

EVALUATE

**CHALLENGES - VIETNAM'S
OPPORTUNITIES IN THE EVFTA FREE
TRADE AGREEMENT.**



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PROJECT OVERVIEW

Research objectives

- Assessing the impact of the Vietnam-EU Free Trade Agreement (EVFTA)
- Quantitative analysis of economic changes before and after the agreement
- Build predictive models to measure performance

Scope of research

- Time: 2005-2023 (focus: 2016-2023)
- Subject: Trade, investment, technology, banking
- Methods: Linear regression, correlation analysis

ANALYTICAL APPROACH

Data Source

World Bank Database: Gross Domestic Product, Foreign Direct Investment, High-technology Exports

General Statistics Office of Vietnam: Trade with the European Union

General Department of Customs: Specifications of Commercial Goods

Econometrics Models

$$GDP_{VN} = \beta_0 + \beta_1(XK*NK) + \beta_2(M\&HTEX) + \beta_3(FDI) + \beta_4(GDPEU) + \varepsilon$$

- **Dependent variable:** *GDP of Vietnam*
- **Independent variable:** *Interaction of import-export, foreign direct investment (FDI), high technology, GDP of the European Union*

BACKGROUND

Export Trends to the European Union

- 2021: A growth rate of 14.16% following the implementation of the EVFTA.
- 2022: Reached a high of 16.53%
- 2023: Decreased by 6.61% owing to global challenges

Export obstacles

- Average growth rate: 4.4% (2016-2023)
- Below the national average: 10.3%
- Market share declined: 19.3% → 12.3%

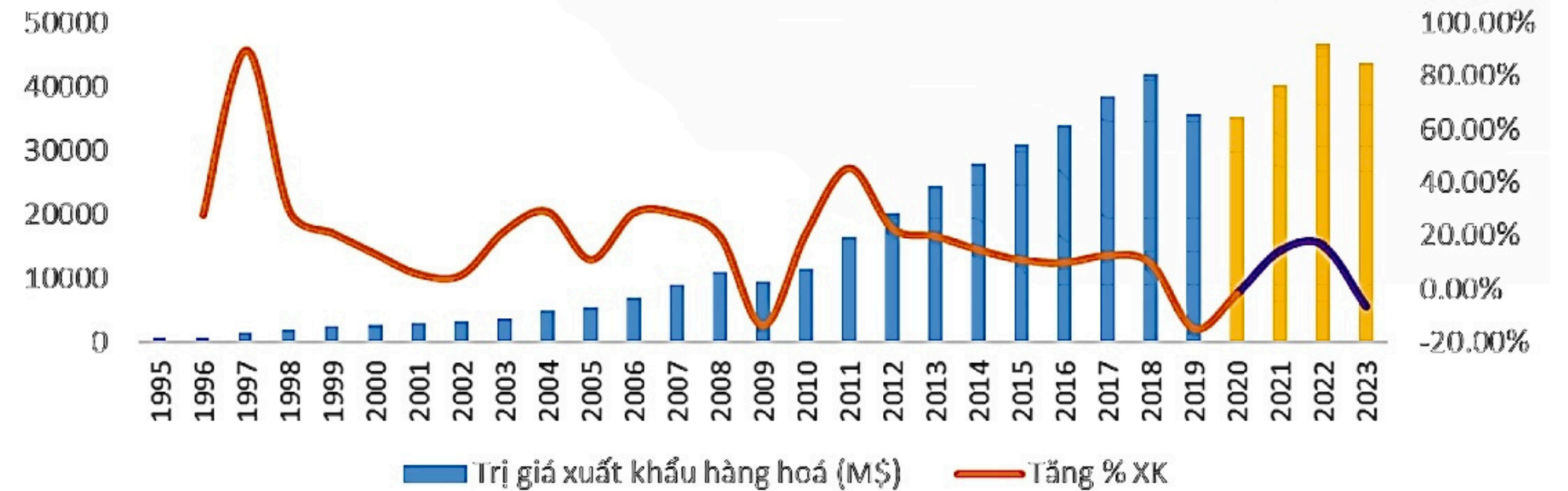
(1) Vietnamese technology has yet to fulfill the requirements and standards established by EU countries.

(2) The Covid pandemic has led to a decline in exports.

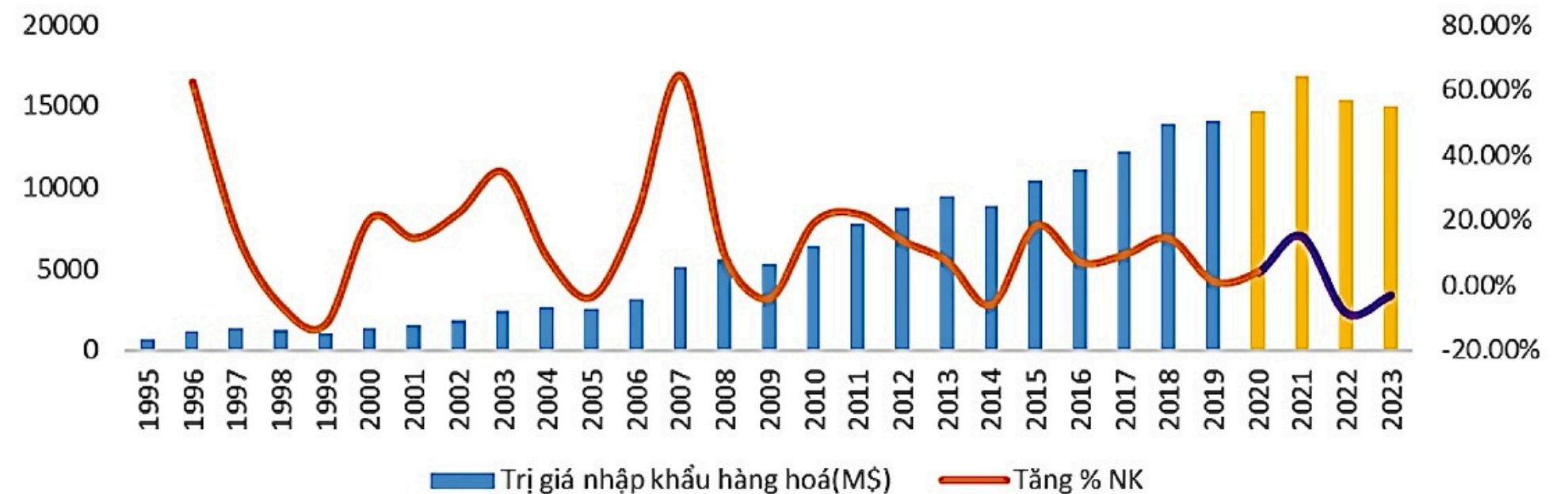
Import prospects

- 2021: 24.57% rise in imports from the EU
- Enhanced access to technology and raw materials

Trị giá xuất khẩu hàng hoá vào EU



Trị giá nhập khẩu hàng hoá từ EU

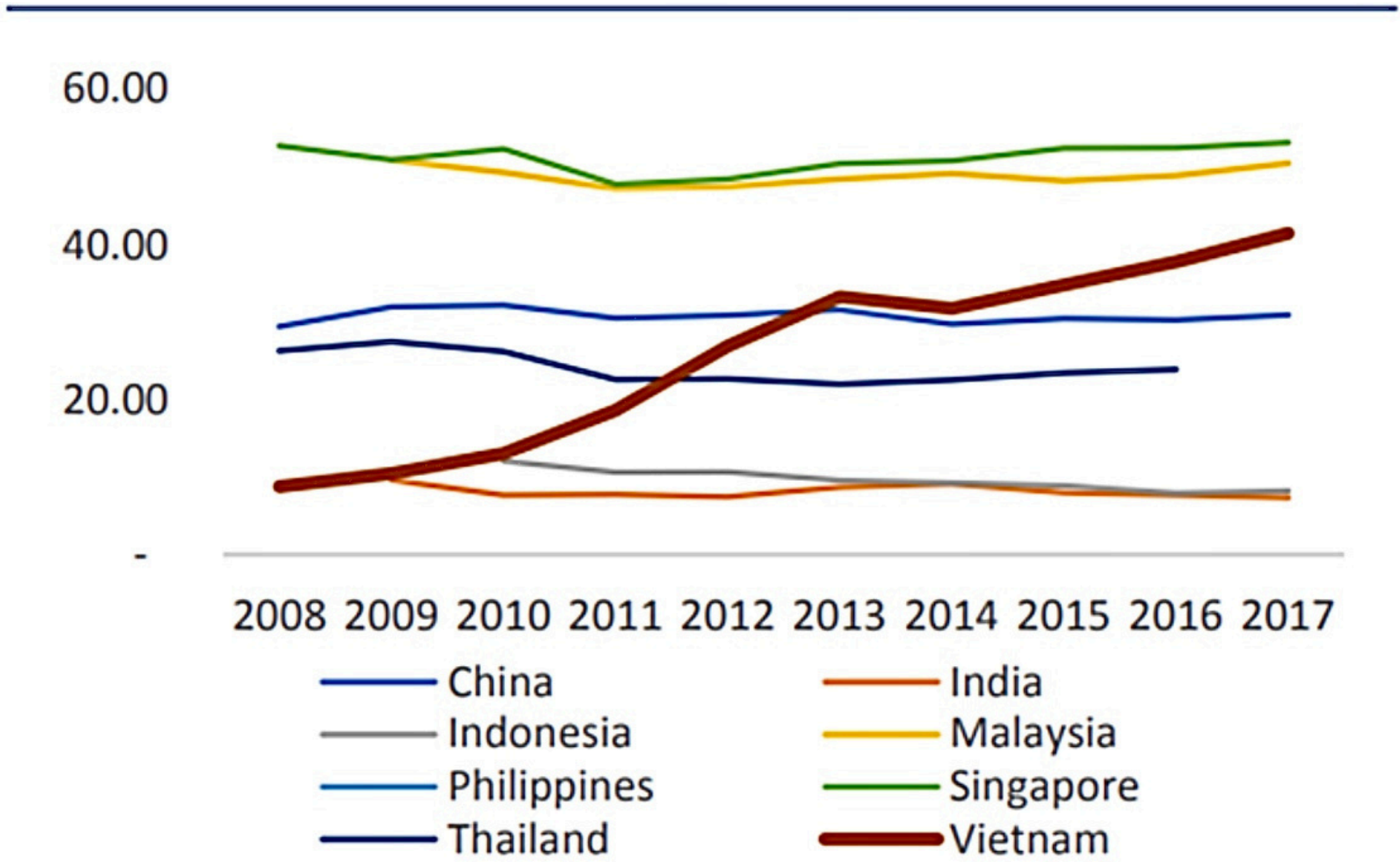


BACKGROUND

Vietnam Technology:

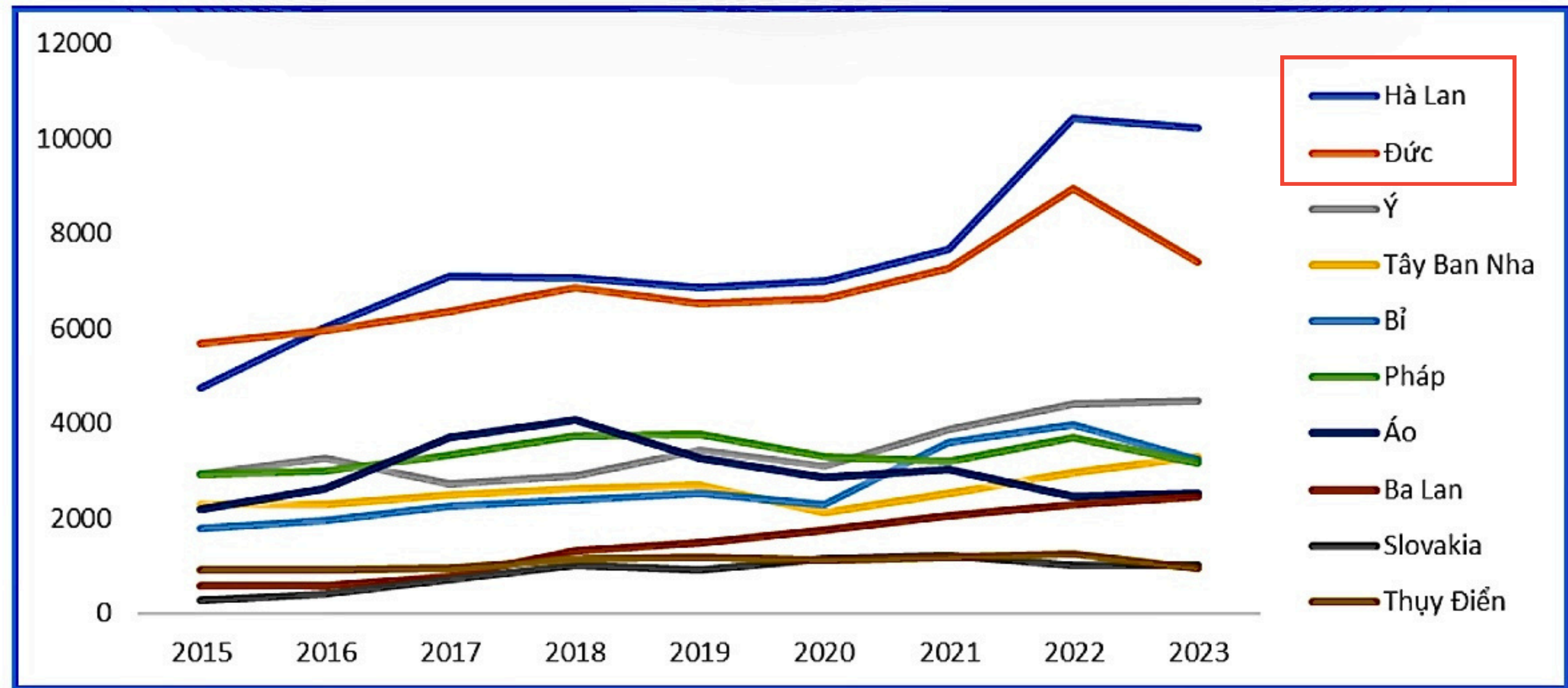
The proportion of high technology increased sharply: from 8.7% (2008) to 41.4% (2017)

Urgent requirements: improving business capacity, promoting training, R&D and perfecting institutions



Source: World Development Indicators.

IMPORT TRENDS FROM EU TO VIETNAM



Imports from the EU are mostly from the Netherlands and Germany

KEY EXPORT COMMODITIES FOR 2022-2023

Mặt hàng (USD)	2022	2023	Tốc độ tăng (%)
Gạo	20,541,443	28,399,862	38.26
Gỗ và sản phẩm gỗ	612,375,783	424,985,087	-30.60
Túi xách, ví, vali, mũ, ô, dù	798,458,591	837,849,173	4.93
Thủy sản	1,223,069,761	869,541,407	-28.91
Cà Phê	1,492,393,461	1,280,550,553	-14.19
Dệt may	4,455,113,381	3,764,445,758	-15.50
Máy móc, thiết bị, dụng cụ và phụ tùng khác	5,627,542,958	5,544,210,409	-1.48
Giày dép	5,843,370,676	4,822,889,001	-17.46
Máy vi tính, sản phẩm điện tử và linh kiện	6,351,254,781	5,526,980,519	-12.98

IMPACT ON FDI CAPITAL FROM EU TO VIETNAM

FDI brings: capital, technology, management, jobs

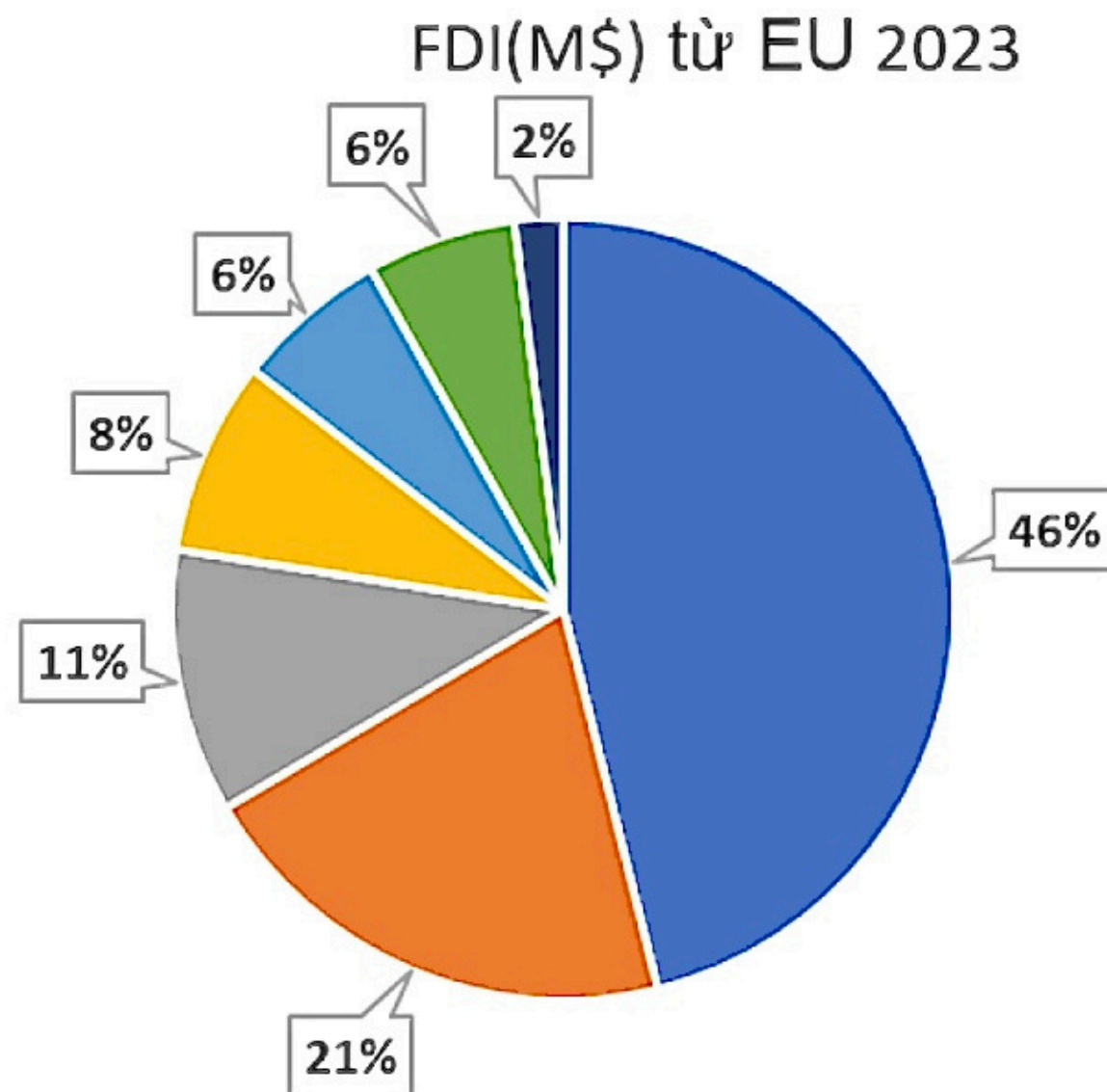
Attracting investment from: Netherlands, Germany, Sweden, Denmark, Italy, France

Main fields: processing - manufacturing, renewable energy, logistics, finance

Spillover effects: technology transfer, human resource training, business linkage

EVFTA helps: create a stable and transparent legal framework

Vietnam needs to: improve investment environment, procedures, infrastructure



- Hà Lan
- CHLB Đức
- Thụy Điển
- Đan Mạch
- I-ta-li-a
- Pháp
- Other

REGRESSION MODEL OUTCOMES

Model efficacy

- $R^2 = 0.988$: Accounts for 98.8% of GDP variation.
- F-statistic = 497.23: The model demonstrates a high level of statistical significance.
- Significance F = 1.06E-22: Highly significant

The most significant factors:

- Export * Import ($\beta = 2.08$ million)
- FDI ($\beta = 50.026$)
- GDPEU ($\beta = 303$)
- M&HTEX: no established meaning yet

Regression Statistics						
Multiple R	0.994					
R Square	0.988					
Adjusted R Square	0.986					
Standard Error	1.73E+14					
Observations	29					
ANOVA						
	df	SS	MS	F	Significance F	
Regression	4	5.92E+31	1.48E+31	497.23	0.00	
Residual	24	7.15E+29	2.98E+28			
Total	28	5.99E+31				
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%
Intercept	(2,240,342,252,734,950)	5.50E+14	(4.075)	0.000	-3.38E+15	-1.11E+15
XK*NK	2,080,695	4.71E+05	4.420	0.000	1.11E+06	3.05E+06
M&HTEX	12,836,191,726,685	7.25E+12	1.771	0.089	-2.13E+12	2.78E+13
FDI	50,026	2.20E+04	2.270	0.032	4.54E+03	9.55E+04
GDPEU	303	5.09E+01	5.955	0.000	1.98E+02	4.08E+02

COMPARISON BEFORE/AFTER EVFTA

Change in correlation:

Correlation giai đoạn 2016-2019						Correlation giai đoạn 2020-2023							
GDPVN TGXK TGNK M&HTEX FDI GDPEU						GDPVN TGXK TGNK M&HTEX FDI GDPEU							
GDPVN	1					GDPVN	1						
TGXK	0.952	1				TGXK	-0.265	1					
TGNK	0.299	0.555	1			TGNK	0.805	0.126	1				
M&HTEX	0.615	0.701	0.766	1		M&HTEX	-0.695	0.872	-0.269	1			
FDI	0.976	0.988	0.497	0.743	1	FDI	0.978	-0.397	0.809	-0.769	1		
GDPEU	0.992	0.967	0.398	0.709	0.993	1	GDPEU	0.879	0.192	0.949	-0.281	0.824	1

Shifting growth model Before: Relying on raw **Exports**

After: Shifting to technology imports + FDI

THANKS YOU

