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Vietnam’s International Trade is Showing Signs of Recovery After the COVID-19 Pandemic

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Abstract

On a global scale, Vietnam is a low-middle income country with a high openness and effective export-oriented trade model. This article analyses the impacts of COVID-19 pandemic on Vietnam’s trade in 2020. The analysis, which is based on reports and data collected from international organisations and governmental bodies (notably the International Monetary Fund (IMF), Ministry of Industry and Trade, and General Department of Vietnam Customs), highlights how Vietnam’s import and export situation has been affected by the COVID-19 Pandemic, and gives some major recommendations for the post-pandemic period.

In specific, the article focuses on analysing changes in trade balance, import-export turnover, major trade partners of Vietnam, and USD/VND exchange rate. Research results show that, although Vietnam’s trade has been affected by the pandemic in some ways, in general, the trade balance is not affected much, and there is a clear sign of recovery in Q3/2020 thanks to the effectiveness of government’s responses to the pandemic. On that basis, this study provides a number of solutions to the increased efficiency of Vietnam’s trade in the coming time.

Keywords

Global scale • International monetary fund • Economy

Introduction

Since its onset in Wuhan City (China) in late 2019, the COVID-19 pandemic has spread to almost 200 countries and territories, infecting more than 33.5 million people and causing more than 1 million deaths globally (according to data from WHO on September 29, 2020) [1]. Vietnam’s Ministry of Health reports more than 1,000 people infected by the disease, a remarkably low infection rate in a Southeast Asian country of over 95 million people [2]. With COVID-19 announced by WHO as a global pandemic, it is no longer merely a health crisis but has become a global political, security, and economic issue.

Impacts of this pandemic on global trade are obviously in three main aspects. First, both world export and import declined in the first 6 months of 2020, and global trade is focasted to decrease from 13%-32% in 2020. In addition, major global industries, including automotive and energy production, are being hard hit by the pandemic; while agro-commodity trading remains stability. Moreover, the most damaged regions are America, Africa, Europe, and North Asia; whereas the East Asia and Pacific regions show signs of recovery. Except for China, all major trading economies seemed to collapse during the pandemic, including the US, the Europe, Japan, and Korea. Second, the pandemic has caused a disruption in global supply chains. Being considered as “factory of the world” for a long time, China’s role in the global supply chains is undeniable. As the world is highly dependent on China's supply to a very large extent, and any major disruption in China may puts the global supply chain at risk. COVID-19 is also seen as a chance for many countries that depend on the supply chain from China to restructure and reduce their over-dependence on the supply chain from abroad.

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COVID-19 pandemic is also an opportunity for the growth of protectionism. Many developed countries have implemented numerous protectionist policies to protect their domestic producers, imposing more strict tariff and non- tariff barriers on imported products, especially medical supplies and health-care products. These trade protection measures have also affected the value chain, as well as production and supply chains, shifting the global value chain, increasing international transaction costs, and undermining the multilateral trading system. As a result, this may cause shifting the tax burden to consumers, and hurting the overall interests of countries.

To slow down the spread of COVID-19 and protect citizens’ health, governments around the world have taken unprecedented measures such as issuing large or national lockdown orders, closure of borders, travel bans, and quarantine measures including closing schools and the public departments... The IMF considers these restrictions all around the world as a "Great Lockdown". This pandemic has pushed many global economic activities into stagnation, disrupting global supply chain, harming businesses, and causing workers to lose their jobs.

During this pandemic, in the first quarter of the year, Vietnamese government took strict measures on social distancing in order to keep all citizens to temporarily stay at home, work from home, and study online. Businesses were significantly affected by such measures in combating COVID-19. However, Vietnam is amongst the very few countries in the world that have been able to successfully contain and minimise the negative impacts on its economy and international trade [3].

Literature review

There have been several researches and studies about the impacts of COVID-19 pandemic on international trade and Vietnam’s trade, below are some notable studies:

“COVID-19 Impact Assessment: Analysis of the Potential Impacts of COVID-19 on Vietnamese Economy”, PWC, 2020: This study discusses the possible effect of the outbreak of COVID-19 on the economy of Vietnam. Following the outbreak, forecasts are revised and re-adjusted every week [4]. This paper contains 03 main parts: Vietnam's existing economic prospects; Stagnant economic prospects for Vietnam's primary export markets; and Selected Sectors Snapshot like Textiles/Clothing and Consumer Electronics Manufacturing.

“How COVID-19 is changing the world: a statistical perspective”, 2020, Committee for the Coordination of Statistical Activities (CCSA): As an open developing economy, the scenarios and estimates of COVID-19’s effects on Vietnam’s economy are similar to those of other developing countries [5].

The World Bank's report dated 29/09/2019 at the Vietnam Reform and Development Forum (VRDF 2020) summarized four major impacts of COVID-19, including: First, after the global recession of 2007-2009, COVID-19 has increased existing declining patterns in trade, GDP and productivity growth. The effect on global production and trade is predicted to be the worst in decades. In this paper, the World Bank also focuses on trade in commodities, which may plunge from 13% to 32% in 2020, depending on optimistic/pessimistic scenario; Second, the key sources of capital for development: FDI, portfolio expenditure and remittances have all fallen dramatically; Third, with a slower flow of individuals, commerce and resources, this pandemic further exacerbates the current pattern of protectionism and leads to a propensity of self-reliance and rebalancing towards the domestic economy; Fourth, the global development network is fragmented to a degree never seen before. In the end, increased automation and global exit from global supply chains might lead to a policy aimed at leveraging manufacturing and exports to further improve productivity growth, also works really well for emerging markets and developed economies.

The United Nations Conference on Trade and Development (UNCTAD)'s trade and development report "Global trade impact of coronavirus (COVID-19) epidemic" on March 2020. This report focuses on the impact on global value chain and 20 most affected countries. To sum up, each country's and industry's integration with China is measured by the Grubel-Lloyd Index (GLI) of intra-industry trade. The GLI is calculated on products categorized as manufacturing intermediate inputs (e.g. parts and components), computed at the industry level (as defined by the 4 digit Harmonized System classification) and then aggregated at the sectoral level using bilateral trade shares. The GLI is then used as a surrogate to calculate the percentage of exports of a given nation in each sector that is vulnerable to supply disruption in China.

Vietnam's National Economics University also releases a scientific research on impacts of COVID-19 on Vietnam's economy. This study analyses and assesses the impacts of the pandemic in three scenarios (pessimistic scenario, base scenario, and optimistic scenario). It also provides some policy recommendations for the post-pandemic period.

However, all of the above studies mostly focus on the overall economy. Some analyse trade in goods, but rarely mention Vietnam's trade in services. Moreover, there is a lack of updated data in the data sources which poses certain challenges in conducting proper researches on this topic.

Materials and Methods

Data

This study mainly uses and data collected from the IMF, WTO, WB, UNCTAD, Ministry of Planning and Investment, Ministry of Trade, and the General Department of Vietnam Customs. The data is analysed and evaluated by time series and by criteria of import-export turnover, trade balance, major partner of Vietnam, and USD/VND exchange rate in the period from Q1/2017 to Q1/2020. It also analyses information from previous reports and studies related to the topic as mentioned in the literature review.

Methods

This paper is a secondary research, which also uses the method of descriptive statistical method combined with the graphical chart illustration. The Excel software is used to process analytical data on trade. The method of synthesis and analysis is used to analyse and synthesize the data collected according to selection criteria to reflect the current situation and issues related to Vietnam's trade activity.

Results

The global spread of the COVID-19 pandemic has greatly affected the export and import turnover of many commodities as well as the trade balance in almost all economies in the world, especially in Vietnam's major trading partners. It also leads to a decrease in Vietnam's trading activities during the first three months of 2020 as a result of lockdowns and border restrictions of governments all over the world.

As an open developing economy and export-oriented trade model, Vietnam has enjoyed trade surplus in both trade in goods and total trade in goods and services, but it still has high trade deficit in services in the long run.

During the COVID-19 pandemic, all trade balances suffered a continuous decline from Q4/2019 through Q1/2020. Specifically, total trade surplus in goods and services dropped significantly by 15.5%, from USD 6.44 billion to 5.44 billion and trade surplus in goods also declined by 7.2%, from USD 6.66 billion in Q4/2019 to 6.18 billion in Q1/2020. Meanwhile, trade deficit in services declined sharply from USD-213 million in Q4/2019 to 740 million in Q1/2020 (Figure 1).

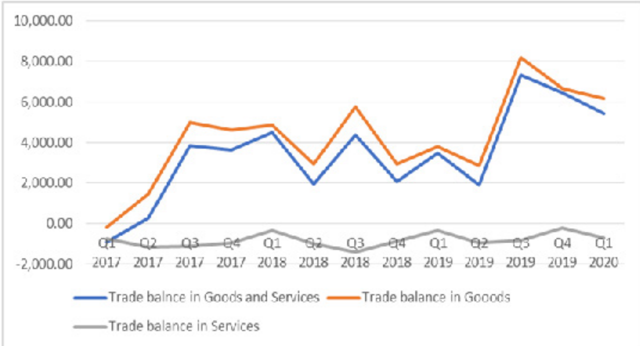

Figure 1. Vietnam's trade balances Q1/2017–Q1/2020, million USD.

Vietnam's total trade in goods and services

Both total imports and exports in goods and services in Q4/2019 and Q1/2020 were greatly affected with a significant decrease in comparison to Q3/2019. Specifically, trade balance continuously declined from USD 7.32 billion in Q3/2019 to 6.44 billion in Q4/2019, and to 5.44 billion in Q1/2020. In the same period, total export in goods and services declined from USD 76.23 billion in Q3/2019 to 74.2 billion in Q4/2019, and to 66.77 billion in Q1/2020. Meanwhile, total import also reduced from USD 68.9 billion in Q3/2019 to 67.76 billion in Q4/2019, and to 61.3 billion in Q1/2020 (Figure 2).

Figure 2. Vietnam's trade in goods and services Q1/2017–Q1/2020, million USD.

Vietnam's trade in goods

Based on data from the IMF, total merchandise import and export turnover of Vietnam in the first quarter of 2020 was USD 120.29 billion, decreasing 9.2% in comparison to the last quarter of 2019. Specifically, Vietnam's export in goods declined by almost 9%, from USD 69.54 billion in Q4/2019 to 63.24 billion in Q1/2020, and Vietnam's import in goods also decreased by 9.4%, from USD 62.88 billion in Q4/2019 to 57 billion in Q1/2020. In addition, trade surplus in goods in Q1/2020 was estimated at USD 6.18 billion, representing a 6.4% decrease from nearly USD 6.6 billion in Q4/2019 (Figure 3).

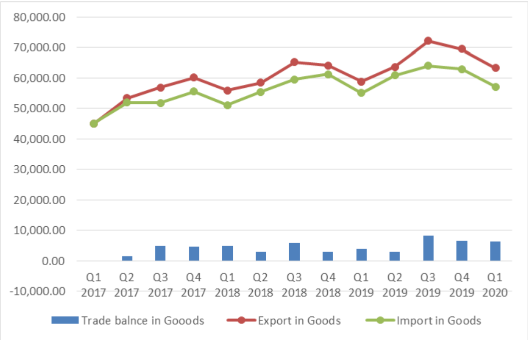

Figure 3. Vietnam's trade in goods Q1/2017-Q1/2020, million USD.

However, latest data recorded by Vietnamese government shows positive signs of recovery in Q2/2020, after Vietnam has slowly resumed international trade activities and eased social-distancing measure. Vietnam is also amongst the very few country in the world that have been able to control the infection of COVID-19 thanks to its rapid and decisive response to the pandemic. By the end of August 2020, the total value of goods import and export of the country reached USD 337.23 billion, comparable to the same period last year, showing a promising sign of recovery. Particularly, export value was USD 175.36 billion (2.3% increase) and import was USD 161.87 billion, (2.4% decrease). During August 2020, merchandise trade was in surplus of USD 4.99 billion, bringing the country's merchandise trade surplus in the first eight months of 2020 to USD 13.49 billion. By the end of 15/9/2020, Vietnam's total export value reached USD 187.99 billion, corresponding to an increase of USD 6.01 billion (3.3% increase) in comparison to the same period in 2019. Meanwhile, the total import value of the country reached USD 173.52 billion, representing a reduction of 1.6% (equivalent to a decrease of USD 2.75 billion) in comparison to the same period in 2019.

Vietnam's trade in services

During the COVID-19 pandemic, Vietnam's trade in services has been affected negatively, especially in transportation, logistics, medical services, education, hotel, tourism, finance, banking and insurance. As a result, trade deficit in services, with the reduction in both export and import turnovers were recorded.

The export and import in services declined in the first quarter of the year 2020, leading to a sharp reduction in trade balance in services. Export in services fell from USD 4.67 billion in Q4/2019 to USD 3.53 billion in Q1/2020. Similarly, in the same period import in services also dropped from USD 4.88 billion to USD 4.27 billion. Overall, Vietnam's trade deficit in services dropped from USD -213 million in Q4/2019 to USD 740 million in Q1/2020 (Figure 4).

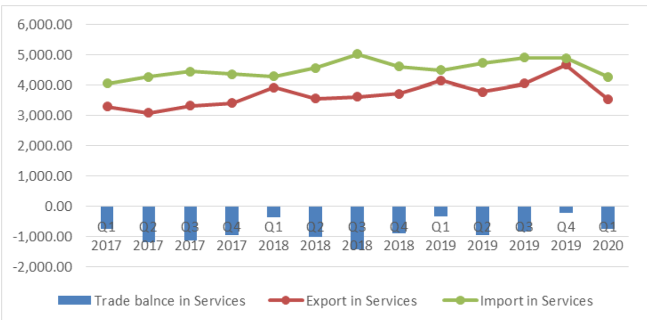

Figure 4. Vietnam's trade in services Q1/2017-Q1/2020, million USD.

According to the latest report from the General Statistics Office (GSO), Ministry of Planning and Investment, in the first 6 months of 2020, service export turnover was estimated at USD 4.7 billion, a decrease of 50.3% from the same period last year (a decrease of 79.2%, equivalent to USD 951 million, was recorded in the second quarter). Service import turnover in the first 6 months of 2020 was estimated at USD 8.9 billion, a decrease of 14.4% from the same period last year (4 billion USD was recorded in the second quarter, showing a reduction of 25.2%). Overall trade deficit of services in the first 6 months of 2020 was estimated at USD 4.2 billion, equal to 88.6% of the service export turnover.

Major industries and trade partners

Countries' implementation of measures to combat and reduce the infection rate of COVID-19 together with the change in spending habits due to uncertainty surrounding the epidemic has led to a steep fall in demands around the world. This will certainly affect Vietnam's key export industries such as electronics, textiles, leather-footwear, furniture and others. The production capacity of these industries greatly exceeds domestic demand, mainly targeting Vietnam's major export markets such as the US, Europe, China, Japan, and Korea.

For the textile and leather- footwear products, one of the key export industries of Vietnam, the decrease in consumption demand in the US and the EU markets due to the pandemic have had a huge impact on Vietnam's total export turnover. Exports of textiles and garments in August 2019 reached USD 2.97 billion, representing a reduction of 2.5% in comparison to the previous month. Thereby, bringing the export value of this group in the eight months of 2020 to USD 19.26 billion, a decrease of 11.5% compared to the same period last year. Similarly, the export of footwear of all kinds in the first 8 months of 2020 also decreased by 8.8% compared to the same period in 2019. According to the assessment of the Ministry of Industry and Trade, worst- affected industries during the pandemic are textiles and garments due to the shortage of raw materials and the sharp drop in export demands due to cancellation, delayed delivery and payment, which directly affect businesses in the industry.

The US and the EU continued to be the two main import markets for Vietnam's textile and footwear products in the eight months of 2020. By the end of August 2020, textile and garment exports to the US market reached USD 9.04 billion, a decrease of 9% compared to the same period last year and accounting for 47% of the total export value of textile and garment of the country. Similarly, export values to other major markets were significantly reduced: EU market was USD 2.38 billion, (17.5% decrease); Japanese market was USD 2.3 billion (9.9% decrease); and South Korean market was USD 1.86 billion (15.1% decrease).

The electronics industry has been adversely affected due to the reduction in demand for electronic products in Vietnam's major export markets. By the end of August 2020, exports of telephones and components reached USD 31.58 billion, a 5.4% year over year reduction. Revenue and output of Samsung Electronics Vietnam, one of the largest FDI investors in Vietnam, is expected to decrease sharply due to the overall impact of the epidemic on the electronics industry as a whole. Samsung Vietnam also plans to reduce its export target to around USD 45.5 billion in 2020 (compared to USD 51.38 billion in 2019).

The furniture manufacturing industry has been also badly affected by the reduced market demands in the US and the EU, as the US and the EU markets account for about 50% and 8% of Vietnam's total wood export turnover, respectively. In the first half of 2020, all major export markets of Vietnam such as the US, the EU, China, Japan and Korea were almost frozen, with 60-80% of wood export orders were reduced and even cancelled along with delays in payment. The second quarter of 2020 experienced a slight increase of 2.4% in wood export compared to the same period in 2019.

Furthermore, according to a research of the National Economics University, some major industries have been affected by inputs (due to a shortage of raw materials, especially from China, Korea, Japan, the US and the EU); or output (due to a decrease in domestic and international consumption demand, especially from the five main markets mentioned above); or strong fluctuations in commodity prices in the market. The main trade sectors which have been mostly affected are: textiles, footwear, paper production, manufacture of wood products, steel production and trading, mining and construction. In addition, there are some service sectors which have been affected by fluctuations in demand and disturbance of activities caused by the epidemic and epidemic control measures in Vietnam and other countries, including: tourism, transportation, warehouse, retail, finance - banking - insurance, real estate business, health services, and education and training.

Without an effective vaccine for COVID-19, it is difficult to predict when and how the pandemic will be brought under control. Until then, most economies, including advanced ones, will continue to operate at half speed, which in turn will cause long-term effects on the global supply chain and value chain and developing economies like Vietnam will bear the impacts in the years to come.

Exchange rates

Overall, thanks to efficient fiscal and monetary policies, the COVID-19 pandemic seem to have almost no impact on Vietnam's exchange rates. In particular, Vietnamese government is using flexible rate management policies for an open market. The VND/USD is quite stable over time with the monthly rates of change in the first 8 months of 2020 are much lower than 1% while other currencies in the region sharply fluctuate with much higher rate (Figure 5).

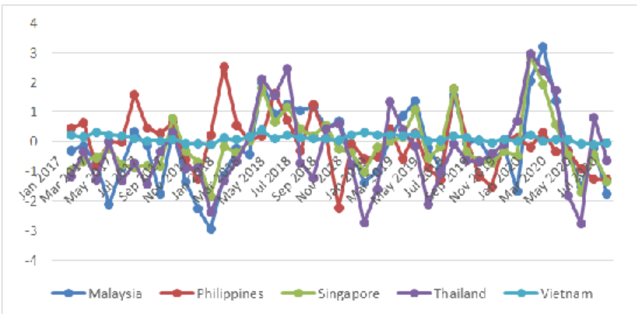

Figure 5. Monthly rate of change in exchange rates, period average, percent, Jan 2017–Aug 2020.

As of the second quarter of 2020, against the USD, the VND only depreciated 0.13%, while other currencies experienced much greater devaluation such as THB of Thailand (devaluation of 3.87%); MYR of Malaysia (devaluation of 4.40%); SGD of Singapore (3.26% depreciation), and so on [6].

Specifically, from the beginning of 2020 to mid-March, the USD exchange rate was quite stable, only fluctuating at 0.2-0.3%. In the period from mid-March to early April 2020, the USD exchange rate increased sharply by about 1.86% due to the increase in USD demand caused by fluctuations in the global financial market. By the end of June 2020, the downward trend in exchange rates stabilized and returned to close to the rate at the beginning of the year (Figure 6).

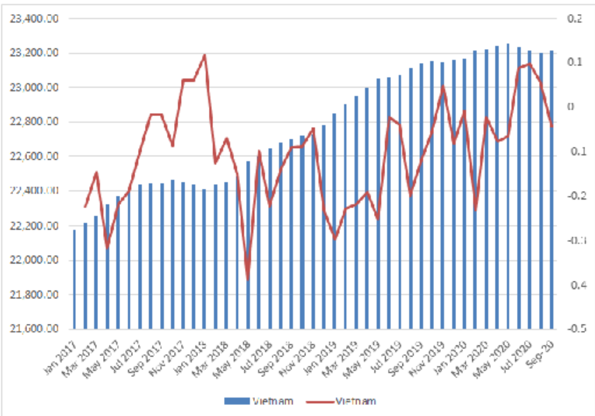

Figure 6. Exchange rates, VND/USD, period average, Jan 2017–Sep 2020.

However, as we focus only in VND, we can see there are numerous fluctuations in Vietnam's exchange rate from Jan 2017 to Sep 2020 and a devaluation of VND of about 4,45% over the last four years. In comparison to the rate of 1 USD=22,221 VND in Jan 2017, the latest updated exchange rate is now 1 USD=23,210VND in Sep 2020.

In the time of COVID-19 pandemic, the exchange rate is quite stable; however, the slight fluctuations from Jan 2020 to Sep 2020 in VND/USD exchange rate, fewer than one percent, can be explained as follows:

During the March period, the VND/USD exchange rate increased sharply due to the COVID-19 pandemic, which caused the global financial market plummet, and the demand for withdrawing capital from risky assets and looking for safe assets increased sharply, which the main reason was leading to the strong rise of the USD. This also made the domestic exchange rate fluctuated. In addition, there were complicated situations in the US and European countries (Vietnam's main export markets), leading to a decrease in consumption in these regions and a slight decrease in exports, along with the disruption of supply and increase in prices of raw materials from China.

However, the exchange rate in the second quarter of 2020 was stabilized in part because the high foreign exchange reserves contributed to stabilizing the exchange rate (USD 83 billion, equivalent to about 3.8 months of imports and 30% of GDP) [7]. Despite being negatively affected by the pandemic, foreign currency from FDI and remittances did not decline significantly in the first 6 months (disbursement reached about USD 8.65 billion) [8]. At the same time, the State Bank of Vietnam also applied a flexible management policy through the central exchange rate. On the other hand, the US Federal Reserve's cash injection and lowering interest rates to 0% played an important role in reducing pressure on VND as well as other currencies of developing countries.

Maintaining a stable exchange rate with a moderate discount is one of the priorities of Vietnam's monetary policy. In addition to sound policies, a large supply of foreign currencies and foreign exchange reserves will continue to keep VND/USD rate remain stable in the coming time. However, as mentioned above, with the on-going epidemic, it is difficult to predict if the exchange rate of Vietnam will remain stable in the long term.

The aim of this article was to analyze the impacts of COVID-19 pandemic on Vietnam's trade. The major findings of the study as below:

• Vietnam's import and export turnover as well as trade balance were negatively affected in the first 6 months of 2020. Both trade in goods and trade in services had decline from Jan 2020 to June 2020. However, the recovery was clearly recorded from June 2020 to present.

• Vietnam's major markets, including the US, Europe, China, Japan, and Korea, are all affected by the pandemic and the increase of protectionism in developed countries is a big challenges for Vietnam exporting companies. Third, the heavily affected industries by the pandemic include the key export industries such as electronics, textiles, leather- footwear, furniture,... and the main service industries including tourism; transportation, warehouse; retail; finance - banking - insurance; real estate business; health services; and education and training.

• Thanks to efficient fiscal and monetary policies, the COVID-19 pandemics seem to have almost no impact on Vietnam's exchange rates. In particular, Vietnamese government is using flexible rate management policies for an open market. During the 8 first month of 2020, the VND/USD is quite stable over time with the monthly rates of change are much lower than 1% while other currencies in the region sharply fluctuate with much higher rate. Maintaining a stable exchange rate is one of the priorities of Vietnam's monetary policy. In addition to sound policies, a large supply of foreign currencies and foreign exchange reserves will continue to keep VND/USD rate remain stable in the coming time.

However, it is undeniable that there are still some limitations and challenges in conducting this study mainly due to the data and information varies from sources collected by the author. Moreover, there is some uncertainty of whether the impacts are just from the pandemic or other causes as well. However, the author has tried really hard to complete this study in order to further understand the impacts of the pandemic and give some major recommendations for the post-pandemic period.

Discussion

The economic crisis created by the outbreak of COVID-19 is hurting economies, regardless of sizes and levels of development. As a result, the formulation of policies and response measures must be flexible and proactive. There are five major recommendations to consider as below:

Restructuring the supply chain and reducing the dependence on overseas supply

COVID-19 is seen as an opportunity for many countries that depend on the supply chain from China to reassess their over-reliance on the supply chain from abroad.

The US is focusing on efforts to bring their technology supply chain back to America. In the US, semi-conductor companies are looking to speed up the construction of new chip factories in the US because they want to reduce their dependence on supplies of important technology equipment from China. The construction of a series of advanced chip factories in the US will reshape the semi-conductor industry, while marking a change in US economic policy after decades of expansion to Asia to take advantage of the top incentives and participate in a strong supply chain in this region.

The Japanese government is also most concerned about the plan to carry out supply chain restructuring. In the urgent economic policy package to deal with the COVID-19 epidemic, Japan has set aside a budget to strengthen the strong supply chain structure through its diversification and transformation strategy. From mid-July, Japan began to pay for its companies to withdraw factories from China and return to home country, or move to Southeast Asia under a program to secure supply chains and reduce production dependence in China.

In addition to the US and Japan, other countries such as India, France and Germany also have similar plans to reduce the risk of damage from the disruptions of foreign supplies during the pandemic.

Obviously, restructuring the global supply chain cannot be solved in the short term because it involves moving a huge number of materials and components among factories all over the world. However, in the long term, this shift will help diversify supply, ensuring more stable operation of the economy as well as resilience to risks.

Protecting domestic producers

Many developed countries in the EU, US, Japan have increased the application of trade protection measures aimed at protecting production and protecting domestic consumers. Useful tools and trade protection measures that do not violate commitments are increasingly applied by countries, including: Technical barriers to trade (TBT), regulations and quality standards, environment, food safety and hygiene; regulations on plant and animal quarantine (SPS); regulations on traceability, rules of origin, packaging, labeling; regulations on social responsibility, labour standards.

Redrawing the global trade and economic order

Countries continuously seek to promote trade cooperation through regional or inter-regional agreements, and strengthen negotiations for parallel Free Trade Agreements and high quality multilateral agreements. In the post- COVID-19 period, countries need to actively promote cooperation with other countries and strengthen on-going negocitiations, for their recovery and sustainable development. In early 2019, regional and inter-regional agreements developed strongly. In specific, the EU accelerated the process of building a free trade network, and signed Free Trade Agreements, Investment Protection Agreements with Singapore, Vietnam and Latin American countries; The EU and Japan trade agreement came into force officially; The Comprehensive and Progressive Trans-Pacific Partnership was signed among 11 countries including Vietnam;

Vietnam strongly advocates free trade and multilateral trading system, and has been actively enhancing efficiency of both international and regional cooperation. Recently, Vietnam has pushed forward the negotiation of the RCEP agreement among Asean+4 countries. Up to now, Vietnam has 13 multilateral and bilateral FTAs which are currently in effect with trade partners around the world and 3 FTAs under negotiation.

Improving trade policies

In the post-COVID-19 period, it is necessary for countries to review their import and export policies. This includes reviewing export regulations and policies, managing import efficiently, creating a basis for new construction. In addition, governments need to strengthen and adjust existing policies to ensure a full, comprehensive, clear and transparent legal framework and policies consistent with those of other countries; encourage sustainable exports, and control imports. In addition to reviewing existing policies, governments should also consider applying other measures to control quality of goods and strengthen the prevention of smuggling and trade fraud.

Supporting and reducing risks for domestic businesses

It is important to provide extensive information to exporters on issues related to trading markets, international regulations, thereby helping businesses to be proactive and flexible in production and market research. Ministries can cooperate in promoting trade promotion, supporting enterprises in export orientation. In addition, governments can support domestic enterprises through improving quality of human resources, investing in production and export processing technologies to help businesses meet challenges in the era of science and technology and the Fourth Industrial Revolution.

Conclusion

More or less, the COVID-19 pandemic has dramatically impacted international trade in general and Vietnam's trade in particular. As a small economy with high openness and export-oriented trade model, Vietnam has enjoyed double trade surpluses in both trade in goods as well as total trade in goods and services, but Vietnam still has trade deficit in services in a long time. In comparison to other countries in the world and in the region, Vietnam has performed really well in preventing the pandemic and its negative impacts, as well as reopening the economy. Thus, Vietnam has not been damaged much from the pandemic. Currently, the country has been gradually transitioning from crisis-response period to recovery period. The sign of recovery has been witnessed clearly in recent months.

Undeniably, after the pandemic, it is the time for governments around the world including Vietnam to impose effective policies and measures to stabilize the economy, resolving negative impacts from the COVID-19 pandemic, and helping domestic businesses and citizens to fully recover from the possible damages.

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