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Export of Agricultural Products: The Case of Vietnam - Australia and New Zealand Markets

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Abstract

Australia and New Zealand are the world's big economies and have become one of Vietnam's most potential export and investment markets. Besides, Australia is also one of the first Free Trade Agreement (FTA) partners of Vietnam (ASEAN - Australia/New Zealand FTA, also known as AANZFTA, which opens up many advantages for goods, services, investment and labour of Vietnam when accessing this market. The objective of this study is to analyse the current situation of Vietnam's agricultural exports to Australia and New Zealand in the new context. The results of comparing the proportion of agricultural exports to Australia and New Zealand in the total agricultural export turnover of Vietnam show a clearer reality about the trade relationship between Vietnam and the two countries in the field of agricultural products. Vietnam is a country with a comparative advantage in agricultural commodities in the world due to its favourable soil and tropical monsoon climate. Contributing to the increase of Vietnam's exports to Australia is partly due to strong market demand, suitable industry structure and in no small part from competitive advantages, especially in the new period when it appears. However, through the analysis of Vietnam's agricultural export turnover to Australia and New Zealand, it can be seen that the trade relationship of Vietnam and these two countries has not yet reached its full potential. Therefore, with the growing trend of trade liberalization in the region, Vietnam can make the most of the opportunity to take advantage of market factors and this process will promote very good trade between Vietnam and some economies in the region.

Keywords: first Free Trade Agreement (FTA), Agricultural, Export, Australia, New Zealand

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Introduction

The profitability of farm businesses is highly dependent on variation in weather conditions and commodity prices (Nelson et al., 2007), designing farm insurance products (Kath et al., 2018) and informing government drought policies (Hughes et al., 2022a, 2022b). This is particularly important in Vietnam where long-term shifts in climate, including reductions in average winter rainfall and increases in temperature (Cai et al., 2014; Cai and Cowan, 2013; Cai et al., 2012) are already having significant negative effects on crop yields (Hochman et al., 2017; Arata et al., 2020), farm productivity (Sheng and Xu, 2019) and profits (Hughes et al., 2022a, 2022b).

Since Vietnam and New Zealand established the Comprehensive Partnership in 2009 and joined the signing of the ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA) in

2010, the two countries' economic relations have improved. There have been remarkable developments, reflected in the data of bilateral trade growth in the past 10 years. Vietnam's export turnover to New Zealand in 2019 reached NZD 1.06 billion, an increase of 14.4% over the same period in 2018 and an increase of 691% compared to 2009. In 2019, Vietnam is an exporter of goods. 14th largest into New Zealand. Import turnover from New Zealand in 2019 reached NZD 798 million, up 14.6% compared to 2018; Vietnam is New Zealand's 16th largest commodity import partner.

Vietnam and New Zealand are both members of the new-generation CPTPP and are in the final stage of negotiating the Regional Comprehensive Economic Partnership (RCEP). These FTAs, together with the AANZFTA Agreement, will help elevate the bilateral trade relationship in the near future. Meanwhile, Vietnam and Australia have just added a common FTA, the Comprehensive and Strategic Partnership Agreement for the Trans-Pacific Partnership (CPTPP), which took effect from December 2018 for Australia and January 2019 for Vietnam. Male. Compared to AANZFTA and other FTAs of Vietnam, this is the Agreement with the highest standards of Vietnam so far both in terms of liberalization and scope of application. In which, Australia has significantly higher commitments to open goods, services, investment and labour for Vietnam than AANZFTA and WTO. In addition, Australia and Vietnam are also negotiating the Regional Comprehensive Economic Partnership (RCEP) - a major agreement with the ambition to set high standards for trade and investment in the region. area. Therefore, in the coming time with the implementation of these FTAs, Vietnam will have great opportunities to promote exports (goods, services, labour) and investment to the potential Australian market.

Literature Review

Baker et al. (2019), there has been a significant increase in the world trade. The existing literature has focused more on the aggregate or manufacturing sector (Chen & Zhao, 2021; Handley, 2014; Handley & Limão, 2017; Li et al., 2021; Steinberg, 2019) than on the agricultural sector. Sun et al. (2021) explore the impact of the agreement on agricultural commodity prices and suggest that it may change the supply of and demand for agricultural commodities, leading to fluctuations in agricultural commodity prices.

Currently, Vietnam is one of the 15 countries with the largest import-export turnover in Australia. Vietnam and Australia are trading partners through the Free Trade Agreement (FTA) ASEAN – Australia – New Zealand (AANZFTA) entered into force in 2010, and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) entered into force at the end of 2018. Based on these agreements, most of Vietnam's goods exported to Australia will enjoy a preferential tax rate of 0% and many other favourable conditions. However, the capacity and value of Vietnam's exports and investments to Australia are still very modest, and Vietnam's fresh agricultural products exported to Australia only occupy a small position in the total size of the Australian market. According to the General Statistics Office of Vietnam, in 2020, two-way trade turnover between Vietnam and Australia increased by 3.94% to nearly \$8.3 billion. Particularly in the first four months of 2021, the total import-export turnover between the two countries reached 3.63 billion USD, up 33.85% over the same period last year. Exports of Vietnam and Australia to each other's markets increased. This is a very important result as the COVID-19 pandemic has caused unprecedented disruption to global trade and several countries, including those in Southeast Asia, are restructuring supply chains and bring them home.

Food products and processed foods of Vietnam are distributed in New Zealand through New Zealand importers-wholesalers and importers-retailers. Due to the small market size, the large food and food importers in New Zealand perform the distribution role with regular customers being secondary wholesalers, retail supermarket chains, and retail stores. and food service establishments.

Currently, many agricultural and aquatic products in Vietnam have become popular and have a foothold in the New Zealand market. Vietnam is the leading supplier (number 1 or number 2 in the market) for a number of items such as cashew nuts (96%), pepper (65%), basa fish fillet (100%), frozen shrimp (27%). In terms of agricultural products, Vietnam's cashew nut occupies an absolute position with a turnover of nearly NZD 27 million, accounting for 96% of the market share in 2020.

Coffee, pepper and tea (HS 09) reached 7.9 million NZD, accounting for 4% market share, of which whole pepper (HS 090411) reached NZD 1 million, accounting for 65%; ground and ground pepper (HS 090412) reached NZD 2 million, accounting for 60%; unroasted coffee (HS090111), reaching NZD 3.6 million, accounting for 5% market share.

Research Methodology

Currently, the world can be divided into three types of research approaches including qualitative, quantitative and mixed methods. Traditional studies often use the first two categories while studies using mixed methods are relatively new. For more than three decades' researchers have discussed and debated concepts, methods, and quality standards for studies using mixed methods, a combination of qualitative and quantitative methods quantity. In addition, there have been quantitative studies on talent management that have also used this mixed method to conduct research.

Quantitative research methods can provide data to describe the distribution of characteristics and properties of the study population, examine the relationships between them, and determine cause-and-effect relationships. However, the limitation of this method is that the responses of the subjects are affected by many factors, so it is not completely objective. In addition, although on a standardized scale, the interpretation may vary from participant to participant. For qualitative research methods often focus on social processes and do not rely on social structures like quantitative case studies. The limitation of qualitative research is that it is subjective, not generalizable, etc.

Thus, it can be seen that each approach of the methods has different advantages and limitations. Therefore, to achieve the research objective, the author chooses to apply both qualitative and quantitative methods simultaneously. In particular, the use of quantitative methods to detect relationships between variables. The qualitative method is intended to supplement the quantitative method by assisting in the correction of scales, research models and survey forms. The data of the research paper is coded into variables, entered and cleaned before processing in order to detect errors such as blanks or invalid responses. Collected information will be processed by Excel 2016 tool. Furthermore, the study will also maintain all the ethical issues to make sure everyone associated with this study is free from harm. Moreover, the personal information will also strictly be maintained confidentially.

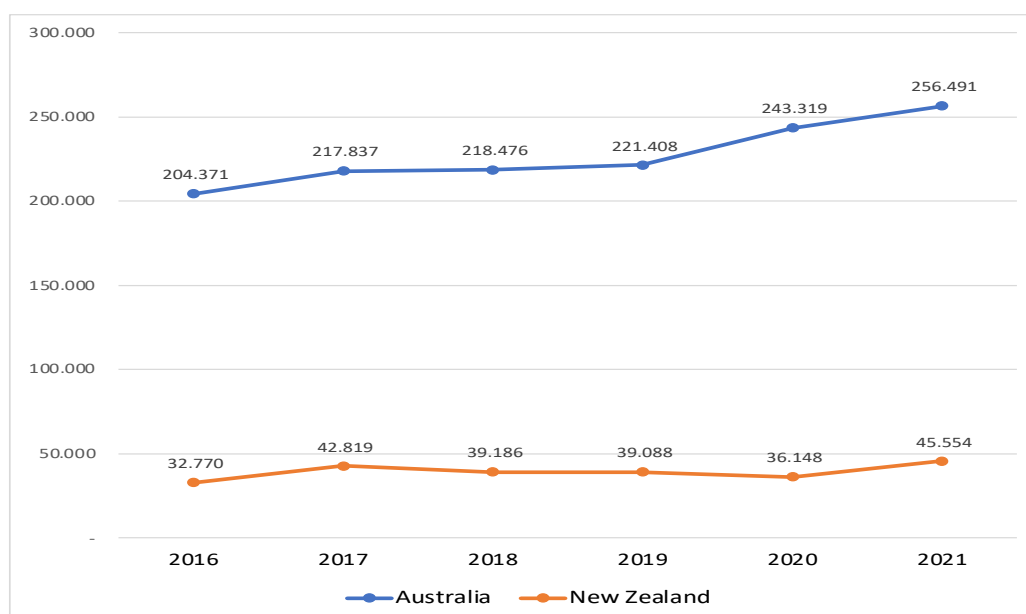
Results and Analysis

Export Turnover and Proportion

During the past time, Vietnam has actively explored the markets of these two countries to expand agricultural exports, one of the country's comparative advantages to seek benefits from international trade. Many agricultural products of Vietnam have been successfully negotiated and approved to enter the Australian and New Zealand markets. However, Vietnam's agricultural export turnover to these two countries did not fluctuate much in the period 2016 – 2021.

New Zealand's import turnover of Vietnamese agricultural products is quite low compared to Australia and relatively stable over the years. In 2016, New Zealand's import value of Vietnamese agricultural products was US\$32,770 thousand. In 2017, this number increased by about 30.7% to \$42,819 thousand, but then started a downward trend to 2020. In 2018, the value of Vietnam's agricultural exports to New Zealand dropped the most at 8.5%. , held steady in 2019 and continued to decline 7.5% in 2020. However, 2021 has a

strong breakout. The export value in 2021 has increased by 26% compared to 2020 and reached USD 45,554 thousand (the highest in the period 2016 - 2021).



Source: Trademap.org (accessed May 2022); Unit: thousand USD

Figure 1: Export turnover of Vietnamese agricultural products to Australia and New Zealand for the period 2016 - 2021

The export turnover of Vietnamese agricultural products to Australia also tends to remain unchanged. In 2016, the export value of agricultural products was 204,371 thousand USD, an increase of 6.6% in 2017 but then decreased slightly in 2 consecutive years in 2018 and 2019. In 2020, the value of Vietnam's agricultural exports to Australia will return. increased by 9.9% compared to 2019. This also marks a great success of Vietnam because 2020 is the year the Covid-19 epidemic has spread worldwide, causing difficulties for all production, business and trade activities as well as trade. international. In 2021, it will continue to increase by 5.4%.

It can be seen that the export turnover of Vietnamese agricultural products to Australia is 6.2 times higher than to New Zealand in 2016 and 6.7 times in 2020 but this gap has decreased to only 5.6 times in 2021. The remaining years are around 5.4 times. Comparing the two countries, it is clear that the Australian market is much larger than the New Zealand market. With market acceptance, Vietnam can try to exploit the Australian market to become a strategic market. In addition, the New Zealand market also needs to be studied to expand because the geographical locations of these two countries are quite close, the export costs as well as the technical requirements for imported goods are also quite similar.

A closer look at the proportion of Vietnam's agricultural exports to Australia and New Zealand (only in products exported from Vietnam) also shows a significant difference between these two markets.

The share of Vietnam's agricultural imports in New Zealand's total agricultural imports is very small. In 2016, this proportion was 3.4%. In 2017 increased slightly to 4.2% but then began to decline in 2018-2020. In 2020, the proportion of Vietnam's agricultural exports to New Zealand only reached 3.5% and only increased to 4.1 % in 2021 of the

country's total agricultural imports with other countries in the world. This shows that, in fact, New Zealand's demand for importing agricultural products is not small (although this is a country with a high comparative advantage in agricultural production). The export turnover of Vietnamese agricultural products to this country is low because we have not found suitable opportunities, the competitiveness is still low, and it has not attracted the attention of the market.

Table 1: The share of Vietnam's agricultural imports in the total agricultural product import turnover of Australia and New Zealand in the 2016-2021 period

Nation						Unit: %
	2016	2017	2018	2019	2020	2021
New Zealand	3.4	4.2	3.7	3.6	3.5	4.1
Australia	5.96	5.88	6.06	6.23	6.33	6.63

Source: Trademap.org (accessed May 2022)

The proportion of Vietnam's agricultural imports in the total import turnover of Australia is higher than that of New Zealand. In 2016, this proportion was 5.96% and increased slightly during the remaining years. In 2021, Australia's share of Vietnam's agricultural imports has reached 6.63% of the total import turnover of similar products. Although the import value of Vietnamese agricultural products is more than 5 times higher than that of New Zealand, the proportion of the total turnover is not twice as high. Thus, the Australian market is really a large potential market. With a tax rate of 0%, expanding the market to this country is only a matter of overcoming technical barriers as well as difficulties in transporting fresh goods.

Table 2: The share of agricultural exports to Australia and New Zealand in the total agricultural export turnover of Vietnam in the 2016-2021 period

Nation						Unit: %
	2016	2017	2018	2019	2020	2021
New Zealand	0.25	0.28	0.27	0.28	0.27	0.38
Australia	1.51	1.4	1.46	1.58	1.76	2.1

Source: Trademap.org (accessed May 2022)

Comparing the proportion of agricultural exports to Australia and New Zealand in the total agricultural export turnover of Vietnam shows a clearer reality about the trade relationship between Vietnam and the two countries in the field of agricultural goods. Vietnam is a country with a comparative advantage in agricultural commodities in the world because of its favorable land and tropical monsoon climate. The value of Vietnam's agricultural exports to New Zealand accounts for only a very small percentage of the total export turnover of agricultural products (with similar goods) to the world. In 2016, this proportion was only 0.25%, increased slightly and remained stable in the following years at 0.27%. Particularly in 2021, the proportion of agricultural products exported to New Zealand has increased to 0.38%. This proportion indicates that this is an unimportant market of Vietnam during the past time.

Although the Australian market is larger than New Zealand, it still accounts for a very small proportion of Vietnam's total agricultural exports to the world. In 2016, this rate was 1.51% and there was no strong fluctuation in the period 2017 – 2019 although the trend increased slightly. In 2020, with the value of agricultural exports to Australia increasing, the

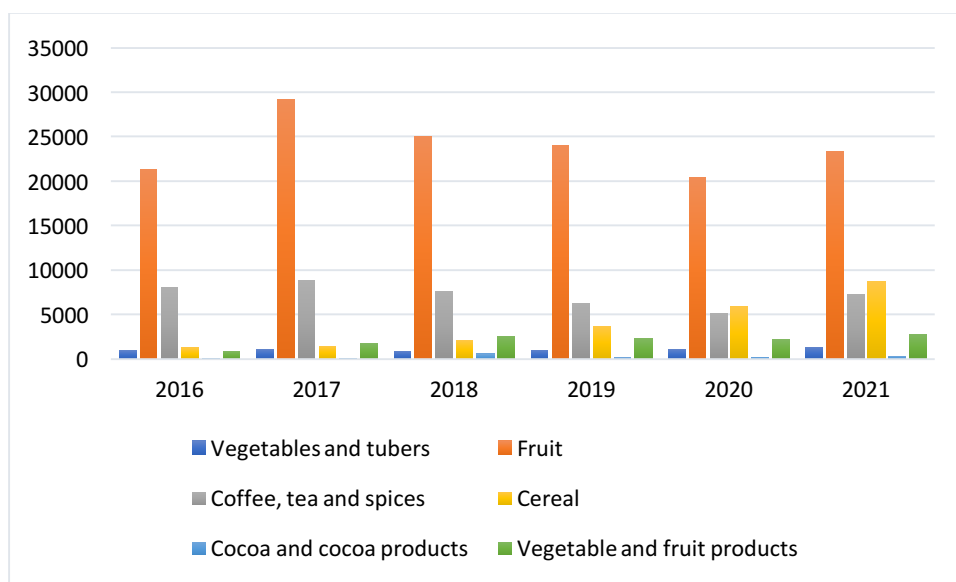
export proportion has increased to 1.76% and will continue to increase in 2021 to 2.1%, but the improvement is still very modest.

Through the analysis of Vietnam's agricultural export turnover to Australia and New Zealand, it can be seen that the trade relationship of Vietnam and these two countries has not yet reached its potential. These are two new markets and are still very small, although the demand for import and export of agricultural products of both sides is very large. The new AANZTFA and CPTPP agreements only have the simple effect of bringing the tax rate to 0%, but have not yet further promoted cooperation between the parties on trade to exploit comparative advantages as well as benefit the country family.

Item and Volume of Exported Goods

According to statistics of Trademap.org, there are 10 groups of Vietnamese agricultural products that are exported to Australia and New Zealand. Other groups of agricultural products are of very small value, so they are not included.

Looking at Figure 2, it can be seen that the fruit group is the most exported Vietnamese agricultural product to New Zealand with a trend of many fluctuations. In 2017, New Zealand's import of Vietnamese fruits had a strong growth, but in the following years it decreased gradually. Even the value of the fruit group in 2020 is lower than in 2016 and it will only be improved in 2021. Next is the group of coffee, tea and spices. This group of agricultural products also tends to increase in the period 2016 - 2017 and decrease in the remaining years and will only increase again in 2021. Meanwhile, the cereal group has a small value in 2016- 2017 but has a strong growth from 2018 to 2021. The highest level will reach 8,710 thousand USD in 2021. Similarly, vegetables and tubers keep export turnover quite stable. The group of oilseeds and milled flour products, vegetable and fruit products, although the turnover is small, tends to increase year by year in the period 2016 - 2021.



Source: Trademap.org (accessed May 2022); Unit: thousand USD

Figure 2: Export value of Vietnamese agricultural products to New Zealand by commodity group in the period 2016 – 2021

Taking a closer look at the groups of Vietnamese exports to New Zealand, in 2016, the value of fruit products reached US\$21,294 thousand and increased to US\$29,143 thousand in 2017. However, this number decreased sharply in 2018, only 25,049 thousand

USD and by 2020 it will be only 20,428 thousand USD and will increase again by 23,321 thousand USD in 2021. Thus, although the fruit group is the main agricultural product group of Vietnam to the New Zealand market, it did not open. expand the market although every year the government tries to negotiate to increase the list of fruits accepted to be imported from this country.

Coffee, tea and spices are also high-value commodity groups, but the trend is similar to the fruit group. From 2018 to 2020, this group of goods is also not well received. In 2016, the export value of Vietnam's coffee, tea and spices to New Zealand was \$8,063 thousand, increased to \$8,888 thousand in 2018 but then dropped sharply to \$5,160 thousand in 2020. , this number has improved to 1.4 times by 2021.

Table 3: Export value of Vietnamese agricultural products to New Zealand

Unit: thousand USD

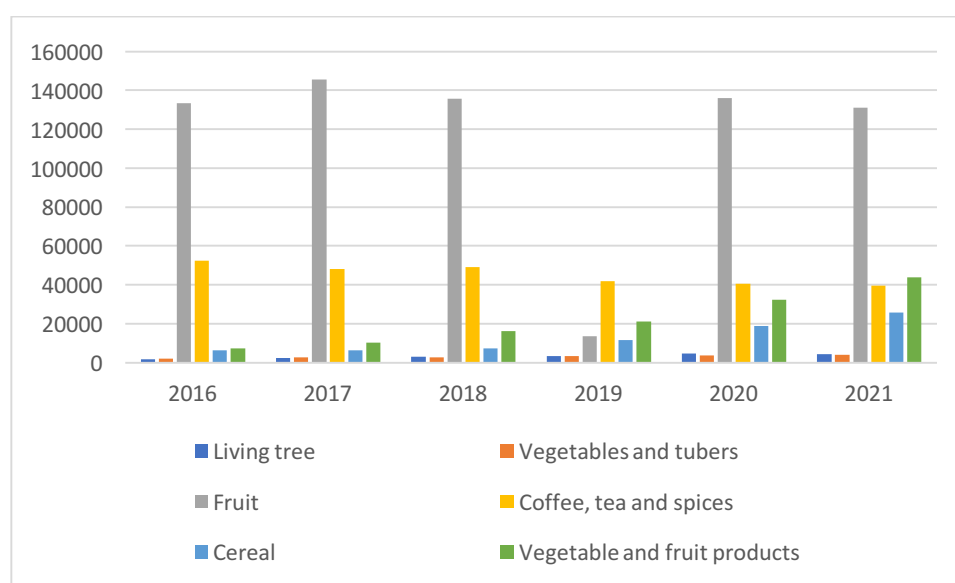
HS	Agricultural product group	2016	2017	2018	2019	2020	2021
06	Living tree	14	13	13	14	14	19
07	Vegetables and tubers	990	1,162	950	1,114	1,193	1,360
08	Fruit	21,294	29,143	25,049	23,965	20,428	23,321
09	Coffee, tea and spices	8,063	8,888	7,731	6,382	5,160	7,331
1	Cereal	1,331	1,502	2,148	3,764	5,880	8,710
11	Products, milling	53	141	404	1,075	750	1,432
12	Oily seeds and fruits	91	116	132	119	127	162
14	Materials for plaiting, braiding, other vegetables	3	4	1	6	1	14
18	Cocoa and cocoa products	14	14	60,17	258	328	385
20	Vegetable and fruit products	917	1,836	2,691	2,391	2,267	2,820

Source: Trademap.org (accessed June 2021)

In contrast, the cereal group has had strong growth year by year and by 2020, the export value has increased by more than 5 times compared to 2016 and 1.56 times compared to 2019. In 2021, it has increased by 1.48 times. times compared to 2020. The group of products from vegetables and fruits also increased by 3.07 times in the period 2016 - 2021. The group of flour and milled products also increased by 27 times during this period despite the export value. quite small. In 2021, it will reach 1,432 thousand USD. The group of vegetables and tubers also grew fairly steadily but did not increase strongly. The remaining groups of agricultural products have very low value and the fluctuation is not much following the decreasing trend.

Thus, it can be seen that the New Zealand market is only for Vietnam with tax incentives in accordance with the commitments in the AANZFTA or CPTPP, but the acceptance and market expansion for Vietnamese agricultural products is still limited. . New Zealand offers a lot of strict requirements on technical, packaging conditions, preservation, transportation ... and it is also difficult to get permission to bring a specific product into the domestic market.

The Australian market reacts differently from New Zealand to agricultural products imported from Vietnam. Although fruit is also the group of goods with the largest import turnover, the trend has almost no change in value during the period 2016 - 2021. In 2016, the value of Vietnam's fruit exports to Australia is 133,434 thousand USD and increased to 9.2% in 2017 (145,709 thousand USD). From 2018 to 2020, the export value returned to a stable figure of about 135,000 thousand USD, and even decreased slightly in 2021. Import value of coffee, tea and spices (the group with large turnover) second) as well. However, this group tends to decrease slightly from year to year. In 2016, the export value of coffee, tea and spices from Vietnam to Australia was 52,330 thousand USD , by 2020 it will only be 39,511 thousand USD. Thus, the two main groups of agricultural export products of Vietnam tend to keep stable or gradually decrease in value.



Source: Trademap.org (accessed May 2022); Unit: thousand USD

Figure 3: Export value of Vietnamese agricultural products to Australia by commodity group in the period 2016 - 2021

Meanwhile, other commodity groups tend to increase. The group of products from vegetables and fruits has experienced strong growth in export value in recent years. In 2016, Vietnam exported this group of goods with a turnover of 7,241 thousand USD. By 2021, this number has increased 6 times to 43,766 thousand USD. Cereals also increased 4 times. Vegetables and tubers increase 2 times. In particular, the group of flour and milling products also increased by 21.2 times.

Table 4: Export value of Vietnamese agricultural products to Australia

			Unit: thousand USD					
HS	Agricultural group	product	2016	2017	2018	2019	2020	2021
06	Living tree		1.891	2.538	3.212	3.416	4,715	4.296
07	Vegetables and tubers		1,955	2.593	2,670	3.296	3,609	4,070
08	Fruit		133.43	145,70	135.57	134.98	136,11	131.22
			4	9	9	0	3	5
09	Coffee, tea and spices		52,330	48.234	49,201	42,043	40,461	39.511

10	Cereal	6.287	6.442	7,489	11,675	18,718	25.638
11	Products, milling	250	740	1,996	2.586	4,894	5.304
12	Oily seeds and fruits	284	283	369	511	710	409
14	Materials for plaiting, braiding, other vegetables	155	145	128	190	343	399
18	Cocoa and cocoa products	544	948	1.463	1.423	1.384	1.873
20	Vegetable and fruit products	7.241	10.205	16,369	21.288	32,372	43,766

Source: Trademap.org (accessed May 2022);

The similarity between the two import markets of Vietnamese agricultural products, Australia and New Zealand, is the ratio of import value between groups of goods. Fruit is always the group with the highest import value. Then came coffee, tea, spices. Next are cereals, vegetable products and fruits, vegetables and then other commodity groups. However, the trend of value fluctuations from year to year in the period 2016-2021 is different. Particularly for live plants, the export value to Australia is much higher than New Zealand. While New Zealand has almost no interest in this group of agricultural products, in Australia this group even doubled from 2016 to 2021. Australia's import value of live plants was 135 times higher than New Zealand's in 2016 and even 226 times higher in 2021.

In 2021 alone, the import proportion of each group of Vietnamese agricultural products in the total agricultural import turnover of Australia and New Zealand is as follows:

Table 5. The proportion of Vietnamese agricultural products in the total import and export turnover of agricultural products of Vietnam, Australia and New Zealand in 2021

HS	Agricultural product group	Unit: %			
		In the total import turnover of agricultural products of the countries		In total export turnover of Vietnam	
		AUS	NZ	AUS	NZ
06	Living tree	4.58	2.30	5.18	1.56
07	Vegetables and tubers	1.57	2.02	1.09	0.39
08	Fruit	18.97	8.06	2.95	0.53
09	Coffee, tea, spices	5.46	5.54	1.08	0.20
10	Cereal	13.76	10.20	1.25	0.42
12	Milled powder products	3.96	3.33	1.39	0.37
12	Oilseeds	0.15	0.24	0.36	0.15
14	Materials for plaiting, braiding, vegetables	2.89	0.59	1.61	0.06
18	Cocoa	0.33	0.20	7.26	1.77
20	Vegetable and fruit products	4.76	1.20	4.24	0.28

Source: Trademap.org (accessed May 2022);

It can be seen that the import value of Vietnamese agricultural products accounts for a very small proportion of the total import turnover of agricultural products of both countries. The highest proportion is the main group of fruit products. In particular, in 2021, Vietnamese fruits accounted for 18.97% of the market share of imported fruits of the same type of Australia. This is also a great effort of the Government in promoting the export of agricultural products to this market when it is successful in applying for licenses for specialty products such as litchi, durian, red dragon fruit, longan, and mango. cross the border. Meanwhile, the Vietnamese fruit group only accounts for 8.06% of New Zealand's fruit import market. The group of tea, coffee and spices also accounts for only 5.46% of Australia's import market and 5.54% of New Zealand's import market. Particularly in Australia, Vietnam's cereals group also holds a market share of up to 13.76%, corresponding to the absolute value of imports. As for New Zealand, only 10.2% of this commodity group is imported to the market (the highest among the commodity groups). The lowest percentage is cocoa and cocoa products. This is also not the strength of Vietnam. The proportion of imports of this group of goods accounts for only 0.33% of the import market of Australia and 0.2% of the import market of New Zealand.

If comparing the proportion of agricultural product export value to Australia and New Zealand in the total export turnover of Vietnam's agricultural products by commodity group, we will also see the fact that these are two very small markets of Vietnam. Fruit is a key commodity group, but the proportion of exports to Australia only accounts for 2.95% of the total export turnover of fruits of the same type of Vietnam. This figure in New Zealand is 0.53%. Thus, Vietnam has a much larger export capacity, but half of these countries are not long-term partners, the other part is due to many factors such as technical requirements, the difficulty of transportation leading to high costs. high cost, reducing competition in the market. Similarly, the second main group, which is coffee, tea and spices, only 1.08% exported to Australia and 0.20% exported to New Zealand. In terms of correlation, the proportion of Vietnam's agricultural product import value in the total agricultural product import turnover of the two countries is higher than the proportion of Vietnam's agricultural exports in the total export turnover to the world. The problem is how to change this potential market, especially when trade agreements are signed and countries are paying more attention to each other. If Vietnamese agricultural products can overcome technical barriers in many fastidious countries such as the US, EU and Japan, there will also be solutions to enter the markets of the other two countries.

The problem is, Australia and New Zealand are both major exporters of agricultural products in the world. Many groups of Vietnam's exports coincide with those of these two countries. For example, Australia also grows litchi, so Vietnamese lychees are not completely special, but because of the different harvest times, the importation is only supplementary and the value is not high. In other words, the export agricultural products that are the strength of Vietnam are not products with high import demand of Australia and New Zealand.

Quality Of Agricultural Products

Australia and New Zealand are fastidious markets with many strict import regulations that make it difficult for Vietnamese goods to access even with preferential tariffs. These are also the countries with the most stringent product safety and quarantine regulations in the world. In addition, Australia and New Zealand also maintain many regulations on technical measures such as requirements on product labeling, product standard specifications, etc.,

which are quite strict, causing many difficulties for Vietnamese export products. South when approaching this market.

Table 6: Number of shipments of Vietnamese agricultural products refused to be imported into Australia and some major importing countries

Product group	2016		2017		2018		2019		2020	
	AUS	#	AUS	#	AUS	#	AUS	#	AUS	#
Living tree	0	0	0	0	0	0	0	0	0	0
Vegetables and tubers	5	21	7	14	8	49	2	64	8	75
Fruit	2	22	4	21	5	37	2	39	4	34
Coffee, tea, spices	3	16	8	36	1	21	0	16	2	19
Cereal	0	64	0	20	1	24	0	1	2	6
Milled powder products	0	2	2	6	0	0	0	2	2	5
Oilseeds	0	1	2	2	0	0	0	0	0	33
Materials for plaiting, braiding, vegetables	0	0	0	0	0	0	0	0	0	0
Cocoa	0	22	0	1	0	1	0	0	0	0
Vegetable and fruit products	5	33	4	36	5	13	1	27	8	0
Total	15	181	27	136	20	145	5	158	26	206

The number of Vietnamese agricultural products that are refused to be imported into Australia fluctuates from year to year. In 2016, there were 15 shipments rejected but by 2017 that had increased to 27 lots. In 2018 reduced to only 20 lots and dropped sharply in 2019 with 5 lots. However, the number of agricultural products refused to be imported into Australia in 2020 increased sharply to 26 lots. On average, Vietnam's agricultural products that are refused to be imported into Australia account for about 11.54% of Vietnam's total agricultural exports to major countries. The two main groups of Vietnamese exports to Australia, vegetables and fruits, are also the groups that have been rejected many years.

The number of agricultural products that Vietnam exports to major countries such as Australia, China, Eu-28, Japan, and the US is rejected quite a lot and increases year by year. In 2016, the number of refused shipments was 181, in 2017 it decreased slightly to 136 but then increased steadily in the remaining years of the 2016-2020 period. 2020 is also the year that Vietnam's total agricultural products are exported. The most rejected imports were up to 206 shipments. The main groups of goods such as vegetables and tubers, fruits, coffee, tea, spices or cereals all had a very large number of rejections. This shows that the quality of Vietnam's exported agricultural products has not fully met the strict requirements of major countries.

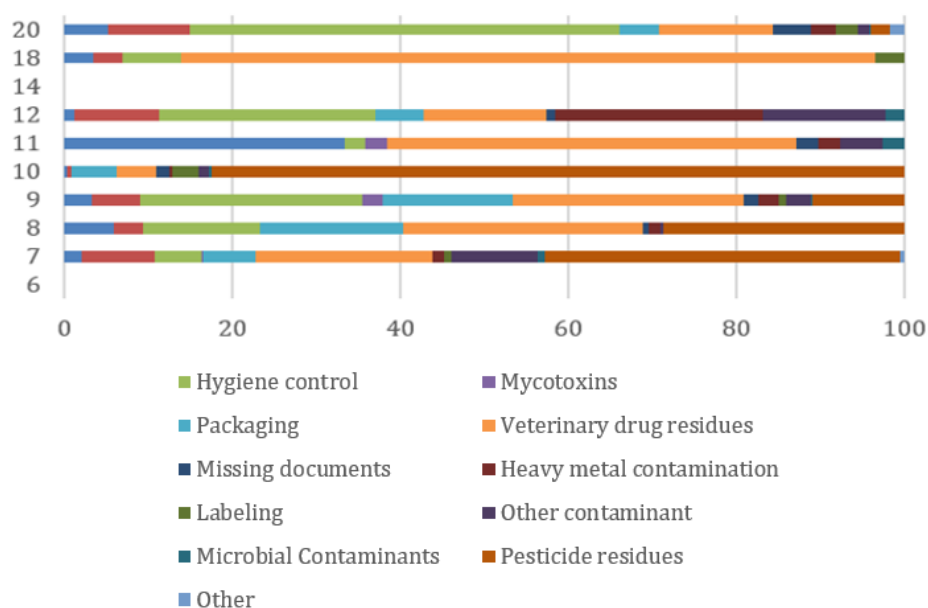


Figure 4: The reason why groups of agricultural products for export of Vietnam were rejected

The main reason why Vietnam's agricultural products were rejected by Australian customs and major importing countries in the period 2016 -2021 was due to violations of hygiene control and contaminated products. Even large pesticide residues, or contaminants. Some other reasons also cause goods to be returned such as: lack of documents in the dossier, contamination with impurities, residues of food additives and animal feeds...

According to the World Bank's WITS data that investigates the use of non-tariff measures (NTMs) of 75 countries, Australia has a rate of use of NTM measures in 2015 of 61.80%, much higher. compared with the average rate of 43.04% of the 75 countries surveyed. In which, the frequency ratio of NTM measures used the most by Australia in 2015 were requirements for goods inspection, labeling, testing, registration requirements for importers for technical reasons. The products with the highest frequency of application of NTMs in 2015 were textiles, animals, plants, food, vehicles (Table 7).

Table 7: Australia's non-tariff measures have the highest frequency in 2015

Measure	NTM frequency ratio
Request a test	46.03%
Labeling requirements	38.28%
Test request	19.19%
Registration required for importers for technical reasons	14.99%
Change fee	14.77%
Product performance and quality requirements	9.50%

Product registration required	8.04%
Request to retrieve information	5.73%

Source: WITS, World Bank, accessed February 2019

It can be seen that Vietnamese agricultural products exported to Australia often face barriers such as inspection requirements, labeling requirements, testing requirements, and information retrieval requirements, causing the goods to be blocked without customs clearance. After that, a lot of fresh agricultural products were damaged and had to be discarded, causing great damage to the exporters.

Table 7 shows that among the products imported into Australia with the highest frequency of non-tariff measures in 2015 were food (accounting for 93.66%), plants (accounting for 93.37%). This shows that Vietnamese agricultural products face many difficulties in accessing the market in terms of "product quality".

Australians and New Zealanders not only have high demands on the quality of agricultural products such as freshness, pesticide residues, food additive residues, but also new and quality packaging. Many sizes for convenient use, packaging can be reused or destroyed to protect the environment.

Table 8: Products imported into Australia had the highest frequency of NTM measures in 2015

Field	NTM frequency ratio
Textile	99.09%
Animal	95.72%
Food	93.66%
Plants	93.37%
Transport	89.06%
Machinery and electronic equipment	84.01%
Footwear	68.09%
Fuel	50.0%
Chemistry	42.26%
Skin	25.56%

Source: WITS, World Bank, accessed February 2019

After 12 years of negotiations to bring lychee to the Australian market, in 2015, the first shipment of 3 tons arrived at the port. In 2016, about 32 tons of lychee were imported to Australia. However, 10 tons were destroyed due to the unsatisfactory condition of cold treatment in transit.

According to the Vietnam Trade Office in Australia, in December 2017, Vietnam had 3/36 violations when exporting food products to Australia, bringing the total number of violations in 2017 to 39. Shipments foods found to be in violation are identified as having a high or moderate risk to public health. Accordingly, these shipments will not be allowed to be sold in Australia, and importers must cancel or re-export to the country of origin under the supervision of Australian authorities. Notably, subsequent shipments will be 100% inspected until they meet the specified standards.

In order to have little effect on the quality of fresh agricultural products exported to Australia and New Zealand, Vietnam chose the irradiation method, but in the North, there is currently only 1 irradiation center located in Hanoi, so when this stage is carried out, It takes a lot of time and cost, can cause damage to agricultural products during preliminary processing. While Vietnamese agricultural products are considered to be more delicious than Chinese products of the same type, the failure to accept customs clearance is often a matter of preservation.

Table 9: Forms of handling fresh fruit as required by Australia

- *Cold treatment of 0.99 0 C or less within 17 days, or 1.38 0 C or less within 20 days.*
- *- Steam heat treatment of 47 0 C or higher (internal temperature of fruit) for 15 minutes, or 46 0 C or higher within 20 minutes.*
- *- Irradiation treatment with a minimum intensity of 400 Gy.*

Source: Vietnam Trade Office in Australia

Up to now, the number of returned agricultural products of Vietnam is still quite a lot because when checking, there are still residues of pesticides and antibiotics because exporters only know what kind of goods they are allowed to export. did not study the detailed regulations carefully. Meanwhile, Australia and New Zealand are both countries with the most stringent regulations in the world. The quality of Vietnam's fresh agricultural products exported to Australia and New Zealand can still be guaranteed when packing, but due to the complexity of customs clearance procedures, the prolongation of the time causes deterioration. Export costs to ensure the quality standards set by these two countries are also very large, reducing the competitiveness of Vietnamese agricultural products. Enterprises exporting agricultural products also have to face when purchasing agricultural products from households with uneven quality. Therefore, in order to increase agricultural exports and overcome technical barriers, enterprises exporting to Australia and New Zealand are tending to reduce fresh agricultural products and increase processed agricultural products.

Conclusions

The number of Vietnamese exports to Australia and New Zealand is quite diverse, but the most valuable exports do not change much. The common point of research articles on Vietnamese agricultural products in recent times and for this study all show that one of the factors that reduce competitiveness is our country's main export agricultural products to Vietnam. mainly goods without technology content, added value in agricultural exports of Vietnam is still low. Most of our country's main export agricultural products are in raw or semi-processed form, so the value obtained is not high. The quality of Vietnamese agricultural products is low, processing technology is outdated. But besides that, in this article, we have pointed out the main export products of Vietnam to the market and pointed out some products that are likely to be exported soon, including cereals, fresh vegetables, and fruits.

In the context of Vietnam's exports being affected by the impact of the world crisis, one issue is that there should be accurate evaluations of the trend of export markets in the following years, the right orientation of the central export market, and the right choices about the potential market. The Australian and New Zealand market is a potential export market

for Vietnam's agricultural products that the Government and businesses need to make appropriate efforts to boost exports to this market, contributing to the implementation of the country's export targets.

Research Limitations and Future Directions

This research has two limitations that can point toward further studies includes the research subject and research method. The author does not mention markets other than Australia and New Zealand. Research method is not the best method due to limited data collection. The author hopes that this limitation will be overcome in future studies on other partner markets of Vietnam.

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