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## TÁC ĐỘNG CỦA HIỆP ĐỊNH EVFTA TỚI XUẤT KHẨU RAU QUẢ TỪ VIỆT NAM SANG EU: CƠ HỘI VÀ THÁCH THỨC

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### Tóm tắt

Với vị trí địa lý chiến lược nằm bán đảo Đông Dương ở Đông Nam Á, sở hữu cả khí hậu nhiệt đới và ôn đới, đã mang lại cho Việt Nam lợi thế cạnh tranh trong việc đa dạng hóa các loại rau và trái cây. Trong vài thập kỷ gần đây, Việt Nam đã trở thành nhà cung cấp chính về trái cây và rau cho nhiều thị trường lớn như Trung Quốc, Hoa Kỳ... và EU là một trong số đó. Đáng chú ý, xuất khẩu rau quả từ Việt Nam sang EU đã có những bước chuyển biến đáng kể kể từ khi Hiệp định Thương mại Tự do EU-Việt Nam (EVFTA) chính thức có hiệu lực, khiến thị trường EU trở thành một thị trường tiềm năng trị giá hàng tỷ đô la cho rau quả Việt Nam. Xuất phát từ thực trạng nêu trên, nghiên cứu này được thực hiện để phân tích tác động của EVFTA đối với xuất khẩu rau quả của Việt Nam sang thị trường EU, tập trung vào cả cơ hội và thách thức. Nghiên cứu sử dụng các phương pháp tổng hợp, phân tích, so sánh và đánh giá để kiểm tra tiến độ phát triển và tiềm năng của trái cây tươi Việt Nam tại thị trường EU, đồng thời đưa ra các khuyến nghị nhằm thúc đẩy tính bền vững và lợi thế cạnh tranh của ngành trái cây Việt Nam trên thị trường quốc tế.

**Từ khóa:** EVFTA, xuất khẩu của Việt Nam sang Châu Âu, rau quả, cơ hội và thách thức.

## IMPACT OF EVFTA ON EXPORT OF VEGETABLES AND FRUITS FROM VIETNAM TO EU: OPPORTUNITIES AND CHALLENGES

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## Abstract

Being situated on the Indochina peninsula in Southeast Asia, Vietnam possesses both the tropical and temperate zones climate, which offer Vietnam the competitive advantages of the diversification of vegetables and fruit ranges. Vietnam has been a major supplier of fruits and vegetables to many large markets in the last few decades such as China, the U.S,... and the EU is one of those. Remarkably, the export of vegetables and fruit from Vietnam to the EU experienced significant movements ever since the EU-Vietnam Free Trade Agreement (EVFTA) officially came into effect, rendering the EU market to become a potential billion-dollar market for vegetable and fruit of Vietnam. Starting from the mentioned status, this study was conducted to analyse the impact of the EVFTA on Vietnam's vegetables and fruit exports to the EU market, focusing on both the opportunities and challenges. The research utilises methods of synthesis, analysis, comparison, and evaluation to examine the development progress and potential of Vietnam's fresh fruits in the EU market, while also providing recommendations to foster the sustainability and competitive advantages of Vietnam's fruits sector in the international market.

**Keywords:** EVFTA, Vietnam's exports to Europe, vegetables and fruits, opportunities and challenges

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## 1. Introduction

The European Union-Vietnam Free Trade Agreement (EVFTA) has elevated the Vietnam-EU economic relationship and created a strong platform for future economic and investment cooperation. Implemented on August 1, 2020, this agreement aims to fortify economic bonds and enhance trade ties between Vietnam and the European Union. The EVFTA provides a broad range of measures to eliminate tariffs, promote market access, and ensure regulatory coherence. For Vietnam's fruit industry, this accord presents a unique opportunity to expand exports by capitalizing on the EU's expansive market and favourable trade conditions. However, realizing the full potential of the EVFTA requires careful consideration of several challenges. These include the need to meet rigorous EU standards and navigate intensified competition from other fruit-producing regions. This study examines the current landscape of Vietnam's fruit exports to the EU, evaluates the opportunities and hurdles presented by the EVFTA, and proposes strategic approaches for fostering long-term growth within this market sector.

## 2. Overview of EVFTA and its regulations affecting vegetables and fruits exports of Vietnam

### 2.1. Overview of EVFTA

The EVFTA, also known as the EU-Vietnam Free Trade Agreement, represents a significant milestone in international trade relations. This new-generation FTA has been established between Vietnam and the 27 member states of the European Union, marking Vietnam's highest level of commitment in any trade agreement to date. Along with the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the EVFTA encompasses the broadest range of commitments Vietnam has ever undertaken in a trade pact. The agreement's comprehensive nature is reflected in its structure, which comprises 17 Chapters, 2 Protocols, and various understandings (VCCI, 2016).

The EVFTA covers a wide range of economic sectors, including goods, services, investment, intellectual property, and sustainable development. Key features of the EVFTA include significant tariff reductions, improved market access, and streamlined regulations. These measures are expected to stimulate economic growth, create jobs, and improve the livelihoods of people in both areas. By offering substantial opportunities for economic growth and increased market access for both parties, it paves the way for deeper economic integration and cooperation.

## **2.2. EVFTA's regulations about fruit export**

*Firstly*, upon the agreement's entry into force, tariffs on many Vietnamese fruits and vegetables including dragon fruit, lychee, and rambutan, were immediately reduced or eliminated. For other fruits, the agreement provides for a gradual reduction of tariffs, with complete elimination scheduled over a period of 3 to 7 years, depending on the specific product. This gradual reduction enables Vietnamese fruits to enter the European market at more competitive prices, thereby offering significant advantages to the country's agricultural sector.

*Secondly*, the agreement places a strong emphasis on adherence to strict Sanitary and Phytosanitary (SPS) measures. Vietnamese exporters must comply with EU food safety regulations, including maximum residue levels (MRLs) for pesticides, and ensure that their vegetables and fruits are free from pests and diseases of concern to the EU. To facilitate this, the agreement promotes cooperation between Vietnamese and EU authorities in resolving SPS issues, aiming to strike a balance between protecting consumer health and facilitating trade.

*Thirdly*, traceability has become a key focus under the EVFTA regulations. Vietnamese vegetables and fruits exporters are required to implement robust traceability systems that allow products to be traced back to their origin. This involves maintaining detailed records of cultivation, harvesting, and processing practices.

*Fourthly*, the agreement also addresses packaging and labeling, requiring compliance with EU standards. Packaging materials must meet EU regulations for food contact materials, and labels must provide accurate and comprehensive information about the product, including its country of origin. These requirements ensure that Vietnamese fruits are presented to EU consumers in a manner that meets their expectations for information and safety.

*Fifthly*, for producers of organic vegetables and fruits, the EVFTA offers a particular advantage. The agreement recognizes the equivalence of organic production rules and control systems between Vietnam and the EU, significantly simplifying the process of exporting organic fruits. This recognition opens up new opportunities in the growing EU market for organic produce.

*Sixthly*, the protection of Geographical Indications (GIs) is another important aspect. Several Vietnamese fruits with unique regional characteristics (Luc Ngan Lychee, Thanh Ha Lychee, Hoa Loc Mango, Doan Hung Pomelo, Phuc Trach Pomelo) are now protected under the agreement, enhancing their market value and recognition in the EU. This protection not only benefits producers of these specific fruits but also raises the profile of Vietnamese fruits in general.

*Seventhly*, in terms of technical regulations, the EVFTA aims to reduce barriers to trade by promoting the harmonization of standards and mutual recognition of conformity assessment procedures where possible. This can significantly simplify the export process for Vietnamese

fruit producers and exporters, reducing the time and cost associated with meeting EU market requirements.

*Eighthly*, the agreement includes provisions for streamlined customs procedures and enhanced cooperation between Vietnamese and EU customs authorities. These measures are designed to reduce bureaucratic hurdles and expedite the movement of fruit shipments between Vietnam and the EU.

### ***2.3. Commitments of Vietnam's fruit export to EU market***

#### ***2.3.1. Tariff Barrier***

*From the EU Perspective:*

The EVFTA demonstrates a strong commitment to liberalizing trade with Vietnam.

In general, the majority of tariff lines are set to be eliminated either immediately upon the agreement's entry into force or gradually over a seven-year timeframe. Particularly, distinct fruits that benefit from zero tariffs right after the EVFTA enacted are dragon fruit, lychee, mango, passion fruit, rambutan, starfruit, pineapple, papaya, etc. The immediate tariff removal for these fruits makes them highly competitive in the European market from the start, giving Vietnamese exporters a cost advantage. Besides, products that experience a phased tariff elimination over seven years are processed versions of the fruits listed above (canned or frozen fruits).

*From the Vietnamese Perspective:*

Vietnam has committed to eliminating tariffs that cover 65% of the tariff lines in the tariff schedule as soon as the EVFTA takes effect on goods from the EU. This commitment is likely to encourage more balanced trade, thus facilitating Vietnamese fruit exports to the EU.

#### ***2.3.2. Non-tariff Barrier***

From the EU perspective, this typically involves commitments to maintain transparent and science-based sanitary and phytosanitary (SPS) measures. The EU commits to providing clear guidelines on its food safety and plant health requirements, which Vietnamese fruit exporters must meet. Additionally, the EU often commits to technical cooperation and capacity building to help Vietnamese producers meet these standards.

From the Vietnamese perspective, commitments usually involve improving production practices, implementing robust traceability systems, and enhancing quality control measures to meet EU standards. Vietnam typically commits to strengthening its regulatory framework and enforcement mechanisms to ensure compliance with international standards, thereby facilitating smoother access to the EU market for its fruit exports.

#### ***- Technical Barriers to Trade (TBT)***

To address technical barriers, the EVFTA includes stringent packaging and labeling standards for fruit exports to the EU. The EU requires that all fruit products adhere to specific guidelines, ensuring that labels provide accurate information about the product's origin, production methods, and any treatments applied, such as preservatives. For Vietnam, compliance with these standards requires significant upgrades in packaging and labeling practices, including the use of multilingual labels and eco-friendly materials to preserve fruit quality during long shipping periods.

- *Sanitary and Phytosanitary Measures (SPS)*

Both parties commit to providing clear guidelines on SPS requirements for fruit exports. The EU mandates rigorous controls on pesticide residues, contaminants, and pests to protect the health of consumers. There's a mutual commitment to aligning SPS measures with international standards, involving improvements in pest and disease control systems, food safety management, and more stringent regulations regarding the use of pesticides and other chemicals in fruit production.

- *Rules of Origin*

Both parties commit to adhering to the agreed rules of origin, which determine and certify the eligibility of exported fruits. To benefit from reduced or zero tariffs, Vietnamese exporters must prove that their fruits are grown and processed domestically. This involves maintaining records and documentation during the production and export process.

- *Other Non-tariff Measures*

The agreement also includes commitments towards reducing other non-tariff barriers (customs procedures, capacity building, sustainability...) to increase trade volume and ensure that trade activities are sustainable, fair, and beneficial to both parties.

The impact mechanism related to Vietnam's fruit export commitments to the EU market under the EVFTA starts with tariff reductions.

### 2.3.3. *Assessment*

Although both tariff barriers and non-tariff barriers have profound impacts on the current status and prospect of vegetables and fruits export from Vietnam to the EU, the non-tariff barriers affect the field more directly and significantly. To clarify, the tariff barriers effect has been mitigated importantly thanks to the tariff reduction provided by the EVFTA while the non-tariff practices such as *Technical Barriers to Trade (TBT)*, *Sanitary and Phytosanitary Measures (SPS)* and *Maximum Residue Level (MRL)* are still implemented and controlled very toughly by the EU. There have been a variety of practical cases of vegetables and fruits from Vietnam exported to the EU receiving refusal and warning from the EU. According to Dr Ngô Xuân Nam, Deputy Director of the SPS Vietnam Office, in the first six months of 2024, Vietnam vegetables and fruits have recorded an unusual increase in the number of warnings from the EU market, with a total of 57 warnings regarding substances commonly regulated by the EU, an increase of more than 80% compared to the same period in 2023 (which had 31 warnings). Therefore, the Vietnamese government, authorities and fruit exporters should pay serious attention to complying with the non-tariff barriers and adapt suitable practices to improve and expand the scale of fruit and vegetable exporting to the EU.

### 2.4. *Impact mechanism related to commitments of Vietnam's fruit export to the EU market*

*Firstly*, EVFTA is the gradual reduction and eventual elimination of tariffs on many agricultural products, including fruits. According to experts, the EVFTA Agreement helps Vietnamese fruits and vegetables eliminate up to 94% of tax lines when entering the EU, creating a competitive advantage over goods from Thailand and China and enhancing the affordability and attractiveness to European consumers, thereby boosting demand.

In addition to tariffs, Vietnam is also committed to addressing non-tariff barriers. These include aligning with stringent EU regulations related to food safety, as well as sanitary and phytosanitary measures. Compliance with these strict standards determines long-term market access, as the EU has a strong emphasis on the quality and safety of imported goods, especially imported food.

*Secondly*, the EVFTA also facilitates improved market access and diversification for Vietnam. The agreement eliminates quotas and other trade restrictions, providing Vietnamese exporters with greater opportunities to enter the EU market and diversify their export portfolio. This is particularly important in the context of global trade uncertainties, such as disruptions from the U.S.-China trade tensions, giving Vietnam a more stable market in the EU.

*Thirdly*, another critical aspect of the agreement is the emphasis on sustainability and environmental commitments. The EVFTA encourages Vietnamese exporters to adopt more sustainable agricultural practices. With the growing demand in Europe for environmentally friendly products, compliance with these green standards can enhance the long-term competitiveness of Vietnamese fruit exports in the EU market.

*Lastly*, capacity building and technical assistance are significant components of the EVFTA's impact mechanism. Vietnam stands to benefit from various technical assistance programs that focus on improving production processes, logistics, and ensuring compliance with EU regulations. These initiatives help Vietnamese fruit exporters enhance their capabilities, making them better positioned to meet EU requirements and fully capitalize on the opportunities provided by the EVFTA.

### **3. Status of Vietnam's vegetables and fruits export to the EU since the execution of EVFTA**

#### ***3.1. Increase in the export value***

As a tropical weather country located in Southeast Asia, Vietnam has detected its strength in tropical fruits for the last few decades. However, Vietnam used to face a lot of technical barriers and regulations posed by the EU leading to a moderate export value of Vietnamese fruits to the EU although the EU was a significant market for the fruits exporters because of the rising demand for healthy and fresh food products in the period spanning from 2010 to 2019. The official implementation of EVFTA in 2020 offered Vietnam a lot of favourable conditions to foster fruit export to the EU.

The significant categories of fruits exported from Vietnam to the EU include dragon fruit, coconut, durian, longan, lychee, mangosteen, and seedless lime, among others. Moreover, the implementation of EVFTA also allowed new types of fruits and veggies to be exported to the EU such as the case of passion fruit. On September 16, 100 tons of concentrated passion fruit from Gia Lai province were exported to the European market under the EU-Vietnam Free Trade Agreement (EVFTA). Thanks to the EVFTA, this shipment of concentrated passion fruit to the EU will be exempt from most taxes, offering significant advantages for Vietnamese fruit exporters. This is a prime example of how the EVFTA has facilitated greater market access for Vietnamese agricultural products, particularly fruits like passion fruit, by reducing or

eliminating tariffs. However, Vietnam has to confirm to many high-standard regulations related to food safety, transportation and storage issued by the EU.

It is projected that Vietnam's exports of fruits and vegetables to the EU reached approximately 193.7 million USD in 2021, representing a 7.6% increase from the previous year. According to the Ministry of Industry and Trade of the Socialist Republic of Vietnam, during the first eleven months of 2021, Vietnam exported these products to 25 EU member countries, with the Netherlands, France, Germany, Italy, and Belgium being the primary markets. The EU ranked as Vietnam's fourth-largest export market for fruits and vegetables, accounting for 5.3% of the total export value in this sector. While exports to significant markets like the Netherlands, Italy, and Spain declined compared to the same period in 2020, most other markets showed substantial growth. For example, exports to France rose by 35.5% to reach 35.39 million USD; Belgium experienced an increase of 12.1%, totaling 7.55 million USD; and Poland saw a 19.9% growth, amounting to 7.23 million USD. Notably, exports to Finland soared by 1,591.9%, with significant gains also recorded in the Czech Republic (130.6%), Latvia (300.3%), and Ireland (255.2%) (An Binh, 2022). Despite the challenges posed by the global COVID-19 pandemic, the flow of Vietnamese fruit to the EU demonstrated consistent growth compared to 2020, largely due to the tax incentives provided by the EVFTA agreement.

In 2022, under the impact of the EVFTA agreement, Vietnam experienced continuous growth in the export turnover of fruits and veggies exported to the EU. According to data from the European Statistical Office (Eurostat), Vietnam ranked as the 59th largest supplier of fruits and vegetables to the EU during the first 11 months of 2022, with an export volume of 74,000 tons, valued at **215 million USD**. This represents an increase of 7.8% in volume and 35.3% in value compared to the same period in 2021. The estimated export value of Vietnam's fruit and vegetable exports to the EU for the entire year of 2022 was approximately 235 million USD (Hải An , 2023).

In 2023, the export turnover of fruits from Vietnam to the EU within 11 months still saw a small increase compared to the same period of the last year. The EU imported about 35 billion USD of fruits and vegetables from countries outside the bloc in 2023, of which imports from Vietnam were **228 million USD** (Thời báo Tài chính Việt Nam, 2024).

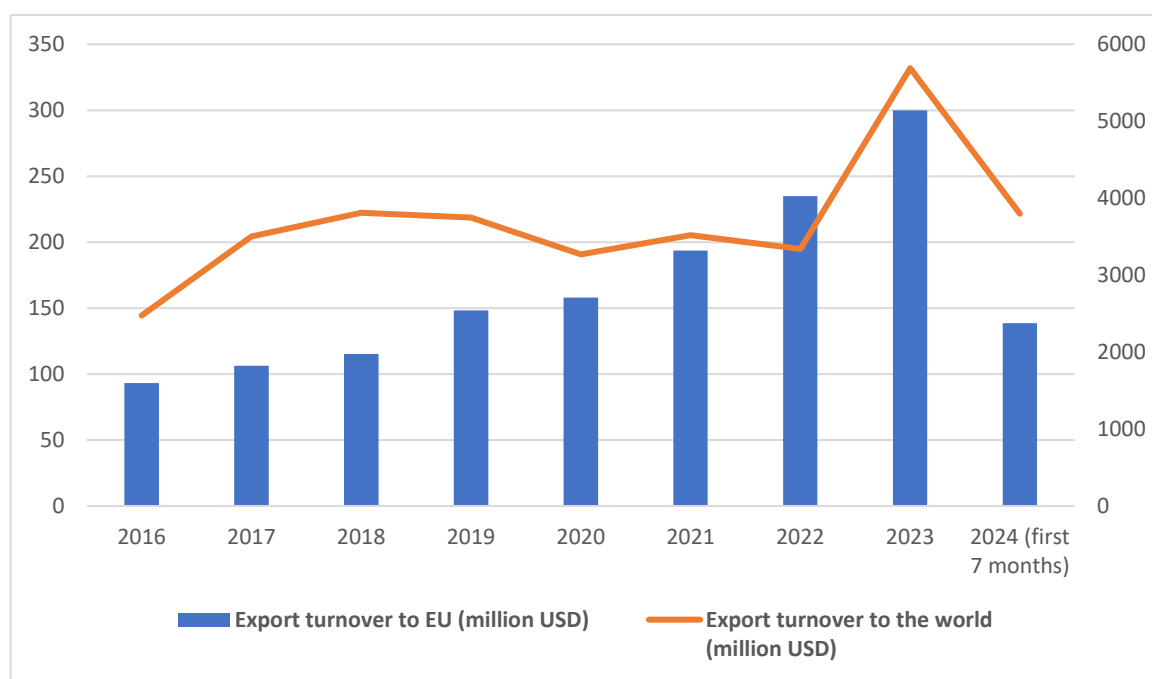
In the first seven months of 2024, Vietnam's fruit and vegetable exports to the EU reached **138.5 million USD**, an increase of 3.2% compared to the same period in 2023. These exports accounted for 3.6% of the country's total fruit and vegetable export turnover.

**Table 1:** Export turnover of Vietnam's vegetable and fruit to the EU and to the world from 2016 to 2024

Year	Export turnover to EU (million USD)	Export turnover to the world (million USD)
2016	93.1	2475
2017	106.4	3502
2018	115.3	3810
2019	148.2	3747

Year	Export turnover to EU (million USD)	Export turnover to the world (million USD)
2020	158.1	3270
2021	193.7	3520
2022	235	3340
2023	299.9	5690
2024 (first 7 months)	138.5	3800

**Source:** Calculation from collected data from credible articles



**Figure 1:** Export turnover of Veggies and Fruits of Vietnam to the EU and global market from 2016 to 2024

**Source:** Calculation from collected data from credible articles

**Table 2.** Export value of some significant types of fruits from Vietnam to the EU from 2016 to 2023 (Unit: thousand USD)

Type of fruits	2016	2017	2018	2019	2020	2021	2022	2023
(0808)Apples, pears and quinces, fresh	7	1	8	3	7	7	34	22
(0802)Other nuts, fresh or dried, whether or not shelled or peeled (excl. coconuts, Brazil nuts and . . .	1290	2846	7838	12996	6820	3817	6322	7310

Type of fruits	2016	2017	2018	2019	2020	2021	2022	2023
(0814)Peel of citrus fruit or melons, incl. watermelons, fresh, frozen, dried or provisionally preserved . . .	45	50	73	38	65	58	141	63
(0807)Melons, incl. watermelons, and papaws "papayas", fresh	72	105	85	115	162	165	37	46
(0806)Grapes, fresh or dried	0	0	0	31	1	3	6	0
Fruit and nuts, provisionally preserved, e.g. by sulphur dioxide gas, in brine, in sulphur . . .	79	107	58	50	188	34	134	141
(0809)Apricots, cherries, peaches incl. nectarines, plums and sloes, fresh	0	0	0	2	2	1	28	1
(0805)Citrus fruit, fresh or dried	9014	14204	18434	15703	13862	20214	20183	21161
(0803)Bananas, incl. plantains, fresh or dried	27	35	63	67	69	116	93	70
(0810)Fresh strawberries, raspberries, blackberries, back, white or red currants, gooseberries and . . .	11495	13259	13770	15435	15142	19417	12062	17940
(0811)Fruit and nuts, uncooked or cooked by steaming	12832	13090	12036	12068	16601	24086	30441	28245

Type of fruits	2016	2017	2018	2019	2020	2021	2022	2023
or boiling in water, frozen, whether or not . . .								
(0804)Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried	292	412	797	973	692	1945	3145	2118
(0813)Dried apricots, prunes, apples, peaches, pears, papaws "papayas", tamarinds and other edible . . .	1,622	2337	2437	849	871	1904	934	1287
Total	36,775	46,446	55,599	58,330	54,482	71,767	73,560	78,404

**Source:** Calculation from Trade Map ITC

**Table 3.** Export value of some significant types of vegetables from Vietnam to the EU from 2016 to 2023 (Unit: thousand USD)

	2016	2017	2018	2019	2020	2021	2022	2023
(0701) Potatoes, fresh or chilled	3	0	1	8	0	0	0	0
(0702) Tomatoes, fresh or dried	1	0	1	2	0	0	0	0
(0704) Cabbages, cauliflowers, kohlrabi, kale and similar edible brassicas, fresh or chilled	3	0	48	88	152	406	122	29
(0706) Carrots, turnips, salad beetroot, salsify, celeriac, radishes and similar edible roots, fresh . . .	47	71	138	4	37	20	109	86

	2016	2017	2018	2019	2020	2021	2022	2023
(0708) Leguminous vegetables, shelled or unshelled, fresh or chilled	287	375	210	271	356	201	298	236
(0711) Vegetables provisionally preserved, e.g. by sulphur dioxide gas, in brine, in sulphur water . . .	4340	3266	2283	3268	3013	1712	1412	1433
(0703) Onions, shallots, garlic, leeks and other alliaceous vegetables, fresh or chilled	23	56	77	52	42	106	53	71
(0705) Lettuce "Lactuca sativa" and chicory "Cichorium spp.", fresh or chilled	78	418	520	605	386	702	1161	1087
(0710) Vegetables, uncooked or cooked by steaming or boiling in water, frozen	5870	6232	5376	5746	6868	7760	8726	6492
(0707) Cucumbers and gherkins, fresh or chilled	8	0	1	0	2	9	7	18
(0713) Dried leguminous vegetables, shelled, whether or not skinned or split	258	307	338	552	546	932	560	445
(0712) Dried vegetables, whole, cut, sliced, broken or in powder, but not further prepared	710	911	605	1152	1350	2105	2542	1339
(0714) Roots and tubers of manioc, arrowroot, salep, Jerusalem artichokes, sweet potatoes and similar . . .	1453	2121	1486	2097	2341	3015	3057	2462
(0709) Other vegetables, fresh or chilled (excl. potatoes, tomatoes, alliaceous vegetables, edible . . .	812	803	801	800	1098	1379	747	922
Total	13,893	14,560	11,885	14,645	16,191	18,347	18,794	14,620

**Source:** Calculation from Trade Map ITC

The industry of vegetables and fruits export had already been estimated as a potential field of exporting before the implementation of the EVFTA as the export turnover had been surging strongly over the years from 2010 to 2019 and although 2019 saw a slowdown because of the COVID-19 pandemic and break in international supply chain Vietnam still recorded a nearly 160 million USD in the export value of vegetables and fruits to EU. However, the data shows that the total value of fruits and vegetables exported to the EU only accounts for a very small percentage (only 3.95%) (PS Thanh, 2024) of the total fruits and vegetables export value of Vietnam to the world and 0,08% of imported fruits and vegetables of the EU from the world (Đỗ Thị Phương, 2018). After the implementation, the export turnover for each year has been higher obviously leading to a relatively higher market share in the EU vegetables and fruits market.

### 3.2. *Tariff reduction*

Since the EU-Vietnam Free Trade Agreement (EVFTA) took effect on August 1, 2020, around 85.6% of tariff lines have been fully eliminated for Vietnamese goods, covering 70.3% of Vietnam's total export value to the EU. This gradual removal of import tariffs has facilitated an annual export growth rate of 20% from Vietnam to the EU. This reduction in tariffs has made Vietnamese fruits more affordable compared to competitors from Thailand and China, further strengthening Vietnam's position in the EU market. For instance, before the EVFTA, tariffs on certain fruits like dragon fruit and passion fruit ranged from 10 to 12%, but after the agreement, these tariffs have fallen to 0%. This has contributed significantly to a 20% annual growth in Vietnam's fruit exports to the EU.

Under the EVFTA, the EU has committed to eliminating tariffs on Vietnamese fruits and vegetables across four key groups:

- *Tariff Reduction*: Upon the agreement's implementation, 94% of tariff lines for fruits and vegetables (514 out of 547) were eliminated, benefiting Vietnam's exports substantially (Center for WTO and International Trade, n.d.).
- *Partial Tariff Removal*: For some products, ad valorem tariffs were removed right after the execution of EVFTA, while absolute tariffs (fixed by weight) remain active for certain fruits such as oranges, lemons, grapes, apricots, and peaches, covering around 4% of the tariff lines (Center for WTO and International Trade, n.d.).
- *Fresh banana tariff reduction*: Starting in 2025, the EVFTA will implement a gradual tariff reduction for fresh bananas (HS code 08039010, excluding plantain bananas) from Vietnam. The tariff will decrease to 75 EUR per ton (R75) (Center for WTO and International Trade, n.d.).
- *Under the EVFTA, tariff-rate quotas (TRQs) have been applied to three types of fruits and vegetables including **garlic**, **sweet corn** and **mushroom**.* Within these quotas, a 0% tariff rate is applied. This means that a limited volume of certain products can be exported to the EU at zero tariff, boosting the competitiveness of Vietnam's fruit and vegetable exports in the European market. The quota limits ensure that only a specified amount can benefit from this reduced tariff, while amounts exceeding the quota would face standard tariffs. These measures aim to promote trade growth while managing competition fairly (Center for WTO and International Trade, n.d.).

### 3.3. Fruits exported diversification

With the execution of EVFTA, Vietnam has diversified and expanded its range of fruit exports to the EU, including dragon fruit, passion fruit, durian, lychee, longan, coconut, and mangosteen. In particular, durian has seen a rise in popularity, as EU consumers develop a taste for exotic fruits.

In 2021, there were notable increases in exports to smaller EU countries. For example, Finland saw a 1,591.9% increase, and Latvia recorded a 300.3% rise in Vietnamese fruit imports, showing Vietnam's expanding footprint across the EU.

### 3.4. Main export destinations

#### 3.4.1. Key Markets in the EU

The main destinations for Vietnamese fruits are the Netherlands, Germany, France, and Belgium, which serve as both consumption and distribution hubs. In 2023, exports to the Netherlands alone reached \$45.5 million, up 72.3% compared to the previous year, while exports to Germany grew by 15.8%, reaching \$31.3 million.

**Table 4.** Vegetable and fruit export turnover from Vietnam to some significant EU markets from 2016 to 2024 (Unit: thousand USD)

Country	2016	2017	2018	2019	2020	2021	2022	2023
Spain	1764	1644	990	1484	1899	1508	2773	2843
Poland	1538	2690	3581	3621	4274	6112	7834	8589
Netherlands	16124	21565	24744	29837	24174	32471	25866	45544
Belgium	5244	5391	4866	5043	5568	7620	9775	8210
France	1949	2762	2004	2411	3601	4155	4111	2703
Germany	11845	14945	19511	16919	19603	24439	27225	31348

**Source:** Calculation from Trade Map ITC

#### 3.4.2. Netherlands as a Gateway

The Netherlands is a key logistics hub in Europe and serves as a central point for redistributing fruits across the continent, amplifying Vietnam's reach within the EU market. To grasp the opportunity to boost the vegetables and fruits export of Vietnam, on September 29, 2020, the Trade Promotion Agency, together with the European-American Market Department (Ministry of Industry and Trade), the Trade Office of the Vietnamese Embassy in the Netherlands, and the Vietnam Fruit and Vegetable Association (Vinafruit), held an online trade conference focused on Vietnamese fruits and vegetables in the Netherlands. The event saw participation from 22 exporting companies of Vietnamese fruits and vegetables, 10 major Dutch importers, and 12 other agencies and businesses from the Netherlands that showed interest in the fruit and vegetable trade (Bộ Công thương Việt Nam, 2020).

## **4. Some assessment of Vietnam's fruit export since the execution of the EVFTA (EU-Vietnam Free Trade Agreement)**

### ***4.1. Overall assessment***

From the overall perspective, the EVFTA has brought Vietnam's fruits and vegetables export to the EU a great number of positive effects with key tariff eliminations on many fruit categories, which has made Vietnamese products more competitive in comparison with other important exporters like Thailand and China. Specifically, since the EVFTA took effect on August 1, 2020, the export value of fruits and vegetables to the EU has significantly risen compared to the last decade. In 2021, exports were estimated at **193.7** million USD, up 7.6% from 2020. By 2022, this value had reached an estimated 235 million USD, reflecting the growing demand for Vietnamese fruits in Europe. The following two years namely 2023 and 2024 continue to undergo stable growth of export turnover of fruits and vegetables to the EU. High-demand products like dragon fruit, mango, and durian have gained the most advantages, entering new EU markets and gaining traction. However, Vietnam still faces fixed obstacles, including stringent EU quality and safety standards, which require continuous improvements in production, packaging and storage processes. Additionally, the disruptions from the COVID-19 pandemic and logistical hurdles have impacted some exports. Despite these challenges, the EVFTA has opened new doors for Vietnam's fruit industry, presenting a promising outlook for further expansion in the EU market.

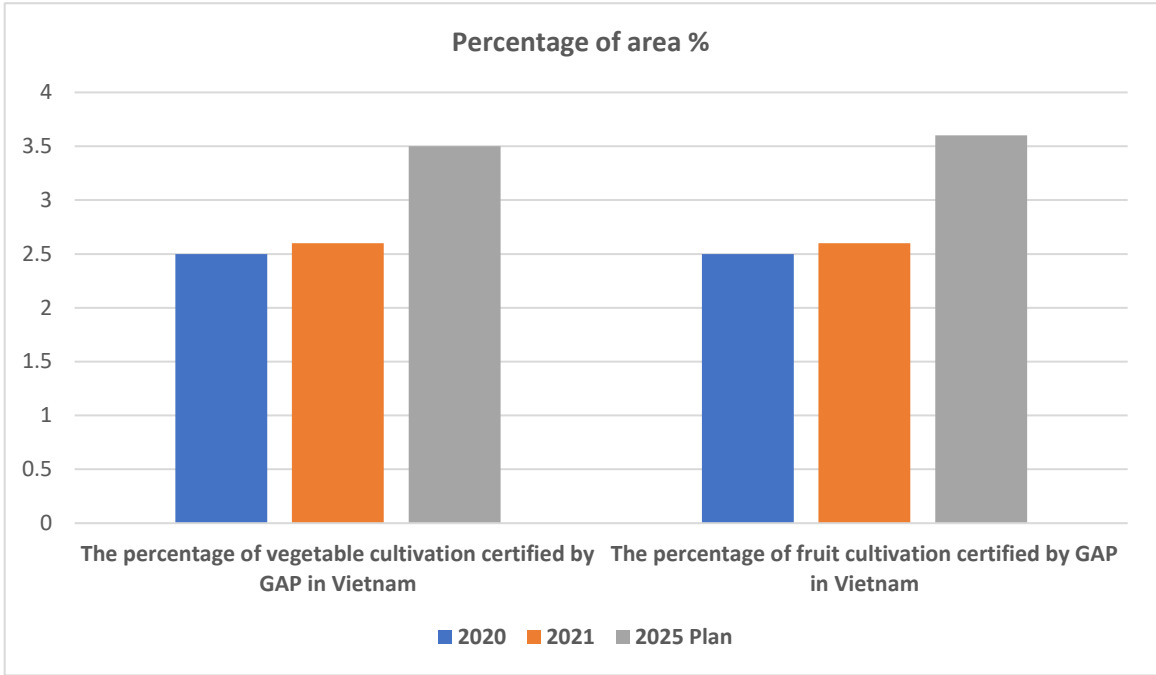
### ***4.2. Strengths***

One of the most significant benefits that Vietnam's fruit export sector has gained from the EVFTA is the elimination of tariffs. Upon the agreement's execution on August 1, 2020, around 94% of tariff lines on Vietnamese fruits were removed immediately. This includes key products such as dragon fruit, passion fruit, mango, and lychee. According to data, this has enabled Vietnamese fruit exporters to have a clear price advantage over competitors like Thailand and China, both of which do not enjoy similar tariff reductions under their trade deals with the EU. Specifically, Vietnam's fruit exports to the EU reached \$193.7 million in 2021, a 7.6% increase compared to 2020. By 2022, this figure had grown to approximately \$235 million, reflecting a 20% increase year-on-year. The reduction of tariffs makes Vietnamese fruits more affordable and competitive in the EU, boosting demand from European importers and consumers.

Vietnam's agriculture sector benefits from a diverse range of climates, enabling the country to cultivate a wide variety of tropical fruits that are demanded highly in Europe. Focal products include dragon fruit, lychee, mango, durian, passion fruit, rambutan, and mangosteen. These fruits are relatively exotic to European consumers, contributing to a unique selling point that appeals to consumers in a competitive marketplace. For example, dragon fruit exports alone account for a significant portion of Vietnam's fruit export turnover, with the EU being one of the key destinations. In 2021, dragon fruit and mango were among the top-performing fruit exports, with export turnover to the EU rising significantly.

Vietnamese vegetable and fruit exports have seen outstanding growth in several major European markets since the EVFTA came into effect. For instance, in the first 11 months of 2021, fruit exports to the Netherlands reached \$147.1 million, representing a 25.7% increase from the previous year. Germany also showed strong demand, with exports increasing by 45.6% to \$36.2 million during the same period. France, Belgium, and Italy are also key destinations

for Vietnamese fruits, with France seeing a 35.5% growth rate, reaching \$35.39 million in fruit imports from Vietnam in 2021. These EU countries serve as distribution hubs, enabling Vietnamese fruits to reach more extensive markets within Europe.



**Figure 2:** Percentage of fruit and vegetable certified by VietGAP

**Source:** Department of Crop production

A critical strength of Vietnam’s fruit export sector is its continuous improvement in quality control, which has enabled it to meet the stringent sanitary and phytosanitary standards set by the EU. Vietnam has invested significantly in upgrading farming practices, post-harvest technology, and packaging standards to ensure that its fruits meet the EU’s strict requirements on food safety, quality, and sustainability. For instance, Vietnam has implemented GlobalGAP and organic certification programs to improve compliance and the scale of practice has been increasing notably over the years.

Vietnam’s diverse geographical conditions and favourable climate allow for the cultivation of a broad range of fruits year-round. This consistent and varied supply is a strength that positions Vietnam as a reliable exporter, able to meet the demands of European importers in all seasons. Additionally, many of these fruits, such as mangoes, lychees, and passion fruits, are not widely grown in Europe, further enhancing Vietnam’s competitive advantage in the market.

European consumers are increasingly approaching the consumption of healthy, organic, and exotic fruits, a trend that has been amplified by the growing awareness of health and wellness, particularly following the COVID-19 pandemic. Vietnam is well-positioned to cater to this demand, as its tropical fruits are not only distinctive but are also often marketed as healthy and nutritious. For example, the demand for dragon fruit and passion fruit has grown substantially in Europe due to their health benefits, such as rich vitamin C proportion and antioxidant factors. The growing demand for sustainably sourced and organic produce also plays to Vietnam’s strengths, particularly as more Vietnamese fruit farms are adopting organic farming methods to meet European standards.

Vietnam's government has been instrumental in supporting the fruit export sector through policies and initiatives aimed at boosting trade and improving market access. Since the implementation of the EVFTA, Vietnam has progressed its participation in international trade fairs and promotional events in the EU to showcase its agricultural products. The government has also supported exporters in navigating EU regulations, offering training on compliance with EU sanitary and phytosanitary measures. This proactive government support has played a key role in boosting Vietnam's fruit exports to the EU, with the Ministry of Industry and Trade regularly conducting market studies to identify potential new export opportunities.

### **4.3. Weaknesses**

#### **4.3.1. *Strict Quality and Sanitary Standards***

One of the core weaknesses of Vietnam's fruit export industry is satisfying the stringent quality and sanitary standards required by the EU. European regulations on pesticide residues, standard packaging, food safety, and traceability are among the strictest globally. Many small-scale Vietnamese fruit farms face challenges in complying with these strict standards, leading to instances where fruit shipments have been rejected which leads to substantial losses for Vietnamese farmers. For example, the EU's refusal of several shipments of Vietnamese fruits in recent years due to non-compliance with sanitary standards highlights this ongoing issue and the number of refusal cases of fruits and veggies exported to different markets has been rising notably compared to 2012.

Vietnam's fruit export industry also suffers from inconsistent supply chains and inadequate post-harvest technology. These weaknesses affect the quality and freshness of fruits exported to the EU, where consumers demand high-quality, fresh produce. Poor infrastructure, such as inadequate cold storage and inefficient logistics, leads to spoilage and loss during transportation. This affects the competitiveness of Vietnamese fruits in the EU market, where rival exporters like Thailand and South Africa have more developed infrastructure and higher consistency in their fruit supply.

#### **4.3.2. *Limited Branding and Market Penetration***

Another weakness is Vietnam's underdeveloped brand recognition in the European market. Unlike products from countries like Thailand or South America, Vietnamese fruits lack a strong presence and distinct branding in the EU. This makes it harder for Vietnamese fruits to stand out on supermarket shelves. The lack of investment in marketing strategies and brand development hampers the ability of Vietnam to capture a larger market share in the EU. For example, while fruits like mangoes and passion fruit are recognized globally, Vietnamese variants often go unnoticed due to weak marketing efforts.

#### **4.3.3. *High Export Costs***

The cost of exporting fruits to the EU remains high for Vietnam due to various factors, including logistics, compliance with EU regulations, and the need for better packaging and cold storage facilities. These added costs make Vietnamese fruits less competitive compared to those from other countries that enjoy lower production and transportation costs.

#### *4.3.4. Limited Value-Added Products*

Vietnam's fruit and vegetable export industry is primarily focused on exporting fresh fruits and vegetables rather than processed or value-added products. This limits the potential to capture higher profit margins, as processed fruits such as dried, canned, or juiced fruits tend to fetch higher prices in the EU market.

#### *4.3.5. Lack of information*

One of the major challenges faced by Vietnamese fruit and vegetable export businesses is the lack of comprehensive information regarding market demand in foreign markets. Many companies struggle to stay updated on changing consumer preferences, quality standards, and market trends in the importing countries. This gap in market intelligence makes it difficult for businesses to tailor their products to meet specific demands. Additionally, many Vietnamese exporters face significant hurdles when trying to access distribution channels in foreign markets. Limited access to large-scale distributors, retailers, and supermarket chains in importing countries hampers their ability to penetrate these markets effectively.

### **4.4. Opportunities**

#### *4.4.1. Tariff reduction*

Vegetables and fruits are one of the product groups that the EU/Germany still maintains relatively high MFN and GSP tariffs. The average MFN and GSP tariff rates applied by the EU to Vietnam's vegetables and fruits are 13.17% and 9.33%, respectively. In the EVFTA, the EU had a relatively high level of commitment to eliminate tariffs on fruit and vegetable products from Vietnam (Center for WTO and International Trade, n.d.), specifically:

- Eliminate tariffs on 514/547 fruit and vegetable tariff lines (equivalent to 94%) at entry into force;
- Eliminate ad valorem tariff at entry into force, but still keep the absolute tariff for 24/547 tariff lines (equivalent to 4%);
- Reduce tariff gradually to 75 EUR/ton from 2025 onwards (for Bananas, excluding leaf bananas, fresh (HS code 08039010);
- Apply tariff quotas on 03 products (8/547 tariff lines) including garlic, sweet corn, mushrooms, with the tariff rate in the quota of 0%.

#### *4.4.2. Protection of Geographical indicators*

Of the 39 geographical indications of Vietnam that are automatically protected under the EVFTA, 20 are of fruits and nuts, including: Doan Hung – Pomelo; Binh Thuan - Dragon fruit; Thanh Ha – Lychee; Vinh – Orange; Luc Ngan – Lychee; Hoa Loc – Mango; Dai Hoang – Banana; Bac Kan - Seedless persimmon; Phuc Trach – Pomelo; Trung Khanh – Chestnut; Ba Den - Custard apple; Ninh Thuan – Grapes; Tan Trieu – Pomelo; Bao Lam - Seedless persimmon; Bac Kan – Mandarin; Yen Chau – Mango; Binh Minh – Pomelo; Luan Van – Pomelo; Vinh Kim - Star apple; Cao Phong – Orange

Vietnamese fruit and vegetable products protected by geographical indications will give the fruit and vegetable exporters to increase their value and brand recognition when

approaching the German market and other potential EU markets (Center for WTO and International Trade, n.d.).

#### *4.4.3. Market Expansion*

The European Union–Vietnam Free Trade Agreement (EVFTA) has significantly expanded access to the EU market, comprising 27 member states. Notably, countries such as Germany, the Netherlands, France, and Belgium have emerged as key destinations for Vietnamese fruits. With the elimination of tariffs on 94% of fruit and vegetable imports, Vietnam has gained a competitive edge over countries without similar trade agreements, such as Thailand and China. This preferential treatment allows Vietnamese exporters to offer more attractive prices and improve their market share in the EU, positioning Vietnam as a reliable source of high-quality tropical fruits.

#### *4.4.4. Product Diversification*

The EVFTA has specifically provided benefits for certain kinds of Vietnamese fruit, including dragon fruit, passion fruit, durian, and coconuts, thanks to the favourable tariff elimination. This has fostered the entry of these fruits into various niche markets within the EU, where consumer demand for exotic and nutritional foods is moving upwards. As a result, Vietnam has the opportunity to diversify its fruit exports by exploiting additional products such as longan, lychee, and even lesser-known varieties like mangosteen. This diversification not only enhances the product portfolio of Vietnamese exporters but also mitigates risks associated with over-reliance on a limited range of commodities. By tapping into the growing preferences for unique and nutritious fruits, Vietnam can significantly bolster its export potential in the competitive EU market.

### **4.5. Challenges**

#### *4.5.1. Intense Competition*

Despite the advantages offered by the EVFTA, Vietnam faces significant competition from established fruit-exporting countries. As per the Vietnam Fruit and Vegetable Association, Vietnam holds approximately 4.1% of the EU fruit and vegetable market, while Spain and Italy dominate with a much larger share. In 2022, Vietnam's fruit exports to the EU reached around 227.6 million USD, in stark contrast to Spain's 1.9 billion USD, highlighting the competitive challenges that need to be addressed.

#### *4.5.2. Stringent Quality Standards*

Compliance with EU quality and safety standards presents another major challenge. Reports from the Ministry of Agriculture and Rural Development indicate that only about 30% of Vietnamese fruits meet these strict standards. Furthermore, in 2021, Vietnam experienced a 15% rejection rate for fruit exports due to non-compliance, which negatively impacts market penetration and growth.

#### *4.5.3. Logistical Constraints*

Logistical issues also hinder the export process. According to the World Bank, Vietnam ranks 64th in the Logistics Performance Index, which reveals significant inefficiencies in the transport of perishable goods like fruits. Additionally, around 80% of fruits exported from

Vietnam lack adequate cold chain storage, leading to spoilage rates of up to 20% during transit, which adversely affects overall profitability.

#### *4.5.4. Limited Brand Recognition*

Brand recognition for Vietnamese fruits in the EU market is another barrier. Surveys show that less than 20% of EU consumers are aware of Vietnamese fruit brands, making it challenging for exporters to establish a steady market presence. In comparison, established brands from countries like Spain and Italy possess strong consumer loyalty, which poses additional challenges for Vietnamese producers.

#### *4.5.5. Adapting to Consumer Trends*

The rising demand for organic products in the EU represents both an opportunity and a challenge. The EU organic market is anticipated to grow at a rate of 7.5% annually, yet only 1.5% of Vietnam's fruit exports are currently granted organic. This indicates a significant gap that Vietnamese producers need to overcome to capitalize on this growing trend. Additionally, a survey conducted by the European Consumer Organization revealed that 72% of EU consumers are willing to pay more for sustainably sourced fruits and vegetables, further emphasizing the need for Vietnamese exporters to amend and develop their practices to adapt to the requirements.

#### *4.5.6. Economic Fluctuations and External Factors*

External economic factors also impact the fruit export sector. Shipping costs for perishable goods have surged by over 300% during the pandemic, greatly affecting profitability for exporters. Additionally, fluctuations in the Vietnamese Dong against the Euro—around 5% depreciation over the last year—impact pricing strategies and profit margins, posing further challenges for the industry.

### **5. Recommendations**

The Vietnam-EU Free Trade Agreement (VFTA) has opened up significant opportunities for Vietnam's vegetables and fruits industry to penetrate the European market. However, to fully take advantage of this potential, businesses and the government must adopt a strategic and coordinated approach to meet the strict quality and safety requirements of the EU, while sustainably addressing both opportunities and challenges.

#### ***5.1. Recommendation for the exporter***

##### *5.1.1. Researching and understanding EU market demands*

Enterprises must focus on understanding the specific needs of the EU market by researching its culture, consumer trends, and preferences. This includes identifying key consumer demands and adapting their products accordingly, rather than relying on existing offerings. By tailoring their production to meet the unique requirements of the EU, Vietnamese fruit exporters can better position themselves to succeed in this competitive market. In addition to understanding market needs, exporters should be well-informed about the legal and regulatory landscape, particularly in areas such as product safety, quality standards, and environmental responsibility. A deep insight into these factors will help businesses navigate

potential trade barriers, avoid disputes, and capitalize on the benefits of tariff reductions under the EVFTA.

The role of industry associations, such as the Vietnam Fruit & Vegetables Association, is vital in keeping farmers and exporters informed of compliance requirements and regulatory changes in the EU. These associations should provide guidance to help farmers adapt their cultivation methods to meet evolving market standards. Additionally, organizing training sessions and workshops will equip farmers and exporters with the necessary knowledge to stay competitive in the EU market.

#### *5.1.2. Diversifying product offerings for European consumers*

Vietnamese farmers should expand their cultivation to include a broader range of fruits and vegetables that appeal to the diverse preferences of EU consumers. Targeting high-demand tropical fruits such as mangoes, dragon fruit, lychee, and passion fruit, as well as exotic and organic varieties, will allow Vietnamese producers to capture niche market segments in Europe. Nowadays, many Vietnamese fruits are currently exported in raw form, resulting in lower export values and limiting their contribution to economic growth. To capitalize on the benefits provided by the EVFTA, Vietnam's fruit and vegetables producers and exporters should intensify efforts to promote their brands, particularly for value-added and deeply processed products. Developing value-added products such as dried fruits, fruit juices, and fruit-based snacks can boost profitability and differentiate Vietnamese products in a highly competitive marketplace, further increasing their export value and global recognition.

With growing consumer demand in Europe for sustainably produced and organic goods, Vietnamese fruit and vegetables exporters have a significant opportunity to capitalize on these trends. Enterprises should pursue certifications like Global G.A.P. and organic labelling, which not only add value to their products but also cater to environmentally and socially conscious consumers. By adhering to the EU's strict environmental and social responsibility standards, Vietnamese fruit exporters can enhance their competitiveness and strengthen their reputation in the European market.

#### *5.1.3. Ensuring vegetable and fruit quality during cultivation*

Another key solution leading to a larger turnover of vegetables and fruit exported to the EU for Vietnamese farmers is upgrading the cultivating process to ensure the quality of vegetables and fruit. To achieve this, export businesses should actively obtain more updated knowledge about plant cultivation by attending more specialized conferences held by agriculture associations or experts, keeping updated news and policies launched by the governments, reading more and consulting other exporters who have already succeeded in the field.

Practically, to ensure the conformity to EU standards during the cultivation process, farmers must adopt sustainable practices that enhance both product quality and environmental protection. Key measures include following Good Agricultural Practices (GAP), which pay attention to soil health, crop rotation, and safe pesticide use. Integrated Pest Management (IPM) is crucial to reduce chemical reliance, and only EU-approved pesticides should be used, ensuring that Maximum Residue Levels (MRLs) are not exceeded. Thorough nutrient management, aligned with the EU Nitrates Directive, ensures balanced fertilizer use to prevent soil and water contamination. Farmers should also implement efficient irrigation techniques,

such as drip irrigation, in line with the Water Framework Directive, to conserve water and avoid over-extraction. For those pursuing organic farming, adhering to the EU Organic Regulation is essential, which prohibits synthetic chemicals and GMOs. Additionally, robust traceability systems must be put in practice to comply with the General Food Law, ensuring that products origin can be clearly traced back. Finally, participating in EU eco-schemes and adopting precision farming technologies such as GPS, temperature and moisture sensors,... that further support sustainable, high-quality cultivation.

#### *5.1.4. Ensuring vegetable and fruit quality during export*

The preservation of fruit quality throughout the export process is crucial for maintaining the competitiveness of Vietnamese fruits in the EU market. Investments in cold chain logistics, including advanced refrigeration technology, improved packaging by reducing plastic packaging and using suitable labels, and upgraded transport networks, are essential to ensure that fruits retain their freshness during long-distance shipping.

In addition to logistics improvements, strict quality control systems should be in place to monitor standards at every stage—from farm to export. For instance, processing and packaging facilities should be carried out within greenhouse areas to minimize the movement of products over long distances and to limit the risk of pest re-infestation. This approach not only helps maintain product quality by reducing exposure to external contaminants but also enhances efficiency in handling and distribution (Sở Nông nghiệp và Phát triển nông thôn tỉnh Tây Ninh, 2017). This will minimize waste, reduce spoilage, and guarantee that fruits reach their destination in top condition, meeting the high expectations of European consumers.

#### *5.1.5. Marketing and branding for Vietnamese fruit exporters*

To compete effectively in the EU market, Vietnamese fruit exporters must prioritize marketing and brand building. Establishing a strong brand identity that emphasizes the unique qualities of Vietnamese fruits—such as their exotic flavors, freshness, and sustainable practices—will help products stand out in the competitive European market. Highlighting these aspects can attract European consumers who value high-quality, ethically sourced goods.

Beyond meeting quality standards, enterprises need to adopt strategic communication and marketing plans that showcase these unique qualities. The government can support this by implementing policies that help businesses build and promote their brands both domestically and internationally, while also encouraging participation in global value chains.

Participating in European trade fairs and industry events is another key strategy for Vietnamese exporters, allowing them to present their products, network with distributors, and strengthen relationships with retailers. These efforts, combined with partnerships in the EU market, will enhance brand recognition and expand the reach of Vietnamese

#### *5.1.6. Diversifying product offerings for European consumers*

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#### *5.1.7. Navigating Rules of Origin and Ingredient Transparency*

Exporters must stay updated on evolving regulations related to origin labeling and provide accurate documentation to verify their product sources. Transparency about ingredient sourcing builds consumer trust and aligns with the growing demand for ethically produced goods. A flexible approach to compliance is essential, allowing businesses to adapt to changing regulations and consumer preferences. Engaging with industry associations can provide valuable insights, helping exporters effectively position their products. By prioritizing compliance and transparency, Vietnamese fruit exporters can enhance marketability and strengthen their reputation in Europe.

### **5.2. Recommendation for the government**

#### *5.2.1. Boosting Vietnam's fruit and vegetables exports to the EU*

The EVFTA offers a prime opportunity for Vietnam to expand its fruit exports and establish a stronger presence in the EU market. To maximize these opportunities, the Vietnamese government must prioritize investments in modernizing the fruit and vegetable production sector. This includes offering incentives for the adoption of advanced agricultural technologies, sustainable farming practices, and eco-friendly packaging solutions that align with the EU's environmental standards. Supportive policies should also focus on improving market access by negotiating trade facilitation measures and reducing logistical barriers, such as streamlining customs procedures. In addition to government action, creating a favourable environment for Vietnamese enterprises to integrate into EU supply chains is essential. To achieve this, the government can establish programs that provide financial support and technical assistance to small and medium-sized enterprises (SMEs), enabling them to meet EU regulations and quality standards. This will encourage greater participation in global value chains and foster collaboration between regions, helping local producers reduce costs by cutting out unnecessary production intermediaries and optimizing the supply chain. Moreover, the government and authorities should put more effort into negotiating with exporting partners to gradually remove barriers to specific Vietnamese products.

#### *5.2.2. Tighten the relationship between stakeholders*

To enhance fruit and vegetable production, it is important to establish tighter partnerships between farmers, cooperatives, and export companies. By fostering partnerships between

stakeholders, cooperatives and enterprises can provide farmers with technical know-how, facilitate access to capital, and offer solutions for using modern agricultural equipment. This collaborative approach will enhance productivity, improve the quality of Vietnamese fruit and vegetables, and make the sector more competitive in the EU market.

### *5.2.3. Researching and understanding EU market demand*

To support the export of Vietnamese vegetable and fruit products to the EU under the VFTA, the government must prioritize efforts to anticipate and address potential obstacles in the EU market. This includes conducting thorough market analysis and making timely forecasts to ensure businesses can quickly adapt to changes in consumer demand and market regulations. Developing targeted mechanisms and policies is crucial for supporting enterprises in building and protecting their brands, both domestically and internationally, as they seek to establish a foothold in the EU market. In addition, the government needs to implement policies that encourage Vietnamese fruit exporters to participate in global value chains, which will significantly strengthen the reputation and competitiveness of Vietnamese fruit in the demanding EU market. In addition, the government should focus on propaganda, supporting businesses to get access to timely information, maximizing incentives from EVFTAs and requirements of EU market; supporting exporters to effectively respond to defence lawsuits and trade disputes (if arising).

### *5.2.4. Investment in soft infrastructure*

The government should also spend capital in developing cultivating technology to keep it as updated as possible, increase the investment in education and training as well as the scholarship fund to enhance the qualification and skills of labour force in the field of agriculture. In addition, the government should focus more on research and development (R&D) process to make sure the vegetables and fruits range are diverse and of high quality.

## **6. Conclusion**

The implementation of the European Union–Vietnam Free Trade Agreement (EVFTA) has indeed provided Vietnam’s fruit industry with remarkable opportunities to expand in the EU market. The elimination of tariffs has significantly boosted market access for Vietnamese fruit exporters, allowing them to compete more effectively with major global suppliers. Despite these favorable conditions, the industry still faces considerable challenges that could hinder its full potential. Established fruit-exporting countries such as Spain, Italy, and South Africa continue to dominate the European market with their high-quality products and superior logistical infrastructure. In addition, Vietnam's fruit producers must address stringent EU regulations on food safety, pesticide residues, and sustainability standards. Meeting these complex requirements has proven difficult for many small- and medium-sized farmers who lack access to the latest agricultural technologies and resources. Moreover, logistical issues, such as inadequate cold storage facilities, insufficient packaging, and limited transportation networks, pose another significant barrier to ensuring the freshness and quality of fruit exports. To overcome these challenges, there is a growing need for targeted government intervention. The Vietnamese government must continue investing in agricultural infrastructure, offering financial support to farmers, and providing training on sustainable farming practices that align

with EU regulations. Strengthening partnerships between exporters, cooperatives, and farmers will also be crucial in creating more efficient supply chains and ensuring compliance with European standards. Vietnamese exporters and farmers themselves must focus on enhancing product quality through technological innovations such as precision farming and organic cultivation, which are increasingly demanded by European consumers. By addressing these challenges and making strategic adjustments, Vietnam's fruit industry can maximize the benefits offered by the EVFTA, ensuring not only short-term growth but also long-term sustainability and competitiveness in the European market.

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