

# Improving state management for the implementation of new generation FTAs

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## ABSTRACT

The proliferation of new-generation Free Trade Agreements (FTAs) such as the CPTPP, EVFTA, and RCEP has ushered in a new era of international economic integration, imposing complex and far-reaching obligations on signatory states. For Vietnam, the successful implementation of these FTAs requires a paradigm shift in state management from a passive, reactive posture to one that is proactive, coordinated, and strategically adaptive. This paper examines the current institutional, legal, and administrative frameworks governing FTA implementation in Vietnam, highlighting critical gaps in regulatory coherence, inter-agency coordination, and enforcement capacity. Drawing upon international best practices and governance theories, the paper proposes a comprehensive reform agenda that emphasizes institutional streamlining, digitalization of trade governance, capacity building for public officials, and stakeholder engagement mechanisms. The findings suggest that without robust and forward-looking state management, the transformative potential of new-generation FTAs may remain underutilized, and Vietnam risks falling behind in the competitive global trade landscape.

**Keywords:** State management; FTAs; Market; Free trade.

## Introduction

Along with the increasingly strong international economic integration process, Vietnam has actively participated in negotiating and signing Free Trade Agreements (FTAs). Up to now, Vietnam has signed 17 FTAs, including 3 new generation FTAs: the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the Vietnam-EU Free Trade Agreement (EVFTA) and the Vietnam-UK Free Trade Agreement (UKVFTA). These are agreements with very high market opening commitments and contents including "non-trade" issues such as labor, environment, sustainable development, etc. The implementation of FTAs in general and new generation FTAs in particular In particular, in recent times, it has contributed to bringing positive impacts to the country's economic development, especially helping to expand export markets for Vietnamese goods; helping Vietnamese enterprises participate more deeply in the value chain, global production network ; promoting the process of domestic institutional reform. However, the implementation of FTAs also places new requirements on state management such as perfecting the legal policy system to comply with

FTA commitments; organizing the state management apparatus on FTA implementation; reviewing and evaluating the FTA implementation process.

The article analyzes the current state management of the implementation of new generation FTAs in recent times, and on that basis proposes a number of solutions to improve state management of the implementation of FTAs in the coming time.

### **Current status of state management of the implementation of new generation FTAs in recent times**

#### *Developing legal documents to implement new generation FTAs*

Because new-generation FTAs have extensive and comprehensive commitments, affecting many sectors of the economy, requiring adjustments and supplements in terms of policies and laws to implement the commitments, the National Assembly and the Government of Vietnam have made reviewing, amending and supplementing the legal policy system a top priority in the process of preparing for the signing and implementation of these agreements. As of June 2025, there have been 5 sets of laws, 16 decrees and 22 circulars amended and issued to implement CPTPP, EVFTA and UKVFTA, of which 1 decree and 4 circulars apply to all 3 FTAs; 3 decrees and 4 circulars apply to both EVFTA and UKVFTA; 2 Laws amended to implement commitments for both CPTPP and EVFTA are the Law on Intellectual Property and the Law on Insurance Business.

**Table 1: Status of amendment and promulgation of legal documents laws to implement new generation FTAs by June 2025**

<b>Text type</b>	<b>CPTPP</b>	<b>EVFTA</b>	<b>UKVFTA</b>
Law	5	3	0
Decree	8	6	3
Circular	11	9	6
Total	24	17	9

*Source: Compiled from national database of legal documents*

#### **(i) CPTPP Agreement**

Regarding CPTPP, the first new generation FTA that Vietnam has participated in, in order to complete the dossier to submit to the National Assembly for ratification of the CPTPP Agreement and implement the CPTPP, the Government has conducted a review of the system of legal documents and proposed to amend and supplement 12 documents including 8 laws, 3 decrees, 01 decision of the Prime Minister and proposed to issue 4 new decrees and 01 decision of the Prime Minister. According to Resolution No. 72/2018/QH14 of the National Assembly approving the CPTPP Agreement, there are 15 groups of commitments that are regulated for

direct application and 7 laws that are amended and supplemented according to the commitment roadmap in the CPTPP Agreement.

**Table 2. Laws and codes amended and supplemented according to the roadmap commitments in the CPTPP Agreement**

No	Law name, Code
1	Labor Code 2012
2	Law on Intellectual Property 2005 (amended and supplemented in 2009)
3	Penal Code 2015 (amended and supplemented in 2017)
4	Criminal Procedure Code 2015 (amended and supplemented in 2017)
5	Law on Insurance Business 2000 (amended and supplemented in 2010)
6	Food Safety Law 2010
7	Law on Anti-Corruption 2018

*Source: Resolution No. 72/2018/QH14 of the National Assembly*

At the local level, after only 1 year of implementing CPTPP, more than 460 legal documents at the provincial and municipal levels have been amended and issued. Although some of these documents do not specifically mention CPTPP, there are contents mentioning CPTPP.

As of June 2025, the National Assembly, Government and Ministries of Vietnam have amended and issued 05 Laws, 08 Decrees and 11 Circulars to implement the commitments of the CPTPP Agreement.

#### ***(ii) EVFTA Agreement***

According to the Report of the National Assembly Standing Committee, to implement EVFTA and EVIPA, the Government has reviewed 58 laws, 4 ordinances, 1 resolution of the National Assembly, 139 decrees, 16 decisions of the Prime Minister, 1 resolution of the Council of Judges of the Supreme People's Court. Although the number of legal documents reviewed to implement the EVFTA and EVIPA is relatively large, the number of documents proposed for amendment, supplementation, cancellation or new issuance is not much. There are only 05 legal documents proposed for amendment and supplementation, including: 3 laws (Labor Code, Intellectual Property Law, Law on Insurance Business), 1 decree, 1 decision of the Prime Minister and 05 legal documents proposed for new issuance, including 1 resolution of the National Assembly and 4 decrees. This is because in the process of perfecting the legal system, the revised contents have basically ensured compliance with international standards and commitments. Vietnam has revised a number of important laws such as the Labor Code and the Intellectual Property Law to implement the CPTPP and the revision of these documents has also met the obligations and commitments in the EVFTA Agreement.

### ***(iii) UKVFTA Agreement***

For the UKVFTA, because the negotiations are based on the principle of inheriting existing commitments in the EVFTA, the review, amendment and supplementation of new legal documents to comply with the EVFTA has included the UKVFTA. In addition, the Government has issued 5 Decrees and the Ministries have issued 6 Circulars to implement the Agreement.

Overall, Vietnam has revised and promulgated quite a number of new legal documents (both at the law and sub-law levels) to promptly implement the provisions that take effect immediately for CPTPP, EVFTA, UKVFTA. Some documents were promulgated later but were all applied retroactively from the time the Agreement came into effect to ensure the interests of businesses and related entities in the process of implementing commitments, for example in the fields of tax and government procurement.

#### *Issue documents to direct and manage the implementation of new generation FTAs.*

Although there were 13 FTAs implemented before 2018, it was not until joining the new generation FTAs that the Prime Minister issued the FTA implementation plans for the first time, including: Decision No. 121/QĐ-TTg dated January 24, 2019 approving the CPTPP implementation plan; Decision No. 1201/QĐ-TTg dated August 6, 2020 approving the EVFTA implementation plan; Decision No. 721/QĐ-TTg dated May 18, 2021 of the Prime Minister approving the UKVFTA implementation plan. This is a new step forward in state management of FTA implementation, demonstrating the Government's determination in directing state management agencies from central to local levels to focus resources to fully and effectively implement new generation FTAs. Based on the Government's Plan, by the beginning of 2025, 63/63 provinces and centrally run cities had developed CPTPP implementation plans, 57/63 provinces and cities had developed EVFTA implementation plans, and 50/63 provinces and cities had developed UKVFTA implementation plans.

#### *Organizing the state management apparatus for implementing new generation FTAs*

According to the Law on International Treaties 2018 and the Government's Decrees stipulating the functions and tasks of ministries and branches, the Government unifies the state management of the implementation of FTAs, including new-generation FTAs. The Ministry of Foreign Affairs is the agency responsible to the Government for implementing state management of international treaties in general, but the main responsibility for implementing FTAs belongs to the agency with the function of state management of international economic integration, which is also the agency with the task of proposing FTAs, specifically the Ministry of Industry and Trade. In fact, up to now, FTAs have been negotiated and implemented by the Ministry of Industry and Trade under the direction of the Government.

Ministries, ministerial-level agencies, and government agencies are responsible for coordinating with the Ministry of Foreign Affairs and the Ministry of Industry and Trade in the

State management of international treaties in general and the implementation of FTAs in particular. For the three new-generation FTAs, namely CPTPP, UKVFTA, and CTPP, the Prime Minister has issued Decisions designating focal agencies to implement each content in each Agreement.

The People's Committees of provinces and centrally run cities, within the scope of their tasks and powers, shall coordinate with the Ministry of Foreign Affairs and relevant ministries and branches to carry out state management of international treaties. The Department of Industry and Trade is the unit primarily responsible for implementing international economic integration and implementing FTAs in the locality.

*Report, inspect and urge the implementation of new generation FTAs*

For the three new generation FTAs CPTPP, EVFTA and UKVFTA, the reporting mechanism is clearly stipulated in the Agreements Implementation Plans. Accordingly, ministries, branches and localities are responsible for sending reports on the implementation of FTAs to the Ministry of Industry and Trade before November 30 every year for the CPTPP Agreement, before December 15 every year for the EVFTA and UKVFTA Agreements so that the Ministry of Industry and Trade can synthesize and report to the Government.

At localities, the focal agency responsible for reporting on the implementation of new generation FTAs according to the FTA Implementation Plans is the Department of Industry and Trade.

Regarding the mechanism for inspecting, urging and evaluating the implementation of new generation FTAs, according to the Plans for implementing the CPTPP, EVFTA and UKVFTA Agreements, the Ministry of Industry and Trade is assigned to preside over and coordinate with the Government Office to monitor and urge ministries, branches, localities and business representative organizations to implement these Plans .

*Propagating, disseminating and guiding the implementation of new generation FTAs*

Because the new generation FTAs have extensive commitments, including non-trade commitments, the implementation of FTAs will have a major impact on all sectors of the economy. Therefore, the Government and the Prime Minister have directed ministries and branches to step up the dissemination of information, dissemination and guidance on the implementation of new generation FTAs to state management officials at the central and local levels and the business community in order to effectively implement these FTAs. The Prime Minister has issued a Plan to promote the dissemination and propaganda of outstanding international integration events in the 2015-2016 and 2017-2020 periods. On that basis, ministries and branches have actively promoted the dissemination and propaganda of the contents of FTAs, especially CPTPP and EVFTA, in many forms such as organizing conferences, seminars, training courses, propaganda through mass media and publishing publications and documents. According to statistics from the Ministry of Industry and Trade,

in 2023 alone, provinces and cities across the country organized more than 200 conferences and seminars; Ministries and branches organized about more than 160 conferences and seminars to disseminate and guide the implementation of the CPTPP, EVFTA and UKVFTA Agreements.

### **General assessment of the current state of state management in implementing new generation FTAs**

In recent times, policies and laws on new-generation FTAs have been issued relatively fully and synchronously, creating a favorable legal corridor for the implementation of commitments. The state management apparatus for the implementation of new-generation FTAs has relatively clear responsibilities. Regulations on the mechanism for reporting , inspecting and urging the implementation of new-generation FTAs are clearly established and only carried out when necessary. Information and propaganda work on new-generation FTAs has been carried out regularly and continuously, in many rich and diverse forms, implemented in all ministries, branches and localities, contributing to raising awareness of state management officials, businesses and people about new-generation FTAs, thereby improving the effectiveness of FTA commitments. On that basis, the implementation of new-generation FTAs has achieved positive results. After 5 years since the CPTPP came into effect, the total import-export turnover to CPTPP markets in the Americas has increased by 56.3%, from 8.7 billion USD in 2018 to 13.6 billion USD in 2023. For EVFTA, after 4 years of implementation, Vietnam's export turnover to the EU increased by nearly 50%, making Vietnam the EU's leading trade partner among ASEAN countries. With the UKVFTA, after nearly 4 years of coming into effect, the trade turnover between the two countries has increased by 26.4%; from 5.64 billion USD in 2020 to 7.14 billion USD in 2023.

However, the state management of the implementation of FTAs in the past still revealed some limitations such as the development of FTA implementation plans in local ministries and branches that were not linked to the characteristics and situation of local ministries and branches but were modeled after the Government's Plan; the reporting and monitoring mechanism on the implementation of FTAs was not seriously implemented, still slow and late; although the information and propaganda work on FTAs was promoted, it was mostly general and did not focus on specific contents that businesses were interested in.

### **Solutions to improve State management of the implementation of new generation FTAs.**

For Vietnam's participation in FTAs, the period from now to 2030 is of particular importance because we will gradually implement all commitments in FTAs, especially new-generation FTAs after the transition and reservation period. The tariff reduction roadmap will be faster and deeper with 90-100% of tariff lines gradually reduced to 0. Along with that is the completion of commitments related to economic institutional reform in areas such as trade unions, environment, e-commerce, trade facilitation, sustainable development, etc. Therefore,

it is very necessary to improve State management of the implementation of new-generation FTAs in the coming time.

*Group of solutions on building and perfecting state management policies on implementing new generation FTAs:*

Continue to build and perfect the legal system and policies to fully and compatibly implement the obligations and commitments in the FTAs, especially new generation FTAs according to the set roadmap .

Develop and implement the FTA implementation plan to ensure effectiveness, in accordance with the functions and tasks of the ministries and sectors and in conjunction with the socio-economic development plan of each locality.

*Group of solutions on perfecting the state management apparatus for implementing new generation FTAs*

Continue to study and perfect the system of focal agencies on international economic integration and implementation of FTAs from central to local levels, ensuring that they are streamlined, strong, and effective.

Strengthen inter-sectoral coordination in implementing new generation FTAs; improve consistency and responsibility in guiding implementation and monitoring and evaluating the implementation of FTAs.

*Group of solutions on strengthening and improving the effectiveness of the reporting, inspection and supervision mechanism on the implementation of new generation FTAs*

Strengthen coordination between the Ministry of Industry and Trade and other ministries and sectors in monitoring and evaluating the implementation of FTAs, strictly implementing the prescribed FTA implementation reporting mechanism, ensuring effectiveness and efficiency.

Research and develop standard and unified reporting and assessment frameworks on the situation of international economic integration and implementation of FTAs for ministries, branches and localities to improve reporting quality; develop and complete a set of assessment criteria on the situation of implementation of FTAs to apply to ministries, branches and localities.

*Solution group on promoting information and propaganda about new generation FTAs*

Continue to implement propaganda and dissemination of commitments in FTAs in an in-depth manner, according to each specific field .

Close coordination from central to local levels, between State management agencies and the business community in information and propaganda activities about FTAs with focus and key points, focusing on guidelines for implementing commitments to ensure efficiency and save resources.

### **Conclude:**

With 17 signed FTAs, including 3 new-generation FTAs, Vietnam is facing new opportunities in opening the market and reforming institutions. However, these opportunities will only be realized and contribute positively to the country's economic development if the implementation of FTAs is carried out seriously and effectively, so the role of State management in implementing new-generation FTAs is very necessary. The current state management of FTA implementation in recent times shows that besides positive results, there are still limitations that need to be overcome. Therefore, the synchronous implementation of solutions to improve state management of the implementation of new-generation FTAs in the coming time is very necessary so that FTAs can truly become a driving force for the country's economic integration and development.

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