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HIỆP ĐỊNH VỀ NÔNG NGHIỆP CỦA WTO VÀ ẢNH HƯỞNG CỦA NÓ LÊN CÁC HOẠT ĐỘNG XUẤT KHẨU GẠO Ở VIỆT NAM

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Tóm tắt

Bài nghiên cứu này nhằm mục đích xem xét Hiệp định Nông nghiệp của WTO và cung cấp thông tin chi tiết về hoạt động xuất khẩu gạo của Việt Nam đã thay đổi như thế nào sau khi áp dụng AoA. Để đạt được mục tiêu này, dữ liệu thứ cấp về hoạt động xuất khẩu gạo được thu thập từ một số nguồn và phân tích nghiêm ngặt từ năm 2007 đến năm 2021. Bằng cách phân tích mỗi năm, bài nghiên cứu nhận thấy rằng sau AoA, nhiều nước nhập khẩu đã có những chính sách ưu đãi giúp tạo thuận lợi cho hoạt động xuất khẩu gạo của Việt Nam, chẳng hạn như giảm thuế cho gạo Việt Nam. Những hành động này đã dẫn tới kết quả là xuất khẩu gạo của Việt Nam nhìn chung đã đạt được sự tăng trưởng và ổn định đáng kể trong suốt nhiều thập kỷ, đặc biệt trong khi đại dịch Covid - 19 đang ảnh hưởng đến thương mại quốc tế, thì những tháng đầu năm 2021 đã chứng kiến sự gia tăng đáng kể của giá lúa gạo. Thông qua bài nghiên cứu này, chúng ta cũng có thể hiểu rõ hơn về những cơ hội và thách thức của hoạt động xuất khẩu gạo của Việt Nam sau khi ký kết hiệp định AoA. Từ đó, chúng tôi đã đưa ra một số khuyến nghị đối với cả chính phủ và doanh nghiệp để họ có thể đẩy mạnh số lượng và giá trị gạo xuất khẩu.

Từ khóa: AoA, xuất khẩu gạo Việt Nam, nông nghiệp.

THE WTO AGREEMENT ON AGRICULTURE & ITS EFFECTS ON VIETNAM'S RICE EXPORT ACTIVITIES

Abstract

This paper aims at reviewing the WTO Agreement on Agriculture and providing insights into how Vietnam's rice export activities changed after the AoA's application. For this purpose, secondary data of the rice export activities was collected from several sources and critically analyzed from 2007 to 2021. By dissecting each year, this paper can observe that after the AoA, many importing countries have had favorable policies that help facilitate Vietnam's rice export activities, such as

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tariff reduction for Vietnamese rice. As a result of these actions, Vietnam's rice export overall has achieved considerable growth and stability throughout the decades. Especially while the Covid-19 pandemic is taking its toll on international trade, the first few months of 2021 saw a remarkable increase in the price of rice. Through this paper, we can also gain a broader understanding of the opportunities and challenges of Vietnam's rice export activities post-AoA. Thus, we made some recommendations to both the government and businesses with the aim to boost the quantity and value of rice exported, and to further secure the country's position as one of the leading rice exporters in the world.

Keyword: AoA, Vietnam's rice export, agriculture.

Research overview

In fact, there are a few research papers and analysis reports on the Agreement on Agriculture (AoA) and its effects on Vietnam namely "Effects of joining WTO on agricultural development of Vietnam" (Nguyễn, 2008), "Provisions in the Agreement on Agriculture of GATT/WTO on free agricultural subsidies" but in recent years there are not many new research papers on the AoA. These old reports have enabled us to understand the overall picture of the AoA and its effects from several perspectives. However, those research papers have just pointed out and analyzed the effects on the agriculture industry as a whole, not focused on the rice sector. For this reason, our research paper aims to provide a thorough insight into the effects of the AoA on the export of Vietnam's rice sector, analyze the opportunities and challenges for Vietnamese exporting enterprises and propose some recommendations for them accordingly to promote the current exporting activities.

1. Overview of the WTO Agreement on Agriculture (AoA)

1.1. Introduction of AoA

The Agreement on Agriculture (AoA) is a World Trade Organization (WTO) international treaty, establishing a framework for long-term agricultural trade and domestic policy change, with the goal of a fairer competitive and less distorted market. It was negotiated at the Uruguay Round of the General Agreement on Tariffs and Trade (GATT), and it went into effect on January 1, 1995, when the WTO was established.

The AoA's objective is to restructure agricultural trade and increase market orientation in policies. The regulations that regulate agricultural trade have been tightened, resulting in more predictability and stability for both importing and exporting nations.

1.2. Main content of AoA

There are three pillars in *agriculture*:

Market access: related to the use of trade restrictions, for instance, tariffs on imports. Tariffs are used to replace non-tariff border measures that provide a similar degree of protection.

Domestic support: linked to the use of subsidies and other forms of assistance that directly promote production while distorting trade:

- *Amber box*: With a few exceptions, all domestic assistance programs deemed to distort output and trade fall within the amber box in agriculture. The total aggregate measurement of support (or the total AMS) must be reduced.

- *Blue box*: The blue box is an exception to the usual rule that all production-related subsidies must be decreased or kept to set minimum levels ("de minimis"). It includes subsidies that are directly related to acreage or animal numbers, as well as programs that limit output by setting quotas or compelling farmers to set aside a portion of their land.

- *Green box*: A subsidy must not disrupt trade, or create little distortion, in order to qualify for the green box. These subsidies must be paid by the government (rather than by raising consumer prices) and must not include price support. They are often non-product-specific programs that provide direct income assistance for farmers that are unrelated to (or "decoupled" from) current output levels or prices. As a result, "green box" subsidies are unrestricted as long as they meet certain requirements. Environmental protection and regional development programs are also included.

Export subsidies: related to the use of export subsidies and other government support programmes that subsidize exports. Using averages from 1986 to 1990 as a baseline, developed countries agreed to reduce export subsidies by 36% over 6 years beginning from 1995 and 24% over 10 years for developing countries. Developed nations have committed to cut subsidized export volumes by 21% over the next 6 years and 14% over 10 years for developing countries. Least-developed nations do not require any reductions. During the six-year implementation period, developing countries are allowed under certain conditions to use subsidies to reduce the costs of marketing and transporting exports.

1.3. Regarding policies from AoA for rice exports

Export subsidies are one aspect of agriculture that might have an influence on Vietnam's rice export activities. However, these subsidies are prohibited for all WTO members, as previously stated in section 1.2. From the moment of WTO admission, Vietnam pledged to eliminate all WTO-banned subsidies, such as export subsidies and localization subsidies. Vietnam was obliged, at the time of admission, to abolish all agricultural export subsidies, with a regional subsidy of 10% of production value. Export subsidies that lower the cost of accessing foreign markets (transporting expenses, increasing the quality of exporting items) and subsidies for domestic and international transportation of exporting products, on the other hand, are unbanned in developing nations. Despite this, since the mid-2000s, Vietnam had already discontinued giving direct agricultural export subsidies. As a result, we will not mention this element of rice exports in our research.

On the other hand, among the three pillars of agriculture in AoA, *market access* is the one that has the greatest influence on Vietnam's rice exports. In addition to tariffs, Tariff Rate Quotas (TRQs) and Special Safeguard (SSG) are included in trade policy instruments covered under the market access pillar. We will look into this section in order to understand more about policies related to rice exports in particular and exports of agricultural products in general.

With regard to tariffs: Duties arising from the tariffication process, as well as other tariffs on agricultural goods, are to be reduced over a certain time as below:

Table 1. Tariff reductions under the AoA (Base level of reduction was the bound rate before January 1, 1995)

Tariff reduction	Developed Countries	Developing countries
Average for all products	-36%	-24%
Minimum per product	-15%	-10%
Implementation period	6 years: 1995-2000	10 years: 1995-2004

Source: WTO Legal Text.

Tariff reductions are not necessary for least-developed countries.

On regards to non-tariff barriers: WTO members committed to convert restrictions (such as quotas, import bans,...) to tariffs and agreed not to make any new non-tariff barriers (WTO, AoA, Article 4). Besides, to permit members to handle domestic political problems, WTO also allows certain nations to designate products as “sensitive” in order to control the amount of their imports. To protect such products, countries were allowed to impose tariff-rate quotas (TRQs) (WTO, AoA, Annex 5). For a single commodity, a TRQ essentially provides two alternative tariff rates: Imports that fall within a defined quota volume pay at low rate, whereas those that exceed the quota pay a substantially higher duty.

About special safeguards (SSGs): When import quantities exceed a preset volume (or import prices fall below a preset threshold), the AoA allows WTO members to apply SSGs in the form of higher levies on imports to protect commodities underwent tariffication (WTO, AoA, Article 5). For instance, after converting a TRQ to a normal one and notifying the WTO, a country may apply SSGs if imports exceed the volume indicated in its schedule. Additional taxes can be imposed right away, but only until the end of the year in which they were imposed.

In addition to the market access policies, the AoA has a separate Article, Article 14, mentioning Sanitary and Phytosanitary (SPS) measures. Accordingly, the member states agreed to put the Agreement on the Application of Sanitary and Phytosanitary Measures into force. This maintains nations' right to define their own health and safety standards, as long as they are scientifically justifiable and do not create arbitrary or unreasonable trade barriers; supports the

implementation of international standards; and includes specific special and differentiated treatment provisions. There is no doubt SPS will be an important segment with great influence on agricultural trade in general and rice exports in particular.

2. The effect of AoA on Vietnam's rice export activities

2.1. Overview of Vietnam's rice export activities

Rice – a major export of Vietnam

Rice has become one of Vietnam's main export items. The 1986 economic reform has made way for rice to become an important export product of the country in the 21st century. From a country that had to rely on imported rice, after over 30 years in the global trade market, today rice is bringing in one of the highest values among the country's export products.

As of 2020, Vietnam is in the top three of world's rice exporters, with main competitors including India and Thailand, followed by other exporters like Myanmar, the United States and Pakistan (Vu, 2021).

Major export markets

As shown in Figure 1 (ITC) below, Vietnam mainly exports rice to Asian and African markets, with the Philippines being the most prominent target, followed by Bangladesh and China. However, in recent years, the rice industry has slowly shifted towards the Europe and North America market, thanks to the various agreements aside from the agreements under the WTO. The result of this is the introduction of various premium-quality rice products which not only satisfy the palate of foreign consumers but also consolidate Vietnam's position as one of the world's top rice export countries. With agreements like EVFTA – which officially came into force in August 2020, it is expected that the Western markets will become one of the main export markets for Vietnamese rice.

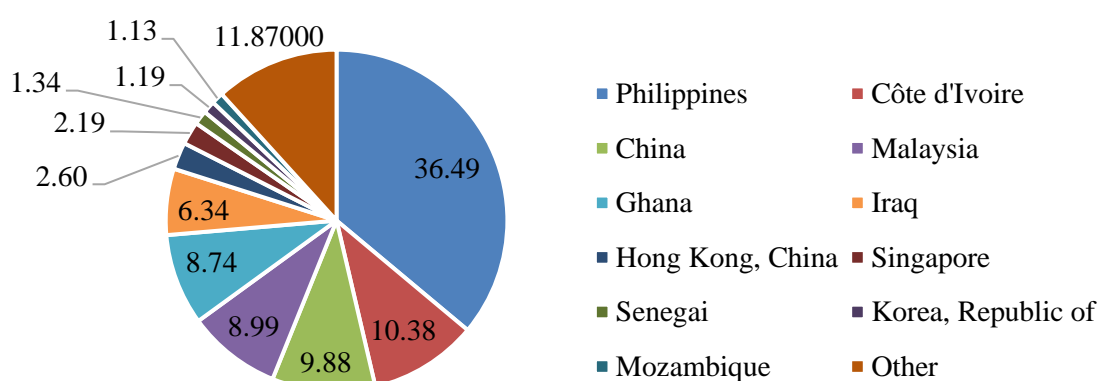


Figure 1. Vietnam's rice export market structure in 2019 (%)

Source: ITC

Major products of the industry are abundant, including white rice, specialty rice (ST20, ST24, ST25, Japonica, etc...), and fragrant rice (Jasmine). The HS code for certain rice products are as

followed (Vietnam Trades; HS Codes VN): jasmine brown rice - 10062090; Thai Pathumthani fragrant rice - 10063099; Long An glutinous rice 10% broken - 10063030; ST24 fragrant rice 5% broken - 10063099.

2.2. The reality of Vietnam's rice exports pre and post-joining the AoA

Before joining the Agreement (before 2007)

Prior to joining the WTO as well as the AoA, in 1989, 3 years after the historic economic reform in 1986, Vietnam started exporting rice. Since then, throughout the years from 1989 to 2006, the exported quantity of Vietnamese rice witnessed a consistent rise. The same goes for export turnover, although the growth was pale in comparison.

Post-AoA accession (after 2007)

The graph (ITC) shown at the end of this section illustrates the growth in export volume as well as the value of rice exports of Vietnam, observed from 2001 through 2020.

In 2007, when Vietnam officially joined the WTO, according to ITC, the quantity of Vietnamese rice export was around 4.5 million tons, with an overall export value of almost 1.5 billion USD. In comparison with 2006, while the volume fell by 1.8%, the value went up 16.8%. The export value per ton, compared with the previous year, also increased by 50 USD to 325 USD per ton of rice.

The year 2008 saw an incredible surge in rice export value at 2.89 billion USD, which indicated an increase of 93.4% compared to 2007 (ITC). On the other hand, the export quantity was recorded at only 4.74 million tons, exceeding the figure of the previous year by a mere 4%. The average price per ton for rice continued its rising pattern, reaching 610 USD/ton.

In 2009, the global commodity market suffered from the impact of the financial crisis which started at the end of 2007, including rice products. However, Vietnam's rice export quantity still managed to set a new record of 5.9 million tons exported, while export value experienced a moderate fall to 2.66 billion USD (ITC).

From 2010 to 2019, Vietnam's rice exports experienced notable fluctuations. Especially in 2016, the rice export quantity and value of the country plummeted as a result of China's import restrictions on this product (Xuan, 2017). Export value dropped by 23%, while volume went down 27% compared with 2015.

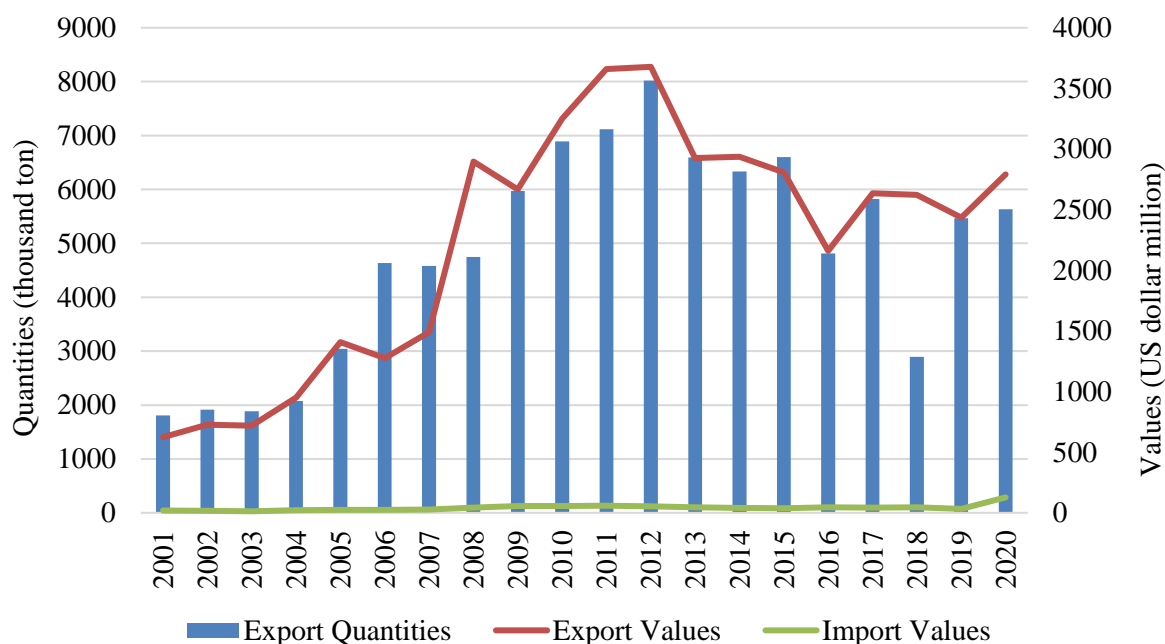


Figure 2: Vietnam's rice export quantities and values (2001-2020).

Source: ITC calculations based on UN COMTRADE statistics.

2020-2021 – Amid the Coronavirus pandemic

Though affected by the Coronavirus pandemic, rice exports of Vietnam still witnessed a moderate recovery at the end of 2020 and in the first half of 2021.

The export quantity of Vietnamese rice was 6.15 million tons with a total value of 3.07 billion USD. Compared to 2019, while the export volume showed a mere rise of 3%, rice export value showed an impressive growth of 15% amidst the global crisis (ITC). Despite the fact that the export quantity of this agricultural product reflects the damage of the global pandemic, the price of rice in 2020 increased by 13% compared to the previous year – the largest increase in price among other export products. In the first few months of 2021, despite a decrease in export quantity, the price of rice increased by up to 20 USD per ton (Canh, 2021).

2.3. The impacts of AoA's regulations on Vietnam's rice exports

From the policies of AoA related to rice exports and the above-aggregated figures, we could see that AoA has a great impact on Vietnam rice export activities.

Firstly, the market access policies have created good conditions for Vietnamese rice to access the international market, increasing Vietnam's rice export turnover.

The AoA Agreement was signed in 1995, 12 years before Vietnam officially joined the WTO. During the 10-year period from 1995-2000, the previously acceding member countries had completed the tariff reduction roadmap according to Table 1. After Vietnam became a member of the WTO and signed the AoA agreement, Vietnam seized the opportunity to expand the rice export market, earning a lot of profit.

According to Figure 2, after 1 year of accession, although the export volume reached 4.74 million tons, an increase of only 4% compared to 2007, the value of Vietnam's rice exports almost doubled (up 93.4%). After 5 years of accession, Vietnam's rice exports witnessed a record export value of 3.67 billion USD with an export volume of more than 8 million tons.

After 14 years as a member of WTO, Vietnam still maintains its position as one of the top 3 rice exporting countries in the world. Our country's annual rice exports account for about 15% of the world's total rice exports. Currently, Vietnamese rice has been exported to more than 150 countries and territories. Besides the traditional market, we have gradually expanded export markets to the Americas, the Middle East... High-class white rice products and fragrant rice has initially penetrated into the fastidious market, helping Vietnamese rice products gradually present around the world.

Second, policies on tariff quotas or safeguard measures can easily affect the market for Vietnamese rice exports.

An example of SSG: On September 11, 2019, the Philippines Department of Agriculture (DA) initiated its own investigation into the application of a global safeguard measure against rice products imported into the Philippines with the reason that the sudden increase in rice imports caused serious damage to Filipino farmers. On October 11, 2019, the DA issued a public announcement ending the preliminary investigation. The Philippines' termination of the investigation and application of safeguard measures on rice has created favorable conditions for Vietnamese enterprises to continue exporting rice to the Philippines.

Another example of TRQ: starting from 2 June 2021, the Philippines, currently the largest market of Vietnam rice exports, has reduced tariff rates on rice imports: in-quota from 40% to 35% and out-quota from 50% to 35 % (FAO, 2021). This is one method to boost imports from several suppliers in the Philippines. It is clear that Vietnam could gain benefits from this policy.

In general, the AoA agreement has created favorable conditions for Vietnam to open up the market, and has had a significant impact on the market as well as on Vietnam's rice export activities.

2.4. Opportunities and challenges

The World Trade Organization's 12th Ministerial Conference (MC12) – initially scheduled for June 8 to 11, 2020, in Nur-Sultan, Kazakhstan – would continue negotiations to reform the Agreement on Agriculture. This Ministerial was postponed because of the COVID-19 pandemic, and was likely to be scheduled for 2021. However, up until January 2022, the conference is still being postponed.

With respect to the market access policies, according to the chair of WTO Committee on Agriculture, at MC12 members might be able to come to an agreement that: Steps toward basing

all tariffs on a percentage of import value, rather than on weight or as a fixed amount per item; and, improve the transparency of the administration of TRQs. Markets will continue to develop as a result of these conditions, presenting both hopes and difficulties for Vietnam's rice exports.

2.4.1. Opportunities

First, Vietnam has the opportunity to continue to expand its market, and at the same time, Vietnamese rice exporters can increase their price competitive advantage. The reform of the AoA has increasingly led to the reduction of tariffs to the lowest level, creating conditions for Vietnam to promote rice price competitiveness when entering markets around the world.

Second, thanks to the market access provisions in the AoA combined with the many FTAs that Vietnam has signed in recent times, Vietnam can have a great competitive advantage compared to other rice exporting countries. Businesses should take advantage of this opportunity to penetrate the market and create a strong foothold for Vietnamese rice. Especially, with the accession of the EVFTA, Vietnam can access the EU market, creating a stepping stone to access other developed markets.

Third, from the implementation of commitments in the AoA, combined with the actual situation (signing many different FTAs, the Covid-19 pandemic,...), Vietnam's legal policy will have changes and improve towards more transparency, convenience and conformity with international practices.

Fourth, the Covid-19 epidemic also presents Vietnam with an opportunity. According to specialists, due to the Covid-19 outbreak, which is spreading swiftly over the world, agricultural production in many nations has come to a halt. As a result, demand for rice reserves in other countries is expected to rise, particularly in important markets like the Philippines, Malaysia, China, Ghana, and Papua New Guinea... Meanwhile, China, the world's most populous country and largest rice consumer, has managed to contain the Covid-19 outbreak, and rice exports to China are still going strong. At the moment, Vietnam has a good handle on the illness, and the supply is plenty, so the conditions are ideal for increasing rice exports.

2.4.2. Challenges

First, Vietnam's rice exporters possibly have to handle trade remedies: Normally, when tariff barriers are no longer an effective tool for protection, the import market tends to use anti-dumping and anti-subsidy measures or SPS measures to protect the domestic industry. Rice exporters in Vietnam could be confused when encountering such cases in rice importing markets, such as the Philippines, China, or the EU.

Second, some markets have strict requirements on standards, food safety and environmental protection. Therefore, despite benefiting from tariffs, Vietnamese rice has to improve a lot in terms of quality to be able to overcome these barriers.

Third, the competitiveness of the world rice market is increasingly fierce. To increase productivity, certain nations use technology and science in rice cultivation. This makes the rice market extremely competitive, not only in the global market but also in the local market (particularly in major cities), where Vietnamese rice competes with Thai rice.

3. Recommendations

3.1. Policy recommendations for Vietnam's government

In order to boost the competitiveness of Vietnamese rice in the world market, Vietnam has to implement many solutions synchronously, **one of the most important solutions is to improve rice quality as the SPS measure is imposed strictly**. The State takes the leading role in the development of rice production and rice exports of Vietnam. The government needs to issue policies to encourage rice production in association with market signals, to make sure the rice industry constantly improves rice quality and traceability to meet the increasingly strict requirements of importing countries so as to become more competitive on the international market. The government should have a selected strategy to assist exporters to target high-end markets and support rice growers, for instance by shifting to organic farming. As demand for organic produce has risen rapidly in recent years, Vietnam can invest more in organic rice farming to introduce crops that are free from pesticides, antibiotics, or other banned chemical substances - according to the owner of the Hoa Sua organic rice export company. Moreover, according to him, if the government invests more in research and development to make new paddy varieties like diabetes-friendly rice, this may boost rice exports to developed markets with high demand like the U.S, the E.U., and Japan. The Government should also strictly control the production process to make sure rice products have uniform quality and meet food safety and hygiene standards. In this regard, it is necessary to absolutely obey the limit of pesticide residue, and ensure traceability. Besides, the government should throw the book at those that sell counterfeit rice varieties, and apply strict punishments to prevent this practice.

The government should boost investment in infrastructure for rural areas; create favorable conditions to attract foreign investors in rice production and the process of exporting rice products to create high-quality products. It is necessary to actively invest in building infrastructure for the transition areas, especially in irrigation, to increase support to farmers in breeds, capital, materials, and techniques to create high-quality products qualified for specialty goods. To attract more investors in rice production and export, the government should

take into consideration some exemption policies such as exemption from import tax for modern synchronous equipment, rice product processing lines, and materials and equipment for domestic rice production lines. Moreover, State banks should give agricultural and rural development projects the loan at a preferred rate of interest, and provide sufficient capital for short, medium, and long-term loan needs for borrowers in the rice sector.

According to some industry experts, Vietnamese rice is not inferior to its competitors in terms of quality, but in terms of reputation and although Vietnam is among the world's largest rice exporters, it lacks a national brand that can boost exports and help Vietnamese firms to achieve more credibility and have a competitive edge in the global market. It is a fact that every brand should be built on a high-quality foundation and recognized and remembered by consumers because of its tightly controlled quality. **So in order to ensure high efficiency in rice export and effectively take advantage of the market access policies in some countries, it is necessary for the Vietnamese government to concretize support policies for rice exporters so that they have a brand name and are labeled with the national certification of Vietnamese Rice.** Moreover, the State can support the establishment of offices in key markets to introduce and promote the Vietnamese rice brand and participate in international activities and forums to promote the reputation of Vietnamese rice or organize the Vietnam Rice Festival abroad to increase the value of Vietnam's rice exports.

The Government should also conduct training programs to raise the awareness of farmers, especially technology skills to increase productivity, this should be focused right from the younger generations of farmers. First, we need to provide them with farming knowledge, then technical training programs to improve their knowledge and skills regarding technology implementation, etc. because, in order to build modern agriculture, it is necessary to have qualified farmers. In addition, the government needs to have training programs for researchers and local authorities so that they can help farmers apply technology and techniques to production. We need to apply technology in the production process as soon as possible because absorbing advanced scientific and technological achievements in the rice-producing process will create a large number of products, with high yield, good quality, thereby reducing costs and diversifying brands, leading to increased competitiveness in the market. Moreover, with the application of advanced technology, farmers will be proactive in production, independent from weather and climate due to the expanded production scale.

3.2. Business strategy recommendations for Vietnam's businesses

The rice industry has to constantly improve product quality to meet the increasingly strict requirements of importing countries with the imposition of SPS measures and enhance the

efficiency of the rice value chain. First, **Businesses should boost rice quality by focusing on certain types of rice with high value for export to gain a competitive edge over other rivals on the market**, such as ST25, which is a high-yield rice variety that yields two or three crops per year, can adapt to the difficult conditions brought about by climate change and grows well in brackish water and coastal farms (Việt Nam News, 2020). It also helps export to grow sustainably because at present, Vietnam's export focuses on growing in quantity, which has a certain limit to grow. However, this cannot be a long-term solution, as growth in quantity will not lead to sustainable development. In the long term, Vietnam needs to focus on stabilizing production and increasing added value. What is more, businesses can improve rice quality to export by applying advanced technology such as in post-harvest preservation (using dryers instead of drying rice under sunlight) and processing to ensure uniform quality of rice products, and fully satisfy food hygiene and safety regulations, by that we can reduce losses and surmount the increasing technical barriers set by import markets.

Businesses also need to make a name for themselves on the rice markets to compete with rice brands from Thailand and Cambodia if they want to take advantage of the favorable market access policy in some countries. Enterprises can directly implement rice brand promotion activities by the following steps. First, choose the most typical and outstanding rice to develop a brand. Then, building programs to promote this brand strongly and widely in the market by conducting market research, implementing advertising campaigns, participating in fairs and exhibitions overseas, setting up representative offices abroad, etc. to propagandize and introduce their products in the key markets. Another suggestion is to promote advertising on the mass media that is currently interested by consumers, such as on agricultural product exchanges, on websites selling rice online. Businesses also need to create strong cohesion in the industry environment by joining rice associations and in this way, they can promote their brands and promote brand development for Vietnamese rice. Subsequently, in the long run, rice products of the locality would be known and selected by a larger number of foreign consumers, and development opportunities would open up for many rice exporting businesses.

Conclusion

After conducting thoroughly this study, our team can draw some conclusions as follows:

First, over 1 decade since the day Vietnam joined WTO and committed to the AoA, even though the volume and value of Vietnam's rice exports fluctuate, Vietnam's rice export activities still have reached several outstanding achievements thanks to various opportunities from the WTO Agreement on Agriculture. The reform of the AoA has increasingly led to the reduction of tariffs to the lowest level. It is also important to acknowledge the role of the AoA in facilitating the

enactment of multiple FTAs of Vietnam, these FTAs combined with the market access provisions in the AoA could help Vietnam's rice enterprises penetrate more into the foreign markets.

Second, besides many notable opportunities, Vietnam's rice exporting activities still have to face a lot of challenges when competing in the foreign markets. For example, the import market can use anti-dumping and anti-subsidy measures or SPS measures to protect the domestic industry, which requires Vietnamese enterprise to improve their rice products' quality considerably as soon as possible and with the current competitiveness, Vietnam has to apply more advanced technology into the manufacturing process in order to increase productivity, gain a competitive edge in terms of price, service and quality .

Third, as rice exporting businesses are facing a lot of challenges, we propose some measures for both the government and exporting businesses. For the government, in order to improve rice quality as the SPS measure is imposed strictly, it has to implement many solutions synchronously, by issuing policies to encourage the improvement in rice quality and traceability, creating favorable conditions to attract foreign investors in rice production and the process of exporting rice products to create high-quality products. Moreover, in order to effectively take advantage of the favorable market access provisions in the AoA, the government needs to concretize support policies for rice exporters so that they have a brand name and are labeled with the national certification of Vietnamese Rice. For businesses, we recommend that they should boost rice quality by focusing on certain types of rice with high value for export and directly implement rice brand promotion activities by implementing advertising campaigns, participating in fairs and exhibitions overseas, setting up representative offices abroad, etc. to make a name for themselves on the rice markets to compete with rice brands from Thailand and Cambodia.

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