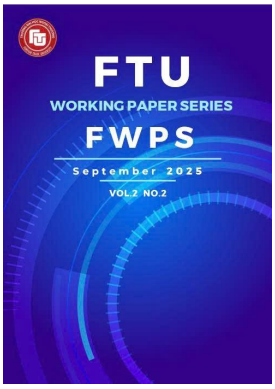

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NHẬP KHẨU SẮT THÉP CỦA VIỆT NAM TỪ CÁC NƯỚC THÀNH VIÊN RCEP TRONG BỐI CẢNH HIỆP ĐỊNH RCEP: CƠ HỘI VÀ THÁCH THỨC

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Tóm tắt

Bài nghiên cứu nhằm đánh giá tác động của Hiệp định RCEP đối với hoạt động nhập khẩu thép từ các nước thành viên. Dữ liệu thứ cấp sẽ được thu thập và phân tích để so sánh tình hình nhập khẩu trước và sau khi hiệp định có hiệu lực, làm rõ cả lợi ích lẫn thách thức mà ngành phải đối mặt. Thông qua phân tích, nghiên cứu cung cấp góc nhìn toàn diện về cơ hội và rủi ro tiềm ẩn, giúp doanh nghiệp định hướng chiến lược kinh doanh phù hợp trong bối cảnh mới. Dựa trên kết quả nghiên cứu, bài viết sẽ đề xuất giải pháp và khuyến nghị giúp doanh nghiệp tận dụng tối đa

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lợi ích từ RCEP, đồng thời hỗ trợ chính phủ xây dựng chính sách hiệu quả nhằm giảm thiểu tác động tiêu cực.

Từ khóa: RCEP, Việt Nam, nhập khẩu, sắt thép

VIETNAM'S STEEL AND IRON IMPORT FROM RCEP MEMBERS UNDER RCEP: OPPORTUNITES AND CHALLENGES

Abstract

The study aims to assess the impact of the RCEP agreement on steel imports from member countries. Secondary data will be collected and analyzed to compare import trends before and after the agreement, indicating both the benefits and challenges faced by the industry. This analysis provides a comprehensive insight into potential opportunities and risks to help businesses develop appropriate strategies in the new market context. Based on the findings, the study will propose solutions and recommendations to help businesses maximize the benefits of RCEP while supporting the government in formulating effective policies to mitigate negative impacts.

Keywords: RCEP, Vietnam, imports, steel and iron

1. Introduction

Vietnam's steel industry plays a vital role in the country's industrialization and infrastructure development, serving as a key input for sectors such as construction, manufacturing, and transportation. As domestic demand rises, Vietnam increasingly relies on imports from key trading partners such as China, Japan, and South Korea to meet domestic consumption.

The Regional Comprehensive Economic Partnership (RCEP), which was signed in 2020 and effective in Vietnam since 2022, presents new opportunities for the steel and iron import sector. By reducing tariffs and streamlining customs procedures, RCEP enables Vietnam to access a broader range of steel products at lower costs, and also foster stronger regional supply chain integration.

Nevertheless, the benefits of RCEP are accompanied by challenges for the local steel sector in Vietnam. This research aims to explore how RCEP has shaped Vietnam's steel import landscape and assess the opportunities and threats it presents for the domestic industry.

2. Literature review

Given the broad scope of the Regional Comprehensive Economic Partnership (RCEP), researchers have explored its impacts across various sectors, with a particular focus on Vietnam's import trends. In a study published in the Journal of Marine Science and Technology, Lê et al. (2021) concluded that the trade agreement has significantly increased Vietnam's imports of high-tech products, particularly electronic components from China, Japan, and Australia. Similarly, Tu et al. (2017) found that the tariff reductions under RCEP have led to a dramatic increase in automobile imports, with an estimated rise of 725.85% post-RCEP. These findings suggest that RCEP has a substantial influence on Vietnam's trade dynamics, though its effects vary by industry.

Regarding Vietnam's steel and iron imports, research on this specific area remains limited. Nozomu (2007) reported that, despite a 2.1-fold increase in domestic steel and iron production, imports still accounted for over 40% of total consumption. Chen (2016) also highlighted that cheap alloy steel from China continues to flood the Vietnamese market, posing challenges for local producers. This indicates that despite increased domestic production, Vietnam remains heavily reliant on steel imports, particularly from China.

Beyond Vietnam, several studies have examined how RCEP affects steel trade within its member countries. Zhou (2021), using GTAP models, found that RCEP has significantly boosted China's steel imports while stabilizing the supply of raw materials to its steel industry. In contrast, Tu et al. (2024), using the ADRL model, found that while RCEP may improve Vietnam's overall trade balance with China, its effect on steel and iron imports was statistically insignificant. There are also concerns about the potential negative effects of RCEP on member countries. Narayanan (2019) argued that tariff reductions under RCEP could harm India's domestic steel industry, increasing competitive pressures for steel producers in member countries. Specifically, Kyle and Purna (2015) discussed India's decision to withdraw from the RCEP agreement, partly driven by fears of increased cheap steel imports from China that could hurt the domestic industry. Collectively, these studies suggest that while RCEP facilitates regional steel trade, its impacts are uneven, benefiting some economies while posing challenges for others.

3. Methodology

The study utilises a qualitative approach and secondary data gathered from the government's statistics of Vietnam Chamber of Commerce and Industry (VCCI), Vietnam Customs, and international sources from ITC Trade Map on Vietnam's steel and iron trade with RCEP countries, literature and market research on Vietnam's steel and iron imports before and after the implementation of RCEP.

Indicators for this study encompass the volume and value of steel and iron imports, the market share of RCEP countries in Vietnam's imports, and pricing trends of imported steel. The study will also examine tariff reduction schedules and compliance with rules of origin to analyse the regulatory environment of RCEP in member countries. Lastly, an opportunity and challenge assessment will be conducted to evaluate the potential influence of steel and iron importation from RCEP countries on Vietnam.

4. The Regional Comprehensive Economic Partnership (RCEP)

4.1. Overview of the RCEP

The Regional Comprehensive Economic Partnership (RCEP) is a free trade agreement (FTA) between ASEAN and its six FTA partners: China, South Korea, Japan, India, Australia, and New Zealand, also known as ASEAN+6. Its participating countries account for 30.3% of the world

population in 2020, 30.6% of global GDP in the same year, and nearly 28% of global trade (Kimura.et al., 2022), making it the largest trade bloc in worldwide history.

In November 2012, RCEP negotiations were officially launched in Cambodia, and the first round of negotiations was held on 9–13 May 2013 in Brunei. During the next decade, RCEP countries participated in 31 full negotiation rounds, many Ministerial meetings, and three Leaders Summits, culminating in the signature of the agreement on 15 November 2020, except India, which decided to withdraw from the RCEP.

The RCEP Agreement aims to establish a modern, comprehensive, high-quality, and mutually beneficial economic partnership, facilitating the expansion of regional trade, investment, and global economic growth. 90% of the tariffs among its member countries are expected to be eliminated within 20 years of coming into force (VNTR, n.d.). According to a 2020 projection by Peter Petri and Michael Plummer, RCEP could boost global income by $209 billion annually and add $500 billion to world trade by 2030.

4.2. Main contents of the RCEP

The document comprises 20 chapters and several annexes, with fundamental chapters concerning goods including Trade in Goods, Rules of Origin, Customs Procedures and Trade Facilitation, Sanitary and Phytosanitary Measures, Standards, Technical Regulations, and Conformity Assessment Procedures. Other chapters encompass different areas such as Trade in Services, Investment, Intellectual Property, Electronic Commerce, and Small and Medium Enterprises.

For the tariff commitments, the tariff elimination levels go as high as 90% of all tariff lines within 20 years (Kimura.et al., 2022). Each country will reduce or eliminate its tariffs in accordance with its specific schedules for different partners, which has the longest term of 25 years. According to the agreement, Vietnam's tariff schedule will apply to 90.3% of goods from other ASEAN countries, 89.6% of goods from Australia and New Zealand, 86.7% of goods from Japan and Korea, and 85.6% of goods from China (Pham, D.M. et al., 2022).

Concerning Rules of Origin (ROO), before RCEP, ASEAN had been implementing seven sets of ROO, which complicated the process of determining a good's originating status. Therefore, post-RCEP negotiations, streamlined ROO is considered a major value-added for the RCEP Agreement. (Kimura.et al., 2022).

RCEP also comprises commitments on trade facilitation and implementation of customs procedures, standard and technical regulations, aiming to facilitate smooth, simple, and prompt customs operations and documentation with the help of information technology.

4.3. Commitments of the RCEP related to steel and iron

4.3.1. Tariff commitments

A significant distinction under the RCEP is that Vietnam implements different tariff schedules for different partners. On December 30 2022, the Government issued Decree No.129/2022/ND-CP on Vietnam's preferential import tariffs to implement the RCEP in the period 2022 – 2027. According to this, Vietnam will remove 48.5% of tariff lines on steel and iron imports from ASEAN as soon as the RCEP comes into effect in 2022. As for steel and iron imported from Australia and New Zealand, Vietnam commits to eliminating 88.9% and 89.5% of tariff lines respectively. Meanwhile, the preferential import tariff schedules for China, Japan, and South Korea show that 94%, 90.2%, and 86% of tariff lines on steel and iron imports from these nations in turn will be reduced to 0%. Other products will enjoy preferential import tariffs with phased reductions, which is notably impactful given that before RCEP, the average import tariff for steel in 2021 was 9.7% with a range from 1.5% to 37.5% depending on specific types (VCCI, 2021).

4.3.2. Rules of origin

To benefit from Vietnam's tariff commitments on steel and iron under RCEP, other nations must comply with specific Rules of Origin. Steel and iron imported to Vietnam from RCEP partners are considered originating if:

They are wholly obtained (mined or extracted) or produced in the exporting country.

They are manufactured in the exporting country from originating materials (iron ore, scrap metal, limestone, etc.) extracted from other RCEP nations.

They are produced in the exporting country from non-originating materials, but they have undergone sufficient transformation to satisfy the applicable requirements included in the Appendix of Chapter 3 of the Agreement.

ROO of RCEP comprises the Cumulation provision permitting the accumulation of originating materials from any RCEP countries to be included in the final steel and iron products'

originating material. The Agreement also includes details about the self-certification mechanism, allowing all exporters and producers of steel and iron to Vietnam to declare the origin of their goods. This will be implemented by Vietnam after no more than 10 years from the date of entry into RCEP.

4.3.3. Trade facilitation commitments

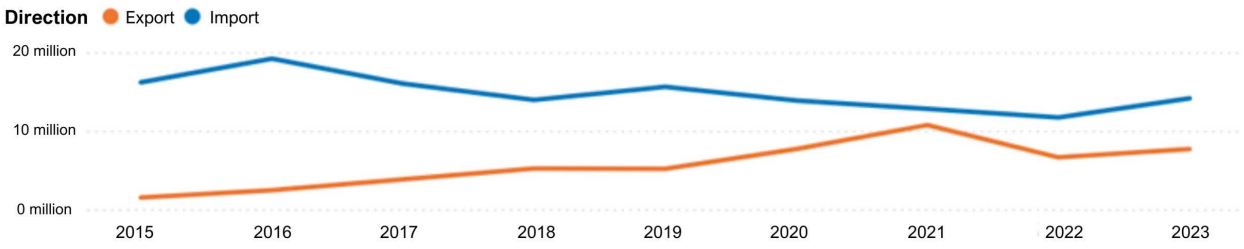
RCEP includes commitments on trade facilitation and implementation of customs procedures among the member countries. Chapter 4 of the Agreement aims to encourage the application of information technology to support customs operations via timely disclosure of information on the Internet and the measurement and publication of results of clearance online.

Chapter 6 of the Agreement encompasses provisions that ensure that the technical regulations of the importing country are consistent with the WTO Agreement on Technical Barriers to Trade (TBT) and strengthen the transparency process. The National Technical Regulations No. QCVN 31:2018/BTNMT issued by the Ministry of Natural Resources and Environment of Vietnam stipulates the types of steel scraps to be imported for production purposes, banned steel scraps, prohibited, and undesirable impurities in imported steel scraps and other technical requirements.

5. Current status of Vietnam's steel and iron imports from RCEP members

5.1. Before RCEP

6. Figure 1: Vietnam trade in steel mill products, annual, metric tons



Source: U.S. Department of Commerce, Enforcement and Compliance. Trade data from S&P Global, Ltd.

Vietnam's steel and iron industry has experienced rapid growth over the past decade, driven by increasing domestic demand from construction, manufacturing, and infrastructure projects. Despite significant investments in domestic steel production, Vietnam has remained a net importer of steel and iron due to limited raw material resources and production capacity constraints.

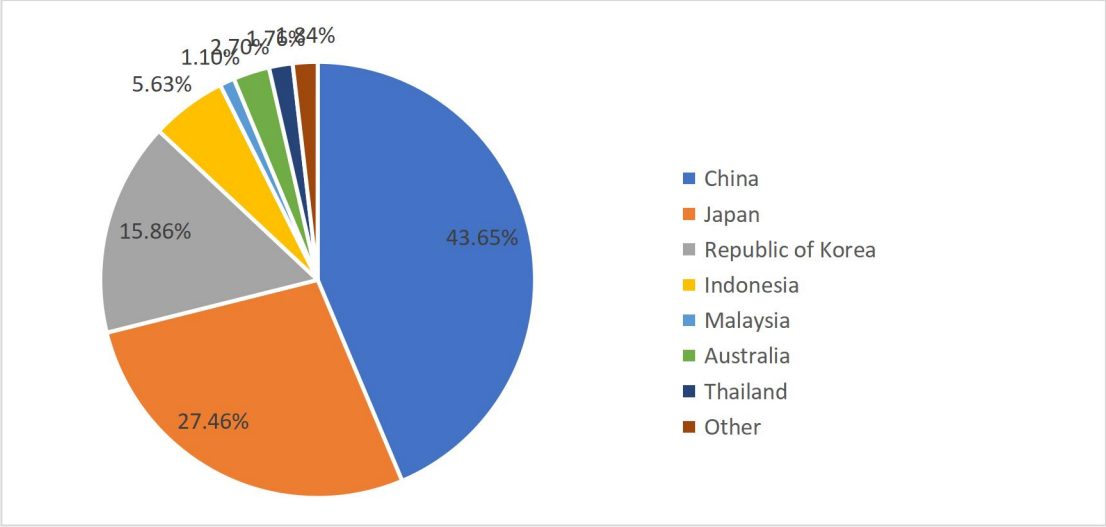


Figure 2: RCEP members' share in value in Vietnam's steel and iron imports, % in 2021

Source: Author's calculation

Vietnam's steel and iron imports from RCEP countries exhibited a general upward trend from 2014 to 2021, with fluctuations due to trade policies, global price movements, and domestic demand. The total import value from RCEP countries increased from $7.4 billion in 2014 to $10.34 billion in 2021, with a peak in 2018 at $9.1 billion, followed by a decline in 2019 - 2020 before a strong recovery. The recovery was primarily driven by post-pandemic economic recovery, rising global steel prices, and increased domestic demand. Throughout this period, China, Japan, and South Korea remained Vietnam's top steel and iron suppliers, while Indonesia, Malaysia, and Thailand played a growing role in Vietnam's supply chain.

Exporters	2014	2015	2016	2017	2018	2019	2020	2021
China	4,069,155	4,518,464	4,569,133	4,294,255	4,671,429	3,389,435	2,473,052	4,515,795
Japan	1,740,821	1,676,499	1,650,555	1,876,681	2,191,138	2,080,980	2,382,035	2,840,225
Republic Of Korea	1,118,531	1,069,059	1,042,409	1,278,902	1,450,028	1,443,529	1,302,721	1,640,237
Indonesia	20,969	36,269	19,561	33,498	172,240	392,348	342,222	582,706
Malaysia	49,735	50,609	65,430	80,527	114,505	258,528	123,323	113,779
Australia	222,301	107,334	87,879	181,478	240,126	210,734	138,844	279,278
Cambodia	3,827	799	401	8,025	20,575	18,539	23,535	53,537
Thailand	90,915	65,000	104,788	87,500	95,880	93,042	134,198	182,509
Singapore	35,073	24,736	45,548	54,963	38,234	41,222	21,468	63,867
Philippines	41,372	21,277	26,567	22,690	46,903	37,254	22,656	34,250
New Zealand	45,439	3,570	14,232	32,770	44,557	28,364	11,714	18,661
Brunei Darussalam	0	784	3,451	3,681	11,127	8,180	9,164	17,983
Myanmar	1,425	4,553	4,652	7,018	5,164	5,323	2,022	1,567
Lao People's Democratic Republic	299	243	42	108	1,680	0	0	0
Total RCEP imports	**7,439,862**	**7,579,196**	**7,634,648**	**7,962,096**	**9,103,586**	**8,007,478**	**6,986,954**	**10,344,394**

Table 1: Vietnam's Steel and Iron Imports Value to RCEP Members (2014 - 2021), Unit: US Thousand Dollars

Source: ITC trade map

China consistently dominated Vietnam's steel imports, accounting for 43.65% of total imports from RCEP countries in 2021. Import value from China peaked at $4.67 billion in 2018, dropped sharply to $2.47 billion in 2020 due to Vietnam's anti-dumping measures against Chinese steel (Vietnam Chamber of Commerce and Industry [VCCI], 2019), then rebounded to $4.52 billion in 2021. China remained a key supplier due to its cost competitiveness, large production capacity, and Vietnam's reliance on Chinese raw materials. The 2021 surge reflected growing infrastructure demand and global price hikes on steel and iron.

Japan held the second-largest share (27.46%) of Vietnam's RCEP steel imports in 2021, with values rising from $1.65B (2016) to $2.84B (2021). Its exports remained stable due to high-quality steel and long-term trade agreements. As a key supplier of specialized steel for automobiles, electronics, and high-end construction, the steady since 2017 was driven by

Vietnam's expanding manufacturing sector, especially in automobiles, which demands premium steel unavailable domestically.

South Korea was Vietnam's third-largest steel supplier, with imports rising from $1.18 billion (2014) to $1.64 billion (2021), accounting for 15.86% of total RCEP steel imports (2021). Exports peaked at $1.45 billion (2018) but declined in 2019–2020 due to Vietnam's anti-dumping duties (VCCI, 2019). South Korea mainly supplies high-grade steel for Vietnam's electronics and shipbuilding industries, both growing strongly. The 2021 recovery was driven by post-pandemic demand and rising global steel prices.

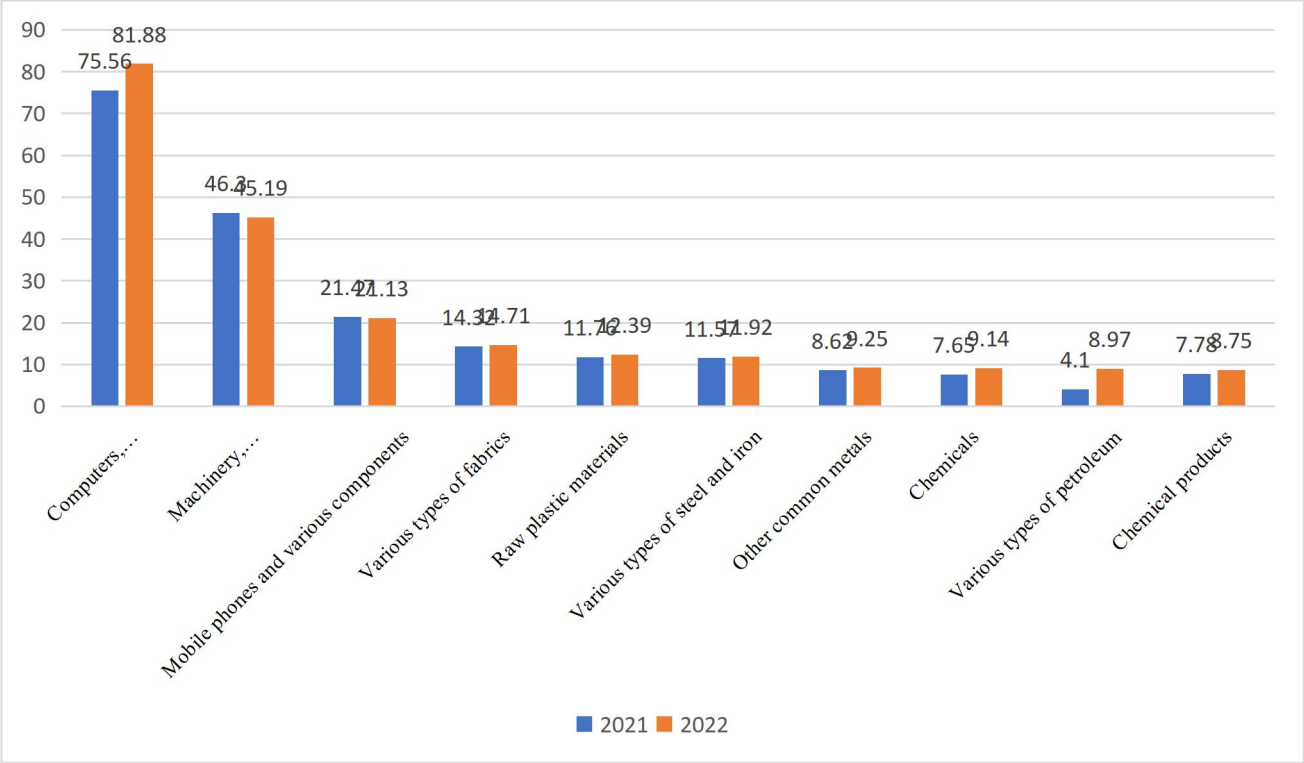
Other RCEP countries also played key roles in Vietnam's steel and iron imports. Indonesia's exports surged from $20.9M (2014) to $582.7M (2021), making up 5.63% of RCEP steel imports, driven by rising production capacity and competitive pricing. Malaysia contributed 2.70% in 2021, with exports peaking at $258.5M (2019) before dropping to $113.8M (2021), mainly supplying coated steel for construction and home appliances.

Australia's steel and iron exports to Vietnam ranged from $222.3 million (2014) to $279.2 million (2021), peaking at $240.1 million in 2018 and accounting for 1.84% of Vietnam's RCEP steel imports (2021). As a key supplier of raw materials, Australia's exports were influenced by global prices and Vietnam's production capacity. Thailand, a smaller RCEP supplier, held 1.76% of imports in 2021, with exports rising to $182.5 million, mainly supplying coated and galvanized steel for the automotive and electronics industries. Other RCEP countries, including Singapore, Cambodia, the Philippines, and New Zealand, contributed a combined 1.10% of total imports, indicating their smaller but consistent role in Vietnam's steel supply chain.

Vietnam's steel imports from RCEP countries grew but fluctuated due to anti-dumping measures, global prices, and domestic production shifts. China, Japan, and South Korea dominated, with China's exports volatile under trade restrictions, while the others saw steady growth. Indonesia and Thailand expanded market share through competitive pricing and trade agreements. The 2021 import surge reflected post-pandemic recovery, rising steel prices, and reliance on foreign high-quality steel. RCEP members remain key partners as Vietnam's infrastructure and industrial demand grows.

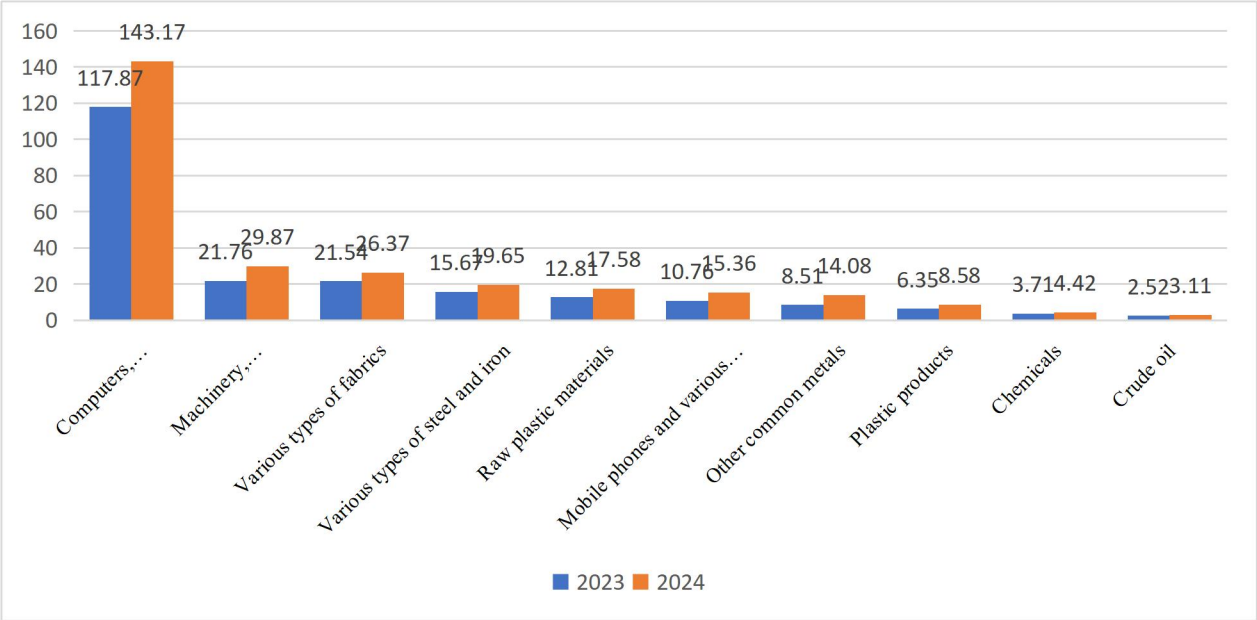
6.1. After RCEP

Figure 3: Vietnam's Key Import Categories in 2021 and 2022 (Billion USD)



Source: Vietnam Customs

Figure 4: Vietnam's Key Import Categories in 2023 and 2024 (Billion USD)



Source: Vietnam Customs

After RCEP came into effect, Vietnam tended to import more iron and steel than in the previous period. During 2021 - 2022, the amount of imported iron and steel ranked 6th among the 10 most imported items. However, after the RCEP Agreement, this rose to 4th in the top 10 of these items, indicating an increase in import demand.

Table 2: Vietnam's steel and iron imports value to RCEP members (2021 - 2023), Unit: US Thousand Dollars

Exporters	2021	2022	2023
China	4,515,795	5,099,412	5,730,423
Japan	2,840,225	2,483,043	2,140,234
Korea, Republic of	1,640,237	1,515,887	1,148,738
Indonesia	582,706	1,115,424	1,116,213
Australia	279,278	239,038	152,569
Cambodia	53,537	62,953	72,079
Thailand	182,509	153,894	54,685
Singapore	63,867	113,196	35,113
Philippines	34,250	24,841	16,938
New Zealand	18,661	38,255	13,861
Brunei Darussalam	17,983	12,155	12,069
Myanmar	1,567	264	4
Malaysia	113,779	153,349	152,647
Lao	0	3	0
Total RCEP import	**10,344,394**	**11,011,714**	**10,645,573**

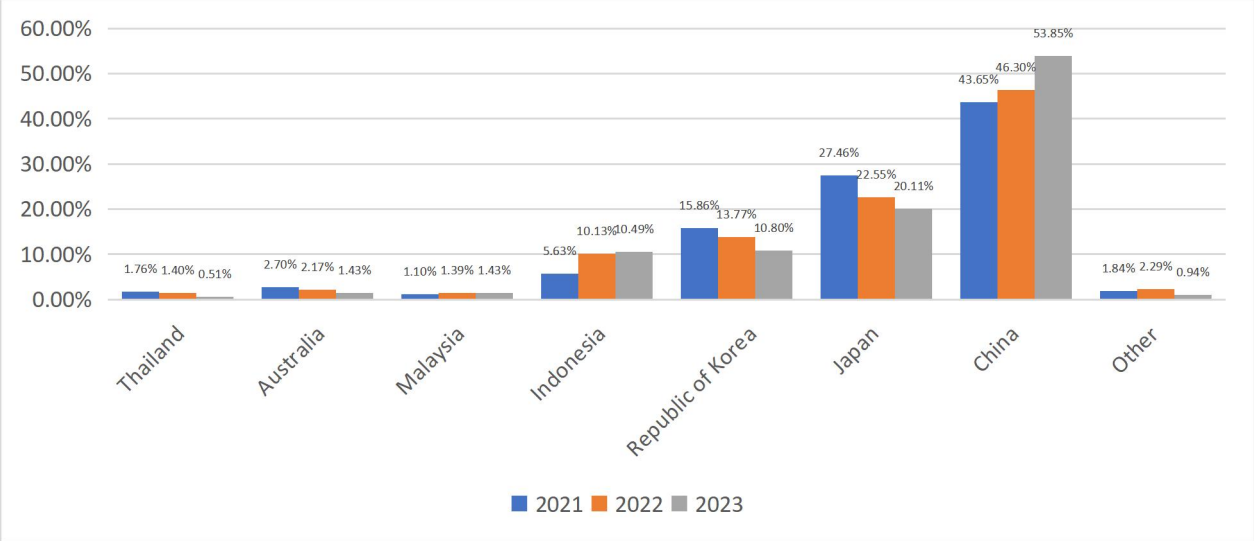
Table 2: Vietnam's steel and iron imports value to RCEP members (2021 - 2023), Unit: US Thousand Dollars

Source: ITC Trade Map

During 2021 - 2023, the total amount of iron and steel imported from RCEP has fluctuated. When RCEP came into effect in 2022, the total amount of iron and steel imported increased by about 6.45% compared to the previous year. The table shows a large decrease in imports from some countries such as Laos, Myanmar, New Zealand, etc. However, the amount of imports from

China, Indonesia, and Thailand has increased sharply. This creates a fluctuation in the total amount of iron and steel imported from RCEP countries.

Figure 5: RCEP members' share in value in Vietnam's steel and iron imports, % in 2021



Source: Author's calculation based on ITC Trade Map data

Concerning the three largest iron and steel exporting countries to Vietnam, China remains the top exporter to Vietnam. Thanks to RCEP, China's export value increased from $4,515,795 million in 2021 to $5,099,412 million in 2022, increasing its market share by 2.6% before registering at 53.8% of the total import value in RCEP countries. This growth comes from competitive advantages due to low production costs with tariff and RCEP trade benefits.

Unlike China, Japan and South Korea recorded a significant decline in iron and steel exports to Vietnam. Japan's market share decreased from 27.5% in 2021 to 20.1% in 2023, while South Korea fell from 15.9% to 10.8% in the same period. The reason is that RCEP creates increased competition, especially in price between other member countries such as China and Indonesia, causing Korean and Japanese steel to gradually lose its advantage despite high quality. Additionally, some RCEP provisions also help Vietnam access other sources of supply more easily, reducing the market share of these two key suppliers.

Concerning emerging suppliers, Indonesia has utilised RCEP to boost iron and steel exports to Vietnam, with its market share rising from about 5% in 2021 to 10.4% in 2022, and remained stable until 2023. This is due to tariff incentives from RCEP, making Indonesian iron and steel prices more competitive, while production cooperation and investment incentives have

strengthened industrial capacity and exports to Vietnam. Similarly, Malaysia's iron and steel exports to Vietnam grew by 35.7% under RCEP. Although the export value has increased, Malaysia's market share is still quite small.

In contrast, Australia and Thailand recorded a decline in iron and steel exports to Vietnam in this period. RCEP has created a trade shift to large producers in the region, reducing the competitiveness of iron and steel in these countries. Australia mainly focuses on exporting iron ore rather than iron and steel, while RCEP does not bring advantages to iron ore, making Vietnam no longer an ideal destination for them. Thailand, on the other hand, faces great competition from Chinese and Indonesian markets when exporting to Vietnam.

Other smaller markets account for a negligible share compared to the group of large and emerging suppliers. A clear trend is that Vietnam is reducing its steel imports from non-RCEP countries, reflecting a strategy to maximize the benefits of this agreement.

RCEP has reshaped the trend of steel exports to Vietnam, helping China expand its market share, while Japan, South Korea, Australia, and Thailand have declined due to increased competition. Indonesia and Malaysia have made good use of RCEP to increase exports, while Vietnam has prioritized imports from member countries to optimize costs and supply.

7. Opportunities and challenges

7.1. Opportunities

7.1.1. Import cost reduction

One major benefit of RCEP or Vietnam's steel import industry is the simplified rules of origin (ROO) and expanded preferential tariffs. Therefore, Vietnam enterprises can import steel from member countries at lower tax rates, significantly reducing raw material costs (Nguyen, 2021). This is especially important in the context of, directly affecting steel-dependent industries such as construction, mechanical engineering, and automobile manufacturing. Given fluctuating world steel prices, this is especially important for industries like construction, mechanical engineering, and automobile manufacturing.

Furthermore, the principle of cumulative origin helps imported goods from a member country to be counted as originating within the bloc, thereby enjoying tax incentives when re-exported to other members (Asian Development Bank, 2022). Additionally, Vietnam’s low labor costs allow processed steel product prices to be more competitive. These help increase profit

margins and enhance the competitiveness of Vietnam steel and iron in RCEP markets with a strong demand for high-quality steel. If businesses effectively leverage this opportunity, Vietnam's steel industry can change to one developing high-value-added steel products, securing a stronger foothold in international markets (Nguyen, 2021).

7.1.2. Promotion of foreign investment, improve domestic steel production capacity

RCEP attracts FDI to Vietnam, especially from Japan, South Korea, and China, as major steel firms seek to leverage competitive labor costs, a stable domestic market, and a strategic location (Thi et al., 2021). This investment enhances financial resources, technology transfer, and product quality while reducing reliance on imported raw materials. RCEP also fosters collaboration between Vietnam and foreign steel firms through joint ventures, technology transfers, and process-sharing agreements, enabling Vietnam to adopt advanced metallurgical techniques, strengthen domestic production, and build an integrated supply chain from raw materials to exports, ultimately lowering costs and increasing value-added potential (VCCI, 2024).

7.1.3. Simplified import procedures and shortened transaction time

One major barrier for steel importers previously was complicated customs procedures, long clearance times, and high transportation costs. Under RCEP, enterprises follow one rule of origin instead of five separate ones in previous FTAs. The application of e-commerce and synchronization of customs regulations help shorten transaction times and optimize logistics costs. Especially in the steel industry, where the speed of raw material supply directly affects the production progress of many other industries, minimizing procedural barriers will create conditions for businesses to improve operational efficiency and increase competitive advantage (Nguyen, 2021). RCEP helps create a transparent, consistent trade system, thereby simplifying import procedures and reducing unnecessary administrative procedures.

7.2. Challenges

7.2.1. Increasing competition

Tariff reductions have expanded steel and iron markets, benefiting major producers due to their scale, technology, and cost efficiency. With abundant resources and lower raw material costs, these countries supply raw materials and steel products at lower costs than Vietnam. China, in particular, has strengthened its position under RCEP, with even more competitive prices thanks

to tariff reduction. By early 2024, imported Chinese steel was $110 per ton cheaper than domestic steel, forcing Vietnam manufacturers to either cut prices or lose market share (Thanh, 2025). As profit margins shrink, reinvestment and long-term growth become more challenging for local producers.

One major weakness of Vietnam's steel and iron industry is its heavy reliance on imported raw materials, making it highly vulnerable to fluctuations in global raw material prices. Meanwhile, countries like China, Japan, etc., have sufficient local supply chains, allowing better production control. Therefore, this factor gives foreign producers an advantage, especially under RCEP, while making it harder for Vietnam to compete.

7.2.2. Challenges in developing supporting sectors

Besides, developing metallurgical plants and steel-related industries requires substantial capital, advanced technology, and long payback periods. Without stable local demand, businesses hesitate to invest in innovation, expand production, or upgrade technology, leading to stagnation in supporting industries and increased reliance on foreign suppliers.

Moreover, weak supporting industries force Vietnam firms to source raw materials globally, raising costs and reducing autonomy. This hinders Vietnam from building a strong steel ecosystem, while major players like China, Japan, and South Korea maintain a competitive edge both locally and globally.

7.2.3. Challenges of controlling the quality of imported steel

Currently, many countries such as Thailand, Indonesia, Malaysia, South Korea, etc. are applying technical barriers and trade defense measures to protect domestic production. They require imported steel products to have certificates of meeting their country's quality standards. This helps to better control product quality, preventing poor quality goods from entering their market (Times, 2023). Meanwhile, in Vietnam, import taxes are mostly at 0%, and trade defense measures for many types of steel such as galvanized steel, color-coated steel, steel pipes, and prestressed steel have been abolished (Times, 2023). In addition, steel is not included in the Group 2 list according to the decision of the Ministry of Industry and Trade, so it does not need to be subject to specialized inspection of product quality (Times, 2023). These two factors make imported steel sources diverse but have not been carefully evaluated for quality or evaluated

according to domestic standards. This leads to the risk of uncontrolled quality but greatly affects the domestic market due to low prices.

8. Recommendation

8.1. Recommendations for Vietnam government

8.1.1. Strengthening domestic production capabilities

Vietnam's government should prioritize reducing dependency on imported raw steel and iron by upgrading infrastructure and providing financial incentives such as tax breaks or low-interest loans for investment in advanced technologies and production processes. Furthermore, the government should encourage research and development in metallurgy and related fields to foster innovation and reduce reliance on foreign technologies. Establishing specialized research centers and offering incentives for private-sector R&D investment could be a practical measure to support long-term steel and iron industry growth.

8.1.2. Monitoring and addressing trade deficits

The government should closely monitor trade flows and implement measures such as anti-dumping duties or import quotas to address the growing deficit in Vietnam's steel and iron industry. Additionally, Vietnam should pay attention to increasing the value-added of its exports, which can be achieved by promoting the production of high-quality finished goods rather than exporting raw materials or semi-finished products, to improve trade balances and enhance self-sufficiency. Strengthening diplomatic and economic ties with key trade partners could also open new export opportunities for Vietnam's steel and iron products.

8.1.3. Applying technical barriers and trade defense

Vietnam's government should concentrate on enforcing stringent standards and inspections to guarantee the quality of imported steel and iron. Implementing technical barriers such as certification requirements and environmental compliance standards would assist in safeguarding Vietnam's domestic markets from substandard imports. Additionally, these measures would regulate trade flows, promote fair competition, and contribute to the development of a more sustainable and well-regulated trading environment.

8.2. Recommendations for Vietnam enterprises

8.2.1. Enhancing competitiveness in export markets

Vietnam steel and iron producers should focus on improving their competitiveness in both domestic and international markets by optimizing production costs and improving product quality. Investing in workforce training and streamlining production processes through automation and lean manufacturing techniques could further improve the production efficiency of the industry. Additionally, Vietnam manufacturers should target niche markets or specialized steel and iron products where they can utilize their unique strengths, rather than competing directly with large-scale producers such as China and Japan.

8.2.2. Building strategic partnerships

Enterprises should actively seek alliances with foreign companies, particularly those from advanced steel-producing countries including Japan, South Korea, and Australia. Joint ventures or collaborations with established international firms can help Vietnam companies improve their production efficiency and gain access to global supply chains. Furthermore, forming industry associations among local enterprises can enable shared investments in large-scale projects such as research and development initiatives.

8.2.3. Investing in technology and innovation

To ensure long-term sustainability and growth, Vietnam enterprises should invest in advanced technology and innovative production methods. Automation and digitalization should be adopted to improve efficiency, reduce waste, and enhance product consistency. Renewable energy solutions and environmentally friendly production techniques should also be integrated to align with global sustainability trends and meet international environmental standards. Moreover, companies should also collaborate with research institutions to stay at the forefront of technological advancements in the steel and iron industry.

9. Conclusion

The implementation of the Regional Comprehensive Economic Partnership (RCEP) has significantly reshaped Vietnam's steel and iron import landscape, presenting both opportunities and challenges. The agreement has facilitated cost reductions for importers through preferential tariffs and simplified trade procedures, enhancing Vietnam’s access to high-quality steel and iron from key RCEP partners. This has benefited industries reliant on steel, such as construction,

manufacturing, and infrastructure development. Additionally, RCEP has created opportunities for increased foreign investment and technology transfer, which could strengthen Vietnam's domestic steel production in the long term.

However, the agreement also brings challenges, particularly the growing dependence on imports, heightened competition from major steel producers like China, and potential risks to Vietnam's domestic steel industry. The sharp increase in imports from RCEP members, especially China, has put pressure on local manufacturers, making it crucial for Vietnam to implement protective measures, such as anti-dumping duties, to maintain a fair competitive environment. Furthermore, the reliance on imported raw materials exposes Vietnam to external supply chain risks and global price fluctuations.

To maximize the benefits of RCEP while mitigating its challenges, the Vietnam government should continue strengthening domestic steel production capabilities, promoting sustainable industry practices, and enforcing strategic trade policies. Vietnam enterprises must also enhance their competitiveness through technological upgrades, cost optimization, and strategic partnerships with international firms.

Overall, while RCEP has created a more integrated trade environment for Vietnam's steel and iron industry, its long-term impact will depend on how effectively stakeholders adapt to the evolving market dynamics. A balanced approach that fosters both trade liberalization and domestic industry resilience will be essential in ensuring sustainable growth and competitiveness in the post-RCEP era.

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