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**VIETNAM'S BILATERAL INTERNATIONAL ECONOMIC RELATIONS (2011-2020)**

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**ABSTRACT**

Vietnam's international economic integration process is closely linked to the construction, reform and improvement of economic institutions. It is accelerated by the negotiation and signing of economic and trade agreements, participation in international organizations and reform and innovation of the national legal system and administrative reform. In the years 2011-2020, Vietnam's international economic integration has made many breakthroughs, contributing to expanding export markets, attracting foreign capital, and improving national competitiveness.

**Keywords:** Economic Integration, Economic Relation, Breakthroughs, Vietnam.

**1. INTRODUCTION**

**1.1. Statement of the problem**

International economic integration is the process of proactively participating in the world. In terms of form, it is the participation and signing of bilateral economic agreements, regional and international economic institutions of a multilateral nature. In terms of content, it is the creation of conditions to attract FDI, promote the import and export of goods and services, increase trade activities, etc.; At the same time, it contributes to the implementation of commitments to international economic integration.

Vietnam's international economic integration is the process of proactively and actively participating more and more deeply in regional and international economic life, stemming from the country's internal needs and in line with the development trends of the times. International economic integration makes an important contribution to expanding and deepening Vietnam's relations with partners, creating a situation of intertwined interests, contributing to maintaining a peaceful and stable environment for national development; enhancing Vietnam's prestige and position in the international arena. From the process of awareness and innovation in theoretical thinking, the Party's policy of international economic integration was formed, supplemented and developed through the Congresses and Conferences of the Central Executive Committee, thereby creating significant results with multilateral and bilateral partners, especially in the period of 2011 – 2020.

**2. RESEARCH METHOD**

The article is based on the viewpoints and guidelines of the Communist Party of Vietnam, the policies and laws of the Vietnamese State on international economic integration. The author uses an interdisciplinary method of social sciences and humanities. In particular, the author mainly uses historical and statistical methods combined with logical and analytical methods to present the results achieved in the process of Vietnam's international economic integration. At the same time, he raises issues for Vietnam to continue to innovate its international economic integration policy in the coming time and draws some conclusions.

### 3. RESEARCH CONTENT

#### ***3.1. International economic relationship with the United States of America***

In the field of trade, two-way trade turnover between Vietnam and the US increased rapidly, reaching 24.5 billion USD in 2012 and 44 billion USD in 2015. Two-way trade turnover of goods increased more than 170 times, from 450 million USD in 1995 to 77.6 billion USD in 2019, reaching 80 billion USD in 2020 [1]. By 2020, the US was a large export market and the third largest trading partner of Vietnam. For the US, Vietnam is one of the export markets with the highest growth rate, becoming the 27th largest export market and the 16th largest trading partner of the US. In terms of investment, by the end of 2019, the total registered investment capital of US enterprises in Vietnam reached more than 11 billion USD, ranking 11th among countries and territories with investment projects in Vietnam. The US has invested in 17/22 sectors in the national economic classification system; of which accommodation and catering services with 17 projects, registered capital of approximately 4.68 billion USD, accounting for 42.3%; processing and manufacturing industry with 323 projects, registered capital of 2.24 billion USD, accounting for 20.3% of total registered capital. Most US investors choose the form of 100% foreign capital with 599 projects and nearly 8.27 billion USD, accounting for 74.8%; the form of joint venture has 111 projects with nearly 2.6 billion USD, accounting for 23.5% of total registered capital [2].

#### ***3.2. International economic relationship with China***

In the field of trade, Vietnam's total foreign trade turnover in 2011 was 35.1 billion USD; in 2012 it increased to 41 billion USD and reached 60 billion USD in 2015. China ranked first among countries exporting goods to Vietnam, and third in importing goods from Vietnam. According to the General Department of Vietnam Customs, two-way trade turnover between Vietnam and China in 2018 and 2019 reached over 100 billion USD per year. By May 2020, in the context of the complicated outbreak of the COVID-19 pandemic, the two countries promptly exchanged many measures to maintain trade as well as implement initiatives to promote business exchanges in the online environment, bringing the total export turnover of the two countries to more than 44.35 billion USD, an increase of nearly 2% over the same period in 2019. In the field of investment, by the end of October 2020, the total investment capital from China, Hong Kong and Taiwan in Vietnam reached over 76 billion USD, surpassing the total investment capital in Vietnam so far from Korea (70.4 billion USD), Japan (nearly 60 billion USD). By November 2020, China ranked 3rd among countries investing in Vietnam with a total investment capital of 2.1 billion USD. China invested a total of 18 billion USD in Vietnam with about 3,087 projects [9].

#### ***3.3. International economic relationship with Japan***

In the field of trade, the two countries focus on implementing the agreements of the Vietnam - Japan Economic Partnership Agreement (VJEPA) signed in 2008. Two-way trade between Vietnam and Japan has always increased over the years from 2011 to 21 billion USD; 25 billion USD in 2012; 28.49 billion USD in 2015 (3 times higher than in 2006). Total import-export turnover in 2020 reached 29.7 billion USD; imports reached 20.5 billion USD; exports reached 19.2 billion USD [3]. In the field of investment, Japan's commitment to implementing the Vietnam - Japan Joint Initiative to improve the investment environment and enhance Vietnam's competitiveness was proposed and agreed upon between Vietnamese Prime Minister Phan Van Khai and Japanese Prime Minister J. Koizumi in April 2003, and has gone through 5 stages. By 2015, Japan had invested a total of 37.5 billion USD in FDI capital in Vietnam. Japan ranked third,

after Korea and Malaysia, in terms of FDI capital in Vietnam. By September 2020, Japan had 4,595 valid FDI projects in Vietnam with a total registered investment capital of 59.87 billion USD, ranking second out of 136 countries and territories investing in Vietnam. In addition, in the first 9 months of 2020, Japan had 209 newly licensed projects, 100 projects with increased capital and 448 capital contributions to buy shares with a total investment capital of 1.73 billion USD, ranking fourth among countries and territories investing in Vietnam. Japan is also the country providing the largest ODA loan capital in Yen to Vietnam, with a total loan value of 2,578 billion Yen by December 2018 (equivalent to about 23.76 billion USD, accounting for 26.3% of the total foreign loan capital signed by the Vietnamese Government, contributing significantly to the socio-economic development of Vietnam [4].

### ***3.4. International economic relationship with Korea***

In the field of trade, Vietnam is one of two ASEAN countries that have signed a bilateral free trade agreement with Korea. Domestic trade turnover between the two countries reached 65.7 billion USD in 2018, accounting for about 40% of total trade turnover between Korea and ASEAN. Vietnam's exports to Korea in 2017 reached 14.8 billion USD, in the first 10 months of 2019 reached 16.7 billion USD. Korea's exports reached a large value in 2017 reaching 46.96 billion USD, in the first 10 months of 2019 reaching 29.4 billion USD [5]. In terms of investment, by October 2018, Korea ranked first among 128 countries and territories with valid investment projects in Vietnam, with 7,323 valid projects, with a total registered capital of 61.2 billion USD (accounting for 18.3% of total investment capital). Of which, there is the POLYPROPYLENE factory project and underground storage of liquefied petroleum gas in Vietnam "with an investment capital of 1.2 billion USD invested by Hyosung Group in Ba Ria - Vung Tau province" [5]. Korea invests in 19 fields, mainly in processing technology, manufacturing, real estate, construction, etc. In addition, Korea is the second largest ODA provider to Vietnam (after Japan) and Vietnam is the largest recipient of ODA aid from Korea. Korea has supported "1.2 billion USD in preferential loans from the Economic Cooperation Fund (EDCF) for the period 2012 - 2015 and 1.5 billion USD for the period 2016 - 2020"[7], focusing on green growth, infrastructure construction and human resource development.

### ***3.5. International economic relationship with Russia***

in the field of trade: two-way trade turnover between the two countries has increased more than 3 times, from 571.5 million USD in 2001 to 2.45 billion USD in 2012. In 2011, Vietnam had a trade surplus of about 600 million USD for the first time, and in 2012 it was 790 million USD. The main items exported to the Russian market are rice, garments, footwear, rubber, seafood, cashew nuts, tea, etc. Vietnam re-imports iron and steel products, fertilizers, and various types of gasoline and oil. The structure of goods exchanged between the two countries is quite stable. After the FTA between Vietnam and the Eurasian Economic Union (EAEU) took effect on October 5, 2016, two-way trade turnover in 2017 and 2018 increased by approximately 30% per year. Trade turnover in 2019 reached about 3.77 billion USD, exports were 2.3 billion USD (up 12.5%), imports were 1.47 billion USD (down 18.3%) [7]. In the field of investment: Russia's direct investment in Vietnam is increasing. By October 2019, "Russia had 123 direct investment projects in Vietnam (excluding oil and gas), with a total investment of over 1 billion USD, the total investment capital in Vietnam reached nearly 3 billion USD with 22 projects, notably investment in exploiting Russian oil and gas fields, the operation of the Hanoi - Moscow Multifunctional

Center. In addition, there are more than 200 small and medium-sized enterprises with 100% Vietnamese capital operating in production and business in Russia" [8].

#### 4. CONCLUSION

Vietnam has established and has economic and trade relations with many countries in the region and the world. Vietnam has "economic and trade relations with 170 countries, exporting goods to over 230 countries and territories. In addition, actively embracing the new trend of international economic integration with the emergence of FTAs, especially new-generation FTAs, in the world and in the region, Vietnam has signed nearly 100 bilateral trade agreements, over 60 investment promotion and protection agreements, 54 double taxation avoidance agreements... Vietnam participates in 15 FTAs, including new-generation FTAs, such as CPTPP, EVFTA. The results of the process of international economic integration mentioned above have important significance for the country's development and contribute to enhancing Vietnam's position in the international arena.

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