Country Report on Market Access for

Vietnam

and the Mercosur's position in trade

GRUPO DE PAÍSES PRODUCTORES DEL SUR

GROUP OF PRODUCING COUNTRIES FROM THE SOUTHERN CONE

Updated on
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Country report on Vietnam

Summary

- Vietnam's GDP per capita represents one-third of the global average. Agriculture has the lowest value-added contribution, accounting for 11.9% of the total GDP.
- Demand is expected to increase by around 10% by 2030, with half of this growth being for food consumption. Cereals, meats, and vegetables are projected to be the most important sectors in terms of demand.
- On average, Vietnam maintains a positive overall trade balance, but it is negative with MERCOSUR. This negative balance primarily stems from the agricultural sector.
- Ninety-nine percent of imports from MERCOSUR come from Argentina and Brazil, making MERCOSUR the main supplier of Vietnam's imports.
- The most important imported products are corn, coconut, soybean residues for animal feed, and wheat, with MERCOSUR accounting for more than 20% of Vietnam's total agricultural imports.
- The number of tariff measures has increased in recent years, with liberalization measures being the most frequent.
- Paraguay and Uruguay have a greater number of products with potential for export growth. These countries have a low share of Vietnam's total imports for these products. In contrast, the export products from Argentina and Brazil already have a high share of Vietnam's imports.
- Several products are at risk of losing competitiveness. This effect would be more negative in cases where Vietnam is an important destination or already has a considerable share of MERCOSUR's

Population

98.2 Millons

1.2% Share of World Population

0.73 % Growth Rate Annual Population

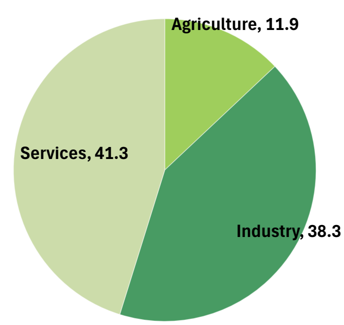
0.79 % Growth Rate Annual World Population

Economy

	Vietnam	% of World
GDP (billions of USD 2022*)	408.8	0.41

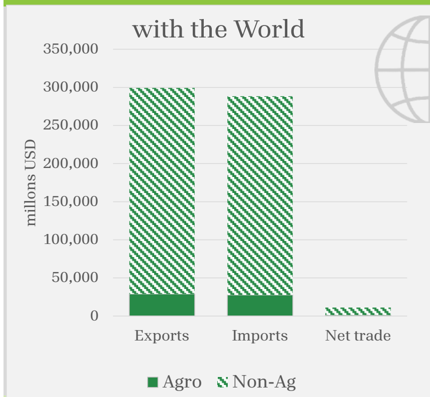
	Vietnam	World Avg.
GDP per capita (USD 2022*)	4,163.5	12,687.7
GDP growth (annual %)	8.0	3.1
Trade (% of GDP)**	185.7	62.6

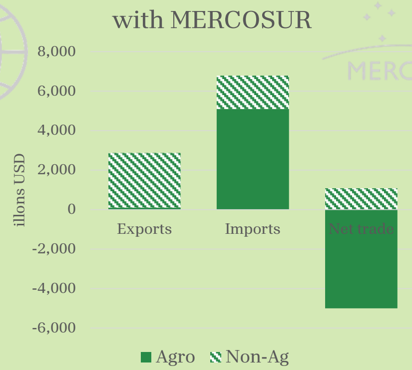
Value Added by Sectors (% of 2022 GDP)

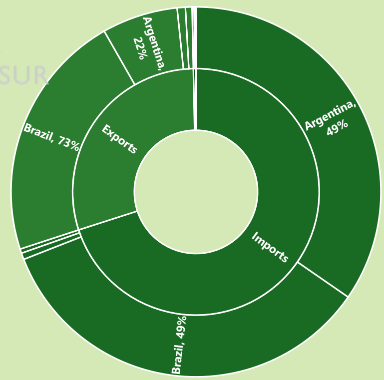


Notes: * in current USD for the year 2022 - latest available; ** Both exports and imports are measured as a proportion of GDP. Source: World Bank - WDI 2024

Average Trade 2018-2022 of Vietnam





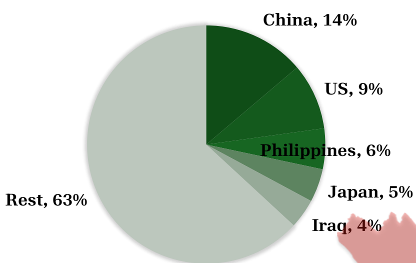


Vietnam has a trade surplus with the world in both agricultural and non-Ag products. Nearly **10% of Vietnam's global trade involves the agricultural sector.** However, the country has a **trade deficit with MERCOSUR, averaging around $3.9 billion (2018-2022),** primarily due to agricultural trade. Over **98% of Vietnam's imports from MERCOSUR are sourced from Argentina (49.5%) and Brazil (49.2%). Conversely, Brazil is the primary destination for Vietnam's exports, accounting for 73%.**

Agricultural average trade 2018-2022 of Vietnam

Exports

Main Destinations



Mercosur's position:

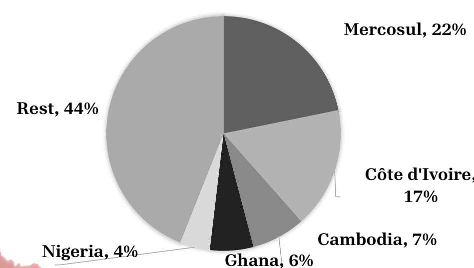
	Position
Mercosur	**28º**
Argentina	77º
Brazil	33º
Paraguay	94º
Uruguay	83º

Top -10 of exported products

	Products	USD millons	Share on total (%)
0801	Coconuts	3,051	9.5%
0304	Fillets and other fish meat	2,934	9.1%
1006	Rice	2,809	8.7%
0306	Crustaceans	2,651	8.2%
0901	Coffee	2,439	7.6%
0306	Crustaceans	2,230	6.9%
1605	Prepared crustaceans	1,752	5.4%
0810	Other fruits or other edible parts of plants	1,518	4.7%
1108	Starch and starch	934	2.9%
0904	Pepper of the genus Piper	791	2.5%
	Total Top-10	**21,109**	**65%**

Imports

Main Origins



Mercosur's position:

	Position
Mercosur	**1º**
Argentina	2º
Brazil	3º
Paraguay	31º
Uruguay	49º

Top -10 of imported products

	Products	USD millons	Share on total (%)
1005	Maize	2,603	10.0%
0801	Coconuts	2,303	8.9%
2304	Cakes and other solid residues from the extraction of soybean oil	2,237	8.6%
1001	Wheat and meslin	1,121	4.3%
1201	Soybeans	937	3.6%
2106	Food preparations	887	3.4%
0303	Frozen fish	828	3.2%
1511	Palm oil and its fractions	814	3.1%
0306	Crustaceans	664	2.6%
2301	Fish meal and pellets	650	2.5%
	Total Top-10	**13,044**	**50%**

Source: Compiled by GPPS based on Comtrade data (Avg 2018-22).

The relevance of Vietnam's trade with MERCOSUR lies mainly in imports, as MERCOSUR countries have a low share in Vietnam's exports. **MERCOSUR is the primary supplier of Vietnam's imports.**

Four out of the top ten products imported by Vietnam are exported by MERCOSUR countries.

Tariff measures

WTO Tariff Profile

Tariffs and imports in total

Total		Total	Ag	Non-Ag	WTO member since		2007
Simple average final bound		11.7	18.8	10.5	Binding coverage:	Total	100
MFN applied						Non-ag	100
Simple average	2022	9.6	17.1	8.4	Ag: Tariff quotas (in %)		1.5
Trade weighted average	2022	5.1	10.8	4.5	Ag: Special safeguards (in %)		0
Imports in billion US$	2021	326.3	29.6	296.7			

Tariffs and imports in duty ranges

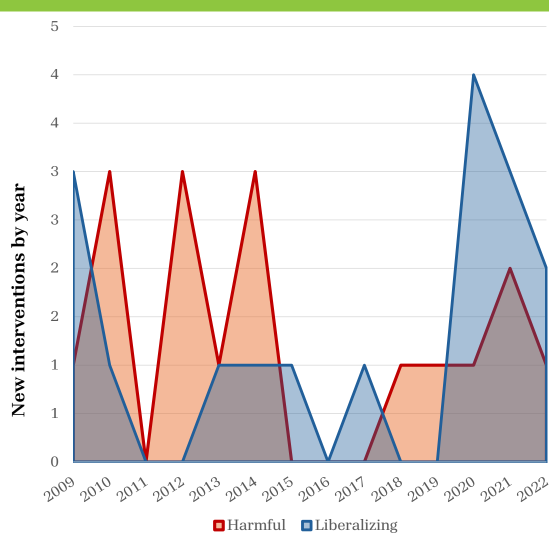
Frequency distribution		Duty-free	0 <= 5	5 <= 10	10 <= 15	15 <= 25	25 <= 50	50 <= 100	> 100	NAV
		Tariff lines and import values (in %)								in %
Agricultural products										
Final bound		8.6	17.1	19.2	8.9	20.2	23.1	2.7	0.3	0.0
NMF applied	2022	15.5	17.5	14.7	10.3	17.4	22.4	1.8	0.3	0.0
Imports	2021	35.2	28.4	6.4	7.4	5.8	13.5	3.4	0.0	0.0

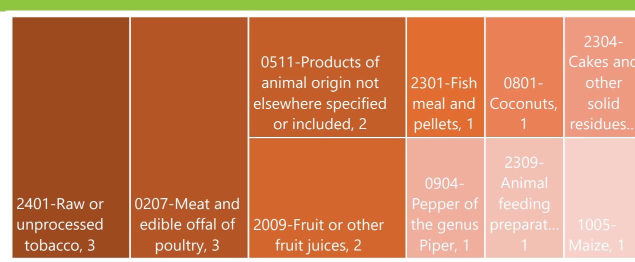
Tariffs and imports by product groups

Product groups	Final bound duties				MFN applied duties			Imports	
	AVG	Duty-free in %	Max	Binding in %	AVG	Duty-free in %	Max	Share in %	Duty-free in %
Animal products	14.3	8.4	40.0	100.0	14.2	8.3	40.0	0.6	2.0
Dairy products	16.7	0.0	35.0	100.0	8.5	4.8	20.0	0.2	10.7
Fruit, vegetables, plants	20.8	7.6	40.0	100.0	20.2	7.9	40.0	1.8	1.8
Coffee, tea	26.8	0.0	40.0	100.0	24.5	0.0	40.0	0.1	0.0
Cereals & preparations	20.5	3.8	80.0	100.0	18.7	17.0	80.0	2.3	27.3
Oilseeds, fats & oils	11.3	1.8	35.0	100.0	8.6	15.1	35.0	1.8	55.4
Sugars and confectionery	36.4	11.8	100.0	100.0	33.7	11.8	100.0	0.3	2.9
Beverages & tobacco	50.1	0.0	135.0	100.0	45.8	0.0	135.0	0.2	0.0
Cotton	14.0	20.0	20.0	100.0	6.0	40.0	10.0	0.9	100.0
Other agricultural products	8.2	22.9	20.0	100.0	6.6	42.2	20.0	0.8	70.5
Fish & fish products	17.9	0.8	35.0	100.0	15.1	9.8	35.0	0.6	37.6

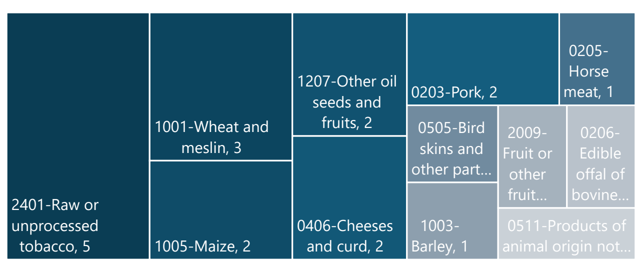
Source: WTO Tariff profile of Vietnam. URL: https://www.wto.org/spanish/res_s/publications_s/world_tariff_profiles23_s.htm

Non-tariff measures





Products most affected by discriminatory measures

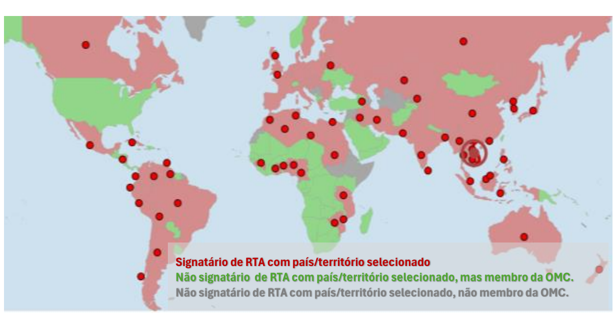


Products most affected by liberalization measures

Notes: Both graphs show the number of interventions. Source: Global Trade Alert. URL: http://www.globaltradealert.org/

Trade agreements

Participation in RTAs on goods and services



Fonte: Extraído de WTO - https://www.wto.org/

Agreements in force

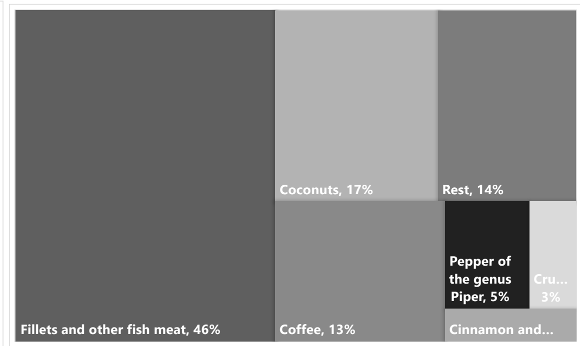
1. ASEAN-Australia-New Zealand
2. ASEAN -China
3. ASEAN- Hong Kong, China
4. ASEAN -India
5. ASEAN -Japan
6. ASEAN- Rep. of Korea
7. ASEAN -Free Trade Area
8. Chile - Vietnam
9. Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)
10. EU- Vietnam
11. Eurasian Economic Union (EAEU) - Vietnam
12. Global System of Trade Preferences between Developing Countries (SGPC)
13. Japan - Vietnam
14. Rep. of Korea - Vietnam
15. United Kingdom - Vietnam

Vietnam's bilateral agricultural trade with MERCOSUR countries

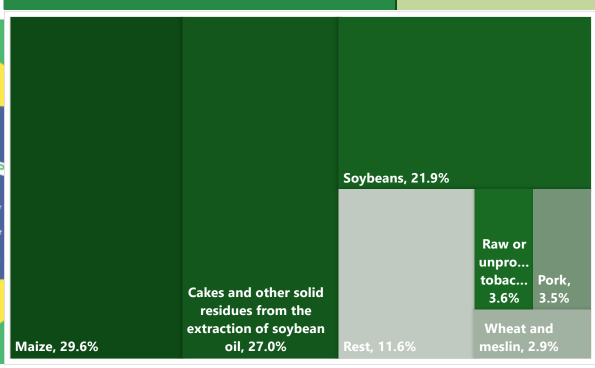
This section presents the agricultural trade of the Vietnam with each of the MERCOSUR countries**. It provides insights into the main agricultural products traded between the Vietnam and individual MERCOSUR countries**, along with the average bilateral trade amounts (in current USD) from 2018 to 2022.

It highlights the heterogeneity of exports and imports among MERCOSUR countries; aggregating them hide the relative importance of trade with Paraguay and Uruguay, placing greater emphasis on Brazil and Argentina due to their significantly larger trade volumes.

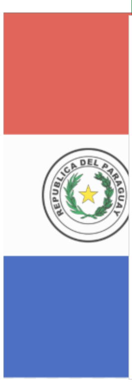
Argentina's exports to Vietnam: 3,247.0 millons USD | **Vietnan's exports to Argentina: 6.7 millons USD**

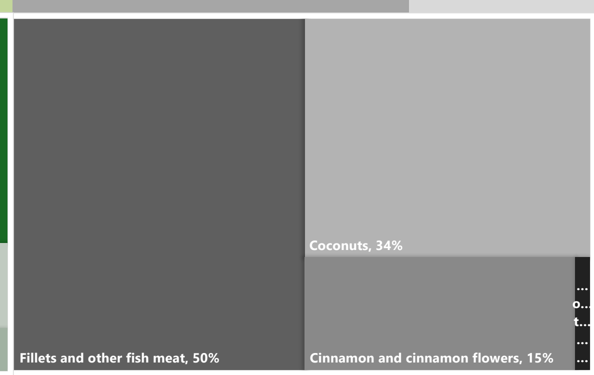


Brazil's exports to Vietnam: 1,859.7 millons USD | **Vietnan's exports to Brazil: 84.5 millons USD**

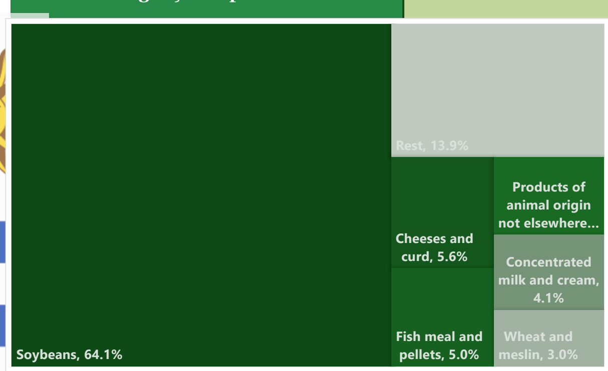


Paraguay's exports to Vietnam: 44.5 millons USD | **Vietnan's exports to Paraguay: 0.19 millons USD**





Uruguay's exports to Vietnam: 38.7 millons USD | **Vietnan's exports to Uruguay: 3.4 millons USD**



Notes: Values are averages for 2018-2022. The top 6 products are shown. Source: Comtrade 2024.

Products from MERCOSUR countries with Potential-Threat in Vietnam

Methodology

The **Potential (or Threat) of exporting a product is analyzed for each of the MERCOSUR countries**, considering products classified at the four-digit Harmonized System (HS04) level.

The analysis is conducted based on the calculation and interpretation of the Revealed Comparative Advantage (RCA) index following Lima & Álvarez (2008).

A product is considered to have export ***Potential*** **if the exporting MERCOSUR country has a Revealed Comparative Advantage** (RCA index >= 1) in its exports, **and the importing country also has a Revealed Comparative Advantage** (RCA index >= 1) in its imports of the same productn, indicating export risks.

The data source used is COMTRADE, and all values are averaged over 2018-2022.

Analysis by MERCOSUR country

Product		Have:	Argentine exports to Vietnam (USD millions)	World (USD millions)	Vietnam relevance on Argentine exports	Vietnam imports from World (USD millions)	Argentine relevance on Vietnam's total imports (in %)
1005	Maize	Potential	1,555	6,777	23%	2,603	59.8%
2304	Cakes and other solid residues from the extraction of soybe	Potential	1,498	12,347	12%	2,237	66.9%
1212	Carobs	Threat	0.1	1.0	8%	38	0.2%
1404	Vegetable products not elsewhere specified or included	Threat	0.0	0.5	9%	5	0.9%
2301	Fish meal and pellets	Threat	15.1	66.8	23%	650	2.3%
0404	Whey	Threat	1.3	102.8	1%	73	1.7%
0406	Cheeses and curd	Threat	1.2	283.8	0%	57	2.1%
0701	Potatoes	Threat	0.2	9.1	2%	29	0.6%
0703	Onions	Threat	0.4	212.0	0%	104	0.4%
0713	Shelled dried vegetables	Threat	2.4	575.37	0%	126	1.9%
0802	Other fresh or dried nuts	Threat	0.0	40.76	0%	228	0.0%
0902	Tea	Threat	0.3	105.92	0%	22	1.6%

Only t**wo products have been identified with potential for expanding Argentina's exports to Vietnam. Both** products **have a high share in both Argentina's exports and Vietnam's imports.** Therefore, it is recommended to **avoid increasing the current dependence, as this implies higher risk. This recommendation is particularly relevant for Vietnam's imports.**

Among the products at risk of decreased exports to Vietnam, the only ones of significant importance to Argentina are fishmeal and fish pellets, as well as vegetable products (1404) and carob. Argentina's market share in Vietnam does not exceed 2.5%, which heightens the risk of origin substitution

Product		Have:	Brazilian exports to Vietnam (USD millions)	World (USD millions)	Vietnam relevance on Brazilian exports	Vietnam imports from World (USD millions)	Brazil's relevance on Vietnam's total imports (in %)
1005	Maize	Potential	551	6,486	8%	2,603	21.2%
1301	Shellac	Potential	4	74	5%	25	15.7%
2304	Cakes and other solid residues from the extraction of soybe	Potential	502	10,203	5%	2,237	22.4%
2401	Raw or unprocessed tobacco	Potential	66	2,518	3%	262	25.3%
0203	Pork	Potential	65	2,086	3%	212	30.7%
0904	Pepper of the genus Piper	Potential	35	314	11%	103	33.7%
0907	Clove	Potential	0	11	1%	1	8.1%
1001	Wheat and meslin	Threat	53	235	23%	1,121	4.74%
1207	Other oil seeds and fruits	Threat	2	55	4%	86	2.61%
1302	Vegetable juices and extracts	Threat	5	116	4%	77	6.53%
2004	Other frozen preserved vegetables	Threat	0	3	2%	32	0.17%
2301	Fish meal and pellets	Threat	35	135	26%	650	5.31%
2303	Starch industry residues and similar residues	Threat	18	31	59%	418	4.33%
2306	Cakes and other solid residues from the extraction of vegeta	Threat	0	1	12%	288	0.05%
2309	Animal feeding preparations	Threat	16	724	2%	606	2.71%
0102	Live cattle	Threat	24	264	9%	480	4.92%
0404	Whey	Threat	0	1	3%	73	0.03%
0505	Bird skins and other parts	Threat	0	1	4%	268	0.02%
0511	Products of animal origin not elsewhere specified or include	Threat	4	217	2%	78	4.77%
0713	Shelled dried vegetables	Threat	1	105	1%	126	0.49%
0801	Coconuts	Threat	0	176	0%	2,303	0.01%
0802	Other fresh or dried nuts	Threat	0	17	1%	228	0.04%
0811	Frozen fruits and other fruits	Threat	0	25	0%	8	0.11%
0901	Coffee	Threat	6	8,667	0%	84	6.70%
0404	Whey	Threat	0	1	3%	73	0.03%
0505	Bird skins and other parts	Threat	0	1	4%	268	0.02%
0511	Products of animal origin not elsewhere specified or include	Threat	4	217	2%	78	4.77%

Four products with potential for market expansion in Vietnam are relatively important for Brazil. However, Vietnam's share as a destination does not exceed 11%, and since Brazil's share in Vietnam's imports is still moderate (though over 15%), it would be possible to increase it slightly.

At least five products at risk of decreased exports from Brazil require closer attention: Vietnam is a very significant destination, but Brazil's market share in Vietnam is not very high, making substitution easier.

Product		Have:	Paraguayan exports to Vietnam (USD	World (USD millions)	Vietnam relevance on Paraguayan exports	Vietnam imports from World (USD millions)	Paraguay's relevance on Vietnam's total imports (in %)
1001	Wheat and meslin	Potential	3.0	88.3	3%	1,121	0.3%
1005	Maize	Potential	5.6	486.0	1%	2,603	0.2%
1207	Other oil seeds and fruits	Potential	1.1	135.2	1%	86	1.3%
1212	Carobs	Potential	0.1	1.1	11%	38	0.3%
1301	Shellac	Potential	0.12	0.12	100%	25	0.5%
2101	Extracts, essences, and concentrates	Potential	0.2	1.5	11%	54	0.3%
2301	Fish meal and pellets	Potential	12.1	20.0	60%	650	1.9%
2302	Bran, shorts, and other milling residues	Potential	0.7	27.1	3%	134	0.5%
2303	Starch industry residues and similar residues	Potential	5.5	11.7	47%	418	1.3%
2304	Cakes and other solid residues from the extraction of soybe	Potential	15.0	1037.2	1%	2,237	0.7%
0511	Products of animal origin not elsewhere specified or include	Potential	0.2	40.7	0%	78	0.3%
2306	Cakes and other solid residues from the extraction of vegeta	Threat	0.3	0.8	34%	288	0.1%
0207	Meat and edible offal of poultry	Threat	0.2	4.7	3%	256	0.1%
0713	Shelled dried vegetables	Threat	0.1	0.9	8%	126	0.1%
0901	Coffee	Threat	0.0	0.0	28%	84	0.0%

It is worth highlighting the importance of **five products where Paraguay has the potential to increase exports, as their low share in Vietnam's imports suggests a higher likelihood of growing that share**. These products are: 2301, 2303, 2101, 1301, and 1212 (see table for more details).

On the other hand, **all products at risk of decreased exports from Paraguay have a low share in Vietnam, facing relatively higher risks.** Two of these products are significant for Paraguay: 2306 and 0901.

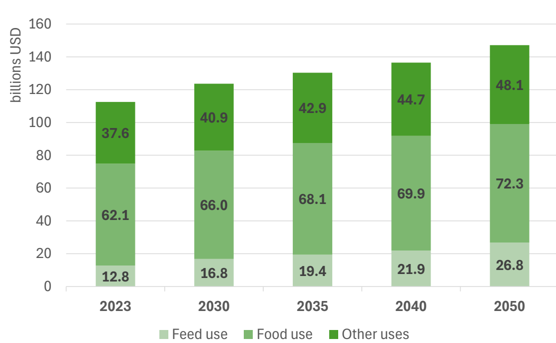
Product		Have:	Uruguayan exports to Vietnam (USD	World (USD millions)	Vietnam relevance on Uruguayan exports	Vietnam imports from World (USD millions)	Uruguay's relevance on Vietnam's total imports (in %)
1201	Soybeans	Potential	24.8	1,064.9	2%	937	2.6%
2301	Fish meal and pellets	Potential	1.9	57.0	3%	650	0.3%
2303	Starch industry residues and similar residues	Potential	0.7	19.6	4%	418	0.2%
2306	Cakes and other solid residues from the extraction of vegeta	Potential	0.7	16.8	4%	288	0.3%
0106	Other live animals	Potential	0.1	0.6	8%	8	0.6%
0307	Mollusks	Potential	0.4	13.8	3%	236	0.2%
0401	Unconcentrated milk and cream	Potential	0.5	5.9	8%	40	1.2%
0402	Concentrated milk and cream	Potential	1.6	271.8	1%	435	0.4%
0405	Butter	Potential	0.3	54.2	1%	84	0.4%
0406	Cheeses and curd	Potential	2.2	86.1	3%	57	3.8%
0511	Products of animal origin not elsewhere specified or include	Potential	1.6	18.0	9%	78	2.1%
1001	Wheat and meslin	Threat	1.2	70.4	2%	1,121	0.1%
2309	Animal feeding preparations	Threat	0.8	5.6	15%	606	0.1%
0303	Frozen fish	Threat	0.2	75.2	0%	828	0.0%
0306	Crustaceans	Threat	0.5	7.0	8%	473	0.1%

Vietnam is an important destination for Uruguay for three products identified with potential for increased exports. This potential is reinforced by Uruguay's currently low market share in these relevant import markets.

Conversely, all products at risk of decreased exports from Uruguay have a low share in Vietnam, facing relatively higher risks of losing their market position. Among these, two products are particularly significant as export destinations for Uruguay.

Food demand projections from Vietnam

Demand projections by 2050, by kind of use



Changes in Food Demand

2050 vs 2023

+31%

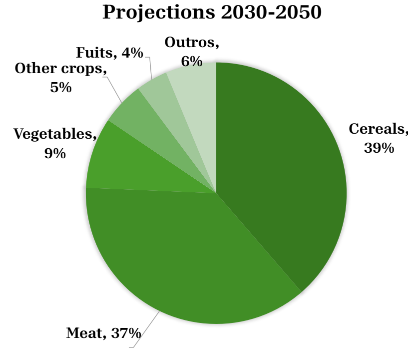
2040 vs 2023

+21%

2030 vs 2023

+10%

Share of Food Categories in Average Projections 2030-2050



Source: FAO- Food and agriculture projections to 2050- Country Data Market

Demand for food in Vietnam is projected to increase by about 10% by 2030. The largest share of this demand will be for human consumption products, while the smallest share will be for animal feed. **The lower demand for animal feed is a negative factor for MERCOSUR, as these products currently dominate its export basket to Vietnam.** However, **examining the composition of the projected demand, cereals and meats have a significant share (76%),** which presents **an opportunity for the region** given its current status as a net exporter with high competitiveness in these products.

Conclusions

Vietnam is a country with a market of 98 million people and a population growth rate similar to the global average. Its per capita GDP is one-third of the global average, but its GDP growth rate is 8% per year, surpassing the global average. Trade is crucial for the country, representing nearly double its GDP.

Argentina and Brazil are among the top trading partners for Vietnam's agricultural imports (2nd and 3rd place, respectively), after Côte d'Ivoire. Imports from these three countries account for 37% of total imports from 2018 to 2022, highlighting MERCOSUR's significant role in Vietnam's import market.

The top 10 imported products make up 50% of total imports, with an average value of $13 billion USD. Generally, tariffs on agroindustrial products are higher compared to other goods; the applied NMF tariff for agricultural products is nearly double that for other products. The highest average tariffs are on beverages and tobacco (45.8%), sugar and confectionery (33.7%), and coffee and tea (24.7%). In contrast, MERCOSUR's exports to Vietnam face average tariffs between 8% and nearly 19%.

Except for Uruguay, all MERCOSUR countries primarily export corn, soy derivatives, and wheat. Uruguay also exports soybeans and is significant in exporting cheeses, fish meal (also for Paraguay), and other animal products. There is a high concentration of MERCOSUR exports to Vietnam by product, with the top three products accounting for over 50% of the total exports to this market per country. This concentration poses a risk to MERCOSUR due to increased dependency.

Vietnam's demand is expected to grow, especially for human consumption food. The potential for increasing exports has been analyzed using revealed comparative advantages, considering both MERCOSUR's exports and Vietnam's imports.

Products with potential for export growth are those with currently low shares in Vietnam's imports. If the share is high, increasing dependence on Vietnam is not advisable; MERCOSUR countries should avoid boosting exports to markets where they already have a high share, as this increases risk.

It is worth noting that a potential economic complementarity agreement between the two regions could benefit certain trade flows currently affected by high tariffs compared to competitors with existing trade agreements. Additionally, such an agreement could diversify MERCOSUR's export matrix to Vietnam, which currently shows high concentration.