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NGHIÊN CỨU TÁC ĐỘNG CỦA HIỆP ĐỊNH ĐỐI TÁC KINH TẾ TOÀN DIỆN KHU VỰC (RCEP) TỚI XUẤT KHẨU NÔNG SẢN CỦA VIỆT NAM

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Tóm tắt

Bài nghiên cứu tập trung vào những tác động của Hiệp định Đối tác kinh tế toàn diện khu vực (RCEP) đến xuất khẩu nông sản của Việt Nam. Sự thi hành hiệp định RCEP được kì vọng sẽ mở rộng thị trường cho các sản phẩm nông sản – một trong những thế mạnh của xuất khẩu Việt Nam. Tuy nhiên, nông sản Việt cũng sẽ gặp phải nhiều khó khăn từ những thị trường xuất khẩu và các đối thủ cạnh tranh. Dựa trên việc nghiên cứu hoạt động xuất khẩu của bốn loại nông sản chính của Việt Nam bao gồm gạo, rau quả, hạt điều và cà phê, những cơ hội và thách thức đối với xuất khẩu nông sản Việt khi hiệp định RCEP có hiệu lực sẽ được làm sáng tỏ. Từ đó, tác giả đưa ra một số đề xuất để tăng khả năng cạnh tranh của nông sản Việt Nam trên thị trường xuất khẩu.

Từ khóa: RCEP, nông sản Việt Nam, xuất khẩu.

RESEARCH ON IMPACTS OF THE REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP (RCEP) ON VIETNAM'S AGRICULTURAL PRODUCTS EXPORT

Abstract

This paper focuses on the impacts of the Regional Comprehensive Economic Partnership (RCEP) on exporting agricultural products of Vietnam. The implementation of RCEP is expected to widen the market for agricultural products, which have always been one of the main exporting products of Vietnam. However, Vietnam's agricultural products will face up many difficulties and

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competition from exporting nations and other competitors. We will research the export of Vietnam's four main agricultural products, namely rice, vegetables and fruits, cashew, and coffee to find out the opportunities and challenges brought by the RCEP to agricultural products exporting of Vietnam. From which, some proposals will also be made to increase the competitiveness of Vietnam's agricultural products in the export market.

Keywords: RCEP, Vietnam's agricultural products, export.

1. Literature review and methodology

1.1. Literature review

Multiple papers have been dedicated to the analysis of the impact of different FTAs on participating countries' economies, and the consensus is that FTAs are beneficial for a nation's welfare. Burfisher et al. (2001), using employing reports from multiple U.S governmental agencies, suggested that the North America Free Trade Agreement (NAFTA) had led to higher GDP, negligible employment, and wage effect on the U.S and helped alleviate the peso crisis in Mexico. Regarding its impact on trade, studies overwhelming show that NAFTA is net trade-creating, though to varying degrees. Gould (1998) and Krueger (1999) found that the agreement did not have a significant impact on bilateral trade, while a more substantial impact on trade for all parties involved was implied in the research conducted by Robinson and Thierfelder (1999). Concerning the question of trade balance, Burfisher et al. (2001) argued that the question should not be touched at all, that countries benefit from both import and export, implying that NAFTA represented a beneficial shift for all parties involved. Overall, the impact of NAFTA was beneficial, more so for Mexico and less for the U.S (Burfisher et al., 2001).

Another notable FTA is the Australia – United States Free Trade Agreement (AUSFTA), which was the research subject of Kennedy and Hilbun (2012), in which they found that the agreement generates a higher trade creation effect for Australia than the U.S and that for the U.S, the result of participating in the agreement was a greater level of trade diversion. On the other hand, the CARICOM – Canada FTA was expected to have overall unfavorable revenue and trade creation effects on CARICOM countries, with smaller countries running higher risks of suffering more adverse impact (Khadan and Hosein, 2016). Shifting attention to North African countries, Hndi et al. (2016) found that being a member of an FTA positively affected a country's aggregate agricultural trade flow, generate the potential for trade creation and create a market for former Soviet countries. However, said the study also found that separate agricultural trade flow showed a different result, with an example being vegetable trade flow being positively affected by FTA while live animals trade suffering in the opposite direction. The study recommended vigilance while applying FTA to disaggregate agricultural trade.

Literature on multiple FTA of which Vietnam is a part of is also very extensive, and overall presents a positive outcome of joining FTAs. On the Vietnam – Korea Free Trade Agreement (VKFTA), Phan and Jeong (2016) argued that the agreement would increase welfare for both countries in the long run, with the most important gain coming from better allocation of resources, while also noting the fierce competition likely to arise from this FTA among ASEAN members. Hence, the study recommended an early conclusion of a comprehensive FTA with Korea to avoid confrontation with ASEAN members in the future. Another FTA involving Vietnam is the European – Vietnam Free Trade Agreement (EVFTA), which was the research subject of Le and

Nguyen (2019). They argued that EVFTA, specifically its provision regarding industrial tariff reduction, would overall increase Vietnam's welfare and strengthen the country's economy by increasing household consumption, factors of production, and trade value. However, they also noted the agreement's role in creating a budget deficit and placing pressure on domestic producers. In a more general sense, Toh and Gayathri (2004) studied the impact of regional trade liberalization on Vietnam and concluded that Vietnam benefited greatly from FTAs, noting that the welfare effect was positive, the amount of trade generated was tremendous and the trend of GDP growth was that of rising in all scenarios. They advised the country to continue and hasten its economic reform process to keep up with the process of global economic integration.

1.2 Methodology

This paper employs the qualitative method to measure the impact of RCEP on Vietnam's agricultural export, using data from international organizations, including the World Bank, ASEAN, Food and Agricultural Organization of the United Nations as well as internal data from the General Department of Customs. The data will cover Vietnam's export of four agricultural products: rice, vegetables and fruits, cashew nut, and coffee, spanning from 2019 to the first quarter of 2021.

2. The Regional Comprehensive Economic Partnership (RCEP)

2.1. Overview

The Regional Comprehensive Economic Partnership (RCEP) is a free trade agreement among ASEAN and the Asia-Pacific nations of Australia, New Zealand, China, Japan, and South Korea. The RCEP was signed on 15 November 2020 and will take effect 60 days after being ratified by at least six ASEAN and three non-ASEAN signatories.

The agreement was introduced to reduce tariffs and bureaucracy. It involves unifying rules of origin among members, which can facilitate international supply chains and exchanges throughout the region. It also includes the prohibition of certain tariffs. However, RCEP does not focus on unions, environmental protection, or government subsidies.

RCEP will be the world's largest free trade agreement when it comes into effects as the agreement covers nearly a third of the global population and about 30% of its global gross domestic product, about 32 trillion USD, accounting for 47.5% of the world population (The World Bank, 2020). With the removal of tariffs on 91% of goods, the RCEP will create a free trade area covering nearly a third of the world's economy, trade, and population.

Additionally, the agreement is the first FTA among China, Japan, and South Korea, which are three of Asia's four largest economies. From the moment it was signed, it was believed to help regulate the economy in the context of the COVID-19 pandemic, as well as pull the central economic gravity towards Asia.

Regarding East Asia Free Trade Agreement (EAFTA) and the Comprehensive Economic Partnership East Asia (CEPEA), RCEP does not operate on defined membership relationships before signing. Instead, it is based on public admission, which allows entry of any ASEAN FTA partner (China, Korea, Japan, and Australia-New Zealand) either at the beginning or after countries participate. The Agreement is also not restricted to other economic partners, such as countries in Central Asia and the rest of South Asia and Oceania. RCEP also will not be as comprehensive as

the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, which is another free trade agreement with the same number of member countries.

2.2 Basic Contents of RCEP related to agricultural exporting

The Agreement includes 20 chapters, in addition to commitments on tariff reduction, customs procedures, and trade facilitation, the Agreement also includes "non-traditional" commitments (compared to signed FTAs between ASEAN and 05 partner countries), such as intellectual property, competition policy, support for small and medium enterprises, etc.

a) Rules of origin and mechanism of certificates of origin of goods

The RCEP Agreement provides for harmonization and simplification of the Rules of Origin. These rules include provisions allowing the accumulation of originating materials, of any RCEP Member State, to continue to be included in the originating material of the final finished product, and to enjoy tax rates. RCEP special privileges when circulating between the member countries of the Agreement.

In addition, the self-certification mechanism of origin will be applied by Vietnam and most of its member countries (except Laos, Cambodia, and Myanmar) after no more than 10 years from the date of entry into force of the Agreement.

b) Agricultural Export Subsidies

The Parties reaffirm their commitments made in the Ministerial Decision of 19 December 2015 on Export Competition (WT/MIN (15)/45, WT/L/980), adopted in Nairobi on 19 December 2015, including the elimination of scheduled export subsidy entitlements for agricultural goods.

The Parties will share the objective of the multilateral elimination of export subsidies for agricultural goods and work together to prevent their reintroduction in any form.

c) General Elimination of Quantitative Restrictions

Except as otherwise provided in this Agreement, no Party shall adopt or maintain any prohibition or restriction other than duties, taxes, or other charges, whether made effective through quotas, import or export licenses, or other measures, on the importation of any good of another Party or the exportation of any good destined for the territory of another Party, except in accordance with its rights and obligations regarding the relevant provisions of the WTO Agreement. To this end, Article XI of GATT 1994 is incorporated into and made part of this Agreement, *mutatis mutandis*.

Where a Party adopts an export prohibition or restriction mentioned in subparagraph 2(a) of Article XI of GATT 1994, that Party shall, upon request:

- Inform another Party or Parties of such prohibition or restriction and its reasons together with its nature and expected duration, or publish such prohibition or restriction;
- Provide another Party or Parties that may be seriously affected with a reasonable opportunity for consultation with respect to matters related to such prohibition or restriction.

d) Claim for Preferential Tariff Treatment

An importing Party shall grant preferential tariff treatment following this Agreement to an originating good regarding a Proof of Origin.

Unless otherwise provided in this Chapter, an importing Party shall provide that, to claim preferential tariff treatment, the importer shall:

- Make a declaration in its customs declaration that the good qualifies as an originating good;
- Have a valid Proof of Origin in its possession at the time the declaration referred to in subparagraph (a) is announced;
- Provide an original or a certified true copy of the Proof of Origin to the importing Party if it is required by the importing Party.
- Notwithstanding paragraphs 1 and 2, the importing Party shall not require a Proof of Origin if:
 - + The customs value of the imported goods do not higher than US\$ 200 or the equivalent amount in the importing Party's currency or any higher amount as the importing Party may establish; or
 - + It is a good for which the importing Party has already waived the requirement, provided that the importation does not form part of a series of importations carried out or planned to evade compliance with the importing Party's laws and regulations governing claims for preferential tariff treatment regarding this Agreement.

The customs authority of the importing Party may require, where appropriate, the importer to submit supporting evidence that a good qualifies as an originating good, following the requirements of this Chapter.

The importer shall demonstrate that the requirements referred to in Article 3.15 (Direct Consignment) have been met and provide such evidence on request of the customs authority of the importing Party.

After the period being expired for its submission, where a Proof of Origin is submitted to the customs authority of an importing Party, such Proof of Origin may still be accepted, by the importing Party's laws, regulations, or administrative practices, when failure to observe the period results from force majeure or other valid causes out of the control of the importer or exporter.

e) Agreement on reducing Tariff among RCEP countries on rice, vegetables, cashew, and coffee.

The RCEP countries have agreed to cut down tariffs on each other's agricultural products. The tariff cutdown level and process of the researched products are shown in Table 1.

Table 1. Agreement on reducing tariff among RCEP countries on rice, vegetables and fruits, cashew, and coffee

	Rice	Vegetable and fruits	Cashew	Coffee
Australia	Eliminate to 0% from base year	Eliminate to 0% after 1 year	Eliminate to 0% from base year	Eliminate to 0% from base year

	Rice	Vegetable and fruits	Cashew	Coffee
Brunei	Eliminate to 0% from base year	Eliminate to 0% from base year	Eliminate to 0% from base year	Eliminate from 45% to 100% of tax after 15 years
Cambodia	Eliminate to 0% after 15 years	Reduce to 7% from base years and some to 0% after 1 year or 20 years	Shelled: 0% after 1 year Be treated: 35% in base year; 0% after 20 years. Others: 0% after 15 years	Not decaffeinated: 15% - 35% fixed (except for Arabic & Robust to 0% after 20 years) Decaffeinated and others: 0% after 15 years
China for ASEAN	65% in base year then excluded	Eliminate to 0% after 1 year	In shell: 0% after 1 years Shelled: 0% after 10 years	Not roasted: 37.5% after 1 year. Not decaffeinated roasted: 15% in bases then excluded. Decaffeinated roasted: 0% after 1 year. Substitutes: 30% in base year to 0% after 20 years
Indonesia for ASEAN	From Rp 450/ kg in base to 30% after 1 year	Eliminate to 0% after 1/10/15 years, except for some products fixed in base year.	In shell: 0% after 1 year. Shelled: 0% after 10 years	Not decaffeinated, not roasted: 0% after 10 years. Others: 0% after 1 year.
Japan for ASEAN	Excluded	Reduce from 3% to 0% after 16 years.	Free in year 1	Not roasted: Free in year 1 Others: Free after 16 years

		Rice	Vegetable and fruits	Cashew	Coffee
			Some products are reduced from 8% to 5%		
South Korea for ASEAN	Excluded		Most are excluded. Others are reduced 25% after 20 years	Eliminate to 0% after 10 years	Not roasted: 0% after 1 year. Others: 0% after 10 years
Laos	Excluded		Most are fixed at 40% or excluded. Others are set at 40% in base year, start reducing to 30% after 17 years and 0% after 20 years.	30% in base 20% after 15 years 0% after 20 years	40% in base year and then excluded
Malaysia	Excluded		0% after 1 year (young coconut 0% after 10 years)	0% after 1 year	0% after 1 year
Myanmar	In husk/ can sowing: 0% in year 1 Other: fixed at 5% (B & Extra - 0% after 20 years)		Fixed at 15% or gradually reduced to 0% after 20 years. Dried/ shelled beans 0% in 1 year	Gradually reduced to 0% after 20 years.	Fixed at 5%, 10% and 15%
New Zealand	0% after 1 year		Most are 0% after 1 year. Sweet corn: 0% after 10 years. Others: reduced 50%	0% after 1 year	Decaffeinated roasted: 0% after 15 years. Others: 0% after 1 year

	Rice	Vegetable and fruits	Cashew	Coffee
Philippines (ASEAN)	Excluded	50% & 100% of tax reduced. Others excluded	10% in base year. 0% after 1 year.	Excluded or 40% in base year then reduced to 30% or 20%
Singapore	N/A	N/A	N/A	N/A
Thailand	Excluded	Most are 0% after 1 year and excluded. Some are 0% after 15 years.	40% in base year In shell: 0% after 1 year. Shelled: 0% after 10 years	Excluded
Viet Nam	Sowing: 0% in base year. Others: 40% in base year, then reduce 25% - 50% of the tax	Most: 0% after 1 year or 10 years	0% after 1 year.	0% after 10 - 15 - 20 years

Source: The ASEAN Secretariat (2021)

3. Agricultural products export and import activities in ASEAN + 5 countries

3.1. Status of export turnover of rice, vegetable, and fruit, cashew nut, coffee of Vietnam in ASEAN + 5

a) General statistics

Vietnam is receiving preferential tariffs when exporting agricultural products to ASEAN and five other countries due to multilateral and bilateral FTA such as AFTA or VJEPA. According to Figure 1, in most countries in ASEAN+5 Vietnam is receiving an export tax rate of 0% as well as MFN. Therefore, the export of agricultural products in Vietnam plays a significant role in the percentage of total products exported from 2019 to the first quarter of 2021.

Table 2. Tariff applied on Vietnam's agricultural products before RCEP

	Rice	Vegetables and fruits	Cashew	Coffee
Brunei Darussalam	0%	0%	0%	Raw coffee: 0% (MFN: 1.59% - 2.19%) Coffee products: 0% (MFN)

	Rice	Vegetables and fruits	Cashew	Coffee
Cambodia	0-7% (general tariff)	Fresh, chilled, or dried: 0%-5% (MFN: 0-7%) Prepared:0% (MFN:35%)	0% (General tariff: 7%)	0% (MFN:15%-35%)
Indonesia	25% (MFN 1.39-8.67%)	Fresh, chilled, or dried: 0% (MFN: 0-5%) Prepared: 0% (MFN:5%)	0% (MFN: 5%)	Raw coffee: 0% (MFN: 5-20%) Coffee products: 0% (MFN: 20%)
Laos	-	0% (MFN: 5%)	0% (MFN:30%)	Raw coffee: 0% (MFN: 40%) Coffee products: 0% (MFN: 20%)
Malaysia	-	MFN: 0%	0%	Raw coffee: 0% (MFN) Coffee products: 0% (MFN: 0-10%)
Myanmar	0-5% (MFN)	0% (MFN:15%)	0% (MFN:20%)	Raw coffee: 0-5% (MFN: 15%) Coffee products: 5% (MFN: 5-20%)
Philippines	-	0% (MFN: 0--40%)	0% (MFN: 7%)	Raw coffee: 0% (MFN: 40%) Coffee products: 0% (MFN: 7-45%)
Singapore	0%	MFN: 0%	0%	0% (MFN) Raw coffee: 0-5% (MFN: 90%)
Thailand	-	0% (MFN: 5-142%)	40-60% (MFN)	Coffee products: 0% (MFN: 30- 49%)

Source: International Trade Centre (2021)

Table 2 below illustrates the percentage of export turnover of the four products in the total figure in all markets from 2019 to I/2020. The export turnover of vegetables and fruits of ASEAN + 5 almost accounted for the entire export market of Vietnam's fruit and vegetables with 80.16% in 2019. The proportion of fruit and vegetable export turnover decreased to 78.94% in 2020, however, it accounts for 79.84% of the market in the first quarter of 2021. For the rice export market, the proportion of export turnover of ASEAN + 5 only started with 50.99% in 2019 and increased by about 10% by the end of 2020. While the proportion of cashew nuts export value decreased slightly by 2%, coffee export value accounted for a slight increase by 0.2% in 2020. In general, Vietnam's rice, cashew nuts, and coffee export turnover in ASEAN+5 accounts for a moderate proportion of total export turnover by item.

Table 3. Table of the proportion of export turnover of rice, vegetables, cashew nuts, coffee to ASEAN+5 compared to the total turnover in all export markets of Vietnam in each item from 2019 to I/2021

	2019	2020	I/2021
Rice	50.99%	60.5%	64.58%

Vegetable and fruit	80.16%	78.94%	79.84%
Cashew nut	25.36%	23.31%	23.97%
Coffee	25.64%	25.82%	24.48%

Source: General Department of Customs (2021)

b) Status of export turnover of rice, vegetables and fruits, cashew nuts, coffee of Vietnam in every market in ASEAN + 5 from 2019 to I/2021

The year 2019

From Figure 2, we can see that in 2019 China was the market with the highest export turnover of Vietnam in 4 items, especially China ranked first in 2 items of vegetables and fruits and cashew nut with 2,476,653,497 USD and 592,177,446 USD. The strengths of the two other products (rice and coffee) were the Philippines with 885,722,756 USD and 173,585,328 USD. On the other hand, although rice is Vietnam's export strength, it was only exported to 7/14 countries in ASEAN + 5. It can also be seen that Vietnam exported all four of these products to Australia, China, and Singapore while Brunei and Myanmar still only accepted one agricultural product of Vietnam.

Table 4. The export turnover of rice, vegetables and fruits, cashew nuts and, coffee of Vietnam from the market in ASEAN + 5 in 2019 (Unit: USD)

	Rice	Vegetables and fruits	Cashew nut	Coffee
Australia	11,120,724	44,724,322	112,070,863	33,377,510
Brunei	3,284,190	0	0	0
Cambodia	0	3,366,666	0	2,170,475
China	240,353,156	2,476,653,497	592,177,446	101,430,396
Indonesia	18,396,076	5,752,304	0	37,547.705
Japan	0	122,410,131	25,855,909	171,122,247
South Korea	0	131,826,816	0	66,506,060
Laos	0	78.827.277	0	8,542,548
Malaysia	218,798,985	31,099,534	0	63,646,129
Myanmar	0	0	0	5,399,387
New Zealand	0	0	21,769,821	2,190,106
Philippines	885,722,756	0	8,294,333	173,585,328
Singapore	53,390,628	32,430,023	4,916,356	2,980,569
Thailand	0	74,942,248	68,864,127	65,342,073

Source: General Department of Customs (2021)

The year 2020

It can also be seen from Figure 3 that the export turnover of rice and vegetables decreased in most countries while the export turnover of coffee and cashew nuts increased slightly in 2020. Rice export turnover to China and the Philippines decreased by nearly half compared to last year, making the total rice export turnover in ASEAN + 5 significantly reduced. Moreover, Brunei, Cambodia, and Myanmar were still the three least agricultural exporters of Vietnam.

Table 5. The export turnover of rice, vegetables and fruits, cashew nuts and, coffee of Vietnam from the market in ASEAN + 5 in 2020 (Unit: USD)

	Rice	Vegetables and fruits	Cashew nut	Coffee
Australia	18,634,458	64,334,836	111,254,116	31,554,858
Brunei	136,104	0	0	0
Cambodia	0	8,148,420	0	2,818,003
China	463,030,978	1,839,870,355	511,077,553	95,681,229
Indonesia	49,949,480	7,392,408	0	28,111,695
Japan	0	127,668,223	42,546,418	180,503,027
South Korea	0	142,976,649	0	69,519,493
Laos	0	42,945,772	0	2,484,498
Malaysia	237,314,410	37,018,970	0	70,492,572
Myanmar	0	0	0	5,995,450
New Zealand	0	0	18,152,249	2,013,439
Philippines	1,056,276,415	0	6,387,224	158,097,906
Singapore	60,945,376	35,593,975	4,285,615	2,213,124
Thailand	0	157,156,882	54,953,859	58,148,127

Source: General Department of Customs (2021)

The first quarter of 2021

During the period, Vietnam's agricultural export turnover remained the highest in the Chinese market (Figure 4). In the first quarter of 2021, Japan overtook the Philippines to become Vietnam's largest export coffee market in ASEAN+5 with 59,724,738 USD. Meanwhile, Vietnam still showed its weakness when entering the Myanmar and Cambodia agricultural product market when the export turnover in these countries only accounts for less than 1/30 compared to the leading market China. Out of 4 items, Vietnam could not export any items to Brunei in the first quarter.

Table 6. The export turnover of rice, vegetables and fruits, cashew nuts and, coffee of Vietnam from the market in ASEAN + 5 in I/2021

	Rice	Vegetables and fruits	Cashew nut	Coffee
Australia	4,739,053	19,011,905	17,195,011	7,024,560

	Rice	Vegetables and fruits	Cashew nut	Coffee
Brunei	0	0	0	0
Cambodia	0	7,905,362	0	1,003,688
China	136,168,803	610,820,362	112,238,728	30,992,460
Indonesia	1,101,709	1,162,382	0	14,515,834
Japan	0	32,230,283	9,835,553	59,724,738
South Korea	0	34,962,016	0	19,254,074
Laos	0	5,046,270	0	748,419
Malaysia	42,548,392	13,896,297	0	23,606,042
Myanmar	0	0	0	1,103,895
New Zealand	0	0	3,515,040	959,842
Philippines	219,956,126	0	1,893,397	32,484,329
Singapore	14,407,869	9,932,824	1,168,767	570,361
Thailand	0	36,854,796	11,636,888	5,954,870

Source: General Department of Customs (2021)

3.2. Overall on the agricultural market of ASEAN + 5 countries.

a) ASEAN countries

In some, the agricultural sector does not play a major role, likely due to geographical causes, with the notable cases being Brunei Darussalam, Singapore, Thailand, Malaysia, and the Philippines the agricultural sector contributes less than 10% of GDP (The ASEAN Secretariat 2020, 2020). Therefore, it is considerable that the percentage of imported agricultural products of these countries is substantial.

In fact, according to Figure 5, It can be inferred that these countries often devote a considerable share of their import to agricultural products. Notably, in 2019, Laos, the Philippines, Myanmar, and Indonesia had the largest imports of agricultural products, at 15.8%, 12.4%, 12%, and 10.9%, respectively. Countries like Vietnam, Cambodia, Malaysia, and Thailand devote about 6 to 7% of their import to agricultural products. The free trade zone and the allyship provided by ASEAN and the size of the agricultural sectors of certain countries are likely key causes for the ASEAN countries generally and Vietnam to trade agricultural products extensively with each other and benefit from it.

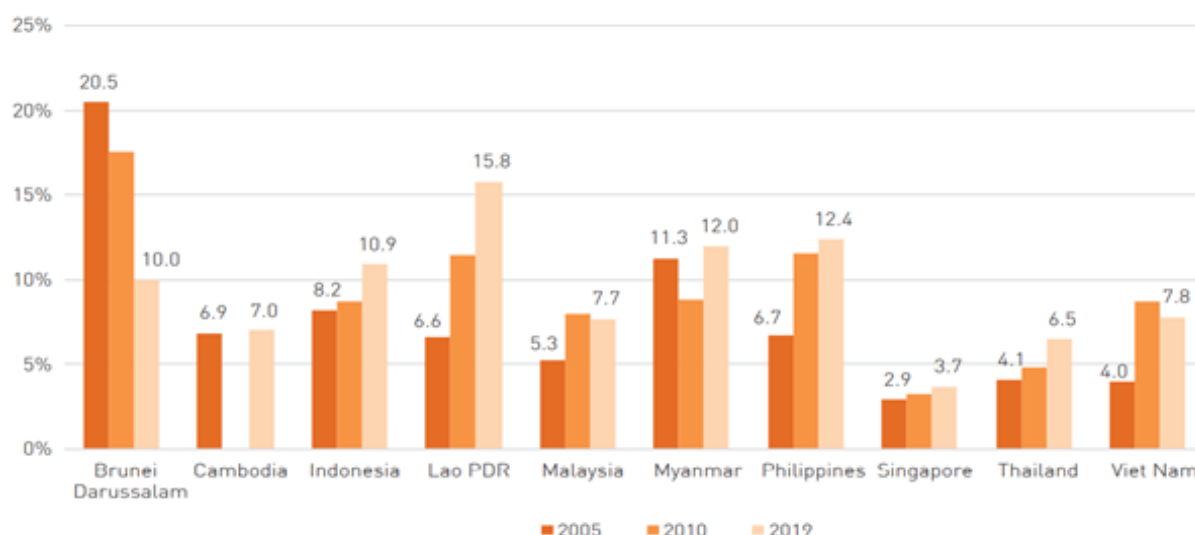


Figure 1. Shares of agricultural products to total imports (%) by ASEAN Member

Source: ASEAN Secretariat, ASEANstats database (2020)

b) Non-ASEAN countries

Interestingly, the other countries beside ASEAN countries involved in the RCEP Agreement also share some similarities with certain ASEAN nations, in that when none of these countries have an agricultural sector that takes up more than 10% of total economic output, with the highest being China at 7.7% (The ASEAN Secretariat 2020, 2020).

Moreover, the size of the five's agricultural sectors likely raises the demand for importing agricultural products to adequately sustain the population, seeing that these countries all have population sizes that are either mid-sized or massive, in the case of China. The data collected from the World Bank proves the argument that these countries spend a significant number of resources importing agricultural products. Table 3 below shows in detail Total Imports (in U.S Dollar) and Food Import (as a percentage of Total Import and in U.S Dollar) in 2019 of the five non-ASEAN countries involved in the RCEP Agreement. China, being the country with the largest population size, understandably spends nearly 200 billion dollars on importing food, followed by Japan with nearly 100 billion. Other countries spend comparatively less, but still considerably many resources on importing goods, ranging from about 7 billion to nearly 40 billion.

Table 7. Total Imports (in U.S Dollar) and Food Imports (as a percentage of Total Imports and in U.S Dollar), 2019.

	China	New Zealand	Australia	Japan	Korea
Total Imports (billion U.S dollars)	2,476	56.68	301.65	880.23	610.10
Food Import (% of Total Import)	7%	13%	7%	11%	6%

	China	New Zealand	Australia	Japan	Korea
Food Import (billion U.S dollars)	173.32	7.37	21.11	96.82	36.61

Source: The World Bank (2021)

Based on the amount these five countries spend on importing food, the opportunity presented to countries whose major exports are agricultural products like ASEAN countries in general and Vietnam, in particular, is tremendous. However, according to Table 4, Vietnam only can be described as a minor major import partner, often being in the bottom Top 10 of the Top 20. On the very top of the list are countries that are either considered closed allies of nations being examined here or major economies, such as New Zealand, Australia, Brazil, United States, China. It is expected that the RCEP agreement can help Vietnam boost agricultural exports to these countries.

Table 8. The 5 non-ASEAN countries in RCEP and their top import partners in 2019

No	China	New Zealand	Australia	Japan	Korea
1	Brazil	Australia	New Zealand	United States	United States
2	United States	United States	United States	China	China
3	Australia	Indonesia	China	Australia	Australia
4	Thailand	Malaysia	Italy	Canada	Brazil
5	New Zealand	Singapore	Singapore	Thailand	Indonesia
6	Argentina	China	Thailand	Brazil	Thailand
7	Canada	Argentina	United Kingdom	Italy	Germany
8	Indonesia	Thailand	France	Korea	Argentina
9	France	Germany	Netherlands	France	Canada
10	Netherlands	Netherlands	Argentina	Indonesia	New Zealand
11	Malaysia	France	Indonesia	New Zealand	Spain
12	Chile	Italy	Malaysia	Mexico	Malaysia
13	Viet Nam	United Kingdom	Germany	Spain	Viet Nam

No	China	New Zealand	Australia	Japan	Korea
14	Germany	Canada	India	Philippines	Philippines
15	Ukraine	Spain	Viet Nam	Malaysia	France
16	Uruguay	India	Canada	Denmark	Chile
17	Spain	Ecuador	Mexico	Netherlands	Netherlands
18	India	Mexico	Denmark	Switzerland	India
19	Russian Federation	Viet Nam	Spain	Germany	Italy
20	Denmark	Brazil	Belgium	Viet Nam	Japan

Source: Food and Agricultural Organization of the United States (2021)

3.3. Discussion

Regarding agricultural products in general, ASEAN countries, even those that have a robust agricultural sector still spend a considerable number of resources importing agricultural products from each other. With RCEP being in effect, this may prove to be advantageous for Vietnam, which will be able to benefit from the liberalization effect of both ASEAN and RCEP. The situation is largely the same with the other non-ASEAN countries involved in RCEP. Vietnam, and multiple other ASEAN countries, is consistently in the Top 20 import partners of the five non-ASEAN countries in RCEP. These countries, in turn, place a considerable emphasis on importing agricultural products due to their limited agricultural sector and a generally large population to sustain. Therefore, this Agreement presents a major opportunity for Vietnam to further develop its export turnover.

Besides, in the entire ASEAN+5 market, export turnover in the Chinese market and the Philippines market accounts for most of the export turnover of Vietnam while the other markets make up a small percentage. In addition, the export turnover of vegetables and fruits accounts for the largest proportion of the four commodities and is about four times higher than the coffee export turnover in different periods. Moreover, although Vietnam is the second-largest rice exporter in the world, it is not shown in the ASEAN+5 market. In the ASEAN + 5 market, Vietnam's rice exports are only available in half of the countries. Due to the impact of the Covid 19 epidemic, the proportion of export turnover to ASEAN + 5 decreased, in which export turnover to China decreased the most in all four items.

4. Opportunities, Challenges, and Proposes

4.1 Opportunities

a) Expand the scale of export markets

According to the assessment, RCEP creates a market size of 2.2 billion people, a GDP of approximately US \$ 26.2 trillion, accounting for 30% of global GDP, and is the region's largest

free trade world (Xuan Anh, 2021). Therefore, we suggest that, as soon as coming into force on 1/1/2022, the RCEP Agreement also helps Vietnamese agricultural enterprises to enter the largest-scale market in the world, not to mention that these participating countries all have great demands for importing products of Vietnam's strength, namely agricultural products. For example, regarding the commodity rice, the above data shows that though Vietnam produces a considerable amount of this product, only one in five non-ASEAN countries in RCEP, which is China, imports any significant amount of rice from Vietnam. The other four, on the other hand, import none. Therefore, through RCEP, Vietnam will be able to expand its rice market to the other four major countries particularly in the near future when the global economy is negatively severely affected by the Covid 19 pandemic. Similarly, the cashew market of the country can expand to a more international scale, with Korea going from not importing from Vietnam at all to importing cashew from Vietnam through RCEP.

b) Open export markets for more new agricultural products and vegetables

Additionally, the immediate benefit that RCEP brings is creating favorable conditions for negotiations to open export markets for more agricultural products and vegetables than before. For example, the Chinese market currently only allows 10 types of fresh vegetables and fruits for official export, but post-RCEP, it may be expanded to include other fresh products such as durian, passion fruit, pomelo, avocado, star apple, etc. In other markets such as Japan and Korea, despite long-term export negotiations, only 2 or 3 types of fresh agricultural products have been exported. With RCEP, from 2022, the negotiation for new agricultural products and fruits can be faster and more convenient. This is the core point and expectation of many exporters (Xuan Anh, 2021). Besides, the import standards and consumer tastes across countries are also quite similar. Therefore, in the post-COVID-19 period, it is favorable for Vietnam to export more agricultural products and vegetables than before. Moreover, as the geographical distance of the bloc is not too far, lowering logistics costs, freight traffic more simply than with other markets such as the US, Asia, etc. Through these commitments to open markets for goods, services, investments, rules of origin, values in the RCEP region, and the trade facilitation measures of member countries, it is reasonable to predict that Vietnam will have new strong agricultural supply chains thanks to the agreement signed on 11/15/2021.

Overall, this Agreement presents a tremendous opportunity for Vietnam to extend its agricultural market to a broader, more international scale and further expand its agricultural export turnovers.

c) Eliminate tariff and non-tariff and the lifting of technical barriers

RCEP also provides the country with a unique competitive advantage, as the five non-ASEAN countries involved in this Agreement might prefer to do agricultural trade in RCEP's more liberalized economic zone. Specifically, the elimination, either immediately or gradually of tariffs, as well as the lifting of technical barriers would prove appealing to the participating countries. The country of Japan serves as an interesting example. Importing a product to Japan is subjected to multiple non-technical measures, ranging from paperwork such as import license or certificate of origin to laws like the Foreign Exchange and Foreign Trade Act, the Measurement Act, the Customs Tariff Act, and the Trademark Act, just to name a few (Dinh et al. 2021). With RCEP being in effect, these measures will be lifted, creating an opportunity for Vietnamese agricultural

products. Due to the participation of RCEP, tariff barriers between member countries will be reduced, and inspection of barriers such as customs clearance and services will be reduced. The standard techniques are also easier, which is expected to bring benefits to Vietnamese goods, including products when exported to markets in RCEP from 2022.

4.2. Challenges

a) Vietnam can no longer benefit from preferential tariff

Vietnam is receiving preferential tariffs when exporting agricultural products to ASEAN and five other countries due to multilateral and bilateral FTA such as AFTA or VJEPA (Figure 1). Therefore, when RCEP comes into force, it will not create a “tariff shock” to Vietnam, especially in the ASEAN market.

Furthermore, Vietnam will face up to fierce competition from other countries with the same products, especially from China. RCEP makes participating countries cut down tariffs on many products from China, which will broaden the exporting market for China – a country exporting a wide variety of products with significantly low prices. Thus, right after RCEP comes into force, Vietnam’s agricultural products will have to compete directly with those from other ASEAN countries as well as China to gain market in RCEP countries.

b) The quality of Vietnam’s agricultural products is low compared to other nations’

At present, the processing of agricultural products of Vietnam still has many limitations. According to a survey of the Ministry of Agriculture and Rural Development (2020), The whole country has only over 150 industrial-scale fruit and vegetable processing plants with a total designed capacity of over 1,000,000 tons of products/year, concentrated in 28 provinces/cities. The number of agricultural processing establishments, with small, medium, or household size accounts for about 95% of the total number. The coefficient of innovation in equipment is only 7%/year, equal to 1/2 to 1/3 of other countries.

Due to obsolete processing technology, Vietnam has mainly been exporting raw or minimal processed products. Those products are of low competitiveness and price compared to other countries in the trade zone.

4.3. Proposes

a) To government

Simplify and optimize documents and administrative processes

From existing literature, we contend that the Government of Vietnam can, and has employed several methods to help mitigate the challenge posed by RCEP. The Ministry of Industry and Trade, for example, has been in a process of either simplifying or eliminating certain administrative processes, hence giving firms and businesses more leeway to gain business licenses (MOIT, 2021).

Speeding up the process of digitizing papers and procedures in granting permits for exporting agricultural products such as quality permits, export customs documents, certificates of origin... Building a database system that synchronizes and connects administrative agencies at all levels to manage documents, reduce the time for paperwork and procedures for businesses, and prevent errors. Adding more information portals, answering online support about documents, import and export procedures, quality certification, etc.

At the same time, functional agencies and local agencies should organize public meetings and re-popularize the system of necessary documents and procedures to businesses and associations and so on to have the preparation and avoid errors, rush in this phase. It is also advised that the government create a fund to support businesses more likely to suffer severe effects of FTA, or in this case RCEP; and that the Government should also create plans and strategies to familiarize firms and businesses with important terms and conditions within the Agreement, either by publishing the content of the Agreement or holding seminars, conferences, and training sessions.

Manage, standardize and improve product quality

The state should unify and standardize a set of common quality rules for each market group or signed agreement - typically RCEP, make recommendations on cultivating and processing technology as well as output standards for export agricultural products corresponding to each market's requirements. The Government also should actively monitor changes in market requirements to promptly catch up and notify domestic enterprises and establishments participating in such agreements or export markets. Implementing quality management based on the application of suitable and qualified methods and technology to closely follow each stage of the crop - processing with several enterprises - specific agricultural product associations of each market and then gradually popularize it.

Applying technology applications such as IoT to the assessment, monitoring, and quality management process of the authorities, reducing costs, travel time, and increasing accuracy. Quality management should be carried out at the local level, with unified information and agreed with higher levels. Re-evaluate the current quality of Vietnam's agricultural products, and apply them to the standards of the respective export markets to urgently and step by step improve product quality.

The government should set up more establishments and centers to advise and support to improve the quality of agricultural products and agricultural products to speed up the process of improving the quality of agricultural products. Strengthen testing and application of new technologies and methods of farming - production, breeding stock..., constantly improving product quality in general.

Capital and price support

Currently, many agricultural production and processing enterprises depend on bank loans for capital. This has led to difficulties in the capital when it is necessary to expand its scale or use new technologies to promptly catch up with opportunities of RCEP. In addition, due to dependence on this uncontrolled capital, businesses often tend to dump, selling at low prices to quickly recover capital, creating many situations that hinder trade and import and export. To overcome this situation, besides temporary support packages, the government should organize more training sessions on capital autonomy as well as sustainable capital management methods for businesses and establishments. agricultural production and processing. Besides, it is necessary to disseminate, propagate and raise awareness about the harmful effects of dumping and product quality reduction to reduce costs when exporting.

Vietnam also needs to proactively identify the status and prices of exported goods, not waiting for the importing countries to impose sanctions and investigate. Depending on the specific times and the specific situation of the domestic production - export environment, the government can

offer appropriate price subsidy packages to increase the competitiveness of Vietnamese products in the international market.

Supply chain management

Right before the outbreak of Covid 19, the supply chain of agricultural products and agricultural products in Vietnam was still unsustainable, the shortage of goods, long-term storage of warehouses and warehouses still took place, causing high levels of pollution. huge damage and depreciation for many export agricultural products. Because of the characteristics of this industry, it is difficult to keep it for a long time, so the stages of chain transportation or goods supply need to be fast and accurate. This item is necessary and needs to be deployed soon to be timely. Port areas should be subdivided or have specialized equipment to transport fresh agricultural products and air transport for agricultural products should also be considered for early investment to support exports to other markets in the future.

b) To enterprises

Early preparation

Enterprises should pay close attention to the rules of origin, technical barriers to trade (TBT), and sanitary and phytosanitary measures (SPS) of the Agreement. That is an important preparation to export products to demanding markets like Japan or Australia.

Enterprises should also review the roadmap of reducing and eliminating tariffs on agricultural products as well the commitments to open markets and the regulations on customs procedures and trade facilitation of other countries in the RCEP. From this, enterprises can build a long-term plan for exporting products to lead the market and take the most advantage of the Agreement.

Furthermore, enterprises should proactively update information, prepare documents and administrative procedures early, ensure the correctness and transparency of all documents when submitting them to customers. state agencies.

Boost product quality

The RCEP trade agreement opens a commitment to open the market, but it will also bring damage if agricultural Vietnamese enterprises do not know how to take advantage.

Enterprises and farming establishments need to actively learn and apply technology in the production process to improve product quality, manage and transparent quality parameters, creating a premise for the achievement. quality license and successfully entered the international market. In addition, regularly updating the changes in quality requirements of the main export markets as well as the quality of other countries' products to promptly adapt to and maintain product quality. reasonable.

To take advantage of trade and investment opportunities, agribusinesses must meet a range of requirements regarding provenance, quality standards, and food safety. When participating in a free trade agreement that is expected to create a free trade area with the largest scale in the world, constantly improving product quality is inevitable because this is fierce competition among businesses from different countries. For difficult markets such as Japan, Korea, Australia, and New Zealand, promoting the production of safe agricultural products according to international standards will be increasingly popular. If enterprises mass-produce and sell what they have, it will be very difficult to survive, not only in the export market but also in the domestic market by

imported agricultural products. We can see about the Japanese market mentioned in Section 4.1. Japan proves to be a potential market for Vietnamese fruit and vegetable products because Japan's demand for fruit and vegetables is very large, but they also have very high requirements for product safety. Therefore, what Vietnamese businesses need to do is to focus on directly checking product quality to build trust, improve product quality, and apply standards such as GlobalGAP and JGAP in cultivation, and consider integrating Japanese standards into production.

Enterprises also need to actively create their partners and networks in their supply chains to actively take advantage of opportunities, export goods quickly and conveniently at the most reasonable cost. This preparation for supply and transportation needs to be carefully prepared in advance to avoid searching and signing when needed.

5. Conclusion

The Regional Comprehensive Economics Agreement (RCEP) will bring opportunities such as expanding the market scale, opening the market for more products, eliminating tariffs, and lifting the technical barriers for Vietnam's agricultural products. However, Vietnam will also face fierce competition from other nations with the same products as Vietnam's existing preferential treatments are no longer a distinct advantage compared to other countries in the trade zone. Thus, both government and enterprises should have practical measures and thorough preparation before this Agreement comes into force.

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