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**Vietnam's Meat Import  
Market Under Impacts  
Of The European -Vietnam  
Free Trade Agreement  
And Quality Management  
Demand**

**1. Introduction**

In the international business environment, the Free Trade Agreement is a method to encourage and create the motivation for developing some import and export activities of various nations. Vietnam participates in 12 different free trade agreements (WTO and international trade center, 2019), including ASEAN agreements and bilateral trade agreements with major trading partners namely China, India, Japan, Korea. Recently, Vietnam officially signed some “new-generation” free trade agreements, with a significant tariff diminution and diverse categories of goods such as The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and European-Vietnam Free Trade Agreement (EVFTA). The new-generation agreements help nations to exploit and utilize the its strengths and resources, as well as assure commerce between other countries in a transparency, freedom and effectiveness of way.

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Vietnam has many underlying strengths in the manufacture of several agricultural commodities, specifically livestock sector produces meat products to provide for the domestic and international markets. However, Vietnam also take actions to import several meat products from many nations all over the world. According to the statistics of animal quarantine agency in Department of Animal Health, Department of Agriculture, within the first two months in 2020, Vietnam imports 65.856 tons of meat, specifically 13.816 tons of pork from Canada, Germany, Brazil, Poland and the United States. In addition, Vietnam also imports 12.459 tons of beef, 12.934 tons of frozen buffalo meat and 26.656 tons of chicken from India, America, Korea and Brazil. The import tariff on meat is a high tax rate from 15% to 40%. Regarding ECFTA, Vietnam is committed to remove 31, 82% of import tariff on livestock products; 6 tariff lines on quota for poultry; the remaining tariff lines would reduce to zero after 3-10 years. Particularly, the import taxes on frozen pork would decrease to zero after seven years, the import tariffs for others would diminish to 0 after nine years. The figures for chicken would be eliminated after 10 years. Beef is the earliest commodity that would be duty free after the agreement comes into effect. These would create an unparalleled impact on the domestic meat market and have a strong effect on major export meat such as India, China, America. Thus, the measure of potential impact of EVFTA on meat is a mandatory method to help researchers, businesses as well as the Vietnamese government in the recognition of the influence of Vietnamese livestock industry in the immediate future. This paper is scheduled as overview of research, research methodology, results/ findings of research on the potential impact of the European-Vietnam free trade agreement on Vietnam's meat import and some recommendations for Vietnam of combating in the reduction of tariff on meat products imported from EU.

## 2. Overview of research

Several research on impacting of the free trade agreement on commerce lines often used the gravity model of trade and evaluated on data collected by assessing ex-post impact at the entry into force during the period of 5-10 years. However, these research on influencing of FTAs on commerce lines could not propose a comprehensive result. Jan Tinbergen (1962), an economist having Nobel Prize, was one of the first researchers that used the gravity model to assess the impact of FTAs. He suggested that, the impact of FTAs was statistically insignificant. It means that the sign of FTAs could have an effect on

international trade. On the other side, Aitken (1973), Abrams (1980) and Brada và Mendez (1985) claimed that, European Commission (EC) has an impact on developing international trade between internal members. The opposite results were caused by the different usage of the gravity model and the data analysis of the researchers. Various quantitative studies using the model often made use of various control variables (except for fixed independent variables such as GDP, and geographical distance), as well as some methods of processing data such as Ordinary Least Squares (OLS), Tobit method, PPML method (Poisson Maximum Tobit method likelihood). Moreover, the usage of dummy variable for FTAs was not noticeable. Nations taking part in a FTA are often countries having tremendous bilateral trade. Some factors that a country joined and selected into FTA were not considered. That also has an influence on the accuracy of result in the model (Baier, Bergstrand, 2007).

Apart from research on assessing whether the impact of FTAs on commercial lines (and the number of proportion as impacting), the relative research on the potential ex-ante impact of FTAs, especially new-generation FTAs are very prevalent. These studies often used simulation method. Take an example as SMART or CGE and General equilibrium theory or Partial Equilibrium theory with the aim to assess the impact of RCEO on Foreign Direct Investment (FDI); Itakura và Lee (2014) evaluated the impact of CPTPP and RCEP of the internal members on a global supply chain. The particular assessment on a specific good that used Partial Equilibrium model exerted some limitation of quantity as well as diversification of the market in the analyzing aim, for instance, Kumar and Ahmed (2014) used SMART to evaluate the influences of South Asia Free Trade Agreement (SAFTA) on some special goods, Othineo and Shinyekwa (2011) utilized SMART to assess the impact of East Africa customs union on Uganda. Llano, Perez and Steinberg (2019) expanded the scale of research and assess the impact of American tariff on products made from iron in the different economic areas. Veeramani and Saini assess the influence of the ASEAN-India Trade in Services Agreement on the local farming industry. Except for the international research, some studies used the SMART model in Vietnam were not prevalent and little. Vu (2016) made use of SMART model to measure the potential effects of EVFTA on the import of medicine from EU to VN. Anh, Ngoc (2011) also assess the prospective impacts of RCFP agreement on the import of automobiles in Vietnam. The impact of that also was continued addressing by Tu, Ngoc, Huong by 2017.

By assessing the overview of several previous studies on assessing the ex-ante impacts and ex post impacts of FTAs on the commercial lines in general and

new- generation FTAs namely CPTPP and EVFTA in particular, it is said that some research of assessments, especially the qualitative assessment of EVFTA on a good could be subtle. Thus, the study would focus on the usage of the SMART model and Partial Equilibrium theory to evaluate the impact of EVFTA on Vietnam's meat.

### 3. Research methodology and data

#### 3.1. Partial Equilibrium (PE)

Partial Equilibrium is a model that equates supply and demand in one or more markets in order to analyze and assess a particular market under the changes of the policy (increase or decrease of the tariff) or others affecting the demand or supply in a good. Partial Equilibrium model often eliminates the impacts of changes in relevant or replaceable sectors and suggests that the sector that analyzed was a small niche in economy, so the changes of the sector could not affect to others. The nature of the model could make its usage and assessment easier. However, the weakness of the model is assessment on an independent sector and elimination of the connection between other sectors, as well as the usage of the model needs to comply the strict and impractical rules. Thus, some results of the model are often considered as a reference or measure of the changes in a particular good (not as an exact forecast). This paper could propose the basic framework of PE under the demand and supply theory.

An imported country J imports a commodity i of an exported nation k. The demand curve would be as below:

$$M = \alpha M P M^\epsilon$$

$\alpha M$  is a constant ( $\alpha M > 0$ ), and  $\epsilon < 0$  is elasticity of demand for imports. Similarly, the supply curve would be as below:

$$X = \alpha X P X^\eta$$

$\alpha M > 0$  is a constant, and  $\eta > 0$  is elasticity of supply for exports. When the exported nation has a small economy, or the import turnover of I is smaller than the total international import turnover,  $\eta$  is the same as Positive infinity. The equal condition of the model requests:  $M = X$

Difference between import and export prices is caused by tariff as a below curve:

$$PM = PX(1 + T/100)$$

T is tariff on import (%)

### 3.2. SMART tool

Based on the theory of Partial Equilibrium (PE), SMART tool would calculate the changes of commerce under the tariff of FTA and trade turnover of a sector in a year. Thus, SMART would be considered as a method to establish assumption (Counter-factual) to answer the question "if the reduction of tariff is applied in the present, how the trade line would change?". SMART is used on some below assumptions of export supply curve and import demand curve.

1. There is only imported company in the model. Some exported businesses need to compete to export into the market of exported nation. Thus, the supply export curve is completely elastic and the elasticity of supply for exports is the same as positive infinity. The supply curve would be horizontal.
2. Armington assumption: the consumer has different interests on products that imported from different imported companies. Because of the different interests on products, the import could not focus on a exported nation (If an exported nation has special preferential tariffs)
3. Consumer demand will be divided into two steps, step one, consumers decide to aggregate demand for the item based on consumer price index, step two: buyers decide the demand of other categories of goods based on total demand
4. The demand of customer is divided into two steps, the first step, the consumer decides on the total demand under Consumer Price Index (CPI), the second step: the purchaser decides the demand of many types of goods under the total demands.

### 3.3. Design of assumptions

To assess properly on impacts of EVFTA agreement on Vietnamese trade lines, the research gave several assumptions including:

Assumption 1: EVFTA agreement strictly complies with some rules and all classification of meat would be committed to reduce the tariff barriers during 10 year period from 2018 to 2028.

Assumption 2: Vietnam curbs the tariff barriers on some classification of meat over the time from 2018 to 2028 under EVFTA agreement. Simultaneously, Vietnam would get a reduction of tariff for nations belonged to CPTPP in the period of 2018-2028.

SMART tool calculates on 3 elasticity such as demand elasticity, supply elasticity and Armington elasticity. The exactness of the model depends on selecting the elasticity for the model. Import elasticity is 1.5 in SMART. The export elasticity is defined as the changes of the export supply when changing the price, theory, so the demand curve of export in SMART model is regarded as horizontal (as 99 in the model). Because of the import of Vietnam is relatively slight, as well as Vietnamese market also is subtle in compared to exporters. Thus, the assumption of perfectly elastic demand (99) in SMART. Because there is a few of import quantity in Vietnam, and the meat market in Vietnam was also subtle compared to other exporters. Thus the assumption of perfectly elastic demand (99) is appropriate in SMART.

The Armington elasticity, or the elasticity of substitution is depended on the changes of import demand on commodity that made from many export nations in the changes of prices (Kapusinski, Warr, 1999). The selection of the Armington elasticity is a very important task to decide the exactness of measure in SMART model. This paper would use the Armington elasticity of Hertel and partners (2007). Hertel and his partner use the regression analysis to measure the Armington elasticity for some classifications and compare between the elasticity and the Armington elasticity recommended by GTAP. Hertel and partners' model handled some problems including observation of diverse prices for many origins of classifications. The Armington elasticity was measured in a bigger task compared to the measure of GTAP. According to Hertel and partners, the Armington elasticity for Bovine meat products would be 7.7 and other meat products would be 8.8 that is used in the study.

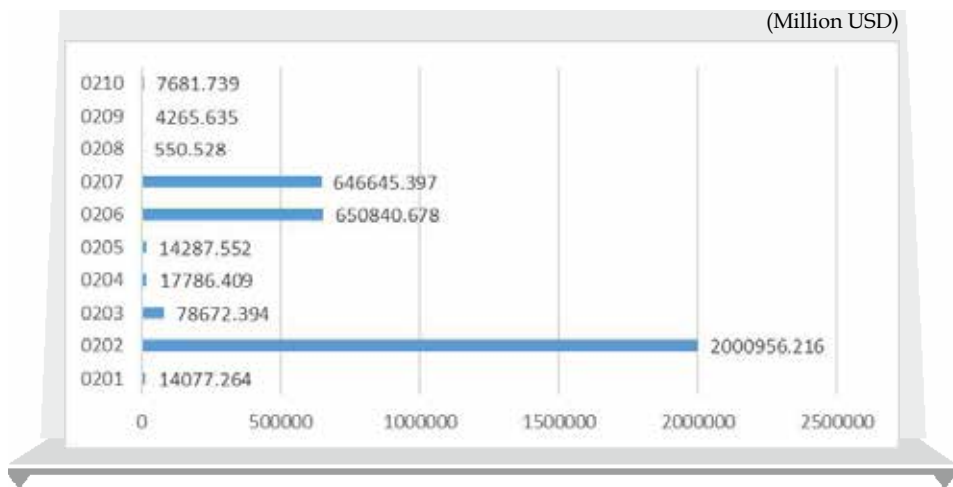
### 3.4. Data

The strengths of SMART is the requests of little input data. SMART is designed by World Bank to contain the bilateral trade turnover as well as the tariff on classifications (from 4 digit to 8 digit HS codes) between many nations. Thus, for assessment of EVFTA on Vietnamese meat import, the study uses the bilateral trade turnover from 0201 HS code to 0210 HS code for other partners in the world. In 2018, the assumption was established, so the data of bilateral trade turnover

between Vietnam and partners was in that year. The data of import turnover of these HS codes from EU to Vietnam could be extracted from data of UNCTAD-TRAINS by SMART.

### 3.4.1. The meat import in Vietnam

Figure 1 is import turnover of Vietnam's meat classifications through 4 digit HS codes in 2018. It suggests that the import turnover of the meat classification is primarily different such as 0202 (Meat of bovine animals, frozen), 0206 (Ed Offal, fresh, chilled or frozen), 0207(Meat and ed offal of poultry, fresh, chill and frozen).

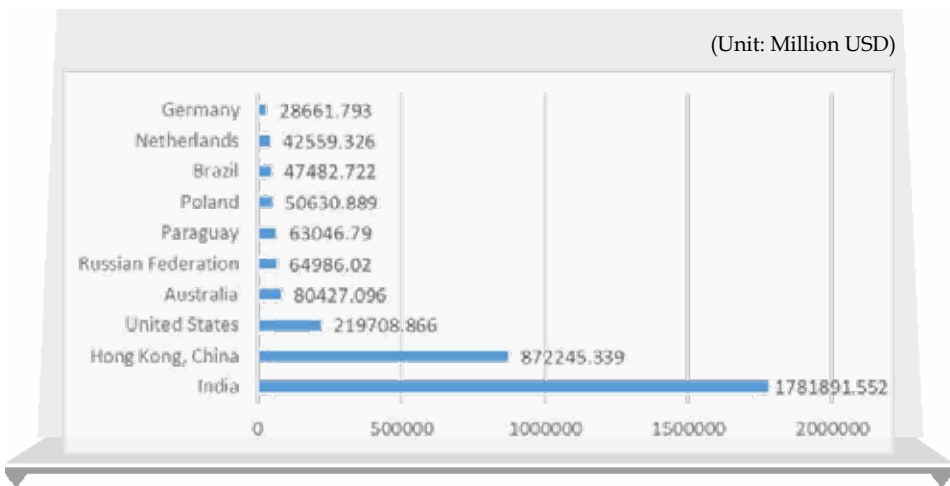


**Figure 1. The import turnover for classifications of meat in Vietnam categorized by 4 digit HS code in 2018**

Source: UNCTAD-TRAINS data extracted through SMART

It suggests that Vietnam primarily imports frozen meat of bovine, ed offal of meat and poultry. This is a structure of demand in Vietnamese market. Because Vietnamese interests are purchasing ed offal of animals and poultry, the import turnover is high, especially from European markets (EU, American). Other 4 digit HS codes have similar import turnovers.

Figure 2 illustrates import turnover of Vietnam's from 10 largest exporters in 2018. It claims that of these, Vietnam imports from 3 nations belonged to European Union – EU including Germany, Netherlands and Finland. However, the meat export turnover of these nations would be slighter than others. Germany is 10th, Netherlands is 9th and Finland is 7<sup>th</sup>. Because the nations belonged to EU have high strengths as nations namely India, China, USA in manufacturing and processing of meat. EU's nations depended on diverse of commodity and quality to attract international customers, specifically Vietnamese consumers. Thus EVFTA agreement would be a tremendous opportunity of the exporters to expand the markets in Vietnam.



**Figure 2.** Import turnover of classification for Vietnam's meat from 10 largest exporters in 2018

Source: UNCTAD-TRAINS data extracted through SMART

In addition, of these ten exporters, India and Australia are members of the CPTPP agreement. There is the largest export turnover in India at 1,7 billion USD. Thus, to get the overview of the impact of EVFTA on meat import in Vietnam, the effect of CPTPP need to calculate together in the industry.



## 4. Results of assumption

### 4.1. The impact of EVFTA agreement on total meat import turnover in Vietnam

In both assumptions, the sign of the EVFTA agreement has positive impact on importing of meat from EU's nations to Vietnam. The positive impact would be result of problems. The first business of order is the lower price of meat from EU due to the reduction of Vietnamese import. The second one is that the imported meat from EU is cheaper than the imported meat from other nations in the world because EU's meat gets the reduction of tax from EVFTA. Table 1 shows both results of assumptions as above.

Table 1. The results of changes  
in importing EU's meat to Vietnam according to two assumptions

Index	Assumption 1	Assumption 2
Import turnover before the agreement ('000 USD)	174815	174815
Export turnover after the agreement ('000 USD)	261167	260791
The total value of changed import ('000 USD)	86352	85976
The percentage of importing changes (%)	49,40	48,18

Source: authors' calculation

Regarding the results, EVFTA agreement has a huge impact on importing meat from EU to Vietnam. The total percentage of import over the period of 10 year from 2018 to 2023 is approximately 49%, the percentage of changing import reduces from 49% to 48% due to the influence of CPTPP. The decline of the percentage of changing import is caused by the redirection of the classification to exported nations of CPTPP agreement namely Japan or Australia. The scale of impact on the agreement is getting a high tariff rate, most classification of tariff at 20% and the remainders of 40%.

#### 4.2. The impact of EVFTA agreement on Vietnam's meat import by nations

In this study, England is not regarded as a member of European Union - EU in both assumptions because in 2018 England planned to leave EU. The impact of EVFTA on the member of EU would illustrate in table 2. Generally, some member nations of EU also exert a significant increase in exporting meat to Vietnam's market due to the reduction of tariff.

Table 2. The impact of EVFTA  
on exporting meat of EU's member nations to Vietnam

Nation	Assumption 1			Assumption 2		
	Export before EVFTA ('000 USD)	Value changes ('000 USD)	The Percentage change (%)	Export before EVFTA ('000 USD)	Value changes ('000 USD)	The Percentage change (%)
Poland	50631	26626	52.59	50631	26407	52.16
Netherlands	42559	18906	44.42	42559	18840	44.27
Germany	28662	10346	36.10	28662	10330	36.04
Italy	17771	6201	34.89	17771	6180	34.78
France	9678	8894	91.90	9678	8881	91.77
Ireland	6505	1364	20.97	6505	1360	20.91
Belgium	5294	4013	75.80	5294	4008	75.70
Denmark	3775	2952	78.20	3775	2945	78.03
Lithuania	2937	1398	47.58	2937	1393	47.43
Greece	2067	738	35.73	2067	736	35.61
Bulgaria	1414	3580	253.17	1414	3580	253.15
Romania	1188	447	37.61	1188	446	37.49
Portugal	644	200	31.08	644	186	28.85
Croatia	568	200	35.14	568	199	35.04
Cyprus	474	211	44.56	474	211	44.42

Sweden	280	133	47.50	280	133	47.34
Czech Republic	201	78	38.79	201	76	37.84
Slovenia	166	67	40.50	166	67	40.38
Austria	0	0	0	0	0	0
Estonia	0	0	0	0	0	0
Finland	0	0	0	0	0	0
Hungary	0	0	0	0	0	0
Latvia	0	0	0	0	0	0
Luxembourg	0	0	0	0	0	0
Malta	0	0	0	0	0	0
Slovakia	0	0	0	0	0	0
Spain	0	0	0	0	0	0

Source: authors' calculation

Most EU's nations also exert a high growth of export to Vietnam under EVFTA, with around 20% of Ireland at a smallest growth rate of export and Bulgaria of 251% at the largest. The average of meat export growth rate from EU to Vietnam would increase from 30% to 40%. Especially, some nations namely Bulgaria that shows a rise of 251%, at the largest if the tariff of Vietnam is reduced to zero. Because the classification of imported meats from Bulgaria to Vietnam including 02.05.00, 02.06.29, 02.06.49, 02.06.90, 02.07.14, 02.07.45 also get a high export turnover. Thus, the classification would increase dramatically if the tariff on these categories is reduced to zero. In assumption 2, the growth of meat export in EU's nations also shows an insignificant decline by 100 thousand USD. This could be caused by the small percentage of export to Vietnam of some nations under CPTPP. Thus the amount of trade redirection is still insignificant when the import tariff is removed.

The large weakness of SMART is that SMART could consider the extensive margin of impact in several free trade agreements. Thus, in terms of SMART tool, some nations of European Union in the present that have no relation of commerce in classification of meat in Vietnam could not develop after the

agreement. However, regarding trade theories, the reduction of tax rate would have an influence on nations. It means that two nations could expand trade on the categories that have not ever exchanged before and set up the commercial cooperation each other under the reduction of tariff by the agreement. Thus, there are several nations without trade relation with Vietnam in the meat sector such as Austria, Estonia, Finland, Hungary, Latvia, Luxembourg, Malta, Slovakia, Spain that have a certain growth rate. However SMART could not measure this growth rate.

#### 4.3. The impact of EVFTA agreement on import turnover for Vietnam's meat according to the code

Vietnam is importing and removing the tariff barriers for many codes of meat from European nations. Table 3 expresses the changes of export turnover of each 4 digit HS codes for meat

Table 3. The impact of EVFTA agreement on importing meat of 6 digit HS codes from EU to Vietnam

HS code	Description	Assumption 1			Assumption 2		
		Export before EVFTA ('000 USD)	Changes of turnover ('000 USD)	Percentage (%)	Export before EVFTA ('000 USD)	Changes of turnover ('000 USD)	Percentage (%)
0201	Meat of bovine animals fresh or chilled	14077.3	15.9	0.11313	14077.3	6	0.04215
0202	Meat of bovine animals frozen	2000956	1758.1	0.08786	2000956.2	801	0.04002
0203	Meat of swine fresh chilled or frozen	78672.4	21918.9	27.86096	78672.4	21055	26.76250
0204	Meat of sheep or goats fresh chilled or frozen	17786.4	13.2	0.07441	17786.4	13	0.07441
0205	Meat of horses, asses, mules, hinnies, fresh chilled, frozen	14287.6	6242.6	43.69253	14287.6	6243	43.69253

0206	Edible offal bovine swine, sheep, goat, horse, frozen	650840.7	3421.5	0.52570	650840.7	2963	0.45529
0207	Meat and edible offal of poultry fresh chilled or frozen	646645.4	23002.0	3.55712	646645.4	21857	3.38012
0208	Other Meat and edible offal fresh, chilled or frozen	550.5	276.4	50.20017	550.5	276	50.20017
0209	Pig and poultry fat, fresh, chilled, frozen, salted dried or smoked	4265.6	5953.7	139.57453	4265.6	5954	139.57453
0210	Meat And Edible Meat Offal, Salted, In Brine, Dried Or Smoked;	7681.7	1161.9	15.12501	7681.7	974	12.67739

Source: authors' calculation

According to the results in table 3, all HS codes classification of meat (HS 02) also experience a significant growth under the impact of EVFTA or the combination of EVFTA and CPTPP. Regarding the turnover of growth, the classification of meat exerts a high import turnover in Vietnam including 0203 (meat of swine (pork), fresh, chilled or frozen) and 0207 (meat & ed offal of poultry, fresh, chill or frozen). There is a tremendous rise of turnover from 21 to 23 million USD in these classification of meat because the import turnover of the classifications is a dramatic figure. Besides, the tariff of these categories is rather high at 15%-25% (0203) and 20%-40% (0207). Thus, when the classifications get a tax reduction to zero, some importer and exporter could have a motivation to exchange, purchase these types of goods and have a fluence to their turnovers. Moreover, the perspectives could be approached by assessment of development on 0202, 0204, 0205, 0206. Although these classifications have a high imported turnover

before the agreement, especially 0202 HS code of approximately 2 billion USD, the turnover growth is insignificant when compared to 0207 and 0203 because there is a low tariff from 7%-8% on HS codes. Thus, when applying the tariff on these classification to 0%, there are little impacts unlike 0207 and 0203.

A notable nature of the result is 0209 (Pig & poultry fat fresh chilled frozen salted dried smoked) with a growth of 1395 (from 4 million USD to 5 million USD). The high percentage of growth is caused by the large exports. Most European nations also export the classification to others because of the slight domestic demand in EU. Thus, the classification would get a significant growth due to the reduction of tariff to zero.

In regard of two assumptions, when affecting of CPTPP and EVFTA, 0204, 0205, 0208 and 0209 HS codes has no change of turnover proportion in compared to the first one ( only the impact of EVFTA). Because the classifications (for example, ed offal, edible offal nesoi of fat, horse, sheep) have a subtle export turnover (not belonged to CPTPP). Thus, there is no difference in the percentage of turnover changes of the classifications in two assumptions. However, the remaining classifications also experience a slight import turnover from EU to Vietnam at entry into force of EVFTA. The reason of phenomenon is the part of import turnover to Vietnam redirected to other nations of CPTPP whereas these nations also endow with 0% tariff. However, the difference between the result of the first assumption and second assumption is relatively insignificant, only from 3-5%.

## 5. Assessments and recommendations

According to the results of SMART model, the import of growth for meat from EU to Vietnam is an inordinate amount of percentage, of these, the growth of meat import from Bungari research at 260%. Besides, the import growth of meat would focus on the market such as Finland, Netherlands, Germany, France,...It means that EU's nations would be mandatory exporters for Vietnam in the future. Thus, the domestic products made from meat in Vietnam need to compete with some imported meat products from EU that have a high quality and competitive prices because of the application of science and technology on farming and manufacturing process with a large scale.

The growth for HS codes are a dissimilar climb. The increase of imported meat to Vietnamese market is primarily 02.03.11 HS codes (Carcasses and half-carcasses), 02.03.12 (Hams, shoulders and cuts thereof, with bone in Processed),

02.06.41 (Livers), 02.07.43(Fatty livers of ducks, fresh or chilled), 02.07.60 (Turkeys), 02.08.10 (Rabbit or hare meat of offal), 02.09.10 (Pig Fat)

To combat the competitiveness of the imported meat from EU and develop the local farming industry in the nation before the impact of tax reduction on meat under EVFTA, Vietnam needs to take measures including:

The government needs to take measures on supporting and progressing the application of science and technology in the local farming industry as well as procedures in order to increase the performance, reduce the price, improve the quality of products and develop the products having a high competitiveness on quality and price.

The government should promptly implement zoning strategies following by the chain model in the local farming areas to ensure the attentiveness and cohesion of manufacturing businesses, to make a contribution to control the quality of product, to ensure the stability of quantity and price and improve the competitiveness of domestic products made from meat.

The government also fulfills the technological methods, sanitary and phytosanitary for the appropriate classification of meat. The rules and international standards could curb the products with the low quality to protect consumers and domestic companies.

The government (Ministry of Health) needs to speed up the communication strategies for domestic customers in a healthy nutrition, the classifications of meat for a good health so as to help the customers select effective and proper products. This could contribute to reducing imports for some categories such as animals' fat, meat & ed offal of animal...

Several Vietnamese businesses should take positive and active responses to apply science and technology, advanced procedures in breeding and processing cattle to improve the cooperation between businesses, companies and farming households, authorities, scientists to promote the competitiveness of products. In addition, the companies need to diversify products to curb the direct competitiveness to the imported goods with a high competitive advantage.

## 6. Conclusion

Using the Partial Equilibrium and SMART tool (Single market partial equilibrium simulation tool), the study focuses on assessment of the ex-ante impact of European-Vietnam Free Trade Agreement (EVFTA) on the import of meat in Vietnam. This paper is aimed to classify some impacts of EVFTA and provide a detail perspective of the meat in Vietnamese market or the

Vietnamese government as well as companies to promote a proper solution in the future.

There are two assumptions of this study. The first assumption is the impact of EVFTA and the second one is the both impacts of EVFTA and CPTPP in the Vietnamese classifications of meat. In both assumptions, the results also are that the meat import from EU to Vietnam would experience a dramatic growth under the impact of EVFTA. However, this growth is different in some nations and HS codes.

Various countries including Finland, Germany, France show a higher export growth rate of meat to Vietnam compared to other nations belonged to European Union (EU). The increase of meat import in Vietnam for 4 digit HS codes is dissimilar under the effect if EVFTA, most growth of rates is that the classification having a high import turnover, as well as the tariff of rate of above 40% before the agreement. The classification of products experienced a slight import turnover, or the subtle tax rate before the agreement exert a lower increase.

The study also proposes some perspectives for business and the Vietnamese government to handle and make use of the growth.

However, the study has some limitations, especially limitations of research method. SMART tool is an effective tool on assessing the impact of FTAs on the turnover of commodity but there are no foundations of theory of SMART tool. Like SMART tool, PE could not assess the impacts of the relevant classification of meat. Because SMART tool could not consider the effectiveness, the measure of SMART in accordance with the commercial redirection would be different. Thus, the author would expand the direction of research in the future and use some tools including CGE in order to give a detail opinion of the EVFTA's impacts in Vietnam.

A quality management system (QMS) system can be defined as: a set of coordinated activities to direct and control an organization in order to continually improve the effectiveness and efficiency of its performance.

A quality assurance systems (QA) that includes the prerequisites (GMPs, GHPs, GAPs - Good manufacturing Practices) and HACCP; quality management systems (QMS) that refers to ISO or TQM; and integrated systems (IS) such as ISO 22000. The systems can be classified according to the extent of activities they cover, in: - basic safety systems: prerequisites (GAPs, GMPs, GLPs, etc.); - advanced safety systems such as HACCP; - integrated food safety management - ISO 22000; - basic quality management systems - ISO 9001; - advanced quality management systems - ISO 9004.



## Abstract

The impact of Free Trade Agreement (FTA) on commercial business of the member could be assessed by the potential and tangible effects. This paper is adopted by Partial equilibrium theory and SMART tool to measure the impact of EVFTA on the Vietnamese meat import (HS code 02). The result of this model is claimed that EVFTA has a huge impact on boosting the meat import from EU to Vietnam. However, the value of import in this category from European nations in each country and good fluctuated significantly. This study also proposes some measures for domestic businesses and the government to ensure the benefits on Vietnam's livestock industry. Last but not least, meat quality management is one of vital issues under EFVTA and global competitiveness to meet higher expectation of consumers. Good food (meat) manufacturing practices need to be applied. That is the social contribution value of this paper.

**Keywords:** *EVFTA, Vietnam, EU, Meat, SMART, FTAs, Quality Management.*

**JEL:** M21, N1

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