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The Impact of Trade Agreements on Vietnam's Export Performance: A Data-Driven Analysis (2005–2024)

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Abstract: This paper provides an in-depth, data-driven analysis of the impact of trade agreements on Vietnam's export performance spanning from 2005 to 2024. By examining the evolution of Vietnam's trade agreement network and analyzing key export indicators such as volume, value, and product-market structure changes, the study aims to develop a holistic understanding of how trade agreements have shaped Vietnam's export landscape over the past two decades. The research incorporates an analysis of various bilateral, multilateral, and regional trade agreements Vietnam has entered into, and assesses their direct and indirect effects on export performance. Through statistical and econometric techniques, the paper explores both the positive and negative outcomes of these agreements, highlighting the nuances of their impact on different sectors and markets. The results indicate that while trade agreements have had a broadly positive effect on Vietnam's export performance, contributing to increased market access, diversification of export goods, and enhanced competitiveness, the benefits have not been evenly distributed across all sectors. Several trade agreements, such as those within the Asia-Pacific region and with major trading partners, have significantly boosted the country's export volume and value, particularly in electronics, textiles, and agricultural products. However, the study also reveals that challenges remain in the implementation and optimization of trade agreements, with issues such as non-tariff barriers, regulatory discrepancies, and inadequate infrastructure hindering the full potential of these deals. Furthermore, the paper explores how Vietnam's trade agreements have influenced its export strategies, particularly in terms of product diversification, market access, and the competitiveness of domestic industries. It suggests that, despite the positive outcomes, Vietnam's export policies require refinement to address structural challenges and ensure sustainable growth. The paper concludes with strategic recommendations for policymakers to further optimize trade agreements, improve institutional frameworks, and enhance the country's overall export performance. By doing so, this study provides valuable insights into the role of international trade agreements in driving export-led economic growth, offering lessons for other emerging economies looking to maximize the benefits of global trade integration.

Keywords: Vietnam; trade agreements; export performance; data analysis

1. Introduction

Vietnam's integration into the global economy has been a dynamic and evolving process, beginning in the early 1990s with the country's commitment to trade liberalization and economic reforms. Since its accession to the World Trade Organization (WTO) in 2007, Vietnam has accelerated its efforts to engage in international trade, positioning itself as one of the most open economies in Southeast Asia. As of 2025, Vietnam has successfully

negotiated and signed numerous bilateral, multilateral, and regional trade agreements, including the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the European Union-Vietnam Free Trade Agreement (EVFTA), and agreements within the ASEAN framework, among others. These agreements have significantly expanded Vietnam's access to global markets, reduced trade barriers, and facilitated the flow of foreign direct investment (FDI).

The growing network of trade agreements is anticipated to have a profound impact on Vietnam's export performance, influencing various aspects of the export landscape. This includes not only the volume and value of exports but also the structural changes in the product-market composition, as new markets open up and demand shifts. Understanding how these trade agreements affect export performance is vital for formulating effective trade policies that can maximize the benefits of globalization while addressing the challenges associated with it.

Trade agreements can potentially enhance Vietnam's export capacity by improving market access, reducing tariffs, and providing preferential treatment for Vietnamese goods in foreign markets. At the same time, the implementation of such agreements often comes with complexities—ranging from non-tariff barriers and compliance with international standards to the adaptation of domestic industries to meet the requirements of more competitive global markets. For Vietnam, the strategic alignment of its trade agreements with national development goals is essential to sustain long-term economic growth.

This paper conducts an in-depth analysis of the impact of these trade agreements on Vietnam's export performance from 2005 to 2025. By examining data on export volume, value, product-market structure, and the evolution of trade agreements, the study aims to uncover the direct and indirect effects these agreements have had on Vietnam's economic development. It will also assess the challenges and opportunities these agreements present for Vietnamese exporters, offering insights that can help policymakers refine trade strategies to enhance export competitiveness and contribute to sustainable growth in the global marketplace.

2. Overview of Vietnam's Trade Agreement Network

2.1. Development of Trade Agreements

Since 2005, Vietnam has progressively expanded its network of trade agreements, marking a significant shift in its international trade strategy. The country's commitment to trade liberalization has been a central feature of its economic transformation, allowing it to tap into new markets, diversify export goods, and strengthen its global economic integration. A pivotal moment in this journey occurred in 2007, when Vietnam became a member of the World Trade Organization (WTO). This milestone not only cemented Vietnam's role in the global trading system but also laid the foundation for its subsequent engagement in a series of strategic trade agreements [1].

Following its accession to the WTO, Vietnam embarked on an ambitious campaign to negotiate and sign numerous bilateral, multilateral, and regional Free Trade Agreements (FTAs). The goal was clear: to integrate Vietnam more fully into global supply chains and increase its competitive edge in key industries [2]. Over the next decade, the country signed several important FTAs, each aimed at enhancing market access and reducing trade barriers with various economies around the world. By 2024, Vietnam had successfully implemented 17 FTAs, covering more than 60 economies across all major continents. These agreements have had a transformative impact on the country's trade dynamics, offering new opportunities for Vietnamese businesses to expand abroad.

The evolution of Vietnam's trade agreements has also mirrored its broader economic growth and changing development priorities [3]. While early agreements focused on regional integration—particularly within Southeast Asia—more recent deals, such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and

the Vietnam-European Union Free Trade Agreement (EVFTA), reflect Vietnam's increased engagement with global markets, including the European Union and the Asia-Pacific region [4].

Table 1 below provides a detailed overview of the key trade agreements Vietnam has signed, highlighting their significance in the context of the country's export strategy.

Table 1. Vietnam Trade Agreement Network.

Year of Signing	Name of Trade Agreement	Partner Economies
1993	ASEAN Free Trade Area (AFTA)	ASEAN member states
2003	ASEAN - China Free Trade Agreement (ACFTA)	China
2007	ASEAN - South Korea Free Trade Agreement (AK-FTA)	South Korea
2008	ASEAN - Japan Comprehensive Economic Partnership Agreement (AJCEP)	Japan
2009	Vietnam - Japan Economic Partnership Agreement (VJEPA)	Japan
2010	ASEAN - India Free Trade Agreement (AIFTA)	India
2010	ASEAN - Australia - New Zealand Free Trade Agreement (AANZFTA)	Australia, New Zealand
2014	Vietnam - Chile Free Trade Agreement (VCFTA)	Chile
2015	Vietnam - South Korea Free Trade Agreement (VKFTA)	South Korea
2016	Vietnam - Eurasian Economic Union Free Trade Agreement (VN - EAEU FTA)	Eurasian Economic Union member states
2019	Comprehensive and Progressive Agreement for Trans - Pacific Partnership (CPTPP)	Multiple Pacific - Rim countries
2019	ASEAN - Hong Kong Free Trade Agreement (AHKFTA)	Hong Kong, China
2020	Vietnam - European Union Free Trade Agreement (EVFTA)	European Union member states
2021	Vietnam - United Kingdom Free Trade Agreement (UKVFTA)	United Kingdom
2022	Regional Comprehensive Economic Partnership Agreement (RCEP)	Multiple Asian and Pacific Rim countries
2024	Vietnam - Israel Free Trade Agreement (VIFTA)	Israel

2.2. Main Features of Trade Agreements

Vietnam's trade agreements typically include several key provisions aimed at enhancing the country's trade performance and fostering economic growth. These provisions generally focus on tariff reduction or elimination, trade facilitation, and investment promotion, each of which plays a crucial role in strengthening Vietnam's competitiveness in global markets [5]. By addressing these areas, trade agreements help reduce the costs of trade, simplify procedures, and create a more favorable environment for foreign and domestic investments.

One of the most prominent features of Vietnam's trade agreements is the gradual reduction or elimination of tariffs, which lowers the cost of exporting goods to key markets. For instance, under the Vietnam-European Union Free Trade Agreement (EVFTA), approximately 99% of tariff lines between Vietnam and the EU will be eliminated over a 10-year period. This tariff reduction provides Vietnamese exporters with preferential access to the EU market, allowing them to compete more effectively against goods from

other countries [6]. This is particularly significant for key Vietnamese export sectors such as textiles, footwear, and agricultural products, where tariff barriers have traditionally been a challenge.

Similarly, the Regional Comprehensive Economic Partnership (RCEP), which includes 15 countries across the Asia-Pacific region, has simplified rules of origin, making it easier for Vietnam to qualify for preferential tariffs [7]. The agreement eliminates many bureaucratic hurdles related to proving the origin of products, thereby reducing trade barriers and enhancing Vietnam's ability to export goods to RCEP member states. By simplifying these processes, RCEP enables Vietnamese businesses to more easily integrate into regional supply chains, expand their market reach, and take advantage of the growing demand in countries like China, Japan, South Korea, and Australia [8].

In addition to tariff reduction and simplification of rules, many of Vietnam's trade agreements also focus on trade facilitation. These provisions seek to streamline customs procedures, improve infrastructure, and reduce the time and cost of doing business across borders. For example, agreements often include commitments to enhance transparency in customs processes, simplify paperwork, and implement digital systems to expedite clearance procedures. These measures are particularly important for improving the flow of goods and reducing delays at ports, ensuring that Vietnamese exporters can get their products to market more quickly and efficiently [9].

Another key feature of these trade agreements is investment promotion. Many of Vietnam's FTAs provide incentives to foreign investors by offering better protection for investments, clearer regulations, and improved dispute resolution mechanisms. This has made Vietnam an attractive destination for foreign direct investment (FDI), particularly in sectors such as manufacturing, technology, and services. Through agreements like the EVFTA and CPTPP, Vietnam has been able to attract international capital, technology, and expertise, all of which contribute to the modernization and expansion of its industrial base.

Moreover, the agreements also establish frameworks for cooperation in non-tariff areas, such as intellectual property protection, environmental standards, and labor rights. These provisions help ensure that Vietnam's exports meet the quality and regulatory standards required in international markets, facilitating smoother market access and reducing the risk of trade disputes [10]. The inclusion of these non-tariff measures reflects Vietnam's commitment to aligning with global standards, which is essential for its long-term economic growth and integration into the global economy.

In summary, Vietnam's trade agreements provide a comprehensive framework that not only reduces tariffs and trade barriers but also promotes investment, enhances market access, and fosters regional cooperation. These features collectively contribute to Vietnam's growing export competitiveness and its ability to leverage trade agreements for sustainable economic development.

3. Analysis of Vietnam's Export Performance from 2005 to 2025

3.1. Export Volume and Value Trends

From 2005 to 2025, Vietnam's total export value and volume showed a remarkable upward trend, signaling the country's growing role in the global economy. In 2005, Vietnam's export value was about 45.2 billion US dollars, and by 2024, this had increased to 369.93 billion US dollars, representing an average annual growth rate of around 13.5%. This impressive growth was particularly evident in sectors such as textiles, electronics, and footwear, which benefited from both domestic reforms and Vietnam's expanding network of international trade agreements. Notably, between 2010 and 2015, the country experienced an accelerated growth rate of 17.5% annually, driven by its increasing integration into global supply chains.

Although the growth rate slowed in the following years, from 17.5% (2010-2015) to 10.3% (2015-2020) and further to 7.2% (2020-2024), Vietnam's exports continued to grow

steadily, reaching almost 370 billion US dollars by 2024 [11]. This reflects the resilience of the export sector despite external challenges such as global economic slowdowns and the COVID-19 pandemic. Vietnam's participation in key trade agreements, such as the European Union-Vietnam Free Trade Agreement (EVFTA) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), played a crucial role in maintaining export momentum, as it provided preferential access to new and diverse markets (see Table 2).

Table 2. Vietnam Export volume and Growth rate.

Year	Export Value (billion US dollars)	Growth Rate (%)
2005	45.2	-
2010	72.1	11.6 (average annual from 2005 - 2010)
2015	162.4	17.5 (average annual from 2010 - 2015)
2020	281.5	10.3 (average annual from 2015 - 2020)
2024	369.93	7.2 (average annual from 2020 - 2024)

3.2. Product Structure of Exports

Vietnam's export product structure has undergone substantial transformation over the past two decades. In 2005, the majority of Vietnam's exports consisted of agricultural products and light industrial goods. These products dominated the export landscape, reflecting the country's earlier industrial development and reliance on agriculture. However, as Vietnam's economy evolved and its manufacturing sector expanded, the composition of its exports shifted, with a notable increase in high-tech products, particularly electronics.

By 2024, the share of electronics in Vietnam's total exports had grown to 35%, making it the largest export category. This shift is largely attributed to the country's growing electronics manufacturing sector, which has benefited from foreign direct investment (FDI) and its participation in global supply chains. In contrast, the proportion of agricultural products in total exports decreased to 18%. This reflects the country's continued industrialization and diversification of its export portfolio, as well as the global demand for high-tech products.

The textiles sector remained an important part of Vietnam's exports, though its share decreased slightly from 18% in 2005 to 22% in 2024. Footwear maintained a steady share of 10% throughout this period, indicating the continued strength of these industries in the global market. Meanwhile, the "Other" category, which encompasses a variety of products, saw its share decline from 35% in 2005 to 15% in 2024, reflecting the increasing focus on higher-value products such as electronics and machinery (Table 3).

Table 3. Vietnam's export products.

Product Category	Proportion in 2005	Proportion in 2024
Electronics	12%	35%
Textiles	18%	22%
Footwear	10%	10%
Agricultural products	25%	18%
Others	35%	15%

3.3. Market Distribution of Exports

Over the past two decades, Vietnam's export market has become increasingly diversified, reflecting the country's growing economic integration and the expanding reach of its products to international markets. In 2005, Vietnam's export markets were largely concentrated in neighboring Asian countries and a few traditional partners, including

ASEAN nations and China. However, by 2024, the global distribution of Vietnam's exports had broadened significantly. In addition to its traditional Asian markets, the European Union (EU), the United States, and the United Kingdom had become key export destinations.

In 2024, the United States emerged as Vietnam's largest export market, accounting for approximately 26% of total exports. This growth is attributed to strong demand for electronics, textiles, and agricultural products in the U.S., as well as the expanding trade relationship between the two nations. The EU followed as Vietnam's second-largest market, accounting for about 18% of exports. This growth in exports to the EU reflects the positive impact of trade agreements such as the EVFTA, which granted preferential access to European markets.

China, historically Vietnam's largest trading partner, saw its share of Vietnam's total exports slightly decline from 15% in 2005 to 14% in 2024. While China remains an important destination for many of Vietnam's agricultural products and electronics components, the country has increasingly diversified its export destinations, reducing its dependence on any single market. The ASEAN region, while still a significant partner, experienced a slight decline in share, from 20% in 2005 to 16% in 2024, reflecting the expansion of trade relationships beyond Southeast Asia.

The "Other" category, which includes markets not specifically listed, accounted for 26% of total exports in 2024, a decrease from 35% in 2005. This shift indicates that Vietnam's export markets have become more concentrated in key regions, although the country still maintains a broad global presence. (Table 4).

Table 4. Vietnam's export market.

Market Region	Proportion in 2005	Proportion in 2024
United States	18%	26%
EU	12%	18%
China	15%	14%
ASEAN	20%	16%
Others	35%	26%

Data source: Vietnam General Statistics Office.

4. Impact of Trade Agreements on Vietnam's Export Performance

4.1. Positive Impact on Export Volume and Value

Trade agreements have played a crucial role in promoting Vietnam's export volume and value growth. For example, after the implementation of the EVFTA in 2020, Vietnam's exports to the EU increased significantly. In 2021, Vietnam's exports to the EU reached 48.4 billion US dollars, an increase of about 20% compared with 2020. The tariff reduction under the EVFTA made Vietnamese products more price - competitive in the EU market, thus promoting the growth of export volume. Similarly, the implementation of the RCEP also had a positive impact on Vietnam's exports. The simplification of rules of origin and trade facilitation measures in the RCEP helped Vietnam expand its exports to member states such as Japan, South Korea, and Australia.

4.2. Influence on Export Product Structure

Trade agreements have also promoted the optimization of Vietnam's export product structure. With the signing of high-standard trade agreements such as the CPTPP, Vietnam has been forced to improve its product quality and technological content to meet the higher market access standards. As a result, the proportion of high-tech products in Vietnam's exports has gradually increased. For example, the CPTPP has strict regulations

on intellectual property protection and environmental protection, which encourages Vietnamese enterprises to invest more in research and development and technological innovation, so as to produce more high-value-added products.

4.3. Impact on Export Market Diversification

Vietnam's trade agreements have effectively promoted the diversification of its export markets. By signing FTAs with different economies around the world, Vietnam has expanded its market access channels. For example, before signing the UKVFTA, Vietnam's trade with the UK was limited. After the implementation of the UKVFTA in 2021, Vietnam's exports to the UK increased rapidly. In 2023, Vietnam's exports to the UK reached 6.5 billion US dollars, an increase of about 45% compared with 2021. This shows that trade agreements can help Vietnam break through market barriers and enter new markets.

5. Challenges and Limitations in the Implementation of Trade Agreements

5.1. Low Utilization Rate of Preferential Tariffs

Although trade agreements provide preferential tariff treatment, the actual utilization rate of preferential tariffs by Vietnamese enterprises is not high. For example, in the case of the CPTPP, the utilization rate of preferential tariffs by Vietnamese enterprises is only about 5%. One of the main reasons is that many Vietnamese enterprises are not familiar with the complex rules of origin and preferential tariff application procedures in trade agreements. In addition, some enterprises may find that the cost of meeting the rules of origin requirements is too high, so they choose not to apply for preferential tariffs.

5.2. Non-Tariff Barriers

In addition to tariff barriers, non-tariff barriers such as technical barriers to trade (TBT) and sanitary and phytosanitary measures (SPS) still pose challenges to Vietnam's exports. For example, the EU has strict environmental and safety standards for imported products. Vietnamese products need to meet these standards to enter the EU market. However, due to the relatively backward production technology and quality management level of some Vietnamese enterprises, it is difficult for them to meet these requirements, which restricts Vietnam's exports to the EU market.

5.3. Dependence on Foreign Invested Enterprises

In Vietnam's export-oriented economy, foreign-invested enterprises play a dominant role. In 2024, foreign-invested enterprises accounted for about 71.9% of Vietnam's total exports. Although trade agreements have attracted a large number of foreign-invested enterprises to invest in Vietnam, this also makes Vietnam's export performance highly dependent on foreign-invested enterprises. Once there are changes in the global economic environment or the investment policies of foreign-invested enterprises, Vietnam's exports may be severely affected.

6. Conclusions and Policy Suggestions

6.1. Conclusions

From 2005 to 2025, Vietnam's trade agreement network has been continuously expanded, and its export performance has also achieved remarkable results. Trade agreements have had a positive impact on Vietnam's export volume, value, product structure, and market diversification. However, in the implementation process, there are still problems such as low utilization rate of preferential tariffs, the impact of non-tariff barriers, and over-dependence on foreign-invested enterprises.

6.2. Policy Suggestions

First, the Vietnamese government should strengthen publicity and training on trade agreements to improve the awareness and understanding of enterprises on trade agreement policies, especially the rules of origin and preferential tariff application procedures. Second, the government should encourage domestic enterprises to increase investment in technological innovation and quality management, improve product quality and technological content, and enhance their ability to overcome non-tariff barriers. Third, Vietnam should promote the development of domestic-invested enterprises, reduce the over-dependence on foreign-invested enterprises, and improve the stability and sustainability of the export - oriented economy.

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