

Vietnam - Brazil Bilateral Trade Relation: The Assessment via Trade Complementarity Index

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Abstract: *This paper assesses the current situation the bilateral trade relation between Vietnam and Brazil in the context of the enhanced Vietnam - Brazil relationship, the two countries are both seriously looking for potential trading partners. This quantitative analysis using trade complementarity index (TCI) between Viet Nam and Brazil, in comparison with that of some noticeable competitors, is to clarify the potentials, main trends of the bilateral trade relation laying both theoretical and practical ground for recommendations on trade policies and trade promotion measures.*

Key words: *Vietnam - Brazil bilateral trade relation, trade complementarity index, foreign trade structure, competitors.*

1. Introduction

The Diplomatic between Vietnam and Brazil has been established for 33 years (since 1989). In the first 15 years, due to the long distance and sluggish economic development of Vietnam, the bilateral trade volume was very modest. In this period, each country imported and exported a value of tens of US\$ millions from and to the other and the trading flows were very simple and the increased value was small.

For the last 15 years, since Vietnam has adopted the export-oriented economic policy with the participation of foreign enterprises, the economic situation has improved quickly helping the export volume to Brazil increase by hundreds of US\$ million per annum. Vice versa, the Vietnamese importation from Brazil has rapidly grown, noticeably imported commodities are cereals, animal feed, oil seeds, and minerals.

In 2019, the export revenue of Vietnam to Brazil reached US\$ 2,147 million (an increase of 67-folds from the revenue of 2004), the imported value from Brazil was US\$ 2,747 million (by 72 folds of that in 2004)³

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