributing to ensuring the safety of train operation; at the same time, shorten the train running time on the route by about 70 minutes and improve the transport capacity on the Hanoi - Lao Cai route to 5 million passengers/year and 7.5 million tons of cargo/year.

Water way traffic: Lao Cai has 107 rivers and streams running through the province, with 3 main river systems: Red River (with a length of 120 km running through Lao Cai territory), Chay River (with a length of 124 km running through the province). However, due to the steep topography of the river bed, there are many rapids and waterfalls, so the navigation of Lao Cai is still limited. Riverways in Lao Cai province are created by nature, in the rainy season from May to September, the water level on the river flows rapidly, in the dry season from October to

April, the river dries up with many exposed rapids, only a few small vehicles. tons of navigable on each river section.

Air traffic: Currently, the province is investing in the construction of Lao Cai airport at Cam 3 and Cam 4 villages, Cam Con commune, Bao Yen district with a total planning area of 261 hectares. The location is 34 km from Lao Cai city, direct traffic connection with Noi Bai - Lao Cai highway, ensuring conditions for upgrading the airport to 4C class (ICAO), qualified to operate aircraft of this type. A320, A321-200. In the period to 2025, Lao Cai airport has a capacity of 560,000 passengers/year and 600 tons of cargo/year. In the period to 2030, Lao Cai Airport will increase its capacity to 1,585,000 passengers/year and 2,880 tons of cargo/year with 5 aircraft parking positions. The port will also be planned to build many more important items, such as: commercial area, service, cargo terminal... The 4C airport in Lao Cai will be enough to meet the demand for flights to all domestic airports and some international airports such as: Jakarta (Indonesia), Singapore, Malaysia, Kunming (China) and Vienchan (Laos).

Opportunity of trade activities through Lao Cai - Ha Khau international border gate

Lao Cai - Ha Khau international border gate is a "bridge" in the economic corridor of Kunming - Lao Cai - Hanoi - Hai Phong - Quang Ninh. The geographical, economic, infrastructure, preferential mechanisms and policies for the border gate economic zone of Lao Cai province, along with the Chinese policies for the Southwest region have and is giving Lao Cai a great opportunity to play a role in the development of the economic corridor and the socio-economic cooperation relationship between Vietnam and China. Lao Cai border gate economic zone is not only a bridge connecting Vietnam but also the ASEAN region with the Southwest market, China, located in the center of the North-South Corridor in GMS cooperation. Strengthening economic cooperation with Yunnan province in particular and the Southwest region, China in general is an opportunity to turn Lao Cai SEZ into a center of free transshipment of goods and services for the economic corridor. It is a favorable space for the development of China-ASEAN free trade, becoming a typical example of economic, cultural and social development in the integration period.

Lao Cai's economic zone has been identified by the Prime Minister to develop into a dynamic economic zone on the economic corridor adjacent to China in the period of comprehensive integration of Vietnam (Decision No. 40/2016/ Decision-TTg dated September 22, 2016). This is the basis for Lao Cai province to develop detailed planning of functional subdivisions of the border gate area and at the same time attract investors and businesses to Lao Cai border gate for investment, production and business.

Along with the conditions of rich mineral resources with large reserves (over 150 mines with 35 types of minerals); The terrain is quite rich, the climate is tropical monsoon, suitable for temperate crops (such as apples, pears, peaches, plums, medicinal plants, off-season vegetables, cold water fish farming...) with the development of tropical fruit trees suitable for highquality agricultural development... is the basis for Lao Cai province to develop key export products of the province in the coming time such as: Steel billets, Phosphates, Phosphorus, rolled copper products, tea, fruit.

The development of industrial zones, industrial clusters and the process of urbanization create favorable conditions for the formation of consumer demand and modern and civilized commercial forms such as commercial centers, supermarkets, and convenience stores. selected, contributing to change the face of the province's commercial sector.

Infrastructure is invested and upgraded in line with the requirements of economic development, creating favorable conditions for the development of a network of various types of commerce. The new formation and upgrading of the transport network in the future will help save time and material costs, reduce the cost of goods circulation, and enhance economic exchanges between Lao Cai and localities in the future.

The labor force is increasing, a part of the population, scientific and technical staff and managers initially approach the market, organize management and apply new technologies. This is also an advantage for commercial development.

With the position and role of Yunnan province in China's "Belt and Road" initiative, Lao Cai has opportunities in trade and investment development, taking advantage of capital from the infrastructure development investment fund infrastructure in China.

Challenges of trade activities through Lao Cai - Ha Khau international border gate

Along with the above advantages, Lao Cai also faced with many challenges in promoting import and export activities through the province, which include:

The economic institutional reform has not yet met and kept pace with the requirements of the implementation of commitments to international economic integration. The acceleration of the process of negotiation, signing and implementation of international commitments has not yet created pressure for innovation in the country, especially in terms of economic institutions and administrative reform. Although there have been many policies and laws for integration and implementation of commitments under the WTO and FTAs, there is still a lack of specific and effective policies to implement major undertakings and tasks on promoting internal resources, developing domestic enterprises, agriculture and rural areas, supporting industries, human resource development, science and technology...

The process of opening up, even according to the roadmap, with major trading partners may cause some domestic manufacturing industries to not be able to adapt to complex, even unfair competition (such as dumping of goods and services), receiving subsidies) of goods imported from abroad. Vietnam's exports are also subject to trade remedies applied by other countries with a high frequency. The lawsuits are not only against goods with export strengths but also with goods with low export turnover. This can have a direct negative impact on the manufacturing and export industries and indirectly pose socioeconomic burdens.

The competitiveness of the economy, enterprises and key products is still low and under pressure to compete with foreign enterprises and products in the domestic market. The spillover effects on technology and skills of the FDI sector in Vietnam are still weak. Some manufacturing sectors are protected for too long, restricting competition and even participation in global production networks and value chains. Small and medium-sized private enterprises have not developed strongly, supporting industries have not yet developed, and their ability to receive positive spillover effects from FDI is still limited.

The laws on international economic integration are asynchronous and lacking. The organization and implementation of guidelines and resolutions of the Party and the State's laws on international economic integration are not strict and drastic. The level of management capacity and economic management of domestic enterprises is still weak. That limitation has a negative impact on increasing resources for the country's socio-economic development.

A focal point on international economic integration in some ministries, departments, branches and localities has not yet paid attention to the stage of coordination and consultation with action programs on international economic integration. Therefore, the implementation of the international economic integration work has not achieved the desired results.

The population life of the province in particular, and of the whole Northern mountainous region in general, although still facing difficulties, has always been focused on improving, along with the population size of the region increasing, creating purchasing funds and the demand for daily distribution services increasing in quantity as well as in quality, creating favorable conditions for Lao Cai trade to develop.

Lao Cai province has a low economic starting point, low level of population income, capital, science and technology level; small production scale, low production level, undeveloped consumer goods industry leading to limited supply for circulation in terms of quantity, structure and quality, overall competitiveness still low. The population's income and consumption are not strong enough for production and market development.

Challenges in the investment environment such as infrastructure, institutions, legal system, law enforcement, efficiency and effectiveness of management... are also obstacles to

commercial development. Far from major economic centers of the country, weak socio-economic infrastructure, especially the transportation system, both external and intra-provincial traffic, makes it difficult to organize production, especially circulation and consumption of goods and services. This is a challenge for Lao Cai in reducing production and business costs and attracting investment.

The biggest challenge for the commercial development of the province comes from the limited human resources: Labor qualifications, as well as the low proportion of trained workers. The majority of laborers work in agriculture or simple labor. People's awareness and understanding about trade and increasing commerciality for products is still low, the products produced are seasonal, the quality cannot meet the requirements of industrial processing. People mostly participate in trading to find the price difference mainly they do not have awareness and skills about professional distribution services. The habit of subsistence production and consumption hinders commercial development in terms of both supply and demand of the market.

The international environment is constantly changing, the instability of the world economy, the problem of price increases, and inflation have strong and negative effects on the Vietnamese economy, especially manufacturing and trading enterprises. Besides, changes in policies of countries in the region, especially China are also a big challenge.

CONCLUSIONS

After nearly 30 years of construction and development, Lao Cai has made a strong breakthrough, becoming a well developed province in the Northwest region of the country. In recent years, the province's economic growth has always maintained at double digits, ranking among the top provinces in the Northern Midlands and Mountains. This is a key condition, motivation and belief for Lao Cai to continue to make a breakthrough.

In addition to the achievements, trade activities through Lao Cai - Ha Khau international border gate also revealed the following limitations:

Firstly: The growth rate of import-export turnover through Lao Cai - Ha Khau international border gate is quite high but the scale is still small, not commensurate with the potential, strength is the gateway of the Kunming economic corridor - Lao Cai Hanoi - Hai Phong - Quang Ninh. The basic structure of import and export goods has not changed in the past period, the main export goods are still raw and semi-processed products with low value-added content.

Second: Initially, some key export products of the province were formed thanks to the advantages of natural resources (such as apatite ore, iron ore, agro-forestry products...) but the export of deep-processed products is still very modest (steel billet), yellow phosphorus, tea),

some export items with great value depend entirely on the State's resource management policy in each period (such as mineral products).

Thirdly. Although the infrastructure system at the border gate has been invested in, it is still lacking in quantity, poor in quality, and largely unable to meet the current operational requirements. The system of specialized warehouses and yards to preserve agricultural and aquatic products has not yet been invested. The logistics infrastructure is still fragmented and small, leading to a variety of agricultural products, fruits, and aquatic products that are often stuck at the border gate and not preserved in time.

Fourthly. The work of monitoring and forecasting the market, collecting and processing information on mechanisms, policies, and the market, especially the market information of the Chinese side, has not been able to meet the requirements of the Chinese side at times. Sometimes, the export and consumption of goods is difficult and passive when the Chinese side changes policies and strengthens management.

In our research, the authors have systematized the theoretical basis of international trade, analyzed the current situation of import and export of goods through Lao Cai and Ha Khau border gates; analyzing the strengths, weaknesses, opportunities and challenges of import and export activities at the two border gates above. Analyze the factors affecting the import and export of goods through the border gate and propose some solutions on mechanisms and policies, in which the focus is on financial mechanisms and policies related to investment incentives, resources capital for development of border gate economic zone, import-export policy and cooperation policy with the Government of Yunnan province, China . In addition, local authorities need to focus on a number of solutions to develop border infrastructure; strengthen trade promotion measures; reforming administrative procedures and training, attracting human resources for import and export, especially not ignoring solutions to protect the environment, towards sustainable development and ensuring national defense and security.

LIMITATIONS

Firstly, this study analysed the situation of trade in Lao Cai province through Ha Khau and Lao Cai international border gate only. Hence the conclusions are drawn mostly applicable to this area and the results of the study might not be generated to other province because of location differences.

Secondly, the research only focused on the trade of goods only, which is lacking of comparison with other trade through border in other province in Vietnam such as Lang Son or Quang Ninh, which have simillarity in the border condition.

SCOPE FOR FUTURE RESEARCH

The future research may cover wider range, in longer period, with the comparisons of different provinces or countries. The researcher could also add more dimensions to measuring the factors that affecting the quality and amount of trade by quantitative method such as EFA or CFA and try to take in to consideration the impact of Covid-19 to trade balance in Lao Cai and Vietnam.

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