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**XUẤT KHẨU HẠT ĐIỀU VIỆT NAM SANG THỊ TRƯỜNG CANADA DƯỚI
BỐI CẢNH HIỆP ĐỊNH CPTPP: THÁCH THỨC VÀ CƠ HỘI**

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Tóm tắt

Trước khi có CPTPP, các nhà xuất khẩu hạt điều Việt Nam đối mặt với nhiều rào cản, bao gồm thuế suất cao và hạn chế trong các ưu đãi thương mại, gây khó khăn cho khả năng cạnh tranh. Cạnh tranh gay gắt từ các quốc gia sản xuất hạt điều khác cũng làm tăng thêm thách thức. Tuy nhiên, CPTPP đã mang đến các ưu đãi giảm thuế, cải thiện quyền tiếp cận thị trường và tăng cường các cơ chế tạo thuận lợi thương mại, mang lại lợi thế cạnh tranh cho các nhà xuất khẩu Việt Nam. Nghiên cứu này đánh giá tác động của các thay đổi này đối với vị thế của Việt Nam như một nhà cung cấp hạt điều chủ lực cho Canada, làm nổi bật việc gia tăng khối lượng thương mại, cải thiện logistics chuỗi cung ứng và đáp ứng các tiêu chuẩn quốc tế cao hơn. Ngoài ra, bài viết còn khám phá sự thay đổi trong bối cảnh cạnh tranh và xác định các cơ hội tăng trưởng mới cho các nhà xuất khẩu Việt Nam ngoài lĩnh vực hạt điều. Thông qua đánh giá môi trường thương mại trước và sau CPTPP, bài viết cung cấp những gợi ý chiến lược nhằm tối đa hóa lợi ích từ các hiệp định thương mại quốc tế.

Từ khóa: hạt điều, CPTPP, Việt Nam, Canada, hiệp định thương mại.

**EXPORTING VIETNAMESE CASHEW NUTS TO THE CANADIAN MARKET
UNDER THE CONTEXT OF THE CPTPP AGREEMENT:
CHALLENGES AND OPPORTUNITIES**

Abstract

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Prior to the CPTPP, Vietnamese cashew exporters faced significant barriers, including high tariffs and limited trade preferences, which hindered their competitiveness. Intense competition from other cashew-producing countries exacerbated these challenges. However, the CPTPP introduced preferential tariff reductions, improved market access, and enhanced trade facilitation mechanisms, providing Vietnamese exporters with a competitive edge. This study evaluates how these changes have influenced Vietnam's position as a major cashew supplier to Canada, highlighting the expanded trade volume, improved supply chain logistics, and adherence to higher international standards. Additionally, it explores the evolving competitive landscape and identifies new growth opportunities for Vietnamese exporters beyond cashew nuts. By assessing the pre- and post-CPTPP trade environment, this paper offers insights into the strategic adjustments necessary for maximizing the benefits of international trade agreements.

Keywords: cashew nuts, CPTPP, Vietnam, Canada, trade agreement

1. Introduction

The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) is one of the most ambitious trade agreements, connecting 11 member economies across the Asia-Pacific region. For Vietnam, the CPTPP plays a key role in advancing trade liberalization, particularly in the agricultural sector, where cashew nuts are a vital export.

This research focuses on the Canadian market due to its growing demand for high-quality, plant-based foods and the opportunities created by the CPTPP's tariff elimination provisions. While Vietnam exports to multiple CPTPP countries, Canada's emphasis on sustainable and health-focused products aligns well with Vietnam's strengths in cashew production. However, challenges such as strict quality standards and competition from other suppliers highlight the need for effective strategies.

The paper aims to: (i) identify opportunities and challenges in exporting Vietnamese cashew nuts to Canada under the CPTPP; and (ii) propose solutions to enhance exports and overcome barriers. This study provides insights into maximizing Vietnam's agricultural trade potential in the context of the CPTPP.

1.1. Overview of the CPTPP Agreement

Vietnam and Canada's participation in the CPTPP has provided substantial opportunities to strengthen bilateral trade, particularly for Vietnamese agricultural exports. Upon its implementation in 2019, Vietnam eliminated tariffs on 65.8% of its goods, increasing this figure to 86.5% four years later, and 97.8% by the 11th year. Canada, on the other hand, immediately removed tariffs on 94.5% of Vietnamese exports, covering 77.9% of Vietnam's export turnover.

1.2. CPTPP Commitments between Vietnam and Canada

Although Vietnam and Canada do not have a bilateral free trade agreement, their participation in the CPTPP has significantly strengthened their trade relations. The agreement, which took effect for Canada in December 2018 and for Vietnam in January 2019,

outlines key commitments that have enhanced trade exchanges between the two nations, particularly regarding tariff reductions and trade facilitation.

1.2.1 Tariff Commitments

Import Tariffs: For Vietnam, when the CPTPP came into effect on January 14, 2019, the country eliminated tariffs on 65.8% of total tariff lines, with these lines benefiting from a 0% tariff rate. Four years later, this figure rose to 86.5% of tariff lines. By the 11th year, 97.8% of total tariff lines will have a 0% tariff rate. Before the CPTPP, Canadian goods imported into Vietnam were subject to specific Most Favored Nation (MFN) tariffs, which could reach up to 135%. The CPTPP's tariff reductions have provided significant benefits for Canadian goods entering the Vietnamese market, making them more competitive.

For Canada, the agreement's implementation on December 30, 2018, resulted in the immediate elimination of tariffs on 94.5% of total tariff lines, covering 77.9% of Vietnam's export turnover. By the 4th year (January 1, 2021), this figure increased to 96.3% of total tariff lines, equivalent to 93.4% of Vietnam's export turnover. Compared to other CPTPP members, Canada's average tariff rates are relatively low, which offers Vietnamese exporters, particularly those in agricultural sectors, a notable advantage in the Canadian market.

Export Tariffs: Vietnam has committed to eliminating export taxes on most products under the CPTPP. While Vietnam retains the right to apply export taxes on 70 products, including minerals, ores, coal, and gold, the tax elimination process spans 5 to 15 years. In contrast, Canada commits to not applying export taxes on any goods it exports.

1.2.2. Customs Commitment and Trade Facilitation

These commitments promote trade efficiency, reduce trade barriers, and support Vietnam's goal of greater global integration, ensuring both countries benefit from more seamless trade flows. While Vietnam's customs system has improved, its cross-border trade facilitation score (70.8/100) still lags behind Canada's (88.8/100), highlighting ongoing challenges in efficiency and modernization. It provides opportunities to reduce delays, lower logistics costs, improve supply chain efficiency, and increase transparency, which can foster investment and trade growth. However, there are some challenges involving Vietnam's need to upgrade its customs infrastructure to meet CPTPP standards, and Canada's effort to harmonize its procedures with those of diverse partners like Vietnam.

1.2.3. Commitments on Sanitary and Phytosanitary (SPS) Measures

The CPTPP's SPS commitments aim to improve safety and confidence in traded goods, fostering long-term trade relations. Opportunities for Vietnam include expanding agricultural exports and receiving technical assistance, while Canada benefits from safer imports and better market access. However, challenges include Vietnam's higher compliance costs and potential difficulties for small-scale producers in meeting these standards.

1.2.4. Commitments on Technical Barriers to Trade (TBT)

The CPTPP promotes transparency and cooperation in technical regulations, with Vietnam and Canada committing to increase transparency, use international standards, ensure non-discrimination, reduce redundant testing, and enhance cooperation on TBT issues.

These commitments offer opportunities such as easier market access, cost savings from reduced certification requirements, and improved competitiveness for industries like electronics and agriculture. For Vietnam, aligning with international standards boosts exports and attracts investment. However, challenges include the need for Vietnam to upgrade its regulatory infrastructure, which may be costly, and potential difficulties for small businesses to comply.

1.2.5. Commitments on Intellectual Property (IP)

The intellectual property provisions of the CPTPP are comprehensive, consisting of commitments across several areas, designed to enhance IP protection and enforcement among member countries.

The agreement includes four main areas of commitments:

- **General Commitments:** These include accession to certain IP conventions, national treatment, and transparency. Vietnam has been granted delayed timelines for accession to specific conventions.
- **IP Protection Standards:** The CPTPP sets protection standards for various IP assets, including trademarks, patents, and copyrights. Many of these standards are higher than those of the WTO's TRIPS Agreement.
- **Specific IP Products:** The agreement includes specific commitments related to pharmaceuticals, agrochemicals, plant varieties, and IT-related IP issues (e.g., satellite signals, network security, etc.).
- **IP Rights Enforcement:** The CPTPP strengthens enforcement measures for IP rights, requiring more stringent handling of IP violations compared to the TRIPS Agreement.

1.2.6. Commitments on Trade Remedies

The CPTPP allows member countries to apply trade remedies, including anti-dumping, countervailing duties, and safeguards, to protect domestic industries from unfair competition. These measures align with WTO standards and are applied in cases where foreign imports cause harm to domestic industries.

Canada is known for its frequent use of trade remedies. From January 1, 1995, to December 31, 2020, Canada initiated 253 anti-dumping, 73 countervailing duty, and 4 safeguard cases. While the CPTPP permits the use of trade remedies, the agreement strengthens transparency, fairness, and cooperation mechanisms.

2. Analysis of Situation of Vietnamese Exported Cashew Nuts to Canada under CPTPP

2.1. Cashew Nuts Demand in the Canadian Market Before CPTPP

Before the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) came into effect in January 2019, Canada's cashew market was steadily growing. Canadian consumers were increasingly embracing cashews, driven by a rising interest in healthy eating, plant-based diets, and nutritious snack options. Cashews were perceived as a

premium product due to their healthy fats, proteins, and micronutrient content, making them a favored choice in the snacking and plant-based food sectors.

2.1.1. Market Demand Trends Pre-2019

In 2018, Canada imported around 15,000 tons of cashew nuts, with an import value of approximately \$125 million USD, reflecting continued growth in demand. Vietnam was one of the largest suppliers, accounting for about 46% of total Canadian cashew imports. Other major suppliers included India and Brazil. Vietnam's share of the Canadian market was significant, thanks to its established position as a global leader in cashew exports.

Cashews were primarily consumed as snacks in raw and roasted forms. In addition to snacking, the food service industry used cashews in plant-based dishes and as ingredients in dairy substitutes, such as cashew milk and cashew cheese. The health-conscious market drove much of this demand, which was further amplified by the growing interest in vegan and vegetarian diets.

2.1.2. Market Barriers and Competition

Before the CPTPP, Vietnamese cashew exports to Canada faced tariffs ranging from 2% to 5%, depending on whether the cashews were raw or processed. These tariffs limited the price competitiveness of Vietnamese cashews compared to suppliers like India and Brazil, which had more favorable trade terms. India, in particular, benefited from lower tariffs through bilateral trade agreements, giving them an edge in price-sensitive segments of the Canadian market.

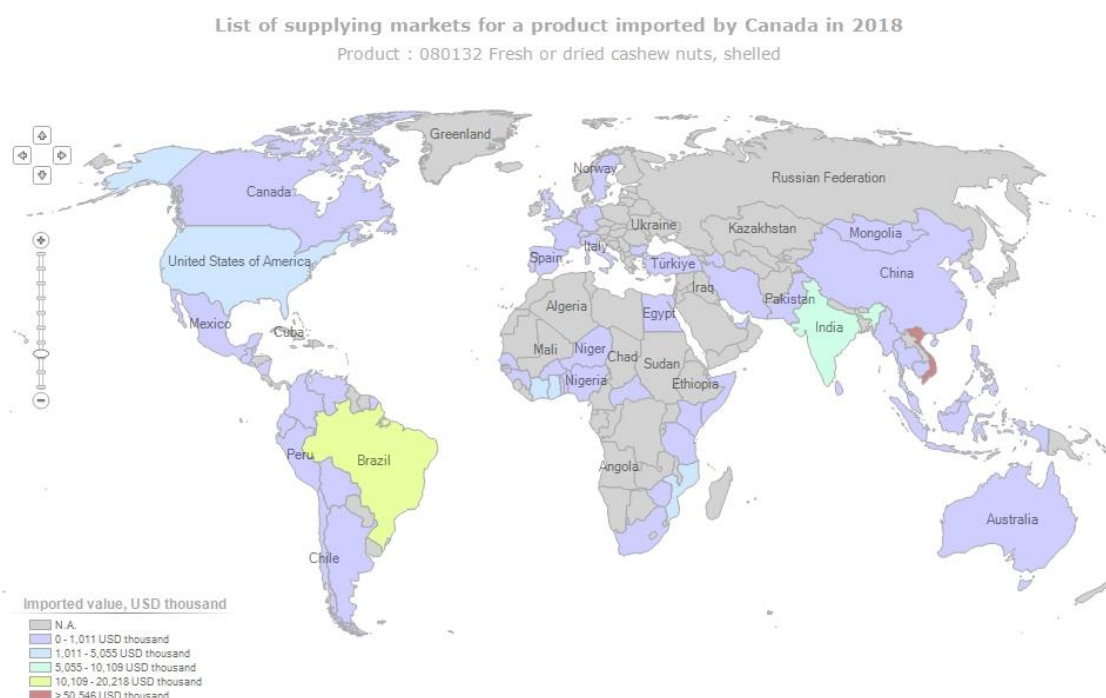


Figure 1. Canada's Cashew Nut Imports by Country of Origin (2018)

Source: Trade Map

Despite these barriers, in 2018, Vietnam exported approximately 6,800 tons of cashews to Canada, generating about \$52 million USD in export revenue. However, the existing tariff

structure restricted Vietnam's ability to expand its market share, as competitors, particularly India, often offered more affordable pricing.

2.1.3. Consumer Preferences and Market Segments

By 2018, Canadian consumers had begun showing more interest in premium cashew products, such as organic, fair-trade, and sustainably sourced varieties. However, this niche market was still in its early stages, representing only a small portion of total cashew imports. Vietnamese exporters had yet to fully tap into this premium segment due to the high production costs associated with obtaining organic certifications and the complexities of adhering to fair-trade standards.

Most cashew imports consisted of raw and roasted cashews sold either in bulk or in pre-packaged snack formats. While the food service industry contributed to demand, particularly through the incorporation of cashews into plant-based dishes, its impact on total demand was still smaller than in other sectors such as snacking.

2.2. Vietnamese Cashew Nut Industry Before CPTPP

Vietnam was the world's largest exporter of cashew nuts before the CPTPP, contributing significantly to the global supply of cashews. However, despite its leadership position, Vietnam faced several challenges in exporting to key markets like Canada, including tariff barriers, a reliance on imported raw cashews, and strong competition from other major exporters like India and Brazil.

2.2.1. Production and Export Capacity Pre-CPTPP

Vietnam's cashew nut industry was highly export-oriented, with about 80% of its processed cashews shipped to major markets around the world, including the U.S., Europe, and Canada. In 2018, Vietnam's total cashew exports amounted to around 353,000 tons, with an export value exceeding \$3.1 billion USD. The southern provinces of Binh Phuoc, Dong Nai, and Gia Lai were the main cashew-growing regions, benefiting from favorable climate conditions.

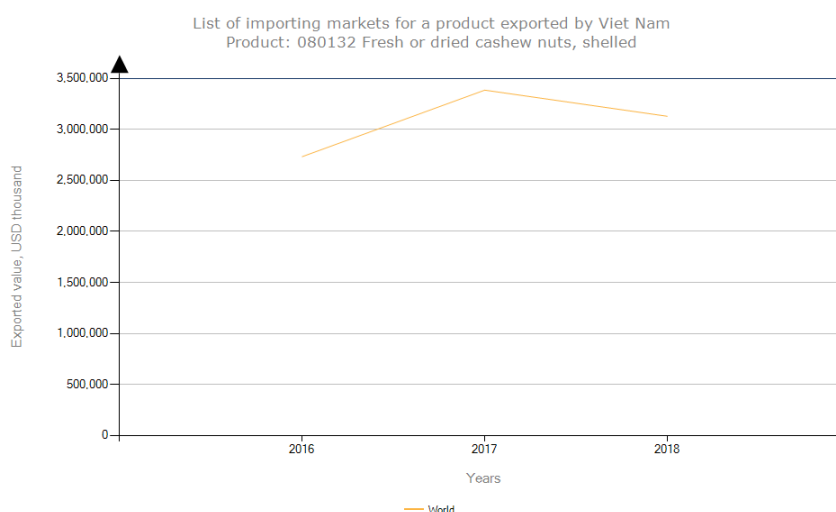


Figure 2. Vietnam's Cashew Nut Exports by Volume and Value (2016-2018)

Source: Trade Map

2.2.2. Tariff Barriers and Market Access Challenges

Vietnamese cashew exporters were subject to Canadian import tariffs of 2% to 5% before CPTPP, depending on the product (raw or processed). This made Vietnam's cashews less price-competitive compared to India, which benefited from lower tariff rates through bilateral trade agreements with Canada.

Despite Vietnam's dominance in the global cashew market, the tariff structure in Canada hindered its ability to expand its presence. In 2018, Indian exporters continued to undercut Vietnam in terms of pricing, particularly in the raw cashew segment, posing a significant challenge.

2.2.3. Reliance on Imported Raw Cashews

A notable challenge for Vietnam's cashew industry in 2018 was its reliance on imported raw cashews. Although Vietnam produced a large quantity of raw cashews domestically, it needed to import nearly 1 million tons of raw cashews from countries like Côte d'Ivoire, Ghana, and Benin to meet the demands of its processing industry. This dependence on imported raw materials exposed Vietnamese exporters to global price fluctuations and higher production costs, which affected their competitiveness in international markets like Canada.

2.2.4. Processing Capacity and Industry Strengths

Vietnam's cashew processing industry was one of the most advanced in the world, thanks to significant investments in automation and technology. This allowed Vietnamese processors to produce high-quality cashew kernels and value-added products like roasted and flavored cashews, which were growing in demand in international markets. In 2018, Vietnam's processing plants remained competitive in terms of efficiency and quality control, helping the country maintain a strong foothold in premium markets.

However, smaller exporters faced challenges in meeting regulatory requirements for food safety and traceability in markets like Canada. The cost of complying with these regulations was often prohibitive, limiting the ability of smaller companies to compete.

2.2.5. Challenges for Smaller Exporters

Smaller Vietnamese exporters struggled to navigate the Canadian market due to limited resources. Many could not afford the high costs of certification for organic and fair-trade products, nor could they meet Canada's strict food safety regulations. This limited their ability to penetrate premium market segments, which were showing growing consumer interest in 2018.

2.2.6. Market Growth Potential

Despite these challenges, the Canadian market presented significant growth potential for Vietnamese cashew exporters before CPTPP. With Canadian consumers increasingly interested in healthy, plant-based foods and premium cashew products, Vietnam's strong processing capacity positioned it to capitalize on this demand. The removal of tariffs and other trade barriers under the CPTPP, which came into effect in 2019, would create new opportunities for Vietnamese exporters to increase their market share and profitability in Canada.

2.3. Vietnamese Cashew Nut Industry After CTPP

2.3.1. Export Growth Trend (From 2019 - 2023)

The implementation of the CPTPP in 2019 marked a significant turning point for Vietnam’s cashew exports to Canada. The elimination of tariffs, combined with the growing consumer demand for healthy snacks, led to a notable increase in export volumes from Vietnam.

Table 1. Vietnamese Cashew Nut Export Growth Trend (From 2019 - 2023)

Product code	Product label	Canada's imports from Vietnam				
		Value in 2019	Value in 2020	Value in 2021	Value in 2022	Value in 2023
080132	Fresh or dried cashew nuts, shelled	80,760	74,253	86,642	83,721	69,971

Source: Trade Map

In 2019, the export value of Vietnamese cashew nuts to Canada was \$80.76 million USD. Despite the CPTPP being in effect, the full benefits had not yet materialized, and the relatively low export value was due to competition from other major cashew-producing countries, fluctuating global prices, and initial delays in tariff reductions.

In 2020, exports declined to \$74.25 million USD, a drop of 8.3% compared to the previous year. The COVID-19 pandemic disrupted global supply chains, causing shipping delays, increased logistics costs, and workforce shortages. The availability of shipping containers was limited, and lockdown measures in Canada impacted trade. Additionally, economic uncertainty and a shift in consumer behavior led to decreased demand for non-essential goods, including cashews.

By 2021, Vietnam’s cashew nut exports to Canada rebounded to \$86.64 million USD, a 16.6% increase from 2020. The recovery was driven by the easing of COVID-19 restrictions, which restored global trade flows. Consumer demand for healthy snacks, such as cashew nuts, also surged as individuals became more health-conscious during the pandemic. The effects of the CPTPP’s tariff elimination became more pronounced, allowing Vietnamese exporters to price their products competitively and regain market share.

In 2022, export values dropped slightly to \$83.72 million USD, a 2.5% decline from 2021. This decrease could be attributed to shifts in consumer preferences, market saturation, and stockpiling of cashew nuts in the previous year. Although Vietnam remained the dominant supplier of cashews to Canada, increased competition from other countries began to affect demand.

By 2023, Vietnamese cashew exports to Canada experienced a sharp decline, falling to \$69.97 million USD, a 17% decrease from 2022. Several factors contributed to this significant downturn, including heightened competition from other cashew-producing nations, global economic uncertainty, and inflationary pressures that affected consumer

spending in Canada. These challenges made it difficult for Vietnamese exporters to sustain previous export levels.

2.3.2. Impact of CPTPP on Vietnam's Cashew Nut Export to Canada

- **Positive Impact**

Tariff Elimination: Before CPTPP, a 5% tariff was imposed on Vietnamese cashew nuts entering Canada, limiting their price competitiveness. The elimination of this tariff in 2019 significantly enhanced Vietnam's market position by making its cashew nuts more affordable. This tariff removal enabled exporters to either lower prices or increase profit margins, resulting in a 28% rise in export value in 2019. The competitive pricing allowed Vietnamese cashew nuts to gain greater traction with both Canadian importers and consumers, fueling higher export volumes.

Improved Market Access: Beyond tariff elimination, CPTPP provisions streamlined customs procedures and reduced regulatory obstacles, making it easier for Vietnamese exporters to access the Canadian market. Customs clearance times were reduced by 20-30% through simplified documentation and clearer regulations, cutting costs and risks. The alignment of sanitary and phytosanitary (SPS) measures between member countries has led to a 15% drop in shipment rejections since 2019. These improvements allowed Vietnam to expand its market share and product range, increasing export volumes by 42% and boosting the number of exporters by 20%.

Retail and Price Competitiveness: CPTPP has enhanced the retail presence of Vietnamese cashews in Canada, with a 35% increase in outlets offering these products since 2019. Vietnamese cashew nuts now hold a 5-7% price advantage over non-CPTPP competitors due to tariff reductions. This price competitiveness has boosted consumer demand and solidified Vietnam's position as a leading cashew supplier in Canada.

Diversification of Export Markets: The CPTPP has enabled Vietnam to reduce its dependence on major markets like the U.S. and the EU by expanding exports to other CPTPP member countries. Demand for Vietnamese cashews has surged in Japan and Australia, with Japan increasing imports by 35% and Australia emerging as a top 10 destination. Additionally, smaller markets like Mexico and Peru have shown promise, with exports growing by 15% between 2020 and 2022, further diversifying Vietnam's cashew export portfolio.

- **Negative Impact**

Increased Competition: While the CPTPP has reduced trade barriers, it has also intensified competition from other member countries such as Thailand, Malaysia, and Indonesia, all of which are significant cashew exporters. As a result, Vietnamese exporters face price pressures, requiring them to lower costs, improve product quality, or invest in marketing strategies to retain their market share. This increased competition is putting pressure on profit margins and requires adaptability to maintain competitiveness.

Compliance with Regulatory Standards: The CPTPP's regulatory framework, including strict food safety, labeling, and environmental standards, presents significant challenges for Vietnamese cashew exporters. Complying with these regulations demands substantial

investments in technology, infrastructure, and training. Small and medium-sized enterprises (SMEs), in particular, may struggle with these costs, risking exclusion from the Canadian market if they fail to meet the necessary standards.

Cost of Compliance and Upgrades: Adapting to CPTPP's regulations, especially for smaller firms, requires upgrades in production processes and infrastructure, increasing operational costs. The inability to meet these requirements could lead to penalties or product rejections, further limiting Vietnam's competitive edge in the Canadian market.

Strategic Recommendations: To address these challenges, it is crucial for Vietnamese exporters to focus on increasing the domestication rate and added value in their products, aligning with market needs. As Deputy Director Bui Hong Anh notes: "In addition to boosting export turnover, we must prioritize green, sustainable products that match market demand. We must not sell only what we have but focus on what the market requires."

2.4. General Assessment

2.4.1. Before CPTPP

Prior to the implementation of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), Vietnam's cashew nut exports to Canada faced several challenges. High tariff rates placed Vietnamese cashews at a competitive disadvantage compared to local suppliers and countries benefiting from favorable trade agreements. These tariffs increased the cost of Vietnamese products, compressing profit margins for exporters and potentially raising prices for Canadian importers. Additionally, Vietnam's exports did not benefit from significant preferential treatment in terms of customs procedures, duties, or market access, resulting in Vietnam being on an equal footing with other non-preferential trading partners. The competitive pressure was further exacerbated by other countries, such as India and various African nations, which offered competitive pricing or had secured bilateral trade agreements with Canada. Despite the high quality of Vietnamese cashew nuts, there were no specific mechanisms under existing international trade agreements to enhance Vietnam's strategic position in the Canadian market. Consequently, any market access improvements were primarily achieved through bilateral trade efforts and organic growth in demand.

2.4.2. After CPTPP

The advent of the CPTPP brought substantial benefits to Vietnam's cashew nut exports to Canada. A key advantage was the reduction and, in some cases, elimination of tariffs, which significantly lowered the cost of Vietnamese cashews for Canadian importers, making them more attractive and cost-efficient compared to non-CPTPP countries. The CPTPP also facilitated easier access to the Canadian market by reducing trade barriers, thereby providing a more favorable platform for growth in the agri-food sector. This improved market access led to an expansion in trade volume, with Vietnam becoming one of Canada's primary suppliers of cashew nuts. Enhanced trade facilitation mechanisms under the CPTPP improved logistics and encouraged adherence to higher international standards in food safety and quality, thus boosting the reputation of Vietnamese cashew nuts. While competition from other CPTPP members, such as Mexico and Peru, persists, Vietnam has leveraged its position

as a major global cashew exporter to benefit from the agreement's trade advantages. Moreover, the CPTPP has created opportunities for Vietnamese exporters to diversify and explore additional markets in Canada, paving the way for further growth and exploration of other agricultural commodities under preferential trade conditions.

3. Opportunities and Challenges for Vietnam's Cashew Nut Export Activities since the implementation of CPTPP Agreement.

3.1. Opportunities for Vietnam's Cashew Nut Export Activities

According to World Bank data in 2019, with about 37.6 million consumers and a GDP of 1.743 trillion USD of Canada, the implementation of the CPTPP agreement in the context of the COVID-19 pandemic and many market fluctuations has opened up opportunities to penetrate a potential market with great purchasing power as well as expectations for improvements in the Vietnamese cashew industry.

Firstly, it promotes export turnover growth. The signing of the CPTPP opens up great opportunities for the total export turnover of the Vietnamese cashew industry by taking advantage of the benefits that the CPTPP brings, especially tariff incentives. Before the CPTPP took effect, cashew products enjoyed a 0% tax incentive when exported to Canada, but deeply processed cashew products were subject to a tax rate of 5.71%. Under CPTPP, deeply processed cashew products will have their tax reduced to 0%, helping businesses promote exports to Canada and expand market share. After the pandemic was gradually controlled, businesses adapted to CPTPP regulations, especially commitments on rules of origin. Canada loosened epidemic prevention measures and increased trade exchanges, creating a basis for Vietnamese agricultural exports, including cashew nuts, to grow strongly.

Secondly, it opens up opportunities to access investment capital and improves the living standard of workers. Vietnam's cashew industry has large growth potential, and CPTPP has attracted high-quality investment from abroad. Expectations of improved investment quality in Vietnam's cashew industry from Canada and other countries will create new incentives for FDI flows. Regarding employment, joining CPTPP creates opportunities to increase the growth rate of the cashew industry, creating more jobs and gradually increasing workers' incomes, thereby improving living standards. Economic growth also enhances human resource quality in the cashew industry, providing high-quality resources.

Thirdly, it reinforces the internal strength of Vietnamese cashew enterprises. Connecting with high-tech partners such as Canada helps Vietnamese cashew enterprises meet global competitive requirements. Through CPTPP, businesses can improve processes, production lines, and product quality to meet stringent hygiene and safety standards. The agreement also facilitates importing advanced machinery and raw materials to serve agricultural production at competitive prices.

Fourthly, it compensates for the economic decline of cashew industry enterprises after the Covid period. Since CPTPP was implemented in 2019, opportunities to boost cashew exports to Canada have increased significantly, bringing benefits to businesses. During 2019-2022, despite stagnant global trade due to the pandemic, CPTPP provided critical support in

restoring economic decline, offering new supply chain opportunities for cashew businesses to regain growth momentum.

3.2. Challenges for Vietnam's Cashew Nuts Export Activities

Cashew nuts are considered one of Vietnam's important export items, but in the COVID-19 pandemic, Vietnam's cashew exports cannot avoid many challenges.

Firstly, COVID has caused many difficulties for businesses in production activities. Due to the complicated development of the epidemic in the world in general and in Vietnam in particular, the Vietnamese government has introduced measures and many directives to fight it such as social distancing, temporary closure, trade restrictions,... which have affected businesses across the country and businesses operating in the cashew export industry in particular. COVID has forced many businesses to temporarily suspend production causing a vital impact on the survival of businesses because they still have to pay fixed costs such as factory rent, and machine and equipment depreciation, ... while having no source of revenue. Large businesses can survive thanks to large capital, but small ones may be pushed into bankruptcy. Meanwhile, most of Vietnam's exporting businesses are small and medium-sized, with less competitive advantages.

Secondly, although cashew nut belongs to the group of foods with high nutritional value, they are not on the list of essential goods, so the demand for international markets such as Canada or any country for the product has decreased when COVID happened. According to data from the General Department of Customs, Vietnam's cashew nut exports in the first 15 days of August 2021 decreased by 21.6% in volume compared to the first 15 days of July 2021 and decreased by 1.2% in volume compared to the first 15 days of August 2020.

Thirdly, although CPTPP officially took effect in Vietnam on January 14th 2019, however, to date, Vietnam has not fully exploited the opportunities brought by CPTPP. At a time when they were gradually accessing the agreement, COVID-19 broke out, further burdening businesses with difficulties piled upon difficulties regarding transportation costs, rising production costs, and limited supply of raw materials, etc. Moreover, the rate of use of CPTPP tariff preference for exports to Canada remains low, only reaching about 18%; 81% of Vietnam's exports to Canada still use MFN tariff preferences, and less than 1% still use GPT tariff preferences. The rate of use of CPTPP tariff preferences for exports to Canada has increased steadily over the past 5 years but about 60% of products (around 4 billion USD) have still not been able to take advantage of 0% tariffs, according to Ms. Tran Thu Quynh, Commercial Counselor, Vietnam Trade Office in Canada.

Fourthly, the domestic content in Vietnam's cashew nut exports remains low, resulting in low added value, affecting the competitiveness of the product in the market. According to WTOCenter, Vietnam's cashew export processing industry depended largely on raw materials from Africa. The domestic cashew growing material area was still maintained but only met about 20-25% of the demand of processing factories. Currently, the biggest difficulty for cashew processing and export enterprises is that raw cashew materials imported from Africa have increased prices. Simultaneously, many raw material suppliers from Africa do not comply with previously signed contracts and do not deliver or deliver slowly, causing

domestic enterprises to face the risk of supply chain disruption, affecting the implementation of export contracts.

4. Recommendations to Promote Vietnam's Cashew Nut Exports to the Canadian Market in the Context of Implementing CPTPP.

4.1. To Government

Firstly, the government should propose policies to support human resources and facilities in the production and processing procedure. The government needs to organize and arrange labor following each person's ability and, at the same time, create a comfortable working environment, form a scientific working style, and encourage everyone's sense of responsibility. Moreover, it is vital to send experts and engineers with experience in using machinery and equipment to directly guide and supervise at the local level. In addition, the government should invest in advanced machinery and equipment, automating production lines, and modernizing processing facilities to produce safe products that meet international standards. Along with that, designing training courses to provide in-depth training on new production methods as well as how to optimally use advanced machinery systems and production lines should also be taken into account.

Secondly, the government should recommend credit support policies for businesses. The COVID-19 pandemic has had a very negative impact on businesses in Vietnam, many companies have stopped operating or even gone bankrupt, so it is difficult for them to maintain capital and other costs. Therefore, it is recommended to propose financial support policies to help businesses reduce some of the burden. By designing and implementing programs to support credit loans with preferential low interest rates for businesses, firms and companies are able to resume production and business activities.

Thirdly, the Vietnamese government needs to have specific tactical strategies to fully leverage and exploit opportunities from the CPTPP Agreement to gain competitive advantages for its businesses. In the coming time, in addition to increasing export turnover, it is necessary to pay more attention to increasing domestication rates and added value in Vietnam's products, focusing on green, sustainable products.

Fourthly, the government should promote development activities and build the cashew industry according to an inter-industry chain. In Vietnam, the scattered and unfocused retailing is one of the reasons why cashew production is limited and the quality of exported cashews is uneven. It is necessary to ensure inter-sectoral and inter-regional planning, close to processing industrial zones, forming a bridge between cashew farmers or small-scale cashew households and cashew processing enterprises. Therefore, enterprises can save time and ensure the supply as well as the quality of cashew nuts

4.2. To Enterprises

Firstly, for the Ministry of Agriculture and Rural Development, the Vietnam Cashew Association recommends businesses paying attention to developing cashew raw material areas and developing high-quality, high-yield cashew varieties. This will help cashew processors be less dependent on imported sources, and not to be pressured. At the same time,

companies should invest in advanced machinery and equipment, automatic production lines as well as training courses for workers in order to support labor skills and facilities.

Secondly, businesses should find a lawyer's office to assist in the construction of contracts, especially payment terms and dispute settlements as well as in the delivery process to avoid risks. In addition, to ensure that Vietnam's cashew exports to the market are sustainable, Vietnamese businesses need to pay attention to building their own brands. This solution could enhance the situation that businesses are afraid to build brands and accept "keeping a low profile", they feel they have "enough" and do not further exploit benefits from the CPTPP Agreement.

Thirdly, companies and firms should promote the trading of Vietnamese cashew nuts on e-commerce transactions. Businesses can participate in domestic and international fairs and exhibitions organized by the Ministry of Industry and Trade on social network platforms to promote Vietnamese cashew nuts. With current 4.0 technology, in addition to using traditional direct transaction methods, businesses can post online sales on e-commerce websites and platforms such as Taobao, Amazon, etc., thereby helping customers easily access and view many models, especially in the context of the COVID-19 pandemic.

5. Conclusion

The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) provides a significant framework for enhancing trade relations between Vietnam and Canada, particularly in the agricultural sector. With strong commitments to tariff reductions and simplified customs procedures, the agreement has created opportunities for Vietnam to increase its export of cashew nuts to the Canadian market. However, challenges remain in areas such as damage after COVID-19 or the decreased demand for international markets.

To fully capitalize on the benefits of the CPTPP, Vietnamese cashew nut exporters need to implement strategies such as improving quality control, enhancing packaging and marketing efforts, and fostering closer partnership with Canadian importers. By addressing these challenges, Vietnam has the potential to solidify its position in the Canadian market, contributing to the long-term growth and sustainability of its agricultural export sector.

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