**The impact of the trade war between the United States and the People’s Republic of China on the economy of the Socialist Republic of Vietnam**

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In 2018, a trade war between the United States and China broke out. This happened after US President Donald Trump began to impose import duties on Chinese goods. Beijing retaliated with mirror action against Washington.

A third party that manages to enter the market of a participant in the conflict, replacing his rival, is often the winner in a trade war. The Socialist Republic of Vietnam (SRV) has been such a market where there is no need to pay taxes, which has contributed to the economic recovery of Vietnam due to the active inflow of foreign investment. On the one hand, Vietnam needs to broaden already existing cooperation mechanisms with the USA, and on the other hand, to increase the efficiency of trade and direct investment with the PRC; as a consequence, Vietnam is now enjoying significant advantages in achieving political and economic goals. This unequal triangle, however, entails a variety of questions. Thus, being in the center of the confrontation between the two largest states, Vietnam needs to adhere to a certain strategy to maintain the balance of power. Otherwise, the imbalances in diversification can lead to harmful imbalances in the economy of not only Vietnam, but of the entire Asia-Pacific region, which determines **the relevance of this study**.

**The scientific problem** lies in the fact that, balancing between the two largest powers, when choosing a priority in favor of one or another partner, not only economic and political risks for Vietnam arise, but also security risks that will significantly change the geopolitical map of the world.

**The methodological basis of the research** is based on the principles of reliability and scientific objectivity. The following research methods were used as part of an integrated approach to the study of both the Vietnamese economy as a whole and in its individual segments: the historical-genetic method, which allows us to identify the origins of the trade war, the narrative method, which allows us to consistently recall relations between the countries. In addition, the author uses the comparative method in order to identify similarities and differences in the approaches of Vietnam in building complex relations with both the United States and China. Among the main research methods, the author uses the systemic, economic and statistical method, as well as the method of forecasting.

**The theoretical basis of this study** was the works of leading Vietnamese and foreign scientists on the functioning of the modern world economy and international economic relations. Among the Vietnamese scientists dealing with the issues of foreign economic relations of Vietnam, the following academic economists can be distinguished: Vo Chi Thanh, Nguyen Minh Fong, Duong Huu Han, Bui Xuan Luu, etc. Western European, American, Asian experts are also increasingly interested in the economic problems of Vietnam's development: Thayer C., Kazi M., Fukase E., Martin W., and so on. Among Russian researchers, there should be take into account the works of Karpov A., Nevel'skij A., Kolotov V., Mazyrin V.., Zelenkova M. etc. It should be noted, however, that so far no comprehensive approach has been proposed to the study of modern problems of the development of the Vietnamese economy in the conditions of balancing between the United States and China. In addition, when studying and identifying the vectors of Vietnam's development for the purpose of its international integration, the author used materials of the 12th CPV Central Committee.

The author has proved the **hypothesis:** Vietnam’s economy enjoys only short-term benefits from the redirection of trade flows and supply chains while in a long-term country’s reputation as a low-cost manufacturing hub for foreign investors can be negatively impacted. Plus, the high dependence on FDI puts Vietnam in a dangerous position given a world crisis.