

## **Trade Promotion and Integration Development**

*by*

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*Dear Distinguished Guests,*

*Dear Participants,*

The Vietnamese economy has been gradually integrated into the global economy for further development of economic, trading and investment cooperation between Vietnam and other countries. In order to achieve this purpose, we must expand bilateral and multilateral economic relations, attract investment from different nations, build closer links with the international financial-monetary institutions, become intensively involved in ASEAN's activities, and implement the commitments in the Asian Free Trading Areas (AFTA) and ASEAN-China free trade zone, in ASEM, APEC and the WTO negotiation process.

So far, Vietnam has commercial ties with more than 255 nations and regions in the world, signed 87 bilateral Trade Agreements, including the bilateral trade agreement with the United States and the general agreement on economic cooperation with the European Union, 350 cooperation agreements with donors, 48 agreements on encouragement and investment protection, and 37 bilateral cultural agreements with different countries and international organizations.

The process of international economic integration has created favorable conditions for Vietnam to benefit (tariff and non-tariff priority of countries in the world), making contributions to the remarkable growth in Vietnam's export turnover, from 2.4 billion USD in 1990 to 32.3 billion USD in 2005. This number was more than 18.8 billion USD for the first 6 months in 2006. The primary trade partners of Vietnam are the US, EU, Japan, China and ASEAN countries, of which the US is considered the most important market of Vietnam because of its scale and potential.

When the economy is opened, foreign economic relations are diversified, multilateralized, and the integration process is promoted, trade promotion will become more and more important. Trade promotion means essential supplementary activities having direct or indirect impact on commodity production, distribution and circulation, or service supply, aiming to meet the higher and higher demands of trading in society.

In recent years, the system of trade promotion organizations in Vietnam has developed quickly. At first, there were several governmental organizations and state enterprises carrying out trade promotion. At present, the domestic system of trade promotion organizations has taken shape and linked from the central Government to localities, from the country to abroad, among which Vietnam business agencies and Vietnam product introduction centers in foreign countries have played an important role. Government, ministries, branches, and local authorities have continued to maintain and accelerate the guideline on supporting enterprises to take part in trade promotion. The provincial as well as central People's Committee has granted a financial source to this guideline. Especially, in 2003, the Prime Minister approved a program on national main trade promotion in the period of 2003-2005 in order to strengthen trade promotion activities and develop an export market. On the basis of achievements from this program, in 2005, the Prime Minister officially signed decision N<sub>o</sub> 279/2005/QĐ-TTg on promulgating the regulations of building and implementing the national trade promotion program in the period of 2006-2010 so as to boost trade promotion activities, develop export markets, create initial conditions to build material facilities for trade promotion activities contributing to raise business capacity of enterprise communities, and attach these to trade, tourism and investment promotion activities.

In the past few years, in spite of difficulties and challenges, the results of national trade promotion programs have been relatively satisfactory. So far, more than 1,000 Vietnamese enterprises have directly taken part in the program through many channels, such as exhibition fairs, foreign market

research, and training classes to raise export business skills and capacities. Through these activities, Vietnamese enterprises have signed many economic contracts and introduced products to foreign partners. Moreover, the trade promotion skills of enterprises have been raised. Furthermore, the National Trademark Program - a long-term national trade promotion program - has been signed by the Government, aiming to raise distributors' and consumers' awareness of products made in Vietnam and thus help them have confidence in the quality of the Vietnamese products and producers. This improves the image of Vietnam, increases prestige, pride and attraction for Vietnam, stimulates tourism and foreign investment, encourages the export of processed products and reduces the density of exporting crude products.

Trade promotion activities are essential activities in integration. In the past few years, thanks to developed trade promotion activities, Vietnam's export market has been expanding both in scale and market-share. Various industries/branches have built good export strategies for products, textiles, and leather goods, etc. However, despite of the coming integration into the WTO, Vietnamese enterprises haven't been well prepared. They need to raise their integration knowledge, understand international laws, and trading habits in order to make the best use of advantages and to limit any possible loss. In recent years, the Vietnamese Government has had suitable regulations with international laws to create conditions for enterprises to develop, especially business skill training activities so that enterprises can take part in national trade promotion.

*Dear Distinguish Guests,*

*Dear Participants,*

I believe that in the coming years, trade promotion activities and business people's contributions will be more and more developmental in contributing to export promotion, economic growth, and making contributions to Vietnam's integration into global economy.

Thank you for your attention.