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PHÂN TÍCH SWOT VỀ XUẤT KHẨU GỖ VÀ SẢN PHẨM GỖ CỦA VIỆT NAM SANG THỊ TRƯỜNG EU TRONG BỐI CẢNH THỰC THI HIỆP ĐỊNH EVFTA

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Tóm tắt

Hiệp định Thương mại Tự do Việt Nam – EU (EVFTA) là một trong hai hiệp định thương mại tự do có phạm vi và mức độ cam kết cao nhất của Việt Nam từ trước tới nay. Từ khi được thực thi vào tháng 8 năm 2020, Hiệp định EVFTA đã có ảnh hưởng đáng kể đối với ngành xuất khẩu gỗ và sản phẩm gỗ của Việt Nam sang Liên minh Châu Âu (EU) – một trong năm thị trường xuất khẩu hàng đầu của nước ta. Bài viết sử dụng phương pháp nghiên cứu định tính nhằm xác định các điểm mạnh, điểm yếu, cơ hội và thách thức (SWOT) của ngành xuất khẩu gỗ và sản phẩm gỗ của Việt Nam sang EU. Từ đó, nhóm tác giả đề xuất các chiến lược vượt qua những

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rào cản cũng như tăng cường xuất khẩu gỗ sang thị trường EU, tận dụng đầy đủ tiềm năng của Hiệp định EVFTA.

Từ khóa: EVFTA, xuất khẩu, gỗ và sản phẩm gỗ, phân tích SWOT

A SWOT ANALYSIS OF VIETNAM'S EXPORTATION OF WOOD AND ARTICLES OF WOOD TO THE EU MARKET IN THE CONTEXT OF THE EVFTA IMPLEMENTATION

Abstract

The EU – Vietnam Free Trade Agreement (EVFTA) is one of the two free trade agreements (FTAs) with the widest scopes and highest levels of commitments among Vietnam's FTAs. Since its implementation in August 2020, the agreement has significantly influenced Vietnam's exportation of wood and articles of wood to the European Union (EU) – one of its top five export markets for such goods. This paper identifies the strengths, weaknesses, opportunities, and threats (SWOT) of Vietnam's wood exports to the EU. Furthermore, it suggests strategies to overcome challenges and enhance the exports of wood and articles of wood to the EU, fully capitalizing on the potential of the EVFTA.

Keywords: EVFTA, export, wood and articles of wood, SWOT analysis

1. Introduction

The EU – Vietnam Free Trade Agreement (EVFTA) stands as a milestone in Vietnam's economic relations, particularly in the wood and articles of wood export industry. Since its implementation in August 2020, the EVFTA has had a significant impact on Vietnam's trade with the European Union (EU), one of its top five export markets.

This paper aims to explore the implications of the EVFTA on Vietnam's exportation of wood and articles of wood to the EU market. Through a comprehensive SWOT analysis, we will delve into the strengths, weaknesses, opportunities, and threats faced by Vietnam's wood export industry in the context of the EVFTA implementation. Furthermore, strategic recommendations will be proposed to capitalize on the opportunities and address the challenges, ensuring the sustainable growth and competitiveness of Vietnam's wood export sector in the EU market.

2. Literature review & Research methodology

2.1. Literature review

The literature on the topic of Vietnam's exportation of wood and articles of wood to the EU market, specifically within the implementation of the EVFTA, primarily comes from studies conducted within Vietnam. There is a notable gap in foreign studies on this aspect of Vietnamese international trade.

Nguyen & Tran (2020) interviewed people from five Vietnamese wood businesses and found differing perceptions on the EVFTA's opportunities and challenges. The authors acknowledged that an extended study with a more extensive sample size is needed to achieve a comprehensive understanding.

Nguyen & Mai (2021) adopted a quantitative approach, using export data and the SMART model to evaluate the impacts of the EVFTA on the growth of wood and articles of wood exportation to the EU market.

Vu & Nguyen (2021) used the Delphi method and Rezaei's Best-Worst method to identify the advantages and barriers for Vietnamese wood exporters to the EU. They proposed practical solutions based on their findings.

However, most of these studies were conducted before 2022, so there is a need to incorporate updated information and update our understanding of the current trade landscape. Taking into account the clarified contents, the identified gaps in previous studies, and the updated data, our author group selected the research topic: *“A SWOT analysis of Vietnam's exportation of wood and articles of wood to the EU market in the context of the EVFTA implementation”*.

2.2. Research methodology

This study employs qualitative research methodology. This involves the synthesis, calculation, and analysis of secondary data. The data is collected from articles, reports, and papers published by verified, reputable international and domestic sources, including but not limited to the European Commission, the Vietnam Chamber of Commerce and Industry, the General Department of Vietnam Customs, and the Vietnam Ministry of Industry and Trade. This approach ensures the reliability and credibility of the information to provide a solid foundation for the research analysis and conclusions.

3. The EU – Vietnam Free Trade Agreement (EVFTA)

3.1. Overview of the EVFTA

The EU – Vietnam Free Trade Agreement (EVFTA) is a new-generation free trade agreement (FTA) between Vietnam and the 27 European Union (EU) member states (VCCI, 2016). The agreement, signed on June 30, 2019, officially entered into force on August 1, 2020.

The EVFTA consists of 17 Chapters, 2 Protocols, 2 Understandings, and 4 Joint Declarations. The commitments within the agreement are assessed to be complicated both in both content and presentation. Therefore, understanding and leveraging these commitments are a significant challenge for Vietnamese businesses (VCCI, 2020).

3.2. EVFTA commitments on wood and articles of wood

3.2.1. Commitments on customs duties

The commitments of the EVFTA on customs duties on wood and articles of wood exported from Vietnam to the EU are stipulated in Appendix 2-A-1 (Tariff Schedule of the Union) to Annex 2-A (Reduction or Elimination of Customs Duties).

Table 1: Applicable categories for the reduction and elimination of customs duties on wood and articles of wood exported from Vietnam to the EU

Category	Explanation
A	Customs duties on originating goods provided for in the items in staging category "A" in a Party's Schedule shall be eliminated entirely and such goods shall be free of any customs duty from the date of entry into force of the EVFTA.
B3	Customs duties on originating goods provided for in the items in staging category "B3" in a Party's Schedule shall be removed in four equal annual stages beginning on the date of entry into force of this Agreement, and such goods shall thereafter be free of any customs duty.
B5	Customs duties on originating goods provided for in the items in staging category "B5" in a Party's Schedule shall be removed in six equal annual stages beginning on the date of entry into force of this Agreement, and such goods shall thereafter be free of any customs duty.

Source: EUR-Lex

3.2.1.1. Wood and articles of wood exempt from customs duties from the date of the EVFTA's entry into force (Category A)

Before the EVFTA came into effect, 104 lines of wood and wood articles exported to the EU faced customs duties ranging from 1.7% to 6%. These goods are classified under HS headings 4407, 4408, 4414, 4415, 4418, 4420, 4421, 9401, 9403 40, 9403 81/90/90, 9404, 9405, and 9406. However, once the EVFTA was implemented, these goods became immediately exempt from any customs duties (Tran et al., 2020).

3.2.1.2. Wood and articles of wood with customs duties removed in four years beginning on the date of the EVFTA's entry into force (Category B3)

Before the execution of the EVFTA, two items of wood initially incurred a 6% tariff rate when exported to the EU. These customs duties will be gradually removed in four years, starting from the effective date of the EVFTA. Both items fall under the HS heading 4412 (Tran et al., 2020).

3.2.1.3. Wood and articles of wood with customs duties removed in six years beginning on the date of the EVFTA's entry into force (Category B5)

Before the EVFTA took effect, 30 categories of wood and articles of wood faced customs duties ranging from 7% to 10% upon export to the EU. These tariff rates will gradually reduce to 0% over six years from the agreement's official implementation date. These items fall under the HS headings 4410, 4411, and 4412 (Tran et al., 2020).

3.2.2. Non-tariff commitments

The EVFTA does not include specific commitments regarding technical barriers to trade (TBT) or specific sanitary and phytosanitary measures (SPS) for particular groups of goods. Instead, it emphasizes obligations within the World Trade Organization (WTO) framework related to TBT and SPS. However, the Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary Measures (SPS) chapters of the EVFTA make numerous specific commitments

related to core issues in the establishment and enforcement of TBT and SPS measures. Specifically, these chapters emphasize transparency in information disclosure, the scientific basis of measures, mutual recognition, cooperation, and information exchange in the issuance and enforcement of measures. In essence, these commitments will not significantly impact the decision-making and application methods of TBT and SPS measures by the parties. Instead, they aim to enhance transparency and rationality in the use of such measures by each party. In other words, the EVFTA will not alter the existing policies and laws on TBT and SPS of the EU applied to Vietnam's wood exports to this market. The EU will maintain control over TBT and SPS measures as previously. Any potential advantage lies primarily in the greater transparency within the TBT and SPS system, facilitating easier compliance for businesses with TBT and SPS requirements (VCCI, 2016).

For wood and articles of wood, the rules of origin stipulated in the EVFTA are relatively flexible. They allow for the use of non-originating materials, provided that their value does not exceed 70% of the ex-works price of the product (Phuc et al., 2016). Alternatively, these non-originating materials can undergo transformation into a different HS code at the Group level, meaning they differ by a 4-digit HS code from the manufactured product. Furthermore, the EVFTA includes provisions where certain items falling under the HS Codes of Chapter 44 are exempted from meeting the non-originating material ratio or undergoing HS code transformation (Phuc et al., 2016). These exemptions apply to specific processing stages such as planing, sanding, end-jointing, splicing, beading, or molding (VCCI, 2020).

Regarding other non-tariff measures, the EVFTA mainly emphasizes the continued fulfillment of Vietnam's obligations concerning non-tariff measures within the framework of the World Trade Organization (WTO) (VCCI, 2016).

4. Vietnam's exportation of wood and articles of wood to the EU: Before and after the EVFTA

4.1. Before the EVFTA

4.1.1. Export turnover

From 2016 to 2019, the EU-28 (including the United Kingdom) was one of the five most important export markets for Vietnam's wood and articles of wood. During this period, exports of these goods from Vietnam to the EU-28 consistently increased. The average annual export value during this period was approximately 790 million USD. In 2019, Vietnam's export turnover of wood and articles of wood to the EU-28 reached 864.6 million USD, a significant increase of 10% from 2018. Compared to other major export markets such as the United States and Japan, however, the growth rate in Vietnam's wood product exports to the EU-28 was considerably lower (VIFOREST, 2020).

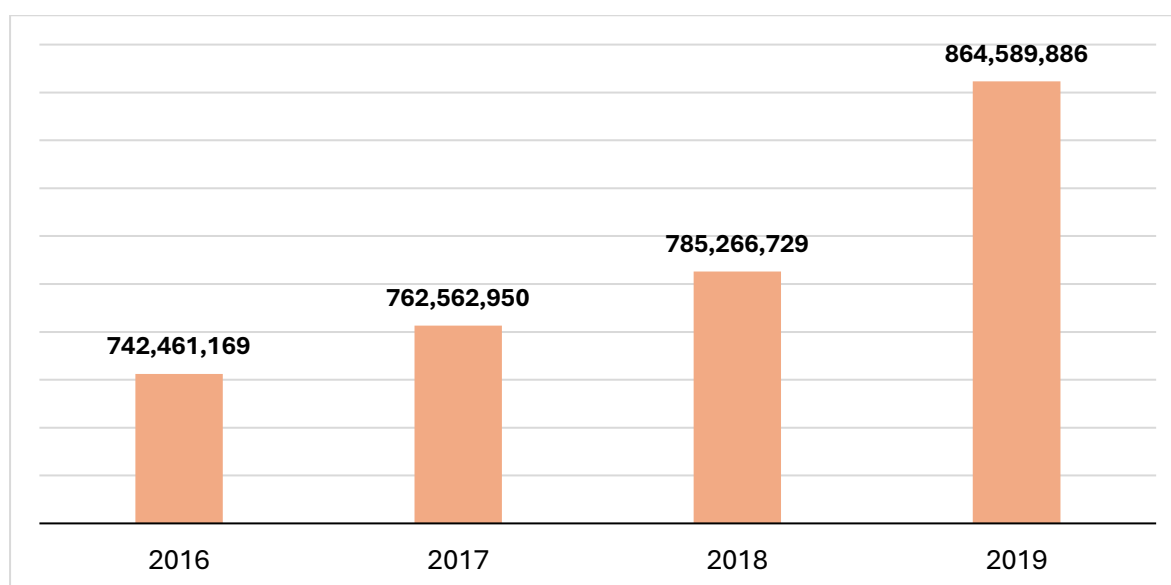


Figure 1: Vietnam's export turnover of wood and articles of wood to the EU-28 (USD) (2016 – 2019)

Source: Calculations by VIFOREST, FPA Binh Dinh, HAWA, BIFA, and Forest Trends, based on statistical data from the General Department of Customs

While the absolute export values have grown, the percentage contribution of the EU-28 to the total wood exports from Vietnam has considerably diminished.

Table 2: Proportion of wood and articles of wood exports to the EU-28 over total wood and articles of wood exports (2016 – 2019)

Year	Wood Exports to EU-28 (USD)	Total Wood Exports (USD)	Proportion to Total (%)
2016	742,461,169	6,799,064,730	10.9
2017	762,562,950	7,404,113,661	10.3
2018	785,266,729	8,476,388,666	9.3
2019	864,589,886	10,330,510,975	8.4

Source: Calculations of the author group, based on statistical data from VIFOREST, FPA Binh Dinh, HAWA, BIFA, and Forest Trends

The export value to the EU-27 (excluding the UK) in 2020 reached 510.4 million USD, marking a 9.3% decrease compared to the previous year (VIFOREST, 2020).

4.1.2. Types of wood and articles of wood exported

Approximately 90% of the total wood and articles of wood exported to the EU market comprised wood products (HS codes of Chapter 94). The remaining portion consisted of items classified under raw wood materials (HS codes of Chapter 44).

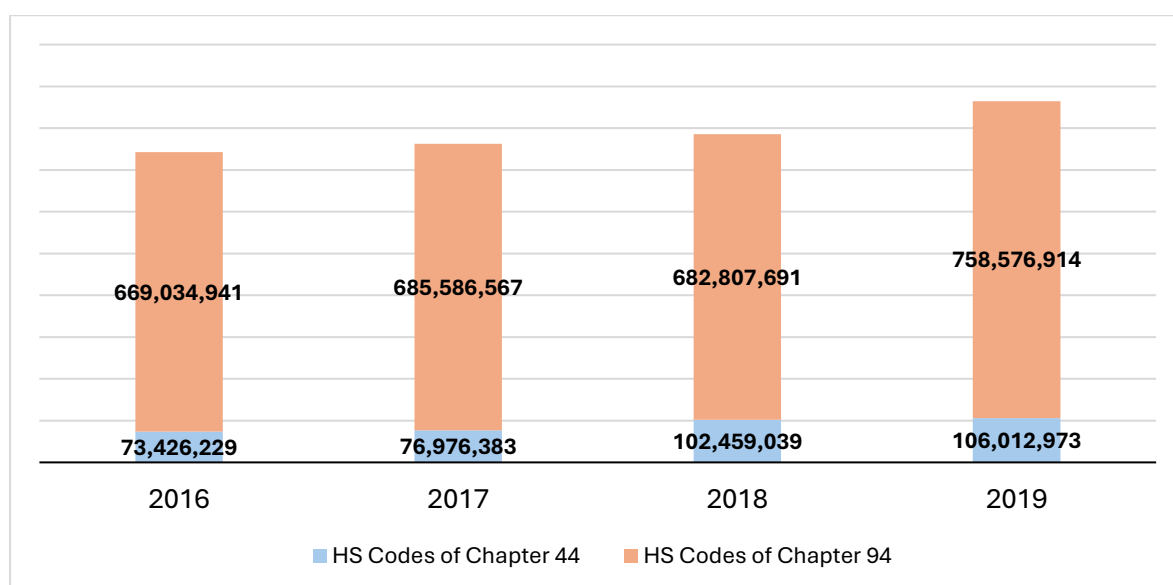


Figure 2: Vietnam's export turnover of wood and articles of wood to the EU-28 (USD) (2016 – 2019)

Source: Calculations by VIFOREST, FPA Binh Dinh, HAWA, BIFA, and Forest Trends, based on statistical data from the General Department of Customs

The wood and articles of wood exported from Vietnam to the EU are diverse, covering a variety of different items. Seats and bedroom furniture constitute the key product groups that Vietnam exports to the EU.

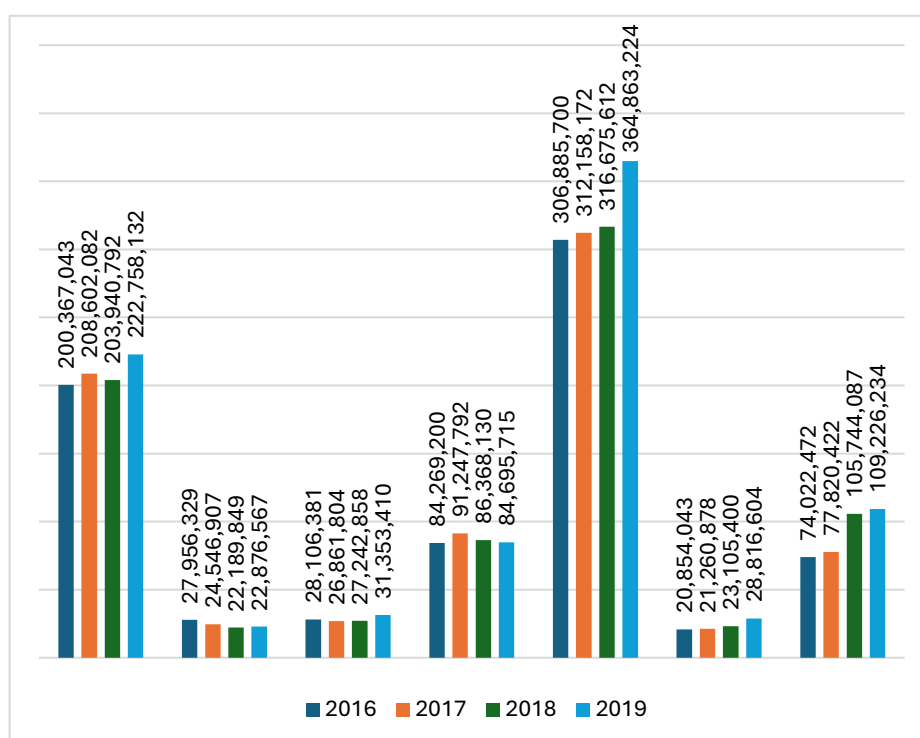


Figure 3: Vietnam's export turnover of wood and articles of wood to the EU-28 (USD) (2016 – 2019)

Source: Calculations by VIFOREST, FPA Binh Dinh, HAWA, BIFA, and Forest Trends, based on statistical data from the General Department of Customs

Table 3: Vietnam's export turnover of wood and articles of wood to the EU-27 (2019 – 2020)

Goods	Unit	2019	2020	Growth rate
Wood continuously shaped along any of its edges, ends or faces (4409)	Ton	6,214	8,592	38%
	USD	4,247,148	6,904,232	62.6%
Plywood, veneered panels and similar laminated boards (4412)	m ³	15,258	13,843	-9.3%
	USD	7,111,284	5,940,558	-16.5%
Builders' joinery and carpentry of wood (4418)	m ³	45,456	43,422	-4.5%
	USD	32,175,513	29,593,968	-8.0%
Seats (9401)	USD	179,273,134	153,511,483	-14.4%
Wooden office furniture (9403 30)	USD	10,934,915	12,419,687	13.6%
Wooden kitchen furniture (9403 40)	USD	10,460,813	12,944,144	23.7%
Wooden bedroom furniture (9403 50)	USD	22,502,155	22,134,704	-1.6%
Other wooden furniture (9403 60)	USD	221,158,637	188,453,294	-14.8%
Wooden parts (9403 90)	USD	22,275,765	25,624,226	15.0%
Others	USD	52,579,577	52,852,866	0.5%
Total export turnover	USD	562,718,941	510,379,162	-9.3%

Source: Calculations by VIFOREST, FPA Binh Dinh, HAWA, BIFA, and Forest Trends, based on statistical data from the General Department of Customs

4.2. After the EVFTA

4.2.1. Export turnover

Under the EVFTA, the EU remains one of Vietnam's top five export markets for wood and wood articles. Export turnover for these products has seen positive growth, reaching \$597.7 million USD in 2021, marking an 11.4% increase from 2020. In 2022, Vietnam exported \$671.9 million USD worth of wood and wood articles to the EU, accounting for 4.1% of the industry's total export turnover and representing a 12.4% rise compared to 2021 (VIFOREST, 2023).

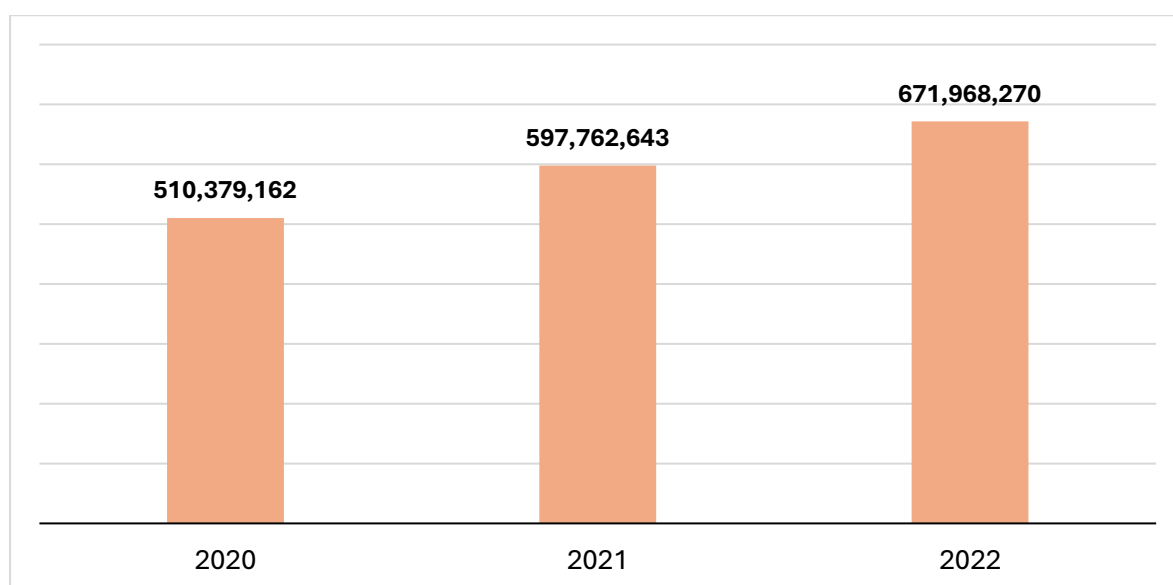


Figure 4: Vietnam's export turnover of wood and articles of wood to the EU-27 (USD) (2020 – 2022)

Source: Calculations by VIFOREST, FPA Binh Dinh, HAWA, BIFA, and Forest Trends, based on statistical data from the General Department of Customs

4.2.2. *Types of wood and articles of wood exported*

In 2022, two years post-EVFTA implementation, Vietnam's wood and articles of wood exports to the EU saw significant shifts. Other wooden furniture (HS 9403 60) remained dominant, accounting for 35.2% of total export turnover, followed by seats (HS 9401) at 28.6% (VIFOREST, 2023). Notably, builders' joinery and carpentry of wood (4418) and wooden parts (HS 9403 90) also maintained strong positions. Additionally, Vietnam initiated substantial exports of wood pellets (HS 4401 31) to the EU, marking a new milestone in trade relations.

Table 4: Vietnam's export turnover of wood and articles of wood to the EU-27 (2021 – 2022)

Goods	Unit	2021	2022	Growth rate
Wood pellets (4401 31 00)	Ton	34	95,676	284,099%
	USD	10,478	20,283,490	193,491%
Wood continuously shaped along any of its edges, ends or faces (4409)	Ton	4,669	5,189	11.1%
	USD	4,191,190	4,682,941	11.7%
Plywood, veneered panels and similar laminated boards (4412)	m ³	13,387	27,528	105.6%
	USD	7,651,662	16,403,757	114.4%
	m ³	59,487	69,322	16.5%

Goods	Unit	2021	2022	Growth rate
Builders' joinery and carpentry of wood (4418)	USD	45,204,295	53,853,445	19.1%
Seats (9401)	USD	188,896,765	192,486,812	1.9%
Wooden office furniture (9403 30)	USD	16,346,638	15,414,107	-5.7%
Wooden kitchen furniture (9403 40)	USD	14,372,397	10,673,536	-25.7%
Wooden bedroom furniture (9403 50)	USD	21,913,224	28,497,469	30.0%
Other wooden furniture (9403 60)	USD	211,889,201	236,732,259	11.7%
Wooden parts (9403 90)	USD	32,975,662	35,173,764	6.7%
Others	USD	54,311,130	57,766,690	6.4%
Total export turnover	USD	597,762,643	671,968,270	12.4%

Source: Calculations by VIFOREST, FPA Binh Dinh, HAWA, BIFA, and Forest Trends, based on statistical data from the General Department of Customs

4.3. Evaluation

Between 2016 and 2019, Vietnam saw an increase in the absolute export values of wood and wood articles to the EU. However, there was a decline in their proportion compared to total wood exports globally, indicating that Vietnam's EU exports were not keeping up with those to other markets. The 9% drop in 2020 was likely due to global economic conditions and the COVID-19 pandemic.

Following the EVFTA implementation, Vietnam experienced significant growth in wood exports to the EU in 2021 and 2022. Despite this, the EU's share of total wood exports remained low at around 4%, suggesting room for further market penetration and diversification.

While the EVFTA has boosted Vietnam's wood exports to the EU, slower growth compared to other major markets suggests potential challenges in fully leveraging the agreement's benefits. Continuous efforts to enhance competitiveness, tackle trade barriers, and explore new opportunities within the EU will be crucial for expanding Vietnam's presence in the European wood market.

Regarding export structure, post-EVFTA exports of Vietnamese wood products to the EU show diversification and expansion into higher-value categories. This shift reflects Vietnam's ability to meet market demands, benefit from trade agreements, and explore new export avenues in the EU.

5. Vietnam's exportation of wood and articles of wood to the EU market: A SWOT analysis

5.1. Strengths

The first strength of Vietnam is the availability and cost of labour. Vietnam is currently in a golden population structure with about 68% of the population in working age (General Statistics Office). Additionally, Vietnam offers a competitive labor price. In 2022, Vietnam ranked fourth in Asia (behind Cambodia, Myanmar, and the Philippines) for affordability in labor costs, with an average monthly labor cost totaling \$108,196 (Hai Dang, 2022). This gives Vietnam an advantage over other exporters.

Another strength of Vietnam is the diverse variety of material sources. Vietnamese forests can provide a wide variety of timber used for exporting purposes due to the tropical climate. Moreover, the accessibility to large quantities of foreign timber sources from neighboring countries like Laos, Cambodia, Thailand, and China, at competitive prices, makes Vietnam a promising wooden furniture exporter.

5.2. Weakness

One weakness is the quality of Vietnam's workforce. The EU market demands high-quality timber products, but Vietnam struggles due to a lack of skilled labor. Out of over half a million workers in the wood processing and furniture industry, only 55% are skilled, while the rest lack training and experience. (VietnamPlus, 2022).

Another critical issue is the insufficient investment in production and innovation. Vietnam's wood industry relies heavily on outsourcing, limiting its ability to innovate and create unique products. This puts Vietnam at risk of being overtaken by more proactive competitors (D. Nguyen, 2016).

Additionally, there is a shortage of materials, a challenge not unique to Vietnam's timber industry but also affecting wood enterprises in Indonesia, Malaysia, and China (Harun, 2014; ITS Global, 2011; Yang et al., 2012). Although FSC-certified forest areas in Vietnam have increased, the quantity of standard natural wood still falls short of meeting production demands (VIFOREST, 2023).

5.3. Opportunities

Firstly, the EVFTA reduces and eliminates taxes on wood and articles of wood, opening up the EU market for Vietnamese timber exports. Following the agreement's implementation on August 1, 2020, approximately 83% of tariff lines for wood and articles of wood – equivalent to 99% of Vietnamese export turnover to the EU – were immediately eliminated. The remaining tariff lines will gradually reduce to 0% over the course of four to six years (VCCI, 2020). This agreement has facilitated the entry of major Vietnamese wood products into the market, leading to a notable increase in export turnover. Data provided by the General Department of Customs indicates that exports of wood and articles of wood to the EU amounted to \$597.76 million in 2021, reflecting an 11.4% surge compared to 2020. This positive trend continued into 2022, when Vietnam exported over \$645.7 million worth of wood and articles of wood to the EU, marking an 8% increase compared to 2021. The EVFTA is expected to continue benefiting Vietnam's timber export industry in the coming years.

Second, the EVFTA facilitates the transfer of science and technology. The EU, through the implementation of the EVFTA, supports Vietnam in establishing modern, advanced timber manufacturing facilities and equipment to improve the quality and productivity of wood production. The reduction of taxes on imported equipment from the EU, along with the elimination of taxes on certain EU-imported products, aids Vietnamese enterprises in cost reduction and promotes the adoption of modern technology (Nguyen & Tran, 2020).

Furthermore, the EVFTA also helps to attract investment to Vietnam. One of its most significant opportunities lies in facilitating trade and promoting investment, thereby creating favorable conditions for Vietnamese enterprises to develop and expand their operations, particularly for foreign timber companies, which currently represent a small portion of the market. The EVFTA supports and safeguards the investment process in Vietnam, thereby attracting investors in the wood processing sector and providing favorable conditions for EU investors to establish businesses in the country (Nguyen & Tran, 2020; Vu & Nguyen, 2021). Consequently, the promotion of investment, along with an increase in the number of FDI timber enterprises, is expected to promote the growth in the total Vietnamese timber export turnover.

Finally, the EVFTA presents an opportunity for Vietnam to diversify its exports to the EU. Currently, interior and exterior furniture are the main products exported to the EU, while the export of timber materials remains relatively low. However, there is potential for timber materials, such as wood pallets, to penetrate into the EU market. Especially wood pellets, in spite of low export turnovers, the growth potential is significant given the war in Russia - the EU's primary wood pallet supplier (Vietnamwood, 2023). The signing of the EVFTA opens doors for Vietnam's wood chip export industry and other wood material products to enter a more challenging yet transparent market.

5.4. Threats

The first threat is the possible rejection by the EU market due to stricter regulations and laws regarding materials sources. The Anti-Deforestation Regulation (EUDR), which became effective in June 2023, requires exporters to provide certifications demonstrating sustainable and non-deforestation practices (Chi Tue, 2023; Dung Minh, 2024). Without such certifications, products exported would be rejected. To meet raw material demands, Vietnam imports from approximately 100 countries and territories, including the USA, China, and Laos. Certifying the origin of these imported raw materials to comply with the requirements of the EU market poses a significant threat to the Vietnamese wood export industry (Khanh Linh, 2023).

The second challenge stems from the higher demand for product quality in the EU market. Meeting this demand requires a shift in orientation for Vietnamese timber companies to cater to the preferences of not only EU member states but also numerous other developed countries. However, this still remains an obstacle, primarily due to a shortage of high-quality workforce with proficient workmanship and efficiency.

Another challenge facing the Vietnamese wood export industry is intense competition. Entering the EU market is notoriously challenging, as it demands entrants to possess a significant scale of business operations and extensive experience. Existing competitors in the EU wood market often have considerable size, enabling them to dominate the market. Among

the strongest competitors of the Vietnamese wood export industry is China, with whom Vietnam has to compete in terms of both material sourcing and product quality.

6. Recommendations for Vietnam's exportation of wood and articles of wood to the EU market

6.1. Recommendations for the government

In response to the challenges identified in the SWOT analysis of Vietnam's wood export industry to the EU, several strategic recommendations are proposed.

Firstly, addressing the shortage of skilled labor, which was highlighted as a weakness, is imperative. Investing in skills development programs tailored to the wood processing and furniture industry is essential. Through vocational training and apprenticeship initiatives, the government can ensure that the workforce meets the high-quality standards demanded by the EU market.

Secondly, to overcome the weakness of insufficient investment in production and innovation, support for innovation and technology adoption is crucial. Providing incentives such as grants, tax incentives, and subsidies for research and development activities can stimulate innovation within the wood industry. Moreover, facilitating access to modern equipment and technologies will enable Vietnamese enterprises to enhance productivity and product quality, thus maintaining competitiveness in the EU market.

Lastly, enhancing material sourcing sustainability is vital, considering the stricter regulations imposed by the EU. Collaborating with industry associations and stakeholders to develop sustainable sourcing practices is essential. By improving forest management practices and encouraging the use of certified sustainable materials, the government can ensure compliance with EU regulations, facilitating access to the EU market for Vietnamese wood exporters.

6.2. Recommendations for enterprises

To begin with, investing in workforce development is essential. This addresses the identified weakness in the SWOT analysis regarding the quality of Vietnam's workforce. By prioritizing investments in training and development, enterprises can enhance the skills and capabilities of their employees. This ensures that they are equipped to produce high-quality wood products meeting EU standards.

Secondly, fostering innovation and product differentiation is crucial. This tackles the weakness of insufficient investment in production and innovation. Enterprises should invest in research and development to create unique and high-value-added products. By experimenting with new materials and designs, they can service the preferences of the EU market, enhancing competitiveness.

Lastly, strengthening market competitiveness is vital. This addresses the challenge of intense competition highlighted in the SWOT analysis. Enterprises need to focus on optimizing supply chain management practices. This involves streamlining production processes, investing in automation technologies, and establishing strategic partnerships with

suppliers and distributors. Such measures can ensure timely delivery and competitive pricing in the EU market.

7. Conclusion

In conclusion, the EU-Vietnam Free Trade Agreement (EVFTA) has brought about significant opportunities for Vietnam's wood and articles of wood export industry while also presenting notable challenges. The agreement's implementation has led to increased export turnover to the EU market, thanks to reduced customs duties and facilitated technology transfer. However, challenges such as navigating stricter regulations, meeting quality standards, and intense competition remain significant hurdles for Vietnamese exporters.

Despite these challenges, strategic recommendations can help Vietnam's wood export industry capitalize on the EVFTA's potential. Investments in skills development, innovation, and sustainable sourcing practices are crucial, both for the government and enterprises. By enhancing workforce expertise, fostering innovation, and ensuring sustainable sourcing, Vietnam can improve its competitiveness in the EU market and expand its presence.

Overall, the EVFTA provides a platform for Vietnam to further develop its wood export industry and contribute to the country's economic growth. With concerted efforts from the government, enterprises, and other stakeholders, Vietnam can navigate the challenges, leverage the opportunities, and establish itself as a key player in the EU wood market, ensuring long-term prosperity and sustainable development.

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