

# THE IMPACT OF IMPORT AND EXPORT POLICIES ON VIETNAM'S ECONOMIC DEVELOPMENT

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## ABSTRACT

*Commercial business, with the import and export of goods as its cornerstone, has long been identified by the government of Vietnam as a key driver of socio-economic development in the new era. To promote the expansion of production and exports in alignment with national development orientations, the government exercises unified management through laws, policies, strategies, plans, and development programs. The government also fosters a conducive environment for the growth of international trade by implementing mechanisms and policies that encourage production and exports. At the same time, it ensures a level playing field and maintains a stable macroeconomic environment in line with the development trends of a market-oriented economy. Within the scope of this article, we provide an overview of several key issues related to import and export policies, as well as future development orientations.*

**Keyword:** *exports, imports of goods, trade value, government management of imports and exports, import–export market*

## 1. THE OVERVIEW OF IMPORT AND EXPORT POLICY DYNAMICS DURING THE OPEN-DOOR PERIOD

The comprehensive reform of Vietnam's socio-economic system began with the sixth national congress and has continued for nearly four decades. Since then, Vietnam has undergone profound and far-reaching transformations. The sixth national congress marked a critical turning point in the reform of economic mechanisms, policies, and management, particularly in relation to market development and import–export trade. Following the Resolution of the Seventh National Congress (1991), the centrally planned market mechanism was fundamentally dismantled, creating essential preconditions for the development of markets, trade, and services. Key policy directions included the implementation of a multi-sector economic model, the removal of barriers to the circulation of goods, the encouragement of joint ventures and economic linkages, and the promotion of multilateralism and diversification in foreign trade. This approach was guided by the principle that “Vietnam seeks to be a friend to all countries in the global economic community.” The overarching objective of Vietnam's international trade management policy is to ensure unified state management while expanding trade relations based on respect for

independence, sovereignty, equality, and mutual benefit. The policy emphasizes multilateralization and diversification of trade partnerships, encourages all economic sectors to engage in export production in accordance with the law, and promotes preferential measures to enhance export competitiveness and increase the export of goods and services. At the same time, it seeks to regulate imports by limiting goods that can be domestically produced, protecting local industries where appropriate, and prioritizing the import of advanced technologies, materials, and equipment to support production development.

To promote exports, align imports with domestic production and consumption needs, protect and develop local industries, and enhance the efficiency of trade activities, the government has issued numerous legal documents and policy instruments. These include major decisions, decrees, and strategies spanning from 1987 to 2022, which collectively establish the legal framework for import–export management. Notable examples include Decision No. 117 (1987), Decree No. 64 (1989), Decree No. 114 (1992), Decree No. 33 (1994), Decree No. 57 (1998), Decision No. 46/2001, Decree No. 12/2006, and more recent instruments such as Decree No. 69/2018 and Decision No. 493/2022 approving the Import–Export Strategy to 2030.

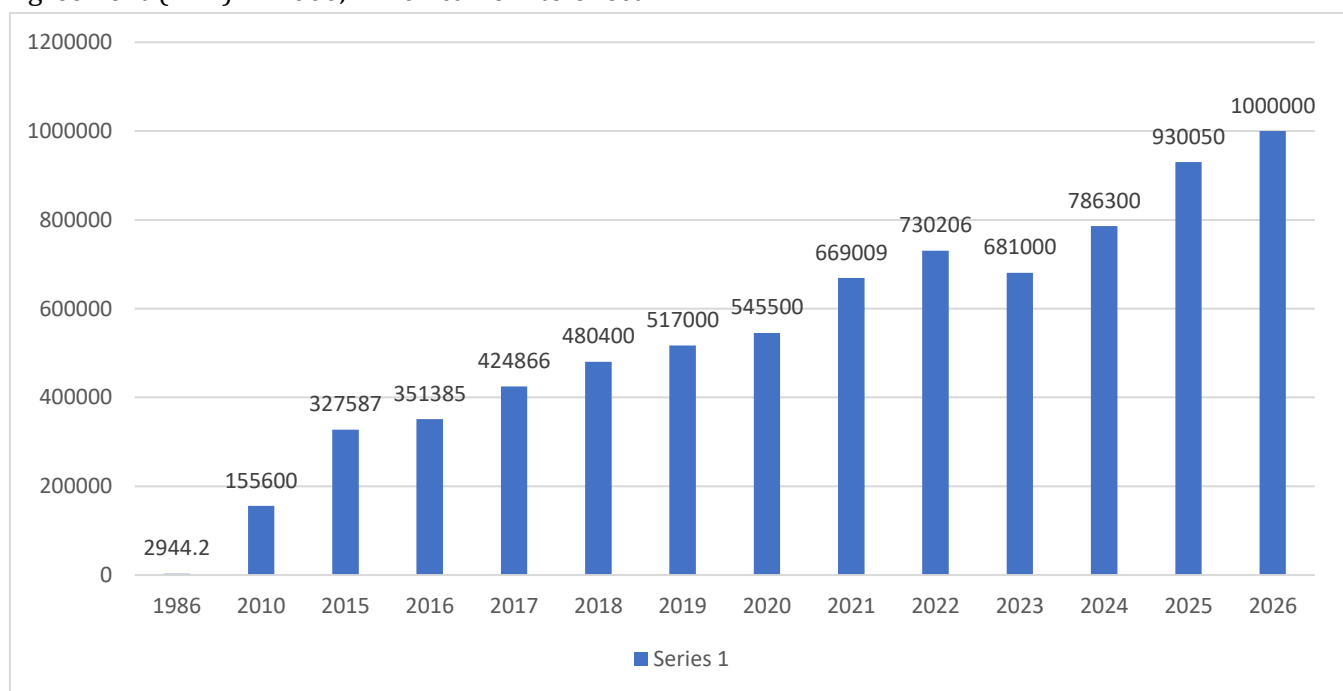
These policies reflect a consistent effort by the government to regulate trade activities effectively while creating favorable conditions for enterprises to operate efficiently and in alignment with national development goals. In parallel with domestic reforms, Vietnam has actively pursued international economic integration. Following years of embargo and economic isolation, the normalization of diplomatic relations with the United States in July 1995 marked a significant milestone. In the same year, Vietnam signed a framework cooperation agreement with the European Union and officially joined the Association of Southeast Asian Nations (ASEAN). The country continued its integration by joining the Asia-Pacific Economic Cooperation (APEC) forum in 1998.

A particularly important step was the signing of the Vietnam–United States Bilateral Trade Agreement (BTA) in 2000, which came into effect

in 2001 and played a pivotal role in expanding market access and accelerating integration. Subsequently, Vietnam was granted Permanent Normal Trade Relations (PNTR) status by the United States Congress in 2006 and officially became the 150th member of the World Trade Organization (WTO) the same year.

These developments created both opportunities and challenges, enabling Vietnam to accelerate economic growth and expand trade cooperation at regional and global levels. As a result, Vietnam’s foreign trade performance over the past four decades of reform has emerged as a significant highlight of its socio-economic achievements.

**Figure 1: Trends in the size of Vietnam's foreign trade market from 1986 to 2026**



Source: Statistical Yearbook, 1986-2024, author's calculations and 2026 plan

## 2. SOME RESULTS AND LIMITATIONS IN GOODS IMPORT AND EXPORT

Figure 1 indicates that Vietnam’s total foreign trade turnover increased significantly from only USD 2,944.2 million in 1986 to USD 29,508.0 million in 2000. Export value per capita in 2000 reached USD 184.2, helping the country move

beyond the group of economies with underdeveloped foreign trade. The upward trend continued, with total trade reaching USD 84,690 million in 2006 and USD 351,385.0 million in 2016.

By 2025, the total value of goods import and export is projected to reach USD 930.05 billion, representing an increase of 18.2% compared to the previous year. Of this total, exports are expected to reach USD 475.04 billion (up 17.0%), while imports are projected at USD 455.01 billion (up 19.4%). The trade balance is estimated to

record a surplus of USD 20.03 billion, with the foreign-invested sector (including crude oil) contributing a substantial surplus of USD 49.46 billion.

In terms of export structure, by 2025, there are 36 product categories with export values exceeding USD 1 billion, accounting for 94.0% of total export turnover. Processed industrial goods remain the primary driving force, reaching USD 421.47 billion and accounting for 88.7% of total exports. In addition, agricultural, forestry, and fishery products continue to make positive contributions, with export values of USD 39.46 billion and USD 11.29 billion, respectively. These achievements further affirm the growing position of Vietnamese goods in the global market.

Over nearly four decades of reform, Vietnam's foreign trade market has continuously expanded in both scale and scope. In 1986, trade relations were largely limited to socialist countries; by 1995, Vietnam had established trade ties with approximately 100 countries and territories. As of October 2024, this number had increased to over 230 countries and territories. Vietnam has also signed 17 free trade agreements (FTAs) with more than 60 countries and major global partners, participating actively in bilateral, multilateral, regional, and interregional economic cooperation frameworks.

These developments have opened up substantial export opportunities, while also attracting foreign direct investment (FDI) and official development assistance (ODA) from key international partners. As a result, Vietnam has gained access to capital, advanced technologies, managerial expertise, and other critical resources, thereby contributing to economic growth and structural transformation. Participation in FTAs continues to create favorable conditions for improving national competitiveness, enhancing business capacity, and strengthening the position of Vietnamese products in international markets.

Despite these significant achievements, several limitations and challenges remain. The 14th National Party Congress identified a number of persistent shortcomings that require appropriate policy responses to ensure sustainable and inclusive growth. These include an infrastructure system that remains incomplete and insufficiently modernized, limited interregional connectivity,

and relatively high logistics costs compared to regional and global benchmarks.

In addition, the institutional framework of the market economy is still undergoing gradual improvement, with unresolved issues in the relationship between the State, the market, and society. Certain legal documents, mechanisms, and administrative procedures remain inconsistent, overlapping, or lacking synchronization, thereby constraining development. Economic growth has not yet reached its full potential, while productivity, quality, efficiency, and competitiveness remain relatively low. The average labor productivity growth rate over the past five years has reached 5.3%, below the target, and the incremental capital-output ratio (ICOR) remains high at 6.4, indicating inefficiencies in capital utilization.

Furthermore, the transformation of the growth model in conjunction with economic restructuring has progressed slowly. Technological capacity remains limited, with a lack of foundational industries and strategic technologies to drive sustainable growth. Science, technology, and innovation have yet to become the primary engines of industrialization and modernization. Infrastructure development remains uneven and insufficient to meet emerging demands, while the mobilization and allocation of development resources continue to face constraints.

From the perspective of production and trade, the economy still relies heavily on processing, assembly, and low value-added activities, with limited participation in global value chains. The service sector also faces challenges, including relatively low quality, limited competitiveness in regional and international markets, and small enterprise scale with modest application of advanced technologies. Notably, the service trade deficit remains high, particularly in logistics, and has been slow to improve.

More broadly, several fundamental issues in economic development have yet to be fully addressed, including the characteristics of the socialist-oriented market economy; the roles of different economic sectors; the relationship between the government, the market, and society; and the balance between productive forces and production relations. Emerging development models such as the knowledge-based economy, digital economy, green economy, and circular

economy also require clearer orientation and more effective implementation. Additionally, challenges remain in ensuring efficient resource utilization, environmental protection, climate change adaptation, and the development of an independent and self-reliant economy in the context of deep international integration.

### 3. MAIN ORIENTATIONS AND SOLUTIONS FOR THE DEVELOPMENT OF IMPORT AND EXPORT IN THE COMING PERIOD

Government Decision No. 493/QĐ-TTg dated April 19, 2022, approving the *Strategy for Import and Export of Goods until 2030*, outlines key strategic orientations for the development of Vietnam's import-export activities.

First, the strategy emphasizes sustainable development of import and export activities based on a harmonious balance among commodity structure, market structure, and trade balance across different markets and regions. It also highlights the need to align short-term and long-term objectives while ensuring equitable participation in the benefits of trade growth. Import-export development must be closely linked with green and fair trade practices, environmental protection, biodiversity conservation, and climate change adaptation.

Second, import-export activities are to be developed in conjunction with investments in economic and technical infrastructure, science and technology, digital transformation, and the digital economy. The strategy also prioritizes the promotion of green, clean, circular, and sustainable production models, along with improving the quality of human resources.

Third, the strategy calls for enhancing the innovation content of export products and promoting the development of Vietnamese export brands to strengthen competitiveness in international markets.

Fourth, import-export development must be aligned with sectoral and regional development planning to leverage comparative advantages, effectively utilize opportunities arising from international economic integration, and mitigate potential risks. This approach aims to deepen Vietnam's participation in global supply chains and value chains.

The overall objective set out in Decision No. 493/QĐ-TTg is to achieve sustainable import-export development with a balanced and harmonious structure, leveraging both competitive and comparative advantages. The strategy also seeks to enhance the position of Vietnamese products in global value chains and establish import-export activities as a key driver of rapid and sustainable economic growth.

#### Import Targets to 2030

Import activities are expected to maintain stable growth and contribute to a healthy and balanced trade structure. The average annual growth rate of imports is projected at 5–6% for the 2021–2030 period, with 7–8% during 2021–2025 and 4–5% during 2026–2030. The trade balance is expected to remain stable in the first phase and move toward a sustainable surplus in the latter phase, particularly in relation to key trading partners.

In terms of market structure, the strategy aims to diversify import sources by increasing the share of imports from Europe and the Americas to 8–9% by 2025 and 10–11% by 2030 for each region. Meanwhile, the share of imports from Asia is expected to gradually decline to approximately 78% by 2025 and 75% by 2030.

#### Export Targets to 2030

Export growth is projected at an average annual rate of 6–7% over the 2021–2030 period, with higher growth of 8–9% during 2021–2025 and 5–6% during 2026–2030. The strategy aims to maintain a balanced trade position in the short term and achieve a sustainable trade surplus in the longer term.

The structure of exports is expected to shift toward higher value-added products. Processed and manufactured industrial goods are projected to account for 88% of total export turnover by 2025 and 90% by 2030. Within this group, medium- and high-technology products are expected to reach approximately 65% by 2025 and 70% by 2030.

Market diversification remains a key objective. The share of exports to Europe is expected to increase to 16–17% by 2025 and 18–19% by 2030, while exports to the Americas are projected to reach 32–33% and 33–34%, respectively. The proportion of exports to Asia is expected to

gradually decline to around 49–50% by 2025 and 46–47% by 2030.

### Key Solutions for Achieving the Strategy

To realize the above targets, several major groups of solutions are proposed:

**(i) Developing production capacity and ensuring sustainable export supply** Industrial development should focus on restructuring in line with digital transformation, particularly in processing and manufacturing industries, to create new growth drivers. Strengthening regional coordination and promoting industrial clusters and domestic value chains are essential to enhance production efficiency. At the same time, policies should support innovation, research, and the application of advanced technologies associated with the Fourth Industrial Revolution, including artificial intelligence, big data, the Internet of Things, and new materials.

In agriculture, restructuring should be linked with the development of the digital economy and sustainable production models. Policies should prioritize the development of key national and local products, including One Commune One Product (OCOP) initiatives, and the establishment of concentrated raw material zones. Strengthening linkages among farmers, cooperatives, and enterprises is critical to building efficient value chains from production to export. Additionally, the adoption of preservation technologies, traceability systems, and international quality standards will help increase the value and competitiveness of agricultural exports.

**(ii) Developing and diversifying export and import markets** Vietnam should strengthen economic and trade relations through the effective implementation of existing free trade agreements and actively pursue new agreements with potential partners. Priority should be given to markets with large demand and high openness, particularly for Vietnamese agricultural and industrial products.

**(iii) Improving institutions and enhancing state management** Continued institutional reform is necessary to facilitate trade, ensure transparency, and eliminate overlapping or inconsistent regulations. Strengthening state management will also help prevent trade fraud and promote fair trade practices.

**(iv) Mobilizing and efficiently utilizing resources** Investment in logistics infrastructure, warehousing systems, and transportation networks should be prioritized to reduce logistics costs and improve trade efficiency.

**(v) Managing imports effectively** Import activities should be aligned with domestic production needs, ensuring the supply of essential inputs while maintaining a healthy and balanced trade structure.

**(vi) Promoting the role of industry associations and enterprises** Industry associations and leading enterprises should play a central role in building large-scale export value chains, enhancing coordination among stakeholders, and improving overall competitiveness.

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