

# PERSPECTIVE

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**Singapore** | 6 December 2019

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## **The US-China Trade War: Impact on Vietnam**

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### **EXECUTIVE SUMMARY**

- It is true that Vietnam is the biggest beneficiary in the ongoing US-China trade war but this must be qualified.
- There is evidence to show that Vietnam's exports to the United States have increased at a rate much higher than other exporting countries, in the first few months of this year.
- Statistics also show that there is a spike in Chinese FDI in Vietnam during the same period.
- But Vietnam will need to be careful and prevent Chinese exporters from using Vietnam as a convenient trans-shipment point for its exports to the United States. It will also need to be more selective in welcoming investments into the country.
- In the longer term, Vietnam would do well to further diversify its export markets to reduce its dependence on the United States and China. The conclusion of the CPTPP and the EU-Vietnam FTA are steps in the right direction.

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## INTRODUCTION

As the US-China trade war intensifies, there have been numerous reports and analyses suggesting that Vietnam is the greatest beneficiary of this fallout, with companies based in China either diversifying or shifting their production operations out of the country and into Vietnam. According to Japanese investment bank Nomura, Vietnam's economy has been boosted by almost 8 per cent because of the shift in production resulting from the US-China trade war.<sup>1</sup> A report published by the Financial Times (UK) separately showed that Vietnam's exports to the United States saw the biggest increase among 40 key exporting countries to the United States in the first four months of 2019, with US\$20.7 billion of export turnover to the American market – an increase of nearly 40 per cent compared to the same period in 2018.<sup>2</sup> At the G20 summit, US President Donald Trump called Vietnam “almost the single worst abuser” of trade policy, emphasising Hanoi's emergence as the big winner so far in this trade war.<sup>3</sup>

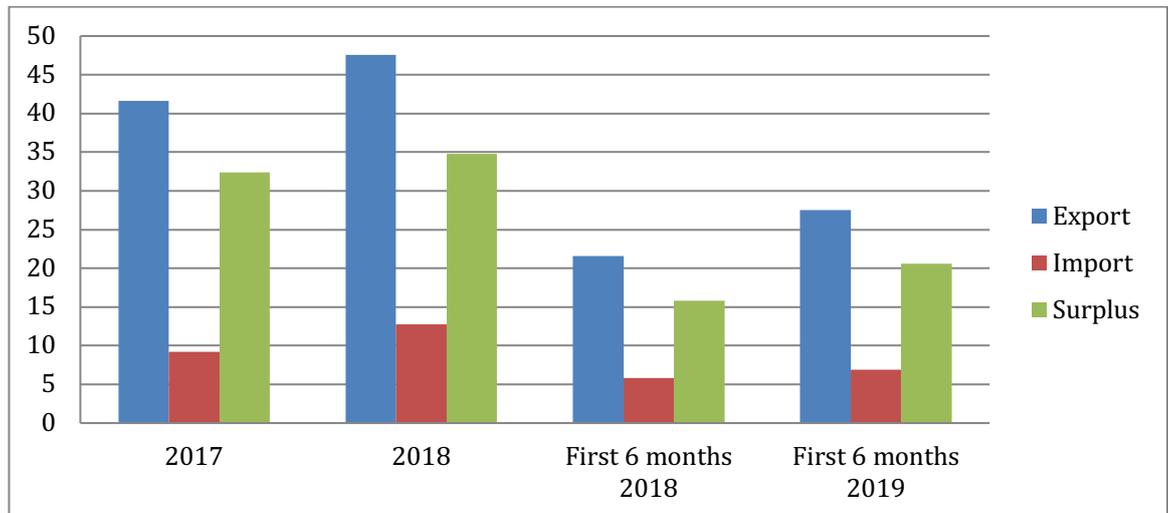
The fact of the matter is that the US-China trade war has not only opened up economic opportunities for Vietnam, but also highlighted the constraints that the country has to grapple with. These constraints limit Vietnam's ability to fully capitalise on the opportunities that come by.

## POSITIVE IMPACTS

A report by the Development Bank of Singapore has suggested that at its current rate of growth, Vietnam's GDP will surpass Singapore's by 2029.<sup>4</sup> In fact, Vietnam's real GDP climbed 6.79 percent on-year during the first quarter of 2019, according to official government data. This was its second-strongest first-quarter growth in the past decade, surpassed only by 2018's 7.45 percent.<sup>5</sup>

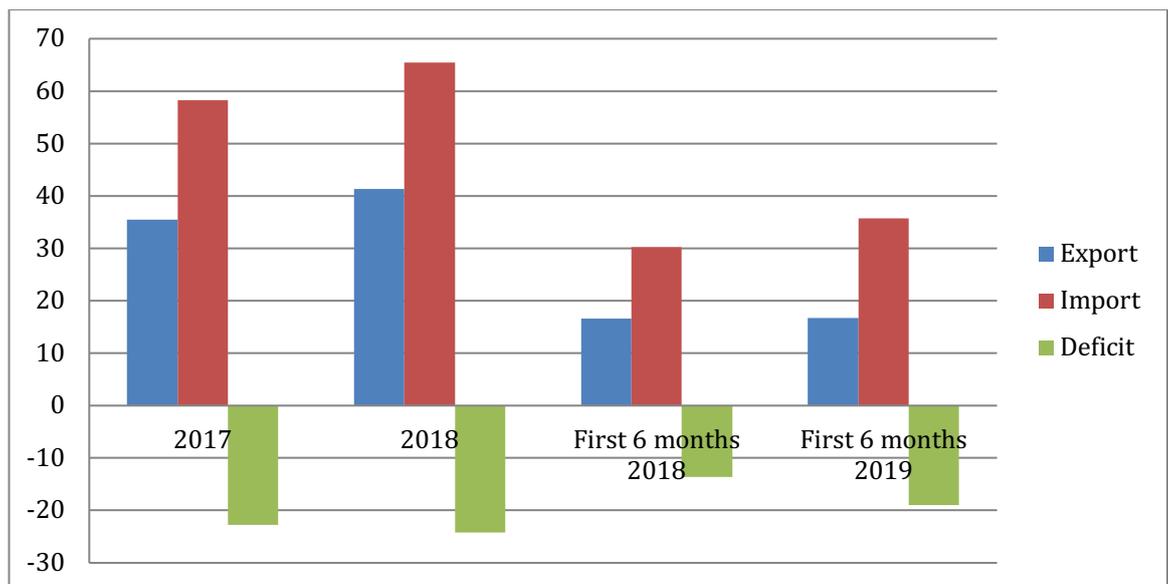
Over the years, the United States has been the largest market for Vietnam's exports (with China the third-largest), while China has been the largest source market for Vietnam's imports (except in 2018, when China ranked second after South Korea). As of December 2018, the United States and China together account for 36 percent of Vietnam's export earnings, and nearly a third of Vietnam's import bill. Vietnam has a substantial trade surplus with the United States, which reached nearly US\$34 billion in 2018. It also has a correspondingly large deficit with China, amounting to almost US\$24 billion (see **Graph 1** and **Graph 2** below). A survey by the American Chamber of Commerce in Guangzhou showed that Chinese companies were losing market share to companies elsewhere in Asia, in particular to Vietnam.<sup>6</sup>

**Graph 1: Vietnam-US Trade (2017-2019) (Billion US\$)**



Source: General Department of Vietnam Customs

**Graph 2: Vietnam-China Trade (2017-2019) (Billion US\$)**



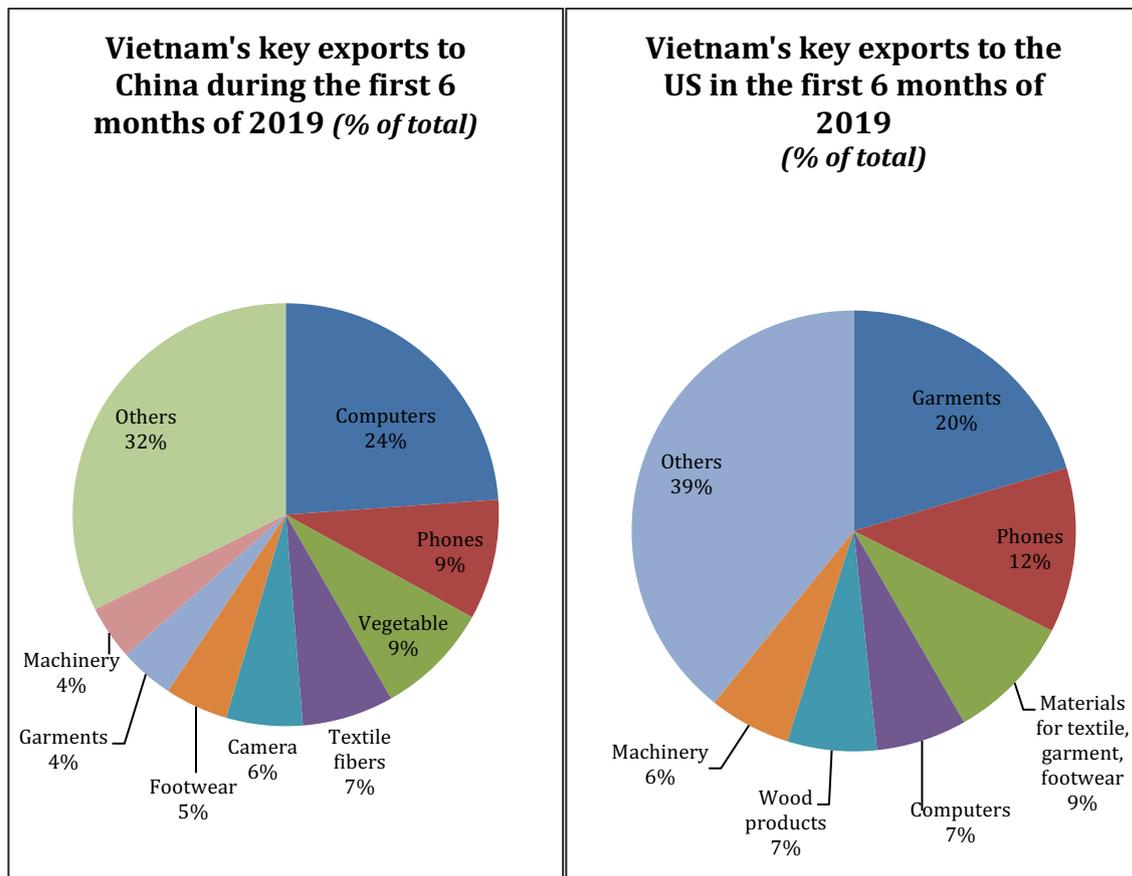
Source: General Department of Vietnam Customs

One of the positive impacts of the trade war is that countries like Vietnam have been presented with the opportunity to increase their export of certain goods to the United States and China, particularly to the former. Vietnamese exports to the United States are mainly consumer goods such as apparel, leather shoes, phones, furniture, and seafood. According to figures from the US International Trade Commission, mobile phone imports from Vietnam more than doubled in the first four months of 2019 compared to the same four-month period in 2018, and computer imports also increased by 79 per cent across the same period.<sup>7</sup> There was also an increase in the number of Vietnamese garments, textiles, furniture, and dried fish exported to the US – goods which were previously processed in China before Trump’s tariffs hikes.<sup>8</sup> As a whole, Vietnam’s exports to the US increased by 27.3 per cent in the first six months of 2019, as a result of the trade war. In contrast,

Vietnam’s exports to China grew by 0.3 per cent over the same period.<sup>9</sup> It can be seen that the increase in Vietnam’s exports to China is much lower than the increase in Vietnam’s exports to the United States.

Vietnam’s exports to China comprise mainly of electronics, semiconductors, garments, footwear, sporting goods, and furniture (see **Graph 3** below). Vietnam often plays the role of China's OEM in these industries, and only exports raw materials or intermediate inputs for production in China. On the other hand, according to Yasuyuki Sawada, the Asian Development Bank’s chief economist, Vietnam stands to benefit the most from the US-China trade war because Chinese goods affected by tariffs are also consumed and produced in Vietnam.<sup>10</sup> As a result, Vietnam can export these products directly to the United States, and thus gain more market share from Chinese products subject to tariffs when exporting to the United States. At the same time, it can attract more FDI into these industries, thereby creating more jobs, increasing exports, and improving Vietnam’s overall trade balance.

**Graph 3: Vietnam’s Key Exports to China and the United States**



Source: General Department of Vietnam Customs

According to Vietnam’s General Department of Customs, the value of Vietnam’s exports to the United States reached US\$47.53 billion at the end of 2018 – an increase of 14.3 per cent, compared to 2017. In the first half of 2019, Vietnam’s exports to the United States was worth US\$22.72 billion – 27.5 per cent higher than in the same period in 2018.<sup>11</sup> Mobile phones and components saw the highest rate of growth, reaching US\$4.18 billion – up by

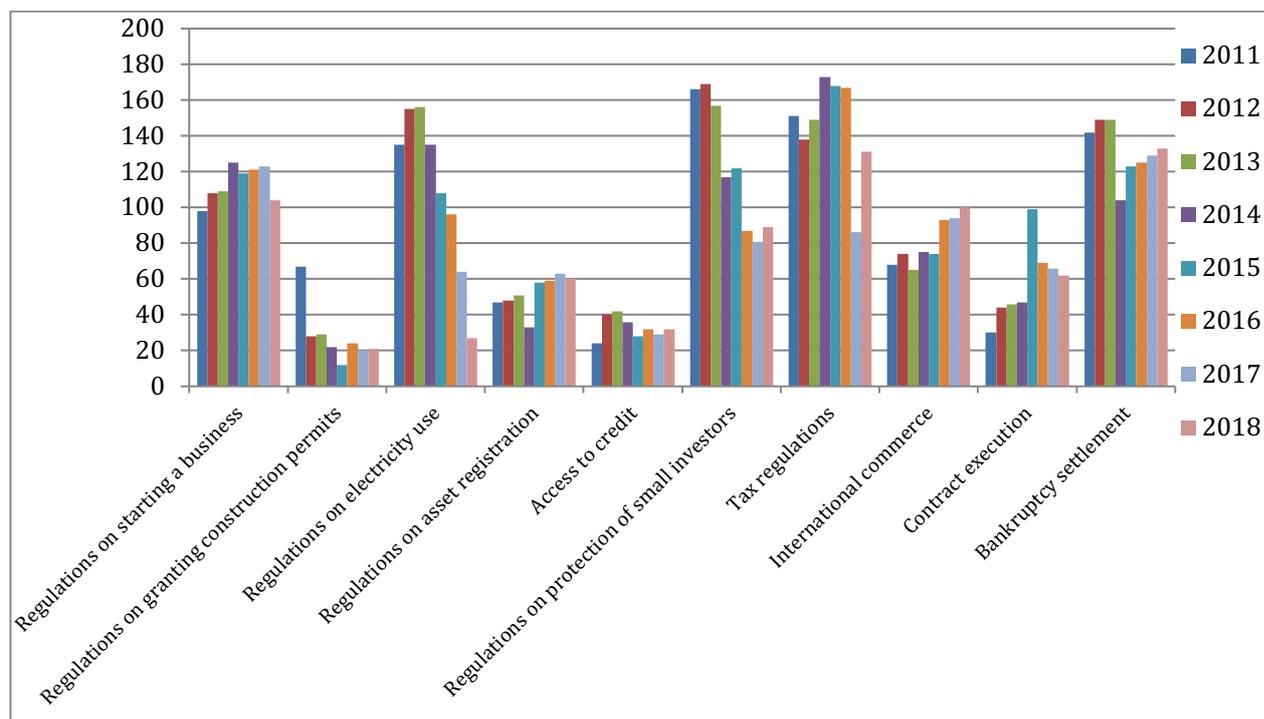
92 per cent. Computers, electronic products and components reached US\$2.3 billion, up by 72 per cent. Meanwhile, the export of these two groups of Chinese products to the US decreased by 27 per cent and 13 per cent respectively.<sup>12</sup> As for mobile phones, Vietnam is currently the largest manufacturer for Samsung with an output of about 240 million units a year, followed by China with an output of 150 million units a year. Samsung is planning to cut its Chinese production by about 40 million units due to high labour costs and the US-China trade war.<sup>13</sup> Other Vietnamese exports to the United States in first half of 2019 also saw an increase such as machinery, equipment and spare parts at US\$2.07 billion, up by 54 per cent; wood and wood products at US\$2.25 billion, up by 35 per cent; footwear and related products at US\$3.18 billion, up by 13 per cent; and textiles and garments at US\$7.03 billion, an increase of 11 per cent.<sup>14</sup> In the longer term, the textile and footwear industries are expected to be the sectors that will benefit the most in the trade war due to two reasons: (i) The CNY depreciated sharply against the USD, thereby also devaluating against the VND, thus helping Vietnam's businesses import China's fabrics, textile, and footwear materials at cheaper prices; (ii) These Vietnamese industries are able to gain a larger share of the US market thanks to more competitive prices as well as more FDI attraction.

Another positive impact of the US-China trade war is that companies in certain sectors are either relocating out of China or diversifying from the Chinese market to Vietnam. Total disbursed FDI increased by 6.3 percent to US\$12 billion in the first eight months of 2019 compared to the same period last year, according to government data, with the number of newly-registered projects increasing by 25 percent to 2,406.<sup>15</sup> For Vietnam, the PMI in October 2018 increased from 51.5 to 53.9 points as a result of new export orders increasing for three consecutive months from August to October.<sup>16</sup> Analysts from the Mizuho Research Institute say that even if the global economy slows down, the relocation of companies from China to Vietnam is expected to continue.<sup>17</sup> In addition, as trade tensions between China and the United States are expected to intensify, the trend of foreign investors turning to markets such as Southeast Asia and India will be accelerated. Multinational firms such as Foxconn, Samsung, and Daikin are already opening new factories in Vietnam rather than in China, due to the doubling of Chinese factory wages over the last seven years.<sup>18</sup> It has even been reported that Nintendo will shift part of the production for its Switch console to Vietnam, from China.<sup>19</sup> However this process will take place on a moderate scale, as production in China is still attractive to multinational corporations due to good labour skills and the country's modern infrastructure network.

To some extent, Vietnam has some attractive features that will enable it to benefit from the relocation of FDI enterprises. First and foremost, Vietnam has a relatively stable government and cheap wages, which are advantages that other countries do not have. Furthermore, Vietnam's proximity to China, along with its geographical location in the ASEAN region, allows manufacturers to sell and move equipment faster across the border. Companies can sell and transfer goods and equipment from China to Vietnam and then onward to other ASEAN countries. At the same time, Vietnam has a robust economy, reflected in its growth rate of 7.08 per cent – compared to China's 6.6 per cent and India's 7.4 per cent. With an annual growth rate of more than 5 per cent over the past 20 years, Vietnam has become one of the emerging countries with the fastest and most stable economic growth. Vietnam is ranked 69 in the World Bank's 2019 Ease of Doing Business report, faring better than China's 78<sup>th</sup> position.<sup>20</sup> Investment regulation is also three times more restrictive in China than Vietnam across nine sectors including manufacturing; electric, electronics and other instruments; and business services.<sup>21</sup> Indeed, there are

indicators showing that economic institutions in Vietnam are creating better conditions for businesses (see **Graph 4**).

**Graph 4: Composition Index on Ease of Doing Business in Vietnam (2011-2018)**



Source: 2019 Doing Business, 2018, 2017, 2016, 2015, 2014, 2013, 2012

It can also be seen from the graph that from 2011 to 2016, there has generally been positive progress in terms of the regulations on the protection of small investors, electricity use, granting of construction permits, and bankruptcy settlement. From 2017 to 2018, the indices on regulations on starting a business, electricity use, and contract execution saw marked improvement. In an overall sense, the ease of doing business in Vietnam has improved over the years.

### **NEGATIVE IMPACTS**

There are, however, also negative impacts from the US-China trade war. With Vietnam’s high trade liberalisation and the fact that both China and the United States are its key trading partners, Vietnam will face a complex and multidimensional problem as a result of the US-China trade war.

Trade with China will be affected in three distinct ways. Firstly, when China boosts its exports to Vietnam, this will result in an increase in Vietnam’s trade deficit with China, and Vietnam’s domestic enterprises will face more competition from Chinese goods. In view of China's comparative advantages over Vietnam in raw material supply, its position in the global supply chain, coupled with its geographical proximity to Vietnam, should China

expand its export share to ASEAN countries – including Vietnam – in the future, Vietnam's domestic market will be impacted, especially its steel, furniture, and wood processing industries. Secondly, when additional taxed Chinese goods shift to other markets (apart from Vietnam), Vietnam's exports may face increased competition in these markets. Thirdly, if China is unable to find an export market to replace the United States, it is possible that some of its exports will have to be consumed within China. This will make it more difficult for Vietnam's commodities to be exported to China. In fact, Vietnam's export turnover to China in the first eight months of 2019 was US\$23.89 billion, a decrease of 2 percent compared to the same period in 2018, according to the General Department of Vietnam Customs.<sup>22</sup>

Regarding trade with the United States, one key negative impact is Vietnam being used as a convenient trans-shipment platform for Chinese exports to sidestep the tariffs imposed by America on China. An example of this is Chinese steel being brought into Vietnam and repackaged as Vietnam's steel exports to the United States. This has led to tensions between Vietnam and the United States, with America slapping tariffs of over 400 per cent on Vietnam's cold rolled and flat steel.<sup>23</sup> Although the items subject to tax are mostly machinery and technology products which are relatively specific and not too easy for China to trans-ship to Vietnam to avoid American tax, certain concerns have emerged.

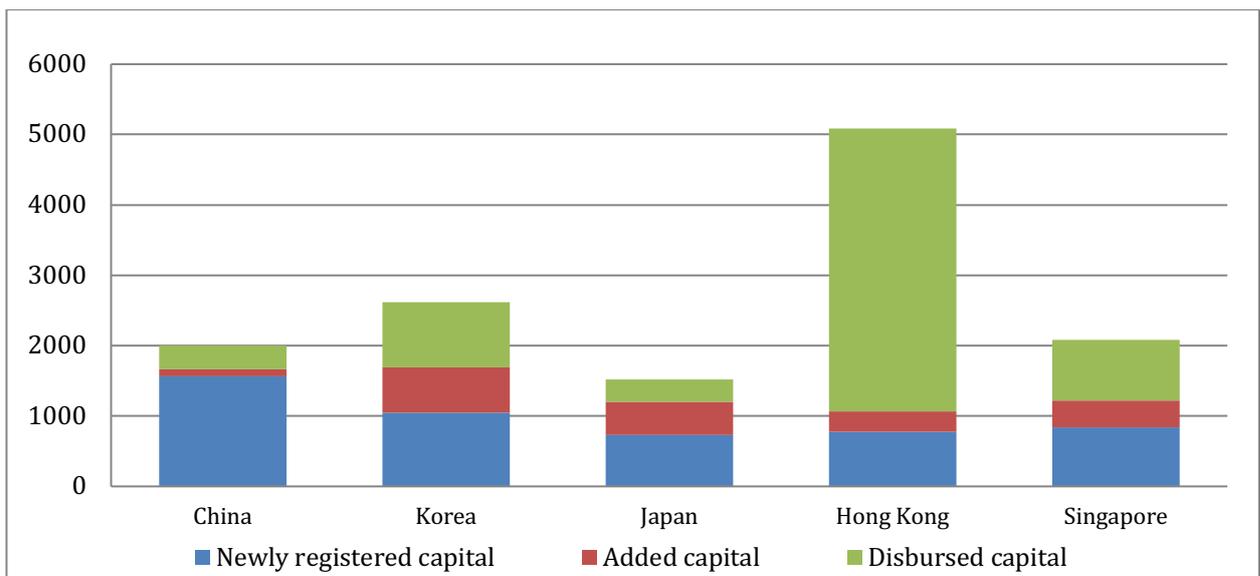
The United States currently has a trade deficit of US\$34.78 billion vis-à-vis Vietnam. This is more than Vietnam's trade deficit with China of US\$24.17 billion in 2018. Vietnam is already one of 16 countries that the US Department of Commerce is investigating because of its bilateral trade surplus. Vietnam is, in fact, the subject of several safeguards implemented by the United States. From January 2017 to March 2018, the United States launched 104 trade protection surveys on anti-dumping, countervailing, tax avoidance, and safeguard measures. In June 2019, US President Donald Trump labelled Vietnam "the single worst abuser of everybody" in the trade war.<sup>24</sup> US Trade Representative Robert Lighthizer further called on Vietnam to take action to reduce its "unsustainable trade deficit", including increasing its imports of goods from the United States and resolving market access restrictions related to goods, services, agricultural products, and intellectual property.<sup>25</sup>

The US government is thus keeping a close watch on the possibility of transferring production or trade from China to other countries, such as Vietnam, to circumvent anti-dumping and countervailing duties. These US moves are, however, not entirely satisfactory from Vietnam's perspective as the country has continued to improve the investment environment for US businesses in Vietnam and is proactively addressing the issues of concern to the United States which include imported cars, network security, electronic payment and financial-monetary matters. Furthermore, Vietnam's signing of an EVFTA on 30 June 2019 further illustrates Vietnam's focus on building economic relationships with other countries, in the context of growing scrutiny from the United States. Vietnam, however, still needs to establish effective monitoring mechanisms and relevant measures to avoid any negative impact and mitigate risks from the US-China trade war.

Another impact is that Chinese enterprises may find ways to invest in other Asian countries – including Vietnam – to produce items for export to the United States. In terms of investment value, China was the fourth largest foreign investor in Vietnam with a total registered capital of US\$2.02 billion, in the first five months of 2019. Over the same period

of 2019, for the first time, newly-registered FDI from China rose to US\$1.56 billion, with China taking the lead in newly-registered FDI (see **Graph 5**). While a strong increase in the committed capital of Chinese FDI into Vietnam is a good signal, there are also potential risks that Vietnam needs to be cautious about regarding the types and quality of Chinese technology and projects, given the notorious image of Chinese companies in the eyes of Vietnamese people, etc.<sup>26</sup>

**Graph 5: FDI Capital Structure from China and Other Major Partners  
(first five months of 2019; unit: million US\$)**



Source: Ministry of Planning and Investment

The concern is that Vietnam may be turned into China's 'backyard', which may result in adverse consequences. By 'exporting' models such as cross-border economic cooperation zones, Chinese businesses may seek to move out obsolete technologies from their countries to reduce pollution. Thus, it will be difficult for Vietnam to avoid receiving outdated technologies from China. The Vinh Tan coal-fired power plants in Binh Thuan province and Formosa steel mills in Ha Tinh province are such examples. Furthermore, by being seen as China's backyard, Vietnam runs the risks of being subject to more punitive US measures in the future.

Finally, there are concerns about Vietnam's ability to fully absorb and take advantage of the increasing FDI inflow from the trade war, due to Vietnam's limited production infrastructure as well as its quality of raw materials. At present, Vietnam's supply chain and infrastructure network is reportedly only equivalent to that of China's several years ago. Vietnam's business environment has much room for improvement, as it is currently ranked 69 out of 190 countries – down one place from 2018; it is 5<sup>th</sup> among the ASEAN countries (after Singapore, Malaysia, Thailand, Brunei) and 8<sup>th</sup> out of 25 regional countries in the East Asia-Pacific region.<sup>27</sup> In fact, Vietnam is beginning to realise that expectations are far exceeding reality. More and more businesses such as Coach, Kate Spade, and Eclat Textile Co. are complaining about congested ports and roads, skyrocketing costs for land and labour, and regulations not easing fast enough.<sup>28</sup> If Vietnam is unable to narrow this infrastructure gap in a timely manner, there is a risk that it would lose the opportunity to

capitalise on FDI inflow from the US-China trade war. The costs may outweigh the benefits, driving manufacturers to other regional markets.

In the long term, the US-China trade war can cause problems such as inflation, resource shortage, environmental damage, and labour shortage. The increase in foreign investment as a result of the trade war has increased the amount of money in circulation, for instance. There is also a continuing risk of the VND's depreciation – the USD has continued to strengthen since the start of the trade war, leading to the depreciation of several currencies, including the VND.<sup>29</sup> If the Vietnamese government fails to cope, this may trigger a new round of inflation and a financial crisis. Given the current rates of inflation and industrial transfer, Vietnam is also showing signs of labour shortage.

Limited human resource capacity is also a problem, with Vietnam facing a structural labour shortage. Despite an improvement from 14.5 per cent in 2009, only 21.9 per cent of the workforce had received vocational training or other forms of higher education in 2018 (see **Graph 6**). The biggest increase in recent years has been in the number of university degree holders (4.1 percentage points) and technical schools (2.6 percentage points). Structural unemployment caused by industrial transfer has become an urgent problem in Vietnam, in the context of the US-China trade war.

**Graph 6: Vietnam's human resource capacity (2009-2018) (Unit: %)**

	2009	2017	2018
No professional or technical skills	85.5	79.0	78.2
Vocational training	4.8	5.3	3.5
Technical school	2.7	3.7	5.3
Junior college	1.5	2.7	3.5
University and higher	5.5	9.3	9.6

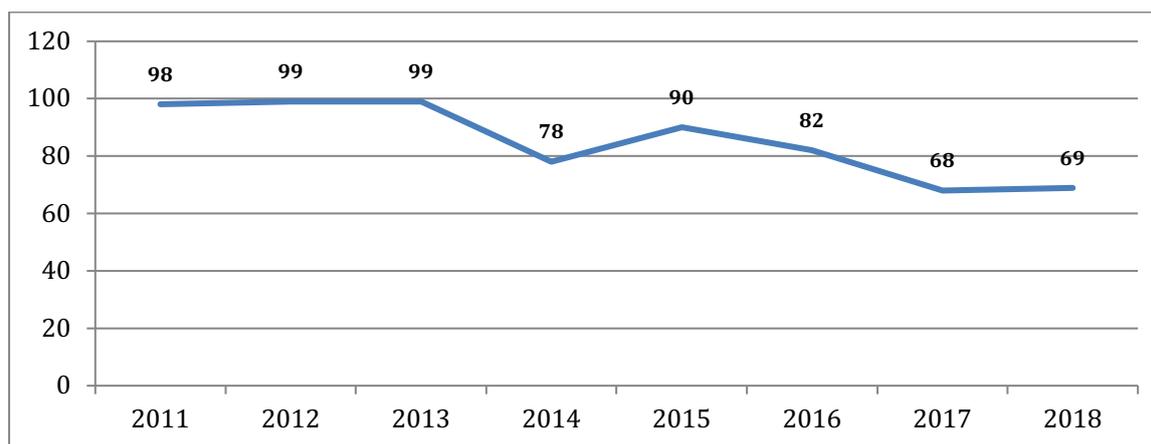
Source : General Statistics Office of Vietnam

## PROSPECTS

US-China trade tensions have highlighted Vietnam's advantage as a stable and fast-growing country, with the ability to absorb development opportunities. Vietnam is one of the few economies that has achieved remarkable development, reflected in its annual growth rate of over 6-7 per cent since 2015, in the face of slowing global economic growth. Vietnam's ranking in the World Bank's Ease of Doing Business index has improved 29 grades from 2011 to 2018. This is an indication that Vietnam is creating better conditions for businesses (see **Graph 7**). Regarding foreign economic relations, Vietnam has laid the basis for further growth by continuing to open its doors and further integrating itself into the global economic system by signing and negotiating 16 FTAs. This includes new-generation FTAs such as the CPTPP and EVFTA, which will give Vietnamese goods preferential treatment, thereby attracting more foreign investors to Vietnam. These FTAs have also prompted Vietnam to bring its legal system more in line with international practices. Examples of such changes are the Competition Law; Investment Law (instead of distinguishing between the Law on Domestic Investment and the Law on Foreign Investment separately as before); Resolution on Piloting Bad Debt Handling; Resolution 139/NQ-CP dated 9 November, 2018

highlighting the government’s plan to cut costs for businesses; etc. Also, Vietnam has a relatively large working population (more than half of its working-age population is under 35 years old),<sup>30</sup> a hardworking mindset and hunger to succeed are also factors that stand Vietnam in good stead. Even with the trade war, the above-mentioned factors are reasons to be optimistic about the growth of the Vietnamese economy.

**Graph 7: Ease of Doing Business in Vietnam (2011-2018)**



Source: Doing Business 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012

In such a context, it is necessary for the Vietnamese government as well as enterprises to have synchronous and effective solutions to maximise advantages and overcome challenges brought about by the trade war. The government needs to follow every move made by the United States and China, anticipating developments from the US-China trade war and plan solutions that proactively responds to all possibilities. It is necessary to take appropriate measures to limit the negative impacts of the trade war, such as flexible exchange rate policies as well as good control and management of import and export activities, so that Vietnamese products will not suffer. In addition, pre-emptive measures to curtail potential trade distortions should be taken. Vietnam should regulate export trade and avoid non-market factors in trade that could lead to trade protectionism. In recent years, Vietnam's strong export performance has been supported by the significant diversification of its export basket over the past eight years. Manufacturing exports account for about 85 per cent of total exports, up from 65 per cent in 2010, driven by dynamic growth in export-oriented foreign sectors.<sup>31</sup> Higher value manufacturing exports, such as mobile phones, computers, cameras, electronics and related components, increased from 5 per cent in 2010 to an estimated 35 per cent in 2018.<sup>32</sup> Similarly, the share of primary commodities is steadily declining, with oil exports falling from nearly 7 per cent of total exports in 2010 to about 1.3 per cent in October 2018.<sup>33</sup> While reforming its business environment, Vietnam should improve its domestic industrial structure, enrich the diversity of export products, improve its position in the global industrial chain, and minimise the negative impact of trade wars.

The government should also focus on strengthening macroeconomic resilience. Vietnam needs a flexible and affordable macroeconomic policy framework given global uncertainties and the ongoing US-China trade war. It is essential to improve competitiveness, improve the country’s domestic industrial structure and infrastructure, standardise the market environment, and improve the ability to attract and manage foreign investment. Vietnam needs to quickly build seaport infrastructure and road systems to facilitate export and

investment. It is also necessary to accelerate the process of regional trade integration and expand the scope of trading partners.

From the business angle, Vietnamese enterprises need to closely monitor market developments including the impact of macro-level decisions of the government, the buying and selling of commodities on the futures market, and apply advanced management methods, and ensure international standards for exported goods. In an increasingly complex international trade environment, it is even more important to have diversified export destinations. Diversified export markets help Vietnam's enterprises maintain export earnings and mitigate economic risks arising from external economic fluctuations. Vietnam has recently signed many free trade agreements, and two important ones will come into force in the near future – the CPTPP that came into force on 14 January 2019; and the EVFTA expected to come into force in the near future after the parties' legislatures complete the approval process. These new agreements will give Vietnam an opportunity to increase market access for its exports and gain new sources of foreign investment. In addition, businesses need to make full use of the FTAs that are or will be in effect to proactively calculate appropriate measures and take advantage of opportunities or avoid losses as much as possible.

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<sup>2</sup> "US-China trade war gives Vietnam a winning streak", Financial Times, 23 June 2019, at <https://www.ft.com/content/4bce1f3c-8dda-11e9-a1c1-51bf8f989972>.

<sup>3</sup> "Vietnam pledges to import more US goods", Financial Times, 6 September 2019, at <https://www.ft.com/content/03debb94-d071-11e9-99a4-b5ded7a7fe3f>.

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<sup>5</sup> "US – China Trade War Inspires Vietnam Growth", Vietnam Briefing, 18 April 2019, at <https://www.vietnam-briefing.com/news/us-china-trade-war-inspires-vietnam-growth.html/>.

<sup>6</sup> "The White Paper on Business Environment in China", AmCham South China, 2019, at <http://www.amcham-southchina.org/amcham/static/publications/whitepaper.jsp>.

<sup>7</sup> "U.S. Imports From Vietnam Surge at China's Expense", Statista, 24 June 2019, at <https://www.statista.com/chart/18483/change-in-us-goods-imports-from-top-partners/>.

<sup>8</sup> "Commentary: Vietnam emerges a key winner from the US-China trade war", Channel News Asia, 8 July 2019, at <https://www.channelnewsasia.com/news/commentary/us-china-trade-war-winners-losers-countries-vietnam-hanoi-saigon-11690308>.

<sup>9</sup> "Export and import situation of Vietnam in June and 6 months of 2019", General Department of Vietnam Customs, 18 July 2019, at <https://www.customs.gov.vn/Lists/ThongKeHaiQuan/ViewDetails.aspx?ID=1673&Category=Ph%C3%A2n%20t%C3%ADch%20%C4%91%E1%BB%8Bnh%20k%E1%BB%B3&Group=Ph%C3%A2n%20t%C3%ADch>.

<sup>10</sup> "US-China trade war gives Vietnam a winning streak", Financial Times, 23 June 2019.

<sup>11</sup> Ibid 9.

<sup>12</sup> "Vietnam - The next target in the US trade war?" Vietnam News Agency - Daily special references, No. 165-TTX, 2 July 2019.

<sup>13</sup> "Vietnam annual economic and trade report 2019", Thuongmai University, 2019, p. 380.

<sup>14</sup> "Vietnam's exports to countries / territories, major commodities in June and 6 months 2019", General Department of Vietnam Customs, June 2019, at

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<sup>15</sup> “Disbursed FDI in 8 months increased by 6.3% over the same period”, Vietnam Online Newspaper of the Government, 30 August 2019, at <http://baochinhphu.vn/Kinh-te/Von-FDI-thuc-hien-8-thang-tang-63-so-voi-cung-ky/374104.vgp>.

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<sup>17</sup> “The 18<sup>th</sup> questionnaire survey of Japanese Corporate Enterprises regarding business in Asia”, Mizuho Economic Outlook and Analysis, 2 May 2018, at <https://www.mizuho-ri.co.jp/publication/research/pdf/eo/MEA180523.pdf>.

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<sup>20</sup> “Vietnam Ranked 69th in Ease of Doing Business Rankings”, Vietnam Briefing, 16 November 2018, at <https://www.vietnam-briefing.com/news/vietnam-ranked-69th-in-ease-of-doing-business-rankings.html/?hilite=%27ease%27%2C%27business%27>.

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<sup>22</sup> “Situation of goods import and export of Vietnam in August and 8 months of 2019”, General Department of Vietnam Customs, 18 September 2019, at <https://www.customs.gov.vn/Lists/ThongKeHaiQuan/ViewDetails.aspx?ID=1696&Category=Ph%C3%A2n%20t%C3%ADch%20%20C4%91%E1%BB%8Bnh%20k%E1%BB%B3&Group=Ph%C3%A2n%20t%C3%ADch>.

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<sup>24</sup> “Trump warns China is 'ripe' for new tariffs and suggests Vietnam could be next”. The Guardian, 27 June 2019, at <https://www.theguardian.com/business/2019/jun/27/trump-warns-china-is-ripe-for-new-tariffs-and-suggests-vietnam-could-be-next>.

<sup>25</sup> “Robert Lighthizer warns Vietnam over trade deficit with US”, SCMP, 30 July 2019.

<sup>26</sup> Lam Thanh Ha, “Chinese FDI in Vietnam: Trends, Status and Challenges”, ISEAS Perspective, No. 34, 24 April 2019, at [https://www.iseas.edu.sg/images/pdf/ISEAS\\_Perspective\\_2019\\_34.pdf](https://www.iseas.edu.sg/images/pdf/ISEAS_Perspective_2019_34.pdf).

<sup>27</sup> “Doing Business 2019”, World Bank, 2019, at [https://www.doingbusiness.org/content/dam/doingBusiness/media/Annual-Reports/English/DB2019-report\\_web-version.pdf](https://www.doingbusiness.org/content/dam/doingBusiness/media/Annual-Reports/English/DB2019-report_web-version.pdf)

<sup>28</sup> “Vietnam Becomes a Victim of Its Own Success in Trade War”, Bloomberg, 17 September 2019, at <https://www.bloomberg.com/news/articles/2019-09-17/vietnam-becomes-a-victim-of-its-own-success-in-trade-war>.

<sup>29</sup> The VND has depreciated by 1.5 per cent since 2018. The exchange rate of the VND against the USD fluctuated once.

<sup>30</sup> “Population data”, General Office for Population Family Planning, 2015, at <http://gopfp.gov.vn/so-lieu>.

<sup>31</sup> “Taking Stock: An update on Vietnam's recent economic developments - Special focus: Facilitating Trade by Streamlining and Improving the Transparency of Non-Tariff Measures”, World Bank, 1 December 2018, at <http://documents.worldbank.org/curated/en/188661544471831249/pdf/132828-VIETNAMESE-REVISED-Taking-Stock-December-2018-Vietnamese.pdf>.

<sup>32</sup> Ibid.

<sup>33</sup> Ibid.

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