



# PM urges US to adjust tariffs in light of strong bilateral relations

**HÀ NỘI** Prime Minister Phạm Minh Chinh chaired a meeting of the Government's Standing Committee with ministries and agencies to assess the situation and discuss both immediate and long-term solutions following the US recent announcement of countervailing duties on goods from multiple countries, including Việt Nam.

US President Donald Trump on Wednesday announced a decision to impose a 46 per cent 'reciprocal tariff' on all goods imported from Việt Nam.

After hearing reports from ministries and government leaders, the PM emphasised that global trade competition is becoming increasingly intense, complex and unpredictable. In response, Việt Nam has been making concerted efforts across political, diplomatic, economic and people-to-people channels to navigate these challenges.

He hopes that the US will adjust its tariff measures in light of the strong bilateral relationship between the two countries, the aspirations of their people, and Việt Nam's efforts in fostering economic cooperation.

Looking ahead, the PM instructed ministries and agencies to remain calm, strategic and proactive in formulating timely and effective responses to mitigate external shocks.

He highlighted Việt Nam's track record of overcoming global disruptions, such as the pandemic, geopolitical conflicts and supply chain disruptions, through resilience and adaptability.

To ensure a comprehensive and balanced approach, the PM directed the immediate establishment of a rapid-response task force led by Deputy Prime Minister Bùi Thanh Sơn.

He also assigned Deputy Prime Minister Hồ Đức Phúc to oversee ministries in gathering feedback from businesses, particularly major exporters, to address their concerns. He stressed that this challenge also presents an opportunity for the country to demonstrate its resilience and national strength. It is a chance to restructure the economy towards rapid but sustainable development, focusing on green transformation, digitalisation, technological advancements and innovation.

He reaffirmed the government's commitment to building an independent and self-reliant economy while promoting deep, substantive and effective international integration. This includes expanding and diversifying markets, products and supply chains, increasing localisation rates and maximising domestic market potential and resources. Despite external pressures, the PM reaffirmed that Việt Nam remains steadfast in its goal of achieving GDP growth of 8 per cent in 2025.

**“We should aim for trade balance in the sense of development – increasing trade turnover but not raising taxes so that consumers in both countries can benefit from the trade development.”**

*Deputy Minister of Finance Nguyễn Đức Chí*



**Garment production at the Hoa Tháo Textile and Garment JSC's factory in Quảng Trị Province. Major industries, including textiles, footwear, furniture, electronic components and seafood, will be significantly impacted if the 46 per cent tariff is implemented.** *VNA/VNS Photo Danh Lam*

### Lacking solid grounds

Haggling over tariffs is not a good way to strive for balance of trade and serve the people. Deputy Minister of Finance Nguyễn Đức Chí told a press conference in Hà Nội yesterday.

The tariff came as a surprise to all government agencies and businesses in Việt Nam, even though the Ministry of Finance has taken a proactive approach and reduced tax rates on several imported goods in the last few weeks – especially those from the US – in an effort to increase Việt Nam's 'import turnover' to balance out its trade surplus, according to Chi.

“We are still trying to figure out the reason and rationale behind the tax rate,” he said.

“We all want to aim for a trade balance,” he added. “But balance must come with growth – a larger trade turnover, and we shouldn't address this through taxes.”

If one country cuts down on tariffs but the other increases them, the overall trade turnover will be reduced, which is not a good solution for either country, the official added.

“We need to be patient and keep talking and discussing with our trade partner, the US, to find better solutions,” Chi said. “We should aim for trade balance in the sense of development – increasing trade turnover but not raising taxes so

that consumers in both countries can benefit from the trade development.”

Also addressing the tariffs at the conference, Nguyễn Quốc Hưng, director of the ministry's Department of Tax Policy said that it is of utmost importance to figure out how US President Trump came up with the claim that Việt Nam imposed a 90 per cent tariff against American goods, and how exactly his 46 per cent 'reciprocal tariff' was calculated.

According to Hưng, a recent report from the Office of the US Trade Representative showed that the average import tax rate for goods imported into Việt Nam is only 9.4 per cent. It also stated that most US goods imported into Việt Nam are subject to an import tax rate of 15 per cent or lower, with a few exceptions.

“These figures show that our tariffs are much lower than the 90 per cent rate [that Trump claimed Việt Nam imposes on US goods], and the 46 per cent tax that will be applied for our goods,” Hưng said.

“We need to clarify whether there are any other factors included in the calculations, or any reasons taken into consideration, besides the actual taxes,” he said.

The 46 per cent tax rate is much higher than the current tax rate that the US applies to Vietnamese goods imported into the US, Hưng added.



**Prime Minister Phạm Minh Chinh spoke at a meeting with high-ranking government officials in Hà Nội yesterday to discuss the US tariffs for Vietnamese goods.** *Photo baodinhphu.vn*

wear, furniture, electronic components and seafood, will be significantly impacted if the 46 per cent tariff is implemented.

The US is the largest market for Vietnamese textiles, accounting for nearly 50 per cent of the industry's total export revenue. Companies including Vinatex, May 10 and TNG could struggle as higher costs lead to reduced orders and weaker purchasing power from US partners.

The tech sector could also be hit hard. Apple, the world's largest technology company, has relocated part of its production from China to Việt Nam to avoid US tariffs. However, with Việt Nam now facing a 46 per cent tariff, suppliers including Foxconn, Luxshare and Pegatron will experience significantly higher costs.

“If this tariff is implemented, Apple and other tech firms will need to reassess their manufacturing strategies. Shifting production from China to Việt Nam to avoid tariffs may no longer be an optimal solution,” Dan Ives, an analyst at Wedbush Securities, warned.

This means many multinational companies may seek alternative manufacturing locations such as India or Mexico, potentially diminishing Việt Nam's attractiveness for foreign direct investment (FDI).

According to a White House statement, the 10 per cent tariff on all nations will take effect on April 5. For countries subject to higher tariffs based on trade deficits with the US, the new rates will be enforced starting April 9. This gives Vietnamese exporters less than a week to prepare for the worst-case scenario.

Some experts suggest intensifying bilateral negotiations with the US, urging the Government to work with Washington to seek exemptions or tariff reductions for certain strategic products.

Việt Nam should also accelerate market diversification to reduce reliance on the US by expanding exports to Europe, Japan, South Korea and the Middle East.

Attracting investment in domestic manufacturing is a crucial solution, encouraging US firms to invest directly in Việt Nam.

Furthermore, providing domestic businesses with financial and tax policy support will help them cope with the effects of US trade policies.

Vietnamese exporters are facing a challenging period, requiring rapid adaptation to survive and grow. **BIZHUB/VNS**