

# VIETNAM'S COMMODITY EXPORTS: CURRENT SITUATION AND RECOMMENDATIONS

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**Abstract:** Exports have played an important role in promoting economic growth. In recent years, Vietnam's exports have grown strongly. In 2024, Vietnam continued to record many important achievements in export activities, including stable growth in export turnover, making good use of free trade agreements and maintaining a surplus trade balance. According to the Strategy for Import and Export of Goods to 2030, Vietnam aims for an average export growth rate of 6-7%/year in the period 2021-2030, of which the average export growth rate in the period 2021-2025 is 8-9%/year; the average growth rate in the period 2026-2030 is 5-6%/year. The paper assesses the current situation of Vietnam's goods exports in recent times and proposes a number of recommendations to further increase Vietnam's goods export turnover in the coming time.

• Keywords: export, free trade agreement, trade surplus.

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## 1. Introduction

According to the Strategy for Import and Export of Goods to 2030, Vietnam aims to develop sustainable exports, promote comparative advantages and transform the growth model in depth, effectively use resources, protect the ecological environment and effectively solve social issues. In addition, promote the in-depth shift in the structure of export goods, promote industrialization and modernization; increase the proportion of export products with added value, high science and technology as well as innovation content, green economic products, circular economy, and environmentally friendly products.

In recent years, Vietnam's exports have continued to have impressive results, contributing to a trade surplus for 9 consecutive years. Vietnam's goods exports have made strong progress, shortening the time to achieve new records. After many years of efforts, in 2012, the export turnover of goods exceeded the USD 100 billion mark; in 2017 (after 5 years) it exceeded the mark of USD 200 billion; in 2021 (after 4 years) it exceeded the mark of USD 300 billion. The year 2024 continued to mark many important records for import and export activities. The total value of import and export turnover of goods approaches the USD 800 billion, reaching a record of USD 786.29 billion, higher than the record in 2022. Of which, exports surpassed the mark of USD 400 billion for the first time (after 3 years). This can be considered a remarkable milestone for Vietnam's efforts to develop international trade. These results have brought Vietnam to rank 17<sup>th</sup>

among the 20 economies with the largest trade scale in the world (WTO, 2024).

According to the General Statistics Offices (2025), the world economy is gradually stabilizing as global trade in goods improves, inflationary pressures gradually decrease, financial market conditions continue to loosen, and the labor market recovers positively. These factors will create positive conditions for world economic growth in 2025, which will have a positive impact on the economies of countries around the world, including Vietnam. Along with that, the world economy is currently undergoing a transition between liberalization and protectionism, between multilateralism and bilateralism, especially in the context of unpredictable geopolitical developments. In this context, countries, including Vietnam, always focus on adjusting strategies and policies to participate deeply in the global value chain, enhance export position, exploit trade advantages and foreign investment flows for economic development. In this context, it is necessary to realize the current situation of Vietnam's commodity exports and make recommendations for Vietnam's good export in the coming time.

## 2. The role of exports in Vietnam's economy

In Vietnam, export is one of the three important driving forces to promote economic growth, so it is being given special attention by the Government. According to Nguyen Si Dzong (2023), the role of exports in Vietnam's economy is very important as follows:

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**First**, exports increase national income. Exports are one of the important sources of national income. When exports increase, national income will increase. This helps improve people's lives and promote economic growth.

**Second**, exports create jobs. Exports create many jobs for domestic workers. When exports increase, the demand for labor will increase. This helps solve the problem of unemployment and contributes to poverty reduction.

**Third**, exports promote economic restructuring. Exports help domestic enterprises access international markets. This encourages enterprises to innovate technology, improve competitiveness and shift the economic structure towards modernization.

**Fourth**, strengthen international economic integration. Exports help countries connect more closely with each other. This contributes to promoting economic integration and global economic growth.

### 3. Current situation

The 6th Party Congress (1986) identified commodity export as one of the three fronts of the economy in the renovation period (alongside food production and consumer goods production). The mid-term conference (7th term) of the Party identified Vietnam's economic development strategy as "Persistently focusing on export as the main direction, while replacing imports of some domestically produced products effectively".

In 2006, to prepare for a new development phase, especially to prepare for joining the WTO, the Prime Minister issued Decision No. 156/2006/QĐ-TTg dated June 30, 2006 approving the Export Development Project for the period 2006-2010 with the general goal: to develop exports at a high and sustainable rate. Shift the export structure towards promoting the export of high value-added goods, processed and manufactured products, products with high technology and intellectual content, gradually reducing the proportion of raw exports. Controlling a reasonable trade deficit, through promoting the export of goods and services, developing the production of products with comparative advantages to ensure domestic demand, moving towards export-import balance in the early years after 2010.

The period from 2006 to present is the period of Vietnam's deep economic integration with the important event of Vietnam becoming the 150th member of the WTO. Therefore, following the foreign trade policies and strategies of the previous periods, in this period, Vietnam has the orientation of continuing to exploit relative advantages combined with the opportunities of integration to

exploit export markets to the maximum and develop new markets.

**Table 1: The situation of Vietnam's export**

Year	Export (billion USD)	Export growth rate (%)
2015	162,0	7,9
2016	176,6	9,0
2017	215,1	21,8
2018	243,7	13,3
2019	264,2	8,4
2020	282,6	6,9
2021	336,0	18,9
2022	371,3	10,5
2023	354,7	-4,6
2024	405,5	14,3

Source: Compiled by author

In the first period, from 1991 to 2010, Vietnam's annual export growth always reached a high rate, at double digits, even reaching over 15% in some years. In the period from 2011 to 2022, the growth rate of Vietnam's total export value reached an average of 12.6%/year. It can be said that Vietnam has had a high export growth rate for more than 3 decades, even during the COVID-19 pandemic (2019-2021). The export growth rate for the entire period from 1992 to 2022 reached an average of 17.96%/year. Vietnam has become the country with the highest export growth rate in the world for more than 30 years.

The year 2024 will mark many important records for import and export activities. The total value of import and export turnover of goods is approaching the mark of 800 billion USD, reaching a record of 786.29 billion USD, higher than the record in 2022. Of which, exports surpassed the 400 billion USD mark for the first time (after 3 years). These results have brought Vietnam to 17th place among the 20 economies with the largest trade scale in the world. Especially, Vietnam's total export turnover in 2024 continued to maintain positive growth in the context of many risks and uncertainties in the global economy. Preliminary export turnover of goods in 2024 reached USD 405.53 billion, up 14.3% over the previous year. Of which, the domestic economic sector reached USD 114.59 billion, up 19.8%, accounting for 28.3% of total export turnover; the foreign-invested sector (including crude oil) reached USD 290.94 billion, up 12.3%, accounting for 71.7%.

As a result, Vietnam's trade balance in 2024 continue to maintain a high trade surplus. Although imports increased sharply, exports still maintained growth momentum, helping the trade balance maintain a surplus. In 2024, the trade balance of goods had a trade surplus of USD 24.77 billion (the previous year had a trade surplus of USD 28.4 billion)

thanks to stable export growth and reduced imports of non-essential goods. This is the 9th consecutive year that Vietnam's trade balance of goods has achieved a trade surplus.

The diversity of Vietnam's export items and the revenue of export is increasing. If in 1986, Vietnam only had a few export items with low value, then by 2016, Vietnam had 24 items with a value of over USD 1 billion (phones and components: USD 34.32 billion; textiles: USD 23.84 billion; electronics, computers and components: USD 18.96 billion; footwear: USD 13.0 billion; machinery, equipment, other spare parts: USD 10.14 billion; seafood: USD 7.05 billion; wood and wood products: USD 6.97 billion...), and just 6 years later (2022), the group of export items with over USD 1 billion has increased to 48 items.

In 2024, there were 37 items with export turnover of over USD 1 billion, accounting for 94.3% of total export turnover (8 items with export turnover of over 10 billion USD, accounting for 69.0%). Key export items include electronics, computers and components; phones and components; machinery, equipment, other spare parts; textiles; footwear and wood maintain the leading position. Electronics, computers and components continue to be the leading export group in terms of export value, with great contributions from technology corporations such as Samsung, LG, Apple and electronic components manufacturing companies in Vietnam.

The export value of electronics, computers and components in 2024 reached USD 72.6 billion, an increase of 26.6% compared to 2023, accounting for 17.9% of total export turnover. Phones and components ranked second with a turnover of USD 53.9 billion, up 2.9%; machinery, equipment, tools and other spare parts reached USD 52.3 billion, up 21%; textiles reached USD 37 billion, up 11.2%; footwear reached USD 22.9 billion, up 13%; wood and wood products reached 16.3 billion USD, up 20.9%; means of transport and spare parts reached USD 15.1 billion, up 6.4%; seafood reached USD 10 billion, up 11.9%. In 2024, for the first time, there is an item with the export or import turnover of over USD 100 billion. That is electronics, computers and components with an import turnover of USD 107.1 billion, a very high increase of 21.7% compared to 2023, accounting for 28.1% of total import turnover. This is also the leading item among the main export items, reaching USD 72.6 billion, bringing the total export and import turnover of electronics, computers and components to USD 179.7 billion, a

sharp increase of 23.6% compared to 2023 (General Statistics Office, 2024).

After nearly 40 years of promoting the "export-oriented" strategy, the structure of Vietnam's export goods has fundamentally shifted, from intensive use of raw materials and primary products to processed and manufactured products. In particular, the strong growth of electronics, computers and components shows that Vietnam is gradually shifting from the production of raw products to products with high added value, especially in the processing, manufacturing and high-tech industries. The development of the electronic components, robot and software manufacturing industry is a clear demonstration of this shift.

The export market is expanding and increasing. In 2024, Asia (including China, Japan, and South Korea) remain the largest consumer of Vietnamese goods. Of which, China remains the market with the largest two-way trade relations, reaching USD 204.9 billion, up 19.2% compared to 2023; of which, exports will reach USD 60.6 billion, down 1.1%. South Korea is estimated to reach USD 81.8 billion, up 7.6%; of which, exports are estimated to reach USD 25.5 billion, up 8.7%. Japan is estimated to reach USD 46 billion; of which exports will reach USD 24.6 billion, up 5.6%.

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In addition, the US and EU are also two very important markets, especially in the fields of agricultural exports, textiles, footwear, and electronics. Accordingly, the US ranked second with USD 134.6 billion, up 21.5%; of which, exports reached USD 119.6 billion, up 23.3%. The EU market is estimated at USD 68.8 billion; of which exports are estimated at USD 52.1 billion, up 19.3%.

However, Vietnam's commodity exports are currently facing many difficulties and challenges such as: Risks from global trade wars; Declining demand from major markets; Not yet able to compensate for the decline from China; Difficulties in exporting agricultural and aquatic products; Still

dependent on a number of key products; Difficulties in improving logistics infrastructure, high logistics costs; Fluctuations in exchange rates and interest rates; Incomplete protection of intellectual property and anti-counterfeiting...

#### 4. Recommendations for exporting goods

According to the Strategy for Import and Export of Goods to 2030 approved under Decision No. 493/QĐ-TTg dated April 19, 2022 of the Prime Minister, Vietnam aims for an average export growth rate of 6-7% per year in the period 2021-2030, of which the average export growth rate in the period 2021-2025 is 8-9% per year; the average growth rate in the period 2026 - 2030 is 5-6% per year. At the same time, increase the proportion of the European market to 16-17% of total export turnover in 2025 and 18 - 19% in 2030; the America market to 32 - 33% of total export turnover in 2025 and 33 - 34% in 2030; the Asian export market is about 49-50% in 2025 and 46-47% in 2030.

To further increase Vietnam's goods export turnover, the author proposes to synchronously and effectively implement the following groups of solutions:

##### *For management agencies*

- Continuing to diversify export markets, especially markets such as Africa, the Middle East, and some ASEAN countries.

- Taking advantage of FTA agreements to expand export markets for Vietnam's key and advantageous products to European, Japanese, North American, and Hala markets; participate deeply and enhance position in the world supply chain.

- Continuing to diversify forms of widespread propaganda about incentives in FTAs for import and export enterprises, contributing to improving the efficiency and sustainability of exporting Vietnamese goods to markets that have signed FTAs; encourage enterprises to regularly participate in popular events and promote trade promotion programs.

- Increasing the use of information technology to simplify customs and transportation procedures, helping to reduce costs and time for import and export activities. Electronic systems such as e-ports and online services can help improve work efficiency.

- Continuing to innovate trade promotion activities, focusing on promoting at the highest level the digital transformation program in trade promotion activities, connecting domestic and foreign supply and demand.

- Providing credit packages with preferential interest rates for exporting businesses, helping

businesses improve their financial capacity and expand their export scale.

##### *For export enterprises*

- Taking advantage of free trade agreements (FTAs): Vietnam's enterprises need to fully exploit the signed FTAs, such as EVFTA, CPTPP, RCEP to increase export turnover and reduce tariffs. Enterprises need to improve their capacity to make the most of these incentives.

- Building a strong national brand: Building and promoting the national brand through international marketing campaigns, trade fairs and international events will help increase the brand value of Vietnamese products, thereby expanding export markets.

- Improving the quality of exported goods, especially focusing on product traceability, improving labor productivity; reducing the cost of exported goods, improving price competitiveness and product quality in the world market, especially for Vietnam's key export products.

- Strengthen training for businesses: Export enterprises need training support to understand international regulations, improve quality management and meet the requirements of demanding markets such as the EU and Japan.

#### 5. Conclusion

The increase and spectacular results of Vietnam's exports have not only contributed significantly to GDP growth and improved foreign trade balance, but also improved the quality of economic growth, created jobs, expanded economic and cultural integration, and enhanced Vietnam's position in the international arena. In order for exports to continue to be an important driving force for economic growth, Vietnam need to promote institutional reform, create a favorable business environment for enterprises; support enterprises to improve their competitiveness, meet the requirements of the international market; strengthen trade promotion, and expand export markets.

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