



IMPACT OF UKVFTA ON VIETNAM'S EXPORTS TO THE UNITED KINGDOM

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Abstract

As one of the new generation free trade agreements, the UK-Vietnam Free Trade Agreement (UKVFTA) is expected to bring many benefits and opportunities, positively impacting bilateral trade between Vietnam and the UK. However, many challenges still need to be posed, negatively affecting bilateral trade between the two countries. This study summarizes the bilateral trade between Vietnam and the UK before and after the UKVFTA was signed. At the same time, the research evaluates the impact of UKVFTA on Vietnam's exports to this country. From there, some policy implications are given for the Government and businesses of Vietnam to take advantage of opportunities and overcome challenges brought by UKVFTA to boost Vietnam's exports to the UK the next time.

Keywords: *UKVFTA, Vietnam's exports, UK.*

1. INTRODUCTION

The United Kingdom - Vietnam Free Trade Agreement (UKVFTA) is an important event marking a good start in bilateral trade relations between Vietnam and the United Kingdom (UK). UKVFTA also demonstrates the continuation of trade relations between Vietnam and the UK after the country left the European Union and EVFTA. The agreement is based on the principle of inheriting almost all of the commitments on goods and services and opening the investment market already in the Free Trade Agreement between Vietnam and the European Union

(EVFTA) with the necessary adjustments to ensure compliance with the bilateral trade framework between Vietnam and the UK. Besides, UKVFTA is a new-generation free trade agreement with high standards and a substantial degree of liberalization. UKVFTA covers many areas, including market liberalization for goods, services, and investment. In addition, UKVFTA also includes commitments on non-commercial aspects that are closely related to trade and have special significance for the successful and sustainable development between the two economies (such as labor, environment, social responsibility, etc.).

Regarding trade in goods, the UK committed to eliminating 85.6% of tariff lines for Vietnamese goods as soon as the Agreement comes into effect (from January 1, 2021), eliminating up to 99.2% of the lines from January 1, 2027. The remaining 0.8% of the tariff lines will enjoy tariff quotas (with an import tax within the quota of 0%). With these commitments, many of Vietnam's strong products, such as seafood, fruit, coffee, rice, textiles, furniture, etc., will have advantages when approaching the UK market, especially when the market's market space is enormous. This market is still huge for Vietnamese exports.

2. LITERATURE REVIEW

Since Vietnam launched UKVFTA negotiations, there have been several studies on the potential impact of UKVFTA on Vietnam's international trade. Most studies on UKVFTA have shown that the implementation of UKVFTA will contribute to creating a new impetus for Vietnam's economic recovery in the face of global economic fluctuations. In terms of strategic significance, the Agreement contributes to the effective implementation of the policy of multi-lateralization, diversification, initiative, and active international integration. At the same time, they are promoting a faster increase in Vietnam's export turnover of goods to the UK because when the UKVFTA takes effect entirely, it will create new opportunities for Vietnamese exports to enter the UK market. The implementation of UKVFTA from the beginning of 2021 will ensure the trade of goods between the two countries, especially essential goods, in the context of complicated developments of the Covid-19 epidemic (Ha Van Hoi, 2021). Especially in the context that the UK has officially left the European Union and the transition period is about to end (December 31, 2020), signing the UKVFTA will ensure bilateral trade between Vietnam and the UK uninterrupted after the end of the transition period. With UKVFTA, the interests in the existing trade relationship of the two sides in the EVFTA are maintained. This bilateral agreement is the beginning of a

new phase in the relationship between the two countries for the development of crucial trade areas. UKVFTA liberalizes trade in goods and services and integrates many other vital factors, such as green growth and sustainable development (Vietnamese Ministry of Industry and Trade, 2020).

Currently, Vietnam has many opportunities to grow exports to the UK because the growth potential of Vietnam's goods in this country is enormous. Currently, the amount of goods exported to the UK only accounts for about 1% of the total import turnover of up to 700 million USD of the UK in 2019. However, when the UK leaves the EU, the commitments between the two countries are no longer maintained. Therefore, UKVFTA acts as a new Agreement, inheriting the positive affirmations from EVFTA (Ha Van Hoi, Pham Xuan Hoan, 2021).

Besides the great opportunities offered by UKVFTA, Vietnamese exports will face challenges primarily related to compliance with strict rules of origin. The UK market requires high standards and quality requirements for imported products, forcing Vietnam to improve product quality and ensure product uniformity to conquer the picky market. For the tariff reduction commitments to be implemented according to the signed roadmap, the Vietnamese government must regulate and supervise the production and export of goods by Vietnamese enterprises (Uyen Huong, 2021).

In addition, several studies have analyzed the impact of UKVFTA on several specific industries, for example, the furniture manufacturing and exporting sector. This is one of the main groups of Vietnam's exports to the UK, and the wood and wood products industry will be directly affected by this Trade Agreement. The signed UKVFTA has contributed to promoting the sustainable development of the Vietnam wood processing industry and creating favorable conditions for wood product manufacturing and processing enterprises entering the UK market. , especially in the post-Covid pandemic context. UKVFTA will contribute to helping wood furniture manufacturers expand their market share in the UK market through import and export tax exemption and reduction policies. Lower tax incentives increase the competitiveness of Vietnamese wood enterprises compared to other competitors such as Indonesia and Malaysia. Besides, the advantage of Vietnam's wood industry is rubber wood - a wood that the UK and EU grow little - but is popular in the UK. Penetrating the UK market with more products will also help Vietnam's wood industry assert its brand name and quickly expand its market in other European countries. (Pham Thu Thuy et al., 2022).

For Vietnam's textile and garment exports, various advantages of UKVFTA for this item exports, including tariff reduction or elimination, enhanced trade facilitation, and reduction of non-tariff barriers. Currently and in the future, the UK is an important market for Vietnam's textile and garment products. This Agreement will give Vietnamese textile and garment exporters greater market access and business opportunities. However, UKVFTA also brings some potential challenges to Vietnam's textile and garment industry, such as competition from other countries, the complexity of rules of origin, and the needs of Vietnamese businesses to meet high standards of quality and compliance to access the UK market (Nguyen Thanh and Nguyen Thi Hong Nhung, 2021; Tran Thi Thu Hien, 2021).

For the coffee industry, Nguyen Thi Kim Thoa and Nguyen Van Thang (2020) use qualitative and quantitative analysis methods, including descriptive statistics and regression models, to assess the impact of UKVFTA on the coffee industry in Vietnam. Research results confirm the agreement's potential benefits; that is, by reducing or eliminating tariffs and non-tariff barriers, UKVFTA has created new opportunities for Vietnamese coffee exporters. For example, they are improving market access and expanding market share in the UK. In addition, UKVFTA also brings potential challenges, such as increased competition from other coffee exporting countries and the stringent standards and quality requirements of the UK market that the UK market has to offer. Vietnamese coffee exports need to meet.

With empirical evidence on consumer habits in the UK, research by Vo Hong Tu et al. (2021) has confirmed that UKVFTA promises to bring market expansion opportunities for rice exporters in Vietnam. From there, could you recommend developing high-quality agricultural products and forming distribution strategies and information methods to promote Vietnam's rice exports to the UK?

As soon as the UKVFTA comes into effect for the seafood industry, the import tax on the rawest shrimp (fresh, frozen, chilled) imported into the UK will be reduced from the introductory tax rate of 10-20% to 0%. The groups with the earliest advantages in the group of aquatic products are shrimp and some fish (pangasius). Accordingly, the shrimp and pangasius processing industries will have the opportunity to boost export turnover and attract investment to take advantage of these commitments (Kim Dung, 2020).

So far, there still needs to be more in-depth studies on the impact of UKVFTA on Vietnam's goods exports to the UK to assess the effect of UKVFTA on Vietnam's exports to the UK after the Agreement came into force.

3. OVERVIEW OF VIETNAM AND THE UNITED KINGDOM'S MERCHANDISE TRADE

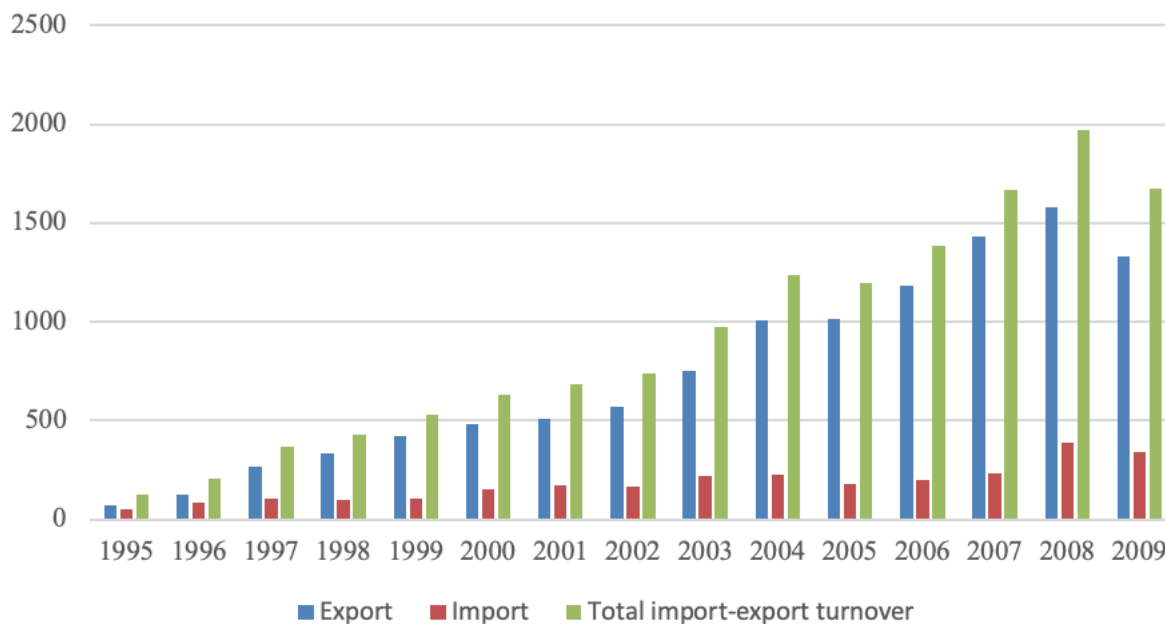
3.1. Regarding two-way trade turnover

The establishment of diplomatic relations in 1973, however, economic-trade ties between Vietnam and the UK only showed signs of improvement since 1986. It started to increase rapidly from the early 90s of the twentieth century. During this time, the import-export turnover between the two sides was still very modest, but there were specific changes. Vietnam's imports from the UK increased from USD 638 million in 1986 to USD 11,381 million in 1993. Vietnam's main imports are chemicals and machinery. Vietnam's main exports to the UK are petroleum and some food and fine art products. The export turnover of Vietnam also increased from 1,116 million Rup-USD in 1986 to 23,017 million Rup-USD in 1993 (Vietnam Statistical Yearbook, 1995).

Since 1993, after a hiatus, the British government has removed export credit insurance for Vietnam, and Vietnamese goods enjoy the same preferential regimes as other developing countries. Therefore, the trade relations between the two sides have conditions for more robust development. From 1995 to 2009, two-way trade between Vietnam and the UK continuously increased. Specifically, in 1995, with a modest figure of 125.3 million Rup-USD, by 2009, the two-way trade turnover between Vietnam and the UK had risen to 1,671.7 million Rup-USD, which is a 17.5 times increase, although, in 2009, the trade turnover between the two countries decreased slightly compared to 2008 (Figure 1).

Figure 1. Two-way trade between Vietnam and the UK (1995-2009)

(Unit: Million USD)



(Source: General Statistics Office and General Department of Vietnam Customs)

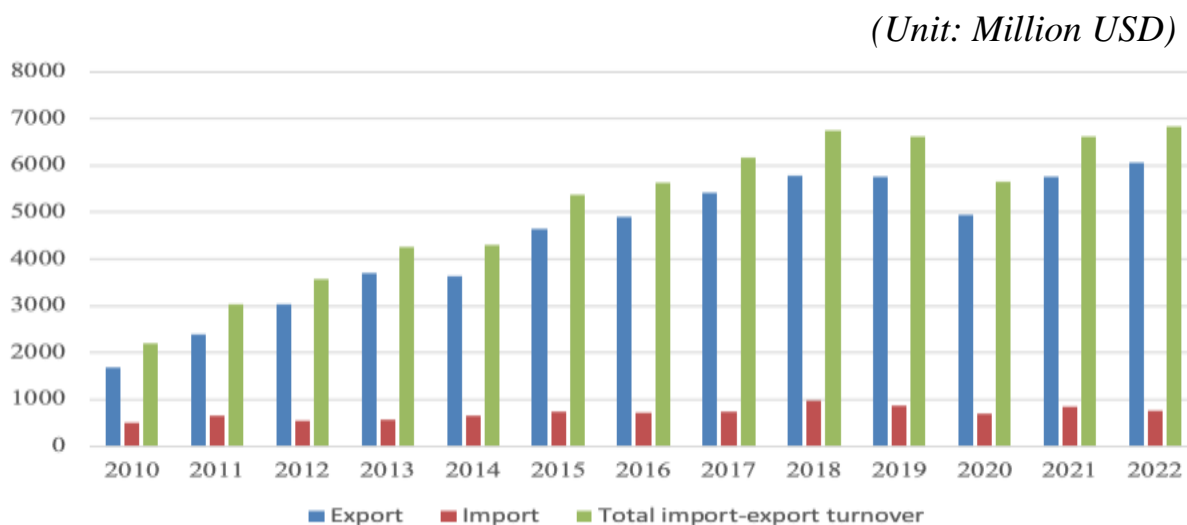
Since the Strategic Partnership was established in 2010, two-way trade between Vietnam and the UK has made considerable progress. The positive changes were firstly due to the adjustment of the foreign policy of the two sides to the new situation, in which the two countries simultaneously appreciated and valued each other's positions and roles in the region and around the world, especially since Britain left the European Union (Brexit). Recently, the UK has been one of Vietnam's largest and most important trading partners in the European market. Typically, from 2010 to 2018, the two-way trade turnover between Vietnam and the UK increased in the following year compared to the previous year (in 2010 alone, the import and export turnover between Vietnam and the UK increased by nearly 31.2% compared to last year, 2009). In 2019, the import-export turnover of Vietnam and the UK decreased slightly by almost 2%; by 2020, due to the influence of the Covid-19 pandemic, a sharper decrease of 14.8%.

Besides, with the temporary effect of UKVFTA from January 1, 2021, it has promptly replaced the EVFTA, which has brought many benefits to bilateral trade between the two countries, helping to export Vietnamese goods to the market. This field has grown significantly. Specifically: In 2021, two-way trade turnover between the two countries has continued to grow again, reaching more than 6,610 million USD, an increase of nearly 11% compared to 2020.

In 2022, two-way trade turnover between Vietnam and the UK will continue to increase by 3.2% compared to 2021, reaching 6.83 million USD (Figure 2).

The bilateral relationship between Vietnam and the UK is in the best stage and still has much potential for development. In trade relations, the UK is Vietnam's leading important trading partner, the 13th largest export market among countries and territories in the world, and the 5th among other countries and parts of Europe and America.

Figure 2. Two-way trade between Vietnam and the United Kingdom (2010 - 2022)



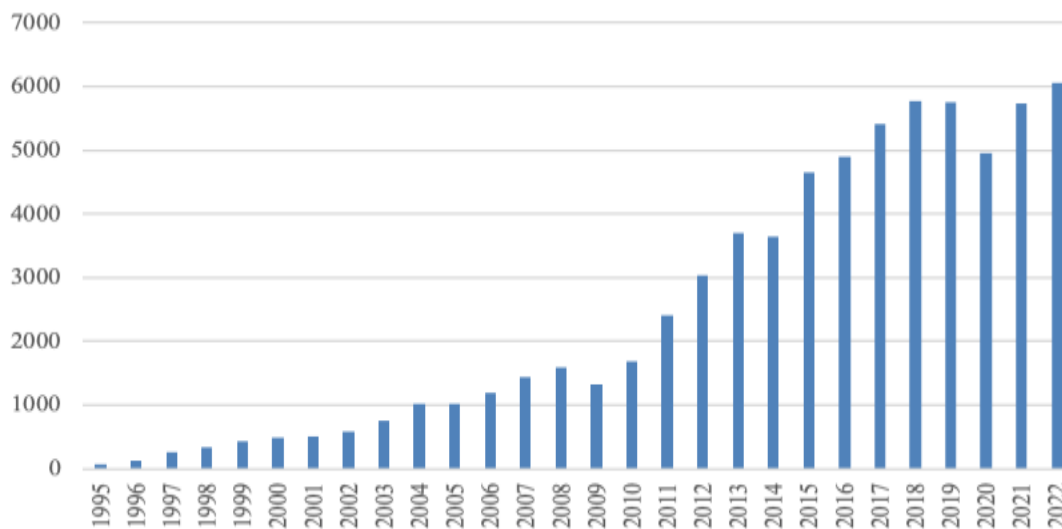
(Source: General Statistics Office and General Department of Vietnam Customs)

3.2. In terms of export turnover and structure

As mentioned above, after the British government removed export credit insurance, since 1995, Vietnamese goods have enjoyed the same preferential regimes as other developing countries. Considering the whole process from 1995 to now, from 1995 to 2018, Vietnam's exports to the UK have continuously increased over the years. From a very modest figure of 74.6 million USD in 1995, it grew more than 77 times in 2018, reaching 5779.3 million USD. Especially since the two countries upgraded their strategic partnership in 2010, Vietnam's export turnover to the UK has experienced strong growth: in 2010, it increased by more than 26.5% compared to 2009 and in 2009, 2011 increased the highest by nearly 42.6% compared to 2010. In the following years until 2018, Vietnam's export turnover to the UK increased. However, in 2019, Vietnam's goods export turnover to the UK decreased slightly by 0.4% compared to 2018. At the same time, the

trade exchange between Vietnam and the UK had a disruption after the UK departed from the EU on January 31, 2020, and the COVID-19 epidemic began to explode in both the UK and Vietnam, causing Vietnam's exports to the UK to decrease by 14% compared to 2019, however, along with the start of the pandemic. After the UKVFTA was signed, Vietnam's exports to the UK improved and grew again. In 2021, Vietnam's export turnover to the UK will reach more than 5,760 million USD, up 16.4% compared to 2020 (Figure 3).

Figure 3. Export turnover of goods from Vietnam to the UK (1995 - 2022)
(Unit: Million USD)



(Source: General Statistics Office and General Department of Vietnam Customs)

In 2022, Vietnam's export turnover to the UK will reach 6,060 million USD, an increase of 5.2% compared to 2021. Contributing to this "miracle" growth are many valuable products such as Agricultural products increased by 67%; pepper rose by 49%; machinery and equipment increased by 16%; wood and wood products increased by 14.5%... This result helped Vietnam to have a trade surplus of more than 4.8 billion USD to the UK. Other items with reasonable growth rates include: coffee increased by 138.8%; confectionery and cereal products by 31.5%; pepper by 26.7%; electric wires and cables increased by 98.9%.

About the structure of exported goods

The main export products of Vietnam to the UK are phones - components, textiles, footwear, iron and steel of all kinds, computers - components, cashew nuts, coffee, pepper... The structure of Vietnam's exports to the UK has mostly stayed the same in recent years. However, after the UKVFTA took effect, with the UK's commitments to reduce tariffs and non-tariff barriers, several export products that Vietnam has strengths in, such as agriculture, fishery, textiles, raw materials, etc. materials and wood products, shoes, vegetables, etc. had the opportunity to penetrate the UK market, changing the structure of Vietnam's exports to this market.

Table 1. Top 15 groups of Vietnam's most exported products to the UK in the period 2019-2021

HS Code	Describe	2019	2020	2021
85	Electrical machines and equipment and parts thereof; sound recorders and reproducers; television image and sound recorders and reproducers; parts and accessories of the preceding	2,394,697	2,006,158	2,080,165
64	Shoes, sandals, boots, and similar articles; parts of the above products	633,341	500,722	545,885
72	Iron and steel	24,436	35,890	491,632
94	Furniture; bedding, mattresses, mattress frames, mattresses, and similar stuffed articles; lamps and luminaires, not elsewhere specified or included; illuminated signs, illuminated nameplates, and the like; prefab house	359,498	273,184	322,071
62	Clothing and apparel accessories, not knitted or crocheted	521,377	316,559	318,109
84	Nuclear reactors, boilers, machinery, and mechanical equipment; parts of them	257,088	287,968	287,454
61	Clothing and apparel accessories, knitted or crocheted	244,955	217,696	244,948
3	Fish and crustaceans, mollusks, and other aquatic invertebrates	171,454	196,133	184,791
39	Fish and crustaceans, mollusks, and other marine invertebrates	151,545	130,597	136,934
16	Preparations of meat, fish or crustaceans, mollusks, or other marine invertebrates	108,896	148,459	131,203
95	Toys, game equipment, and sports equipment; parts and their accessories	90,842	105,088	125,338
8	Edible fruit and nuts; peels of citrus fruits or melons	112,932	96,091	96,738
9	Coffee, tea, Paraguay tea, and spices	101,283	69,824	91,330
42	Articles of leather; saddles and harnesses; travel articles, handbags, and similar containers; products made from animal intestines (except silk from silkworm intestines)	104,972	86,321	88,860
73	Products of iron or steel	68,715	39,951	76,522

Source: Trademap(2022)

Free Trade Agreement (EVFTA). EVFTA), the signing of UKVFTA helps Vietnamese companies become intermediaries for companies in the United Kingdom who are having difficulty accessing the European market after the country leaves the EU (Brexit) and are in great need of partners can bring them to the big markets mentioned above.

Thirdly, UKVFTA is the beginning of a new phase in the relationship between the two countries for the development of crucial trade areas. In particular, UKVFTA includes trade liberalization in goods and services and integrates many other essential elements, such as green growth and sustainable development. As mentioned above, at present, the market growth in the UK for Vietnamese products is still tremendous because all Vietnamese export products account for no more than 1% of the total market share of total imports—goods per year of nearly 700 billion USD (2019) in the United Kingdom. However, when the UK leaves the EU, some of the incentives that EVFTA brings will not be applied in the UK market. Therefore, signing a bilateral FTA will create conditions for reform, market opening, and trade facilitation activities in the two countries based on inheriting relatively positive negotiation results in the EVFTA. , avoiding disruption of commercial activities as a result of Brexit.

Furthermore, in addition to tariff preferences, the bilateral FTA between Vietnam and the UK will provide commitments to transparency in quality standards. This is an essential driving force for improving production activities in the direction of meeting market requirements for Vietnam's export products. Because the improved output quality not only helps boost the export of this product to the UK but also meets the needs of many other markets worldwide.

4.2. Some challenges

In addition to opportunities for export promotion, improvement of the business investment environment, and expansion of commodity supply, UKVFTA poses particular challenges to Vietnam's commodity exports in taking advantage of oranges and pressure on the domestic market.

Firstly, the requirements on rules of origin can be challenging to meet: Normally, for goods to enjoy preferential tariffs under FTAs, raw materials must meet a certain percentage of internal content. Although UKVFTA facilitates the expansion of supply in the UKVFTA rules of origin, currently, because raw materials for the production of Vietnamese exports are mainly imported from

China or ASEAN, this can be considered a big challenge for Vietnamese enterprises.

Secondly, the product standards of the UK market are strict; products that want to access the UK market must meet the conditions of information transparency, ensuring that they are produced on a sustainable development process. Technical standards regularly update standards to ensure food hygiene and safety for consumers and protect the environment. Meanwhile, technical standards and quality requirements for imported goods from the UK are very high. For example, for agricultural products, although UKVFTA inherits the incentives with flexible SPS (sanitary and phytosanitary measures) regulations in the EVFTA, most of our country's agricultural products, such as tea, vegetables, and fruits, ... still face limitations due to lack of uniformity in each shipment, poor harvesting and preservation, some products still have residues of antibiotics or pesticides, not yet meet the specified technical standards, so it is tough to overcome this barrier.

Thirdly, the risk of trade remedies (PVTM) is also a significant challenge for Vietnamese exports entering the UK market. In international trade, when tariff barriers are no longer an effective tool for protection, the import market tends to use more trade remedies such as anti-dumping, anti-subsidy, or self-defense to protect the domestic industry. The UK is also one of the markets with “traditional” use of these tools. For example, the UK is using tariff quotas on steel imported from non-EU countries or anti-dumping and anti-subsidy policies on electric bicycles, ceramic tiles, suede, citric acid, fruit, etc. citrus trees, etc., imported from China as trade remedies. Steel and fruit are the items that Vietnam exports to the UK. Thus, along with the growth of trade turnover, the demand for using trade remedy tools and the number of trade remedy cases against Vietnamese goods from the UK market is forecasted to increase significantly. The fact that exported goods become the subject of trade remedy investigation from an import market such as the United Kingdom is an excellent difficulty for Vietnamese exporters to respond to investigation cases to minimize the impact of trade disputes—negative impacts from trade remedies.

Fourthly, Vietnamese goods must compete equally with products produced by British enterprises and those of other countries, especially countries from the former British colony. For UK businesses, competitive pressure comes from understanding UK's consumer habits and a professional and organized business organization system. Meanwhile, competitive pressure comes from other countries,

including former UK colonies, with more extended access to the UK market, deeper cultural connections, and even greater access to the UK market—The ability to coordinate with UK business systems more effectively.

Fifthly, the challenge of supply chain disruptions, or a sharp increase in freight rates due to high gasoline prices, is also detrimental to the activities of Vietnamese import and export enterprises. According to the forecast, the cost of raw materials, fuel, and materials for exporting goods in Vietnam may increase in the coming time. This directly affects the competitiveness of Vietnam's exports. For example, currently, wood export orders are decreasing due to facing many challenges and difficulties when significant markets such as the United Kingdom, the United States, and the EU are experiencing high inflation rates, which negatively affect the economy—Production and business of wood industry enterprises, leading to difficulties in capital and labor costs for enterprises.

4.3. Some policy suggestions to promote the export of Vietnamese goods to the UK

From the results of the quantitative assessment of the impact of UKVFTA and through the analysis of opportunities and challenges from UKVFTA to the export of Vietnamese goods to the UK market. The author has policy suggestions for exporting Vietnamese goods to this potential market.

For the governing

Firstly, strengthen the propaganda and dissemination of information about UKVFTA and the UK market

Enhancing the dissemination of UKVFTA to relevant stakeholders, especially those who may be affected, such as farmers, fishermen, central and local management agencies, industry associations, cooperation communes, the business community, workers, and other laborers through the media, websites, printed publications, documents, radio and television programs, classes training, online training courses, seminars to raise awareness and understanding of the commitments as well as the tasks to be implemented to implement UKVFTA effectively;

Focusing on training for officials of state management agencies and businesses in several areas such as tax, rules of origin, access to the UK market, investment, services, customs, etc. Government procurement, trade remedies, intellectual property, labor, environment, etc., ensure that enterprises and officials

of state management agencies understand and understand correctly, thereby helping to make full and effective use and implementation of the Agreement;

Establish a UKVFTA Information Center at the Ministry of Industry and Trade to provide information, guidance, and clarification on commitments and issues related to the Agreement;

Consolidate the network, strengthen the capacity, and step up the provision of information and forecasts on the UK and domestic market by state agencies with the function of providing information on trade and investment so Vietnamese businesses can promptly grasp information, technical requirements, and regulations on UK import and export management.

Promote trade and investment promotion programs in the UK to inform the UK business community about the opportunities and advantages of Vietnam's business and investment environment, thereby developing trade relations, attracting foreign investment in required fields, taking advantage of source technology and modern technology to remove bottlenecks that may hinder some sectors of Vietnam from taking advantage of UKVFTA.

Secondly, promote the building of laws and institutions.

The concerned ministries and branches shall continue to review the law during the implementation of the Agreement and report to the Government if there are proposals to amend and supplement other legal documents to suit the Agreement's requirements. Determined; Amend and increase legal documents and submit them to competent authorities for approval and promulgation by the roadmap specified by UKVFTA. For documents that need to be promulgated and take effect as soon as the Agreement comes into force, the simplified order and procedures prescribed in the 2015 Law on Promulgation of Legal Documents (Law No. 80/2015/QH13) and the Law amending and supplementing several articles of the Law on the Promulgation of Legal Documents (Law No. 63/2020/QH14), and provided timely guidance on the implementation of the Agreement for related objects;

Continue to build and perfect the necessary institutions to implement the Agreement:

- Designate general and specific contact points in each field to exchange information between Vietnam and the UK and fulfill notification obligations under the Agreement;

- Designate and notify the focal point of Vietnam to join the UKVFTA Trade Committee, the specialized committees according to the chapters; the focal point for communication between Vietnam and the United Kingdom on all matters of the Agreement; the agency coordinating the development of proposals and receiving technical assistance from the UK during the implementation of the Agreement;

- Appoint individuals to build a list of arbitrators according to the provisions of the Agreement to handle dispute settlement cases arising between the two parties;

- Having an appropriate mechanism for establishing a national advisory group consisting of independent representative organizations, ensuring a balanced representation between economic, social, and environmental fields, including human workers and employers, businesses, and environmental organizations.

Thirdly, improve competitiveness and develop human resources.

Develop programs to support and improve competitiveness for industries and businesses, tiny, medium, and micro enterprises, and farmers; at the same time, prepare solutions to respond and help for initiatives and goods that are directly and significantly affected by the implementation of the Agreement; Support Vietnamese enterprises to participate in production networks, value chains, and supply chains with the participation of UK businesses to take advantage of the benefits of the Agreement; strengthen measures and mechanisms to encourage and orient UK-invested enterprises to connect with domestic enterprises, contributing to the formation and development of supply chains; Promote mutual recognition of results of conformity assessment with the UK, especially for Vietnam's strong export products and goods to the UK.

Fourthly, improve social security, environmental protection, and sustainable development policies.

Develop and promulgate synchronous social policies, including policies on financial support, vocational training for a career change, provision of job counseling services, etc., to help lost workers. Jobs caused by businesses that cannot stand in the process of competition and implementation of the Agreement; Assess the impacts of UKVFTA on labor issues, employment, society... and propose solutions to implement UKVFTA effectively. Strengthen the capacity of regulators and enforcement agencies to meet UKVFTA requirements;

Fifth, the Ministry of Industry and Trade should continue to direct the Trade Office and related units to strengthen the implementation of solutions to promote

the export of crucial critical products, expand markets, and focus on exploiting the export advantages of Vietnam. At the same time, direct the authorities in charge of investment and trade promotion and urgently support businesses to make and implement plans to promote and introduce products to participate in trade fairs. Markets, trade, and cooperation with UK businesses improve efficiency and innovate trade promotion methods, focusing on goods with export advantages, potential markets, and niche markets to diversify export markets.

For Vietnamese businesses

Firstly, at the end of the transition period on February 31, 2020, the British Government issued the Post-Brexit International Trade Policy and will gradually adjust several regulations on product standards, production processes, and standards—export and customs procedures. Therefore, Vietnamese businesses must promptly grasp these changes when producing and exporting goods to the UK market. In addition, companies must closely monitor exchange rate fluctuations between GBP and USD when choosing these currencies in negotiating and signing commercial contracts. They should not accept deferred payment terms to reduce risks due to exchange rate fluctuations detrimental to Vietnamese exporters.

Secondly, export businesses must actively learn and develop plans for adjusting the supply chain and input materials to ensure they meet the rules of origin. Take advantage of the preferential tax rates when the EVFTA comes into effect. At the same time, in the coming time, it is necessary to redirect the import of raw materials in several industries, such as textiles, garments, and footwear, to take advantage of opportunities from the commitments of the Agreement.

Thirdly, Vietnamese businesses need to improve the uniformity of each shipment, increase post-harvest storage capacity and improve product quality to conquer the UK market, one of the largest markets in the world. Although the UK is considered a country with an open economy, supporting global free trade, exports to the UK market must go through quite strict control on technical and food safety standards products..., to which these “barriers” are often applied according to the latest European standards and which are often the highest standards currently being used internationally. Besides, the UK's mandatory food hygiene and safety requirements, labeling, environment, etc., are stringent and difficult to meet. Therefore, even if it benefits from tariffs, Vietnamese goods must improve quality to overcome these barriers. At the same time, UKVFTA liberalizes trade in goods and services and integrates many other vital factors, such as green

growth and sustainable development. In short, Vietnamese businesses that want to penetrate the UK market must ensure at least three of the following issues: standardization, health, and environment.

Fourthly, it is necessary to carefully control the food safety and hygiene issues for export goods in the agricultural - food sector to avoid risks because the UK's food safety standards, especially the threshold for The maximum amount of pesticides, are strictly regulated. Although the UK does not require Vietnam to inspect shipments in Vietnam before exporting, the inspection rate at the import border is up to 80%, so shipments that fail will not be cleared for import. Besides, although Vietnam has signed an FTA with the UK, it helps Vietnamese vegetables and fruits maintain a tariff advantage compared to rivals such as Thailand and Indonesia. However, the tariff advantage of Vietnam's vegetables and fruits will only last for a while when Vietnam's competitors negotiate with the EU and the UK to have similar agreements. Therefore, businesses with strengths in raw material areas and a complete quality management system need to quickly take advantage of opportunities and dominate the market in the first stage of UKVFTA's effect.

For enterprises exporting agricultural and aquatic products, it is necessary to voluntarily and strictly comply with regulations on traceability; strengthen inspection and supervision of the use of antibiotics in the production and processing stages for export; well control the issue of aquatic quarantine, ensure food safety and hygiene in the entire chain of preservation and processing to have high-quality export seafood products, meeting the requirements of importing countries. In addition, it is necessary to actively cooperate and link to enhance strength and create supply chains through promoting production linkages between enterprises, cooperatives and farmers, fishermen, and production households. That completes the "value chain" from production, farming, processing, and distribution to consumers in order to ensure product quality, as well as to ensure product quality and enhance corporate social responsibility, paying attention to development issues. Sustainable development of UKVFTA in particular and new generation FTAs, such as principles and standards on labor, on environmental protection...

Fifthly, after separating from the EU, the UK has built its own commercial PV system on the legal foundation of the EU. Investigations can be initiated when a UK industry is likely harmed by unfair competition. To overcome the above

challenges, Vietnamese enterprises exporting goods to the UK need to strengthen cooperation and link many parties in the investigation, monitoring, and early warning for goods—chemicals at risk of being subject to trade remedies. In addition, businesses exporting goods to the UK must regularly monitor signs from the Ministry of Industry and Trade and adjust their export business plans accordingly, reducing negative impacts when applying trade remedies. At the same time, businesses must regularly discuss with the Trade Protection Department difficulties and need advice, thereby helping companies to protect their legitimate interests; Or the coordination and association with enterprises with the same export products to have a joint plan to deal with possible lawsuits, is also an issue that needs attention. When dealing with cases from the UK, businesses also need to pay attention to the same issues as the case from the EU. In addition, companies also need to understand several specific characteristics in investigating the UK trade remedy case to have an adequate response.

Sixthly, change and improve the method of approaching customers. In terms of product quality, it took much work in the past for Vietnamese enterprises to compete with Chinese and Thai products in the UK market; now, many Vietnamese products are equal to Chinese products. Country and Thai products. However, in the approach to customers, many Vietnamese enterprises still need to catch up to Chinese and Thai enterprises. Therefore, Vietnamese businesses need to learn from the experiences of China and Thailand. For example, regarding technical standards, all Chinese enterprises that export products to the UK introduce themselves on their websites that we manufacture according to this standard, then introduce each specific product. They produced for British companies or were suppliers to British companies. This method is quite effective because the British are relatively cautious when doing business with new customers and partners.

5. CONCLUSION

The above analysis shows that UKVFTA will bring many new opportunities for goods exported to the UK market and, at the same time, create strong competitiveness for Vietnamese enterprises. However, to take advantage of the opportunities that UKVFTA brings and conquer a high-standard market like the UK, it requires the Government, the Ministry of Industry and Trade, and other ministries and sectors to synchronously deploy several solutions to help

Vietnamese businesses improve their competitiveness, meeting the strict requirements of the UK market.

In addition, Vietnamese businesses must make every effort in market research, innovating product strategies, and meeting British consumers' standards and tastes to create a firm trust in customers' consumption in this market. The partners of Vietnamese businesses are businesses in the UK, and in the coming time, there will be vital adjustments to take advantage of UKVFTA. Therefore, Vietnamese companies need to develop an export business strategy urgently. At the same time, companies must carefully understand the content of commitments of Vietnam and the UK in the UKVFTA, as well as regulations and requirements. On import and export of the UK market, to take full advantage of the Agreement's benefits, enhance trade exchange with one of the largest economies in this European region.

ACKNOWLEDGEMENT

This research has been done under the research project QG.22.52 “Evaluating the impact of UKVFTA on export Vietnam’s goods to the United Kingdom” of Vietnam National University, Hanoi.

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