

THE IMPACT OF THE EUROPEAN UNION–VIETNAM FREE TRADE AGREEMENT AND THE EUROPEAN GREEN DEAL ON VIETNAMESE EXPORTS

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ABSTRACT

In this study, the researcher focuses on exploring the impact of the European Union–Vietnam Free Trade Agreement and the European Green Deal on Vietnamese exports. This article used qualitative methods, including collecting and analyzing secondary data. The objective is to understand the requirements and standards set by the European market and the advantages that the free trade agreement impacts on the quality and competitiveness of Vietnamese export products. This study is interested in evaluating the potential for improving product quality and enhancing competitiveness in Vietnam's export industry to take advantage of the free trade agreement and also to meet the requirements of the European Green Deal. In addition, the article will also analyze the challenges that Vietnamese export businesses must handle. Beside that, this research also provides policy guidelines and strategic decisions to enhance Vietnam's export capabilities to the European market.

Keywords: *European green deal (EGD), European Union–Vietnam Free Trade Agreement (EVFTA), Vietnamese export*

1. Introduction

The signing and implementation of the European Union–Vietnam Free Trade Agreement (EVFTA) and the European Green Deal (EGD) marks a significant milestone for Vietnamese exports when attacking the European market. These agreements, aimed at fostering economic cooperation and sustainable development, hold immense importance for Vietnam, the EU, and the global economic landscape.

This article aims to provide a comprehensive overview and analysis of the EVFTA and the EGD, exploring their implications, challenges, and opportunities for both Vietnam and the EU. By examining the provisions, impacts, and potential outcomes of

these agreements, this article aims to shed light on their significance and urgency in the current geopolitical and economic context.

In the following sections, we will delve into the key components of the EVFTA and the EGD, discussing their implications for various sectors including trade, investment, environment, and social development. Additionally, we will analyze the potential challenges and opportunities arising from the implementation of these agreements, as well as their broader implications for global trade and sustainable development.

Overall, this article seeks to contribute to a better understanding of the EVFTA and the EGD, providing valuable insights for policymakers, businesses, and

stakeholders involved in shaping the future of economic cooperation and sustainable development between Vietnam and the EU.

2. Theoretical background

2.1. European Green Deal

According to Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions (European Commission, 2019), this Communication sets out a European Green Deal for the European Union (EU) and its citizens. It resets the Commission's commitment to tackling climate and environmental-related challenges that is this generation's defining task. The atmosphere is warming and the climate is changing with each passing year. One million of the eight million species on the planet are at risk of being lost. Forests and oceans are being polluted and destroyed.

The European Green Deal is a response to these challenges. It is a new growth strategy that aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy where there are no net emissions of greenhouse gases in 2050 and where economic growth is decoupled from resource use.

The environmental ambition of the Green Deal will not be achieved by Europe acting alone. The drivers of climate change and biodiversity loss are global and are not limited by national borders. The EU can use its influence, expertise and financial resources to mobilize its neighbors and partners to join it on a sustainable path. The EU will continue to lead international efforts and wants to build alliances with the like minded. It also recognises the need to maintain its security of supply and competitiveness even when others are unwilling to act.

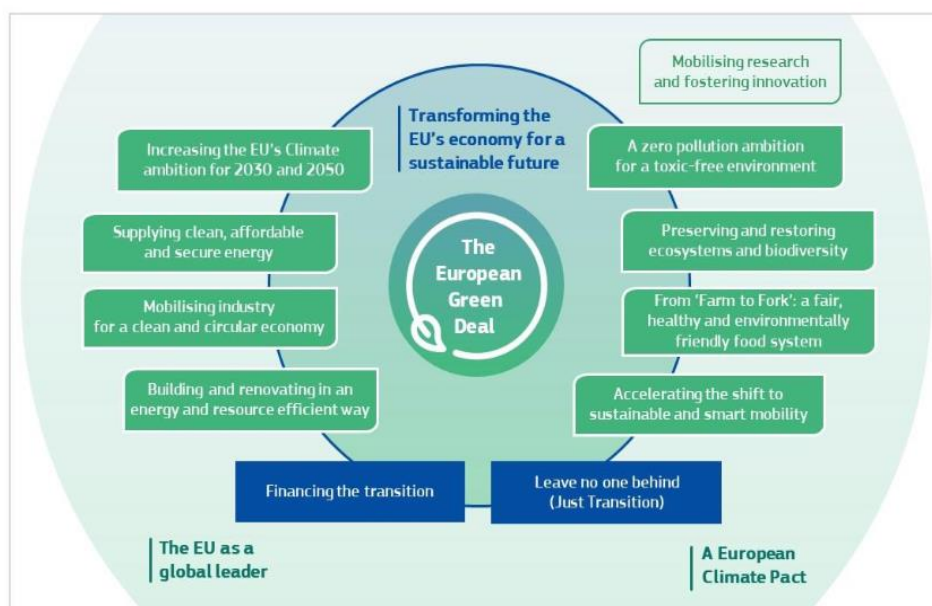


Figure 1: *The European Green Deal (Source: European Commission, 2019)*

Table 1: *Description of the European Green Deal fields activities and scope*

European Green Deal fields	Describing EGD fields
Increasing the EU's climate ambition for 2030 and 2050	Between 1990 and 2018, the EU reduced greenhouse gas emissions by 23%, while the economy grew by 61%. However, current policies will only reduce greenhouse gas emissions by 60% by 2050. By 2020, the Commission plans to increase the EU's greenhouse gas emission reduction target for 2030 to at least 50% and towards 55% compared with 1990 levels in a responsible way. The Commission proposes a carbon border adjustment mechanism, for selected sectors, to reduce the risk of carbon leakage. This would ensure that the price of imports reflects more accurately their carbon content
Supplying clean, affordable and secure energy	Transitioning to clean and renewable energy sources such as solar, wind, hydro, and bioenergy is a cornerstone of the European Green Deal. Setting ambitious targets to achieve climate neutrality by 2050, the deal aims to reduce carbon emissions in the energy sector significantly. The goal is to achieve "net-zero greenhouse gas emissions" by 2050, promoting energy efficiency and investing in research and development of clean energy technologies to drive this transition forward.
Mobilizing industry for a clean and circular economy	Implementing policies for a circular economy lies at the heart of the sustainable industry aspect of the European Green Deal. This involves reducing waste and promoting the reuse and recycling of materials across various sectors. The deal also emphasizes reducing carbon emissions and increasing energy efficiency in energy-intensive industries like steel and cement. Furthermore, it supports innovation and the adoption of sustainable practices in industrial processes, along with investing in clean technologies to foster collaboration between industry stakeholders.
Building and renovating in an energy and resource efficient way	Promoting energy-efficient building practices and renovating existing structures to improve energy performance and reduce emissions are key objectives of the European Green Deal's building and renovation component. This includes advocating for the use of sustainable materials and technologies in construction projects and setting standards to ensure that new buildings meet high energy efficiency and sustainability criteria. Additionally, the deal offers incentives and support for building owners to invest in energy-saving renovations, contributing to overall energy conservation efforts.
A zero-pollution	The European Green Deal sets ambitious goals to eliminate pollution from all sources, including air, water, and soil. This

European Green Deal fields	Describing EGD fields
ambition for a toxic-free environment	involves implementing strict environmental standards and regulations to limit emissions and pollutants across various sectors. Furthermore, the deal emphasizes investing in pollution control technologies and infrastructure upgrades to reduce environmental contamination. Additionally, efforts are made to promote pollution prevention and resource efficiency in industrial processes and activities to mitigate the impact on ecosystems and public health.
Preserving and restoring ecosystems and biodiversity	Protecting and restoring biodiversity is a crucial goal of the European Green Deal, encompassing measures such as reforestation, habitat conservation, and wildlife management. This involves promoting sustainable land use practices that preserve natural ecosystems and minimize habitat destruction. Furthermore, the deal supports efforts to combat biodiversity loss and address the impacts of climate change on ecosystems through international cooperation and collaboration. Additionally, fostering awareness and understanding of biodiversity conservation among the public is essential for achieving long-term sustainability goals.
From Farm to Fork	Focusing on supporting sustainable agriculture practices that minimize environmental impact and promote biodiversity. This involves reducing the use of pesticides and antibiotics in agriculture to protect both human health and the environment. Additionally, efforts are made to encourage healthy and sustainable food choices among consumers through education and awareness campaigns. Furthermore, the deal promotes the adoption of sustainable farming techniques such as organic farming and agroecology to ensure the long-term sustainability of food production.

(Source: author's work based on Communication..., 2019)

Especially from 2023, the EU began piloting new regulations. This poses a significant challenge due to mandatory standard requirements and huge costs. Some new regulations of the EGD:

- CBAM: The EU's Carbon Border Adjustment Mechanism (CBAM) is the EU's tool to put a fair price on the carbon emitted during the production of carbon intensive goods

that are entering the EU, and to encourage cleaner industrial production in non-EU countries. By confirming that a price has been paid for the embedded carbon emissions generated in the production of certain goods imported into the EU, the CBAM will ensure the carbon price of imports is equivalent to the carbon price of domestic production, and that the EU's climate objectives are not undermined.

The CBAM is designed to be compatible with WTO-rules. CBAM will apply in its definitive regime from 2026, while the current transitional phase lasts between 2023 and 2026. This gradual introduction of the CBAM is aligned with the phase-out of the allocation of free allowances under the EU Emissions Trading System (ETS) to support the decarbonisation of EU industry.

- The Regulation on deforestation-free products: on 29 June 2023, the Regulation on deforestation-free products entered into force. The main driver of these processes is the expansion of agricultural land that is linked to the production of commodities like cattle, wood, cocoa, soy, palm oil, coffee, rubber, and some of their derived products, such as leather, chocolate, tires, or furniture. As a major economy and consumer of these commodities linked to deforestation and forest degradation, the EU is partly responsible for this problem and it wants to lead the way to solving it. Under the Regulation, any operator or trader who places these commodities on the EU market, or exports from it, must be able to prove that the products do not originate from recently deforested land or have contributed to forest degradation.

2.2. European-Vietnam Free Trade Agreement (EVFTA)

According to European Commission, the European Union and Vietnam signed a Trade Agreement and an Investment Protection Agreement on 30 June 2019. The agreements provide opportunities to increase trade and

support jobs and growth on both sides by:

- Eliminating 99% of all tariffs;
- Reducing regulatory barriers and overlapping red tape;
- Ensuring protection of geographical indications;
- Opening up services and public procurement markets, and;
- Making sure the agreed rules are enforceable.

The European Parliament gave its consent to both Agreements on 12 February 2020 and the Free Trade Agreement was concluded by EU Member States in the Council on 30 March 2020. The Trade Agreement entered into force on 1 August 2020.

Based on Vietnam National Trade Repository, EU and Vietnam's import tax commitments to partners are as follows:

EU's import tax commitments

According to the commitment, as soon as the Agreement takes effect, the EU will eliminate import taxes on 85.6% of tariff lines, equivalent to 70.3% of Vietnam's export turnover to the EU.

Then, after 7 years, the EU will eliminate import taxes on 99.2% of tariff lines, equivalent to 99.7% of Vietnamese export turnover.

For the remaining 0.3% of Vietnam's export turnover, the EU gives us a tariff quota (TRQ) with an import tax within the quota of 0%.

Vietnam's import tax commitments

Vietnam commits to eliminating import taxes on 48.5% of tariff lines, equivalent to 64.5% of EU export

turnover as soon as the Agreement takes effect.

Next, after 7 years, Vietnam eliminated import taxes on 91.8% of tax lines, equivalent to 97.1% of export turnover from the EU. After 10 years, this level of elimination corresponds to 98.3% of tariff lines and 99.8% of EU export turnover.

For about 1.7% of the remaining EU tariff lines, Vietnam applied a roadmap to eliminate import taxes over 10 years or apply tariff quotas (TRQ) according to WTO commitments.

2.3. Generalized System of Preferences

Based on the United Nations Conference on Trade and Development (UNCTAD), the Generalized System of Preferences (GSP), was instituted in 1971 under the aegis of UNCTAD. The following 15 countries grant GSP preferences: Armenia, Australia, Belarus, Canada, the European Union, Iceland, Japan, Kazakhstan, New Zealand, Norway, the Russian Federation, Switzerland, Turkey, the United Kingdom, and the United States of America.

The objective of UNCTAD's support of GSP and other preferential arrangements is to help developing countries increase utilization of GSP and other trade preferences and in turn promote productive capacity development and increased trade. Such support includes raising awareness and enhancing understanding among exporters and government officials in beneficiary countries of the trading opportunities available under the schemes; strengthening understanding

of technical and administrative regulations and laws governing preferential market access, particularly rules of origin; and disseminating relevant information for users of GSP and other preferential schemes. Support is also provided to providers of preferences in improving their preferential schemes..

3. Current status of Vietnamese export industry based on the signed EVFTA

3.1. Vietnamese export before signing EVFTA

Before the implementation of the Free Trade Agreement between the European Union and Vietnam (EVFTA), Vietnam faced notable strengths and weaknesses in its exports to Europe. Despite steady growth in sectors such as textiles, timber, fisheries, and agricultural products, Vietnam encountered stiff competition from economies within the eurozone, particularly China and Eastern European countries with lower labor costs. Diversification of export products notwithstanding, some Vietnamese goods encountered difficulties in meeting quality and standards requirements, limiting opportunities to access the European market. High export taxes further compounded the challenge, increasing costs and eroding competitiveness against other market players. Additionally, the EVFTA and the EGD set forth quality requirements and standards that Vietnamese enterprises must adhere to in order to access this market.

Table 2: *Export turnover of Vietnamese goods to the EU in the period 2017-2020*

Year	Value (billion USD)	Growth rate
2017	32.92	13.09%
2018	36.01	9.39%
2019	35.79	-0.61%
2020	35.14	-1.82%

(Source: WTO Center - Vietnam Chamber of Commerce and Industry (VCCI))

The EVFTA presents opportunities for Vietnamese businesses by not only reducing or eliminating certain restrictions and tariffs on exports to the EU market but also by providing mechanisms for Vietnam to adapt to the EGD. This includes enhancing manufacturing processes, improving product quality, and ensuring compliance with environmental and safety regulations. Thus, the EVFTA serves not only as a trade agreement but also as an avenue for Vietnam to standardize and enhance its competitiveness in the international market, with the EGD playing a crucial role in this endeavor.

3.2. Vietnamese export after signing EVFTA

After signing the EVFTA, opportunities for Vietnamese goods to enter the European market are open, in

Vietnam's agricultural sector is considered one of the biggest beneficiaries. Rice is not the most exported commodity, but turnover is still increasing steadily year by year. In 2022, rice exports to the EU will reach 94,510 tons, surpassing the EU quota of 80,000 tons per year for Vietnam. (An Nhien, 2023). According to statistics from the Ministry of Industry and Trade, in the period 2020-2023, when EVFTA was signed, exports from Vietnam to the EU have recovered growth, from a decrease of 1.8% in 2020 to an increase of 14.1% in 2021, continuing to increase by 16.8% in 2022 and drop to 5.9% in 2023. However, export turnover in the first 5 months of 2024 to the European market has recovered well, reaching 20.69 billion USD, up 16.1% over the same period last year.

Table 3: *Export turnover of Vietnamese goods to the EU in the period of 2020-2023 and the first 5 months of 2024*

Year	Export value (billion USD)	Growth rate
2020	35.14	-1.8%
2021	40.12	14.1%
2022	46.83	16.7%
2023	44.05	-5.9%
The first 5 months of 2024	20.69	16.1% (compared to the same period last year)

(Source: Vietnam import and export reports 2020-2023 and the first 5 months of 2024, Ministry of Industry and Trade)

In 2020, although the total export turnover for the whole year from Vietnam to the EU decreased by 1.82%, this result is considered much better than the decrease of 5.9% in the first 7 months of 2020. In fact, only in the last 5 months of the year when EVFTA came into effect, exports to this region have turned back to increase at 3.8%, helping to narrow the decline for the whole year. In the context that EU imports from the world in 2020 will decrease by 11.52%, this decrease of Vietnam is considered a positive signal.

In 2021, the first year the Agreement came into full force in all 12 months, exports to the EU achieved a growth rate of 14.1%, significantly higher than the average growth of exports to this market in the period 2018-2019.

In 2022, exports to the EU with an increase of 16.7%, exceeded the increase of 10.6% in overall export turnover to markets (Trang, N.T.T et al, 2022)

As of 2023, the EU is Vietnam's 4th largest trading partner after China, the United States, and South Korea. 2023 is a year full of difficulties and challenges for businesses exporting goods to the EU when market demand declines. According to Eurostat estimates, in the first 10 months of 2023, EU imports of goods from non-bloc markets decreased by 15.7% compared to the same period in 2022 in the context of high inflation causing consumers to tighten spending. Especially reducing demand for non-essential items. Besides, the EU market also sets higher requirements on sustainable development and green

production; Vietnamese goods have to compete increasingly fiercely with exporting countries with similar commodity structures. However, ended 2023 with a positive signal when the rate of decrease in export turnover to the EU market slowed down after each quarter (Vietnam-EU Trade Specialist, Ministry of Industry and Trade of Vietnam, 2023).

Inflation has dropped significantly and consumer confidence indexes across Europe have also stabilized, signs that market demand is likely to recover and the prospects of Vietnam's export of goods to The EU in 2024 will be better with great advantages from the EVFTA Agreement. In fact, the export situation has improved in the first 5 months of 2024 (Ministry of Industry and Trade).

However, after implementing EVFTA, there are still some aspects that are not as expected:

Firstly, taking advantage of Vietnam's FTA incentives to the EU market is not really impressive. The growth rate of export turnover from Vietnam to the EU is lower than the average growth rate of Vietnam's exports to markets with FTAs and from Vietnam to the whole world.

Export growth to each market depends on many factors besides tariffs or FTAs, including internal factors of the export market as well as the competitive situation in that market. However, it cannot be denied that in the general context and similarly influenced by world trade developments, this result shows that perhaps Vietnam's exports to the EU market have not fully exploited

the potential from benefits. FTA position.

Second, the ability of Vietnam's exports to comply with quality, food hygiene and safety (SPS) and technical requirements (TBT) requirements in the EU market is still a question mark.

Recently, many times Vietnamese products (especially food, agricultural and aquatic products) have been warned by the EU, increasing the frequency of inspection due to detection of violations of import market standards. (Trang.N.T.T and everyone, 2022).

Table 4: *Preferential utilization rates under Vietnam's free trade agreements from 2020-2023*

FTAs	Total export turnover (billion USD)				Rate of taking advantage of FTA incentives (%)			
	2020	2021	2022	2023	2020	2021	2022	2023
ATIGA - ASEAN Trade in Goods Agreement	23.1	28.9	34.0	32.6	38.8	40	39.2	41.4
ACFTA - ASEAN-China Free Trade Area	48.9	56.0	57.7	61.2	31.7	33.9	29.3	28.7
AKFTA - ASEAN-Korea Trade in Goods Agreement	19.1	21.9	24.3	23.5	52.1	50.9	50.9	51.9
VKFTA - African Continental Free Trade Area								
AANZFTA - ASEAN- Australia-New Zealand Free Trade Area	4.1	5.2	6.3	5.9	40.2	39.2	39.3	40.4
AJCEP - ASEAN-Japan Comprehensive Economic Partnership Agreement	19.3	20.1	24.2	23.3	37.9	34.7	34.7	32.9
VJEPA - Vietnam Japan Economic Partnership Agreement								
VCFTA - Vietnam - Chile	1.0	1.7	1.7	1.2	65.5	61.8	64.6	40.9

FTAs	Total export turnover (billion USD)				Rate of taking advantage of FTA incentives (%)			
	2020	2021	2022	2023	2020	2021	2022	2023
Free Trade Agreement								
AIFTA - ASEAN-India Free Trade Area	5.2	6.3	8.0	8.5	70	68.7	66.9	72.6
VN – EAEU FTA - Free Trade Agreement between Vietnam and Eurasian Economic Union	3.1	3.2	1.6	1.7	29.6	39	59.4	78.5
Laos - Vietnam - Laos Bilateral Trade Agreement	0.6	0.6	0.7	0.5	11.4	10.3	6.3	9.9
Cambodia - Vietnam - Cambodia Bilateral Trade Agreement	4.1	4.8	5.8	4.9	0	0	0	-
AHKFTA - ASEAN-Hong Kong, China Free Trade Agreement	10.4	12.0	10.9	9.6	0.05	0.1	0.14	0.19
CPTPP - Comprehensive and Progressive Agreement for Trans-Pacific Partnership	34.0	39.7	51.7	50.2	4	6.3	4.9	6.3
VN-Cuba - Vietnam - Cuba Trade Agreement	0.1				0.5	-	-	-
EVFTA - European Union-Vietnam Free Trade Agreement	17.9	40.1	46.8	43.7	14.8	20.2	25.9	35.2
UKVFTA - UK-Vietnam Free Trade Agreement		5.8	6.1	6.3		17.2	23.5	32.4
RCEP - Regional Comprehensive			146.5	146.5			0.67	1.26

FTAs	Total export turnover (billion USD)				Rate of taking advantage of FTA incentives (%)			
	2020	2021	2022	2023	2020	2021	2022	2023
Economic Partnership								
Total	159.5	211.5	233.0	230.5	33.1	32.7	33.6	37.4

(Source: VCCI compiled data from the Ministry of Industry and Trade and the General Department of Customs)

4. Opportunities and challenges for Vietnamese export

4.1. Opportunities

4.1.1. Opportunity from tariff reduction

One of the biggest opportunities that EVFTA brings to Vietnam's exports to the European market is the preferential tariff commitments in this Agreement. Although before EVFTA took effect, when exporting, Vietnam enjoyed preferential tariffs under the EU's GSP mechanism, not all products were eligible.

Tax reductions and most preferential tax rates are not as good as EVFTA. Furthermore, GSP is a unilateral preferential mechanism, the EU can stop or adjust tariff incentives and conditions for preferential treatment at any time, while EVFTA tariff commitments are commitments

Reciprocity between Vietnam and the EU is stable and predictable.

In addition, the preferential tariff level that the EU offers to Vietnam is also the highest level of tariff commitment that Vietnam has achieved from an FTA partner to date (the rate of tax elimination by the end of the roadmap to up to 99.2%, the remaining products also enjoy tariff quotas). EVFTA is even more meaningful for Vietnamese exports when many of

Vietnam's main competitors in Asia and ASEAN do not have FTAs with the EU. (Trang.N.T.T et al, 2021)

4.1.2. Opportunity to cut production costs and improve competitiveness

In the EVFTA, Vietnam also commits to eliminating tariffs for many raw materials and machinery imported from EU member countries for domestic production. This is a great opportunity for Vietnamese businesses to import the best quality machinery and equipment for production at much lower prices than before. Thereby, businesses can improve production processes, and increase productivity and product quality, thereby also contributing to improving the competitiveness of Vietnamese goods compared to other competitors in the region.

4.1.3. Regarding social security

As exports increased, manufacturing activities expanded, resulting in increased job opportunities. The export labor market will also tend to increase shortly, focusing on the fields of skilled labor. EVFTA not only brings opportunities for workers but also can increase workers' wages through more efficient market operations and spillover effects on wages of FDI enterprises.

4.1.4. *Attract EU investors to the Vietnamese market*

The implementation of EVFTA helps Vietnam open the door to attract foreign investors from the EU in particular and foreign investment in general because:

- EVFTA has more commitments on investment openness in the service and manufacturing sectors than the WTO, allowing EU investors to access the wider market;

- EVFTA has institutional commitments and high standard rules that can contribute to making foreign investors in general and the EU in particular more secure with Vietnam's business environment;

- Along with other FTAs, EVFTA expands the production connection network between Vietnam and global partners, promoting consumer production demand, thereby stimulating investment.

- EU's FDI is classified as quality, with high technology transfer content and rate, advanced management methods and high added value creation, making a significant contribution to Vietnam's development.

4.1.5. *Opportunity by European Green Deal*

From a market perspective, this is the best way for businesses to stay one step ahead, early access to the EU's potential green products market with the region's growing green consumer-conscious customer base. At the same time, early adaptation to green requirements in the EU also provides some assurance for the ability of businesses to export to other developed

markets that are also promoting actions to achieve climate goals similar to the EU (such as the US, UK, Japan, Australia...).

From an efficiency perspective, although green transformation may require high initial investment, it can be a factor that helps reduce costs and improve business efficiency for businesses in the long term. Not only that, on the macro level, each enterprise's participation in green transformation will make an important contribution to promoting the green transition process in the domestic economy, thereby contributing meaningfully to the sustainable development of Vietnam itself.

4.2. *Challenges*

4.2.1. *Challenges in meeting rules of origin to enjoy preferential tariffs*

To enjoy EVFTA tariff incentives, Vietnam's export products must meet the EVFTA's rules of origin. However, in reality, many production materials and products in Vietnam still depend on imports, especially from China and some other Asian countries. Therefore, meeting the EVFTA's rules of origin will be a significant challenge for Vietnamese businesses to take advantage of tariff opportunities from this agreement.

4.2.2. *The risk of increased trade defense measures*

The EU is one of the trading partners that uses many trade defense measures on goods imported from foreign countries in general and from Vietnam in particular. In the coming time, with the advantage of tariff reductions from the agreement,

Vietnam's export of goods to the EU is predicted to increase, thereby increasing the risk of facing trade defense measures due to domestic production industries initiated by the EU also increasing.

In addition, EVFTA also allows EU domestic manufacturers to use an additional trade defense measure - bilateral safeguard measures in the period 2020-2030 if tax incentives under EVFTA are met, leading to a situation of massive import of a type of goods from Vietnam into the EU, threatening to cause serious damage to them. Therefore, with EVFTA, in addition to the risks of being sued for anti-dumping, anti-subsidy, and normal self-defense, Vietnamese goods exported under the EVFTA preferential tariff mechanism also face an additional risk, the new trade defense lawsuit is no less complicated.

4.2.3. Vietnam faces increasingly tightening standards and new regulations from the EU

For export-oriented Vietnamese businesses, the immediate risk is that it will be difficult to export to the EU market if they do not meet the increasingly improved standards of the EGD. This is not only a challenge for businesses that have never exported to the EU but also for businesses that have experience in this market, because already familiar standards are changing and complementing each other, supplementing higher requirements. Besides that, the enterprises have to handle technical challenges and the ability to pay or invest in green conversion. Implementing new

regulations and high standards can increase costs for Vietnamese businesses in general, especially economic sectors where production and consumption are associated with many factors that can cause negative impacts on workers and the surrounding environment... Especially, with the majority of businesses being small and micro-scale, with limited capital, technology, and management capacity, and currently in a volatile business period, responding to challenges from The EGD is a very difficult task.

5. Recommendations

5.1. For the Government

To support businesses in Vietnam to overcome the above challenges, the Government needs to raise businesses' awareness of green standards and the benefits of meeting green standards by organizing seminars, training, and providing information about green standards and the benefits of meeting green standards for businesses; Develop guidance documents and handbooks on green standards suitable for each industry; Build an electronic information portal on green standards, providing updated information on EU regulations, criteria and requirements.

In addition, the Government needs to have new preferential policies to support businesses financially such as supporting loan interest rates, subsidizing investment capital for businesses that meet green standards,... Regarding high-tech high-tech techniques are still a shortcoming of businesses, so they need to support technology conversion, apply green production solutions, and organize

training programs on green production techniques for businesses.

Strengthening international cooperation in the field of green production and consumption is a great opportunity for businesses in Vietnam to develop well according to European green standards. Vietnam needs to participate in international forums on green production and consumption and cooperate with countries and international organizations in developing and applying green standards. Thereby encouraging Vietnamese businesses to cooperate with international partners in the field of green production and consumption.

More specifically, administrative procedures need to be further detangled for businesses, and research on the following impact policies is needed:

Firstly, policies affecting the production of export agricultural products, including price subsidy policies for export agricultural products, targeted credit policies for input factors of export agricultural production, capital subsidy policies for investment in machinery, irrigation systems, land policies, agricultural extension...

Secondly, policies affecting the consumption stage in the domestic market, including floor pricing policy for purchasing export agricultural products, tax policy on exported agricultural products, subsidy policy for industries related to the production of agricultural products for export, investment policies in scientific research to serve agricultural product production, investment policies in construction of production and

processing of agricultural products for export.

Thirdly, policies affecting the consumption stage at national borders, including tariff policies, import quotas on materials serving the production of exported agricultural products, export subsidies, and other export taxes, non-tariff barriers, and exchange rate policy.

In addition, regularly update decisions issued as well as changes in the EU green agreement and send capable individuals and organizations to developed countries to learn and acquire knowledge and bring back technology. New technology helps improve production efficiency for businesses.

5.2. For businesses

To overcome their shortcomings, businesses must proactively learn and update information about EU green standards, regularly monitor the EU's official websites on green standards; Participate in seminars and training on green standards organized by the Government and non-governmental organizations.

In addition, businesses need to develop specific strategies and plans to meet green standards. First, it is necessary to determine the green standards that need to be met for the business's products, then conduct an assessment of the business's current capabilities and identify gaps that need improvement. From there, create a specific plan with clear timelines to meet green standards.

In terms of technology, Vietnamese businesses need to apply advanced technologies to help save energy and

reduce environmental pollution; Using environmentally friendly materials in production; Upgrade the enterprise's quality and environmental management system. Good control of waste is one of the big pluses for businesses in terms of green standards.

Finally, businesses should expand relationships by collaborating with researchers and scientists to develop

green products; Cooperate with other businesses in the supply chain to jointly meet green standards; Join green business networks to share experiences and learn from other businesses. The above actions are beneficial for businesses that meet green standards and solve the difficulties that Vietnamese enterprise is facing.

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TÁC ĐỘNG CỦA HIỆP ĐỊNH THƯƠNG MẠI TỰ DO VIỆT NAM – CHÂU ÂU VÀ THỎA THUẬN XANH CHÂU ÂU ĐỐI VỚI XUẤT KHẨU VIỆT NAM

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TÓM TẮT

Trong nghiên cứu này, tác giả tập trung tìm hiểu tác động của Hiệp định thương mại tự do Việt Nam – Châu Âu và thỏa thuận xanh Châu Âu đối với xuất khẩu của Việt Nam. Bài viết này sử dụng các phương pháp định tính, bao gồm thu thập và phân tích dữ liệu thứ cấp. Mục tiêu của tôi là tìm hiểu các yêu cầu, tiêu chuẩn mà thị trường Châu Âu đặt ra cũng như những lợi thế mà hiệp định thương mại tự do tác động đến chất lượng và khả năng cạnh tranh của sản phẩm xuất khẩu của Việt Nam. Nghiên cứu này quan tâm đến việc đánh giá tiềm năng nâng cao chất lượng sản phẩm và nâng cao năng lực cạnh tranh trong ngành xuất khẩu của Việt Nam nhằm tận dụng lợi thế của Hiệp định thương mại tự do cũng như đáp ứng yêu cầu của Thỏa thuận xanh Châu Âu. Ngoài ra, bài viết cũng sẽ phân tích những thách thức mà các doanh nghiệp xuất khẩu Việt Nam phải đối mặt. Bên cạnh đó, nghiên cứu này còn đưa ra những định hướng chính sách và quyết định chiến lược nhằm nâng cao khả năng xuất khẩu của Việt Nam sang thị trường châu Âu.

Từ khóa: *Thỏa thuận xanh châu Âu (EGD), Hiệp định thương mại tự do Việt Nam – châu Âu (EVFTA), xuất khẩu Việt Nam*