

# NEW POLICY TOWARDS VIETNAM? STATE ADMINISTRATION OF THE RUSSIAN FEDERATION AND A REALIZATION OF THE FREE TRADE AGREEMENT BETWEEN THE EAEU AND VIETNAM<sup>1</sup>

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## **Abstract**

The Free Trade Agreement between the Eurasian Economic Union and Vietnam, signed in May 2015, has special political significance for both Eurasian integration and Russian-Vietnamese relations. However, an important issue is the problem of the efficiency of this agreement for the Russian economy. Despite the high level of political contact between Russia and Vietnam, their economic interaction is still at a relatively low level. But at the same time, the FTA is often considered to be a factor that can impact positive influence on economic cooperation between Russia and Vietnam. Focusing on the political meaning of the EAEU-Vietnam FTA, the aim of the article is to research the role of Russian state administration in the development of the free trade zone.

The author analyzes the activity of Russian state structures (the Ministry of Economic Development, the Russian Export Center, the Trade Mission in Vietnam etc.) in terms of their assistance in the realization of the FTA, considers the results of their work and makes conclusions on the future prospects of the free trade zone between the EAEU and Vietnam. The Russian state administration has taken part in organizing different events (official summits, roundtables, exhibitions, business forums), assisted in communication between the Russian and Vietnamese business communities, and provided information support. But despite some achievements by the FTA, there are still a lot of unsolved problems and so interaction between state administration and business seems to be a necessary condition for the improvement of Russian-Vietnamese economic cooperation.

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**Keywords:** free trade agreement; state administration; trade mission; integration; Eurasian Economic Union; Russian-Vietnamese relations; Vietnam.

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## Two Integrations

The Eurasian Economic Union (the EAEU) and idea of Eurasian integration as a whole play a special role in the current foreign policy of Russia. An important problem is the issue of the further expansion of the EAEU – as in the framework of the post-Soviet space, so beyond its borders. Under these circumstances, the signing of the Free Trade Agreement (the FTA) between the EAEU and the Socialist Republic of Vietnam (the SRV) in May 2015 gained an exceptional significance for the Eurasian integration project. Negotiations on the establishment of a free trade zone were conducted and are still conducted with many countries, but have currently only been successful for Vietnam. Also, Vietnam is one of the most actively developing economies in the Asia-Pacific region, having the important significance in modern Russian policy in the framework of the idea of the “Pivot to the East”. So the free trade zone between the EAEU and Vietnam might be considered as a consolidation of two key integration projects – Eurasian and Asia-Pacific. In the opinion of Russian scholars, the FTA between the EAEU and Vietnam is “an opportunity for Russia to institutionally “lock” Asia-Pacific and Eurasian ways of its foreign policy” (Mazyrin, 2015, p. 78). One researcher from Oxford University, Paradorn Rangsimaporn, stated that Eurasian ideas in Russia were closely connected with a vision of the necessity for the expansion of interaction with the Asia-Pacific countries (Rangsimaporn, 2006, p. 385). The EAEU-Vietnam FTA is considered to have an important political significance for the international prestige of Eurasian integration, and the cooperation with Hanoi in such a format will be the first step in the development of similar projects with other countries, including the ASEAN states.

At the same time the development of this scenario will be dependent on the achievements from the work of the free trade zone between the Eurasian Economic Union and Vietnam. The agreement came into force in October 2016 and a year later it seems productive to analyze the results of this project. Keeping in mind the political significance of the EAEU-Vietnam FTA, the author views the research of the role of the state administration of the Russian Federation in the realization of this agreement as an important approach. The influence of administrative structures in the accomplishment of decisions taken in practice might be crucial. For instance, as Professor Vladimir Kolotov (Saint Petersburg State University) commented, many problems in Russian policy on the development of relations with Asia-Pacific countries in the spirit of “Pivot to the East” have their roots in the ineffective work of some branches of state administration (Kolotov, 2017, p. 19).

## Traditions of the Russian-Vietnamese Partnership and the Free Trade Zone

The conclusion of the EAEU-Vietnam FTA became possible mainly due to the close partnership between Moscow and Hanoi, and also because of the direction of Vietnamese foreign policy. Modern Russian-Vietnamese relations are developing in many aspects on the basis of the cooperation between the USSR and Vietnam in the Cold War. The Soviet Union rendered assistance to Communist Vietnam, and Hanoi was one of key Soviet partners in the Asia-Pacific region. After the collapse of the USSR, the level of interaction between the Russian Federation and the Socialist Republic of Vietnam substantially decreased in comparison with the period of the Soviet-Vietnamese alliance. However the two sides did manage to maintain good relations in some spheres (for example, in the fields of defense and energy cooperation). Vietnam tried to lead multilateral foreign policy and still saw Russia as one of centers of the global system of international relations. In 2001, the two states signed the declaration on “strategic partnership” and in 2012 the status of bilateral relations was increased to the level of “comprehensive strategic partnership”. The SRV is still the only state in Southeast Asia that has the status of strategic partner of Russia. At the same time the scale of economic cooperation, despite the development of some new projects and the rise of trade turnover from the beginning of the XXI century, are relatively low. For instance, the volume of trade between Russia and Vietnam in 2014 was about USD 3.7 billion. In contrast, Vietnam trade with its key partners (China, the United States, South Korea and Japan) in 2014 was 58.5 billion, 34.9 billion, 28.9 billion, and 27.6 billion respectively<sup>2</sup>. Meanwhile, Russia’s share of the general volume of trade of the EAEU member-states with Vietnam was more than 90%. The serious problems for Russia were the higher import tariffs in comparison with states that signed the free trade agreements with Hanoi (Mazyrin, 2014, pp. 108–109). Experts underlined that the solution for this situation might be the establishment of a free trade zone between Russia and the SRV (Mosiakov, 2014, pp. 43–44).

However the first steps in the elaboration of such an agreement were made in the form of projects incorporating Vietnam’s participation in Eurasian integration. Firstly, these ideas were declared in 2009, when the discussion about interaction between Vietnam and the Customs Union was initiated (Tsvetov, 2015). In 2010–2012 there was an expertise of necessity and the possibility of the creation of a free trade zone between the Customs Union and the SRV. Official negotiations started in March 2013 and finished in December 2014. From the beginning of 2015 the Eurasian Economic Union – a successor of the Customs Union, officially began to work. In May 29, 2015 the agreement on the establishment of the free trade zone between the EAEU and Vietnam was concluded.

The negotiations were successful for several reasons. Firstly, Russia and Vietnam were longtime and reliable partners (Mazyrin, 2016, p. 72). The Vietnam-

<sup>2</sup> V'etnam. Vneshniaya torgovlia i investitsii [Vietnam. Foreign Trade and Investments]. Available at: <http://rvbu.ru/stati/397-vneshnyaya-torgovlya-i-investicii.html> (accessed: 14 February, 2017).

ese media remarked, that the conclusion of the free trade agreement was an acknowledgement of the role of Vietnam in comprehensive strategic relations with the EAEU member-states (and especially – with Russia)<sup>3</sup>. Secondly, Vietnam leads multilateral foreign policy and this strategy was confirmed, for instance, by the resolutions of the XII Congress of the Communist Party of Vietnam in January 2016 (XII s"ezd kompartii V'etnama ..., 2016, 159). Besides, Vietnam, by conducting independent foreign policy, could distance itself from the harsh Western position towards Russia which manifested from the Ukrainian crisis in 2014. Thirdly, Hanoi aims for the expansion of free trade zones with its partners and it responds to a Vietnamese export-oriented economy. At the moment, Vietnam has 15 free trade agreements with states and integration blocs (Mazyrin, 2016, p. 76). And lastly, we can suggest that one important reason for successful negotiations was the relatively low level of trade between the EAEU member-states and Vietnam. It was noted, for example, that EAEU trade with the SRV was not substantially significant in order to “make any harm for a local manufacturer” (Tsvetov, 2015). In the report “Questions and Answers on the Free Trade Agreement between the Eurasian Economic Union and the Socialist Republic of Vietnam”, prepared by the Eurasian Economic Commission, there was an assertion that the liberalization of trade with Vietnam “didn’t draw essential risks for economies of the EAEU states” (Voprosy i otvety po Soglasheniiu o svobodnoi trgovle ..., 2015, p. 7).

The agreement was in some aspects a compromise. As Russian researchers pointed out, the EAEU and the SRV would supplement each other in mutual trade, and competing fields would be protected (Mazyrin, 2015, p. 72). In the opinion of Professor Vladimir Mazyrin (Institute of Far East, Russian Academy of Sciences), the FTA may help to increase the trade turnover between Russia and Vietnam to USD 8–10 billion by 2020 (p. 77). At the same time, real results from the free trade zone might be obtained only after 10–15 years (p. 81).

The FTA also has an important political meaning for Russia. According to some foreign scholars, the expansion of the EAEU is stipulated by not so much by the principles of Eurasian integration as by Russian geopolitical interests. Negotiations on cooperation with the EAEU were conducted with some states, which did not belong to Eurasian space, but had strong ties with Russia (Roberts & Moshes, 2016, p. 12). But relations between the EAEU and Vietnam were, however, connected with Eurasian integration. The SRV is one of the actively developing economies in the Asia-Pacific region. The authors of the report “Questions and Answers on the Free Trade Agreement between the Eurasian Economic Union and the Socialist Republic of Vietnam” underlined the opportunities for strengthening cooperation with the Asia-Pacific region through the zone of free trade with the SRV: “The deepening of trade and economic ties with Vietnam let manufacturers and suppliers from EAEU states get access to participation at already established production and marketing ties in the APR”

<sup>3</sup> Vietnam’s “Niche Market” FTA strategy. Available at: <https://www.cogitasia.com/vietnams-niche-market-fta-strategy/> (accessed: 1 March, 2017).

(Voprosy i otvety po Soglasheniyu o svobodnoy torgovle ..., 2015, p. 7). The idea of the consolidation of integration processes in the post-Soviet space and in the Asia-Pacific region was proposed by Russian President Vladimir Putin at the APEC summit in Vladivostok in 2012 yet<sup>4</sup>.

Experts noted the FTA with Vietnam was the first such treaty for the EAEU and so it might be considered as a kind of “test ground” for cooperation in that format. As Russian researcher Anton Tsvetov (Russian International Affairs Council) wrote, the role of the FTA consisted “in elaboration of practice of negotiations and instruments of realization of similar agreements for the EAEU” (Tsvetov, 2015).

The EAEU-Vietnam Free Trade Agreement officially entered into force in October 5, 2016 after ratification by all sides.

## Administration, Economy and the FTA

In realization of the principles of the FTA an important role is played by the Russian Ministry of Economic Development. Active work began before the ratification of this agreement. In August 14, 2015 the First Deputy Minister of Economic Development, Aleksei Likhachev, negotiated with a delegation from the Economic department of the Central Committee of the Communist Party of Vietnam. Both sides discussed cooperation in trade and investment spheres. Likhachev insisted on the necessity of a conclusion of agreement for the industrial assembling trucks on the territory of Vietnam. This document had to enter into force at the same moment as the beginning of the official work of the zone of free trade<sup>5</sup>. The protocol on assembling trucks in Vietnam was signed in March 21, 2016 and became, in the words of Russian Minister of Industry and Trade, Denis Manturov, “the first project of bilateral cooperation, concluded in development of the Free Trade Agreement between the member-states of the Eurasian Economic Union and Vietnam”<sup>6</sup>.

In November 12, 2015 Aleksei Likhachev took part in the Russian-Vietnamese Business Forum for the promotion of mutual trade and a bilateral channel of payments. Participants of the Forum considered the possibilities of the use of national currencies in bilateral payments as one of the variants for increasing trade turnover between Russia and the SRV<sup>7</sup>.

In November 25, 2015 the First Business Forum “The Eurasian Economic Union – Vietnam”, dedicated to the development of mutual trade, took place in

<sup>4</sup> Vladimir Putin priniial uchastie v rabote Delovogo sammita ATEs [Vladimir Putin Took Part in Work of the APEC Business Summit]. Available at: <http://kremlin.ru/events/president/news/16410> (accessed: 23 March, 2017).

<sup>5</sup> Rossiisko-v'etnamskii tovarooborot k 2020 godu sostavit 10 mlrd.dollarov [Russian-Vietnamese Trade Turnover will be USD 10 billion by 2020]. Available at: <http://economy.gov.ru/minec/about/structure/depasiaafrica/2015081401> (accessed: 22 August, 2017).

<sup>6</sup> Rossiia i V'etnam podpisali protokol po proizvodstvu avtomobilei [Russia and Vietnam signed a Protocol for Trucks' Production]. Available at: <http://eurasiancenter.ru/news/20160321/1004342984.html> (accessed: 14 August, 2017).

<sup>7</sup> Aleksei Likhachev: tovarooborot s V'etnamom v 10 milliardov dollarov k 2020 godu – vpolne real'naya tsifra [Aleksei Likhachev: Trade Turnover with Vietnam in USD 10 billion – Quite Real Score]. Available at: <http://economy.gov.ru/minec/about/structure/depasiaafrica/20151112> (accessed: 21 August, 2017).

Hanoi. Among the organizers of the event were the Eurasian Economic Commission, the Ministry of Industry and Trade of Vietnam, the Ministry of Economic Development of Russia, the Center of International Trade of Moscow, and the Chamber of Commerce and Industry of Vietnam. Participants of the Forum also included businessmen from the EAEU member-states and Vietnam, and officials from different structures of state administration. The First Deputy Minister of Economic Development, A. Likhachev, defined the following means of support for Russian exporting companies from the Ministry: the activities of intergovernmental commissions and high level working groups, new channels for payments (including payments in national currencies), exhibitions, forums and conferences<sup>8</sup>.

Aleksei Likhachev participated personally in summits involving intergovernmental commissions and working groups. In April 1, 2016 he took part in the first round of bilateral consultations for the realization of the mechanism for a preferential trade regime between Russia and Vietnam in the framework of the Russian-Vietnamese Working Group of High Level for Priority Investment Projects. At the negotiations Likhachev focused on the importance of the EAEU-Vietnam FTA for Russian-Vietnamese relations and spoke about plans for opening the House of Trade in Vietnam, which could be a useful instrument for supporting Russian exports to Vietnam<sup>9</sup>.

In September 21, 2016 Likhachev worked at the summit of the Inter-Government Commission for Trade-Economic and Scientific-Technical Cooperation. The Russian delegation was headed by the First Deputy of the Chairman of Government of Russia, Igor Shuvalov. Participants of the summit discussed issues of trade and investment ties in the context of the zone of free trade between the EAEU and Vietnam<sup>10</sup>.

In March 20, 2017 the Deputy Minister of Economic Development, Aleksei Gruzdev, visited the summit of the Russian-Vietnamese Working Group of High Level for Priority Investment Projects. The sides discussed the influence of the EAEU-Vietnam FTA on the results of bilateral trade<sup>11</sup>.

In May 21, 2017 the Minister of Economic Development, Maksim Oreshkin, negotiated with the President of the SRV, Tran Dai Quang, on the eve of a visit by

<sup>8</sup> Aleksei Likhachev. Vzaimodeistvie EAES i V'etnama mozhnet stat' prochnoi «startovoi» ploshchadkoi dlya sovmestnogo vykhoda na rynki drugikh stran ASEAN [Aleksei Likhachev. Interaction of the EAEU and Vietnam might become a Solid "Start" Ground for Joint Access to Markets of Other ASEAN States]. Available at: <http://economy.gov.ru/minec/about/structure/depAsiaAfrica/2015251112> (accessed: 14 August, 2017).

<sup>9</sup> Aleksei Likhachev. Pochti tret' rossiiskogo eksporta v torgovle so stranami Yugo-Vostochnoi Azii prikhodit-sya na V'etnam [Aleksei Likhachev. Almost one third of Russian Export in the Trade with Southeast Asia States relates to Vietnam]. Available at: <http://economy.gov.ru/minec/about/structure/depAsiaAfrica/20160401> (accessed: 11 August, 2017).

<sup>10</sup> Aleksei Likhachev. Rossiisko-v'etnamskoe sotrudnichestvo vykhodit na kachestvenno novyi uroven' [Aleksei Likhachev. Russian-Vietnamese Cooperation Enters on a Perfectly New Level]. Available at: <http://economy.gov.ru/minec/press/news/2016210902> (accessed: 11 August, 2017).

<sup>11</sup> Aleksei Gruzdev. Soglashenie o svobodnoi torgovle mezhdru EvrAzEs i V'etnamom sozdast novye tochki rosta [Aleksei Gruzdev. The Free Trade Agreement between the EAEU and Vietnam will create New Spots of Rise]. Available at: <http://economy.gov.ru/minec/about/structure/depasiaafrica/2017200304> (accessed: 14 August, 2017).

the Vietnamese leader to Russia. At this meeting there was a discussion on the influence of the EAEU-Vietnam FTA on Russian-Vietnamese trade<sup>12</sup>.

Maksim Oreshkin also attended the roundtable “The Zone of Free Trade of the EAEU: New opportunities for entrepreneurs of Russia and Vietnam” in June 27, 2017, organized by the Trade of Commerce and Industry of the Russian Federation in honor of the visit of the President of the SRV to Russia. The Vietnamese leader also visited this roundtable. It was remarked during the discussion, that an important element of development of the free trade zone was “legal and informational support that at the moment didn’t seem to be optimal and suitable for appointed tasks”. Participants of the roundtable asked representatives of executive and legislative structures of Russia and the SRV, heads of regional administrations, the business community and the mass-media to assist with the realization of the strategic potential of the EAEU-Vietnam FTA in the shortest time<sup>13</sup>.

In July 25, 2017 the Deputy Minister of Economic Development, Aleksei Gruzdev, took part in the work of the Russian-Vietnamese Economic Forum. He underlined the prospects for commercial cooperation between Russia and Vietnam linked with the realization of the EAEU-Vietnam FTA. He highlighted the establishment of a system of interaction between middle and small businesses of Russia and Vietnam as an important task. The Deputy Minister also declared that the Ministry of Economic Development in coordination with the Ministry of Planning and Investment of Vietnam was working on a memorandum in support of cooperation between middle and small enterprises in Russia and the SRV<sup>14</sup>.

The industrial exhibition and business forum “Expo Russia Vietnam 2017” is scheduled to take place in Hanoi in December 15–17, 2017. This event will be organized with the support of the Russian Foreign Ministry, the Ministry of Economic Development, the Ministry of Industry and Trade, and the Ministry of Education and Science. One topic for roundtable discussion will be “Development of economic cooperation of our countries in the context of the establishment of the zone of free trade between Vietnam and the states of the EAEU for the realization of joint projects”<sup>15</sup>.

Representatives of Russian state administration consider the EAEU-Vietnam FTA as an important element in Russian-Vietnamese relations. They negotiate with their Vietnamese colleagues, attend different events and take part in their organization. But many problems regarding Russian-Vietnamese economic coope-

<sup>12</sup> Maksim Oreshkin. Dostizhenie tovaroborota v 10 mlrd. dollarov k 2020 g. vpolne real'no [Maksim Oreshkin. Advance to the Trade Turnover of USD 10 billion by 2020 is Quite Real]. Available at: <http://economy.gov.ru/minec/about/structure/depasiaafrica/2017210504> (accessed: 15 August, 2017).

<sup>13</sup> Zona svobodnoi trgovli EAES: Novye vozmozhnosti dlya predprinimatelei Rossii i V'etnama [The Free Trade Zone of the EAEU: New Opportunities for Businessmen of Russia and Vietnam]. Available at: <http://www.iarex.ru/news/54162.html> (accessed: 3 September, 2017).

<sup>14</sup> Aleksei Gruzdev. Soglashenie o svobodnoi trgovle mezhdru EAES i V'etnamom sozdaet novye usloviya dlya rasshireniya rossiisko-v'etnamskogo sotrudnichestva [Aleksei Gruzdev. The Free Trade Agreement between the EAEU and Vietnam Creates New Conditions for Expansion of Russian-Vietnamese Cooperation]. Available at: <http://www.ved.gov.ru/news/23050.html> (accessed: 4 September, 2017).

<sup>15</sup> Expo-Russia Vietnam – Mezhdunarodnaya promyshlennaya vystavka i biznes-forum [Expo-Russia Vietnam – International Industrial Exhibition and Business Forum]. Available at: <https://www.expoclub.ru/db/exhibition/view/expo-russia-vietnam/> (accessed: 4 September, 2017).

ration are still awaiting resolution, and assistance from the state administration's side is necessary for this.

## Missions in Vietnam

An important role in increasing Russian exports to Vietnam belongs to the Russian Export Center (REC), a state structure, active since the beginning of 2016. The Chairman of the Board of Directors is the First Deputy of Chairman of the Government, Igor Shuvalov, while the Board of Directors also includes the Minister of Economic Development, the Minister of Industry and Trade, and the Minister of Finance. The main mission of the REC is declared as “support and development of non-raw export through participation in state policy and creation of a joint effective institute of development”<sup>16</sup>.

The Russian Export Center is designing “a road map” – a complex plan for the promotion of Russian export to Vietnam. The REC will play one of key roles in developing bilateral Russian-Vietnamese relations, providing complex assistance to Russian exporters through finance and non-finance instruments and promotional support<sup>17</sup>.

The office of the REC in Vietnam was opened in Hanoi in July 21, 2016. In December 14, 2016 in Ho Chi Minh City an exhibition of Russian food products “Russian Gastro Week” took place, organized by the REC with support from the Trade Mission of Russia in Vietnam<sup>18</sup>.

Officials of the REC also participated in the forum “Eurasian Week” in Astana in 24–25 August, 2017 and held the seminar “The EAEU – Vietnam: the first business results”<sup>19</sup>.

Important activity for the promotion of information on the opportunities of the EAEU-Vietnam free trade zone is executed by the Trade Mission of the Russian Federation in Vietnam.

Officials of the Trade Mission participated, for instance, in August 11, 2015 at the practical conference in Ho Chi Minh City, dedicated to the expansion of export ties with Russia, and presented the report “New prospects of development of Russian-Vietnamese trade and economic relations in the light of the Free Trade Agreement between the states of the EAEU and the SRV”. After the presentation of the report there was a discussion with Vietnamese businessmen<sup>20</sup>.

<sup>16</sup> Strategicheskie perspektivy [Strategic Prospects]. Available at: <https://www.exportcenter.ru/company/perspective/> (accessed: 3 September, 2017).

<sup>17</sup> RE'Ts: Rasshirenie sotrudnichestva s V'etnamskim biznesom aktual'no, kak nikogda [The REC: Expansion of Cooperation with Vietnamese Business is Urgent as Never Be]. Available at: [https://www.exportcenter.ru/news/rets-rasshirenie-sotrudnichestva-s-vetnamskim-biznesom-aktualno-kak-nikogda/?sphrase\\_id=17536](https://www.exportcenter.ru/news/rets-rasshirenie-sotrudnichestva-s-vetnamskim-biznesom-aktualno-kak-nikogda/?sphrase_id=17536) (accessed: 3 September, 2017).

<sup>18</sup> V Khoshimine sostoyalas' vystavka rossiiskikh prodovol'stvennykh tovarov “Russian Gastro Week” [The Exhibition of Russian Food Products “Russian Gastro Week” took Place in Ho Chi Minh City]. Available at: <https://www.expoclub.ru/db/exhibition/view/expo-russia-vietnam/> (accessed: 12 August, 2017).

<sup>19</sup> Rossiyskiy eksportnyi tsentr na «EKSP0 2017» [Russian Export Center at EXPO 2017]. Available at: <https://www.exportcenter.ru/news/rossiyskiy-eksportnyy-tsentr-na-ekspo-2017/> (accessed: 4 September, 2017).

<sup>20</sup> Russian Trade Mission in Vietnam. Post on Facebook. August 13, 2015. Available at: <https://www.facebook.com/rustrademissionVN> (accessed: 15 September, 2017).



In June 28, 2016 there a dialogue via Skype took place between officials of the Trade Mission and representatives of small and middle businesses in Saint-Petersburg in the framework of the seminar “Establishment of international business in states of the Asia-Pacific region on the example of Vietnam”, organized by the Center of Import Substitution and Localization of Saint Petersburg. The Trade Representative, Maksim Golikov, spoke about the prospects of Russian exports to Vietnam after the EAEU-Vietnam FTA comes into force and assistance (in the information, legal and bank spheres) for Russian entrepreneurs from the side of the Trade Mission<sup>21</sup>.

In October 5, 2016, the day the EAEU-Vietnam FTA came into force, there was a press conference in Hanoi with the participation of ambassadors of the states of the EAEU. The Russian Trade Representative, Vyacheslav Kharinov, also attended this press conference and remarked, that because of tariff liberalization, products from Vietnam and the EAEU would be more accessible for customers<sup>22</sup>.

In October 12, 2016 in Ho Chi Minh City a conference titled “Stimulation of export of goods to the states of the Eurasian Economic Union at the entering into force the Free Trade Agreement between Vietnam and the EAEU”, held by the Ministry of Industry and Trade of the SRV. Officials of the Trade Mission also participated in this event. At the center of the discussions were new logistical opportunities, payments in national currencies and obstacles to the export of Vietnamese agricultural products to the states of the EAEU<sup>23</sup>.

The Trade Representative also took part in seminars titled “Free trade between the EAEU and the SRV”, organized by the Chamber of Commerce and Industry of Da Nang, in August 17, 2017<sup>24</sup> and “Market of the EAEU states and opportunities for stimulation of export in the framework of the Free Trade Agreement between the Eurasian Economic Union and Vietnam”, organized by the Vietnamese Ministry of Industry and Trade in Ho Chi Minh City, in August 25, 2017<sup>25</sup>.

The Trade Mission of Russia in Vietnam actively works for the EAEU-Vietnam FTA information support, but mainly acts as a participant of events, set by other Russian or Vietnamese structures, but not as an organizer. As for the REC, this structure is only beginning its work in Vietnam. However, the office of the

<sup>21</sup> Postroenie mezhdunarodnogo biznesa v stranakh Aziatsko-Tikhookeanskogo regiona na primere V'etnama [Establishment of International Business in States of the Asia-Pacific Region on the Example of Vietnam]. Available at: <http://www.bmaestro.ru/training-raspisanie/item/postroenie-mezhdunarodnogo-biznesa-v-stranakh-aziatsko-tikhookeanskogo-regiona-na-primere-vetnama-2.html> (accessed: 18 December, 2017).

<sup>22</sup> Posly gosudarstv-chlenov EAES otvetili na voprosy po torgovoi liberalizatsii s V'etnamom [Ambassadors of the EAEU Member-states answered Questions on the Trade Liberalization with Vietnam]. Available at: <http://vietnam.ved.gov.ru/ru/news/14107> (accessed: 18 December, 2017).

<sup>23</sup> O vygodakh Soglasheniya o svobodnoi torgovle mezhdru V'etnamom i EAES rasskazal Minpromtorg SRV na konferentsii v Khoshimine [The Ministry of Industry and Trade of the SRV Told about Benefits from the Free Trade Agreement between Vietnam and the EAEU]. Available at: <http://vietnam.ved.gov.ru/ru/news/14288> (accessed: 18 December, 2017).

<sup>24</sup> Russian Trade Mission in Vietnam. Post on Facebook. August 17, 2017. Available at: <https://www.facebook.com/rustradmissionVN> (accessed: 15 September, 2017).

<sup>25</sup> Uchastie v seminare “Rynok stran EEAS i vozmozhnosti stimulirovaniya eksporta v ramkakh Soglasheniya o svobodnoi torgovle mezhdru EAES i V'etnamom” [Participation in the Seminar “Market of the EAEU states and Opportunities for Stimulation of Export in the Framework of the Free Trade Agreement between the EAEU and Vietnam”]. Available at: <http://vietnam.ved.gov.ru/ru/news/60339> (accessed: 18 December, 2017).

REC and the Trade Mission seem to be an essential element in the realization of the FTA, providing the linkage between Russian state administration, Russian commercial companies (working in Russia, as well as in the SRV) and Vietnam's business community.

## Conclusion

The problem of the EAEU-Vietnam FTA is an important issue raised during negotiations between representatives of the Russian state administration and their Vietnamese colleagues. Some of these meetings take place in a multilateral format (for instance, at summits of working groups and intergovernmental commissions) and also with the participation of the business community. Professor Valentin Myagkov (Russian Foreign Trade Academy) highlights in particular the role of the Russian-Vietnamese Inter-Government Commission for Trade-Economic and Scientific-Technical Cooperation and the Working Group for Priority Investment Projects in support of Russian exporters, in trying to expand the Vietnamese market<sup>26</sup>. Also Russian government structures assist in the FTA information promotion participating, for example, by organizing events, connected with economic interaction between Russia and Vietnam.

Promotion of the principles of the FTA also occurs at the level of the Trade Mission of Russia in Vietnam and the office of the Russian Export Center (primarily in the form of information support).

The issue of information exchange between Russian and Vietnamese partners is an important aspect of the interaction. A lack of information about Russian and Vietnamese markets was named as one of serious obstacles to economic cooperation between Moscow and Hanoi (Fam Nguen Min', 2015, p. 49). However, in the opinion of Vladimir Kolotov, information coverage is still a very difficult problem in Russia-Vietnamese relations and leads to a misconception of Vietnam and its significance among Russian society, as well as its business community and administration<sup>27</sup>.

It can't be said that the Russian state administration has solved every problem in the development of cooperation between Russia and Vietnam in the format of the FTA. In this case it should again pay attention to the address of the participants of the roundtable "The Zone of Free Trade of the EAEU: New opportunities for entrepreneurs of Russia and Vietnam" that was directed toward structures of state administration too. It can be concluded that the most effective way of developing the opportunities of the FTA is the collaboration of different departments of state administration and representatives of business (especially having the experience of interacting with Vietnamese entrepreneurs or serious interests in Vietnamese market). According to V. Kolotov, closer cooperation

<sup>26</sup> V'etnam: Ne vazhno, kakogo tsвета koshka, lish' by ona lovila myshei – 2 [Vietnam: It's not Important what Color a Cat is, if a Cat catches Mice – 2]. Available: <http://www.rusexporter.ru/research/ved/4894/> (accessed: 19 August, 2017).

<sup>27</sup> Aziatskii rynek: Rossiya nastupaet na khvost Kitayu [Asian Market: Russia Steps on the China's Tail]. Available: <http://yenicag.ru/aziatskij-rynek-rossiya-nastupaet-na-hvost-kitayu/> (accessed: 17 September, 2017).

with experts and scholars in Vietnamese studies (in the form of either consultations or direct participation) would also be useful for the successful realization of joint Russian-Vietnamese projects<sup>28</sup>.

One of the indicators of the efficiency of the FTA might be the level of trade turnover between the EAEU and the SRV. For the period from October 2016 to June 2017, the trade turnover between the EAEU member-states and Vietnam increased by 11.8% in comparison with the same months in 2015–2016<sup>29</sup>. From January to May 2017, the rise of the trade turnover between Russian and Vietnam was by 20% in comparison with the similar period the previous year. From the beginning of 2017 there was an increase in the volumes of Russian grain, food products, pulp and paper, and chemicals and steel, exported to Vietnam. The SRV, in turn, increased its exports of electronics, clothes, shoes, and agricultural products<sup>30</sup>. The FTA helped to initiate some new joint projects (for example, the assembling of trucks in Vietnam). However, at the same time, the volume of Russian-Vietnamese trade is still much lower than the current trade of the SRV with its key economic partners and the level of Russian-Vietnamese trade in USD 8–10 billion, predicted by Russian experts.

However, the EAEU-Vietnam FTA may be considered to be a significant element in current Russian-Vietnamese relations from “media” and political points of view. This means that the attention of representatives of the Russian state administration will be focused on this issue and it might assist further realization of the opportunities of the FTA. As a result, this can help to develop Russian-Vietnamese relations, including those within the sphere of economic cooperation.

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<sup>28</sup> Interview of Professor Vladimir Kolotov (Faculty of Asian and African Studies, Saint Petersburg State University) by the author.

<sup>29</sup> Na 11,8% vyros tovarooborot mezhdru stranami EAES i V'etnamom s momenta vstupleniya v silu Soglasheniya o ZST [The Trade Turnover between the EAEU States and Vietnam increased by 11.8% since the FTA came into Force]. Available at: <http://www.eurasiancommission.org/ru/nae/news/Pages/25-09-2017.aspx> (accessed: 28 September, 2017).

<sup>30</sup> Uchastie v seminare «Rynok stran EAES i vozmozhnosti stimulirovaniya eksporta v ramkakh Soglasheniya o svobodnoi torgovle mezhdru EAES i V'etnamom» [Participation in the Seminar “Market of EAEU States and Opportunities for Stimulating of Export in the Framework of the Free Trade Agreement between the EAEU and Vietnam]. Available at: <http://vietnam.ved.gov.ru/ru/news/60339> (accessed: 18 December, 2017).

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