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## **CƠ HỘI VÀ THÁCH THỨC ĐỐI VỚI HOẠT ĐỘNG XUẤT KHẨU GẠO VN SANG EU TRƯỚC BỐI CẢNH THỰC THI EVFTA**

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### **Tóm tắt**

Hiệp định Thương mại tự do Việt Nam – Liên minh châu Âu (EVFTA) chính thức có hiệu lực từ ngày 01/08/2020. Đây là một hiệp định toàn diện, chất lượng cao, thể hiện phạm vi và mức độ cam kết rộng giữa Việt Nam và các nước thành viên EU. Hiệp định này đã tạo điều kiện thuận lợi cho việc xuất khẩu hàng hóa của Việt Nam, trong đó có xuất khẩu gạo. Bài nghiên cứu này sẽ đem đến cái nhìn tổng quan nhất về những cam kết liên quan đến xuất khẩu gạo giữa Việt Nam và EU, đồng thời chỉ rõ quy trình mà các doanh nghiệp Việt Nam phải tuân thủ khi xuất khẩu gạo sang thị trường EU. Sau đó, bài viết sẽ đưa ra các đánh giá tác động, những cơ hội và thách thức đối với thị trường xuất khẩu gạo Việt Nam khi EVFTA có hiệu lực. Từ đó, nhóm tác giả đề xuất các giải pháp thực tiễn nhằm cải thiện tình hình và tháo gỡ những khó khăn đặt ra đối với chính phủ và doanh nghiệp Việt Nam.

**Từ khóa:** Hiệp định EVFTA, Gạo, Xuất khẩu, Liên minh Châu Âu, Việt Nam.

## **OPPORTUNITIES AND CHALLENGES FOR VIETNAMESE RICE EXPORTS TO THE EU IN THE CONTEXT OF EVFTA IMPLEMENTATION**

### **Abstract**

The Vietnam – European Union Free Trade Agreement (EVFTA) officially took effect on August 1 st, 2020. This is a comprehensive, high-quality agreement, demonstrating the wide scope and high level of commitment between Vietnam and EU member states. This agreement has brought many advantages for the export of Vietnamese goods, especially rice exporting. Besides providing

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an overview of the commitments related to rice export of Vietnam and the EU, this paper also analyses the process that Vietnamese enterprises must follow when exporting rice to the EU market. From then, the article will assess the impact, opportunities, and challenges for Vietnam's rice export market when the EVFTA comes into force. Therefore, the authors will propose practical recommendations to improve the situation and solve the difficulties faced by the Vietnamese government and enterprises.

**Keywords:** EVFTA Agreement, Rice, Export, European Union, Vietnam.

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## **1. Research overview**

There have been a great number of scholars who have raised concern about the Vietnam's rice exports in general, namely Tran (2010) "*Chính sách xuất khẩu lúa gạo Việt Nam và những vấn đề cần điều chỉnh*"; Tran & Dinh (2015) "*Rice Policy Review in Vietnam*". These studies have succeeded in giving us the overview of Vietnam's rice production and export, at the same time pointing out the remaining problems of the rice export industry and then offer recommendations regarding the government's policies. These research, on the other hand, failed to highlight the opportunities and challenges of the Vietnamese rice export markets, as well as give suggestions for domestic rice companies. More crucially, Vietnam now has signed many FTAs to facilitate trade in goods and services but there has not been any thorough study paper on how EVFTA would affect the sector when it is implemented. As a result, it acts as a motivator for the authors to carry this out.

## **2. Overview of EVFTA and its tariff preferences on Vietnam's rice export**

### ***2.1 Negotiation, signing, and ratification process***

The EVFTA negotiation process was started on June 26, 2012. After more than 6 years of negotiation, legal review, and agreement on the separation of the Investment Protection Agreement (IPA), the EU-Vietnam Free Trade Agreement (EVFTA) has been officially approved by the European Commission in October 2018 and approved by the European Council for signing on June 25, 2019.

Vietnam and the EU agreed to sign the EVFTA on June 30, 2019. After the European Parliament's Committee on International Trade (INTA) endorsed the recommendation for ratification in January 2020, the EVFTA was officially approved by the European Council on March 30, 2020. In addition, Vietnam has also completed the procedure for ratifying the EVFTA, thereby, helping this agreement officially take effect from August 1, 2020 (Ministry of Industry and Trade, 2021).

### ***2.2. Commitment on exporting rice from Vietnam to the EU according to EVFTA***

#### ***2.2.1. Commitment on tariff***

According to Article 1 of Decree 103/2020/ND-CP and Point 8, subsection 1, Section B, Appendix 2-A of the Free Trade Agreement between Vietnam and the European Union. (EVFTA), there are 09 types of fragrant rice eligible for import tax exemption according to the quota:

(a) Jasmine 85, (b) ST 5, ST 20, (c) Nang Hoa 9, (d) VD 20, (e) RVT, (f) OM 4900, (g) OM 5451, and (h) Tai Nguyen Cho Dao.

Prior to the EVFTA's implementation, Vietnam's rice exports to the EU market were subject to a 45% tariff. Some EU nations even impose import taxes on Vietnamese rice of up to 100% or higher. ((Ministry of Industry and Trade, 2021).

Tax incentives of EVFTA when Vietnam exports rice to the EU are somewhat more prominent than other agreements that Vietnam has signed. With EVFTA, rice will be completely tax-free after 5 years since the agreement came into effect. Compared with CPTPP, for instance, it will take about 10 years for Vietnamese rice exports to enjoy 0% tax from CPTPP member countries. For example, rice export to Mexico takes 10 years to enjoy 0% tax, for Chile it is 8 years. Particularly, rice exported to Japan is still subject to tariff rate quotas according to Japan's commitments in the WTO.

### 2.2.2. Commitment on tariff rate quotas

According to the EVFTA commitment, the EU gives Vietnam a quota of 80,000 tons of rice per year (including 30,000 tons of milled rice, 20,000 tons of unmilled rice, and 30,000 tons of fragrant rice) enjoying the tax rate of 0%; For rice products, the EU will bring the tax rate to 0% after 3 to 5 years, which will create a clear competitive advantage for Vietnamese rice (Tap chi nong thon moi, 2020).

Despite the benefits, rice exporters must be mindful that the EU would award imported quotas directly to importers, rather than allowing the Vietnamese government to do so as before. As a result, Vietnamese businesses that are eligible to export rice to the EU must contact importers to make an offer.

Moreover, The UK's leaving from the EU does not affect the amount of tariff rate quota (TRQ) in the EVFTA. By contrast, in UKVFTA (The Vietnam - UK Free Trade Agreement), the UK also spends an amount of TRQ for similar products that receive TRQ in EVFTA, specifically:

**Table 1.** Tariff rate quotas on Vietnamese rice after and before EVFTA and UKVFTA

Name	Tariff rate quota in EVFTA (ton)	Tariff rate quota in UKVFTA (ton)
Unmilled rice	20,000	3,356
Milled rice	30,000	5,001
Fragrant rice	30,000	5,001

**Source:** *moit.gov.vn*

## 3. The EU rice market and the qualified exporting process for Vietnam to enter the market

### 3.1. The EU rice market

#### 3.1.1. Overview of EU rice market

The European Union currently has 27 member states and a population of about 447 million people (First population estimates, 2020). In 2020, the EU's GDP was 13 300 billion dollars. The

EU can be regarded to be the world's most important economy, accounting for 15% of global trade in products (Eurostat, 2021).

Furthermore, the EU is the world's largest buyer and exporter of manufactured products and services. Furthermore, the EU is seen as the most important commercial partner by 80 countries (Trade - European Commission, 2019).

### *3.1.2. The current trend of EU's rice imports from non-EU countries*

During the period 2016-2021, the EU market witnessed an upward trend from non-EU countries (Eurostat, 2021):

In 2016, the amount of rice imported from non-EU countries into the European Union was 1,999,060 tons, valued at over 1 billion euros.

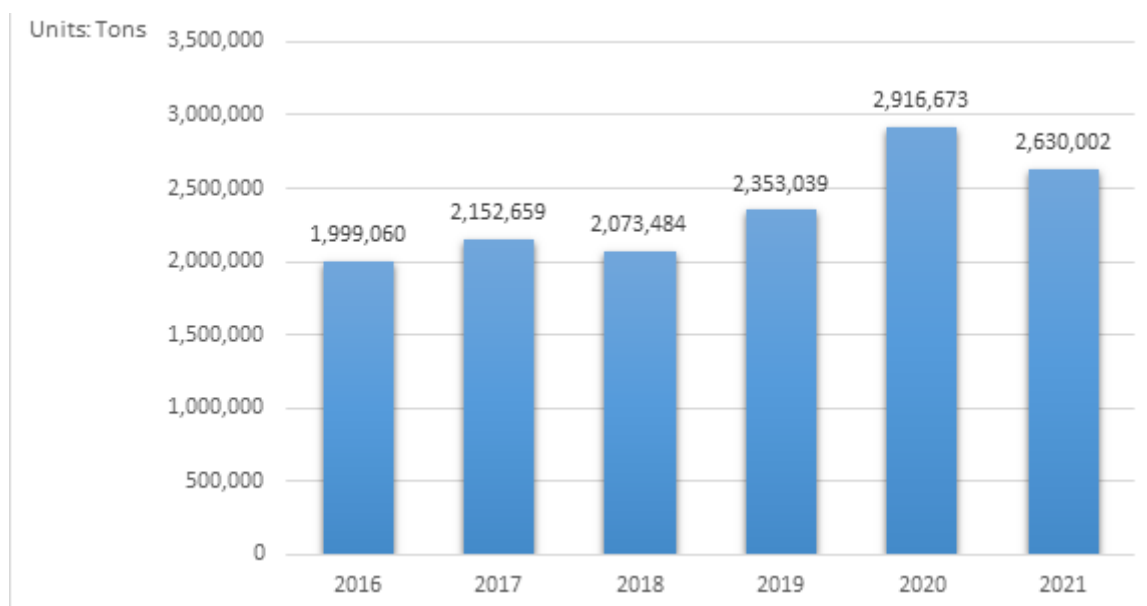
In 2017, this number increased by 7.7% compared to 2016, reaching 2,152,659 tons.

In 2018, the EU's rice imports were 2,073,484 tons, down nearly 3.7% compared to 2017.

In 2019, the EU rice imports increased by 13.5% compared to 2018, reaching 2,353,039 tons, worth more than 1.4 billion dollars.

In 2020, the EU rice imports increased to 2,916,673 tons, worth nearly 2.3 billion dollars.

However, in the first 9 months of 2021, rice imports of the EU declined by 10.9% in quantity and fell by 9.3% in the price compared to 2020, which is 2,630,002 tons and 2.1 billion dollars.



**Figure 1.** The quantity of EU imported rice from 2016 to 2019

**Source:** Eurostat (2021)

## **3.2. Requirements of EU to Vietnamese rice exporters**

### *3.2.1. Requirements to enjoy 0% tariff rate of exporting rice*

Although the EVFTA Agreement has opened the door for Vietnam's rice export industries to the EU market, the regulations for rice exported to the EU are still extremely strict:

According to the Ministry of Agriculture and Rural Development: When enterprises export fragrant rice to the EU, in order to be exempt from EU import tax according to quotas, they must have a certificate of the correct type issued by a competent authority of Vietnam. In other words, fragrant rice must have a certificate of the correct kind issued by a Vietnamese competent body and clearly indicate "rice belongs to one of the categories receiving preferential treatment under EVFTA" in order to qualify for the 0% tariff rate.

The Ministry of Agriculture and Rural Development is working on a regulation that will guide the process of registering rice categories for preferential quotas in the EU (Decree 103/2020/ND-CP). As a result, to be recognized as fragrant rice, products must be cultivated from seeds that fulfill national technical requirements and include detailed information on crop size and location (Ngoc, 2019)

Meanwhile, exporters must fill out all of the information in Appendices I and II attached to the decree and send it to the one-time field inspection organization 20 days before harvest. They also bear legal duty for the accuracy of varieties during the harvesting, drying, preserving, processing, and packing processes. The Department of Crop Production, Ministry of Agriculture is the agency with the authority to certify, recertify, and rescind certification (Ngoc, 2019)

### *3.2.2. General regulations on exporting rice to the EU market*

In addition to exporting the right varieties of fragrant rice to Europe to enjoy the tax rate of 0% as mentioned above, Vietnamese rice exporters also have to fully comply with technical barriers to trade (TBT), Sanitary and phytosanitary (SPS) measures...

#### *Technical barriers to trade (TBT)*

- Technical barriers to trade (TBT) are standards and technical regulations applied by the EU to imported goods to protect important benefits such as human health, environment and security. These measures are in line with the principles of the WTO TBT Agreement.

- Some EU technical barriers are often applied to rice exporting: requirements for labeling and packaging, registration requirements for importers, authorization requirements, testing requirements, types of certificates of goods quality.

#### *Sanitary and phytosanitary (SPS) measures*

Like other foods, rice imported from the EU must meet the following requirements:

For Sanitary and phytosanitary (SPS) measures, like other foods, rice imported from the EU must meet the requirements of controlling contaminants or pesticide residues in plants for protecting human health. For example: From January 2018 the European Commission (EC) regulates the maximum residue level of pesticides allowed in imported rice is 0.01mg/kg (Thuy, 2020).

Because the length of this paper cannot cover all information, to find out more specific details about EU regulations on importing rice, businesses refer to the official website of the European Commission.

## **4. The situation of Vietnam's rice exporting to EU before EVFTA and assessing the impact after implementing EVFTA**

### *4.1. Vietnam's rice exports to EU before the implication of EVFTA*

#### 4.1.1 Rice's price before applying EVFTA Agreement

To be more specific before EVFTA has come into practice, the most popular 2 types of rice that Vietnam promotes exporting are *ST20* and *Jasmine* (Tien Anh, 2020). However, the price of rice is not equivalent to the good quality of the two main export rice types of our country due to the import tariff on Vietnamese rice before EVFTA is about 15% (Huong, 2022) and in order to remain competitive, we must lower our price.

The figure for these 2 typical exporting types of rice in 2019 (before applying the EVFTA) is illustrated as the table below:

**Table 2.** Price of rice exported to EU from Vietnam before EVFTA

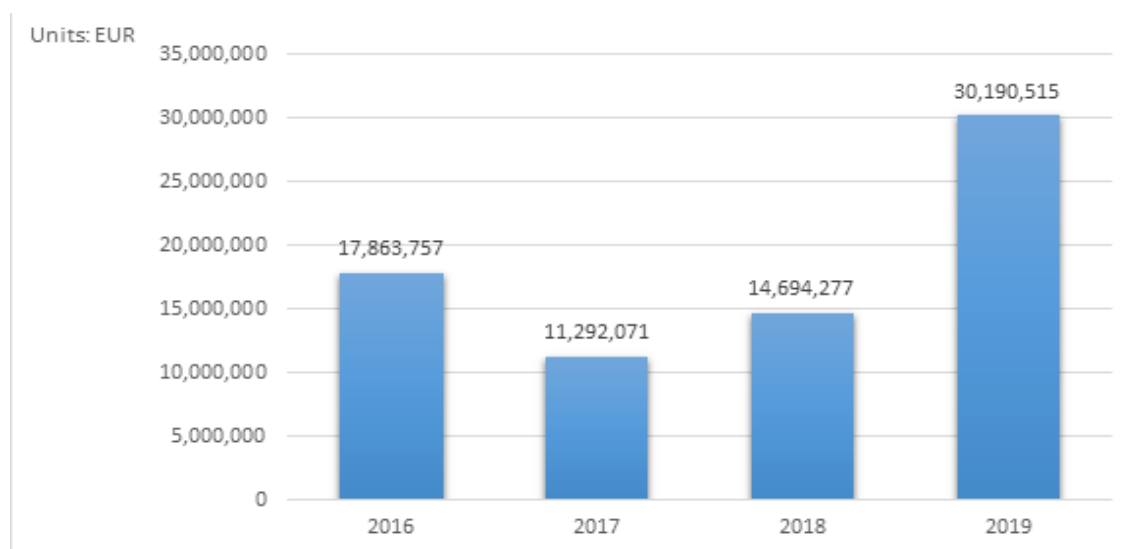
Types of rice	Price (dollars)	Per unit
ST20	800	Per ton
Jasmine	520	Per ton

**Source:** Tien (2020)

#### 4.1.2. Export turnover before EVFTA

In the period 2016 to 2019, the export turnover of rice in a specific time is depicted as the bar chart below:

**Figure 2.** Rice exports turnover of Vietnam to the EU in the period 2016- 2019

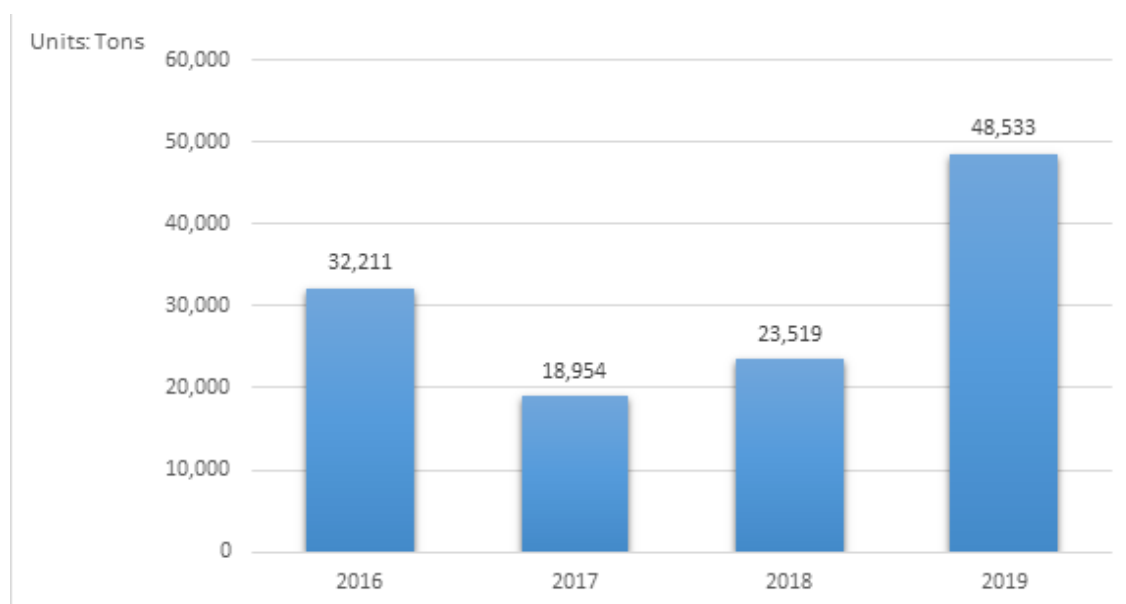


**Source:** Eurostat (2021)

Based on the data provided from (Eurostat, 2021), we can see that our country's rice export turnover to the EU recorded a negligible figure, only at 17,863,757 USD (2016), then slumped in the next 2 years at 11,292,071 USD and 14,694,277 USD in 2017, 2018 respectively; however it grew dramatically to 30,190,515 USD in 2019.

#### 4.1.3. Export quantity before EVFTA

The overall quantity of rice and its price when exporting to the EU is mentioned below:



**Figure 3.** Rice export quantity from Vietnam to EU in the period 2016- 2019

**Source:** Minh (2020)

According to Minh (2020) the year 2016 recorded a relatively low quantity of rice exports at only 32 thousand tons, and it became even lower at 18,954 tons in 2017 and in 2018, our country's rice export quantity to the EU market only reached about 23 thousand tons. Meanwhile in 2019 our country's rice export quantity also only achieved a slight increase, reaching nearly 50 thousand tons by the end of the year. a very small number compared to a leading rice exporter like Vietnam.

Based on the information from Minh (2020), we can conclude that one year before applying the EVFTA Agreement, Vietnam gained a quite low export turnover in 2019. Moreover, compared to other ASEAN countries, the quantity exported in rice of Vietnam only equal to  $\frac{1}{5}$  of Thailand,  $\frac{1}{10}$  of Myanmar,  $\frac{1}{4}$  of Cambodia's total exports. It can be explained by the high imported tariff of the EU was high, which caused exporters from Vietnam to hesitate to export rice to the EU market.

#### ***4.2. Assessing the impact after applying EVFTA on Vietnam's rice exports to the EU***

##### ***4.2.1. Positive changes after signing the EVFTA Agreement and its effect on the price of 2 named rice***

With the activeness and initiative of all levels and sectors accompanied by the close cooperation of international partners and EU member states, the implementation of the EVFTA Agreement has taken place synchronously, creating a new impetus for the country. Utilizing the opportunity that the EVFTA brought about, Vietnam's agricultural products have witnessed deep integration into the EU market, especially our rice market.

Rice exports began off immediately after the EU-Vietnam Free Trade Agreement (EVFTA) went into effect on August 1, 2020. According to ThoChit84 (2021), in the EVFTA agreement, the EU gives Vietnam a quota of 80,000 tons of rice per year and enjoys a tax rate of 0% (including 30,000 tons of milled rice, 20,000 tons of unmilled rice, and 30,000 tons of fragrant rice).

Moreover, the EU will automatically apply for the certificate of commitment to help Vietnam export an estimated 100,000 tons to the EU annually. The EU will apply a tax rate of 0% after 3-5 years for rice products. Meanwhile, two major EU suppliers for many years, Cambodia and Burma, are subject to absolute tax rates until the end of 2021, namely 175 Euro/ton (in 2019); 150 Euros/ton (2020), and 125 Euros/ton (in 2021).

Furthermore, after the EVFTA has come into practice, ST20, Jasmine's price has risen relatively. The figure for these 2 types of rice in 2019 (before applying the EVFTA) and 8/2020 (after applying the EVFTA) are illustrated as the table below:

**Table 3.** Price of rice exported to EU from Vietnam before and after EVFTA

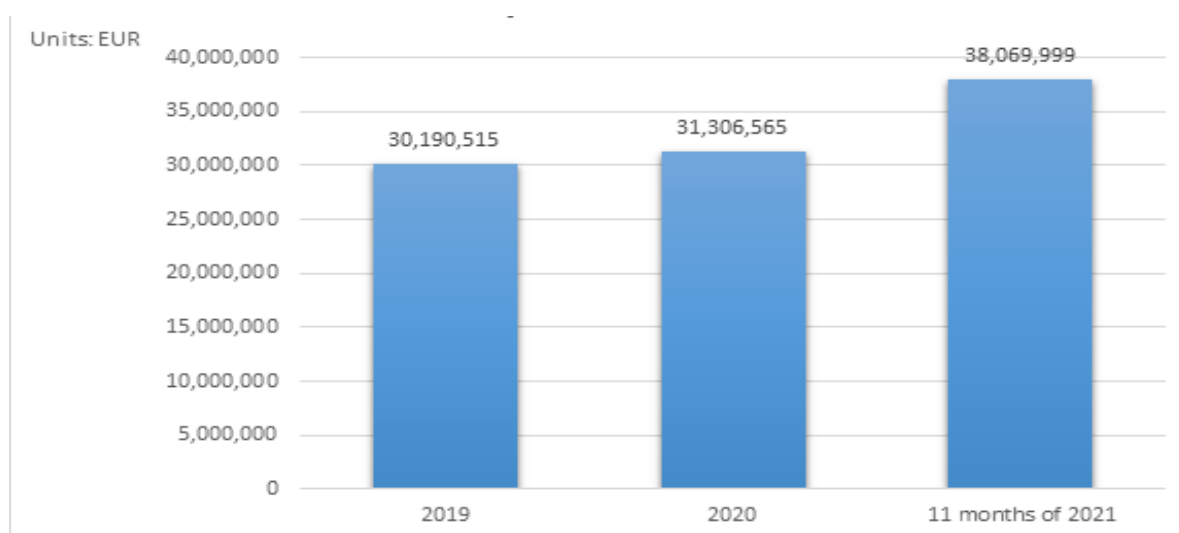
Types of rice	Price before EVFTA (dollars)	Price after EVFTA (dollars)	Per unit
ST20	800	1000	Per ton
Jasmine	520	600	Per ton

**Source:** Tien (2020)

Thanks to the EVFTA, in terms of ST20, the price rose from 800 dollars/ton to 1000 dollars/ton, and in terms of Jasmine, from 8/2020, the price was 600 dollars/ton, which is 100 dollars/ton higher than its previous level before the EVFTA came into effect. (Tien Anh, 2020)

#### 4.2.2 Impact on export turnover

Vietnamese businesses have taken advantage of the EVFTA's potential swiftly, resulting in a rice trade surplus with the EU market in the first 11 months of 2021 up from previous years.



**Figure 4.** Export turnover of Viet Nam from 2019 to 2021 (Excluded the UK)

**Source:** Ministry of Industry and Trade (2021)

According to the statistics of (Ministry of Industry and Trade, 2021), not including the UK which has recently exited the EU in the year 2020, rice export turnover has reached 31,306,565

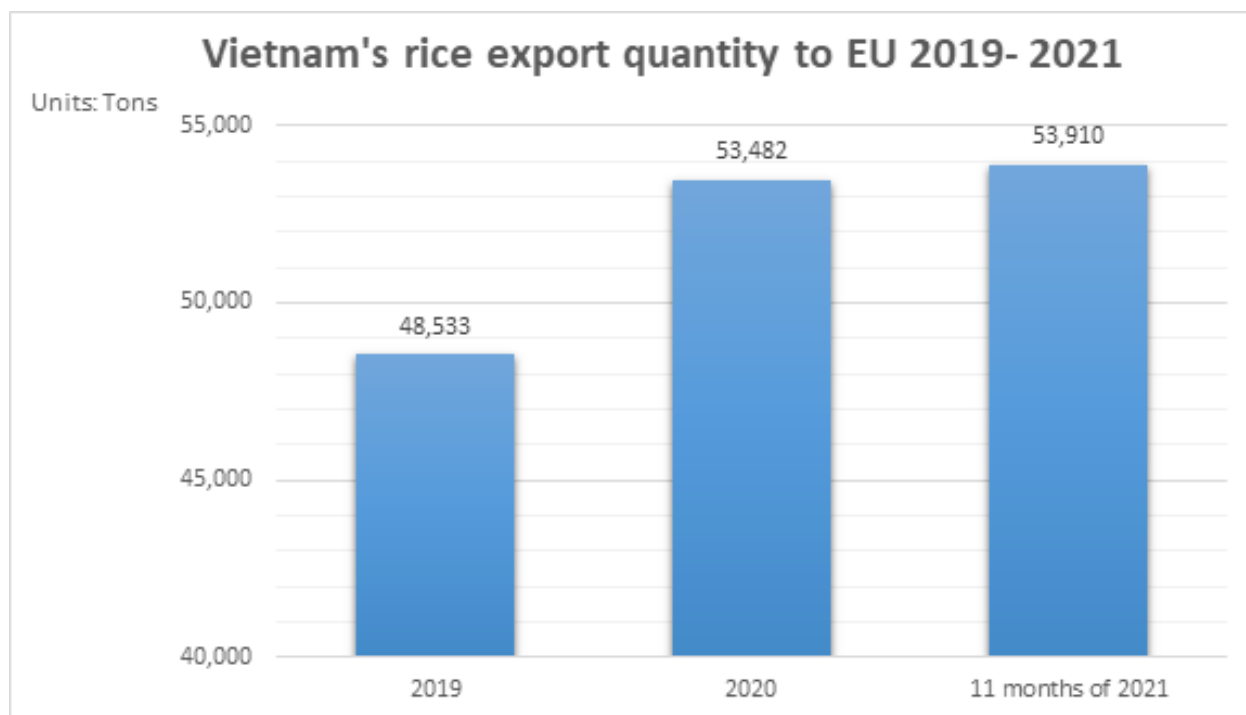


USD, compared to 2019 only reached 30,190,515 USD, in just 1 year the rice export turnover increased by 3.7%.

Also, the information shows that the EVFTA promotes rice export turnover to grow by 21.6% in the first 11 months of 2021 at 38,069,999 USD (after 5 months of applying EVFTA).

This was an amazing figure because until 8/2020 that Vietnam applied the EVFTA Agreement, moreover in the context the UK left the EU, however, the total export turnover rose significantly.

#### 4.2.3 Impact on quantity



**Figure 5.** Export quantity of Viet Nam from 2019 to 2021 (Excluded the UK)

**Source:** Ministry of Industry and Trade (2022)

According to the statistics of (Ministry of Industry and Trade, 2022), not including the UK which has recently exited the EU in the year 2020, rice export quantity to EU rocketed to 53,482 tons, compared to only 48,533 tons in the year 2019 (before EVFTA).

This quantity is surprising as the EVFTA only took effect on 1st August, 2020. However, its impact has made a promising future. Later on, Vietnam's rice exports to the EU market in the first 11 months of 2021 did not show a significant increase in volume, only grew steadily by 500 tons more. However, the export price and value increased significantly, with 53.91 thousand tons worth 38.07 million USD, up 0.8 percent in volume but 21.6 percent in value when compared to the year 2020.

According to the General Department of Customs, this outcome demonstrates that firms have effectively taken advantage of a number of benefits provided by the EVFTA Agreement to boost the value of rice exports to the EU, especially in the context of complicated epidemics, sea freight rates to the EU. Europe increases sharply and EU rice imports decrease in 2021

### 5. Opportunities, challenges and recommendation for Vietnam rice exporting industry

## **5.1 Opportunities**

Overall, the EVFTA will contribute to diversifying the rice market so as not to be too dependent on one market, thereby helping to ensure Vietnam's economic security. As a new generation FTA agreement, EVFTA is likened to a "Western Highway", connecting Vietnam to a large market space with leading potential in the world in terms of both finance and technology. It is clear that there is great potential when Vietnam can now export rice to an area considered the EU is the greatest buyer and seller of produced goods and services in the world.

The Covid-19 pandemic has had a significant impact on the global socio-economic condition, particularly Vietnam, from the end of 2019 to the present. Many economists anticipate that economic growth in 2020 will fall short of expectations. In this context, the EVFTA's implementation is critical, since it will aid in mitigating the economy's downturn during the epidemic. As we can see above, although being affected by the pandemic, after EVFTA came into effect, both quantity and price of rice export from VietNam increased compared to it before EVFTA. From a business standpoint, the EVFTA allows companies to extend and diversify their markets, restoring post-pandemic growth impetus.

The fact that Vietnamese products, such as rice, are filtered and shipped to one of the world's most demanding markets, the EU, has also demonstrated the quality of each grain of rice that Vietnam can deliver to the globe in general and the EU in particular. This is an excellent chance for Vietnam, particularly Vietnamese rice exporters, to create and promote their brands, giving them a competitive advantage over well-known brands in the EU such as Cambodia and Burma.

Although, as part of the EVFTA Agreement, we must meet and ensure a number of qualities, product packaging, pesticide content in products, and other standards. This is a significant obstacle, but it also provides a chance for us to analyze the stages of production, packing, shipping, export, and so on. From there, the government can implement laws to improve and support businesses (see the WTO's TFA agreement). And, working with businesses, they can encourage investment in production models, technology, and other factors that will help to boost rice yield and quality (Nguyen & Ngo, 2020).

## **5.2. Problems and challenges**

*To begin*, there are quality, food safety, and labeling requirements: According to the Vietnam Chamber of Commerce and Industry (VCCI), the Vietnamese business community currently has a limited understanding of the EVFTA. Furthermore, the ability to modify in order to adapt to the EVFTA is still restricted, with up to 40% of businesses finding it difficult to improve working conditions, 55% finding it difficult to invest in new technologies, and 59 percent finding it difficult to meet localization standards... However, selectively and according to an acceptable roadmap, the competitive pressure that EVFTA brings is regarded as healthy competitive pressure. As a result, the EVFTA provides an opportunity and a decent amount of pressure for Vietnamese businesses to modify and change their business operations in order to increase their competitiveness.

*Second*, increase product quality and connect to product supply chains: Many businesses are still expanding their scope, increasing revenue, product quantity, employee numbers, capital sources, and so on, on the other hand, they have not concentrated on improving product quality or managerial depth. Vietnamese goods do not have many well-known brands to attract customers, and they do not meet international quality requirements.

*Third*, there are more regulatory and complex legal institutions: The EVFTA includes strict regulations and rules on investment procedures, customs, trade facilitation, technical standards, quarantine measures for animals, plants, and intellectual property, among other things, which Vietnamese businesses must understand and apply flexibly and honestly.

*Fourth*, despite the fact that the EVFTA Agreement was signed and put into effect in August of last year, it appears that it has not yet realized its full potential, or that we have not fully tapped into the benefits that EVFTA provides. The problematic issue of the Covid-19 pandemic on a global scale has had a tremendous impact on the world's economy and Vietnam, which is one of the key reasons why the EVFTA Agreement has not been used as intended. As a result, supply linkages were ruptured, distribution chains were disrupted, and the rice supply chain was badly impacted. International partners still have the need to import Vietnamese rice, but businesses cannot deliver goods, farmers cannot sell products, factories cannot buy goods due to lack of boats or barges to deliver (Chu, 2021).

### **5.3 Recommendation**

Along with the benefits that the EVFTA brings, it also posed new obstacles for both governments and domestic exporters in Vietnam. Once these issues are resolved, a new gateway for rice produced in Vietnam will be established, adding to the country's economic growth progress. Here are some suggestions:

#### **5.3.1 Recommendation for the government**

*Simplifying regulation:* Mentioned in 4.2, Viet Nam has strict regulations and rules in exporting rice, which are enormous hindrances for our country to reach out to the Western markets. To export rice to foreign nations, especially the EU market, an enterprise (with a certificate of eligibility for rice export business) must go through two primary procedures: the first is the procedure for registering a rice export contract, and the second is the method for exporting rice to foreign countries. Before the products are shipped, they must pass through customs. Despite the government's promotion of instruction documents such as Resolution 109/2010/N-CP for the requirement of exporting rice and Circular 39/2018/TT-BTC for the custom procedure, businesses are still finding it difficult to export rice due to the numerous documents required and the length of time it takes to complete the process. Furthermore, because the supply chain is stopped and delayed during the Covid 19 quarantine, the government should streamline and improve the procedure to make it easier for businesses to export rice to the EU market, giving them a competitive advantage over other competitors.

*Supporting farmers to improve rice cultivation process:* In terms of production, there are far too many varieties of rice with distinct characteristics, resulting in quality inconsistencies and making it impossible to identify the origins and develop a brand. The current process takes the majority of the consultancy costs, which include raw materials, distribution, plant protection medications that improve import characteristics, and high distribution and marketing costs. Because there is a scarcity of planning work and the fundamental level of planning work is too low, labor costs are high, particularly for planning work. This is a concern since the export quality is poor, the production costs are expensive, and the post-harvest failure rate is too high. Therefore, the government should implement policies to modify traditional rice cultivation and provide improved vocational education to raise farmer awareness of pesticide and fertilizer use in

accordance with EU requirements. Furthermore, the government should invest more in developing and acquiring label and rice processing technologies to meet the strict requirement of the EU customers.

*Utilizing The technical facilitation form EU:* According to EVFTA articles 4.2 and 6.15, the EU is responsible for assisting Viet Nam with technical concerns in order for Viet Nam to meet the requirements set forward by the EU Union's SPS measures, such as food safety, animal and plant health, and the application of international standards. Therefore, the Vietnamese government should take advantage of these commitments to increase local capacity and infrastructure, both to meet EU regulations and to meet the needs of a market outside the EU.

### *5.3.2 Recommendation for Domestic Enterprise*

*Improving capacity and technology:* Due to the competitiveness of other suppliers such as Thailand, India, Cambodia, etc., enhancing capacity and applying innovative technology is mandatory and crucial for Vietnamese enterprises to fully meet the EU's conditions as well as take the lead as the number one rice exporter to the EU market. As a result, businesses should conduct research, enhance technology, and set up a closed production line in accordance with international quality standards such as HACCP, HALAL, or BRC to ensure that products meet international standards, high-end consumer markets, such as the EU, have exacting tastes and standards. Furthermore, acquiring other voluntary certificates popular in the EU will not only make it easier for enterprises to export rice to this market but also cut down the cost of manufacturing for enterprises, resulting in more income earned.

*Considering the requirements from the EVFTA agreements:* In order to take advantage and of EVFTA and thoroughly comply to it, exporting enterprises must constantly seek information on the EVFTA Agreement in order to understand Vietnam's and the EU's commitments, particularly information about tax benefits available under the agreement (Ministry of Industry and Trade, 2021). In order to export rice products that are preferred by EU customers in the future, comprehensive preparation is required, starting with a study of the EU market's opportunities and challenges and progressing to solutions such as improving quality, samples, and product code; promoting competitive advantage, increasing performance, and so on. It should be underlined that in order to benefit from the Agreement's advantages, enterprises must ensure that their products match EU regulations.

*Creating famous and similar Vietnamese rice brands:* The production position of Vietnamese rice has been stable for many years, as can be observed. However, rice grains and Vietnamese rice brands have a poor and unappealing value on the global market. Even though our rice grains are of the best quality, they cannot compete with other types of rice from India and Thailand that have become familiar to customers of Europe. The fundamental reason for this is that Vietnamese rice has always been in a "three nos" state: it is not pure, chemical residues are uncontrollable, and the provenance is uncheckable. Although Vietnamese rice has witnessed a positive record in both quantity and price, the potential market share of Vietnamese rice in the future is very high, if our country's businesses can solve this problem, develop a reasonable marketing plan that caters to the tastes of European consumers, the value of rice grains will rise in tandem with rice output in the eyes of the European market, Vietnam's output will be improved. Take ST25 as a typical example of a particular category of Vietnamese rice that has made headlines in the EU market, it can be learned that consumers are increasingly interested in high-value, reputable rice products on the

market. The snowball effect from ST25 has helped the consumption of the ST24 rice variety to improve strongly, resulting in higher prices, from VND22,000 per kg up to VND34,000-35,000 a kg (Tien, 2020). Therefore, businesses got to strongly invest in researching new seeds, also as producing fragrant rice products with high profits, rather than growing ordinary polished rice at a lower value.

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