

OPPORTUNITIES AND CHALLENGES FOR THE DEVELOPMENT OF VIETNAMESE SEAFOOD EXPORTS FIVE YEARS AFTER THE EVFTA FREE TRADE AGREEMENT CAME INTO EFFECT

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Abstract: The Free Trade Agreement between Vietnam and the European Union (EU – Vietnam Free Trade Agreement - EVFTA) officially came into effect on August 1, 2020. After five years of implementation, the EVFTA has brought many economic benefits to the Vietnamese fisheries sector in general and Vietnamese seafood export businesses in particular. This article analyzes the benefits of the EVFTA for the Vietnamese fisheries sector, as well as the opportunities and challenges it presents, and proposes recommendations to contribute to the development of Vietnamese seafood exports in the future.

Keywords: *Free trade agreement, EVFTA, seafood, seafood export, export.*

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Introduction

In the modern market economy, trade liberalization is increasingly expanding, and the emergence of more and more FTAs is inevitable to promote international trade development and bring significant economic benefits to participating parties. The EVFTA is a comprehensive free trade agreement with commitments to reduce tariffs to 0% according to a roadmap, which is expected to benefit the economic development of Vietnam in general and the development of Vietnam's fisheries sector in particular. After 5 years of implementation, the EVFTA has brought significant benefits to Vietnam's seafood exports. Therefore, analyzing the benefits for Vietnam's fisheries sector and assessing the opportunities and challenges that the EVFTA brings to Vietnam's seafood exports is essential in the current context.

Overview of research situation

Trade liberalization is a trade policy that originated in the 18th century in England and has been increasingly accepted by many countries around the world. Initially, trade liberalization was seen as a measure for developed countries to expand their markets abroad and strengthen their position in the world market. Since World War II, the trend of expanding specialization and international cooperation has grown strongly, trade liberalization has been responded to by many countries and has become an inevitable trend in the development of international trade of countries (Dani Rodrik, 2018). The strong development of trade liberalization inevitably leads to the birth of a series of free trade agreements. Free Trade Agreements (FTAs) are agreements between two or more countries designed and signed to reduce or eliminate certain barriers to trade and investment, and to facilitate the development of stronger international trade relations between countries (Swarnali Ahmed Hannan, 2016). The more the world economy in general and international trade in particular develop,

the more trade agreements with more open designs and more diverse contents.

The Vietnam - EU Free Trade Agreement (EVFTA) is the first new generation free trade agreement that Vietnam has signed with the EU (Nguyen Thu Hanh, 2014). This is an agreement with extensive and comprehensive commitments, strongly affecting Vietnam's exports in general and Vietnam's seafood exports in particular (Nguyen Thi Hoai Thu, 2022). Since the EVFTA came into effect, Vietnam's seafood industry is considered to be the industry that has benefited the most, from market expansion, increased export turnover, and diversification of seafood export products... (Chu Tien Minh, 2022).

Fisheries enterprises are enterprises and cooperatives that exploit marine and inland aquatic products; raise marine and inland aquatic products; produce breeds; process and preserve aquatic products and fish products (Mai Thi Dieu Hang, 2022). Seafood exporting enterprises include enterprises whose business activities are related to the production, purchase and sale and export of products from aquatic resources; processed aquatic products such as dried fish, dried squid, fresh shrimp, fresh squid, kaolin, fish sauce, fish sauce and other related products. Seafood exporting enterprises include: aquatic exploitation enterprises and aquatic product exporting enterprises. According to UNCTAD (2017), seafood exporting enterprises play an important role in the socio-economic development of each country. However, due to the industry's characteristics that depend heavily on geographical location and climate characteristics, most seafood exporting enterprises in countries around the world, especially developing countries, are small and medium-sized enterprises with small capital (Béné et al., 2010). According to information from VTV Vietnam News Department, up to 80% of Vietnamese seafood

enterprises are small and medium-sized enterprises with small capital, depending largely on bank loans. This causes certain difficulties for seafood exporting enterprises in investing in equipment to improve the quality of exported seafood as well as improve their competitiveness in the international market. Therefore, research on the principles of developing Vietnamese seafood exporting enterprises under the impact of the rules of origin in the Vietnam - EU free trade agreement is still a gap that needs to be continued for future research.

This article approaches the research problem using two methods: a political economy approach and an approach that moves from theory to practice, in order to analyze the research content in the most comprehensive and general way. Regarding the specific research methodology, the main research method of this article are qualitative, combined with statistics, description, and analysis of secondary data to assess the impacts of the EVFTA

trade agreement on Vietnam's seafood exports, as well as analyzing the opportunities and challenges it presents.

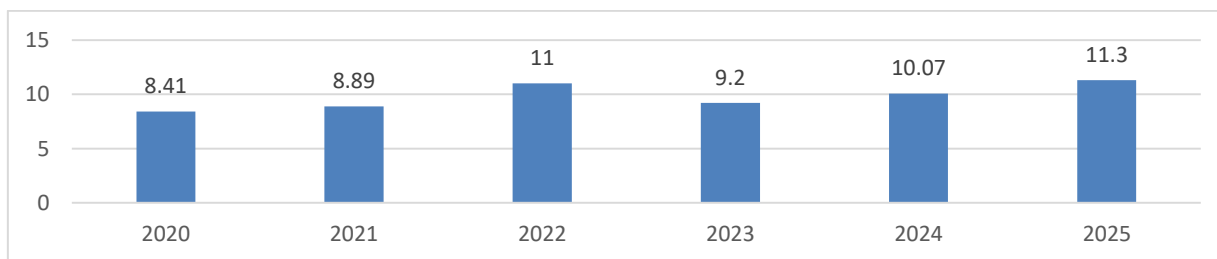
Content

Benefits for Vietnam's Fisheries Industry After 5 Years of EVFTA Effectiveness

* Increased Seafood Export Value

Vietnam has many advantages in exploiting and cultivating seafood for export with large production volumes. Participation in free trade agreements has brought about a significant increase in both export value and export turnover of seafood. Statistics from the General Department of Vietnam Customs show that in the period 2020 - 2025, seafood export value increased significantly. The main reason is believed to be the positive impact of EVFTA. The chart below summarizes Vietnam's seafood export value in the period 2020 – 2025.

Chart 1. Vietnam's seafood export value in the period 2020 – 2025 (unit: billion USD):



(Source: Vietnam Association of Seafood Processing and Export, 2026)

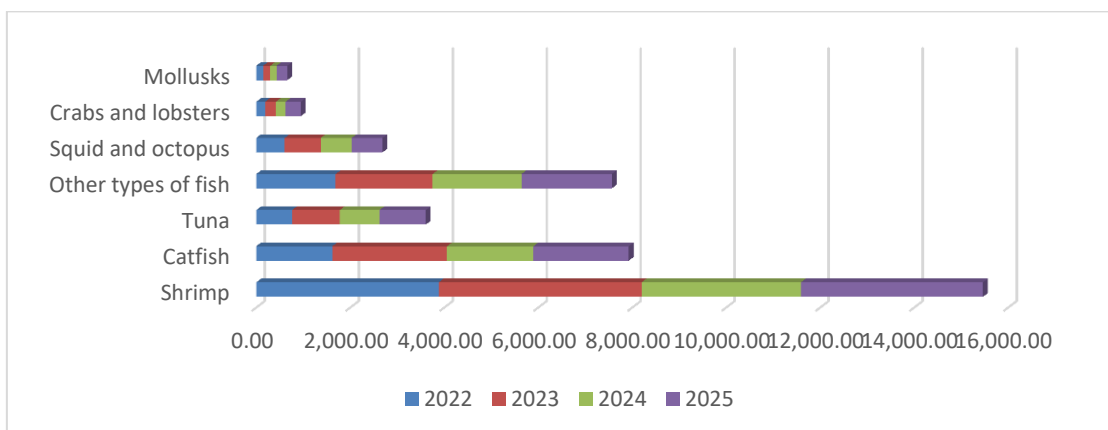
Data from the chart shows that Vietnam's seafood export turnover increased significantly in the period 2021-2022, two years after the EVFTA agreement came into effect. With the preferential treatment from EVFTA, Vietnamese seafood export businesses have more advantages and opportunities to compete in exporting to the EU market. In 2025, for the first time, Vietnam's seafood export turnover will exceed US\$11 billion, reaching approximately US\$11.3 billion, an increase of 13.1% compared to 2024 (VASEP, 2026). Specifically for the EU market, in 2020, seafood exports to the EU reached US\$958.7 million, accounting for 14.5% of Vietnam's total seafood exports in 2020. Statistics from the General Department of Customs show that from 2020 to 2025, Vietnam's seafood exports to the EU are expected to remain relatively stable with high export values. From 2021 to 2025, seafood exports to the EU are projected to maintain a value above US\$1 billion (VASEP,

2026). According to the Vietnam Association of Seafood Processing and Export, the EVFTA is expected to help seafood exports grow by approximately 2% from 2020 to 2030. Clearly, although the IUU yellow card has not yet been lifted, the EVFTA still brings optimistic signs of growth for Vietnam's seafood export value.

* Diversification of Key Export Products

Despite having advantages in marine resources with a long coastline and a vast continental shelf, Vietnam's key seafood export products are still mainly concentrated in a few items such as shrimp, tuna, basa fish, and some other types of fish. The EVFTA agreement, upon its entry into force, has had a certain impact on the structure of Vietnam's seafood export products.

Chart 2. Export value of key seafood products in the period 2022 – 2025 (unit: million USD):



(Source: Vietnam Association of Seafood Processing and Export, 2026)

Compiled data shows that shrimp remains Vietnam's main export product throughout all stages of export development. High export values have consistently been achieved by shrimp, pangasius, other fish (anchovies, mackerel, scad, freshwater fish, etc.), tuna, squid, and octopus. Besides these main products, crab, shellfish, and surimi have seen significant increases, especially surimi (up 62.6%) and shellfish (up 17%). The main reason for this increase is the positive impact of the EVFTA. Tariff preferences, especially for processed seafood products from Vietnam, make Vietnamese seafood more attractive compared to competitors, accounting for approximately 31% of the total impact of the EVFTA on key product groups in the EU, enabling better penetration into the EU market. Furthermore, consumer preferences and the increasing demand for processed seafood from Vietnam in the EU market have also contributed to the growth in key export product groups. This has led to a significant adjustment in the product structure of Vietnamese seafood exports to the EU. Among the top 10 Vietnamese seafood export products, shrimp and shrimp products have the highest export value with a high growth rate in value over the years. In terms of export product proportions, shrimp and shrimp products remain the dominant product in terms

of both volume and proportion of Vietnam's total seafood exports. Aggregate data shows that shrimp products accounted for over 38% of the total seafood export value in 2025. This was followed by pangasius (20%), tuna (19%), etc.

** Market Expansion Opportunities*

Currently, Vietnamese seafood is present in more than 170 different markets. China remains the traditional market with the largest share, with total export value reaching US\$1.9 billion, a 25% increase compared to 2023 and accounting for 18.9% of Vietnam's total seafood export value. The US market ranks second with a total export value of approximately US\$1.82 billion, accounting for 18.1% of Vietnam's total seafood export value. Following are Japan and the EU, accounting for 15.2% and 10.4% respectively of the total export value (Nguyen Thi Hanh, 2025).

The export value to Vietnam's main seafood export markets has shown stable growth. The EU is the fourth largest market for Vietnamese seafood exports, accounting for 10.4% of the total. After the EVFTA agreement came into effect, the export value of Vietnamese seafood products to EU markets such as the Netherlands, Germany, Italy, Belgium, etc., increased sharply...

Table 1. Export value of Vietnamese seafood to some EU markets in 2024 - 2025 (Unit: million USD):

	Market	2024	2025	Growth (%)	Percentage (%)
1	Germany	188,741	202,261	7,2	19,4
2	Netherlands	175,155	201,002	14,8	19,3
3	Belgium	121,475	140,265	15,5	13,4
4	Italy	97,557	93,108	-4,6	8,9
5	Spain	58,840	73,947	25,7	7,1
6	France	60,290	52,452	-13,0	5,0
7	Denmark	40,110	50,674	26,3	4,9
8	Lithuania	32,527	44,390	36,5	4,3
9	Portugal	32,721	42,119	28,7	4,0
10	Poland	44,112	38,056	-13,7	3,6
11	Romania	24,954	32,750	31,2	3,1
12	Sweden	18,753	22,098	17,8	2,1
13	Greece	7,445	8,333	11,9	0,8
14	Ireland	6,296	7,988	26,9	0,8
15	Cyprus	6,347	6,857	8,0	0,7
16	Finland	14,655	4,506	-69,3	0,4
17	Bulgaria	2,587	4,268	65,0	0,4
18	Slovenia	3,976	4,110	3,3	0,4
19	Hungary	3,516	3,843	9,3	0,4
20	Latvia	3,980	3,323	-16,5	0,3
21	Croatia	5,002	3,220	-35,6	0,3
22	Sec	2,300	1,840	-20,0	0,2
	Total	954,053	1.043,094	9,3	100,0

(Source: Vietnam Association of Seafood Processing and Export, 2026)

The data table shows that, upon the EVFTA's entry into force, many EU intra-bloc markets increased their seafood imports from Vietnam. In 2024, Vietnamese seafood was present in 22 out of 27 EU member markets, with export value accounting for approximately 9.5% of Vietnam's total seafood exports. Germany and the Netherlands were the two largest seafood import markets, accounting for 19.4% and 19.3% respectively of Vietnam's total seafood exports to the EU. It is clear that the EVFTA free trade agreement promotes market expansion for Vietnamese seafood exports in the EU. The vast and promising EU market is poised to

open up many opportunities for Vietnamese seafood exports. However, to take advantage of the benefits offered by EVFTA and to penetrate deeper into the EU market, the Vietnamese fisheries sector in general, and Vietnamese seafood exports in particular, need practical solutions and significant improvement efforts from relevant agencies, local authorities, and seafood export businesses.

Opportunities and Challenges for Vietnam's Fisheries Industry under the Impact of EVFTA

** Opportunities:*

After 5 years of EVFTA's effective implementation, it can be seen that this trade agreement has brought many development opportunities to Vietnam's seafood exports. Specifically:

Firstly, market expansion. The EU is a large seafood consumer market with an average annual seafood import demand of 50 billion USD. The EU is also one of Vietnam's largest seafood export markets (ranking 4th after China, the United States, and Japan). When EVFTA was signed, Vietnamese seafood products received many preferential commitments on tariffs and import quotas, thereby enhancing competitiveness and allowing for deeper penetration into the EU market.

Secondly, improved competitiveness. The EVFTA offers Vietnamese seafood products the opportunity to benefit from preferential tariffs, with 50% of tariff lines reduced to 0% by 2020 and approximately 220 tariff lines for seafood products having base tariff rates of 0-22%. The remaining tariff lines will be reduced to 0% over a 3-7 year period, including items such as shrimp, tuna, squid, and octopus. This not only helps Vietnamese seafood products become more competitive in price but also increases export turnover. Therefore, when the EVFTA comes into effect, most Vietnamese seafood products will be able to have more competitive prices and gain more market share.

Thirdly, it enhances the attraction of foreign investment. The commitments of the EVFTA have created opportunities for EU investors to access the Vietnamese market more easily. EU businesses can leverage Vietnam's existing advantages in the fisheries sector, such as abundant fishery resources, existing infrastructure in aquaculture and seafood processing, and by-products from seafood processing to create value-added products and increase profits.

Fourth, access to advanced science and technology. When the EVFTA comes into effect, Vietnam can attract investment capital and access modern science and technology through cooperation in technology transfer, provision of seafood processing machinery, application of biotechnology in aquaculture and seafood processing, learning from high-tech aquaculture models, and sharing experiences in seafood management, processing, and preservation. This will significantly contribute to improving the quality of aquaculture, modernizing processing technology, and improving the quality of exported seafood products. On the other hand, by participating in the EVFTA, Vietnam will strictly comply with commitments on rules of origin, technical barriers, and animal quarantine and safety measures for exported seafood products.

** Challenges:*

While the EVFTA trade agreement offers many opportunities for the development of Vietnam's fisheries sector, its implementation also presents numerous challenges. Specifically:

Firstly, competitive pressure. As a large market with high per capita income and living standards, along with a significant annual per capita consumption of seafood, the EU is attractive to many seafood export markets worldwide. According to data published by the Vietnamese Trade Office in Belgium and the EU, the EU is the world's third largest consumer market for agricultural, forestry, and fisheries products. Annually, the EU imports approximately over US\$300 billion worth of agricultural,

forestry, and fisheries products (including US\$190 billion in agricultural products, US\$50 billion in seafood, and US\$59 billion in wood and wood products). Therefore, Vietnamese seafood will face fierce competition from seafood exports of many other countries, such as India, Indonesia, Ecuador, etc. On the other hand, most Vietnamese seafood exploitation and export businesses are currently small and medium-sized enterprises, with small-scale production, low technology, and a lack of product diversity, thus creating immense competitive pressure.

Secondly, the rules of origin and food safety regulations are strict and complex. One of the biggest obstacles from the EVFTA agreement is the requirements of the rules of origin. The rules of origin not only require exported products to be produced in Vietnam, but also have other strict requirements regarding imported raw materials. Meanwhile, domestic seafood raw materials only supply about 40-45% of processing capacity. Furthermore, stringent standards on traceability and rules of origin, along with regulations on production organization, labor, and environmental conditions, pose significant challenges for Vietnamese seafood businesses. On the other hand, despite the increasing volume of Vietnamese seafood exports to the EU market, there are still warnings about food safety violations, and in reality, many products are returned.

Thirdly, the cost of complying with EU seafood standards is substantial. These costs include technical and infrastructure costs (costs of upgrading factories, investing in wastewater treatment systems, and investing in food safety control technology according to European standards); international certification costs for acceptance into the EU market; traceability costs (costs of managing records and issuing certificates of origin); logistics costs; and surcharges applied to goods imported into the EU. These costs are very high, posing a barrier for Vietnamese seafood export businesses. On the other hand, Europe is increasingly tightening requirements on animal welfare and sustainability under the new "Smarter rules for safer food and plant health" regulations. In addition, the EU also imposes strict regulations on sustainable fishing and labor, creating significant costs for Vietnamese seafood export businesses.

Fourth, the challenge from trade defense measures. In the context of expanding trade liberalization, trade defense measures are increasingly preferred by countries. EU countries also tend to increasingly use anti-dumping measures and non-tariff barriers such as technical standards or food safety and hygiene standards to protect domestic businesses. This creates a certain challenge for Vietnamese seafood businesses when entering this market.

Fifth, the challenge of ecological sustainability. Vietnam's seafood exports are facing significant ecological sustainability challenges such as: climate change (extreme temperatures and weather, saltwater intrusion, etc., reducing aquaculture productivity); environmental pollution in aquaculture due to over-intensive farming and inadequate waste treatment; and compliance with IUU regulations. On October 23, 2017, the EU officially issued a yellow card to Vietnam for its lack of cooperation and insufficient efforts to combat IUU fishing. Consequently, all Vietnamese seafood exported to the EU will be subject to 100% inspection, whereas previously inspection was probabilistic. This has created significant challenges for Vietnam's seafood industry. Therefore, lifting the yellow card and strictly complying with IUU regulations remains a major challenge for the

entire Vietnamese seafood sector. Furthermore, the increasing international demand for "green production" also poses considerable challenges for Vietnam's seafood industry. Therefore, to fully leverage the EVFTA, the fisheries sector needs to focus on addressing challenges such as compliance with rules of origin, raising quality standards, and strengthening supply chain linkages.

In addition, the EU's shift to a green economy (through the EU Green Deal – EGD) has a significant impact on Vietnamese fisheries. The main impacts include stricter environmental regulations, requirements for carbon footprint transparency, and traceability. This creates major challenges in terms of higher technical barriers; environmental and labor challenges; challenges due to stringent traceability requirements; and challenges due to the green transition requiring greater investment in technology, certification costs, and production costs to meet the new standards

Recommendations for Solutions

The EU is a large and promising market for Vietnamese seafood exports. The EVFTA trade agreement has brought significant benefits to Vietnamese seafood in general and Vietnamese seafood exports in particular since its entry into force. Therefore, to increase benefits and ensure sustainable development of Vietnamese seafood exports, appropriate solutions need to be applied.

Firstly, continue to improve the mechanisms and policies supporting seafood export businesses. Policies supporting seafood export businesses should be further promoted, such as: policies supporting investment and production activities, investment credit policies, loan support policies, insurance support policies, science and technology investment support policies, corporate income tax policies, export tax policies for export activities, trade promotion policies, and training and coaching policies for businesses.

Secondly, solutions to lift the IUU yellow card: The IUU yellow card has brought many difficulties to the Vietnamese fisheries sector in general and Vietnamese seafood export businesses in particular. Therefore, the State, relevant agencies, and the fisheries sector need to implement appropriate measures to quickly lift the IUU yellow card. First, close cooperation with the European Commission's inspection team is needed in combating illegal, unreported, and unregulated fishing. Strict implementation of Directive No. 32/CT-TW of the Party Central Committee on strengthening the Party's leadership in combating illegal, unreported, and unregulated fishing and Resolution No. 04/2024/NQ-HĐTP of the Council of Judges of the Supreme People's Court guiding the application of some provisions of the Penal Code on criminal liability for acts related to illegal fishing, trading, and transporting of aquatic products is also necessary. Secondly, it is necessary to disseminate information, educate, and raise awareness among businesses and fishermen about the IUU yellow card and its negative impacts. Support for installing vessel tracking devices on fishing vessels should be promoted, and fishing vessels should be required to keep complete logbooks and fishing logbooks. Violations of regulations related to the Fisheries Law, illegal fishing, and the removal of vessel tracking devices should be reviewed and strictly dealt with. Stronger penalties are needed to control prohibited species for overfishing and those prohibited from export; and the penalties under the Environmental Protection Law should be strictly enforced. In addition, the development and implementation of projects and programs for the protection, restoration, and development of fisheries resources and

biodiversity conservation should continue applying environmentally friendly coastal fisheries exploitation models...

Thirdly, establishing and strengthening linkages among members in the export seafood supply chain. The formation of agricultural product supply chains for export aims to increase linkages and mutual support among businesses. In reality, due to the small scale, fragmentation, and lack of linkages, Vietnamese seafood export businesses find it difficult to take advantage of the EVFTA agreement's benefits and face obstacles in meeting the standards of the rules of origin. Therefore, it is necessary to establish export seafood supply chains, clearly defining the benefits and harmonizing the interests of all members in the supply chain. It is necessary to strengthen cooperation among members and fully and balancedly identify the interests of all members participating in the supply chain; A rational distribution mechanism is needed to ensure that the final profit generated from the production, processing, and export of seafood corresponds to the contribution of each member in the chain. In addition, a system for sharing information within the seafood export supply chain is essential. Information to be shared should include: information on export markets, price trends, quality requirements, types, and quantities. Effective sharing and connection will contribute to providing complete, accurate, and timely information to chain members, thereby minimizing the impact of market factors.

Conclusion

Participation in FTAs has brought many development opportunities for Vietnam in general in the current context. In fact, the EVFTA, a new generation free trade agreement, has brought significant benefits to Vietnam's seafood industry. These benefits range from increased export turnover, expanded markets, increased export value, to diversification of key seafood export products. However, in the current context, alongside development opportunities, the EVFTA also presents certain challenges, requiring continuous efforts from relevant agencies, local authorities, and Vietnamese seafood export businesses in coordinating and implementing appropriate solutions to maximize development opportunities and move towards sustainable development in the future.

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