

# **Globalisation and the “New Generation” Ftas: Opportunities and Challenges for Vietnam’s Trade and Investment**

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## **Abstract**

Economic globalization has become an undeniable reality with the development of science and technology, the changes in public policies, the openness of the markets for international trade, as well as joining regional and international organizations. In addition, signing bilateral and multilateral Free Trade Agreements (FTAs)- along with the restriction and removal of trade and tariff barriers, the liberalization of capital and investment flows, and privatization programs- has also fundamentally changed the landscape of international trade with the rapid increase of global trade transactions beyond the borders of countries around the world. In that trend of economic globalization and integration, the economy of each country is no longer a closed independent economy but has become a part of the global economy.

Over the past years, Vietnam has achieved numerous important achievements in economic development thanks to the push to open up the economy, integrate into the world economy, and actively participate in the network of bilateral and multilateral free trade agreements. In recent years, Vietnam's signing and participation in “new generation” FTAs has a great impact on Vietnam's economy through the expansion of import and export markets. As a result, Vietnam’s import and export turnover to partner countries has been increasing significantly. Vietnam not only strengthens the traditional markets but also opens up many potential markets on the basis of promoting relations with important economic strategic partners. In the coming period, when the “new generation” FTAs take effect, the lifting of restrictive measures on investment and services, the opening of the government procurement market and financial services, etc. will open up great opportunities for investors. With the provisions of the “new generation” FTAs, it is forecasted that investors will invest deeply in the Vietnamese market, so the quality of foreign investment will be improved, creating a driving force for economic development.

In addition to the positive effects, the implementation of new generation FTAs also poses a number of challenges for the Vietnamese economy. The article is designed to present the issues of globalization and FTAs, opportunities and challenges for Vietnam's trade and investment, thereby proposing some solutions for Vietnamese enterprises to take advantage of the opportunities and limit the challenges in implementing the commitments of the new generation FTAs in the coming time.

**Keywords:** Globalisation, FTAs, Vietnam, opportunities, challenges