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TIỀM NĂNG VÀ THÁCH THỨC TRONG LĨNH VỰC XUẤT KHẨU THÉP SANG THỊ TRƯỜNG CHÂU ÂU CỦA CÁC DOANH NGHIỆP VIỆT NAM

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Tóm tắt

Là thị trường đơn nhất lớn nhất thế giới và là một trong những thị trường khó tiếp cận hiệu quả nhất, thị trường châu Âu đòi hỏi chất lượng cao, các hàng rào kỹ thuật khắt khe cũng như việc thực thi nghiêm ngặt các tiêu chuẩn, điều kiện pháp lý, quy tắc và quy định. Hiệp định Thương mại tự do Liên minh châu Âu - Việt Nam (EVFTA) được ký kết vào ngày 30 tháng 6 năm 2019 và có hiệu lực từ ngày 1 tháng 8 năm 2020. Nghiên cứu của nhóm tác giả nhằm phân tích ảnh hưởng của EVFTA đến xuất khẩu thép của Việt Nam. Sử dụng phương pháp nghiên cứu phân tích, tổng hợp và đánh giá, nghiên cứu của chúng tôi đã có những kết quả nhất định. Kết quả cho thấy, mặc dù việc thực hiện EVFTA tạo ra một số trở ngại đối với xuất khẩu thép của Việt Nam, nhưng về tổng thể, hiệp định này tạo ra lợi thế cạnh tranh và thúc đẩy sự tăng trưởng của ngành luyện kim và xuất khẩu thép của Việt Nam. Nghiên cứu đưa ra một số khuyến nghị nhằm khắc phục khó khăn và tối đa hóa lợi ích mà hiệp định mang lại cho xuất khẩu thép của Việt Nam.

Từ khóa: EVFTA, thép, xuất khẩu thép.

POTENTIAL AND CHALLENGES IN THE FIELD OF STEEL EXPORT TO THE EUROPEAN MARKET OF VIETNAM BUSINESSES

Abstract

As the world's largest single market and one of the most difficult markets to access effectively, the European market requires high quality, rigorous technical barriers as well as strict enforcement of standards, legal conditions, rules and regulations. The European Union - Vietnam Free Trade Agreement (EVFTA) was signed on June 30, 2019 and entered into force on August 1, 2020. This research aims to investigate how the EVFTA affects Vietnam's steel exports. Using the analysis, synthesis and evaluation research method, our study has made certain findings. The results shows that, although the implementation of EVFTA constitutes some obstacles to Vietnam's steel exports, in overall, the agreement creates competitive advantages and promotes the growth of

Vietnam's metallurgical industry and steel exports. Some recommendations to overcome difficulties and maximize the benefits that the agreement brings are given in this research.

Keywords: EVFTA, steel, steel export.

1. Vietnam's steel export activities in the period of 2020 – 2021

The steel industry in recent years has had a significant growth in terms of capacity, output as well as variety of steel types. Many businesses have invested trillions of Vietnamese Dong to produce high-quality steel products that are popular in major markets around the world.

Vietnam's steel industry has progressed markedly in the region and played an increasingly vital role in Southeast Asia's steel market, making a leap in the world steel industry. According to the "2020 World Steel in Figures" report (Basson, 2020), Vietnam ranked 14th in top 50 major steel-producing countries 2018 and 2019 in the world, up 12 levels from 26th place in 2014 (Basson, 2015). In Southeast Asia, Vietnam was the top producer of steel, with 14.5 million tons produced in 2018, accounting for over 30% of the region's total finished steel products output. Vietnam was also the region's leading exporter of steel, with volumes increasing from 1 million tons in 2010 to 6 million tons in 2018 (Cindy, 2020).

1.1. Vietnam's steel export activities in the period before the implementation of the EU - Vietnam Free Trade Agreement (EVFTA)

In 2018, Vietnam's steel exports to most markets recorded positive growth. This growth momentum is largely due to the stable macroeconomics, many infrastructures, construction and real estate projects were implemented, especially the disbursement of public investment capital, which has been focused on by the Government from the first months of 2018 (Minh, 2019).

Thuy (2018) presented data based on the statistics published by the General Department of Customs. In the first 11 months of 2018, Vietnam's steel exports reached 5.78 million tons, worth nearly 4.21 billion USD, a sharp increase of 36.2% in volume, up 49.5% in turnover compared to the same period in 2017. The leading markets for Vietnam's steel consumption are the Association of Southeast Asian Nations (ASEAN) and the American market.

The table below shows Vietnam's steel exports to prominent markets in the first 11 months of 2018 and compares them with the figures for the same period in 2017. The table also shows the share of these markets in the total export volume and turnover of steel.

Table 1. Vietnam's steel exports to prominent markets in the first 11 months of 2018

Market	The first eleven months of 2018		Compared to the same period in 2017 (%)		Proportion of steel export (%)	
	Volume (tons)	Turnover (million USD)	Volume	Turnover	Volume	Turnover
Cambodia	1,239,198	796.71	53	74.4	21.4	18.9
America	876,666	743.84	86.2	96.2	15.2	17.6
Indonesia	610,518	477.44	11.8	20	10.6	11.3
Malaysia	561,662	388.88	58.8	79.8	9.7	9.2

Market	The first eleven months of 2018		Compared to the same period in 2017 (%)		Proportion of steel export (%)	
	Volume (tons)	Turnover (million USD)	Volume	Turnover	Volume	Turnover
EU	432,559	357.06	12.2	27	7.5	8.5
Taiwan	352,893	187.76	249.1	189.3	6.1	4.5
Philippines	320,312	181.86	-22.7	-6.1	5.5	4.3
Thailand	317,229	213.5	52.8	47.3	5.5	5.1
Korea	256,673	173.32	0.6	17.4	4.4	4.1
China	6,761	8.8	-22.4	-18.5	0.1	0.2

Source: Authors synthesized based on the data of Thuy

In 2019, steel exports to most markets decreased in both volume and turnover compared to last year. Thuy (2020) presented data based on the statistics published by the General Department of Customs. Vietnam's steel exports reached 6.68 million tons, worth nearly 4.21 billion USD, up 6.6% in volume but down 7.4% in turnover compared to 2018.

Steel exports to America fell sharply by 57.6% in volume, down by 59.4% in turnover. This is because in July, according to Bloomberg News (2019), the U.S. Commerce Department imposed a tax rate of more than 400% (specifically 456.23%) on Vietnamese steel products using materials originating from Korea and Taiwan. However, exports to China were 442,604 tons, equivalent to 192.63 million USD, and compared to the previous year, it increased very strongly by 5552% in volume and 1849% in turnover. ASEAN, America along with China are the three largest importers of Vietnam's steel products in 2019.

The table below shows Vietnam's steel exports to prominent markets in 2019 and compares them with the figures for 2018. The table also shows the share of these markets in the total export volume and turnover of steel.

Table 2. Vietnam's steel exports to prominent markets in 2019

Market	The year 2019		Compared to the year 2018 (%)		Proportion of steel export (%)	
	Volume (tons)	Turnover (million USD)	Volume	Turnover	Volume	Turnover
Cambodia	1,699,253	986.75	22.9	11.6	25.4	23.4
Indonesia	873,473	574.09	27	7.8	13.1	13.6
Malaysia	744,987	458.55	23.4	9.7	11.2	10.9
China	442,604	192.63	5552	1849.1	6.6	4.6
America	383,907	313.41	-57.6	-59.4	5.7	7.4
Thailand	378,527	229.56	11.1	-0.3	5.7	5.5

Market	The year 2019		Compared to the year 2018 (%)		Proportion of steel export (%)	
	Volume (tons)	Turnover (million USD)	Volume	Turnover	Volume	Turnover
EU	334,468	239.31	-23.1	-34.3	5	5.7
Philippines	285,176	135.31	-14.8	-28.6	4.3	3.2
Korea	225,876	151.9	-22.5	-22.7	3.4	3.6
Taiwan	204,435	116.21	-45.4	-41.7	3.1	2.8

Source: Authors synthesized based on the data of Thuy Chung

1.2. Vietnam's steel export activities in the period under the implementation of the EU - Vietnam Free Trade Agreement (EVFTA)

Exports in 2020 of Vietnam's steel industry faces more difficulties than in 2019 when 5 more countries are conducting anti-dumping investigations on Vietnamese galvanized steel products and steel pipes. In which, there are 2 countries in the market of Southeast Asia, Malaysia and the Philippines. China and ASEAN are Vietnam's main export markets while the amount of steel exported to the European (EU) market is still very modest even though the EVFTA has been put into effect since August 1, 2020.

Thuy (2021) presented data based on the statistics published by the General Department of Customs. Vietnam's steel exports reached 9.86 million tons, worth nearly 5.26 billion USD, a sharp increase of 47.9% in volume, up 25% in turnover compared to 2019.

The table below shows Vietnam's steel exports to prominent markets in 2020 and compares them with the figures for 2019. The table also shows the share of these markets in the total export volume and turnover of steel.

Table 3. Vietnam's steel exports to prominent markets in 2020

Market	The year 2020		Compared to the year 2019 (%)		Proportion of steel export (%)	
	Volume (tons)	Turnover (million USD)	Volume	Turnover	Volume	Turnover
China	3,537,585	1482.5	717.7	669.6	35.9	28.2
Cambodia	1,563,602	839.69	-8	-14.9	15.9	16
Thailand	675,482	390.51	82.3	72.7	6.9	7.4
Malaysia	629,419	367.97	-15.5	-19.8	6.4	7
Indonesia	551,427	338.3	-36.9	-41.1	5.6	6.4
Philippines	556,803	245.24	95.2	81.2	5.7	4.7
EU	309,000	235.5	-6.9	-1	3.13	4.5

Market	The year 2020		Compared to the year 2019 (%)		Proportion of steel export (%)	
	Volume (tons)	Turnover (million USD)	Volume	Turnover	Volume	Turnover
Taiwan	293,613	154.19	42.7	32.7	3	2.9
Korea	282,723	160.91	25.1	5.9	2.9	3.1
America	191,334	173.26	-50	-44.5	1.9	3.3

Source: Authors synthesized based on the data of Thuy Chung

The year 2021 has witnessed strong growth in steel exports, especially to the EU market.

Thuy (2021) presented data based on the statistics published by the General Department of Customs. In the first 6 months of 2021, Vietnam's steel exports reached 5.88 million tons, up 50.5% compared to the same period in 2020, with a value of 4.52 billion USD, up 117% compared to the same period in 2020. China, Cambodia, and the new factor - EU are the three largest importers of Vietnam's steel products with a sudden high growth rate compared to the same period in 2020.

The table below shows Vietnam's steel exports to prominent markets in the first six months of 2021 and compares them with the figures for the same period in 2020. The table also shows the share of these markets in the total export volume and turnover of steel.

Table 4. Vietnam's steel exports to prominent markets in the first six months in 2021

Market	The first six months of 2021		Compared to the same period in 2020 (%)		Proportion of steel export (%)	
	Volume (tons)	Turnover (million USD)	Volume	Turnover	Volume	Turnover
China	1,201,474	683.32	13.4	61.7	20.4	15.1
Cambodia	671,372	475.89	-9.8	20.6	11.4	10.5
EU	639,480	593.76	525.5	615.2	10.9	13.1
Malaysia	364,786	297.14	12.6	61.4	6.2	6.6
Indonesia	338,730	254.06	53.4	93.6	5.8	5.6
America	335,775	332.1	249.3	283.2	5.7	7.3
Thailand	304,235	243.53	1.3	49.6	5.2	5.4
Philippines	280,147	169.47	17.1	65.5	4.7	3.8
Taiwan	225,960	161.3	74.1	139.1	3.8	3.6
Korea	125,274	100.2	-10	32.2	2.1	2.2

Source: Authors synthesized based on the data of Thuy

Steel exports are having a number of advantages when steel demand in various markets has been increasing steadily for several months. Exports to the EU have increased by 5 times over the same period and more than 2 times compared to exports in the whole year of 2020, more or less affected by EVFTA which has been in effect for 11 months. The EU is known to be a market that requires products to meet very high and strict standards, however, the sharp increase in exports partly shows that Vietnamese enterprises have standardized production as well as satisfying high requirements from consumers of the importing country.

2. Regulations related to the export of steel products to the European market

2.1. Regulations of the EU-Vietnam Free Trade Agreement (EVFTA)

2.2.1. Definition

The EU–Vietnam Free Trade Agreement (EVFTA) is a free trade agreement between the 27 European Union (EU) member states and the Socialist Republic of Vietnam.

This new free trade agreement is an essential and finest agreement which provides balanced benefits for both Vietnam and the EU, with consideration for the differences in development levels between the two partners.

When this agreement comes into force, the EVFTA is expected to be a great boost to Vietnam's exports, helping to diversify markets and exports, particularly agricultural and aquatic products as well as Vietnamese products with competitive advantages.

2.1.2. Negotiation and signing process

The EVFTA negotiating rounds were formally announced to be completed on December 1st, 2015, and its official full text was published on February 1st, 2016. In terms of trade and investment, EVFTA was split into two agreements on June 26, 2018. The legal evaluation of the Investment Protection Agreement (IPA) and the final wording of the EVFTA was also completed at the same time.

On June 30, 2019, both agreements were signed. The European Parliament accepted EVFTA and EVIPA on February 12, 2020, while the Vietnamese National Assembly approved them on June 8, 2020. After ratification, the EVFTA Agreement entered into force on August 1, 2020.

2.1.3. Commitments:

The agreement includes 17 chapters, two protocols and several attached memorandums, with main contents covering the following aspects:

- Trade in goods;
- Services, investment liberalisation and e-commerce;
- Government procurement;
- Intellectual property rights.

The EVFTA also covers other aspects including rules of origin, customs and trade facilitation, sanitary and phytosanitary measures, technical barriers to trade, sustainable development, cooperation and capacity building, and legal-institutional issues.

2.1.4. The importance of EVFTA

The EVFTA's level of commitment is the highest that Vietnam has achieved so far among signed FTAs. According to statistics, the EU was Vietnam's second largest export market in 2018.

The EVFTA's strong commitments to market opening will certainly improve commercial relations between Vietnam and the EU, helping to expand the market for Vietnamese products. State governance commitments would help provide a stable and open business and legal environment for both sides' investors. To be more specific, after the negotiation and signing process, Vietnam recorded a considerable growth in the output of exported steel to Europe markets as well as other commodities such as textile or seafood.

Through the EVFTA, EU investors will have opportunities to gain access to markets that have signed FTAs with Vietnam with more preferential treatment. The agreements also help to promote relations between the EU and each ASEAN country and the ASEAN bloc at large, creating a foundation towards negotiating an FTA between the EU and ASEAN in the future.

2.2. Policies related to exported steel procedurement

2.2.1. Other free trade agreement commitments:

Before the signing of the EU–Vietnam Free Trade Agreement between Europe and Vietnam, according to the General Department of Customs (2015) in VLXD, the traditional export market of the steel industry was still mainly ASEAN countries. In 2015, Vietnam exported to this market nearly 1.8 million tons of steel of all kinds with a total value of nearly 1.13 billion USD. Cambodia is ASEAN's largest steel importer from Vietnam, then Indonesia, Thailand, Malaysia.... In the next few years, America was the hottest destination for the exported steel market.

However, as a result of the signing of some major free trade agreements between Vietnam and partners from 2010 to 2019 before the EVFTA, our exported steel market witnessed remarkable growth. There are some critical policies was established related to the process of exporting Vietnam steel to our partners in free trade agreement could be mentioned below:

- In VCFTA, Chile will eliminate tariffs for 99.62% of Vietnam's exports (as of 2007) within 10 years, of which 81.8% of turnover and 83.54% of tariff lines will be eliminated immediately;
- In CPTPP, Major markets such as Japan and Canada reducing import tax to 0% for our goods will create positive effects in promoting export turnover.

2.2.2. EU–Vietnam Free Trade Agreement commitments:

The elimination of tariff barriers will be at the highest level, which will benefit exports of both sides.

After the trade deal takes effect, the EU will eliminate about 85.6% of import tariffs on Vietnamese goods, equivalent to 70.3% of Vietnam's revenue from exports to the EU.

Within seven years of the deal taking effect, the EU will remove 99.2% of tariffs, equivalent to 99.7% of Vietnam's revenue from exports to the EU.

Regarding the remaining 0.3% of Vietnam's export revenue, the EU pledged to provide Vietnam with tariff-rate quota, with the import tax rate set at 0% within the quota.

3. Vietnam's steel exports to the EU in the context of the European Union - Vietnam Free Trade Agreement (EVFTA)

After one year of implementing the EVFTA, despite the challenges caused by the Covid-19 pandemic during the year, bilateral trade and investment exchanges have achieved some positive results. Many challenges have been set for the coming period, requiring the cooperation of ministries, sectors, localities, and especially the business community to work together to solve and take advantage of opportunities from this agreement successfully. However, the EVFTA also brings many opportunities and has a positive influence on international trade activities between Vietnam and the EU, especially in developing the steel export industry to European countries.

3.1. Opportunities

Steel is one of the industries that are expected to benefit the most from the EVFTA. The agreement creates more opportunities for Vietnamese steel enterprises to diversify markets and increase export turnover to the EU because, in addition to the tax reduction roadmap, the EU and Vietnam's steel industry already have high-quality export products, complementary and not competing directly with each other.

3.1.1. Impact of tariff preferences on steel export industry

The tariff preferences in the EVFTA have brought major advantages to Vietnam's steel export industry. In order to be able to gain the tariff preferences of the EVFTA, goods must meet a number of conditions, specifically the requirements of origin of the rules of origin. According to the EVFTA, the rules of origin are the combination of criteria necessary to ensure the identification of the origin of the nationality of the goods and at the same time designed to ensure that such goods are entitled to tariff preferences if fully complying with regulations of origin.

In detail, the agreement was approved by the two sides with beneficial terms for Vietnam's export industries, including steel, when receiving the tax rate to 0% according to the commitments of the EVFTA. It means that the EU will eliminate tariffs on Vietnamese steel products for a period of more than seven years. Toan Thang Steel Trading Company, which has never exported steel to the EU, has chosen the way to sell products to this market to benefit from EVFTA opportunities. Mr. Vu Van Thanh, Deputy General Director of Hoa Sen Group of Vietnam has faith that the EVFTA will bring them more opportunities to export products to this market. Thereby, with tariff preferences, the EU is a big market for Vietnamese steel enterprises in particular and those in other sectors in general.

3.1.2. Competitiveness opens up opportunities for Vietnam's steel export industry

The economies of EU member countries are all developed at a higher level than Vietnam and are supportive to the Vietnamese economy, exports from EU countries are largely non-competitive because between the EU and Vietnam there are complementary, non-conflict export items, including steel. Since then, the demand for EU steel products can increase, helping us to extend the amount of steel exported to the EU more sustainably. By building a reasonable tax reduction roadmap, combined with perfecting the social security system, Vietnam can handle problems related to steel exports due to joining the EVFTA. In that way, we can open up opportunities for Vietnamese steel enterprises to form markets and increase export turnover to the EU.

Even so, the EVFTA agreement has created a competitive advantage, along with Singapore, Vietnam is one of two countries in Southeast Asia that have implemented an FTA with the EU, so it has an added competitive benefit in exporting many products to this market, especially steel, contributing to the growth of export turnover of this item.

3.1.3. Vietnam's steel exports to the EU

Steel exports are gaining many advantages when the demand for steel in many markets, especially the EU market, has been increasing strongly in recent months in 2021 - according to an assessment of the situation of Vietnam's steel market in the first half of 2021 (Vietnam Steel Association, 2021). The increase in steel consumption demand of the EU leads to a 5 times increase in exports compared to the same period in 2020. Due to the impact of the EVFTA, many businesses have taken advantage of the opportunity to promote exports through trade facilitation. Broadly speaking, Vietnam has the opportunity to continue to expand exports to many other countries in the EU besides Italy, Germany, Spain, etc because the quality of our country's steel has satisfied the strict requirements of the EU.

Finally, from the perspective of Vietnam, the EVFTA opens up significant opportunities for investors to know how to optimize their resources and take advantage of the benefits of being located in a country with large preferential tax rates and exports. increasingly with the European Union. According to the article “Understanding tariff elimination under EVFTA”, the data collected from Vietnam's Ministry of Industry and Trade, by 2025, the export of goods, especially steel, to the EU is expected to increase by over 40%. The EVFTA is a milestone and opportunity for both Vietnam and the EU to increase cross-border investments and trade, and also contribute to the GDP growth of both sides, modernizing their economical, social, and trade relationships as well.

3.2. Challenges

After a year of successful implementation of the EVFTA Agreement, the Vietnam steel industry has faced many difficulties and challenges in exporting steel to the EU despite the advantages gained, according to experts. In fact, this is not an easy market for the steel industry. Due to the fact that countries are in the period of closure due to Covid-19, leading to supply chain disruptions, making it difficult for steel exports worldwide in general, and Vietnam in particular.

During the past year, Vietnam's steel exports in the EU market only reached 3.18%, a minor part of Vietnam's steel export structure due to the Covid-19 pandemic. Many EU countries fell into crisis, were forced to close, leading to supply chain disruptions, making it difficult for Vietnam's steel exports.

3.2.1. Limitations in optimizing incentives from EVFTA.

After more than 1 year of applying the EVFTA agreement, Vietnam has not yet been able to take advantage and boost exports to the EU. “Although our country's steel export index to the EU has increased significantly compared to the same period last year, Vietnam is still focusing on a few traditional markets, such as ASEAN, the United States... and the domestic market,” commented by Mr. Nguyen Van Sua - an expert in the steel industry, according to the article “EVFTA and opportunities for the steel industry” (Cong, 2020).

In the article “EVFTA and opportunities for the steel industry”, Ms. Pham Quynh Mai, Deputy Director of the Multilateral Trade Policy Department (Ministry of Industry and Trade), has emphasized that although the provisions of the Free Trade Agreements (EVFTA) are beneficial to Vietnam, if do not know how to take advantage, steel enterprises of Vietnam still cannot increase the value of steel exports and develop the EU market.

3.2.2. The negative impact of the Covid-19 pandemic on steel exports to the EU.

The emergence of Covid-19, as well as other complicated circumstances, have had a significant impact on the EVFTA implementation plan. Since the agreement came into force until now, due to the constant obstacles caused by the epidemic, many difficulties and challenges have caused the utilization of the EVFTA to fail to achieve the expected results. In Vietnam, under the impact of the pandemic, the steel production - export industry in the first half of this year was also affected. This is not a very positive number for enterprises in the steel industry because the market demand has decreased due to the negative impact of the pandemic. In the context of competition, the epidemic from the beginning of the year to now in EU countries has also caused this region to remain static, and the export market has narrowed. The trend of trade defense continues to increase, making it very difficult to expand the market. The pandemic has also caused great damage to many Vietnamese enterprises, forcing them to make adjustments in their business investment strategies to suit the situation.

3.2.3. A decline in steel consumption of EU countries.

The world steel demand in the upcoming months, specifically in the EU region, is expected to slow down due to economic and political fluctuations. The EU is increasing the application of trade remedies to create barriers to restrict steel imports. It is forecasted that the export growth of the steel industry to the EU market in the coming time will not be high. Even if there is an agreement, the export of steel products to the EU will depend a lot on non-tariff barriers rather than tariffs.

3.2.4. Disadvantages of meeting strict EU product requirements.

The most challenging factor is product quality, due to the requirements from EU countries. In addition, the EU also requires the very high origin of goods and businesses must be clear and transparent about the origin to do business. According to Trinh Khoi Nguyen, Vice Chairman of the Vietnam Steel Association, the EVFTA has opened up great opportunities for the steel industry. However, in order to enter the European market, Vietnamese steel products must meet many high and strict standards. Therefore, Vietnamese enterprises have standardized production, satisfying high requirements from the importing country, thereby dramatically increasing steel exports, while ensuring output and product quality. Many business owners believe that the EU market is a market where consumption growth is not large, like potential markets such as China or other developing countries. Although there are opportunities, the market's demand is not large enough to absorb the volume of imports from abroad. Meanwhile, in order to participate in the EU market, we have to compete with very strong countries in the steel industry such as China, Japan, and South Korea," Mr. Nguyen said.

4. Recommendations for Vietnam's steel exporters

4.1. Applying new-generation FTA on the development of Vietnam's steel industry

The effective EVFTA will create specific competitive advantages, which contribute to the increase of the volume of exports of the construction materials industry in general, especially the steel products. However, as global steel demand is projected to drop due to economic and political uncertainty, the EU is stepping up its use of trade remedies, creating barriers to steel imports. Thus, the opportunities that the EVFTA Agreement brings go hand in hand with the difficulties and challenges that businesses face when implementing.

Therefore, enterprises must pay attention to having a strategy plan, development in the new market, trading context with the EVFTA Agreement and luggage ready for the future in order to take advantage of the EVFTA Agreement's opportunities while also strictly enforcing the EVFTA Agreement's regulations.

- Firstly, Vietnam must focus on expanding science and technology to keep up with the industrial revolution 4.0 in order to satisfy EU clients. The increase in competitiveness in this field brings great benefits to Vietnam when participating in the global supply chain.

Science and technology serves as a tool, a driving force, and a foundation for the growth of a knowledge economy, but at the same time is also an object of influence of Industry 4.0. As a result, this understanding is critical because, in order to construct the basis and primary components for economic development - society in the Industry 4.0 environment, we must invest in growing core industries and fields of research and technology. Therefore, businesses themselves need to quickly change their thinking, be aware of the importance of innovation, promote investment in scientific research, and apply for subsidies from the state for research to administer science, technology into the production and infrastructure.

In conclusion, when Vietnam implements new-generation free trade agreements, businesses that want to survive and grow must promote technological innovation and apply scientific and technology breakthroughs to manufacturing and business to improve quality, volume, numerous new goods, product diversification, productivity; rational and cost-effective use of materials... They also strongly promote the implementation of targeted research suitable for each specific need, as well as specialization and speeding up the process of bringing new and improved products to application. Only then will we be able to compete and expand the market, develop production of the business in a quick and sustainable way. This is the right direction of enterprises in every development stage.

- Secondly, Vietnamese goods must be elevated to a higher level of quality, standardized, and environmentally friendly. This not only enhances product quality, but also aids "made in Vietnam" products in avoiding protectionism from other countries, not just the EU.

Vietnam's new generation FTA market countries are all fastidious markets with high requirements for quality standards and a tradition of using non-tariff measures. and trade remedies to protect the domestic market. On the other hand, the system of quality standards for products in Vietnam's material industry is still incomplete, so the quality of Vietnam's products is still not high, not synchronized with the global quality, so Vietnamese products Nam has not yet been able to gain a competitive advantage in foreign markets.

- Properly use economic levers such as increasing material rewards and responsibility for produced products, taking appropriate disciplinary measures against workers who fail to meet quality standards.
- Raise the sense of responsibility, political level, self-check for workers. Training to improve their professional skills.
- The supply of raw materials is ensured in accordance with specifications, types, quality, transportation and storage time. Develop trusting relationships with both raw material suppliers and customers.

- Technical measures: Strictly check the respect for the technological process of manufacturing products. Ensure that the manufactured products must fully meet the set specifications.
- Enterprises need to actively improve their capacity to use and respond to trade remedies, and at the same time equip knowledge linkages.
- The government needs to quickly come up with a set of common quality assessment rules to ensure the quality of the exporting products.

4.2. Recommendations in the context of the Covid pandemic

As stated in the first part of the essay, the VSA has just released a report in detail and data assessing the impact of the Covid-19 epidemic on Vietnam's steel industry. The report concluded that the epidemic had an impact on the steel industry, causing the business efficiency of enterprises in the industry to drop sharply, even at a loss. Since the beginning of the year 2020 until now, many projects and projects have been stopped or delayed due to concerns about the COVID-19 epidemic, which has made the steel and mechanical market gloomy, many businesses only produce in moderation, and have few sales transactions.

The VSA said that before the Lunar New Year holiday 2021, a specific enterprise spent 6 billion VND on testing, and 10 billion VND after Tet for the factory in this area when there are suspected cases. Regarding price movements, VSA said that in the first two months of the year 2020, due to weak demand, construction steel prices tended to decrease, while prices of some production materials tended to increase due to the stimulus package of the government as prescribed in the first part and also the supply constraints. from China (coke, iron ore, electrode coal).

- In order to remove difficulties for businesses, the document of the VSA suggested that the State Bank and joint stock commercial banks consider promulgating credit support policies such as extending and extending the time of loans coming due for payment; at the same time, reducing interest rates helps steel enterprises overcome this difficult period.

Facing the recent complicated and unpredictable developments of the world steel market affecting the price of domestic steel products, the VSA has just issued a written recommendation to its member enterprises to implement a solution to contribute to stabilizing the domestic market.

Recently, steel prices on the global market as well as in Vietnam have complicated movements. Steel prices in 2021 tend to increase from the end of 2020 until the middle of the first quarter of 2021 with a downward adjustment, then continue to increase until the end of May 2021, starting a downward trend. The current market has stabilized and has a new price level.

- Companies must improve their coordination and cooperation, limit their exports, and prioritize raw materials and semi-finished products for the domestic market. Steel companies should continue to expand their capacity, increase steel product output, arrange a reasonable distribution system to stabilize domestic supply, completely meet domestic steel market demand and declare and list prices in accordance with the law.

5. Conclusion

In conclusion, this study was conducted by the authors to assess the effects that the EVFTA agreement has had on Vietnam's steel export industry to the EU market since the agreement officially took effect on January 8th 2020. The above study shows the position of Vietnam's steel industry in the world steel market, along with steel export activities since the EVFTA was signed and issued. The study also figured out the regulations and policies that Vietnam must commit to implementing in order to receive tariff preferences for the steel export industry. In addition to a few advantages that the EVFTA has created, most of which are difficulties and challenges that the steel industry has to face during the implementation of the agreement, especially during the Covid-19 pandemic that caused many obstacles to the cooperation process between Vietnam and EU. The results drawn from the above analysis have led to some recommendations for Vietnamese steel exporters such as the application of new-generation FTA (Focusing on science and technology to catch up with EU countries, etc) or solutions given in the context of the Covid-19 pandemic. It is concluded that businesses need to know how to take advantage of opportunities, limit and overcome difficulties with reasonable measures to be able to optimize the chances that the EVFTA has brought to Vietnam's steel export industry.

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