

Analysis of Vietnam's Export and Import Activities during the period 2016 - August 2024

Le Ngoc Diem*, Nguyen Thi Ngoc Duyen
Ho Chi Minh City University of Law, Vietnam

KEYWORDS

Economic growth,
Economic integration,
Export and import
activities,
Trade balance.

ABSTRACT

In recent years, global economic fluctuations have intensified, and Vietnam has increasingly integrated into the international market, highlighting the country's growing economic integration. In the context of global trade tensions, the COVID-19 pandemic, and shifting international trade policies, Vietnam's export and import activities have faced both significant challenges and new opportunities, directly impacting its trade balance. This study focuses on analyzing growth in Export-Import Turnover, export market size, and export commodity structure from 2016 to August 2024. The primary objective of this research is to assess the key trends in Vietnam's trade, evaluate the opportunities and challenges affecting import-export activities, and provide actionable recommendations to improve the effectiveness of these activities in supporting national economic growth. The research methodology combines quantitative analysis of official government data with qualitative insights drawn from policy reports and academic studies. The findings show that Vietnam's exports, especially in the manufacturing and agricultural sectors, have seen robust growth, while imports have mainly concentrated on raw materials and production equipment. Despite this, Vietnam's heavy reliance on a limited number of key markets and exposure to global price fluctuations have created economic challenges, influencing its trade balance. The study then presented the advantages, limitations, and solutions for Vietnam's import-export activities. The conclusion suggests that diversifying export markets and increasing added value in exports are essential to ensure sustainability and stable long-term development, contributing to economic growth. The findings offer valuable insights for both businesses and government agencies, enabling them to make informed decisions and develop effective policies to improve Vietnam's international trade activities and enhance its economic growth.

*Corresponding author. Email: Indiem@hcmulaw.edu.vn

<https://doi.org/10.61602/jdi.2025.81.06>

Submitted: 9-Oct-2024; Revised: 5-Dec-2024; Accepted: 11-Dec-2024; Online first: 15-Apr-2025

ISSN (print): 1859-428X, ISSN (online): 2815-6234

1. Introduction

In the context of deepening globalization and robust economic integration, Vietnam's import-export activities have emerged as a critical factor in the country's economic development strategy. Initially, these activities were limited and primarily focused on imports to meet defense needs and production development. However, the Sixth National Congress of the Communist Party of Vietnam (1986) emphasized that "export is the spearhead, playing a decisive role in many economic objectives during the 1986-1990 period and is the main component of all foreign economic relations". Following this, the Eighth National Congress (1996) set forth the goal of building an integrated economy with a focus on exports.

Vietnam began its process of international economic integration and has made significant strides in its import-export activities since joining international economic organizations such as the Association of Southeast Asian Nations (ASEAN) in 1995, the Asia-Pacific Economic Cooperation (APEC) in 1998, and the World Trade Organization (WTO) in 2007. Additionally, the signing and implementation of numerous Free Trade Agreements (FTAs) have facilitated Vietnam's efforts to expand markets, reduce tariff barriers, and enhance the competitiveness of domestic goods in international markets, thereby boosting exports to partner countries.

Thanks to significant changes in policies and development strategies, Vietnam has undergone a remarkable transformation during the period from 2016 to 2023, marked by substantial increases not only in the growth of import-export turnover but also in the scale of export markets and the structure of exported goods. According to data from the Ministry of Industry and Trade, the total value of import-export turnover has nearly doubled, and the trade balance has maintained a surplus for eight consecutive years during this period. Furthermore, Vietnam has seen strong growth in export markets exceeding \$1 billion, while the structure of exports has shifted from raw products to processed goods with higher added value.

However, Vietnam continues to face significant challenges, particularly as the global economy recovers slowly from the downturn caused by COVID-19, experiencing low growth and persistent inflationary pressures that affect consumer demand and economic activity. Additionally, the Russia-Ukraine conflict and the escalating tensions between Israel and Hamas

have disrupted global supply chains. Climate change and environmental barriers imposed by developed countries create both new opportunities and challenges for international trade. Concurrently, strategic competition among major powers and tightening monetary policies impact global investment and consumption. The recovery of the Chinese economy, an important trading partner for Vietnam, remains unstable, and rising financial risks are also factors to consider.

Therefore, the analysis of Vietnam's import-export activities during the period from 2016 to 2023 is essential for a better understanding of the driving and hindering factors affecting development in the import-export sector and its broader impact on the economy. This study will focus on evaluating key trends, identifying advantages and limitations, and proposing solutions to enhance the effectiveness and sustainability of import-export activities. The findings will provide a scientific basis for refining economic development strategies in alignment with global trends and new-generation free trade agreements, while also supporting effective policy formulation and strategy development aimed at sustainable growth and enhancing national competitiveness in the import-export domain.

2. Theoretical Framework and Research Methodology

2.1. Theoretical Framework

2.1.1. Overview of Export and Import of Goods and Trade Balance

According to Article 28 of the Commercial Law (2005), the regulations concerning the export and import of goods are defined as follows: "Exporting goods refers to the act of taking goods out of the territory of Vietnam or into a special zone within the territory of Vietnam that is considered a separate customs area as stipulated by law." and "Importing goods refers to the act of bringing goods into the territory of Vietnam from abroad or from a special zone within the territory of Vietnam that is recognized as a separate customs area under legal provisions". Import-export activities play a vital role in the economy of a country, influencing GDP, exchange rates, inflation, and interest rates.

The balance of trade (BoT) or net exports is the difference between the total value of a country's

exports and the total value of its imports over a specific period. In addition, global economic fluctuations such as financial crises, shifts in commodity prices, and international trade agreements have a significant impact on Vietnam's trade activities, influencing both the export and import structures of the country. Understanding these factors provides a more comprehensive view of how Vietnam's export-import activities interact with global economic trends.

When the total value of exported goods exceeds the total value of imported goods, the country experiences a trade surplus, also known as a positive net export. Conversely, if the total value of exports is lower than that of imports, the country faces a trade deficit (negative net export). This leads to a reliance on surpluses in the capital account to compensate, increasing dependence on foreign investment and credit. Increased imports and a growing trade deficit can weaken the exchange rate, while a weak currency may stimulate exports and make imports more expensive, and vice versa.

2.1.2. Policies of the Party and State's Policies on Import and Export of Goods

The Eleventh Congress (2011-2020) set forth the requirement to diversify export and import markets, effectively utilize trade agreements and potential markets, reduce trade deficits, and balance imports and exports. The Twelfth Congress (2016) continued to emphasize: (1) Enhancing exports while controlling imports appropriately to strive for sustainable trade balance, (2) Aiming for an average export turnover growth rate of about 10% per year, and (3) Leveraging the advantages of tropical agriculture, focusing on developing products with comparative advantages and high added value, ensuring compliance with export standards, and effectively participating in global value chains. By the Thirteenth Congress (2021), the Party identified: (1) Effectively exploiting free trade agreements, expanding and diversifying export markets to avoid excessive dependence on a single market, (2) Diversifying import partners to avoid reliance on one partner, prioritizing imports of machinery, equipment, and input materials generated from high technology and advanced technology, as well as goods not produced domestically, (3) Accelerating the restructuring of agriculture, leveraging and promoting the advantages of tropical agriculture, and developing large-scale, modern commodity agriculture, and (4) Organizing the connection between agriculture and processing

industry, markets, exports, and global value chains.

These viewpoints are specified through policies such as: (1) The Export-Import Strategy 2001-2010 with Directive No. 22/2000/CT-TTg emphasizing prioritizing exports, focusing on high value-added products and improving product quality; (2) The Export Development Project 2006-2010 with Decision No. 156/2006/QĐ-TTg guiding sustainable export development, promoting processed goods and high-tech products while reducing the proportion of raw materials; (3) The Export-Import Strategy 2011-2020 with Decision No. 2471/2011/QĐ-TTg affirming sustainable export development, enhancing added value, and shifting the export structure towards industrialization and modernization; and (4) The Import-Export Strategy for Goods by 2030 with Decision No. 493/2022/QĐ-TTg mentioning the overall goal of "sustainable development of import-export activities with a balanced and harmonious structure, promoting competitive advantages, comparative advantages, developing the Vietnamese brand, and enhancing the national position in global value chains as a driving force for rapid and sustainable economic growth". These policies aim not only to balance imports and exports but also to promote the development of high-value-added exports and diversify markets. A critical evaluation of these policies' effectiveness in achieving these goals will provide insight into the successes and challenges of Vietnam's export-import activities in recent years.

2.2. Literature review

Export growth plays a crucial role in driving economic development. Balassa (1985) emphasized that exports not only generate significant foreign exchange earnings for importing goods but also provide essential conditions for stimulating economic growth. Additionally, according to Trost and Bojnec (2016), exports are vital in enhancing a country's competitiveness and facilitating entry into international markets. Exports not only contribute to technological advancement but also promote overall economic development. Thus, expanding exports simultaneously fosters technology transfer and enhances production capacity. The importance of exports is reinforced by the research of Jung and Marshall (1985), who found that many developed economies have thrived due to increased exports. This indicates that export activities can significantly improve living standards and promote

national economic development.

Meanwhile, Sharma and Panagiotidis (2005) argued that exports have a decisive impact on economic development. They contend that expanding exports to other regions or countries can positively affect the overall economy, even in the absence of changes in external factors such as technology or infrastructure. The increase in exports is a crucial element in maintaining and promoting sustainable economic growth.

Finally, Özkan and Civelek (2021) highlighted a statistically significant relationship between GDP and the import-export coverage ratio of nations. Their research emphasized that the balance between exports and imports is essential for maintaining and promoting economic development. The import-export coverage ratio, which is the ratio of the value of exports to imports relative to GDP, significantly influences overall economic growth.

An overview of previous studies indicates that exports are essential in driving economic growth, improving technology, and enhancing competitiveness. The research by Özkan and Civelek (2021) further underscores the importance of balancing exports and imports to achieve sustainable economic development. This information provides an important foundation for formulating effective export strategies for Vietnam in the upcoming period.

Increasing exports not only serves as a factor for economic advancement but also contributes to enhancing the living conditions of the population. Furthermore, many authors pointed out that exports are a key driver of economic growth, as they stimulate production and increase overall demand within the economy. Exports contribute not only to the development of the manufacturing sector but also to boosting the import of goods and services, thereby enhancing production and consumption in the economy.

In addition to global studies, local research on Vietnam's export-import activities is also needed. For example, Dr. Nguyen Van Hoi stated that Trade, including exports and imports, has been a key driver of Vietnam's economic growth for decades. As the country deepens its integration into the global economy, its trade activities continue to expand. With a highly open economy, Vietnam is significantly influenced by global market fluctuations, which impact its export and import growth (Hoi, 2024).

2.3. Research Data

This article primarily utilizes secondary data from the Import-Export Reports of the Ministry of Industry and Trade for the period 2016 - August 2024. Specifically, it includes data on export and import turnover, export and import values, trade balance, export commodity structure, and export markets. Additionally, the article incorporates secondary data related to Vietnam's import-export activities from articles in specialized journals, documents from government agencies, and reputable sources.

2.4. Research Methodology

This article utilizes descriptive statistical methods to systematically evaluate and analyze the trends and patterns in Vietnam's import-export activities from 2016 to August 2024. By examining key data points such as growth in export-import turnover, export market size and export commodity structure, the study aims to provide a comprehensive overview of the current state of Vietnam's foreign trade. The approach allows for a detailed understanding of the factors influencing the country's trade dynamics and offers insights into future prospects.

3. Results and Discussion

The period from 2016 to August, 2024, Vietnam's import-export activities reveal a clear picture of robust growth, the ability to respond to global challenges, and the flexibility to adapt through several aspects: (1) Growth in import-export turnover, (2) Expansion of export market size, and (3) Changes in the structure of export commodities.

3.1. Growth in Export-Import Turnover

From 2016 to August 2024, Vietnam's import turnover increased significantly, rising from \$174.11 billion to \$326.4 billion (as of 2023), representing a 1.8-fold increase, and to \$246.02 billion (as of August, 2024), a 1.4-fold increase. In contrast, export turnover doubled, increasing from \$176.6 billion to \$354.7 billion. Effective management of imports, focusing on essential goods for production and export, has helped maintain stable production and meet market demand. Although import turnover has grown significantly, it remains controlled and lower than export turnover.

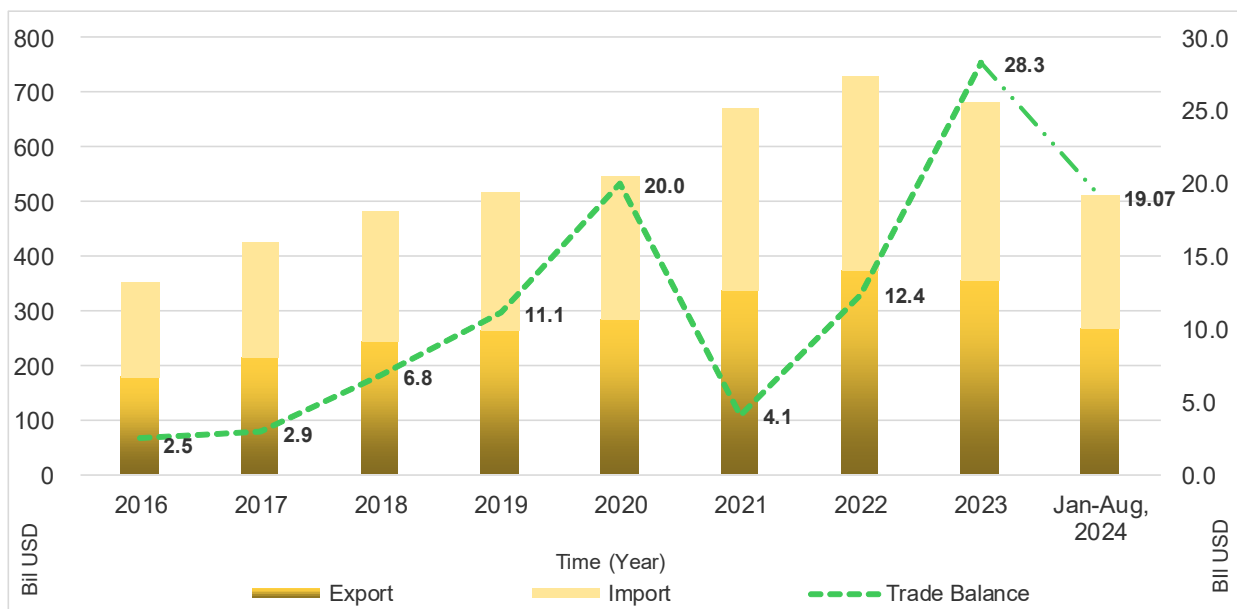


Figure 1. Export-Import Turnover of Vietnam from 2016 to August 2024
(Ministry of Industry and Trade)

Notably, in 2021, the growth rate of import turnover (26.5% compared to 2020) outpaced that of exports (19%), primarily to meet the demand for raw materials during the COVID-19 pandemic and to avoid supply shortages. Nevertheless, export turnover still surpassed imports in that year, allowing Vietnam to maintain a continuous trade surplus for eight consecutive years. This reflects a balanced and strategic management of export and import activities.

The analysis of export turnover and the trade balance will be conducted in phases.

Period 2016-2017: Strong Recovery After the Crisis

Following the global financial crisis of 2008-2009, the world economy faced slow growth and declining commodity prices, resulting in a decrease in global trade. However, from 2016 onwards, Vietnam witnessed a significant recovery in its export activities. Specifically, in 2016, while global export turnover decreased by 2.6%, and several countries in the region experienced declines ranging from 1.3% to 7.7% or a slight increase of 0.5% (Thailand), Vietnam's export turnover reached \$176.6 billion, marking a 9% increase compared to 2015. The growth continued impressively into 2017, with total export turnover reaching \$214.1 billion, an increase of 21.2% compared to 2016. This surge in export turnover was primarily driven by domestic reform policies, alongside the signing of Free Trade Agreements (FTAs) such as the Vietnam-Korea

Free Trade Agreement (VKFTA) in 2015 and the Free Trade Agreement between Vietnam and the Eurasian Economic Union (VN-EAEU) in 2016. The growth rate of exports outpaced that of imports, reversing the trade balance from a deficit of \$3.8 billion in 2015 to a surplus of \$2.52 billion in 2016. In 2017, Vietnam continued to maintain a surplus of \$2.92 billion and, for the first time, ranked 27th globally in export scale and 25th in import scale.

Period 2018-2019: High Growth and Record Trade Surplus

Although the absolute increase in exports in 2018 reached \$243.48 billion (a 13.8% increase), it was lower than the growth rate of 21.2% in 2017. However, this growth exceeded the targets set by the National Assembly and the Government (7% - 10%) and stood out in the context of global trade tensions and rising protectionism. In 2019, while global trade and exports from neighboring countries declined, Vietnam successfully maintained a positive export growth, achieving an export turnover of \$264.19 billion, up 8.4% from 2018. Notably, partner markets under the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the ASEAN-Hong Kong Free Trade Agreement (AHKFTA) recorded high export growth, demonstrating effective utilization of integration commitments to boost exports and diversify export markets. The period from 2018 to 2019 marked the highest trade surplus ever recorded,

reaching \$6.8 billion and \$11.12 billion, respectively, which were 2.3 and 1.6 times higher than the previous year. This reflects the effectiveness of trade policies and macroeconomic management.

Period 2020-2021: Responding to Challenges and Maintaining Growth

Vietnam overcame significant difficulties posed by the COVID-19 pandemic during the period of 2020-2021. Specifically, the export turnover reached \$282.66 billion in 2020, marking a 7% increase compared to 2019. Furthermore, exports continued to surge in 2021, achieving \$336.3 billion, which represented a 19% increase over 2020. This remarkable achievement came despite many major economies experiencing a decline in exports, largely due to government policies, including Resolution 128/NQ-CP, which established temporary regulations for “safe and flexible adaptation, effective control of the COVID-19 epidemic.” Additionally, the implementation of the Vietnam-EU Free Trade Agreement (EVFTA) in 2020 and the Vietnam-UK Free Trade Agreement (UKVFTA) in 2021 contributed significantly. Moreover, Vietnam maintained a trade surplus growth even under the most challenging conditions, with a surplus of \$19.96 billion in 2020—marking the fifth consecutive year of a trade surplus, which had been gradually increasing since 2016. However, 2021 saw a substantial decrease in the trade surplus, dropping to \$4.1 billion, a reduction of 4.9 times compared to 2020. This decline reflects the

new challenges that the Vietnamese economy faced during the post-pandemic recovery phase.

Period 2022 - August 2024: Facing Global Volatility and Seeking Stability

Despite the global economy being heavily impacted by factors such as the Russia-Ukraine conflict, high inflation in developed countries, and strict COVID-19 containment measures in China, Vietnam's export activities maintained impressive growth, thanks to the efforts of businesses and the implementation of the Regional Comprehensive Economic Partnership (RCEP) in 2022. Specifically, total export turnover reached \$371.3 billion, reflecting a 10.5% increase compared to 2021. However, by 2023, both export turnover (\$354.7 billion) and import turnover (\$326.4 billion) recorded declines of 4.6% and 9.1% compared to 2022, primarily due to a global demand slowdown and supply chain disruptions. Nevertheless, reports in the latter months of 2023 indicated that the decline in export turnover was less severe than in previous months, reflecting a gradual recovery trend since mid-year. This resilience was further demonstrated in the first eight months of 2024, when export turnover reached \$265.09 billion, marking a 15.8% increase compared to the same period in 2023. Notably, the export turnover from June to August showed continuous growth, rising from \$33.7 billion to \$37.29 billion. On average, in the first eight months of 2024, monthly export turnover stood at \$33.1 billion, compared to \$31.7 billion per

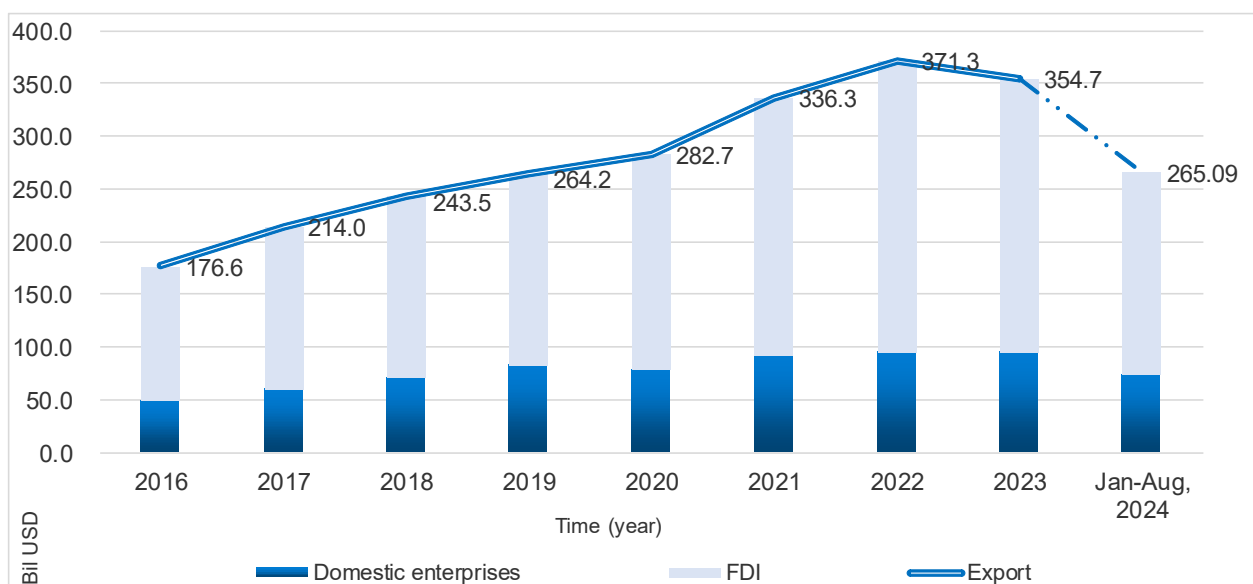


Figure 2. Structure of Export Turnover by Economic Sector during the period 2016 - August, 2024
(Ministry of Industry and Trade)

month in the last six months of 2023. Additionally, the trade balance during the period of 2022-2023 recorded exceptional growth, with surpluses of \$12.4 billion and \$28.3 billion, respectively. This marked increases of threefold and 2.2 times compared to the previous year, indicating a significant improvement in Vietnam's trade balance and positive economic prospects for the coming years. The trade balance for goods in the first eight months of 2024 also recorded a surplus of \$19.07 billion.

The export structure of Vietnam comprises two primary sectors: the domestic enterprises sector, which is 100% domestically owned, and the foreign direct investment (FDI) sector (including crude oil). Therefore, this article will continue to analyze the structure of export and import turnover to clarify the contribution of each sector to the overall export-import turnover. Prior to the Vietnam-U.S. Bilateral Trade Agreement (BTA) in 2001, domestic enterprises accounted for up to 79% of the national export turnover, while the FDI sector represented only 21%. However, following the signing and implementation of the BTA, exports from the FDI sector rapidly increased, surpassing those of domestic enterprises. By the time of Vietnam's accession to the World Trade Organization (WTO) in 2007, the export share of domestic enterprises had decreased to 63% of total export turnover, and subsequently, the FDI sector became the primary driver of Vietnam's exports. This

indicates a significant shift in the production and export structure towards the FDI sector, even during the period from 2016 to August, 2024. Specifically, in 2016, exports from the FDI sector reached USD 125.9 billion, accounting for 71.55% of total export turnover. In 2018, however, exports from domestic enterprises increased by 16.9%, exceeding the 11.8% growth of the FDI sector. By 2019, domestic enterprises grew by 19%, while the FDI sector only increased by 4.2%. This resulted in the share of the FDI sector decreasing to 69% and the share of domestic enterprises rising to 31%, indicating a shift from agricultural and fishery exports to industrial goods.

From 2021 to 2022, the growth rate of the FDI sector (20% and 11.8%) outpaced that of the domestic sector (16.5% and 6.8%), leading to an increase in the share of the FDI sector to 74%. In 2023, both sectors experienced a decline, with exports from the domestic enterprises sector reaching USD 95.5 billion, down 0.3% from the previous year. This figure was significantly lower than the 6.1% decrease in the FDI sector, which recorded an export turnover of USD 259.1 billion, resulting in no significant change in the shares of the two sectors. Similarly, in the first eight months of 2024, the domestic economy reached USD 73.88 billion, a 21% increase, accounting for 27.9% of total export turnover, while the FDI sector achieved USD 191.21 billion, with an increase of USD 13.9

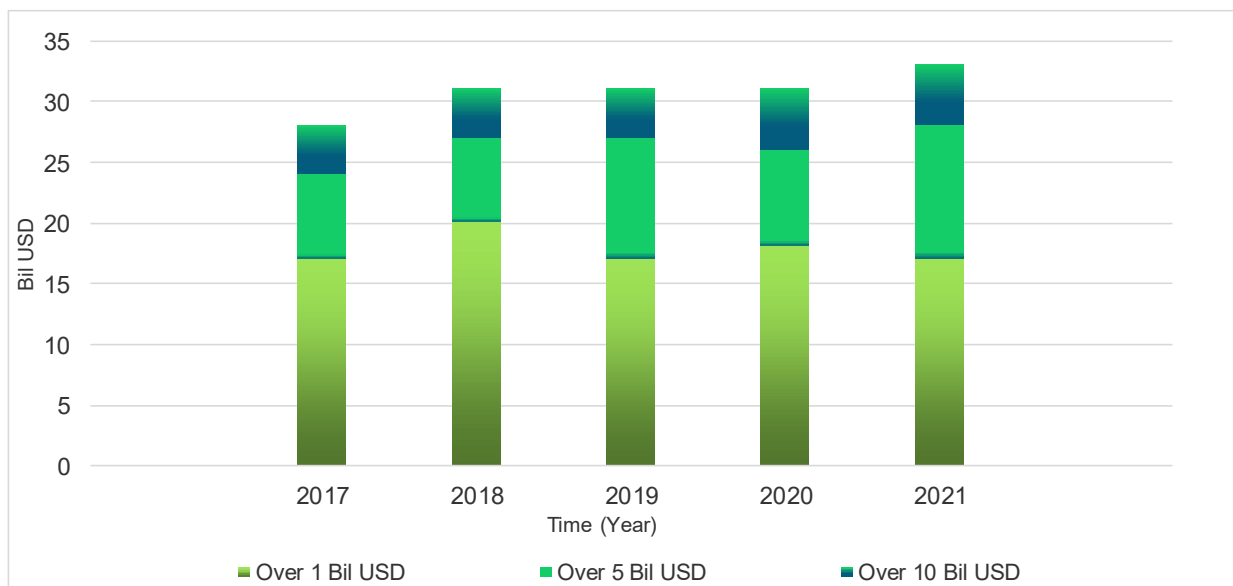


Figure 3. Export Market Size for the Period 2017-2021
(Ministry of Industry and Trade)

billion, representing 72.1%.

Overall, the period from 2016 to August, 2024 witnessed robust growth in Vietnam's export-import activities. Export turnover increased by an average of approximately USD 22 billion annually, equivalent to an average annual growth rate of nearly 11%, surpassing the targets set by the government. The FDI sector continues to dominate, with both sectors experiencing nearly double the export turnover, while their shares remained relatively stable during this period. This growth in exports not only demonstrates the strong recovery of the Vietnamese economy following the pandemic shock but also reflects increased exports from both the FDI sector and domestic enterprises. Furthermore, the trade balance reversed from a deficit of USD 3.8 billion in 2015 to a surplus maintained for nearly nine consecutive years, with an average annual surplus increase of USD 3.7 billion, corresponding to approximately 10.3% annually. This underscores the significant effectiveness of leveraging trade agreement benefits and reflects the adaptability and effectiveness of Vietnam's trade strategy amidst global economic fluctuations.

3.2. Export Market Size

The export market of Vietnam has experienced growth both in breadth and depth, with enterprises

actively seizing opportunities to boost exports to markets that have signed Free Trade Agreements (FTAs) with Vietnam. With trade relations established with over 200 countries and territories, approximately 70 markets achieved export turnover exceeding 100 million USD in 2016. Vietnam has proactively exploited traditional markets while also seeking to develop new ones. In 2017, Vietnam had 28 export markets that surpassed the 1 billion USD mark, including 7 markets with turnover over 5 billion USD and 4 markets exceeding 10 billion USD. During the 2018-2019 period, the number of export markets exceeding 1 billion USD increased to 31, with 4 markets achieving over 10 billion USD and 10 markets exceeding 5 billion USD (an increase of 3 markets compared to 2018). Despite the significant challenges posed by the COVID-19 pandemic, particularly in traditional markets such as ASEAN and Europe, Vietnam has shown flexibility in exploring new markets. By 2021, Vietnam continued its expansion with 33 markets achieving turnover exceeding 1 billion USD (an increase of 2 markets compared to 2020), including 5 markets exceeding 10 billion USD and 11 markets achieving over 5 billion USD (an increase of 3 markets). These figures reflect significant progress in Vietnam's efforts to expand its export markets over the years.

3.3. Export Commodity Structure

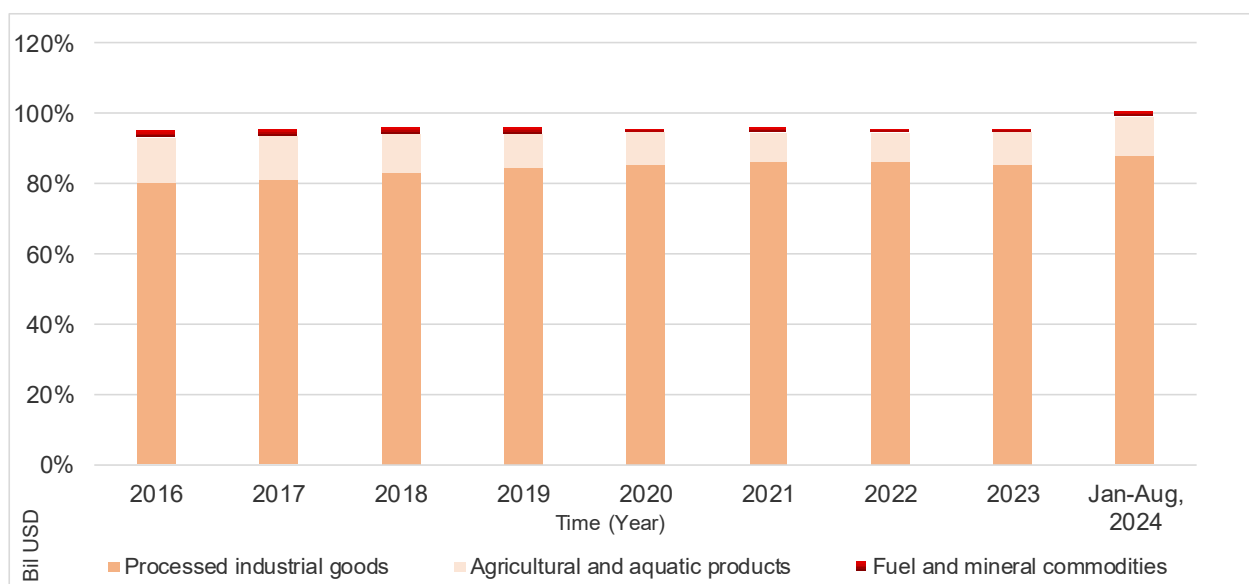


Figure 4. Export Commodity Structure for the Period 2016-8/2024
(Ministry of Industry and Trade)

Based on the results presented in the previous section, FDI enterprises have made significant contributions to the increase in export turnover, particularly in the processed industrial sector. The period from 2016 to August, 2024 has witnessed robust growth in Vietnam's export commodity structure, which can be categorized into three main groups: (1) processed industrial goods, (2) agricultural and aquatic products, and (3) fuel and mineral commodities.

The processed industrial goods group has experienced remarkable growth, more than doubling from USD 141.8 billion to USD 301.1 billion. The proportion of this group within total exports has consistently maintained a dominant role, rising from 80.3% in 2016, with annual increases ranging from 1% to 1.5%, reaching 86.2% by 2021. However, this proportion slightly decreased to 85% in 2023, before increasing again to 88% in the first eight months of 2024. Conversely, the share of agricultural and aquatic products has shown a declining trend, despite a substantial increase in export turnover from USD 22 billion to USD 32.5 billion. Specifically, the proportion of this group was 12.6% in 2016, and it decreased by 0.5% to 1.2% in subsequent years, dropping to 8.3% during the 2021-2022 period. Despite the decline in proportion, the export turnover of products such as fruits, rice, and cashews has still risen significantly, thanks to efforts to expand markets and improve product quality. By 2023, the proportion of this group slightly rebounded to 9.1%, and in the first eight months of 2024, it increased to 10.9%.

The fuel and mineral commodity group has seen a slight increase in export turnover, yet it continues to maintain a level below USD 5 billion and retains a low share of total export turnover, which has gradually decreased over the years. In the 2016-2017 period, the proportion of this group was 2%, slightly declining to 1.9% in 2018, and continuing to fluctuate between 1% and 1.1% in the subsequent years. This decline reflects a gradual reduction in the extraction and export of fuel and mineral commodities, indicating a shift towards higher value-added product groups. These changes reflect Vietnam's efforts to enhance the added value of its export products and adjust its export strategy to align with sustainable economic development goals and international integration.

4. Conclusion and Managerial Implications

4.1. Conclusion

Vietnam's import-export sector from 2016 to August 2024 has experienced remarkable growth, establishing itself as an integral player in the global market. The nation's total export-import turnover has witnessed significant expansion, with export and import values nearly doubling by 2023, and showing an increase of 1.5 times by August 2024. This growth underscores Vietnam's expanding market reach and the effectiveness of its trade policies in capitalizing on global economic opportunities.

Vietnam's positive trade balance is another key achievement, with the nation maintaining a continuous trade surplus since 2016. This surplus has progressively grown, reaching its highest point in 2023, reflecting the success of the country's trade strategies. Importantly, Vietnam's ability to tap into Free Trade Agreements (FTAs) such as the VKFTA, VN-EAEU, EVFTA, and RCEP has allowed the country to enhance its export market access, reduce tariffs, and increase the competitiveness of its goods on the global stage.

Furthermore, Vietnam has achieved substantial diversification of its export markets. The number of markets reaching export turnover of over 1 billion USD has consistently increased, with a growing number of markets exceeding 5 billion USD and even 10 billion USD. This broadening of markets, particularly into new and untapped regions, has allowed Vietnam to reduce its dependence on traditional export destinations and better position itself to handle economic or geopolitical shocks.

In terms of export commodities, the shift towards higher value-added products, particularly in the processing industry, has been a positive development. By August 2024, processed industrial goods accounted for 88% of Vietnam's total export turnover, indicating a significant step toward industrialization and a more advanced economy. This structural shift not only enhances the value of exports but also reflects the growing capacity of Vietnam's manufacturing sector to meet international standards.

Despite these successes, the trade sector faces several challenges. The growth of export turnover, while impressive, has been uneven, with periods of decline observed in recent years. External factors such as global supply chain disruptions, geopolitical conflicts (e.g., Russia-Ukraine, Israel-Hamas), and inflationary pressures from developed economies have created volatility, impacting the stability of export growth. Additionally, Vietnam's ongoing dependence on the FDI sector remains a vulnerability, as

domestic enterprises continue to lag behind in export contributions.

Moreover, the export commodity structure remains a concern, as the share of agricultural and fishery products, despite their high turnover, has declined, signaling that the shift towards industrial products may be imbalanced. This could limit Vietnam's ability to maintain diversity in its export base, affecting its resilience to fluctuations in global demand. Similarly, while the expansion of export markets is commendable, sustaining and deepening these markets remains a challenge, especially in the face of rising global competition and shifting demand patterns.

Lastly, global monetary policies, inflation, and changing trade dynamics present continuous challenges for the Vietnamese economy, putting pressure on the trade balance and overall economic stability.

4.2. Managerial Implications

Based on the analysis, several strategic measures are crucial for Vietnam's trade sector to build on its successes and address the challenges ahead.

Firstly, there is an urgent need to reduce the country's dependence on the Foreign Direct Investment (FDI) sector. While FDI has played a significant role in Vietnam's export growth, fostering the development of domestic enterprises is essential for long-term sustainability. The government should create favorable conditions for local businesses, such as offering financial incentives, supporting technology transfer, and providing training programs to enhance their capabilities. By strengthening the local business sector, Vietnam can reduce vulnerability to external economic shifts and ensure a more balanced and resilient export economy.

Secondly, Vietnam must focus on further diversifying its export markets and commodities. To mitigate the risks associated with over-dependence on specific regions and product categories, companies should invest in research and development (R&D) to create innovative products that cater to evolving global trends, such as sustainable or high-tech products. Expanding into new and emerging markets, particularly in regions like Africa, Latin America, and Asia, will help Vietnam reach a broader range of consumers and reduce reliance on traditional trading partners. Diversification will provide a buffer against fluctuations in demand from specific countries or sectors. Additionally, investing in infrastructure and technology is essential to improving

the efficiency and competitiveness of Vietnam's export sector. Upgrading logistics infrastructure, including transportation networks, ports, and warehousing, will help reduce costs and improve product delivery times, making Vietnamese products more attractive in global markets. Moreover, advancing processing technology will allow the country to further increase the value-added content of its exports, particularly in the industrial and manufacturing sectors, and help maintain its competitive edge.

Another critical area is strengthening Vietnam's ability to respond flexibly to global challenges. The government and businesses must work together to develop strategies for dealing with external factors such as geopolitical tensions, economic fluctuations, and climate change. By implementing better risk management tools, forecasting mechanisms, and scenario planning, Vietnam can adapt its trade policies and strategies to mitigate the negative effects of these global challenges. Collaborating with international partners on issues like trade policy, environmental sustainability, and supply chain resilience will help Vietnam stay competitive and navigate complex global dynamics.

Promoting technological innovation across various industries is also crucial for Vietnam's future success in the global market. Encouraging businesses to adopt advanced technologies, such as automation, artificial intelligence (AI), and the Internet of Things (IoT), will improve efficiency, product quality, and differentiation in the export sector. This technological advancement will not only help meet the demands of modern global markets but also enhance the value of exports, particularly in sectors like manufacturing and agriculture.

Lastly, stabilizing macroeconomic policies is vital to support sustained export growth. Maintaining low inflation, stable interest rates, and favorable exchange rates will create a predictable economic environment for businesses, allowing them to plan and manage costs effectively. The government should continue to monitor and adjust fiscal and monetary policies to align with the needs of the export sector, ensuring that businesses can remain competitive and successful on the international stage.

In conclusion, while Vietnam has made significant progress in expanding and diversifying its import-export activities, addressing the challenges ahead will require a coordinated effort from both the government and businesses. By focusing on strengthening

domestic enterprises, diversifying markets, investing in infrastructure and technology, and adapting to global changes, Vietnam can ensure the continued success and sustainability of its export-oriented economy.

5. Conclusion

An overview of Vietnam's import-export situation shows a fairly positive picture with an increase in total export and import turnover. However, this growth is uneven and there are several notable limitations. Dependence on the FDI sector, a lack of sustainability in export growth, and reliance on specific markets and products pose significant challenges to the economy. To leverage opportunities and address these limitations, Vietnam needs to implement several coordinated solutions. First, it is necessary to enhance the expansion and deepening of international trade relationships, alongside improving product quality and the competitiveness of domestic enterprises. At the same time, developing the domestic enterprise sector and reducing dependence on the FDI sector is crucial to ensuring sustainable export growth. Diversifying the structure of export commodities and consumer markets, as well as building flexible forecasting and response strategies to global challenges, will help mitigate risks and enhance stability in export activities. Additionally, improving logistics infrastructure and processing technology, along with reasonable adjustments in monetary and fiscal policies, will facilitate sustainable development and increase the efficiency of export operations. By implementing these solutions, Vietnam can continue to capitalize on existing advantages while overcoming limitations to achieve stable and sustainable growth in the export sector.

REFERENCES

- Balassa, B. (1985). Exports, policy choices, and economic growth in developing countries. *Journal of Development Economics*, 18(1), 23-35.
- Communist Party of Vietnam (1986), *Documents of the 6th National Congress, 10-Year Socio-Economic Development Strategy 2011-2020*. Access at <https://daihoi13.dangcongsan.vn/cac-ky-dai-hoi/tu-dai-hoi-den-dai-hoi/dai-hoi-dai-bieu-toan-quoc-lan-thu-vi-250>
- Communist Party of Vietnam (2016), *Documents of the 12th National Congress*, National Political - Truth, Hanoi
- Communist Party of Vietnam (2021), *Documents of the 13th National Congress*, Volume 1, National Political - Truth, Hanoi
- Do Thi Thuc & Nguyen Minh Hanh (2023). *Trade Balance and Its Impact on Economic Growth in the New Normal Conditions in Vietnam*. Access at <https://tapchicongthuong.vn/can-can-thuong-mai-va-tac-dong-cua-can-can-thuong-mai-toi-tang-truong-kinh-te-trong-dieu-kien-binh-thuong-moi-o-viet-nam-85865.htm>
- General Statistics Office (2015). *Annual Import and Export Report 2015*. Access at <https://www.gso.gov.vn/wp-content/uploads/2019/03/XNK-2015.pdf>
- General Statistics Office (2024). Impressive acceleration in imports and exports, with expectations to 800 billion USD in 2024. Access at <https://www.gso.gov.vn/du-lieu-va-so-lieu-thong-ke/2024/09/xuat-nhap-khau-tang-toc-an-tuong-ky-vong-dot-pha-800-ty-usd-trong-nam-2024/>
- Jung, W. S., & Marshall, P. J. (1985). Exports, growth, and causality in time series. *Journal of Monetary Economics*, 15(1), 33-48.
- Ministry of Industry and Trade (2016). *Annual Import and Export Report 2016*. Access at <https://trungtamwto.vn/download/16490/Bao%20cao%20XNK%20VN%202016.pdf>
- Ministry of Industry and Trade (2017). *Annual Import and Export Report 2017*. Access at <https://trungtamwto.vn/file/16864/bc%20xnk%202017.pdf>
- Ministry of Industry and Trade (2018). *Annual Import and Export Report 2018*. Access at <https://trungtamwto.vn/chuyen-de/12975-bao-cao-xuat-nhap-khau-viet-nam-nam-2018>
- Ministry of Industry and Trade (2019). *Annual Import and Export Report 2019*. Access at <https://trungtamwto.vn/file/19350/bao-cao-xnk-viet-nam-2019.pdf>
- Ministry of Industry and Trade (2020). *Annual Import and Export Report 2020*. Access at https://trungtamwto.vn/download/20715/sach_xnk_2020.pdf
- Ministry of Industry and Trade (2021). *Annual Import and Export Report 2021*. Access at <https://trungtamwto.vn/download/21599/baocaonxk2021.pdf>
- Ministry of Industry and Trade (2022). *Annual Import and Export Report 2022*. Access at <https://trungtamwto.vn/file/22356/bao-cao-xuat-nhap-khau-viet-nam-nam-2022.pdf>
- Ministry of Industry and Trade (2023). *Annual Import and Export Report 2023*. Access at <https://trungtamwto.vn/download/22934/bao-cao-xuat-nhap-khau-viet-nam-nam-2023.pdf>
- National Assembly. *Commercial Law 2005*, No.36/2005/QH11
- Nguyễn Văn Hội (2024). Triển vọng xuất nhập khẩu hàng hóa của Việt Nam. *Tạp chí Tài chính*. Access at <https://tapchitaichinh.vn/trien-vong-xuat-nhap-khau-hang-hoa-cua-viet-nam.html>
- Özkan, N., & Civelek, A. (2021). The impact of import-export coverage ratio on economic growth: A panel data analysis. *International Journal of Economics and Finance*, 13(4), 108-116.
- Sharma, S. C., & Panagiotidis, T. (2005). Exports and economic growth: Empirical evidence from 17 OECD countries. *Applied Economics*, 37(16), 1849-1857.
- Trost, L., & Bojnec, S. (2016). The impact of export diversification on economic growth: Evidence from EU countries. *Economic Modelling*, 57, 152-161.