

DOI 10.24412/2686-7702-2024-4-47-62

Перспективы сотрудничества между Вьетнамом и Евразийским экономическим союзом (ЕАЭС)

Новикова Екатерина Сергеевна¹,
Нгуен Фу Хыу¹

¹ Российский экономический университет имени Г.В. Плеханова

Аннотация. Целью данной работы является изучение сотрудничества между Евразийским экономическим союзом (ЕАЭС) и Вьетнамом с акцентом на его значимость для ЕАЭС в АСЕАН. Текущее положение дел рассматривается с точки зрения связей Вьетнама с ЕАЭС, в который входят Россия, Беларусь, Казахстан, Кыргызстан и Армения. Основой исследования стало изучение динамики товарооборота Вьетнама с каждой из этих стран, включая импорт и экспорт товаров, структуру их категорий, объём инвестиций и количество инвестиционных проектов в каждой стране. Анализ Соглашения о свободной торговле (ССТ) между Вьетнамом и ЕАЭС является ещё одним направлением исследования, как и определение функции ССТ и его возможных перспектив. Предпринимается независимая попытка установить основные преимущества и недостатки Вьетнама для работы в рамках такого соглашения в сравнении с другими странами АСЕАН. Результаты исследования могут быть использованы для улучшения двусторонних отношений между Вьетнамом и странами ЕАЭС.

Ключевые слова: ЕАЭС, Вьетнам, АСЕАН, экономическое сотрудничество, соглашение о свободной торговле (ССТ), экспорт и импорт.

Авторы:

Новикова Екатерина Сергеевна, кандидат экономических наук, кафедра экономической теории, Российский экономический университет имени Г.В. Плеханова (адрес: 115054, Москва, Стремянный переулок, д. 36). ORCID: 0000-0003-2342-6939. E-mail: novikova.es@rea.ru

Нгуен Фу Хыу, студент Высшей школы экономики и бизнеса, Российский экономический университет имени Г.В. Плеханова (адрес: 115054, Москва, Стремянный переулок, д. 36). ORCID: 0009-0004-2404-6932. E-mail: nguyenuphubp@gmail.com

Конфликт интересов. Авторы заявляют об отсутствии конфликта интересов.

Для цитирования: Новикова Е.С., Нгуен Ф.Х. Перспективы сотрудничества между Вьетнамом и Евразийским экономическим союзом (ЕАЭС) // Восточная Азия: факты и аналитика. 2024. № 4. С. 47–62. (На англ.). DOI 10.24412/2686-7702-2024-4-47-62

Perspectives of the cooperation between Vietnam and the Eurasian Economic Union (EAEU)

Novikova Ekaterina S.¹,
Nguyen Phu Huu¹

¹ Plekhanov Russian University of Economics

Abstract. This paper's purpose is to examine the cooperation between the Eurasian Economic Union (EAEU) and Vietnam, with a focus on its significance for the EAEU in ASEAN. The present state of affairs is considered from the perspective of Vietnam's ties with the EAEU, which includes Russia, Belarus, Kazakhstan, Kyrgyzstan, and Armenia. The study is based on the dynamics of Vietnam's trade turnover with each of these countries, including import and export of goods, the structure of their categories, investment volume, and the number of investment projects in each country. The analysis of the Free Trade Agreement (FTA) between Vietnam and the EAEU is another focus of the article, as well as identifying the FTA's function and its possible prospects. An independent attempt is made to define Vietnam's primary benefits and obstacles when compared with other ASEAN members. The paper's findings can be applied to enhance bilateral relations between Vietnam and EAEU countries.

Keywords: EAEU, Vietnam, ASEAN, economic cooperation, free trade agreement (FTA), export and import.

Authors:

Novikova Ekaterina S., PhD (Economics), Department of Economic Theory, Plekhanov Russian University of Economics (address: 36 Stremyanny Pereulok, Moscow, 115093, Russian Federation). ORCID: 0000-0003-2342-6939. E-mail: Novikova.ES@rea.ru

Nguyen Phu Huu, student High School of Economics and Business, Plekhanov Russian University of Economics (address: 36 Stremyanny Pereulok, Moscow, 115093, Russian Federation). ORCID: 0009-0004-2404-6932. E-mail: nguyenuhuphubp@gmail.com

Conflict of interests. The authors declare the absence of the conflict of interests.

For citation: Novikova E.S., Nguyen Phu H. Perspektivy sotrudnichestva mezhdru V'etnamom i Evraziyskim ekonomicheskim soyuzom (EAES) [Perspectives of the cooperation between Vietnam and the Eurasian Economic Union (EAEU)]. *Vostochnaya Aziya: fakty i analitika* [East Asia: Facts and Analytics], 4: 47–62. DOI 10.24412/2686-7702-2024-4-47-62

Introduction

The formation and collaboration of various economic unions and regional integration have influenced the global economy during the past few decades. In an era of rapid globalization, regional economic organizations such as the Association of Southeast Asian Nations (ASEAN) and EAEU have shown their importance on a global scale. They have a critical role in determining trade agreements, fostering cooperation across regional boundaries, and setting economic policy. ASEAN's geographical location and economic variety, together with the EAEU's resource-rich and industrially advanced member states, position them as significant players in global trade.

In Asia, Vietnam appears as a dynamic economy, actively integrating with the world market. Since implementing the “Đổi Mới” (renewal) policy in 1986, Vietnam has made great progress, overcoming economic crises and turning from a poor country into a middle-income developing

country. By the end of 2023, the poverty rate fell from almost 60 % in the early 1990s to 5.71 %. Vietnam's GDP growth increased by 5 % to 6 % on average for the last 10 years, and in 2023 it reached 430 billion USD, an increase of 5.05 % in comparison with 2022¹.

Vietnam's entry into international investment and trade networks was a major factor in the country's economic change. In order to promote long-term economic stability and sustainable growth, Vietnam has concentrated on attracting foreign direct investment (FDI) since the early 1990s, when it embraced more open economic policies and started fundamental reforms [Ikebe 2023]. Vietnam emerged as a major participant in international supply chains, especially in sectors like electronics and clothing, thanks to its welcoming policies and incentives for foreign companies. A young, reasonably priced labor population and the creation of special economic zones aided in the nation's transition into a manufacturing powerhouse by supporting this export-driven prosperity. However, because of the government's emphasis on economic diversification, Vietnam was able to move away from a single industry and became an important exporter in agriculture, especially of rice and seafood, as well as in the services and technology sectors².

According to IMF as of April 2024, the GDP per capita of Vietnam is 4.62 thousand USD, ranking sixth in ASEAN, behind other nations like Singapore (88.45 thousand USD), Brunei (35.11 thousand USD), Malaysia (13.31 thousand USD), Thailand. (7.81 thousand USD), and Indonesia (5.27 thousand USD)³. In the World Economic League Table (WELT), Vietnam is ranked as the 33rd economy in the world, and is predicted to have a big leap and become the top 24th by 2033⁴.

In terms of integration, Vietnam has actively participated in different economic groups and unions, including the WTO, WHO, UNICEF, ASEAN, etc. Since becoming a member of ASEAN in 1995, Vietnam has contributed forward cooperation for mutual benefits. As well as the US and Chinese markets, ASEAN is currently one of Vietnam's major commercial partners. Vietnam has officially assumed the rotating chair of ASEAN three times, including in 1998, 2010 and 2020. The whole value of commodities traded between Vietnam and the ASEAN region was 73 billion USD in 2023⁵.

FTA is one of the main tools that Vietnam has been using in order to strengthen the connection with other countries and unions. The country has so far been successful in negotiating and signing a large number of FTAs, 16 of which have already been ratified and put into effect⁶. Incorporation into international commerce is another main driver of Vietnam's economic growth. The nation increased its export potential by opening itself to a variety of markets through the

¹ Socio-economic situation in the fourth quarter and 2023. *General Statistics Office of Vietnam (GSO)*, Dec 29, 2023. URL: <https://www.gso.gov.vn/en/data-and-statistics/2024/02/socio-economic-situation-in-the-fourth-quarter-and-2023> (accessed: Jun 23, 2024).

² Agriculture, forestry, and fishing. *Britannica*, Oct 11, 2024. URL: <https://www.britannica.com/place/Vietnam/Agriculture-forestry-and-fishing> (accessed: Oct 14, 2024).

³ GDP per capita, current price. *International Monetary Fund (IMF)*, Jun 23, 2024. URL: <https://www.imf.org/external/datamapper/NGDPDPC@WEO/VNM/KHM/BRN/IDN/LAO/MYS/MMR/PHL/SGP/THA> (accessed: Jun 23, 2024).

⁴ World Economic League Table. *Centre for Economics and Business Research (Cebr)*, Dec 26, 2023. URL: <https://cebr.com/service/macro-economic-forecasting/> (accessed: Jun 23, 2024).

⁵ Tổng kim ngạch thương mại giữa Việt Nam với các nước ASEAN [Total trade turnover between Vietnam and ASEAN countries]. Thông Tấn Xã Việt Nam [*Vietnam News Agency*], Aug 7, 2024. URL: <https://vnnet.vn/vi/graphic/kinh-te-4/interactive-tong-kim-ngach-thuong-mai-giua-viet-nam-voi-cac-nuoc-asean-7525769.html> (accessed: Jul 23, 2024). (In Vietnamese).

⁶ Tổng hợp các FTA của Việt Nam tính đến tháng 08/2023 [Summary of Vietnam's FTAs as of August 2023]. *WTO Center of Vietnam*, Aug 9, 2023. URL: <https://trungtamwto.vn/thong-ke/12065-tong-hop-cac-fta-cua-viet-nam-tinh-den-thang-11201> (accessed: Jun 23, 2024). (In Vietnamese).

adoption of FTAs and participation in international trade organizations. Strategic concentration on global trade ties facilitated Vietnam's economic transformation from failure to fast expansion, allowing it to become firmly integrated in international supply chains. Vietnam is currently the second-largest exporter of phones and associated components worldwide and the fifth-largest exporter of computers and electronic equipment⁷.

Vietnam was the first among ASEAN members to sign an FTA with the EAEU. On May 29, 2015, in Kazakhstan, the Vietnam-Eurasia Economic Union FTA was formally signed and came into force on October 5, 2016. This agreement was a turning moment in Vietnam's long march toward global economic integration, particularly with Russia and other EAEU members, and it helped to reinforce business ties amongst the signatories by eliminating trade tariffs.

The object of the research is the current cooperation between Vietnam and the EAEU under the influence of both positive and hindering factors. The authors aim to analyze the comprehensive cooperation from different perspectives, providing potential prospects for future development for both sides.

In order to achieve the targeted aims, the authors applied both qualitative and quantitative methods to understand the dynamics and characteristics of the cooperation. Data from different sources, including the General Statistics Office of Southeast Asian countries, ASEAN statistics, IMF, and other official documents are analyzed. In addition, earlier research on comparable topics is examined in order to compile a wide range of viewpoints on the same object.

Literature Review

Many researchers have paid attention to the development and the integration process of Vietnam into the global economy as a valuable case study. They examine the process of its reforms in different sectors, especially agriculture, and compare it with other Asian countries, clarifying the success of Vietnam's development as a model example [Thoburn 2013]. Vietnam was also used as a case study to investigate the correlation between financial development and the growth of economy [Nguyen, Anwar 2009]. They find out that the ratio of credit to GDP has a positive effect on the development of Vietnam's economy and suggest the direction to take a greater advantage of FDI stock. The role of the financial sector in the Vietnamese economy is also taken into consideration [Toan 2019]. Based on the data from 2005 to 2018, Toan concludes that both the development of the financial market, especially the real estate market, and foreign investment play a crucial role in the growth of the economy.

In terms of the cooperation in ASEAN, researchers look into the effort of Vietnam in the integration process and its diplomatic initiatives, as well as its potential to become the security leader [Le, Emmers 2021]. Others also study the relationship between Vietnam and ASEAN in human resource development (HRD) [Crocco et al. 2021]. The beneficial development of the Vietnamese economy is also demonstrated through the examination of key statistics, such as GDP, imports and exports, and comparisons with other ASEAN and ASEAN Economic Community (AEC) member nations [Le 2023]. Similarly, an analysis in 2021 examined the economies of Vietnam and other ASEAN countries to provide ideas that could be implemented to strengthen Vietnam's position in the AEC and the ASEAN community [Hong et al. 2021].

⁷ Breakthrough Opportunities for Electronics Industry. *Vietnam Business Forum*, Jul 9, 2024. URL: <https://vccinews.com/news/58346/breakthrough-opportunities-for-electronics-industry.html> (accessed: Aug 8, 2024).

In the contemporary political and economic landscape, ASEAN is regarded as a significant region, particularly in light of the ongoing conflict between the USA and the PRC [Butko 2022]. Cooperation between ASEAN and the EAEU has bright future potential [Korwatanasakul 2020]. The possibility of ASEAN and EAEU signing a comprehensive FTA is in light of future developments as well [Kheyfets 2018]. Other researchers have also looked into the role and effects of the FTA between Vietnam and the EAEU as a bridge for future cooperation between ASEAN and the EAEU [Fedorov 2018; Bui, Ha 2021; Maksakova, Gajić 2021]. The study on the integration of the EAEU under the effect of social, political and economic dynamics also discusses the importance of the FTA with Vietnam [Lissovolik et al. 2021]. It is stated that the FTA fosters collaboration between Russia and Vietnam to lay the groundwork for overcoming the obstacles of the present global situation [Novikova et al. 2024].

The cooperation between Vietnam and EAEU countries has also received much attention, especially between Vietnam and Russia. The countries have been connected since Ho Chi Minh, the first Vietnamese president, visited Russia about a century ago [Kobelev 2023]. Since then, Vietnam and Russia have had a cooperative connection for decades, which is valued and anticipated to continue in the near future [Vu 2019]. The positive aspects of the previous Vietnam-Soviet Union connection have been carried over into the current Vietnam-Russian Federation relationship [Le, Ngo 2022]. The countries have a comprehensive strategic partnership that is seen as close, promising, and full of prospects to further strengthen collaboration [Dinh 2022]. From the Soviet period, Belarus has been regarded as Vietnam's traditional partner. Currently, the two countries have encouraged collaboration in research and technology, laying the groundwork for further advancements [Nguyen et al. 2017]. Vietnamese diplomacy has actively carried out cultural initiatives in a variety of contexts throughout the years, fostering relationships with all nations, including the EAEU as well as the former Soviet Union [Nguyen 2020].

Various studies have underscored the role of Vietnam, not only within the ASEAN community, but also on a global scale. The EAEU's interest in cooperation with ASEAN countries as well as with Vietnam due to the economic compatibility has been fostered by the efforts from both sides, together with the creation of FTAs and different cooperation agreements.

FTA between Vietnam and the EAEU

As the first ASEAN country to establish the FTA with the EAEU, Vietnam has embraced the opportunities to expand the market for Vietnamese goods, thus boosting exports. As per the agreement, the tariff schedule includes 11,360 tariff lines. Among that, as soon as the FTA went into force, 6,718 tariff lines – or 59 % of the tariff – for Vietnam were removed from the EAEU market⁸. The agreed-upon path will remove tariffs on additional 2,876 tariff lines until 2025. Taxes on some of Vietnam's main exports have been lowered or eliminated (Table 1).

⁸ Tóm Lược Hiệp Định Thương mại Tự do Việt Nam - Liên minh Kinh tế Á Âu [Vietnam – Eurasian Economic Union Free Trade Agreement]. *WTO Center of Vietnam*, Oct 12, 2015. URL: <https://trungtamwto.vn/file/19157/tom-luoc-fta-vn--eaeu--update-13.12.19.pdf> (accessed: Aug 7, 2024). (In Vietnamese).

Table 1. EAEU's agreement to provide access to certain Vietnamese products.

Product	Tariff lines reduced (%)	Tariff lines completely eliminated (%)	Tariff lines eliminated immediately after effect (%)
Textiles	82	42 – Roadmap of 10 years	36
Footwear	77	73 – Roadmap of 5 years	
Handbags	100	100	Majority
Seafood	100	95 – Roadmap of 10 years	71
Wood Products	76	65 – Roadmap of 10 years	
Plastics	100	97	

Source: WTO Center of Vietnam. URL: <https://wtocenter.vn/chuyen-de/12776-summary-of-Vietnam---eurasian-economic-union-fta> (accessed: Jun 25, 2024).

One of Vietnam's four main export commodities and one of the country's eleven billion-dollar exports is textiles. Vietnam exported textiles worth 40.3 billion USD in 2023, a 9 % decrease from 2022. However, Vietnam's textiles export earnings to the Russian Federation increased by 125 % in 2022 to reach a total of 490 million USD. Vietnam's textiles export to Russia surged by about six times between 2015 and 2023, from 84.81 million USD, compared to the pre-FTA eras.

Vietnam is also one of the major suppliers of seafood to the EAEU, particularly to the Russian market. Vietnam is Russia's third-largest tuna exporter, after China and Thailand. However, Vietnamese tuna is tax-free due to the VN-EAEU FTA deal, whereas Thailand and China must pay a 3.8 % tariff⁹. In 2023, tuna exports to Russia brought Vietnam 29 million USD. Vietnam is also the second-largest supplier of pangasius to the Russian market, thanks to tariff benefits. The country exported more than \$8 million worth of pangasius to Russia by the end of May 2024, a 35 % increase over the same time the previous year¹⁰.

On the other side, Vietnam has also committed to opening its market to goods from the EAEU, which would result in the immediate elimination of 53 % of tariffs and 35 % of all tariff lines annually, in accordance with the plan, through the end of 2026. Therefore, there have been greater prospects for certain EAEU items to compete in the Vietnamese market (Table 2).

Table 2. Vietnam’s agreement to provide access to certain EAEU products.

No.	Product	Commitment
1	Petroleum	Eliminate import tariffs by 2027
2	Steel	Immediate elimination: raw materials, certain welded steel pipes, non-welded steel pipes, hot-rolled steel, special steel and alloy steel for mechanical creation, etc.
		5 year roadmap: certain types of stainless steel, steel products, etc.

⁹ Xuất khẩu cá ngừ tăng trưởng "thần tốc" [Tuna exports grow "rapidly"]. *Đài Truyền hình Việt Nam [Vietnam Television Online (VTV)]*, Jun 26, 2024. URL: <https://vtv.vn/kinh-te/xuat-khau-ca-ngu-tang-truong-than-toc-2024062614542852.htm> (accessed: Jun 26, 2024). (In Vietnamese).

¹⁰ Xuất khẩu cá tra Việt Nam sang Nga sau 2 năm chiến sự [Exporting Vietnamese Pangasius to Russia after 2 years of conflict]. *Hiệp hội Chế biến và Xuất khẩu Thủy sản Việt Nam [Vietnam Association of Seafood Exporters and Producers (VASEP)]*, Jun 24, 2024. URL: <https://vasep.com.vn/san-pham-xuat-khau/ca-tra/xuat-nhap-khau/xuat-khau-ca-tra-viet-nam-sang-nga-sau-2-nam-chien-su-30824.html> (accessed: Jun 25, 2024). (In Vietnamese).

No.	Product	Commitment
		7–10 year roadmap: steel billets, hot-rolled steel, color-coated and metal-coated steel, construction steel, etc.
3	Fertilizers	Immediate elimination: DAP fertilizers, urea, and certain other types
		10 year roadmap: NPK fertilizers
		Exclusion: SA fertilizers
4	Alcohol and Beer	Eliminate import tariffs within 10 years for: beer, alcoholic beverages (vodka, other strong spirits), and wine
5	Machinery and Equipment	Immediate elimination: certain tools, optical equipment, high-tech industrial products, household goods, electronic products and components, etc.
		3 year roadmap: pulling machines, electric motors, etc.
		5 year roadmap: basic metal tools, batteries, etc.
		10 year roadmap: batteries, fans, transformers, etc.
6	Agricultural Products	Immediate elimination: beef, dairy products, flour
		3–5 year roadmap: meat, canned fish, and processed products
		5 year roadmap: chicken, pork

Source: WTO Center of Vietnam. URL: <https://wtocenter.vn/chuyen-de/12776-summary-of-Vietnam---eurasian-economic-union-fta> (accessed: Jun 26, 2024).

Among the above mentioned products, fertilizers are one of the main goods Vietnam imports from the EAEU. Vietnam's decision to remove tariffs on these goods has thereby benefited numerous nations. The two primary EAEU markets from which Vietnam imports fertilizers are Belarus and Russia. Vietnam imported fertilizer from Belarus for 32.7 million USD in 2022 and 7.47 million USD in 2023. By the end of 2023, fertilizer imports from Russia also dropped in value by 30 % in the comparison with 2022 to 108.6 million USD.

The agreement also helps both sides establish better conditions for companies in order to comply with the law and encourage expert coordination. Additionally, it facilitates a more transparent exchange of commodities between the parties. There are explicit rules regarding direct purchase and sale as well as the transfer of items. In order to streamline the access procedure, the parties also decided to construct a database for storing origin data and relevant papers.

Bilateral cooperation between Vietnam and the EAEU countries

Vietnam has established robust cooperation partnerships with Russia, Belarus and Kazakhstan inside the EAEU. These relations have been shaped by mutual historical links, economic interests and cooperative efforts towards complete collaboration. On the other hand, given the opportunities provided by the FTA, Armenia and Kyrgyzstan believe that their commercial and economic connections with Vietnam have not yet reached their full potential.

In 2023, two-way trade turnover of goods between Vietnam and the EAEU reached 4.45 billion USD, an increase of 1.11 % compared to 2022. Of which, exports reached 2.5 billion USD, an increase of 13.7 %, and imports reached more than 1.9 billion USD, a decrease of 11.04 %. Vietnam exports textiles, agricultural goods, phones and their components to the EAEU market.

Conversely, Vietnam imports goods including machinery, fertilizers, various types of coal, iron, steel etc.

Russia has been a traditional partner for Vietnam for several decades. The two nations have worked hard to advance cooperation in a variety of areas, including economy, science and technology, education and training, throughout the course of more than 70 years of diplomatic ties between Vietnam and Russia and more than ten years of the establishment of the “Comprehensive Strategic Partnership”. In 2021, the import and export between the countries reached 5.5 billion USD, this was the highest record for bilateral trade for over the past 10 years. In June 2024, a joint statement was issued to address the expansion of collaboration in several areas, including green energy and education, and the enhancement of the bilateral comprehensive strategic relationship.

The Vietnamese community in Russia and the Russian community in Vietnam have also contributed to the development of the two nations' partnership. The first Soviet specialists arrived in Vung Tau, Vietnam in the 1980s to work at the Joint Venture, which is now called Vietsovpetro. The “Russian village” began its start when thousands of specialists, workers and engineers arrived to assist Vietnam in the exploitation of its oil and gas resources¹¹. Over the years, over a thousand Russians have made this country their home, helping promote not only the image of Russia to the Vietnamese people but also cultural exchanges and economic collaboration. On the other hand, there are over 80,000 Vietnamese residents in Russia, making up a sizable population. They are now effective channels for knowledge, actively enticing Vietnamese firms and commercial hubs to make investments in Russia; they also serve as a link between Vietnamese partners and corporations in the host nation¹².

There's also an increasing amount of focus on Kazakhstan and Vietnam's economic cooperation partnership. Following the signing of the deal, Kazakhstan emerged as Vietnam's second-largest EAEU trading partner in recent years. In more than seven years since the agreement's signature, the two-way trade turnover in 2023 has increased by about 2.5 times as compared to its pre-FATF level in 2015. In the period from 2017 to 2022 the bilateral trade turnover experienced a growth of up to 28 % and definitely has a promising future (Table 3).

Table 3. Export and import between Vietnam and the EAEU countries (in million USD)

Country	Total trade turnover in 2022	Total trade turnover in 2023
Russia	3553	3633.8
Belarus	130	57.2
Armenia	62.6	345
Kazakhstan	648.8	401.1
Kyrgyzstan	3.0	7.89

Source: Vietnam Import-Export Report. URL: <https://wtocenter.vn/an-pham/24574-Vietnam-import--export-report-2023> (accessed: Jun 26, 2024).

¹¹ Có một nước Nga giữa lòng phố biển [There is Russia in the heart of the coastal city]. *Báo Thanh Tra* [Vietnam Times], Nov 27, 2020. URL: <https://thanhtra.com.vn/xa-hoi/doi-song/co-mot-nuoc-nga-giua-long-pho-bien-174779.html> (accessed: Oct 15, 2024). (In Vietnamese).

¹² Hội người Việt Nam tại Liên bang Nga – 20 năm hình thành và phát triển [The Association of Vietnamese people in the Russian Federation – 20 years of formation and development]. *Tạp chí Mặt trận* [Vietnam Fatherland Front], Apr 22, 2024. URL: <https://tapchimatran.vn/the-gioi/hoi-nguoi-viet-nam-tai-lien-bang-nga-20-nam-hinh-thanh-va-phat-trien-56848.html> (accessed: Oct 15, 2024). (In Vietnamese).

In comparison with 2015, before the FTA was signed and implemented, the amount of export and import between Vietnam and Russia increased by 64 % by the end of 2023, from 2.2 billion USD in 2015 to 3.6 billion, with Vietnam's export to Russia being 1.7 billion USD (increased by 20 %), and Vietnam's import – 1.88 billion (increased by 3 times). Vietnam's top export category, making about 28 % of its total export revenue to the Russian market, was textiles and apparel. Coffee goods came in the second place with 14 % of the total. On the other hand, 44.8 % of Vietnam's total import turnover from the Russian Federation is presented by coal.

Similarly, the volume of export and import between Vietnam and Kazakhstan increased significantly from 162.1 million USD in 2015 to 648.8 million USD in 2022 and 401.1 million USD in 2023. Meanwhile, the export of Vietnam to Kazakhstan also increased by 2.6 times from 153.04 million USD in 2015 to 391.04 million USD in 2023, while the import of Vietnam from Kazakhstan increased slightly from 9.04 million USD to 10.8 million USD.

Trade volume has fluctuated over time between Vietnam and Belarus. The entire value of Vietnamese commodities increased from 124.76 million USD in 2015 to 130 million USD in 2022. Trade between the two countries is said to have declined between 2021 and 2022 as a result of delivery and payment problems. Both parties recognize that despite their potential and advantageous conditions, they still have a lot of work to do in terms of economic and trade cooperation.

On the contrary, exports from Vietnam to Armenia increased dramatically, from 62.6 million USD in 2022 to 345 million USD in 2023. Of which, 84.4 % of the total export turnover is made up of phones and components. Vietnam exports machinery, equipment, tools, and replacement parts to this market at a percentage of 7 % and 6.9 %, respectively, for computers and electronic items and components.

Vietnam's commercial turnover with Kyrgyzstan in 2022 was 3 million USD, with total exports of just 2.4 million USD and total imports of 0.6 million USD. This represents a small level of activity in comparison with other countries in the EAEU. In 2023, Vietnam's imports rose to 1.22 million USD, up 103 %, while exports to Kyrgyzstan climbed dramatically to 6.67 million USD, up 177.85 %. Vietnam and Kyrgyzstan's total trade turnover is expected to reach 7.89 million USD, a notable 163 % rise over the previous year.

Due in large part to the removal of tariff barriers between Vietnam and the EAEU, trade of different commodities among the EAEU countries increased significantly in 2023 compared to 2015 (Table 4).

Table 4. Changes in trading of some Vietnamese goods with the EAEU countries (in USD)

Partner	Commodity	2015	2023
Belarus	Dairy products; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included	74,625	4,870,306
	Pharmaceutical products	2,233,135	9,917,777
	Rubber and articles thereof	403,491	5,365,266
	Electrical machinery and equipment and parts thereof; sound recorders and reproducers; television image and sound recorders and reproducers, parts and accessories of such articles	3,462,072	8,198,876

Partner	Commodity	2015	2023
Kazakhstan	Fruit and nuts, edible; peel of citrus fruit or melons	1,036,502	8,382,411
	Preparations of vegetables, fruit, nuts or other parts of plants	937,730	6,229,270
	Apparel and clothing accessories; knitted or crocheted	11,228	1,957,654
	Apparel and clothing accessories; not knitted or crocheted	525,682	2,206,362
	Footwear; gaiters and the like; parts of such articles	36,328	4,573,659
	Aluminium and articles thereof	–	4,476,655
	Lead and articles thereof	–	5,195,115
	Electrical machinery and equipment and parts thereof; sound recorders and reproducers; television image and sound recorders and reproducers, parts and accessories of such articles	126,817,666	330,966,136
	Vehicles; other than railway or tramway rolling stock, and parts and accessories thereof	49,177	5,589,495
Russian Federation	Meat and edible meat offal	1,409,777	188,090,279
	Fish and crustaceans, molluscs and other aquatic invertebrates	114,561,046	241,343,870
	Fruit and nuts, edible; peel of citrus fruit or melons	25,381,423	64,515,941
	Cereals	19,726,909	74,598,684
	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	241,186,864	869,284,057
	Organic chemicals	965,055	15,951,292
	Pharmaceutical products	4,811,947	44,546,239
	Plastics and articles thereof	21,734,272	127,726,385
	Rubber and articles thereof	30,028,428	206,384,536
	Apparel and clothing accessories; not knitted or crocheted	55,628,421	360,498,401
	Copper and articles thereof	838,892	24,329,016
	Ships, boats and floating structures	13,005,372	42,629,160

Source: ASEAN stats. URL: <https://data.aseanstats.org/> (accessed: Jun 27, 2024).

The Vietnam-EAEU FTA has been crucial in supporting commerce between Vietnam and EAEU member countries from 2015 to 2023, ever since it was put into effect more than eight years ago. This can be indicated by substantial rise in the interchange of different items. For instance, whereas trade in dairy goods increased from 74,625 USD in 2015 to 4.87 million USD in 2023, trade in pharmaceutical items between Belarus and Vietnam increased from 2.23 million USD to 9.92 million USD. Meat and edible offal exports surged to 188.09 million USD from 1.41 million USD, while mineral fuel shipments between Russia and Vietnam reached 869.28 million USD from 241.19 million USD. These significant growth rates in a variety of industries demonstrate how the

FTA works to lower trade barriers and fortify economic linkages, allowing Vietnam to increase the scope of its exports and its market share inside the EAEU.

The changing inflow of foreign direct investment (FDI) into Vietnam from the EAEU countries, especially after 2015, is a significant component of Vietnam's integration with the union (Table 5).

Table 5. FDI from the EAEU into Vietnam (accumulated – in million USD)

Country	2015	2023	Change rate (%)
Armenia	12.980	22.58	73.96
Belarus	16.200	32.25	99.09
Kazakhstan	–	0.56	–
Kyrgyzstan	1.10	–	–
Russia	1,093.408	983.98	–10.01
Total of the EAEU	1,123.69	1,039.38	–7.5

Source: Ministry of Planning and Investment of Vietnam. URL: <https://www.mpi.gov.vn/portal/Pages/Thong-tin-dau-tu-truc-tiep-nuoc-ngoai-1041.aspx> (accessed: Jun 27, 2024).

Thanks to its advantageous demographics – 62.2 % of its 100 million population is between the ages of 15 and 59¹³, geographical location, ASEAN membership, and tax-free travel to other Southeast Asian nations, Vietnam has emerged as the region attracting the greatest investment capital in Southeast Asia, particularly in high-tech industries. By the end of 2023, 144 countries and territories have invested 468.9 billion USD in 39,140 projects in Vietnam. Manufacturing and processing accounted for 60.36 % of these investments, followed by real estate (14.51 %) and the production and distribution of utilities (such as gas and electricity) (8.67 %).

Between 2015 and 2023, the aggregate registered investment capital (measured in millions of USD) that several EAEU nations contributed to Vietnam underwent significant fluctuations. Up to the end of the year, Armenian investment was comparatively consistent at USD 12.98 million. However, in 2023 it increased dramatically to USD 22.58 million (increased by 73.96 %), indicating a considerable jump in investor interest. From 2015 to 2023, Belarus’s investment in Vietnam also increased by 99.09 % to 32.25 million USD. Through 2021, there are little or no reported investments from Kazakhstan and Kyrgyzstan. The highest investment among the EAEU nations comes from Russia: between 2015 and 2023 it fluctuated, going from 1,093.408 million USD to 983.98 million USD.

Among the EAEU countries, Vietnam is the popular destination for tourists from Russia (Fig. 1).

¹³ Năm 2023, dân số Việt Nam đạt 100,3 triệu dân, tuổi thọ trung bình 73,7 tuổi [In 2023, Vietnam's population will reach 100.3 million people, with an average life expectancy of 73.7 years old]. *Tuoi tre VN*. URL: <https://tuoi tre.vn/nam-2023-dan-so-viet-nam-dat-100-3-trieu-dan-tuoi-tho-trung-binh-73-7-tuoi-20231230091202154.htm> (accessed: Jun 30, 2024). (In Vietnamese).

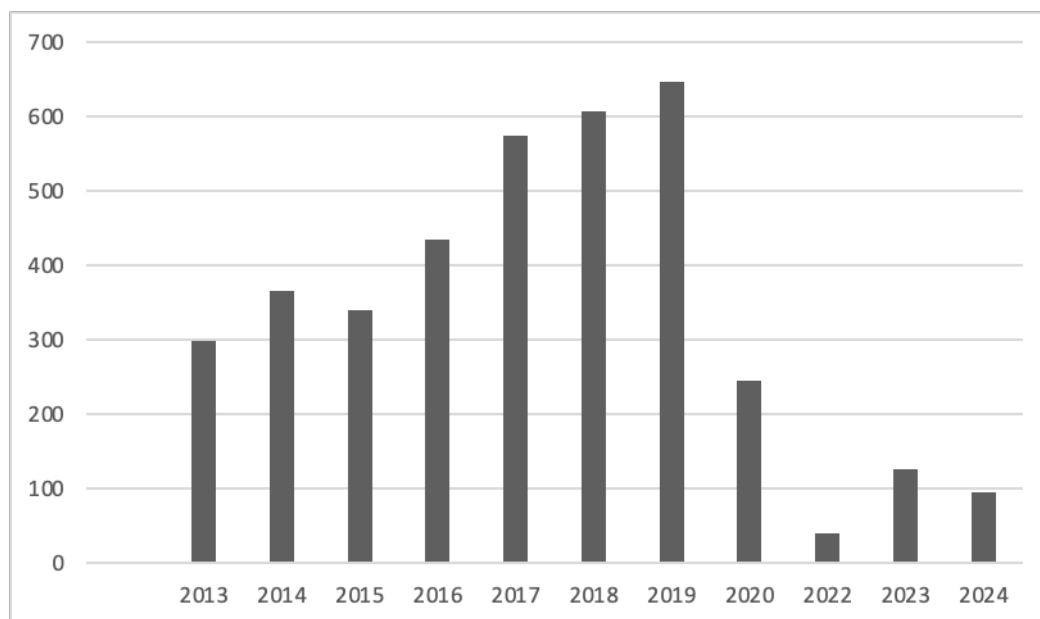


Fig. 1. The number of visitors from Russia to Vietnam (in thousand people)

Source: Vietnam National Tourism Bureau. URL: <https://thongke.tourism.vn/index.php/statistic/sub/6> (accessed: Jun 29, 2024). (In Vietnamese).

Prior to the COVID-19 outbreak, Vietnam has seen a fairly consistent increase in the number of visitors over time. Up until 2019, Vietnam attracted 646,524 Russian visitors per year. But following the pandemic, the number of tourists dropped precipitously, reaching just 39,921 in 2022 and 125,610 in 2023. In August 2023, Vietnam extended its visa-free duration for Russians from 15 to 45 days in an effort to draw more Russian visitors, improve their travel circumstances and foster the growth of the tourism sector¹⁴. Because of this, there were over 95,000 Russian tourists to Vietnam by the end of May 2024 – a 175 % increase over the same time in 2023. Vietnam expects this rate of increase to draw more Russian tourists to the country and revive bilateral tourism potential.

Prospects for the future cooperation between Vietnam and the EAEU

Only Vietnam and Singapore, two ASEAN members, have so far been able to successfully execute FTAs with the EAEU. Indonesia began the FTA negotiation with the EAEU in May 2022, and the third round of the discussion was held in December 2023¹⁵. As a result, there are a few advantages and disadvantages to trade and collaboration between Vietnam and the EAEU that should be taken into consideration, particularly when considering the impact of the FTA between Singapore and the EAEU.

Four years ahead of Singapore, in 2015, Vietnam and the EAEU concluded their FTA. Vietnam now may enjoy a competitive edge in niche areas thanks to its ability to build trade networks and commercial ties before Singapore. Additionally, by eliminating taxes on a wide range

¹⁴ Nghị quyết số 32/NQ-CP của Chính phủ [Resolution No. 32/NQ-CP of the Government]. *Cổng Thông tin điện tử Chính phủ* [Vietnam Government Portal], Mar 15, 2022. URL: <https://vanban.chinhphu.vn/?pageid=27160&docid=205473> (accessed: Jun 29, 2024). (In Vietnamese).

¹⁵ EAEU and Indonesia held the third round of negotiations on free trade agreement. *EEC News*, Dec 15, 2023. URL: <https://eec.eaunion.org/en/news/eaes-i-indoneziya-proveli-tretyi-raund-peregovorov-po-coglasheniyu-o-svobodnoy-torgovle/> (accessed: Jun 29, 2024).

of products and services, tariff barriers in this FTA have greatly boosted bilateral commerce and expanded Vietnamese goods' access to markets. Vietnam's exports to the EAEU have significantly increased as a result of the FTA, particularly to Russia, which is one of its main EAEU markets.

Tariff reductions under the FTA boost Vietnam's agriculture sector, which plays a significant role in the country's economy. Due to their low costs, the EAEU nations are requesting more rice, coffee and seafood than ever before. Additionally, Vietnam's abundance of natural resources, particularly minerals, offers industry a reliable supply of raw materials, encouraging exports to the EAEU.

However, Vietnam's logistics and transportation network is still not as developed as Singapore's, despite recent advancements. This may result in more expensive shipping and longer delivery times, which would reduce business efficiency. Furthermore, with robust industries in finance, technology and services, Singapore has an edge over Vietnam in a number of areas. This allows it to take advantage of several trade possibilities with the EAEU and lessen its reliance on any one industry.

Compared to Singapore's more efficient procedures, Vietnam may experience difficulties with the business climate and transparency, which might deter foreign investment and make commerce more difficult. Singapore also benefits from a digital advantage that quickens trade between countries. Modern business dynamics need smooth digital and e-commerce activities, which are supported by digital infrastructure.

Vietnamese labor productivity is still quite low when compared to other Asian nations, particularly those in the ASEAN area, only equaling 11.4 % of Singapore's, 64.8 % of Thailand's, and 35.4 % of Malaysia's¹⁶. Therefore, Vietnam also needs to reassess its own policies on its industrial structure in order to achieve more economic and commercial success. Vietnam's overall economic efficiency and competitiveness remain lower than those of other ASEAN nations, even with noteworthy gains in worker productivity in recent years. Important export industries like textiles, apparel and footwear produce large volumes, but the paradox is that worker pay and corporate profits remain at low levels despite the fact that workers are sometimes forced to put in more hours. A large percentage of the labor force is still concentrated in agriculture, forestry and fisheries, industries with poor productivity because of the predominance of low-skilled, seasonal and insecure jobs. This imbalance in the labor force exacerbates the problem.

Overall, while there are still issues, regulation changes and increased competition may be difficult for some industries. Ensuring a sustainable and equitable distribution of the advantages of FTAs among all industries and regions is crucial. Continued collaboration between governments, businesses, and others will be decisive to maximizing the advantages of this agreement.

Vietnam continues to benefit greatly from its collaboration with the EAEU, especially when it comes to strengthening its connections with Russia. In the fields of science, technology and economy, both parties are actively attempting to strengthen their collaboration. Furthermore, it is critical to promote cooperation in fields including labor, culture, the arts, sports, youth education and training, with a particular focus on enhancing ties between Russia and Vietnam.

¹⁶ Vì sao năng suất lao động của Việt Nam mãi thua kém các nước trong khu vực? [Why is Vietnam's labor productivity still inferior to other countries in the region?]. *Báo Người Lao Động Điện Tử* [Electronic Labor Newspaper], Nov 11, 2023. URL: <https://eec.eaeunion.org/en/news/eaes-i-indoneziya-proveli-tretyi-raund-peregovorov-po-coglasheniyu-o-svobodnoy-torgovle/> (accessed: Oct 15, 2024). (In Vietnamese).

Conclusion

Research and analysis have shown that the FTA represents a turning point in the development of Vietnam's collaboration with the EAEU nations. It has significantly changed the dynamics of import and export, leading to a noticeable rise in the trade value of a variety of items. Vietnam's market penetration might be significantly impacted by the agreement, substantially strengthening economic integration. Vietnam's economy may develop as a result of more economic diversification and employment creation.

The EAEU members, on the other hand, enjoy access to a thriving consumer market that is ripe with potential for their goods and services. Moreover, Vietnam, a vibrant nation in the ASEAN, can serve as a conduit for the EAEU countries to reach the prospective ASEAN market.

Additionally, both parties, especially Vietnam, have been actively revising policies to enhance trade relations and attract foreign direct investment. The enduring partnership between Russia and Vietnam continues to evolve, with both countries working together to address challenges and find solutions to strengthen their cooperation. Their efforts aim to expand collaboration across multiple sectors and areas.

Comparably, Belarus and Vietnam's relationship is constantly on target, with a particular emphasis on strengthening their tight bond, which has stood the test of time. The two nations have established a strong legal foundation for advancing and bolstering their collaboration in a wide range of areas. Both nations believe that there is a great potential for the partnership to go even further.

Vietnam's second-biggest commercial partner in the Eurasian Economic Union is Kazakhstan. Vietnam, on the other hand, is Kazakhstan's second-biggest ASEAN commercial partner. Both nations want to strengthen their economic ties and cooperate with one another in order to increase market share and grow their economies.

Regarding the connection between Armenia and Vietnam, the parties are working to improve scientific and technological collaboration as well as economic and commerce in order to keep the relationship more fruitful. In a similar way, Kyrgyzstan and Vietnam are working to fortify their mutual aid, which helps to sustain and advance bilateral cooperation – particularly in commerce and economics – and benefits the citizens of both countries.

БИБЛИОГРАФИЧЕСКИЙ СПИСОК

- Бутко А.А.* Вызовы и возможности развития АСЕАН в контексте американо-китайского противостояния // Восточная Азия: факты и аналитика. 2022. № 3. С. 21–30. DOI 10.24412/2686-7702-2022-3-21-30
- Кобелев Е.В.* Хо Ши Мин и Россия (К 100-летию первого прибытия Хо Ши Мина в нашу страну 30 июня 1923 года) // Восточная Азия: факты и аналитика. 2023. № 3. С. 69–80. DOI 10.24412/2686-7702-2023-3-69-80
- Новикова Е.С., Нгуен Х.Ф., Ле Х.А.* Торговое сотрудничество Вьетнама и России в текущих условиях глобальной турбулентности // Вестник университета. 2024. № 4. С. 167–175. DOI 10.26425/1816-4277-2024-4-167-175
- Хейфец Б.А.* Перспективы создания зоны свободной торговли между ЕАЭС и АСЕАН // Вестник Института экономики Российской академии наук. 2018. № 5. С. 107–120.

REFERENCES

- Butko A.A. (2022). Vyzovy i vozmozhnosti razvitiya ASEAN v kontekste amerikano-kitayskogo protivostoyaniya [Challenges and opportunities for the development of ASEAN in the context of the US–China confrontation]. *Vostochnaya Aziya: fakty i analitika [East Asia: Facts and Analytics]*, 3: 21–30. (In Russian). DOI 10.24412/2686-7702-2022-3-21-30
- Kheyfets B.A. (2018). Perspektivy sozdaniya zony svobodnoy trgovli mezhdu EAES i ASEAN [Prospects for the creation of a free trade zone between the EAEU and ASEAN]. *Vestnik Instituta ekonomiki Rossiyskoy akademii nauk [Bulletin of the Institute of Economics of the Russian Academy of Sciences]*, 5: 107–120. (In Russian).
- Kobelev E.V. (2023). Kho Shi Min i Rossiya (K 100-letiyu pervogo pribytiya Kho Shi Mina v nashu stranu 30 iyunya 1923 goda [Ho Chi Minh and Russia (On the 100th anniversary of Ho Chi Minh's first arrival to our country on June 30, 1923)]. *Vostochnaya Aziya: Fakty i Analitika [East Asia: Facts and Analytics]*, 3: 69–80. (In Russian). DOI 10.24412/2686-7702-2023-3-69-80
- Novikova E.S., Nguyen H.P., Le H.A. (2024). Torgovoye sotrudnichestvo V'yetnama i Rossii v tekushchikh usloviyakh global'noy turbulentnosti [Trading cooperation of Vietnam with Russia under the current global turbulence]. *Vestnik universiteta [Bulletin of the University]*, 4: 167–175. (In Russian). DOI 10.26425/1816-4277-2024-4-167-175
- * * *
- Anwar S., Nguyen L.P. (2009). Financial development and economic growth in Vietnam. *Journal of Economics and Finance*, 35 (2011): 348–360.
- Bui Q.T., Ha T.C. (2022). Impact of the Vietnam – EAEU FTA on the trade between Vietnam and Eurasian Economic Union. Proceedings of the 2021 International Conference on Research in Management & Technovation. *Annals of Computer Science and Information Systems*, 28: 91–98.
- Crocco O., Nguyen L.A., Tkachenko O. (2021). Vietnam and Regional Human Resource Development in ASEAN. *Human Resource Development in Vietnam*, 1: 97–117.
- Dinh L.H.G. (2022). Quan Hệ Đối Tác Chiến Lược Toàn Diện Việt Nam – Liên Bang Nga [Vietnam – Russian Federation Comprehensive Strategic Partnership]. *Tạp chí Nghiên cứu Châu Âu [European Research Journal]*. (In Vietnamese).
- Emmers R., Le H.T. (2020). Vietnam and the search for security leadership in ASEAN. *Asian Security*, 17 (1): 64–78.
- Fedorov N.V. (2018). New Policy towards Vietnam? State Administration of the Russian Federation and a Realization of the Free Trade Agreement between the EAEU and Vietnam. *Public Administration Issues*, special issue: 68–79. DOI 10.17323/1999-5431-2018-0-5-68-79
- Hong T.K.T., Nguyen T.A., Tran K.D. (2021). Improving economic position of Vietnam in ASEAN Economic Community (AEC) from the global integration perspectives. *Technium Romanian Journal of Applied Sciences and Technology*, 3 (7): 136–145. DOI 10.47577/technium.v3i7.4663
- Ikebe R. (2023). Foreign Direct Investment and the Industrialisation of Viet Nam. In: *Viet Nam 2045: Development Issues and Challenges*: 123–151.
- Korwatanasakul U. (2020). Revisiting Asian economic integration: challenges and prospects. *Journal of the Asia Pacific Economy*, 27 (2): 199–222. DOI 10.1080/13547860.2020.1840493
- Le T.K.O., Ngo S.T. (2022). Quan hệ đối tác chiến lược toàn diện Việt Nam - Liên bang Nga [The comprehensive strategic partnership between the Socialist Republic of Vietnam and the Russian Federation]. *Tạp chí Nghiên cứu Châu Âu [European Studies Review]*, 4 (259). (In Vietnamese).
- Le H.T.M. (2023). Vietnam economic positioning in ASEAN since Vietnam joined the ASEAN economic community (AEC). *Science & Technology Development Journal: Economics- Law & Management*, 7 (2): 4284–4294.

- Lissovlik D.Ya., Park E.V., Zhang H. (2021). Economic Framework for Eurasian Integration: Theory and Practice. In: *The Economic Dimension of Eurasian Integration*: 1–26. Springer. DOI 10.1007/978-3-030-59886-0_1
- Maksakova M., Gajić S. (2021). EAEU-Third Countries Cooperation: Opportunities and Limitations. In: *The Economic Dimension of Eurasian Integration*: 209–226. Springer.
- Nguyen T.G.T. (2020). Ngoại Giao Văn Hóa Trong Chính Sách Đối Ngoại Việt Nam [Cultural diplomacy in Vietnam's foreign policy]. *Tạp Chí Khoa Học Trường Đại Học Sư Phạm Tp Hồ Chí Minh [Ho Chi Minh City University of Education Journal of Science]*, 17 (4): 646–655. (In Vietnamese).
- Nguyen V.H., Doan V.H., Nguyen H.M., Tran X.B. (2017). Hợp Tác Quốc Tế Về Khoa Học Và công Nghệ Giữa Việt Nam Với Belarus: Thực Trạng Và Một Số Đề Xuất [International cooperation on science and technology between Vietnam and Belarus: current situation and some proposals]. *Tạp chí Chính sách và Quản lý Khoa học và Công nghệ [Science and Technology Policy and Management Journal]*, 6 (4): 56–65. (In Vietnamese).
- Thoburn J.T. (2013). Vietnam as a role model for development. In: *Achieving Development Success*: 99–118. Oxford Academic.
- Toan N.B. (2019). The Role of Financial Development in the Vietnam Economy. *WSEAS Transactions on Business and Economics*, 16: 471–476.
- Vu T.H.C. (2019). Quá Trình Vận Động Của Hợp Tác Kinh Tế Việt Nam – Liên Bang Nga Từ Đối Tác Chiến Lược Lên Đối Tác Chiến Lược Toàn Diện [Mobilization Process Of Vietnamese – Russian Economic Cooperation From Strategic Partners To Comprehensive Strategic Partners]. *Tạp chí Khoa học [Science Journal]*, 35 (7): 11–22. (In Vietnamese).

Поступила в редакцию:

26.09.2024

Received:

Sep 26, 2024

Принята к публикации:

14.10.2024

Accepted:

Oct 14, 2024