

What opportunities and challenges lie ahead the EVFTA Agreement is put into effect?

Along with opportunities, the implementation of EVFTA also poses many challenges. Vietnam is still at a not very high level among developing countries. The GDP per capita stands at about 2800 USD, which falls behind some other ASEAN countries.

First, competitive pressure is the top challenge we have to overcome. However, competition can be seen as a motivation for businesses to continuously bring innovation and creativity activities, which in turn creates more choices for consumers. Along with the early stages of the integration process, businesses have made drastic development steps. For example, there existed trade deficits in the early stages of our implementation of FTA with Japan or India, but they gradually become more balanced and even recorded trade surpluses. Meanwhile, the EU's economy is highly complementary to Vietnam, so the potential for exploitation is high, while the competitive industry or confrontation is relatively small. Indeed, the increase in import of sources technology and some products from the place holding enormous technological potential and high-quality products will also increase the overall efficiency of the economy.

Second, new-generation free trade agreements like EVFTA also require adjustments and amendments to the laws. However, the need to improve the legal system can derive from the intrinsic developmental needs of the economy. Over the past years, we have been proactively revising many crucial legal documents such as the Labor Code and the Law on Intellectual Property. New-generation free trade agreements promote us to renew ourselves, in line with new development trends around the world.

Finally, the EU market is one of the most demanding markets in the world. For example, EU labor and environmental requirements force businesses to have strict adherence. However, instead of having every single enterprise handle and overcomes these barriers, the Agreement also creates cooperation frameworks for businesses of both sides to learn and surmount obstacles in the implementation process of the Agreement.