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**TỔNG QUAN VỀ HIỆP ĐỊNH THƯƠNG MẠI TỰ DO VIỆT NAM –
VƯƠNG QUỐC ANH VÀ MỘT SỐ KHUYẾN NGHỊ CHO XUẤT KHẨU
HÀNG DỆT MAY VIỆT NAM**

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Tóm tắt

Trong những năm gần đây, ngành công nghiệp dệt may đã có những bước phát triển và cơ hội vượt bậc từ khi Hiệp định thương mại tự do Việt Nam - EU (EVFTA) có hiệu lực, giúp hàng dệt may và trang phục trở thành một trong những mặt hàng xuất khẩu chủ lực tới các nước châu Âu, đặc biệt là Vương quốc Anh, đóng góp một phần lớn vào tăng trưởng kinh tế của Việt Nam. Khi sự kiện Brexit diễn ra năm 2019, hai nước ngay lập tức đàm phán và ký kết Hiệp định thương mại tự do Việt Nam - Vương quốc Anh (UKVFTA) để tránh tình trạng trì hoãn giao thương. Hiệp định này đã làm phát triển mối quan hệ thương mại song phương giữa hai nước, tạo điều kiện thuận lợi cho hoạt động xuất khẩu của Việt Nam sang Anh. Tuy nhiên, đi cùng với những cơ hội là những vấn đề và khó khăn vẫn tồn đọng, chẳng hạn như tiêu chuẩn cao từ Anh, mục tiêu phát triển bền vững, chi phí nhân lực, ... Trong bài báo này, nhóm tác giả sẽ trình bày cái nhìn tổng quan về ảnh hưởng của UKVFTA tới hoạt động xuất khẩu dệt may của Việt Nam tới thị trường Vương quốc Anh, cùng với đó là bàn luận về những cơ hội cũng như thách thức của hiệp định tới việc xuất khẩu ngành hàng này. Ở cuối bài báo, nhóm tác giả đề xuất một số giải pháp cho các bên để giải quyết các vấn đề và khai thác tối ưu hiệp định, giúp ngành công nghiệp dệt may phát huy được hết tiềm năng của mình.

Từ khóa: Hiệp định thương mại tự do Việt Nam - Vương quốc Anh, dệt may, xuất khẩu

UK - VIETNAM FREE TRADE AGREEMENT (UKVFTA) AND VIETNAM GARMENT PRODUCT EXPORT

Abstract

In recent years, the textile industry has seen huge improvements and opportunities when the European Union - Vietnam Free Trade Agreement (EVFTA) came into effect, making textile and garment one of the core exporting goods to European countries, especially the United Kingdom, contributing largely to Viet Nam's economic growth. With the occurrence of Brexit in 2019, Viet Nam and the UK immediately negotiated and signed the new UK- Viet Nam Free Trade Agreement (UKVFTA) to prevent trade delay. The agreement has enhanced the bilateral trade relationship between the two countries, creating favorable conditions for Viet Nam's exports to the UK. However, along with the many opportunities, there still exists several issues and difficulties, such as the UK's high standard, sustainability, labor cost, etc. In this paper, the authors demonstrate an overview of the impact of the UKVFTA on the export of Vietnamese textile and garment to the UK market. The authors also discuss the opportunities for Viet Nam's textile export under the influence of the agreement, as well as the challenges. At the end of the paper, the authors propose some solutions for different parties to deal with the issues and to optimally exploit the agreement, achieving the textile industry's full potential.

Keywords: UK - Vietnam Free Trade Agreement, UKVFTA, garment, textile, export

Literature review

In recent years, Vietnam's trade balance in goods with the United Kingdom has always been in surplus, with a high trend year after year. Vietnam's goods exports to the UK will continue to grow stronger, because when the UKVFTA fully takes effect, it will open up new opportunities for Vietnam to penetrate the potential market.

Several papers have been written to examine the impact of the UK-Vietnam Free Trade Agreement (UKVFTA) on Vietnamese exports. However, there are still some research gaps, such as the insufficient data and constrained time frame, particularly in regard to the studies of garment exportation to the UK.

Ha Van Hoi's paperwork in the VNU Journal of Economics and Business stated the "*Opportunities and Challenges for Vietnam's Merchandise Exporting to the UK Following the Vietnam-UK Free Trade Agreement*". The work presented the version characteristics of the global textile value chain and proposed many solutions for the Vietnamese textile and garment industry to improve the efficiency of exported textile products. Although the paperwork indicates new opportunities for goods to be exported to the UK market under UKVFTA, it did not focus on garment products.

Another research on the impacts of UKVFTA on a Vietnamese product belongs to 3 authors Thu Thuy- Kim Hong-Yen Ly from CIFOR (Nong Lam University) "*Tác động của UKVFTA đối với sự phát triển bền vững của ngành công nghiệp chế biến gỗ Việt Nam*". They analyzed the implications, opportunities, and challenges for Vietnam's timber and forest product processing enterprises during the implementation of the UKVFTA. However, no comparable research has been conducted on Vietnamese garment products.

It is also worth mentioning the paperwork “*Impacts of Free trade agreements (FTAs) for Vietnam’s textile industry - through practice in Thua Thien Hue province*”. This report analyzes the impact of FTAs on textile enterprises' export activities, with a focus on textile enterprises in Thua Thien Hue province. On that basis, it proposes solutions to mitigate the negative effects of FTAs, with a focus on textile enterprises in Thua Thien Hue province in the process of international economic integration. The document contains scientific information and is highly reliable; it can be used as a reference for this paperwork. However, our research focuses on the effects of UKVFTA, which opens up new aspects of garment exports.

Furthermore, the Covid-19 pandemic is an important factor we examine in order to provide more insightful and up-to-date research that distinguishes itself from other publications. In addition, we take a closer look at the situation in Vietnam, as previous research on the subject has revealed little concern for our country.

Thus, in order to determine the challenges and proposals, it is critical to gain a thorough understanding of Vietnam's garment exportation to the UK under UKVFTA. Using data from previous research, the authors explore deeper into the subject and reach more relevant conclusions.

Research methodology

In order to illustrate the relationship between the UKVFTA and Vietnam’ garment products export, our research uses qualitative method. The authors collect secondary data and analyze this to demonstrate the growth in the exportation of garments product before and after the UKVFTA in terms of the trade relationship, exports turnover and market share; to make a comparison between the UKVFTA and EVFTA - a similar agreement with a broader coverage; in an attempt to produce evidence and interpret the opportunities and challenges of the agreement. These are the basis for our group to put forward some proposals that can be considered to enhance the Agreement.

1. The UK-Vietnam Free Trade Agreement

1.1. Overview

The UK - Vietnam Free Trade Agreement (UKVFTA) is a win-win trade agreement that benefits both Vietnam and the UK equally and complies with the principle of the commitments in the EVFTA. However, some necessary changes have been made to adapt to the bilateral trade framework between Vietnam and the UK.

The agreement officially came in handy on 1 May 2021 (VCCI, 2021), with some notable commitments: Tax commitment, Commitment to Rules of Origin, Commitment on Government Procurement, etc. It has a wide range of commitments, covering both traditional trade and new (such as public procurement, state-owned enterprises, and competition policies (MOIT of the Socialist Republic of Vietnam, 2022) . Thus, with close commitments to open markets for goods and services, the UKVFTA will be a strong-level promoting bilateral trade and investment exchanges between Vietnam and the UK.

The UKVFTA agreement covers many areas, including market liberalization for goods, services and investment, trade and sustainable development. Between 2011 and 2020, Vietnam's share of the UK's total foreign trade flows has doubled. The UK-Vietnam Free Trade Agreement (UKVFTA) accounts for £4.8 billion (2020) in trade, and is a foundation for deeper trade and

investment development. Trade in services, especially financial services and e-commerce, is likely to continue to grow strongly (The UK Department of International Trade, 2021).

1.2. The main content of the UKVFTA

The UK - Vietnam Free Trade Agreement consists of 9 articles. The contents of the UKVFTA are fundamentally the same as that of the EVFTA (VCCI, 2021). However, this essay will only focus on two main contents of the Agreement, which will be presented as followed:

1.2.1. Reduction of tariffs

The Agreement guarantees the elimination of 65% of Tariff Lines Duties since the EU - Vietnam Free Trade Agreement comes into effect. This level of elimination will increase to 99% after a roadmap of 6 to 9 years. Tariffs will be reduced according to a schedule that provides for the same annual reduction from the date of entry into force of the agreement. With the above commitments, units exporting from the UK to Vietnam and importing from Vietnam to the UK will both benefit as belowed:

Table 1. Reduction of tariffs of UKVFTA

For goods exported from the UK to Vietnam	For goods imported from Vietnam into the UK
Eliminate 48.5% of tariff lines from January 1, 2021	Eliminating 85.6% of tariff lines from January 1, 2021;
Eliminate 91.8% of tariff lines from January 1, 2027	Eliminate 99.2% of tax lines from January 1, 2027;
Eliminate 98.3% of tariff lines from January 1, 2029	=> The remaining 0.8% of Tariff Lines
=> The remaining 1.7% of Tariff Lines Duties will be partially liberalized through tariff quotas.	Duties will be partially liberalized through tariff quotas.

Source: MOIT of the Socialist Republic of Vietnam, 2022

1.2.2. Non-tariff barriers

In order to facilitate trade, the content of the UKVFTA Agreement includes commitments to limit non-tariff barriers (VCCI, 2021). This includes:

- From August 1, 2022, customs documents provided by UK manufacturers will not have to be authenticated through consular transactions at the Vietnamese Embassy.
- Vietnam will not apply any import and export bans or restrictions on goods of the United Kingdom
- Vietnam is committed to simplifying customs procedures, standardizing data and records, avoiding discriminating and creating unnecessary burdens in customs procedures.
- Goods imported and exported between Vietnam and the UK for repair purposes are not subject to import tax.

1.3. The commitment of UKVFTA concerning garment exportation

The following will be the tax for some garments exported between the two countries:

Table 2. UKVFTA's Applied tariffs on garment product

Items	Applied tariff on Vietnam	Applied tariff on the UK
Babies' garments and clothing accessories of cotton, knitted or crocheted (excl. hats)	20%	12%
Men's or boys' shirts of cotton, knitted or crocheted	20%	12%
Parts of garments or clothing accessories, knitted or crocheted, n.e.s.	20%	12%

Source: Macmap

1.3.1. In terms of Vietnam

Currently, Vietnam is applying an MFN tax rate of 12% for all textile and garment materials. Finished garments are subject to a higher tax rate, averaging about 15% - 20%. Under UKVFTA, almost all UK textile and apparel exports will be liberalized when the agreement comes into force; Some garments will be free of tariffs after up to 6 years. To be more specific:

- Elimination of 80% tariffs on textile and footwear raw materials on January 1, 2021 (VCCI, 2021).
- All other products: import tax is eliminated after 4 to 6 years (VCCI, 2021).

1.3.2. In term of the UK

a. Textile (VCCI, 2021):

- Remove 42.5% tariffs from January 1, 2021
- Eliminate the remaining tariff after 2, 4 or 6 years.

b. Footwear items (VCCI, 2021):

- Remove 37% tariffs from 1 January 2021.
- All other products: Tariff elimination after 2, 4 or 6 years.

2. The UKVFTA and Viet Nam's garment industry

2.1. Before UKVFTA

The UK is amongst the top 10 largest markets for Viet Nam's garment and textile export, which reached a total value of approximately 600 million USD in 2021, making up less than 2% of Viet Nam's total export turnover (Vietnam Plus, 2022).

According to data collected on *trademap.org*, Viet Nam's textile exports to the UK reached 766.33 million USD in value in 2019, with a monthly average of 63.86 million USD. The figure

took a sharp reduction in 2020, decreasing by 30.28% to 534.26 million USD due to the restrictions and lockdowns imposed to prevent the spread of COVID-19. The average monthly garments exports was reduced to 44.52 million USD in 2020.

Particularly, the pandemic caused interruption in material supply from China to Viet Nam. Moreover, demands in the US and the EU significantly dwindled beginning from late March, causing several difficulties for the Vietnamese textile industry.

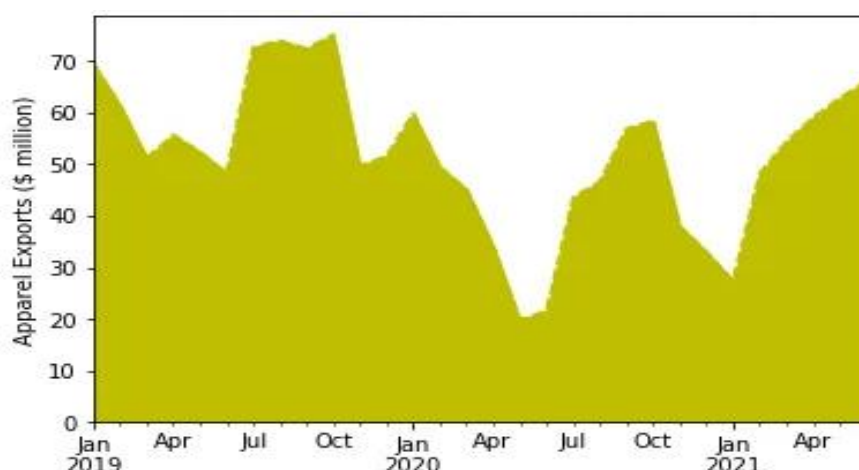


Figure 1. Vietnam Apparel Exports to the UK

Source: Vietnam Textile & Apparel Association

According to reports by the Ministry of Industry and Trade, Vietnamese goods in general only accounted for a very small percentage of roughly 1% in the UK's 700 billion USD of annual total goods imports turnover (Hai Yen, 2021). Therefore, with the UKVFTA, firms in Viet Nam expected to gain more advantages to increase exports to the UK, especially in the event of Brexit, making the terms in the Viet Nam - EU Free Trade Agreement (EVFTA) unavailable between Viet Nam and the UK.

2.1.2. During the UKVFTA

According to statistics provided by the General Department of Customs, Viet Nam's goods exports turnover to the UK market in the first five months of 2021, which were also the first five months after the UKVFTA went into force, reached 2.36 billion USD, increasing by 29% from the same time frame last year. Among which, textile goods accounted for 8.7% of the total turnover, with around 205 million USD in value.

According to data collected on trademap.org, by the end of 2021, Viet Nam exported 563.06 million USD worth of textile to the UK, recognizing a 11.1% growth compared to 2020.

Table 3. Vietnam garment exports turnover to the UK (Unit: million USD)

	2019	2020	2021	2019/2020	2020/2021
Exports to the UK	766.33	534.26	563.06	-30.28%	+11.1%

Source: Data from trademap.org

Viet Nam's garment exports to the UK continued to increase in August 2022, as Vietnamese firms took advantage of the UKVFTA to expand their presence in the market.

The recent statistics of the General Department of Viet Nam Customs shows that Viet Nam shipped 92.4 million USD worth of textile products to the UK in August, up 3% month-on-month and up 88.6% over the same month in 2021 (Fibre2Fashion, 2022).

By The End of August, Viet Nam's garment export reached 560.4 million USD in value, registering a year-on-year growth of 45%. The figure for the whole industry (across all markets) was 26.3 billion USD in the past eight months, up 24.3% over the same period of last year (VITIC, 2022).

Textile exports from Viet Nam to the UK in 2021 increased by 6.7% in comparison to 2020. Exports from the first 10 months of 2021 reached 687 million USD, increased by 46.6% in comparison to the same period last year (Nguyen Hoa, Vietnam Economic News, 2021).

According to the Viet Nam Textile and Apparel Association's vice chairman Truong Van Cam, despite challenges and difficulties in some main exporting markets, Vietnam's textile and garment industry is set to earn 43.0 to 43.5 billion USD in exports in 2022 compared to 40.3 billion USD last year (Reuters, 2022).

2.2. Changes in exports turnover and market share of the Viet Nam textile industry in the UK before and after UKVFTA

With the advantage of lower tariffs thanks to the UKVFTA, Vietnam has a big chance to expand its market share.

With the signing of the UKVFTA, many textile items of Viet Nam are given a preferential tax rate of 0% (from the initial 12%), either immediately when the free trade agreement went into force, or following the B3, B5 or B7 route.

Table 4. Explanation of preferential tariff routes in the UKVFTA

Denotation	Explanation
A	Tariff eliminated immediately after the agreement went into force
B3	Tariff gradually eliminated within 4 years since the agreement went into force
B5	Tariff gradually eliminated within 6 years since the agreement went into force
B7	Tariff gradually eliminated within 8 years since the agreement went into force

Source: WTO Center

Consequently, the garment and textile exports turnover to the UK in 2021 increased by a notably 6.7% in comparison to 2020 (before signing the UKVFTA). Although there were several

issues related to the pandemic and supply chain, the export turnover growth in the early years of the UKVFTA are relatively impressive.

By the end of 2021, Viet Nam was the world's fourth largest exporter in the garment and textile sector (WTO, 2021). Its main markets include the US, the Republic of Korea, Japan, and Europe. In terms of exports to the UK, garment is the third biggest type of goods exported to the UK, following mobile - electronic parts and industrial machinery. Additionally, the UK has constantly been in Vietnam's top 10 garment importers. In 2019, the UK is the 9th biggest importer in this field, with 766.332 million USD worth of goods imported, accounting for 2.55% of Vietnam's total garment exports. In 2020, under the impact of Brexit and COVID-19, the figure decreased, landing in the 10th position with roughly 534 million USD worth of goods. With the UKVFTA under effect since 2021, the UK's garment import from Vietnam rose back to the 9th position with 563.057 million USD worth of goods imported. Viet Nam's presence in this market is being gradually strengthened, closing the gap with other textile exporters and aiming to maintain the UK as one of the core importers of this goods, and even improve its position among other importers.

Table 5. Viet Nam's garment export markets from 2019-2021 (Unit: thousand USD)

Importers	Exported value in 2019	Exported value in 2020	Exported value in 2021
World	30,038,021	27,030,633	29,394,477
America	14,761,903	13,821,560	15,923,476
Japan	3,683,416	3,268,771	2,955,780
Republic of Korea	3,224,466	2,745,696	2,816,183
China	1,215,221	1,040,398	961,865
Canada	804,106	786,918	923,058
Germany	800,519	750,146	766,355
Netherlands	689,830	612,347	698,842
United Kingdom	766,332	534,255	563,057
France	597,979	567,637	536,058

Source: Author (Data collected on trademap.org)

2.3. Comparison of EVFTA's and UKVFTA's effect on Viet Nam's garment.

2.3.1. Comparison of main commitments and policies in the EVFTA and UKVFTA

The UKVFTA is negotiated in the spirit of inheriting the already existing commitments in the EVFTA. Therefore, it is expected that there will not be many significant differences between the two agreements. Reviewing some notable fields:

- Trade in goods: The UK continues to adapt the tax reduction from the EVFTA, and quotas to certain goods exported from Viet Nam (rice, starch, aquaculture products, etc.) to benefit from preferences.

- Trade in services, government spendings and investments: The UKVFTA introduces some slight changes, such as the UK's technical support in bidding announcements...

- Rules of origin: The UK and Viet Nam agree to practice a more expansive Cumulative Rules compared to that of the EVFTA, allowing goods from the two parties to use materials imported from EU member countries, in order to help UK's firms maintain the supply and production chain. The Cumulative rules will be reviewed 3 years after the agreement went into effect.

2.3.2. The EVFTA's effect on Viet Nam's garment export

According to statistics from the Import and Export Department (Ministry of Industry and Trade), Viet Nam's garment export to the EU in early 2020 decreased significantly. However, since August (when the EVFTA came into force), the figure started to improve. In the last five months of 2020, garment exports to the EU reached 1.1 billion USD in value, decreased by 6.4% compared to the same period in 2019. In the first quarter of 2021, the figure experienced a 3.44% increase from 2020's Q1.

3. Opportunities and Challenges

3.1. Opportunities

Textile and apparel exports to Vietnam account for a sizable trade surplus, with 11 billion USD through the first seven months of 2022, in addition to ranking in the TOP 10 for export turnover with 40.4 billion USD in 2021, or 12% of the total export turnover of the nation.

In addition to domestic businesses, the textile and apparel industry has significant participation from FDI companies. 60% of FDI businesses in the textile and apparel sector export textiles, which is a relatively high percentage. With up to 2 million workers drawn to the sector, textile and apparel is also the most labor-intensive business in the nation. Furthermore, 12.5% of the workforce in the nation and 25% of the labor force in the processing and manufacturing industry work in business, trade, and service businesses, totaling close to 1 million individuals. Vietnam is one of the most promising and advantageous locations for manufacturers, import and export distributors, wholesalers, and retailers globally.

The UK market is starting to seem interesting. In spite of growing living expenses, Kantar research for the Guardian reveals that UK consumers are spending more on clothing, defying predictions of a decrease in non-essential purchases. According to Kantar's research, Brits are spending nearly a fifth more on apparel than they did a year ago, putting the value 1% higher than it was before the pandemic. Vietnam has a great possibility to increase its market share thanks to the UKVFTA's benefit of lower tariffs. About 42.5% of Vietnamese exports of textiles and apparel will be liberalized under the UKVFTA when it goes into effect, while tariffs on some apparel items would be erased after six years.

Despite annual exports in the tens of billions of dollars, Vietnam's textile and garment products exported to the UK market account for 2.36% of total export turnover. According to the UKVFTA, Vietnam's textile and garment products are subject to 0% import tax (down from 12%) as soon as the agreement enters into force, or 0% according to a schedule after 4, 6, or 8 years.

According to Mr. Vu Duc Giang, Chairman of the Vietnam Textile and Apparel Association, the UKVFTA, along with other FTAs such as the Regional Comprehensive Economic Partnership (RCEP) and the FTA Vietnam-EU (EVFTA), will create a stronger and mutually reinforcing background for the textile and apparel industry.

Vietnam's textile and garment industry can diversify raw material sources by importing from Japan and South Korea and exporting to the United Kingdom and the European Union while still benefiting from preferential tax rates. Nguyen Khanh Ngoc, deputy head of the Ministry of Industry and Trade's European-American Market Department, believes that the UKVFTA will help Vietnam gain a competitive advantage over competitors from China, India, and ASEAN.

3.2. Challenges

Textiles, which provide significant economic contributions, however are the main environmental polluters. According to studies, 200 liters of water are needed to produce 1kg of yarn. Additionally, a T-shirt's worth of raw materials come from a cotton plant that can use up to 19,000 liters of water to grow. Additionally, emissions and solid waste are two additional major issues with textiles. Some nations have established sustainability guidelines for textiles and apparel imported into their nations as a result of these unfavorable effects. Vietnam's textile and apparel industry must adapt in order to promote sustainable development. Vietnamese clothing products find it more difficult to enter this region as a result of the EU's new textile industry regulations, which include replacement rates, green products, and a shift from fast fashion to sustainable fashion. The circular economy is one of the key directions that Vietnam's textile and apparel industry is moving in order to achieve sustainable development.

The circular economy model's implementation and the process of sustainable development in Vietnam's textile and apparel sector encounter numerous challenges. Since we are only approximately 30–35% self-sufficient, the supply of raw materials is significantly dependent on imports, making it challenging for enterprises to maintain supply chain quality and sustainability.

Additionally, the rising cost of sustainable development discourages many businesses from making the necessary investments. On the other hand, the majority of Vietnam's export markets for clothing are upscale, meticulous markets with extremely high criteria for product safety and sanitation... Customers are shifting their consciousness from "quick fashion" to sustainable fashion. They are particularly interested in the requirement to check and monitor the supply chain for compliance with labor and environmental regulations.

The lack of skilled laborers for Industry 4.0 and the weaving, dyeing, and design stages is another issue. The Vietnamese textile and apparel industry faces a difficulty since not all enterprises can meet the requirements for sustainable development, green transformation, and circular business, despite the enormous demand for capital in these areas.

4. Proposal

4.1. To the government

Firstly, there is an urgent need for the Government to legally finalize the UKVFTA - garment related policies and to respond promptly to the three Trade remedies applied by many countries worldwide. In particular, legal documents in the commercial defense are in need of an intensive review to comply with the provisions of the Investment Law; Enterprise Law; Law on Export and Import Tax; Customs Law and especially, the Foreign Trade Management Law. Accordingly, the

Government can apply mechanisms and policies to effectively exploit UKVFTA's treaties and investigate, in response to domestic and foreign trade defense cases to ensure Vietnam's rights and benefits.

Secondly, the Government should protect the legitimate interests of domestic garment manufacturing industries through investigation, application of safeguards on the principle of publicity, transparency, compliance with legal regulations, and Vietnam's international commitments. Actively using bilateral and multilateral dialogue channels and fully embracing the WTO's dispute settlement mechanism enables the Government to handle and prevent unreasonable cases to Vietnamese garment products exports and disputes with UK importing partners.

Thirdly, the Ministry of Industry and Trade and the association of garment products industries should have a plan to spread information, advice, and training for garment export manufacturing enterprises on the application of British commodity quality standards, to avoid the risk that exported goods do not guarantee the specified standard therefore losing the precious chance in highly-potential market.

Fourthly, the Government should pay attention to infrastructure construction and capital investment (electrical, raw materials, sewing machines, and guaranteed sanitation facilities, etc). Therefore, indispensable support from macro and synchronized financial solutions from our Government is needed to ensure environmental safety. The Central Bank needs to lower the interest rate for garment company's loans to further develop the business. The Government has to make sure that every garment corporation has access to sufficient electric, clean water, financial loans for future expansion and development and to adhere to occupational safety.

4.2. To the Vietnam Garment Enterprises

Notably, after leaving the EU, the UK has been negotiating free trade agreements with many partners worldwide, including several ASEAN countries. Therefore, it's necessary that Vietnamese garment enterprises act quickly to penetrate this highly potential market successfully and to promote our current competitive advantage.

Firstly, the application of technology in production, inventory management, and business management: 4.0 technology along with many application software would help manage inventories and the movement of cash. Having a variety of design, model and size, businesses can now use barcode scanners to control the import - export condition of garment products, use warehouse management software to monitor backlog and keep track of good's location thereby reducing the defects in garment manufacturing process.

Secondly, the revenue growth rate of the garment business should be improved: The revenue growth rate is in the same direction as the profitability of Vietnamese textile enterprises. UKVFTA will bring along the opportunity to import high-quality machinery, access to standardised material resources in the UK. To be able to seize the opportunity that UKVFTA offers, our garment business has to increase revenue growth to finance the early and thorough preparation such as factory investments, technology machinery, thereby meeting importer's technical standards.

Thirdly, Vietnam garment corporations should pay attention to promote the quality of labor resources. Businesses need to actively train and improve their professional qualifications; management level. Fostering, improving workmanship, educating ethics and qualities for workers; encouraging creative thinking, coming up with new ideas of clothing design; allocating reasonable

human resources, creating conditions beneficial to employees' well-being so that this industry can maintain experienced workers.

Fourthly, Vietnam garment businesses should build sustainable raw materials supply, adapt products's quality to UKVFTA standard.

Vietnam needs to meet the requirements of rules of origin and other non-tariff barriers namely anti-dumping, countervailing, and self-defense. After the pandemic, the most feasible solution for the Vietnam cloths industry is to improve its textile supply chain and production capabilities. Therefore, the textile industry needs to be more autonomous in terms of raw materials and considers supporting self-producing textile sources as a central priority.

Vietnamese garment products must also improve a lot of quality, namely green growth and sustainable development in clothing production, in short three of the following: standardization, health, and the environment. Furthermore, recruiting Vietnamese students to graduate from UK universities in charge of sales to the UK, attending an international specialized fair to showcase products and meet customers would render Vietnam garment business an in-depth insight into UK market behaviors.

Fifthly, Vietnamese textile and apparel businesses need to research and innovate constantly according to the UKVFTA commitments to proactively lead the World Garment's Trend and successfully secure a firm position as one of the top clothing export countries. According to experts' evaluation, by 2030, textile products introduced into the EU market will have to be long-lived and recyclable, made primarily of recycled fibers, free of toxic substances and manufactured to meet social and environmental rights. Manufacturers hold responsibility for their products in the value chain, even if they become waste.

Sixthly, for Vietnamese garment export companies, the most important thing is to promote their products and to give full details about their products to customers through professional and well-designed English websites and electronic catalogs. The higher the awareness of UK customers are, the higher chance they would consider buying Vietnam-made clothes. Besides, maintaining a good relationship with UK businesses operating effectively in Vietnam are also very important factors to create spillover effects on businessmen and investors in the UK.

Conclusion

From the above analysis, the garment exportation of Vietnam has been of great potential despite the fluctuation in growth rate caused by the supply chain disruption during Covid-19 and its position is strongly reinforced by the UKVFTA's establishment. Since then, UKVFTA has been and will be the golden key to success for garments exported to the UK, thanks to the significant reduction in tax of different kind of clothing products, supportive raw material suppliers of Korean and Japan and Vietnam's young and huge labour sources thereby creating strong competitiveness for Vietnamese businesses. However, there still are some formidable challenges to be taken into account if our country is to fully embrace the opportunities that UKVFTA offers and to conquer a high-standard market like the United Kingdom such as environmental problems, sustainable development and unskillful workers. It requires Vietnamese garment businesses to make the best effort in market research, product strategy innovation, labour training, meet the requirements and tastes of British consumers, to further create and solidify consumer loyalty in this market. The Vietnam Government also play an important part in completing trade policies, mechanism,

spreading the UKVFTA information and financially supporting garment companies. The determining partners of Vietnamese businesses are businesses in the UK, who in the near future will make intensive adjustments to take advantage of the UKVFTA. Therefore, Vietnamese businesses ought to make urgent adjustments to catch up with this rapid change.

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