

# INVISIBLE BARRIERS TO TRADE

## Viet Nam: Business perspectives



International  
Trade  
Centre

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## About the paper

Nearly half of Vietnamese exporters face regulatory or procedural trade barriers, according to an International Trade Centre survey of 1800 businesses. Lack of trade information, complexities with certification and compliance, administrative delays in some regions, and complex visa requirements and lack of support for women entrepreneurs were among the top challenges. Abroad, Asia and Europe have the most challenging non-tariff measures.

Public-private dialogues following the survey led to an action plan that emphasized business environment reforms, e-government to reduce delays and improve transparency, more international regulatory cooperation, and better trade facilitation measures. The report includes a matrix of concrete actions for the trade ecosystem as well as specific sectors.

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For more information on NTM surveys, see [www.ntmsurvey.org](http://www.ntmsurvey.org)

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## Foreword

The crises and disruptions of recent years have taken a heavy toll on Viet Nam's exporters, especially women and youth. These same developments have also fuelled an important conversation about the barriers that hamper exporters' trading prospects, along with how policymakers and other stakeholders can respond.

Currently, almost half of Viet Nam's exporters grapple with restrictive regulations or related trade obstacles. Among these are difficulties complying with technical requirements, lack of trade-related information and inadequate domestic infrastructure. Women entrepreneurs also face social constraints and need greater support from government agencies and business support institutions.

Viet Nam has immense export potential: the next step is to translate that potential into practice. The country can potentially increase its exports by up to \$220 billion by 2025, even when considering the disruptions caused by COVID19 and other crises, according to the International Trade Centre's latest assessment. Achieving this potential means more jobs—including for youth and women—and greater economic development.

But it can only happen if exporters are able to become better integrated into global value chains, and that means tackling those market frictions that make it harder for small businesses to trade. Thus, identifying which non-tariff measures are hindering Vietnamese exports is critical for the Government as it formulates its trade policies.

The clearest insights come from talking to these exporters themselves. That's why the International Trade Centre's business surveys on non-tariff measures focus on identifying key trade hurdles that small businesses experience, based on what these firms tell us. Over the years 2019-2020, we undertook a large-scale business survey of exporters and importers in Viet Nam to identify the most challenging non-tariff measures (NTMs) that they face.

The results are meant to give policymakers insights into which policies, procedures and facilities must be strengthened to reduce trade costs, boost competitiveness, and enable greater integration into global value chains. Our survey showed that there is great scope for the Government of Viet Nam to streamline processes, improve quality management and work with exporters to provide consistent, transparent and timely information.

The International Trade Centre remains committed to supporting Vietnamese small businesses to fulfil their export potential, especially as they recover from recent crises and build resilience for the future. We also stand ready to work with the Government of Viet Nam as they develop policy responses.

We know, from nearly 60 years of working with small businesses, that market access begins at home. I hope this report will help pave the way to a more inclusive and competitive trade policy, in line with local needs and priorities.



**Pamela Coke-Hamilton**  
Executive Director  
International Trade Centre

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## Acronyms

Unless otherwise specified, all references to dollars (\$) are to United States dollars.

AHTN	ASEAN Harmonized Tariff Nomenclature	MRL	Maximum Residue Limits
ASEAN	Association of Southeast Asian Nations	NAFIQAD	National Agro-Forestry Fisheries Quality Assurance Department
BRC	British Retail Consortium	NTM	Non-tariff measure
BSCI	Business Social Compliance Initiative	NGO	Non-Governmental Organization
CO	Certificate of Origin	OECD	Organization for Economic Co-operation and Development
CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership	PO	Procedural obstacle
EU	European Union	PARA	Pest Risk Analysis
EVFTA	EU-Viet Nam Free Trade Agreement	REX	Registered Exporter System
FDA	Food and Drugs Administration	SME	Small and medium-sized enterprise
FSC	Foreign system certification	SPS	Sanitary and phytosanitary
FTA	Free Trade Agreement	TBT	Technical barriers to trade
GATS	General Agreement on Trade in Services	UNCTAD	United Nations Conference on Trade and Development
GATT	General Agreement on Tariffs and Trade	VIETRADE	Viet Nam Trade Promotion Agency
ITC	International Trade Centre	VCCI	Viet Nam Chamber of Commerce and Industry
KFDA	Korea Food and Drug Administration	WTO	World Trade Organization
MoIT	Ministry of Industry and Trade		