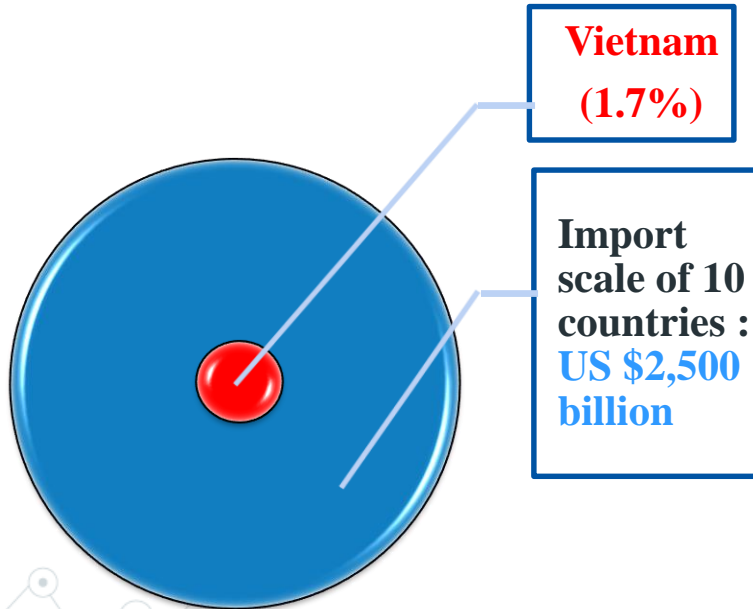


EXPORT AND IMPORT ACTIVITIES AFTER TWO – YEAR IMPLEMENTATION OF THE CPTPP



EXPECTS ON EXPORT OPPORTUNITIES WHEN THE CPTPP CAME INTO EFFECT



Export and import activities are mainly with Asia



Opportunities to restructure domestic production, export and import markets

OPPORTUNITIES FROM TARIFF REDUCTION



Over 93% of tariff lines
(95.8% of Vietnam's export turnover to Australia)



94.9% of tariff lines
(77.9% of Vietnam's export turnover to Canada)



86% of tariff lines
(93.6% of Vietnam's export turnover to Japan)

CPTPP IMPLEMENTATION HAS CREATED MANY CHALLENGES

Meeting the origin criteria of goods:

- Awareness of requirements
- Heavy dependence on foreign materials.

Trends of protection for domestic production of importing countries, including FTA partners, have increased

Requirements on pesticide residues norm, food hygiene and safety standards and regulations on goods labeling and environment production

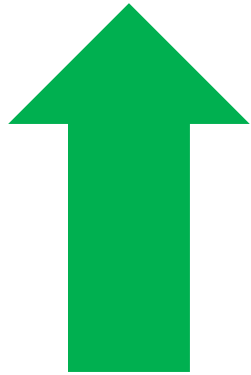


AFTER TWO – YEAR IMPLEMENTATION OF THE CPTPP

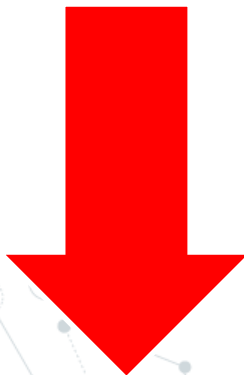
The right time to look back on the journey, evaluate the achieved results, problems that need overcoming

=> Deployment plan in the coming time to more effectively take advantage of the opportunities of the Agreement.

EXPORT GROWTH TO MARKETS

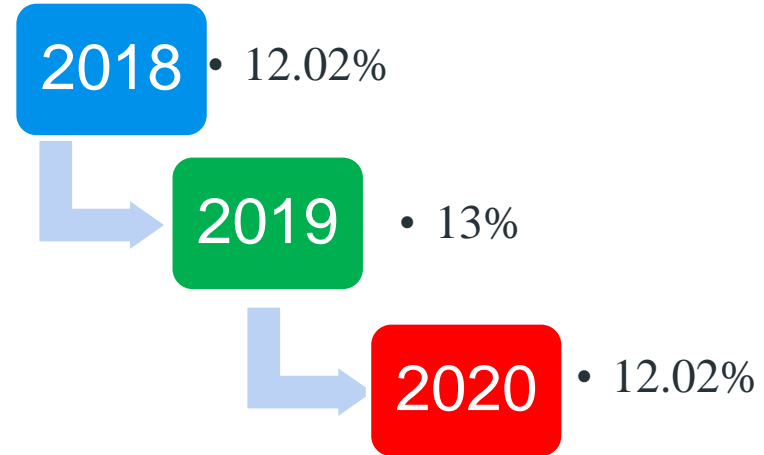


In 2019, export to 6 CPTPP countries reached US \$34.3 billion, increased by 8.1%



In 2020, export to 6 CPTPP countries remained at the equivalent growth to 2019, reached US \$34 billion

Proportion in total export



EXPORT TO CPTPP COUNTRIES IN 2019



CANADA

Export reached US \$4.36 billion, increased by 29% compared to 2018



MEXICO

Export reached US \$3.16 billion, increased by 26.2% compared to 2018



NHẬT BẢN

Export reached US \$20.3 billion, increased by 8% compared to 2018



NEW ZEALAND

Export reached US \$542.4 billion, increase by 7.6% compared to 2018



SINGAPORE

Export reached US \$3.21 billion, increased by 0.3% compared to 2018



AUSTRALIA

Export reached US \$3.53 billion, decrease by 11.1% compared to 2018

EXPORT TO CANADA



2010

Continuous
growth

2020

❖ In 2019

Export turnover: nearly US \$3.9 billion, increased by 29% compared to 2018.

❖ In 2020:

Export turnover: nearly US \$4.4 billion, increased by 12% - much higher than the general export growth rate (7%).

EXPORT TO CANADA

Over
62%/year

- Machinery, equipment and spare parts
- All kinds of phones

About
25%/year

- Rattan, bamboo, sedge and carpet products
- Computers, electronic products and components
- Confectionery and cereal products
- Iron and steel products
- Means of transport and spare parts

About
15%/year

- Timber and timber products
- Vegetables and fruits
- Toys, sports equipment and parts

EXPORT TO MEXICO

- ❖ 3rd largest partner in Latin America
- ❖ Two-way trade: Average increase of 14.6%/year in 2 years.
- ❖ Export: average increase of 18.8%/year

Exports increased sharply

- Phone
- Machinery, equipment, tools and spare parts

Average export increased 32-35%/year

- Toys, sports equipment
- Means of transport and spare parts
- Bags, purses, suitcases

EXPORT GROWTH OF SOME EXPECTED GOODS

Footwear

- In 2019, reached US \$2.1 billion, increased by 15.1% compared to 2018;
- In 2020, decreased by 12.2%, to US \$1.84 billion.
- Export to Canada and Mexico increased rapidly, especially Canada due to immediate 0% tariff preference for Vietnamese footwear.

Garment and Textile

- In 2019, reached US \$5.3 billion, increased by 7.4% compared to 2018
- In 2020, decreased by 9.6% compared to 2018, to US \$4.8 billion.
- Export to Canada and Mexico increased rapidly; export to New Zealand increased but with a small scale

Timber and timber products

- In 2019, reached US \$1.72 billion, increased by 9.1% compared to 2018
- In 2020, reached US \$1.74 billion, increased by 1.5%
- Mexico and Canada are the two markets with the highest export growth

EXPORT GROWTH OF SOME EXPECTED GOODS

- In 2019, export of aquatic products to 6 CPTPP countries reached US \$2.13 billion, increased by 2.9% compared to 2018..
- In 2020, the export value decreased slightly, reached US \$2.1 billion, decreased by 1.4% compared to 2019.
- Meeting rules of origin criteria is easier. For example, raw materials are imported from New Zealand and Australia to process products in order to export to Japan



The status of issuing Certificates of Origin



The rate of using C/O form CPTPP when exporting to these markets has not been high:

- ❖ 4/6 countries which already have FTAs with Vietnam with easier rules of origin and more preferential tax rates in the early years when the CPTPP comes into effect. **(In 2020, Mexico and Canada : US \$1,27 billion ~ 17%).**
- ❖ Difficulty in meeting origin criteria of some products (garments and textiles).



It can be confirmed that the CPTPP taking effect from 2019 has played an important role in boosting Vietnam's exports to partners markets.

Difficult to separate, quantify growth coming from CPTPP

4/6 countries have been partners of Vietnam in other FTAs

US - China trade war => orders shift in North America

Many items with 0% MFN tariff are still growing well

The impacts of COVID -19 on exports in 2020

DIFFICULTIES THAT NEED OVERCOMING

Lack of high-skilled workers

Concern for the environment, which holds back the development of supporting industries for textiles and footwear

Still heavily dependent on raw materials imported from countries outside of CPTPP

The quality of some agricultural and aquatic products has not been guaranteed

Transport infrastructure fails to keep up with production and export growth

The businesses are not interested or active

GROUNDWORK FOR CONTINUOUS GROWTH

Vietnam's export market share in CPTPP partner countries is low

- Japan (3,1%)
- Australia: 1,9% , New Zealand: 1,6% , Mexico: 1,3% , Canada: 1,1% , Singapore: 1%

1. The biggest benefit is the opportunity to continue and improve the institution and business environment.

2. Creating a pressure to improve the competitiveness of enterprises, force enterprises to raise standard of export goods and form value chains.

NHỮNG VIỆC CẦN LÀM: CHÍNH PHỦ, BỘ, NGÀNH

Increasing efficiency in implementation of the agreement; drafting and amending relevant legal documents

Propaganda about the CPTPP in in-depth ways, by sectors, fields and key markets

Improving competitiveness of small, medium and micro enterprises

Promoting investment in production of raw materials to meet rules of origin

Reducing costs outside of production, especially logistics costs

WHAT MUST BE DONE: BUSINESSES



Proactively exploring preferential opportunities, changing business thinking, improving competitiveness



Carefully researching the market, carefully learning the consumers preferences



Changing the business mindset, using competition pressure as the driving force to innovate and develop



Thanks for listening!

**Import and Export Department
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