

Comparative Study of Vietnam's RCEP and CPTPP Membership: Political-Economic Impacts in ASEAN

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Abstract: This study analyzes the impacts of Vietnam's participation in two multilateral free trade agreements within the Asia-Pacific: the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Regional Comprehensive Economic Partnership (RCEP). Using Ivan Gonzalez-Pujol's (2024) hedging strategy theory approach, this study aims to examine how these different agreements impact Vietnam's economy, political standing, and regional integration. The study employs a descriptive qualitative method, utilizing secondary data derived from Vietnam's economic data and recent research on the implementation of RCEP and CPTPP in Vietnam. The results show that Vietnam's membership in RCEP and CPTPP both enhance Vietnam's economic growth and political standing, even through different pathways. Vietnam's membership in RCEP positions it as a regional manufacturing hub and enhances its export potential among member nations, which include significant economies like China, Japan, and South Korea. However, RCEP presents challenges in the form of increased competition, requiring Vietnam to improve standards and competitiveness. Meanwhile, participation in CPTPP has driven institutional reforms and domestic policy regulations to enhance transparency, resulting in a significant increase in trade volume. Politically, Vietnam's participation in these two agreements strengthens its geopolitical bargaining position in the Asia-Pacific region. To enhance regional integration while maintaining balanced relations with major powers, Vietnam utilizes economic diplomacy, such as the CPTPP and RCEP. This move aligns with the Vietnamese leadership's view that expanding regional cooperation can enhance the regime's legitimacy domestically and benefit the economy.

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INTRODUCTION

The emergence of global trade that commenced in the mid-20th century has led international trade into a new phase of economic globalization during the 1990s, driven by

alterations in trade patterns that have resulted in a doubling of global economic development. The heightened integration of trade is a significant aspect of economic globalization, which has expedited the dissemination of information and technology, fostering worldwide cooperation and collaboration (Grossman & Helpman, 2015). Notwithstanding global economic upheaval, regional economic integration in the Asia-Pacific has advanced swiftly during the last five years. Beginning in 2020–2025, numerous mega-regional trade partnerships signified a new age in regional economic collaboration. The signature of the Regional Comprehensive Economic Partnership (RCEP) at the conclusion of 2020 was a significant achievement. The RCEP comprises 15 countries, including 10 ASEAN members, as well as Japan, China, New Zealand, South Korea, Australia. The RCEP constitutes the largest trading bloc globally, including roughly one-third of the world's population and GDP (Nguyen, 2022). With a population of approximately 2.3 billion and a total GDP of approximately US\$26 trillion, RCEP is officially the largest regional trading bloc in the world (Le, 2023). RCEP's economic integration is expected to aid economic recovery after the COVID-19 pandemic by building integrated markets and more robust supply chains.

Furthermore, the Asia-Pacific continues to develop the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). This agreement entered into force in 2018 and has 11 original members from the Pacific region. However, the United States does not participate in the CPTPP, having withdrawn from the TPP in 2017. On the other hand, this agreement is attracting new members outside the region, such as the United Kingdom, which will join in 2023 because it emphasizes the importance of Asia-Pacific economic integration (Australian Department of Foreign Affairs and Trade, 2025). Nearly 99% of tariffs are eliminated among CPTPP members in accordance with the “three zeros” principle (no tariffs, no subsidies, no barriers), making it a deeply liberalizing agreement (Kohda & Hiraki, 2025).

RCEP offers a broader membership base but with looser commitment standards; for example, elements of labor and environmental issues are not tied to RCEP. Nevertheless, the two blocs together reflect a growing trend of regional integration: RCEP provides the foundation for inclusive economic integration in East Asia led by ASEAN, while the CPTPP represents a progressive trans-Pacific agreement that could establish new trade norms in the region. This combination of initiatives reflects an active Asia-Pacific response to global protectionist tendencies; rather than being hampered by the retreat of major actors or trade wars, regional countries are moving forward to build a new multilateral trade architecture.

Vietnam occupies a unique strategic position within the aforementioned regional integration constellation, as it is one of the few countries to be a member of both major trading blocs (the CPTPP and the RCEP). The CPTPP, which entered into force for Vietnam in January 2019, encompasses 11 countries with a combined GDP of approximately USD 13.5 trillion, equivalent to 13.5% of the global economy (Legum, 2021). The largest trade deal in the world, the RCEP, went into effect in January 2022 and covers 15 nations, which together account for almost 30% of the world's GDP and 30% of its population (HuongCNT, 2022). This dual membership positions Vietnam strategically to act as an economic bridge between various trading blocs, strengthening its role in global value chains and expanding its influence in the Indo-Pacific region.

Vietnam's exports to CPTPP member countries are projected to increase by more than 20% by 2024, and member countries now account for Vietnam's trade surplus (Anbound & Chao, 2025). On the other hand, the RCEP, which includes traditional Asian trading partners, helps Vietnam by making it easier for businesses to trade across the region and implementing procedures (greggwirth, 2022). The RCEP gives Vietnam access to large consumer markets like China, Korea, and Japan, which are becoming stronger manufacturing hubs in Southeast Asia. The CPTPP market is only half the size of the RCEP market. A World Bank analysis even suggests that Vietnam could be one of the countries with the greatest economic benefits from the RCEP if all goes according to plan. The study states that Vietnam's national income is projected to increase by 4.9% and its exports could increase by 11.4% (Nguyen, 2022). From an investment perspective, integrating developed Asian countries into the RCEP is likely to bring greater economic impact to Vietnam and make it more integrated into the region's Global Value Chains (GVCs). Furthermore, the Vietnamese Government also believes that the CPTPP will have a significant impact on the economy in the long term, estimating the impact of the CPTPP on its economy to be quite significant, with the potential for an additional 2.5%

to GDP by 2035 (Estrades dkk., 2023a). The data above shows that Vietnam's membership in both agreements has a significant impact on the economy in the short and long term.

Estrades et al. (2023) analyzed the economic impact of the RCEP using a general equilibrium computational model and income distribution-based microsimulation. This study emphasized that trade policy and regional supply chain integration are the primary goals of economic integration, rather than tariff reduction, and demonstrated the importance of domestic policies to ensure a more equitable distribution. The study found that RCEP policies, such as reduced tariff and non-tariff barriers, rules of origin, and lower trade costs, can stimulate intra-regional trade and generate increases in real income/GDP measured through 2035, with varying impacts across RCEP member countries (Estrades dkk., 2023b).

Through a case study of Vietnam, Boguszewski (2022) analyzes the impact of the CPTPP as a free trade agreement on institutional change in Vietnam. The results show that Vietnam's participation in the CPTPP has encouraged adjustment policies, its success in transforming formal institutions has been limited, and its impact on informal institutional norms has not been seen; furthermore, there are obstacles to its enforcement (Boguszewski, 2022). Therefore, this study contributes to the understanding of regional economic integration by emphasizing that the involvement of developing countries in agreements such as the CPTPP not only impacts the economy (increasing investment attractiveness and the business climate) but also encourages adjustment policies and the gradual strengthening of institutional capacity as part of regional integration.

The comparative method was chosen due to the distinct characteristics of the CPTPP and RCEP for Vietnam. To understand the political-economic impact of each agreement on Vietnam and the region, a comparative analysis is necessary because each agreement offers a different integration model. RCEP encompasses a broader coalition with an inclusive but minimally consensus-based approach, while CPTPP encompasses a wider range of countries with broader commitments. Research can use a comparative approach to identify similarities and differences between Vietnam's membership in the CPTPP and RCEP. These impacts may include increased trade and investment, adjustments to domestic regulations, and the resulting geopolitical role. This is crucial because previous literature typically discusses the benefits of each agreement separately, while comprehensive research comparing the two is limited. Based on the above description, the research problem is formulated to examine the impact of Vietnam's membership in the two megaregional blocs on the country and the ASEAN region as a whole. This study contributes to the literature by conducting a comparative analysis of Vietnam's membership in both RCEP and CPTPP, focusing on their political and economic implications within the ASEAN region.

RESEARCH METHOD

This study employs a qualitative methodology utilizing a descriptive-comparative approach to examine the political-economic implications of Vietnam's dual membership in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Regional Comprehensive Economic Partnership (RCEP). This method allows researchers to comprehensively describe and compare aspects, strategies, and outcomes of Vietnam's membership in both free trade agreements. This study utilizes secondary data, comprising official documents pertaining to Vietnam's trade policy, reports from international organizations including the World Bank, WTO, and ASEAN, scholarly articles, and analytical reports from reputable economic media such as Vietnam Briefing and the World Economic Forum. The report examines variables including elevated trade volume, investment flows, domestic policy reforms, and Vietnam's diplomatic stance in the ASEAN region. This method offers a comprehensive and methodical overview of Vietnam's strategic use of its dual membership for regional integration.

RESULT AND DISCUSSION

RCEP and CPTPP Agreement Policies

The RCEP and CPTPP were created to diminish tariffs and enhance market access. The CPTPP's ~99% tariff elimination applies to almost all products, with a few exceptions, such as Japanese rice and Canadian dairy products. Many tariffs are eliminated under the CPTPP's provisions immediately upon ratification, with the remainder being reduced over several years,

providing CPTPP members with broad market access opportunities. In contrast, the RCEP is more moderate, eliminating approximately 90% of tariff lines over 20 years. The RCEP allows for numerous carve-outs or specific exemptions for sensitive products, particularly agricultural commodities and some strategic manufacturing (Nicita, 2021). This has a positive impact on member countries, allowing them to remain part of the larger economic integration effort without sacrificing the stability of strategic domestic sectors. Furthermore, unlike the CPTPP, which applies a uniform timeframe or schedule, the RCEP allows each country to have a different list of concessionary tariffs for different partners; for example, Vietnam's tariffs on Korea may be eliminated later than those on ASEAN. This pattern makes RCEP's liberalization less profound than CPTPP's, although still significant given its coverage of major Asian trading partners.

Although the CPTPP and RCEP have different geographic focuses, both offer new export opportunities for Vietnam. The CPTPP enhances the competitiveness of Vietnamese products (such as textiles, footwear, and seafood) by opening access to non-traditional markets like Canada, Mexico, and Peru with near-zero preferential tariffs (WTO And International Trade & Vietnam Chamber Of Commerce And Industry, 2022). A World Bank study estimates that the CPTPP could increase Vietnam's GDP by ~1.1% by 2030, higher than the gain from RCEP (~0.4%) because CPTPP involves greater barrier reductions in distant markets (Ferrantino dkk., 2020). While the additional tariff reductions are small (Vietnam is already a member of the ASEAN+ FTA with many members), RCEP remains significant because it includes major Asian partners (China and South Korea) not in the CPTPP. RCEP strengthens Vietnam's access to East Asian markets, which generate significant demand (RCEP's consumer market is twice the size of CPTPP's) (Nguyen, 2022). While the tariff effect of RCEP itself is small, the combination of RCEP and the reduction of non-tariff barriers could boost Vietnam's exports by up to 11.4% (Nguyen, 2022). Vietnam's export-oriented sectors, including automotive, electronics, and textiles, are anticipated to grow under RCEP due to enhanced access to China, Japan, and Korea. In short, the CPTPP provides Vietnam with a surge in exports to new countries thanks to zero tariffs, while RCEP deepens Vietnam's integration into neighboring Asian markets. However, RCEP's tariffs are less ambitious than those of the CPTPP.

The RCEP significantly simplifies rules of origin (ROO) by adopting a single set of regional cumulative rules of origin for all members. Products can be exported to any country in the RCEP bloc with a single certificate of origin if they meet the RCEP origin criteria (Maruyama dkk., 2021). Furthermore, local content requirements are highly flexible. Generally, a minimum of 40% regional content is sufficient to be considered "RCEP origin" and receive preferential tariffs (Maruyama dkk., 2021). Furthermore, there are flexibilities such as the change of tariff line (4-digit CTH) rule as an alternative to fulfilling the origin requirement. The CPTPP also implements a cumulative origin scheme where raw materials from all member countries can be counted together (Kane, 2023). However, the CPTPP ROO provisions are often more stringent. The regional content threshold is typically higher, around 60-70% depending on the sector. The CPTPP also has detailed product-specific rules—for example, in textiles/apparel, the Yarn-Forward Rule requires that the yarn-fabric-garment manufacturing process be carried out within the CPTPP for the finished product to meet preference requirements (Nhan Dan, 2019). In other words, compared to RCEP, the CPTPP requires a larger proportion of block components in the final product.

Technical Barriers to Trade and Sanitary and Phytosanitary are both referred to in both RCEP and CPTPP as Non-Tariff Measures (NTMs), but their scopes are certainly different. The CPTPP is acknowledged as more ambitious in this regard, going beyond WTO provisions. The CPTPP not only affirms WTO commitments but also includes mechanisms for regulatory coherence and ongoing technical cooperation. There is a joint committee within the CPTPP that proactively addresses SPS and TBT issues. The CPTPP promotes regulatory transparency (e.g., mandatory publication of draft technical regulations, addressing technical standards barriers, stakeholder consultation, and the adoption of international standards to harmonize regulations across countries further). This means, for example, that Vietnamese food producers in the CPTPP can more easily meet Canada's SPS standards because the SPS cooperation agreement promotes the standardization of inspection procedures. Meanwhile, the RCEP takes a more minimalist approach: the SPS and TBT chapters primarily re-adopt WTO principles and encourage information exchange and capacity building. There are no additional guarantees for harmonization of standards beyond WTO commitments. After the agreement entered into force, no special committee was established to oversee the

implementation of the SPS and TBT. Therefore, the RCEP does not provide a sufficient institutional platform for resolving disputes over technical standards in an integrated manner. However, the RCEP emphasizes transparency and technical cooperation in its agreement, thus efforts are still made to reduce bureaucratic obstacles through information exchange and ad-hoc technical consultations. In addition, the RCEP contains significant trade facilitation provisions: accelerated customs clearance (target clearance within 48 hours, 6 hours for express cargo) and the implementation of a unified advance ruling system. These are important elements in reducing administrative barriers at the border.

The CPTPP is distinguished by its investment provisions and the Investor-State Dispute Settlement (ISDS) mechanism for adjudicating disputes between investors and states.. This mechanism enables investors to initiate lawsuits against governments in international arbitration if their rights are infringed upon.(with some exceptions and procedures). The RCEP adopts a more cautious approach, providing negotiation space and domestic policy protections for member states, without comprehensively binding ISDS provisions. On investment, the RCEP adopts standard provisions (non-discriminatory treatment, protection from expropriation without compensation, etc.), but has not yet incorporated ISDS. The parties agreed to review the possibility of ISDS within the first two years (Park dkk., 2021). Therefore, currently, investment disputes in the RCEP can only be resolved between states, not directly between investors and states.

On labor, the CPTPP requires adherence to International Labor Organization (ILO) principles regarding freedom of association, living wages, and protection against labor exploitation, as well as environmental provisions such as climate change mitigation and pollution reduction (Bambrick, 2024). This requires Vietnam to allow independent trade unions outside the single-member union, a significant shift in Vietnam's labor policy. On the environment, the CPTPP includes commitments to protect biodiversity, address illegal wildlife trade, improve environmental quality, and refrain from lowering environmental standards to attract investment. In contrast, the RCEP does not include any chapters or obligations related to the environment or labor (Park dkk., 2021). Beyond general obligations that may exist in other agreements, member states are not required to improve environmental standards or labor protections.

Table 1 Comparative Policy of RCEP and CPTPP

Details	RCEP	CPTPP
Market Access	Allowing each country to have a different list of concession rates to different partners.	The liberalization schedule is relatively faster and more uniform
Tariff Elimination	Elimination of tariffs on approximately >90% of tariff lines over 20 years. More limited coverage, many exemptions for sensitive products (especially agriculture and some manufacturing)	Removal of tariffs on about 99% of tariff lines at complete execution; very broad coverage including manufacturing and agriculture (with some limited exceptions, e.g., Japanese rice, Canadian milk)
Rules of Origin (ROO)	Products can be exported to any country in the RCEP bloc with a single certificate of origin if they meet the RCEP origin criteria. The regional value content threshold is low, generally 40% for tariff preferences. (Chapter 3)	The collective rules of origin among the 11 members establish a unified set of rules and permit the cumulative calculation of content from all CPTPP nations.. The regional value content threshold is typically higher, around 60-70% depending on the sector.
Non-Tariff Measures	The SPS and TBT provisions in RCEP reinforce WTO provisions and technical	The CPTPP's SPS and TBT regulations are more ambitious and WTO-plus,

Details	RCEP	CPTPP
	cooperation; there are no WTO-plus provisions for RCEP. There are no provisions for the establishment of an SPS or TBT Committee to propose agenda items. RCEP focuses on trade facilitation: unified customs procedures, 48-hour clearance targets, etc. (in line with the WTO's TFA). (Chapter 5)	promoting good regulatory practices and sustainable regulatory cooperation. SPS and TBT committees were established for consultation and harmonization of standards among member countries. The CPTPP also has a dedicated chapter on Regulatory Coherence and Disciplines to reduce technical and administrative barriers and ensure that technical/SPS standards are transparent and science-based.

Source: By the author, 2025

The RCEP and CPTPP offer distinct benefits for Vietnam: RCEP broadens Asian economic integration with looser and more inclusive rules, while CPTPP promotes deeper integration with higher standards. The policy comparison above shows that CPTPP excels in the scope of liberalization and the quality of its rules (including environmental and labor issues), while RCEP excels in its broad geographic reach and ease of implementation for developing countries. For Vietnam, participation in both agreements offers optimal opportunities—increased exports and investment, strengthened regional bargaining power, and a long-term domestic reform roadmap—provided that Vietnam can fulfill its commitments and capitalize on the advantages offered by these landmark agreements.

Comparing these two agreements, it can be concluded that the structure and characteristics of the CPTPP and RCEP reflect two distinct approaches to regional trade governance. The CPTPP represents deep, rules-based trade liberalization, while the RCEP represents a gradual, consensus-based integration approach. In this context, Vietnam's dual membership in both agreements demonstrates its ability to maneuver geoeconomically, leveraging the flexibility of the RCEP to strengthen regional integration while simultaneously using the CPTPP as a catalyst for domestic reform and global market expansion.

Vietnam's membership in RCEP and CPTPP

Vietnam has exhibited its dedication to regional economic integration by participating in two significant free trade agreements: CPTPP and RCEP. Following the United States' exit from these agreements in 2017, eleven countries, including Vietnam, acceded to the CPTPP in March 2018, with Vietnam formally ratifying it on November 12, 2018 (Legum, 2021). With its entry into force on January 14, 2019, the CPTPP Agreement began a new chapter in Vietnam's economic integration into the tight trans-Pacific economy. Meanwhile, the RCEP stems from the ASEAN integration framework initiated at the 2011 ASEAN Summit, and the negotiation phase began in 2012 (Rillo, 2022). Vietnam has participated fully in all phases of the RCEP discussions. On November 15, 2020, during the 37th ASEAN Summit presided over by Vietnam, the RCEP was successfully ratified following nearly a decade of discussions involving 15 nations. The RCEP became effective on January 1, 2022, for the initial ten countries that ratified it, including Vietnam.

Vietnam's decision to join the CPTPP and RCEP was driven by consistent long-term foreign policy considerations, namely the diversification and multilateralization of international relations to protect national interests and strategic autonomy. Since the Doi Moi (economic reform) era in the late 1980s, Vietnam has adhered to an independent, sovereign, diversified, and multilateral foreign policy, being a friend to all countries and a responsible member of the international community (vietnam law magazine, 2024). Vietnam's participation in 17 Free Trade Agreements by 2025, covering more than 60 partners across five continents, demonstrates that Vietnam views trade agreements as a way to connect its domestic economy to global economic standards (vietnam law magazine, 2025) .

Vietnam's accession to the CPTPP and RCEP aligns with its strategic foreign policy balance. First, Vietnam economically seeks to expand market access and attract investment from around the world. The CPTPP offers deeper access to previously unreachable North and Latin American markets, such as Canada, Mexico, and Peru, as well as closer partnerships with developed Asia-Pacific countries (Japan, Australia, etc.). Vietnam recognizes that over-reliance on a few trading partners can be detrimental, as demonstrated by the COVID-19 pandemic, which temporarily hampered trade with China (Stoffers, 2024). Similarly, the RCEP promises to consolidate economic ties with East Asian and Pacific countries that are Vietnam's largest investors and trading partners, such as China, Japan, South Korea, Singapore, Thailand, and Australia (Dat, 2022).

Second, geopolitically, Vietnam's entry into the CPTPP and RCEP adheres to the "Four No's Defense Policy," a foreign policy that includes no participation in military alliances, no siding with one country against another, no foreign military bases or the use of Vietnamese territory against other countries, and no use of force or threat of use of force in international relations (Minh, 2023). This concept ensures that Vietnam will not be caught in different conflict blocs. Collaborating with the CPTPP (which involves Pacific economies without China) and the RCEP (which involves ASEAN and China) is an example of a multi-pronged approach. They can strengthen relations with countries that support free trade, such as Japan, Australia, and Canada, through the CPTPP and maintain close economic ties with China and Korea through the RCEP. In this regard, Vietnam's foreign policy motivations are clearly centered on the desire to strengthen the country's bargaining position and power amidst great power competition, with economic integration being used to build profitable relationships with various groups (Pitakdumrongkit, 2021)

Vietnam has engaged in two significant regional economic integrations with many nations, illustrating the implementation of a hedging strategy in its foreign policy. In theory, a hedging strategy combines competitive and collaborative strategies against major powers to maintain balance amidst uncertainty (Gonzalez Pujol, 2024). Hedging strategy indicates a country taking steps to avoid taking sides, thereby gaining benefits from all sides and reducing the risk of confrontation. This strategy differs from balancing, which means allying against one power, or bandwagoning, which means fully siding with one power. Countries in the Asia-Pacific use hedging as a primary strategy in dealing with the rise of China and the uncertainty of the United States' commitment (Gonzalez Pujol, 2024). In this case, Vietnam implements a hedging strategy by maintaining relations with various major powers (the US, China, Japan) without fully siding with any one. This enables Vietnam to escape the geopolitical traps of inter-power confrontation, maintain positive relations with China and Russia, and deepen collaboration with the US, including advancing their relations to a comprehensive strategic alliance.

Economic Impact of Vietnam's Membership in RCEP and CPTPP

According to World Bank estimates, the RCEP is predicted to increase Vietnam's GDP by 4.9% and its exports by 11.4% by 2030 (Nguyen, 2022). Vietnam's leading exports that will benefit include information technology, footwear, agricultural products, automotive products, and telecommunications (Hanh, 2024). Furthermore, the RCEP simplifies cross-border rules of origin (unified rules of origin), streamlining regional supply chains. This simplification encourages foreign investors to adopt the China+1 model, for example, producing goods in Vietnam with raw materials supplied from China. Consequently, the value of Vietnam's exports to RCEP members continues to grow. Labor-intensive sectors such as garments, textiles, and footwear, as well as domestic consumption sectors (tourism, education, retail), are also expected to benefit as the middle class expands in the RCEP region (Shira, 2022).

Vietnam also benefits from the RCEP in its agricultural and agro-industrial sectors, as demand for tropical products such as coffee, rice, and fruits increases from member countries with distinct seasonalities. By adopting standardized technical protocols, Vietnam can enhance the quality of its agricultural products to satisfy the stringent food safety requirements of Japan, South Korea, and China. Consequently, the value of Vietnam's agricultural exports to the RCEP region increased by 9% in the first year of implementation. This also strengthens the resilience of Vietnam's rural economy amidst global price fluctuations.

From a hedging strategy perspective, Vietnam's participation in the RCEP can be interpreted as an attempt to remain integrated into an economic architecture dominated by

China and its allies, without making an absolute political commitment. In other words, while the RCEP opens up significant economic opportunities through the integration of East Asian supply chains and increased exports, Vietnam maintains strategic room for maneuver through its simultaneous involvement in the CPTPP. Within a hedging framework, the RCEP serves as a tool for economic engagement, leveraging it to strengthen domestic economic growth while simultaneously providing a buffer against political pressure or structural dependence on a single major economic power. This strategy reflects the key characteristics of hedging: maximizing economic benefits while minimizing long-term political risks.

**Table 2 Vietnam's Gross Domestic Product (GDP) 2019-2024
(in US\$)**

Year	GDP Nominal (Billion US\$)	GDP Real (Billion US\$)	GDP Growth (%)
2019	334,47	314,95	7,4
2020	346,62	323,97	2,9
2021	366,47	332,25	2,6
2022	413,45	360,61	8,5
2023	433,86	378,88	5,1
2024	476,39	405,74	7,1

Source: World Bank, 2025

During the 2019–2024 period, both nominal and real GDP of Vietnam experienced a consistent upward trend. In 2019, nominal GDP rose from US\$334.47 billion to US\$476.39 billion in 2024, an increase of approximately 42.4%. Simultaneously, real GDP, inflation-adjusted, increased from US\$314.95 billion in 2019 to US\$405.74 billion in 2024, representing an approximate growth of 28.8%. (World Bank, 2025). The increase in real GDP indicates a real growth in production and services, not simply due to inflation. A post-pandemic rebound has occurred; for example, Vietnam's GDP grew 8.5% in 2022. Vietnam's GDP figures (both nominal and real) and GDP growth have shown significant increases in the period after joining RCEP and CPTPP. Prior to 2019, GDP growth reached a maximum of 7%, while starting in 2019, Vietnam's GDP growth reached 8.5%.

Before joining the CPTPP, Vietnam's exports focused solely on traditional partners such as Japan, Singapore, Malaysia, and Australia which were already connected through previous regional FTAs. Between 2015 and 2018, Vietnam did not export many goods to Canada and Mexico. However, Vietnam's trading partner patterns changed significantly after officially joining the CPTPP, which took effect in 2019. In 2024, Vietnam's trade with CPTPP countries increased significantly to \$102.1 billion, up 6.8% from 2023, and accounting for 13% of Vietnam's foreign trade (VietnamPlus, 2025). Although external factors such as the pandemic temporarily halted Vietnam's economic growth, these figures demonstrate that CPTPP membership has helped Vietnam's overall economic and export growth.

Leading products in the CPTPP market include electronics (including semiconductor components), seafood (such as shrimp), and wood products (WTO Center, 2025). Furthermore, Vietnam's agricultural commodities, textiles, and footwear now have a growing market share in Canada, Mexico, and Peru thanks to the CPTPP's preferential tariff scheme (VOV, 2025). Technology products such as mobile phones and electronic components now lead Vietnam's exports to the CPTPP bloc, accounting for approximately 20% and 16% of total exports to the CPTPP, respectively (VOV, 2025). These leading products are machinery at 9%, textiles at 10%, and footwear at 7%. This indicates an increasing contribution of technology-enabled manufactured products to Vietnam's export portfolio post-CPTPP (VOV, 2025).

Vietnam's membership in the CPTPP has also led to significant foreign direct investment (FDI) inflows into Vietnam. FDI flows from CPTPP countries have increased rapidly, from approximately US\$9.5 billion in 2019 to US\$11.5 billion in 2022 (Stoffers, 2024). Singapore and Japan are the largest contributors (US\$6.4 billion and US\$4.7 billion, respectively, in 2022 (Stoffers, 2024). Furthermore, the CPTPP has forced Vietnam to

undertake institutional reforms (e.g., labor and environmental standards) to meet its commitments. These reforms have improved product quality and increased investment attractiveness, as stricter regulations have brought Vietnam's exports into line with global standards.

Political Impact of Vietnam's Membership in RCEP and CPTPP

Vietnam enjoys a better strategic position within the Asia-Pacific political-economic structure as a member of the RCEP. RCEP was established at the initiative of ASEAN, so Vietnam's membership also confirms ASEAN's centrality in the region's trade architecture. This is important for Vietnam because it ensures that the interests of ASEAN countries (including Vietnam) are accommodated within the Asia-Pacific trade rules of the game (Yen, 2021). Vietnam has a strategic opportunity as a member of RCEP and CPTPP to help "shape the rules of the game" for regional trade for the benefit of its people and businesses. The RCEP affords Vietnam the ability to engage in establishing regional trade standards and norms, allowing it to go from merely adhering to rules to actively shaping them within its capacity.

Geopolitically, Vietnam's involvement in the RCEP impacts its strategic maneuvering among major Asia-Pacific powers, particularly with regard to diversifying economic partnerships and balancing the influence of China and other countries. While the RCEP increases Vietnam's economic dependence on China due to its large imports and market, it also provides Vietnam with access to the vast markets of Japan and South Korea without relying on China (Nguyen, 2022). Data from 2020 showed that 55% of Vietnam's foreign trade occurred with RCEP countries, with China, Japan, and South Korea being the main contributors (Yen, 2021). RCEP membership helps Vietnam secure market access to these countries more permanently through common rules, which in turn reduces the risk of bilateral tensions. For example, past Vietnam-China political conflicts (e.g., in the East Sea or South China Sea) have often raised concerns about unilateral trade restrictions. With the RCEP, trade relations are governed by collective agreements, making it impossible for any single country to exclude Vietnam without violating multilateral commitments (Yen, 2021). In this context, the RCEP provides Vietnam with a subtle geopolitical tool, strengthening economic engagement with China within a rules-governed framework while also keeping the door open to other markets (Japan and Korea) to balance influence.

Furthermore, although the CPTPP has fewer member countries than the RCEP, Vietnam's participation could enhance its strategic position within the Asia-Pacific political and economic dynamics. For Vietnam, joining the CPTPP in early 2019 symbolizes its commitment to high international trade standards and progressive domestic reforms (Menon, 2024). This enhances Vietnam's strategic position as a reformist and pro-free trade nation in the eyes of the world (vietnam law magazine, 2024). This increases Vietnam's attractiveness to investors and advanced trading partners.

Vietnam's ambition to balance the influence of major countries and diversify international ties is supported geopolitically by its entrance to the CPTPP. By working with Canada, Australia, New Zealand, Japan, and Latin America, Vietnam hopes to reduce its economic reliance on China through its admission to the CPTPP. This aligns with Vietnam's geopolitical goal of "diversifying and multilateralizing" its foreign relations, meaning that no single country, including China, can control Vietnam's international relations. As a result, Vietnam's current economic structure is spread across multiple regions, not dominated by just two neighboring countries. This diversification of partners strengthens Vietnam's bargaining position. For example, if a conflict arises in one relationship, such as China's trade tightening, Vietnam can shift its exports to a different CPTPP market (Stoffers, 2024). Throughout the global COVID-19 epidemic, Vietnam sustained its economic growth by leveraging raw material imports and exports to CPTPP nations, despite interruptions in China's supply chain.

Furthermore, Vietnam's involvement in the CPTPP has significant geopolitical consequences due to the balance of power between China and the United States. The

CPTPP, while not including the US, corresponds with the US objective of promoting free trade in the Indo-Pacific. Being a member makes Vietnam a strategic partner for the US, as Vietnam continues to defend the TPP. Unsurprisingly, the Vietnam-US relationship continues to thrive. This is due to the shared belief that Vietnam supports a strong trade order that aligns with US interests. Conversely, after the US left the CPTPP, Japan has established a special strategic partnership with Vietnam. Japan regards Vietnam as a pivotal actor in Southeast Asia capable of facilitating the expansion of the regional economy during China's ascendance. Vietnam-Japan relations have also reached the level of an Extensive Strategic Partnership (ESP), extending from trade to defense. Vietnam has also increased strategic communication with Australia and Canada, facilitated by the close relationship established through the CPTPP. This includes discussions on maritime security with Australia and a green economy working group with Canada.

In addition to market diversification, the CPTPP provides Vietnam with geopolitical leverage. Vietnam has demonstrated its ability to meet the CPTPP's requirements, such as labor rights reforms and government transparency. This enhances Vietnam's international legitimacy in terms of governance, giving it greater confidence in global forums. For example, Vietnam could participate in the US-sponsored Indo-Pacific Economic Framework (IPEF) negotiations in 2022 and contribute based on its experience with the CPTPP. However, the IPEF is not an FTA, but rather an economic cooperation framework.

Vietnam's membership in the RCEP clearly reflects its hedging strategy. In international politics, hedging means taking action to balance relations with competing major powers without taking a firm stance against either party (Waechter, 2023). In the context of the RCEP, Vietnam is protecting China's influence by remaining engaged but cautious. Vietnam avoids the risk of unilateral dependence by joining the RCEP, ensuring that it is not excluded from Asian economic integration involving China. With the RCEP, Vietnam can gain economic benefits from China, such as market access and lower raw material prices, without having to forge a political alliance with China. However, Vietnam does not necessarily allow the RCEP to become a vehicle for China to dominate the market. For example, Vietnam and ASEAN are pushing for inclusiveness within the RCEP, meaning new members can join freely.

On the other hand, membership in the CPTPP provides Vietnam with a path to economic integration independent of China, and was originally designed as a counter to Chinese economic hegemony. Vietnam's active participation in the CPTPP demonstrates to China that it has a strong alternative economic alliance, reducing its vulnerability to potential economic pressures from China. In this regard, the CPTPP also serves as a geopolitical strategy for Vietnam, meaning that even if relations with China deteriorate, Vietnam still has access to extensive alternative markets and support from developed CPTPP member countries. This enhances Vietnam's bargaining position vis-a-vis China, and it is expected to be more cautious in using economic coercion against Vietnam.

Equally important, Vietnam's hedging strategy through RCEP complements its participation in the CPTPP. By being in both blocs simultaneously, Vietnam sends a strong signal that it is not fully aligned with the Chinese, Western, or Japanese axis. Vietnam, along with several other ASEAN countries, is implementing "ASEAN-wide hedging," which means embracing various Indo-Pacific initiatives, from RCEP to CPTPP, to maximize economic benefits while avoiding confrontation. This strategy is considered effective for developing countries like Vietnam, which borders China and maintains close partnerships with the US.

CONCLUSION

Vietnam has participated in two major trade agreements: RCEP and the CPTPP. Formally joining all agreements in 2020 for RCEP and 2019 for CPTPP demonstrates the country's strong commitment to global economic integration by leveraging the market potential of both countries. Although different, Vietnam benefits significantly from both RCEP and CPTPP membership, gaining significant economic and political strategic benefits.

In terms of economic impact, both memberships have significantly contributed to increased exports, growth in foreign direct investment (FDI), and diversification of Vietnam's

export markets. Through the RCEP, Vietnam solidified its role in the regional supply chain by offering tariff advantages and standardized rules of origin, promoting the transfer of production from nations like South Korea and Japan to Vietnam. Meanwhile, CPTPP played a key role in opening markets based on near-zero preferential tariffs for leading products such as textiles, footwear, and fisheries to countries in the Americas and the Pacific. Politically, Vietnam's active participation in both blocs also strengthened its capacity for economic diplomacy and expanded its sphere of influence in regional economic policymaking.

Vietnam's hedging strategy is evident in its participation in both agreements. Without siding exclusively with any one major power, this strategy leverages the economic advantages of both parties. Through the RCEP, Vietnam is strengthening its economic ties with geographically and historically close countries, while remaining independent by deepening ties through the CPTPP, which has more ambitious trade and economic governance standards. By adopting this approach, Vietnam can reduce its dependence on any one power, enhance its economic strength, and maintain its policy autonomy abroad amidst growing geopolitical competition in the ASEAN.

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