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HIỆP ĐỊNH THƯƠNG MẠI HÀNG HÓA ASEAN: CƠ HỘI VÀ THÁCH THỨC CHO VIỆC XUẤT NHẬP KHẨU NÔNG SẢN VIỆT NAM

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Tóm tắt

Mục tiêu của bài nghiên cứu là chỉ ra những thành tựu và khó khăn mà hiệp định ATIGA đã đem tới Việt Nam trong khoảng thời gian 2009 - 2017. Qua việc tìm hiểu các dữ liệu thứ cấp, việc xuất nhập khẩu hàng hóa của Việt Nam tăng trưởng mạnh mẽ, tuy nhiên việc loại bỏ thuế nhập khẩu dẫn tới nhiều vấn đề cho xã hội, điển hình là cạnh tranh với mặt hàng nội địa. Để giải quyết vấn đề, chính phủ cần xây dựng, hoàn thiện hệ thống pháp luật, chính sách trong nước phù hợp với những định hướng lớn của Đảng và nhà nước trong vấn đề phát triển thương mại, phù hợp với luật pháp quốc tế và những khung khổ hợp tác nhằm nâng cao hiệu quả của việc tham gia vào ATIGA. Các doanh nghiệp nên chuẩn bị kỹ lưỡng, nâng cao trang thiết bị cũng như dây chuyền sản xuất để giảm giá bán và có thể cạnh tranh với các doanh nghiệp nước ngoài.

Từ khóa: Hiệp định ATIGA, Xuất nhập khẩu Việt Nam, cắt giảm thuế quan.

ASEAN TRADE IN GOODS AGREEMENT: OPPORTUNITIES AND CHALLENGES FOR IMPORT AND EXPORT AGRICULTURAL PRODUCTS OF VIETNAM

Abstract

This paper indicates the opportunities and challenges that the ATIGA agreement affects Vietnam. The information is collected during the period 2009-2017. Through researching, Vietnam exported and imported goods has increased significantly, however eliminating tariffs on imported goods has led to many problems, primely on domestic products competition. To solve this and many other disadvantages, the Vietnamese government should build and perfect the legal framework and

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policies in line with the great orientation of the Party and the Government of Vietnam in order to improve the effectiveness of participating in ATIGA. Enterprises should be well -prepared, improve both production line and technology so that total cost will be lower and then can easily compete with other foreign products.

Keywords: ATIGA, Vietnam export, Vietnam import, tariff reduction.

1. Introduction

During the integration period, countries from South East Asia and throughout the world are eager to trade commodities. Vietnam is a country in the center of South East Asia that is perfect for importing and exporting goods. This provides Vietnam with numerous benefits, including a wealth of natural resources, plus an abundance of human resources. Vietnam has a strong potential for producing a variety of products, particularly agricultural items. ATIGA, or the ASEAN Trade in Goods Agreement, is an agreement between ASEAN member countries to eliminate tariffs. The signing of ATIGA has greatly improved Vietnam's export and import to ASEAN member countries. The agreement has also assisted in opening up, creating many new opportunities for these industries to develop in the future in this large potential and competitive market. However, in addition to the benefits that ATIGA provides for Vietnam, the agreement also brings with it difficulties and inadequacies. As a result, understanding the agreement's benefits and drawbacks will assist manufacturers and businesses in the Vietnamese agricultural sector in improving their weaknesses and capitalizing on the benefits provided by ATIGA. There is no denying that the exporting and importing industry for agricultural products is extremely important for Vietnam, mainly with high demands and the development potential is greater and clearer than ever. In this paper, we will analyze the positives, negatives, advantages and disadvantages of exporting and importing for the Vietnamese agricultural product industry since the ATIGA agreement came into effect, the authors use annual time-series data of 10 member states of the ATIGA, involving 10 South East Asia countries and Vietnam between 2009 and 2017.

2. ASEAN Trade in Goods Agreement ATIGA

2.1. Overview of ATIGA

2.1.1. Formation history

- The ATIGA Agreement (ASEAN Trade in Goods Agreement**)** was signed in February 2009 and came into force on May 17, 2010, formerly known as the Common Effective Preferential Tariff Agreement (CEPT/AFTA) signed in 1992;

- ATIGA is ASEAN's first comprehensive agreement that governs all regional trade in goods and is built on the basis of a combination of tariff reduction/elimination commitments agreed in CEPT/AFTA along with other agreements and decrees;

- Vietnam joined ASEAN in 1995 and started to implement CEPT/AFTA in 1996 and then continued to follow ATIGA.

2.1.2. Content of the Agreement

- ASEAN countries in ATIGA give each other preferential treatment equivalent to or more favorable than that accorded to partner countries in the Free Trade Agreements (FTAs) that ASEAN has signed (ASEAN + FTA);

- In order to fully liberalize the tariffs, ASEAN has agreed to eliminate all tariffs, for ASEAN-6[2] by 2010 and for CLMV[3] countries in 2015 with some flexibility to 2018 (about 7% of total tariff lines);
- In addition to tariff commitments, ATIGA also includes various accords such as the elimination of non-tariff barriers, regulations of origin, trade facilitation, customs, standards and conformity, sanitary and phytosanitary measures;
- The tariff reduction commitment schedule in each country's ATIGA (Annex 2 of the Agreement) includes all products in the ASEAN Tariff Goods List (AHTN - Asean Harmonised Tariff Nomenclature) and a specific reduction schedule for each product in each year.

2.2. Commitments

2.2.1 Reduction or Elimination of Import Duties

In this commitment, Member States shall eradicate import taxes on all products traded between the Member States for ASEAN-6 (by 2010) and for CLMV (by 2015) with a grace period of up to 2018.

"Each Member States shall reduce and/or eliminate import duties on originating goods of the other Member States in accordance with the following modalities: Import duties on the products listed in ***Schedule A*** *of each Member State's tariff liberalization schedule shall be eliminated by 2010 for ASEAN-6 and 2015 for CLMV, in accordance with the schedule set out therein" (ATIGA final paper)*

To be specific,

For ASEAN-6: Import taxes of at least 80% tariff line are eliminated by 1st January, 2009 and on all products traded between the Member States by 2010.

For CLMV: Import taxes on all products traded between the Member States are eradicated by 2015. Import duties on some CLMV products must be eliminated by 2018, (not surpassing 7% of tariff lines).

In Vietnam, according to the information from the Ministry of Finance, Vietnam has decreased 6,897 tariff lines (accounting for 72 percent of the total import tariff) to 0% as of January 1, 2014, as a result of ATIGA pledges. Other 1,706 tariff lines were reduced to 0% by January 1, 2015. Cars, motorcycles, accessories and spare parts for automobiles and motorcycles, vegetable oils, tropical fruits, electronics such as refrigerators and air conditioners, milk and dairy products will be among the remaining 669 tariff lines (accounting for 7% of the tariff line), which are primarily sensitive products in trade between Vietnam and ASEAN, will be reduced to 0% in 2018. Products that are not subjected to import tax removal (maintaining the MFN tax rate), include cigarettes, tobacco leaves, defense and security products such as explosives, weapons, pyrotechnics, medical waste, and old tires.

2.2.2. Rules of Origin

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[2] ASEAN-6: included Brunei, Indonesia, Malaysia, Philippines, Thailand and Singapore.

[3] CLMV: included Cambodia, Laos, Myanmar, Vietnam.

If a good imported into the territory of a Member State from another Member State meets the origin requirements under any of the following situations, it is considered as an originating good:

(a) a good obtained or manufactured entirely in the exporting Member State.

(b) a good that was not entirely obtained or manufactured in the exporting Member State, as long as the said goods are qualified.

Goods are considered to have originated in the Member State where they have been worked or processed:

(a) If the commodities have a regional value content of at least 40% (hence referred to as “ASEAN Value Content” or the “Regional Value Content (RVC)”)

(b) If all non-originating materials utilized in the goods' manufacture have experienced a change in the Harmonized System's tariff classification (hereinafter referred to as "CTC") at the four-digit level.

In short, the ATIGA General Rules for Rules of Origin are RVC 40% or a 4-digit level change of tariff classification. This rule applies across the board except for the commodities stated in the Product Specific Rules.

2.2.3. Trade Facilitation

To ensure successful implementation of trade facilitation measures, Member States will conduct assessments once every two years, independently and collaboratively, on the implementation of the trade facilitation measures set out in this Agreement and the ASEAN Trade Facilitation Work Programme. Within 6 months of the Agreement's entrance into force, Member States will agree on an ASEAN Trade Facilitation Framework to serve as a roadmap for further improving trade facilitation in ASEAN.

In accordance with the provisions of the Agreement to Establish and Implement the ASEAN Single Window and the Protocol to Establish and Implement the ASEAN Single Window, Member States shall take the necessary steps to establish and operate their respective National Single Windows and the ASEAN Single Window. At the national level, each Member State must also create a Trade Facilitation Coordinating Committee or relevant focal point.

2.2.4. Customs

Each Member State is responsible for ensuring that its customs processes and practices are predictable, consistent, transparent, and trade-facilitating, including through expedited goods clearance. Member States' customs procedures follow the World Customs Organisation’s and other international organizations' standards and recommended practices, to the extent permissible by their own customs laws.

Each Member State's customs authorities will assess its procedures with a view to their simplification in order to facilitate trade. Customs control will be limited to what is required to ensure that Member States' customs regulations are followed. Member States may, to the degree permitted by their legislation, assist each other on customs problems as deemed appropriate.

2.2.5. Standards, technical regulations and conformity assessment procedures

The goal of this commitment is to establish provisions on standards, technical regulations, and conformity assessment procedures to ensure that they do not obstruct trade in the process of establishing ASEAN as a single market and production base, while also ensuring that Member States' legitimate objectives are met.

Member States must take all necessary steps to ensure that all ASEAN Sectoral Mutual Recognition Arrangements, ASEAN Harmonised Regulatory Regimes, and relevant provisions of this Agreement are implemented within the time frames set forth in the aforementioned agreements, and that the harmonised requirements are met.

2.2.6. Sanitary and phytosanitary measures

The objectives of this commitment are to strengthen the co-operation and facilitate commerce between and among Member States while safeguarding human, animal, plant life and health in each of them and then offer a structure and recommendations for Member States to follow when applying sanitary and phytosanitary measures, with a focus on meeting the ASEAN Economic Community Blueprint's commitments.

An ASEAN Committee on Sanitary and Phytosanitary Measures (AC-SPS) must be formed for the efficient implementation of this commitment, with meetings held at least once a year among Member States.

In accordance with the aforementioned objectives and the commitments set forth in the ASEAN Economic Community Blueprint, each Member State will explore some opportunities for additional cooperation, technical assistance, collaboration, and information exchange with other Member States on sanitary and phytosanitary issues of mutual interest.

3. Achievements and problems of agreements to Import and Export Agricultural Products of Vietnam

3.1. Achievement

3.1.1. Overview

Since signing ASEAN Trade in Goods Agreement (ATIGA), Vietnam goods exported and imported to the Member States of ASEAN have changed. There are two main periods for Import and Export Agricultural Products of Vietnam: Period between 2009 – 2015 and period between 2015 – 2017.

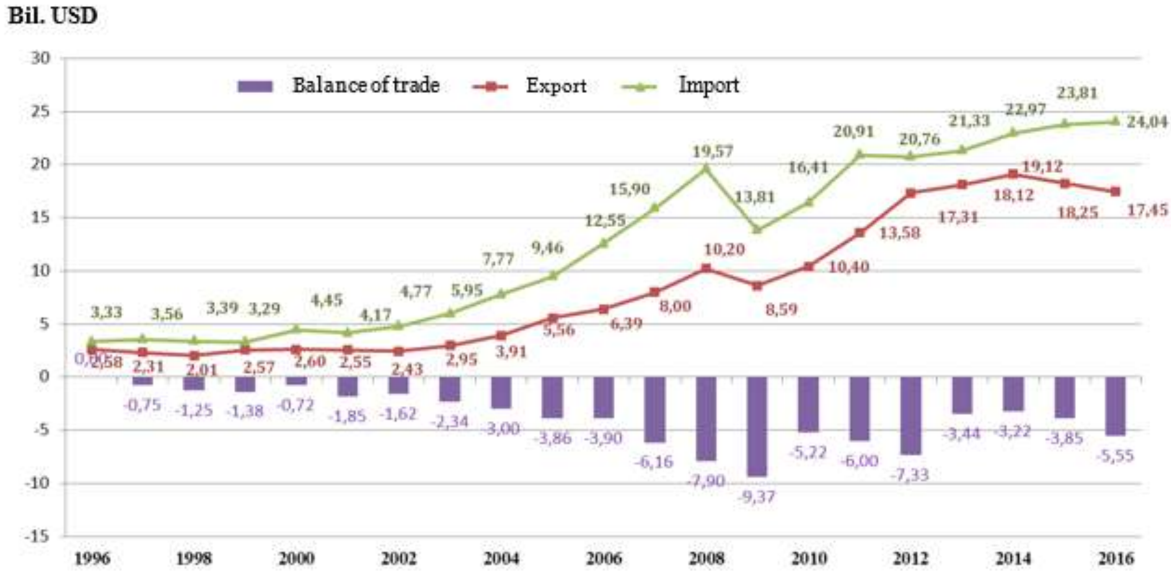

Figure 1. Import and export turnover of Vietnam to ASEAN from 1996 to 2016

Source: customs.gov.vn

In the first period (2009 – 2015), import taxes of ASEAN - 6 Member States were eliminated in the year 2010. Before this year, Vietnam's total exports of goods to 9 countries of ASEAN in 2009 was 8,59 billion USD. After ATIGA came into force, export value of Vietnam to ASEAN Member States increased significantly: 10,4 billion USD in 2010; 13,58 billion in 2011; 17,31 billion USD in 2012; 18,12 billion USD in 2013 and peaked at 19,12 billion USD in 2014. Over this period, Vietnam exports to Member States rose 122,5%, compared to the year 2009.

The second period is between 2015 and 2017. In this period, import taxes of CLMV Member States are mostly eliminated. Until 1/1/2015, Vietnam has cut down 8.603 taxes. Since then, the ATIGA agreement has also led to the increase of Vietnam imported goods. Starting in 2014, Vietnam's total import was 22,07 billion USD, then rose to 23,81 in 2015 then 24,04 in 2016. The deep reduction of Vietnam's tariffs in the period 2015 - 2018 will have a strong impact and create many advantages as well as great challenges for domestic enterprises. Therefore, Vietnamese businesses need to prepare carefully in terms of information and develop business strategies to make the most of the advantages and adapt to challenges, competing with businesses from other Members of ASEAN.

3.1.2. Achievement in export agricultural products of Vietnam

During the period between 2009 and 2010, exporting agricultural products of Vietnam had risen dramatically. Our country promoted exporting traditional goods such as rice and coffee, however the profit gained from exporting these products increased significantly. According to the statistics of the Institute of Policy and Strategy for Agricultural and Rural Development, the authors have collected the statistics of some exporting products to ASEAN member states, in two years 2009 and 2010, as the year 2009, was the year before the signing of ATIGA:

- Coffee (exports to Indonesia, Malaysia, Philippines, Singapore, Thailand): 2009: 99,93 million USD; 2010: 132,65 million USD; up 32,7%

- Rice (exported to Indonesia, Malaysia, Philippines, Singapore): 2009: 1,34 billion USD; 2010: 1,71 billion USD; up 27,6%
- Vegetable and fruit (Indonesia, Malaysia, Singapore, Thailand): 2009: 31,25 million USD; 2010: 48,07 million USD; up 53,8%
- Tea (Indonesia, Philippines): 2009: 6,93 million USD; 2010: 8,2 million USD; up 18,32%
- Cashew (exports to Malaysia, Philippines, Singapore, Thailand): 2009: 21 million USD; 2010: 38 million USD; up 81%

The agreement has cut down most of the exporting product to 0%, continuing to create opportunities for exporting Vietnamese agriculture products to the ASEAN market. Although the export of agricultural products in the period from 2019 onward has encountered many interruptions, especially due to the impact of the Covid-19 pandemic, in 2021, the export situation of Vietnamese agricultural products has made some positive improvement. Because of this, ASEAN is still a very potential and favorable market for the export of Vietnamese agricultural products in the near future.

3.1.3. Achievement in import agricultural products of Vietnam

After many taxes were reduced in 2015, the amount of goods imported into Vietnam increased sharply, with a variety of brands, models, and so on, allowing consumers to use more foreign products overall.

For example, Vietnam's imports of agricultural goods from Thailand have many significant changes. According to statistics from Thailand's Department of International Trade Promotion, Ministry of Commerce (2017), between the years 2015 and 2016, comparing two months January and August: Fresh, frozen, and dried fruit: 162,95 million USD in 2015; 211,64 million USD in 2016; a 29.88 percent increase.

3.2. Problems

Signing ASEAN Trade in Goods Agreements has brought our country significant achievements in the process of exporting goods. However, obstacles are things that Vietnam cannot ignore. Difficulties showed up on Vietnam’s agricultural products.

Obviously, the act to cut down import tariffs is an opportunity for Vietnamese consumers to buy ASEAN Member States’ products. However, a conflict has been made between domestic products and other products imported from other ASEAN countries. These are some evidences:

Products such as sugar, tropical fruit, nuts, and processed food which were made in ASEAN Member States have lower prices than domestic products. Sugar made in Thailand has the price of 9.000 to 11.000 VND/kg, on the other hand the price of Vietnamese sugar was 12.000 to 13.000 VND/kg (Huy, 2016). The pressure from Thai sugar had made some manufactures lose money, factories had to shut down. Farmers must reduce sugarcane price in order to be sold, this situation led to the circumstance in which farmers abandoned their sugar cane fields and grew other agricultural crops.

Products such as confectionery, milk and dairy products are also under a lot of pressure from regional competitors. According to Mr. Trinh Sy – General Director of Trang An Confectionery Joint Stock Company, the domestic confectionery market had to compete with imported products from ASEAN, Korea, Europe, etc. And there was no room for new entrants, only strong companies may compete (Linh, 2016). The domestic confectionery market is increasingly facing stiff competition with many foreign confectionery products produced from ASEAN countries: Indonesia, Philippines, and Thailand.

In 2021, the situation of exporting and importing Vietnamese agricultural products to the ASEAN region shows signs of stagnation and a slight decrease. According to the General Statistics Office, the total export turnover of agricultural products to ASEAN in the first 8 months of 2021 was only 1.5 billion USD, which is down more than 6% compared to 1.6 billion USD achieved in the same period last year. This is because the effect of the Covid-19 pandemic, in addition to some problems in agricultural imports in ASEAN is still unresolved, especially the competition between Thai sugarcane products and the domestic products - was born from the reason of importing too many cane sugar products originating from Thailand, without any proper management. Furthermore, the Thai government has supported their country's export through many different methods, which leads to a disproportionate competition between sugar made in Vietnam and sugar imported from Thailand. On the other hand, looking at the situation of Vietnam's cane sugar industry, the government has not yet taken specific tightening measures to resolve the existing conflicts and competition between domestic cane sugar products and imported Thai products. Therefore, the Vietnamese sugar market is becoming more and more unstable. To be more specific, many businesses continued to import large amounts of cane sugar, amounting to more than 826.2 thousand tons with a value of more than 8,500 billion VND, in only 5 months from October 2020 to the end of February 2021 (Cường, 2021). Adding this in addition to problems from the pandemic, one-third of sugar factories have to close in 2020, because the product cannot be marketed, there is no money to cover operating costs.

4. Opportunities and challenges for Import and Export Agricultural Products of Vietnam

4.1. Opportunities and challenges

4.1.1. Opportunities

It is clearly indicated that Vietnam is a country that is consistent, proactive, and active in not only implementing integration but also opening up by actively negotiating and participating in trade agreements in the region. As a result, the role, image, prestige, and position of Vietnam in the international arena have been confirmed. This is also an opportunity for Vietnam to effectively protect national interests through equal participation in the international trading system as well as to protect the ultimate interests of the national economy.

Vietnam has steadily become one of the leading countries in integration frameworks and play a vital role in regional economic development. ATIGA has provided extremely apparent benefits to Vietnam, both in the short and long term. As a result of the negotiation, signature, and implementation of ATIGA, Vietnam is reaping ever-increasing benefits from integration and has significantly improved its access to export markets, created more jobs, and fostered more sustainable economic growth.

The process of trade liberalization and international economic integration is deepening, and ATIGA will assist Vietnam in becoming one of the more appealing investment destinations from which businesses can attract higher-value foreign direct investment (FDI) in order to gain management experience and receive modern technology transfer from large foreign corporations.

More foreign investment will come into the Vietnamese economy, resulting in the development or leasing of manufacturing industrial parks. The infrastructure business group will benefit from this movement in the medium and long term. Therefore, joining ATIGA allows Vietnamese enterprises to participate in regional value chains, reducing their reliance on a single location or market. Increased investment makes exports less reliant on imported raw materials and more reliant on domestic supply chains to avoid the limits of origin rules. Increased foreign investment leads to increased service sector growth and labor productivity. Domestic private firms will have more opportunity to engage in global value chains, promoting the growth of the small and medium-sized enterprise sector.

Along with the integration process, the tax reduction will create favorable conditions for Vietnam to export goods to ASEAN countries. ATIGA's trade liberalization has provided numerous possibilities for domestic enterprises to import plentiful raw materials at lower prices, as well as higher-quality equipment and machinery than which is available domestically. Vietnam's traditional agricultural goods (rice, rubber, coffee) will have a plethora of chances to be sold to other nations in the region.

In the long run, ATIGA has an indirect impact on increasing Vietnam's export turnover to non-ASEAN markets because input materials can be imported for export production at cheaper prices from ASEAN countries. On the other hand, as a member of ATIGA, Vietnam has conditions to exploit new advantages in trade relations with major countries. For example, Vietnam will benefit from the US's universal preferential tariff system (GSP). Because the GSP stipulates that "the value of a product produced in a member country of an economic association, free trade area (such as AFTA) is considered a product of a country" (ATIGA: Cơ hội và thách thức, 2019). An imported product entering the US is entitled to GSP if "the value of imported raw materials to produce it accounts for less than 65% of the product value after completing customs procedures to the US". That means ASEAN countries can import materials from other member countries to produce goods for export to the US, and exports will benefit from GSP if the value of raw materials is less than 65% of the product value.

In general, trade liberalization in ATIGA has also brought many opportunities for domestic enterprises.

For import enterprises: There will be a rich source of raw materials at a cheaper price than a source of good quality machinery and equipment, a more competitive price than domestic production.

For export enterprises: They will have the opportunity to penetrate deeper into the ASEAN market. With over 600 million consumers, ASEAN is considered as one of the most dynamic developing regions in the world and becomes Vietnam's top 4 trading partner. That will certainly open up many opportunities such as: having joint venture opportunities, expanding association, gradually approaching high technology so as to narrow the size of technological gap between Vietnam and other countries in the region.

Currently, most goods exported to ASEAN enjoy a preferential tax rate of 0% according to ATIGA. ASEAN countries have eliminated tariffs with an average rate of 98.6% of total tariff lines in 2021. Over the years, the rate of using ATIGA form D preferential C/O has always been the second highest, only after ACFTA, with a value of USD 8.98 billion in 2020, equal to about 39% of the total export turnover to ASEAN.

4.1.2. Challenges

4.1.2.1. Domestic enterprises

ASEAN is a close market with similarities in terms of natural conditions, exploitation resources, etc. with Vietnam. Therefore, the structure of Vietnam's export products with ASEAN countries is quite similar. With the scale and development level of most industries being inferior, it is difficult for Vietnam to compete with countries in the same region such as Thailand, the Philippines or Indonesia. These countries also gain the benefits similar to Vietnam. Therefore, joining ATIGA, Vietnam has to accept that there is a very fierce competition with other members of the association not only in the regional market, but also in the world market.

The period from 2015 to 2017 has many challenges that strongly affect the trading activities of Vietnamese enterprises. The closer the removal of tariff barriers comes, the stronger the liberalization of market business will be, also the more diversified and complex that the technical barriers will be for businesses in Vietnam. Small and medium enterprises will find it very difficult to compete.

Many businesses, it is undeniable to say, nevertheless lack competitiveness. State-owned firms have not been able to advance their leadership role in economic restructuring, innovation, and technology development despite being aided. Although the private sector has grown, its size and financial and technological capabilities remain constrained. Domestic manufacturing industries must compete with imported goods in terms of price and quality. Vietnam, in particular, currently lacks sectoral cohesiveness in agriculture. Internal resources for both firms and farmers have not been adequately prepared for the implementation process. As a result, many agricultural businesses have seen a drop in revenues, significant debt, and even bankruptcy, forcing them to rely on imports. The supporting industries in Vietnam have yet to grow. In some industries, the rate of domestic raw material supply is still low. Furthermore, the structure of Vietnam's exports to regional markets has remained relatively unchanged, with a reliance on labor-intensive items and raw materials. Some items, such as rubber, coconut, vegetables, coal, and so on, are overly concentrated on the Chinese market. The aforementioned situation has resulted in a high reliance on one market, and we must endure severe penalties when a partner decreases imports.

Thus, when the tax rate is 0%, products from ASEAN countries have conditions to enter Vietnam, especially countries with lower production costs than Vietnam. This is also the right time of fierce competition in business between domestic and foreign products. And consumers will benefit the most. If domestic enterprises want consumers to trust and choose their products, they must find ways to increase products’ quality and reduce costs.

For example, for rice products, Vietnam cannot compete with Thailand in both price and quality. For the vegetable oil industry, domestic market is also being squeezed by imported goods, causing a sharp drop in consumption market share, leading to stagnation and wasteful investment. Also, they will face big barriers related to technical barriers and trade barriers, competing with some competitors in the region in terms of price, quality and food hygiene and safety aspects. Besides, enterprises exporting agricultural products in Vietnam all aim for raw products otherwise enterprises themselves are not really active in the market. The example shows that domestic goods are under a lot of competitive pressure confronted with the situation of massive influx of foreign goods. One of the reasons for the rapid increase in the amount of imported products is the reduction of the tax rate to 0% for many goods imported from ASEAN countries.

4.1.2.2. Local authorities and government

Management capacity is still weak. While competitiveness remains low, state management agencies face the problem of perfecting and supplementing processes, strategies for growing local industries. Indeed, the legal system and state management ability in some areas relating to international integration in general continue to be insufficient. Infrastructure, notably infrastructure for economic development and import-export procedures, remains insufficient. Even when it comes to negotiating, signing, and implementing promises, the quality of human resources, particularly experts, remains low. Furthermore, the difficulty of cutting import duties reduces budget revenue. Coordination between central and local governments is ineffective, which leads to confusion when developing policies and dealing with problems that arise as a result of constraints and commitments.

Despite actively engaging in trade agreements, particularly ATIGA, Vietnam is occasionally drawn into the scenario due to a lack of scientific and practical research, as well as a clear strategy and technique when signing the Agreement. It could be argued that, for the time being, Vietnam has not effectively prepared the basic domestic conditions for signing the Agreement and has not completely exploited the incentives provided in the agreement to improve the trade balance and aspire for more sustainable growth.

Over the past few years, under Vietnam's chair at the ASEAN Coordinating Committee for Trade in Goods, some progress has been made in dealing with the backlog of non-tariff measures. However, the mechanism for dealing with non-tariff issues needs to be streamlined and a number of start-up initiatives need to be discussed. In the context that the ASEAN economy is facing challenges due to the COVID-19 epidemic, the upgrading of the ATIGA Agreement has to be built in order to make a positive contribution to ASEAN's deep economic integration process; to promote intra-regional trade, develop regional supply chains and contribute to economic recovery after the pandemic.

Therefore, the removal of tariff lines not only becomes a driving force for many Vietnamese products to strive for greatness but also an attraction for foreign goods. Therefore, domestic enterprises and also the government, in general, need to be well-prepared to deal with challenges and take advantage of opportunities to survive and develop.

4.2. Solution

4.2.1. Government solution

Domestic structural reforms are necessary to improve the prospects for inclusive and sustainable growth. The new growth model will reduce dependence on foreign direct investment and will find new sources of expansion in the domestic economy. This economy will require complex and interconnected reforms. Such reforms should be able to penetrate different economic sectors and improve Vietnam’s competitiveness and ability to integrate into global value chains.

- Reinforce propaganda and dissemination activities so that businesses can make the most of favourable conditions in terms of market access and tariff reduction, as well as coordinate with companies to handle difficulties and obstacles that arise during the implementation process to ensure the benefits for Vietnamese exporters to boost exports and enhance the efficiency of Vietnamese exports to ASEAN markets, taking advantage of commitments in ATIGA;

- Strengthen forecasting, keep abreast with the market situation, improve the efficiency of information work, and promptly inform manufacturers and exporters about barriers of different markets. Enhance cooperation among ASEAN University Network (AUN) members to promote exchange and mobility for both students and staff. Focusing on the technically and politically structural modifications helps boost labor productivity. Implement strong measures to tighten import volume from Thai sugar. This market aims to promote export activities, improve the quality of goods to avoid risks for enterprises when implementing export contracts;

- On the basis of analyzing actual performance and ensuring compliance with World Trade Organization (WTO) regulations, avoiding trade conflicts, there is an urgent need to formulate principles and requirements for quality, labeling, packaging, etc., and to continuously improve import management. Policies restricting the import of backward technology, equipment, environmental pollution and low-quality products. At the same time, flexibly use anti-dumping measures, countervailing measures, safeguard measures and other temporary trade measures and other measures to protect domestic production.

4.2.2. Vietnamese enterprises solution

With the support of the authorities providing sufficient information about partners and analysis of the opportunities and challenges that companies face in various fields, Vietnamese companies must recognize the urgency of transformation and the integration process. Vietnamese enterprises also need to be aware of the weaknesses of production management that do not conform to international standards, backward technology, insufficient market development capabilities, and weak competitiveness. The production links of processed products from raw materials, production to circulation are very scattered among farmers, cooperatives, processing enterprises, and circulation enterprises. Therefore, in order to cope with the new situation, experts said that companies need to conduct the global consultation on standard products, products, technical consultation, production management, and development of distribution methods to better tap market capacity.

- Enterprises need to re-establish new profits in line with international integration by taking advantage of the results of the 4th Industrial Revolution to transform production, marketing, distribution and corporate governance methods.

- Recent measures aimed at improving the business environment include relaxation of business conditions and subordinate licenses required by the Investment Law, advances in intellectual property laws and regulations, and relaxation of labor law restrictions on foreign employees. Positive factors include the increasing proportion of college graduates in the total number of employees in the country, and the increasing number of colleges and universities that can become a catalyst for increasing productivity. In addition, Vietnamese companies and consumers may trade new products and have more choices. Therefore, the price of the product will be more competitive and the quality will be higher.

- For the domestic market, businesses need to keep a good market share by improving the quality and quantity of models, quality of utilities, after-sales service as well as finding the market niche for investment and development. The survey shows that Thailand's businesses have been taking advantage of good opportunities from the circulation of goods, due to the reduction of tariffs under the ATIGA Agreement. They have been proactive in exploring regional markets, preparing to take advantage of opportunities by advantages in terms of products, infrastructure and human resources.

- Vietnamese companies need to formulate minimum technical requirements, such as declaration of origin, quality control, and self-defense certificates. More importantly, we must be prepared to compete with imported goods whose prices have fallen. Because of the elimination of tax barriers, the nature of market business liberalization will become more prominent, and the technical barriers for Vietnamese enterprises and exports will become stronger, more diverse, more complex and higher.

In summary, after the implementation of the tax reduction roadmap (almost completely open to ASEAN imports), Vietnam has many opportunities but also many challenges. Therefore, Vietnamese enterprises need to be fully prepared for informatization and construction, formulate business strategies, give full play to their advantages, and improve their competitiveness with enterprises in ASEAN countries.

CONCLUSION

To sum up, this paper provides the most general information about the ASEAN trade in goods agreement - ATIGA and its agreements among the Member States. In addition, the report also mentions the impacts of the agreement on the export and import of Vietnamese agricultural products in the ASEAN region, in the period from 2009 to 2017. By comparing data before and after the agreement came into force, the paper drew out opportunities and challenges of Vietnam, and proposed some solutions to minimize the difficulties brought by the agreement. Through the report, businesses can draw valuable lessons and experiences to promote and enhance the position and enormous potential of the Vietnamese agricultural industry.

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