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VIETNAM - SOUTH AFRICA TRADE RELATIONS (2014 - 2024): CURRENT STATE AND POLICY IMPLICATIONS FOR VIETNAM

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ABSTRACT

As Viet Nam continues to diversify its export markets and expand its external economic relations, South Africa has emerged as one of Viet Nam's most important trading partners in Africa. Despite the steady development of bilateral trade in recent years, existing studies have mainly focused on Viet Nam - Africa trade in general or on specific aspects of economic cooperation, while comprehensive research on Viet Nam - South Africa trade relations during the 2014 - 2024 period remains limited. This study therefore aims to examine the development of Viet Nam - South Africa trade relations from 2014 to 2024, evaluate major achievements and existing constraints, and propose policy implications to enhance bilateral trade cooperation. The study employs historical - logical analysis, descriptive statistics, synthesis, and an interdisciplinary approach to examine trade trends, commodity structures, and the key factors affecting bilateral trade. The findings indicate that Viet Nam - South Africa trade experienced relatively stable growth during 2014 - 2019, declined due to the Covid-19 pandemic in 2020 - 2021, and recovered from 2022 onward. The commodity structure is highly complementary, with Viet Nam mainly exporting manufactured products while importing minerals, metals, and industrial raw materials from South Africa. However, bilateral trade remains below its potential because of high logistics costs, geographical distance, technical barriers, and limited market information. The study contributes to the existing literature by addressing the research gap on Viet Nam-South Africa trade relations during 2014 - 2024 and providing policy recommendations to strengthen bilateral economic cooperation in the context of global trade restructuring.

KEYWORDS: Commodity structure, bilateral trade, South Africa, Bilateral trade, Viet Nam

1. INTRODUCTION

The orientation set out in the Documents of the 14th National Congress of the Communist Party of Viet Nam (2026) was formulated on the basis of more than three decades of international integration and over a decade of implementing Resolution No. 22-NQ/TW on international integration. In this regard, the documents not only reaffirm Viet Nam's consistent policy of proactive and comprehensive

international integration but also synthesize the country's achievements in expanding and diversifying its external relations, thereby providing an important policy context for understanding the evolution of Viet Nam's bilateral relations with its partners, including South Africa. The Documents of the 14th National Congress affirm: *“Consistently implement the foreign policy of independence, self-reliance, self-strengthening, peace, friendship, cooperation, and development; diversify and expand multilateral relations; and act as a responsible member of the international community. Develop foreign affairs in the new era commensurate with the nation’s historical stature, cultural identity, and international position. Promote the synchronized, innovative, comprehensive, in-depth, and effective implementation of foreign affairs and international integration. Ensure and safeguard the highest national interests on the basis of the fundamental principles of international law and the Charter of the United Nations, on the basis of equality and mutual benefit. Proactively and actively contribute to peace, friendship, cooperation, and sustainable development in the spirit of being a friend, a reliable partner, and an active and responsible member of the international community; and participate proactively and responsibly in addressing regional and global issues”* (Communist Party of Viet Nam, 2026, p. 382). Within this strategic orientation, strengthening economic and trade cooperation with emerging partners, including South Africa, represents an important component of Viet Nam's broader policy of diversifying markets and deepening international economic integration.

In the context of deepening globalization and international economic integration, diversifying export markets has become one of Viet Nam’s strategic orientations to enhance economic resilience and ensure sustainable growth. The Documents of the 14th National Congress of the Communist Party of Viet Nam continue to reaffirm the consistent implementation of an independent and self-reliant foreign policy, the multilateralization and diversification of external relations, and proactive, comprehensive international integration, thereby expanding cooperative relations with partners worldwide in pursuit of national interests. Within this strategic orientation, strengthening economic and trade relations with emerging markets, particularly those in Africa, plays an important role in Viet Nam’s strategy of diversifying export markets and trade partners.

Among African countries, South Africa is regarded as one of the continent's most developed economies and serves as a gateway to Southern Africa and the broader African market. At present, South Africa is Viet Nam’s largest trading partner in Africa, with a trade structure characterized by complementarity and considerable potential for cooperation in trade, investment, and logistics. Nevertheless, the scale of bilateral trade has yet to fully reflect the economic potential of the two countries. Geographical distance, high logistics costs, technical barriers, and limited market information continue to constrain the effectiveness of bilateral trade. In the context of the ongoing restructuring of global supply chains, the increasingly evident trend toward market diversification, and the growing momentum of South - South cooperation, research on Viet Nam-South Africa trade relations is of both theoretical and practical significance.

Research on bilateral and multilateral trade relations has attracted considerable scholarly attention in the context of deepening globalization and international economic integration. Existing studies have primarily focused on explaining the determinants of trade flows, as well as the roles of institutions, business networks, and comparative advantage in promoting economic cooperation among countries.

Notably, Akerlof (1970) argued that information asymmetry can increase transaction costs and reduce market efficiency. From the perspective of inter-firm relationships, Ford and Mouzas (2013) emphasized the role of business networking in building trust, reducing transaction costs, and facilitating the expansion of international trade cooperation. These studies have provided an important theoretical foundation for analyzing the factors influencing bilateral trade relations between countries.

In addition to examining the micro-level determinants of trade, many scholars have also analyzed the transformation of the global trading environment in recent years. Nguyen Thi Nhieu (2016) argued that world trade has been evolving toward greater market diversification, stronger economic integration, and the expansion of global value chains, while emphasizing the need for Viet Nam to enhance its competitiveness in the process of international integration. Building on this perspective, Pham Tat Thang (2015) examined Viet Nam's international economic integration and argued that expanding external economic relations and diversifying export markets are essential requirements for strengthening national competitiveness and reducing dependence on traditional markets. With regard to Africa, existing studies have mainly focused on highlighting the continent's economic development potential and its increasingly important role in global trade. Ali, Morshedy, El-Zahhar, Alghamdi, and El Naggat (2024) argued that Africa is one of the world's richest regions in terms of mineral and energy resources, providing an important foundation for industrial development and the expansion of international trade cooperation. Meanwhile, a research report by UNCTAD (2023) on the impact of the COVID-19 pandemic on small and medium-sized enterprises in South Africa indicated that the country's economy has been gradually recovering through trade expansion, improvements in the business environment, and digital transformation. These findings suggest that South Africa continues to serve as one of Africa's major economic hubs and remains a highly promising partner for cooperation with developing economies.

With specific reference to trade between Viet Nam and Africa, Tran Quang Huy (2016) is among the few scholars who have conducted a relatively comprehensive study of Viet Nam's exports to the African market. The author argued that the region still offers substantial opportunities for Vietnamese exports, while identifying major constraints such as geographical distance, high logistics costs, limited market information, and challenges associated with international payment methods. Based on these findings, the study proposed a number of measures to improve trade promotion, develop distribution networks, and strengthen support for Vietnamese enterprises seeking to penetrate African markets.

Overall, the existing literature has made significant contributions to clarifying the theoretical foundations of international trade, the evolving trends of global trade, Viet Nam's process of international economic integration, and the potential for cooperation with Africa. However, current studies have primarily examined international trade in general, trade relations between Viet Nam and Africa, or the South African market as a standalone case. To date, relatively few studies have systematically analyzed Viet Nam - South Africa trade relations during the 2014 - 2024 period, particularly in the context of the restructuring of global supply chains, the growing trend toward market diversification, and the shift in South - South trade in the post-COVID-19 era. This research gap underscores the need for a comprehensive study of Viet Nam - South Africa trade relations from 2014 to 2024 in order to clarify their characteristics, development trends, influencing factors, and to propose appropriate policy implications for Viet Nam in the years ahead.

This study seeks to address this research gap by providing a systematic historical review of the evolution of Viet Nam – South Africa trade relations from the implementation of Resolution No. 22 - NQ/TW on international integration in 2013 to the establishment of the Viet Nam–South Africa Strategic Partnership in 2025. Beyond documenting changes in bilateral trade, the study aims to synthesize an important phase in the development of bilateral relations, highlighting how trade cooperation has evolved alongside Viet Nam's policy of international integration and diversification of external relations. In doing so, the research demonstrates that bilateral trade has been one of the key pillars underpinning the broader development of Viet Nam – South Africa relations, while providing an empirical basis for future policy formulation and academic research.

Drawing on both primary and secondary sources, together with the research methods of historical research, this article focuses on three main objectives. First, it analyzes the international context and identifies the factors affecting Viet Nam - South Africa trade relations during the 2014 - 2024 period. Second, it examines the current state of bilateral trade relations between Viet Nam and South Africa. Third, it proposes policy orientations for Viet Nam and assesses the future prospects of bilateral trade relations.

2. RESEARCH METHODOLOGY

This study employs a combination of research methods to ensure the comprehensiveness and reliability of its findings. First, the historical analysis and logical reasoning are applied to examine the formation, development, and evolving trends of Viet Nam-South Africa trade relations during the 2014 - 2024 period, thereby identifying their principal characteristics and underlying patterns. In addition, descriptive statistical analysis is employed to examine indicators such as export and import bilateral trade, growth rates, and the commodity structure, thereby providing a clear picture of the current state of bilateral trade. Furthermore, the study adopts an interdisciplinary approach by integrating perspectives from economics, international relations, and international trade to explain the factors influencing bilateral trade relations and to provide a systematic assessment of the issue.

3. RESULTS AND DISCUSSION

3.1. Theoretical Framework

This study is grounded in Liberalism, one of the major theoretical approaches explaining the emergence and development of cooperation among states, particularly in the fields of economics and trade. Unlike Realism, which emphasizes power competition and security interests, Liberalism argues that states are capable of cooperating to achieve mutual benefits through trade, investment, international law, and cooperative institutions. From the liberal perspective, international relations are not solely characterized by conflict but also by the interplay of diverse interests, in which economic cooperation has increasingly become a defining feature of contemporary international relations (Nam, 2013, p.19).

One of the central propositions of Liberalism is that national interests are multidimensional, extending beyond security and power to include economic development, social welfare, and market expansion. Consequently, international trade is regarded as an important instrument through which states pursue

absolute gains, meaning that all parties can benefit from cooperation rather than focusing exclusively on relative gains in comparison with other states. Robert Keohane and Joseph Nye argue that, under conditions of increasing interdependence, states are more inclined to maintain cooperative relations because the costs of conflict are often substantially greater than the benefits that could be derived from economic exchange (Nam, 2013, p.24). This perspective further emphasizes that economic cooperation enables states to pursue long-term interests, thereby gradually replacing confrontational thinking with cooperation for mutual development.

Another important tenet of Liberalism is the concept of economic interdependence. The process of globalization has intensified linkages in trade, investment, finance, and global supply chains, making the interests of states increasingly interconnected. Under such conditions, trade is not merely an exchange of goods but also a mechanism for promoting stability in international relations. Economic interdependence raises the costs of conflict while creating incentives for states to expand cooperation, build mutual trust, and establish sustainable economic relationships (Nam, 2013, p.25).

In addition, Liberalism emphasizes the role of the market economy and international trade in promoting economic growth, fostering cooperation among states, and maintaining a peaceful international environment. From this perspective, expanding trade not only enables countries to capitalize on their comparative advantages and allocate resources more efficiently but also creates mutual economic interdependence, thereby reducing the likelihood of confrontation and encouraging cooperation. As Nguyen Thanh Huong observed, states engage in international economic cooperation because they believe that *“international trade contributes to greater international stability and peace, as businesses engaged in international trade and benefiting from these relationships exert pressure on their governments to maintain international peace in order to sustain the continued development of international trade”* (Huong, 2012). This argument reflects the core liberal proposition that expanding economic relations generates incentives for maintaining peace and promoting international cooperation.

At the same time, Neoliberalism also highlights the role of international institutions and legal frameworks in regulating the global economy. Within the framework of post Second World War Liberalism, *“states intensified economic cooperation while continuing to emphasize national autonomy in economic and trade policymaking, with the Bretton Woods system serving as an important coordinating mechanism”* (Huong, 2012). This system *“allowed states to participate in free trade with the least possible risk to domestic stability”* (Huong, 2012), while providing an institutional framework that enabled countries to pursue domestic economic development objectives and, at the same time, maintain the stability of the international economic system.

Taken together, these theoretical perspectives provide a comprehensive analytical framework for examining Viet Nam – South Africa trade relations during the 2014 – 2024 period. Rather than relying on a single theoretical perspective, this study adopts an integrated analytical framework in which comparative advantage, Liberalism, trade facilitation, and global value chain (GVC) theories are treated as complementary analytical lenses for explaining the evolution, characteristics, and prospects

of bilateral trade relations. Within this framework, Viet Nam's accelerated international economic integration and diversification of export and import markets, together with South Africa's position as one of the largest and most industrialized economies in Sub-Saharan Africa and an important gateway to Southern Africa and the broader African market, illustrate the mutually beneficial nature of bilateral trade emphasized by Liberalism. The highly complementary trade structure with Viet Nam primarily exporting manufactured products such as mobile phones, footwear, machinery, and textiles and garments, while South Africa exports minerals, metals, and industrial raw materials suggests that the two economies benefit from complementary comparative advantages and production structures rather than engaging in direct competition. In addition, Viet Nam's export competitiveness has increasingly been strengthened by its participation in global value chains and the expansion of foreign direct investment, particularly in manufacturing industries. The steady growth of bilateral trade during the 2014 – 2024 period also reflects increasing economic interdependence, as enterprises in both countries have become more deeply integrated into regional and global production and supply networks. Nevertheless, from a liberal perspective, the current level of cooperation has yet to fully realize its potential because it continues to be constrained by geographical distance, high logistics costs, limited market information, and insufficient connectivity between the business communities of the two countries. These findings suggest that strengthening bilateral trade cooperation mechanisms, promoting investment, improving logistics connectivity, and enhancing the effectiveness of existing cooperation frameworks will be essential to deepening Viet Nam–South Africa economic relations in the years ahead.

3.2. International Context and Factors Affecting Viet Nam-South Africa Trade Relations (2014 – 2024)

3.2.1. The Global and Regional Economic Context

The period from 2014 to 2024 witnessed profound changes in the global economy and international trade, creating both opportunities and challenges for global trade in general and for trade relations between Viet Nam and South Africa in particular. Following the relatively stable recovery from the global financial crisis of September 2008, the world economy entered a period of fragile and uneven growth, characterized by numerous sources of uncertainty, including geopolitical conflicts in various regions, the rise of trade protectionism, and the prolonged impacts of the COVID-19 pandemic in subsequent years. Against this backdrop, international trade no longer maintained the high growth rates observed in the previous period but instead experienced greater volatility and selective fragmentation, being increasingly shaped by geopolitical developments, technological advances, and concerns over economic security (Nhung, 2025). These developments directly affected the import and export activities of developing countries, including Viet Nam and South Africa.

During the same period, international economic integration remained the dominant trend in the global economy, although both its substance and form underwent significant changes. In addition to trade liberalization driven by new-generation free trade agreements, international trade also experienced growing trends toward regionalization, the diversification of trading partners (Anh, 2020), and the

restructuring of global supply chains to adapt to changes in the global economic environment (Hoang, 2025). Within this context, trade relations between Viet Nam and South Africa were driven not only by each country's need to expand its markets but also by the broader trend of strengthening economic linkages among emerging economies in the process of global integration.

Alongside the continuing expansion of globalization and international economic integration, the period from 2014 to 2024 also witnessed significant changes in the global trading environment. Economic liberalization and deeper international connectivity facilitated the development of cross-border supply chains, thereby increasing the degree of interdependence among national economies. Under these circumstances, global supply chains have become not only a mechanism for resource allocation and the organization of international production but also a key pillar supporting the functioning of global trade.

However, the outbreak of the COVID-19 pandemic in 2020 exposed the weaknesses and vulnerabilities of the global production and trade model (WTO and Integration Center of the Viet Nam Chamber of Commerce and Industry [VCCI], 2022), which had become heavily dependent on traditional supply hubs. Lockdowns, travel restrictions, and disruptions to international transportation resulted in shortages of raw materials, rising logistics costs, and reduced efficiency in the global movement of goods. In addition to the pandemic, factors such as climate change, extreme natural disasters, strategic competition among major powers, geopolitical conflicts, and the growing trend toward trade protectionism further intensified the risks facing already fragile international supply chains.

Alongside the restructuring of global trade, emerging markets have assumed an increasingly important role in the world economy. Owing to their large consumer markets, growing demand, and abundant natural resources particularly mineral resources developing economies have become major drivers of international trade growth. Africa, in particular, has emerged as a region of considerable potential due to its abundant reserves of strategic minerals, rich natural resources, and deepening regional economic integration (see also Ali et al., 2024). Within this context, South Africa, as one of the continent's leading economies, endowed with abundant mineral resources and relatively well-developed trade infrastructure, has become an important and promising partner in Viet Nam's strategy to diversify its export markets.

3.2.2. The Economic Context of Viet Nam and South Africa

In parallel with the transformations in global trade, Viet Nam has actively and comprehensively advanced its international economic integration. Guided by its foreign policy of independence, self-reliance, multilateralization, and diversification of international relations, the Communist Party of Viet Nam has identified international integration as a key strategic orientation for mobilizing external resources to support national development while enhancing the country's economic competitiveness and international standing in the context of globalization (Thang, 2015). In particular, Resolution No. 22-NQ/TW of the Politburo on international integration affirms that economic integration constitutes the core of the broader international integration process. It emphasizes the need for proactive participation in regional and global economic institutions, the enhancement of the effectiveness of

external economic cooperation, and the integration of international economic integration with economic restructuring and the transformation of the growth model (Communist Party of Viet Nam, 2013).

On this basis, Viet Nam has actively expanded its external economic relations, deepened its participation in regional and global economic cooperation mechanisms, and accelerated the negotiation, conclusion, and implementation of free trade agreements (FTAs), particularly new-generation FTAs. At the same time, the strategy of diversifying export markets and trading partners, expanding import and export activities (Ministry of Industry and Trade, 2014), and strengthening participation in global value chains (Diên, 2023) has been implemented to reduce dependence on traditional markets, enhance the resilience of the national economy to external shocks, and create new drivers for sustainable economic growth (Ngo & Do, 2026).

As part of its strategy of international economic integration and market diversification, Viet Nam has increasingly turned its attention to emerging markets with strong growth potential, including South Africa (Giang, 2025). As one of Africa's leading economies, South Africa possesses a relatively diversified and modern economic structure, supported by well-developed industrial, mining, financial, service, and logistics sectors. Moreover, the country is among the region's leading destinations for foreign direct investment (FDI), further strengthening its integration into and connectivity with the global economy. With its relatively advanced infrastructure, abundant mineral resources, and strategic location in Southern Africa, South Africa is not only a market with considerable potential but also widely recognized as an important gateway to the African continent. These advantages have created favorable conditions for promoting and expanding trade relations between Viet Nam and South Africa during the 2014-2024 period.

Another important factor underpinning Viet Nam-South Africa trade relations is the complementary nature of their export and import structures. With its comparative advantages in the production and export of manufactured goods, electronics, textiles and garments, agricultural products, and seafood, Viet Nam is well positioned to meet the consumption and production needs of the South African market. Conversely, South Africa possesses strengths in mineral resources, metals, industrial raw materials, and several distinctive agricultural products that Viet Nam imports to support domestic production and consumption. The differences in the comparative advantages and production structures of the two economies have created a high degree of complementarity, thereby reducing direct competition and expanding the scope for bilateral trade cooperation (Hang, 2025).

3.2.3. Factors Affecting Bilateral Trade

Although Viet Nam - South Africa trade relations have considerable potential for further development, they continue to be influenced by several key factors.

First, trade policies and technical barriers have a significant impact on bilateral trade between Viet Nam and South Africa. As non-tariff measures have become increasingly widespread, regulations concerning technical standards, sanitary and phytosanitary (SPS) measures, rules of origin, and customs procedures may increase compliance costs and constrain firms' access to foreign markets (see also: World Trade Organization). From the perspective of trade facilitation, simplifying administrative

procedures and enhancing the transparency of the trading environment are regarded as essential measures for reducing transaction costs and facilitating the cross-border flow of goods (World Trade Organization, 2014, Articles 4, 7, and 10).

In this regard, the trade policies of both Viet Nam and South Africa may either facilitate or constrain bilateral import and export activities. In Viet Nam, the Communist Party and the State have adopted a number of important policy documents concerning international economic integration, including measures to promote trade relations with international partners. Notable examples include Resolution No. 22-NQ/TW, Resolution No. 06-NQ/TW, and the Strategy for Exports and Imports of Goods to 2030. These policy orientations provide an important foundation for strengthening Viet Nam's trade relations with potential markets, including South Africa.

In 2013, the Communist Party of Viet Nam adopted Resolution No. 22-NQ/TW on International Integration, which set out Viet Nam's orientation for international integration as follows: *"Deepen and further strengthen relations with partners, especially those of strategic importance to the country's development and security; translate the established frameworks of cooperation into substantive outcomes, thereby creating an interweaving of interests between Viet Nam and its partners"* (Communist Party of Viet Nam, 2013).

Subsequently, the 12th National Congress of the Communist Party (2016) reaffirmed the orientation for international economic integration by emphasizing the need to *"deepen and further strengthen relations with partners, particularly strategic partners and major countries that play an important role in the country's development and security, and ensure that the established frameworks of cooperation become substantive in practice"* (Communist Party of Viet Nam, 2019, p. 589). At the same time, the Congress Documents supplemented the direction for international economic integration in response to new circumstances, stating that it is necessary to *"enhance the effectiveness of international economic integration, fully implement international commitments, formulate and implement a strategy for participation in free trade areas with major economic and trading partners, and negotiate and effectively implement new-generation free trade agreements within an overall plan and an appropriate roadmap that serves the national interest"* (Communist Party of Viet Nam, 2019, p. 691).

In line with the spirit of the 12th National Congress, the Fourth Plenum of the 12th Party Central Committee adopted Resolution No. 06-NQ/TW on the effective implementation of international economic integration while maintaining socio-political stability in the context of Viet Nam's participation in new-generation free trade agreements. The Resolution identifies the following orientation: *"Over the next five to ten years, priority should be given to effectively utilizing international commitments; developing trade remedy mechanisms, as well as mechanisms for the prevention and settlement of international disputes; adopting appropriate policies to support sectors with limited competitiveness; strengthening training and improving the capacity of officials in international law; and developing appropriate technical barriers and proactive trade remedy measures"* (Communist Party of Viet Nam, 2016).

The 13th National Congress of the Communist Party further emphasized the need to promote international economic integration in a proactive and sustainable manner. Accordingly, the Party affirmed the importance of *"multilateralizing and diversifying international economic relations in*

order to avoid excessive dependence on a single market or partner; enhancing the resilience of the economy against adverse external shocks; proactively improving safeguard mechanisms to protect the economy, domestic enterprises, and the domestic market in accordance with international commitments; and implementing diverse forms of international economic integration with flexible roadmaps suited to the country's conditions and development objectives at each stage” (Communist Party of Viet Nam, 2021, p. 53).

To translate these Party orientations on international economic integration and trade development into concrete policies, the Government issued Decision No. 493/QĐ-TTg dated 19 April 2022 approving the Strategy for Exports and Imports of Goods to 2030. The Strategy defines the development of exports and imports along sustainable lines, linked to enhancing national competitiveness and effectively leveraging opportunities arising from international economic integration. In particular, it emphasizes *“developing exports and imports in conjunction with sectoral and local development plans in order to capitalize on comparative advantages, effectively seize opportunities, and mitigate challenges arising from the implementation of international economic integration commitments, while participating more deeply in global supply chains and global value chains”* (Prime Minister, 2022). Regarding market development, the Strategy further calls for *“diversifying markets to avoid excessive dependence on any single regional market; promoting balanced and healthy bilateral trade to ensure sustainable long-term growth”* and *“effectively utilizing market-opening opportunities created by international economic integration commitments under free trade agreements in order to expand exports to major markets”* (Prime Minister, 2022). These policy orientations provide an important foundation for Viet Nam to expand trade relations with promising markets beyond its traditional partners, including South Africa, while reducing the risks associated with excessive market dependence and enhancing its participation in global value chains.

Overall, the policy orientations adopted by the Communist Party and the Government of Viet Nam, from Resolution No. 22-NQ/TW and Resolution No. 06-NQ/TW to the Documents of the 13th National Congress and the Strategy for Exports and Imports of Goods to 2030 consistently reflect the country's commitment to proactive international economic integration, market diversification, and enhanced economic competitiveness. These policies not only provide the legal and strategic foundation for Viet Nam's import and export activities but also facilitate the expansion of trade relations with promising partners, including South Africa. Moreover, the emphasis on effectively utilizing free trade agreements, diversifying export markets, and strengthening trade remedy measures has laid a solid foundation for the development of stable, sustainable, and mutually beneficial bilateral trade relations between Viet Nam and South Africa in the context of increasingly deep international economic integration.

While Viet Nam has focused on diversifying its export markets, leveraging the opportunities created by international economic integration, and enhancing the competitiveness of its economy, South Africa has also implemented a range of policies aimed at promoting trade and deepening international economic integration. In 2024, South Africa continued to pursue policies designed to expand markets, improve the investment climate, and strengthen national competitiveness. Regarding trade policy, South Africa *“has concluded numerous free trade agreements with countries and regions to expand its export markets, while adjusting import tariffs to reduce costs for domestic enterprises. These measures have enhanced the competitiveness of South African businesses in international markets”*

(Ministry of Industry and Trade, 2025, p. 126). In addition, the South African government has introduced various measures to support businesses through tax reforms and the development of strategic industries. Specifically, *“the Government has reformed the tax system by reducing taxes for small and medium-sized enterprises and providing tax incentives for strategic industries such as renewable energy and technology. These measures have created favorable conditions for the development of domestic enterprises while encouraging foreign investment”* (Ministry of Industry and Trade, 2025, p. 127).

Alongside its trade and tax policies, South Africa has regarded infrastructure investment as one of the key drivers of trade growth. The country has invested substantially in improving transport, energy, and telecommunications infrastructure. These investments have not only strengthened production capacity but also enhanced trade connectivity with other countries, thereby reducing logistics costs and facilitating trade activities (Ministry of Industry and Trade, 2025, p. 127). At the same time, South Africa has continued its transition toward a green economy, as *“the South African Government has continued to promote green energy policies, reduce dependence on coal, and expand the development of renewable energy. These efforts not only help mitigate the impacts of climate change but also create new trade opportunities in the clean energy sector”* (Ministry of Industry and Trade, 2025, p. 127). These policy measures are expected to create more favorable conditions for South Africa's international trade, thereby opening up additional opportunities for trade cooperation with Viet Nam. Nevertheless, South Africa continues to face structural challenges, including high unemployment and social instability, which may adversely affect its investment environment and long-term trade growth prospects.

Second, Viet Nam - South Africa trade relations are significantly influenced by geographical distance. The considerable physical separation between the two countries, combined with the absence of direct shipping routes, has resulted in higher logistics costs (Thanh, 2025), longer delivery times, and reduced-price competitiveness for certain import and export products. These constraints not only diminish business efficiency but also limit the ability of both countries to fully realize their bilateral trade potential. Furthermore, most goods traded between Viet Nam and South Africa must be transhipped through major ports in the Middle East, Europe, or Asia before reaching their final destinations, generating additional transportation, warehousing, insurance, and related surcharges. Longer transit times also increase risks for products that require strict quality control, have limited shelf lives, or depend on timely delivery schedules, thereby affecting firms' ability to fulfill orders and maintain their reputation in international markets. In addition, high logistics costs reduce the price competitiveness of Vietnamese products in the South African market, as well as South African products in Viet Nam, particularly for small and medium-sized enterprises (SMEs) with limited financial resources. In the context of continuing volatility in international freight costs, geographical distance remains one of the major factors increasing transaction costs and constraining both the scale and growth of bilateral trade.

Finally, limited information regarding markets, business partners, and the business environment, together with firms' limited capabilities, continues to constitute a major obstacle for enterprises in both countries. According to Akerlof's theory of information asymmetry, insufficient information increases search costs, reduces the effectiveness of business matching, and limits firms' ability to exploit international trade opportunities (see also Akerlof, G. A., 1970). For small and medium-sized

enterprises (see also Ford & Mouzas, 2013), constraints in market information, customer access, and the expansion of international business networks remain significant barriers to deeper participation in global trade (United Nations Trade and Development, 2021). In practice, many enterprises in both Viet Nam and South Africa still lack up-to-date information on market demand, technical regulations, quality standards, customs procedures, tariff policies, and the trade remedy measures applied by their trading partners. This information gap increases risks during contract negotiation, conclusion, and implementation, while making it more difficult for firms to develop effective market entry strategies. Moreover, differences in legal systems, business practices, payment methods, and commercial culture further increase both transaction and compliance costs. For SMEs, constraints related to financial resources, human capital, and international business experience further reduce their capacity to participate in trade promotion activities, identify business partners, and establish distribution networks in overseas markets. Therefore, strengthening the provision of market information, improving the quality of trade promotion activities, and enhancing the roles of trade offices, industry associations, and business support organizations are regarded as essential measures for reducing information asymmetry and promoting the sustainable development of Viet Nam - South Africa trade relations.

3.3. Viet Nam - South Africa Trade Relations (2014-2024)

3.3.1. Trade Volume and Growth

Against the backdrop of deepening globalization and international economic integration, trade relations between Viet Nam and South Africa have developed significantly, contributing to the strengthening of Viet Nam's economic cooperation with Africa. As one of the largest economies in Sub-Saharan Africa, South Africa is not only a promising export market for Vietnamese goods but also an important supplier of raw materials and mineral resources for Viet Nam's domestic production. The period from 2014 to 2024 was characterized by considerable changes in the global economy, including the slowdown in global trade, the COVID-19 pandemic, and the subsequent recovery and restructuring of global supply chains. Despite these challenges, the total bilateral trade between Viet Nam and South Africa maintained an upward trend, reflecting both the considerable potential for bilateral cooperation and the opportunities and challenges facing trade relations between the two countries.

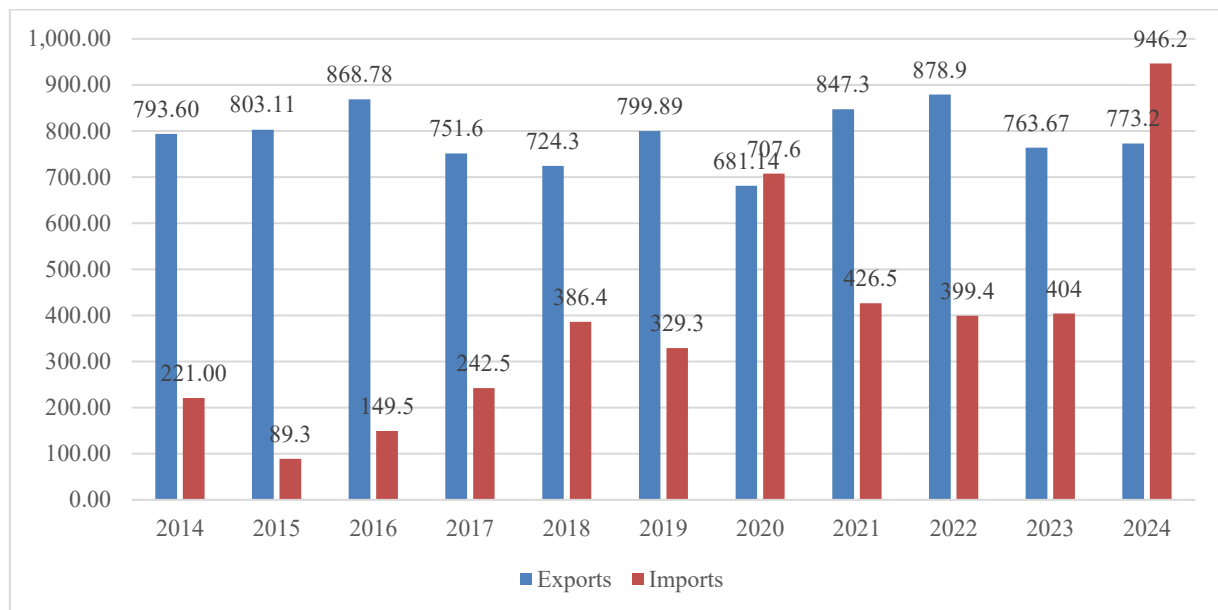


Figure 1. Viet Nam - South Africa Merchandise Total trade value, 2014 - 2024 (Unit: USD million)

Source: Compiled by the author based on data from the websites of the National Statistics Office, the General Statistics Office, the Ministry of Finance, and (General Statistics Office, 2024, p. 734).

During the 2014 - 2024 period, bilateral merchandise trade between Viet Nam and South Africa exhibited an overall upward trend, although considerable fluctuations were observed across individual years. In terms of trade performance, bilateral trade maintained relatively stable growth from 2014 to 2019. Throughout most of the 2014 - 2019 period, Viet Nam's exports to South Africa consistently exceeded its imports from the country. Specifically, Viet Nam's export value remained at a relatively high level, ranging from USD 793.6 million to USD 868.8 million. This indicates that Viet Nam consistently recorded a trade surplus in its trade relations with South Africa. In contrast, imports from South Africa grew at a faster pace than exports. After declining from USD 221.0 million in 2014 to USD 89.3 million in 2015, imports increased steadily over subsequent years, reaching USD 386.4 million in 2018.

However, during the 2020 - 2021 period, bilateral trade was adversely affected by the COVID-19 pandemic, which disrupted global supply chains and international logistics operations (see also: World Bank). In 2020, Viet Nam's exports to South Africa declined to USD 681.2 million, while imports rose sharply to USD 707.6 million. By 2021, as economic activities gradually resumed, exports recovered to USD 847.3 million, whereas imports declined to USD 426.5 million, indicating that bilateral trade had gradually returned to a more stable trajectory.

From 2022 to 2024, trade between Viet Nam and South Africa continued to recover and underwent several notable developments. Viet Nam's exports reached a peak of USD 878.9 million in 2022 before declining slightly over the following two years. Meanwhile, imports remained relatively stable at approximately USD 400 million during 2022-2023 but increased sharply to USD 946.2 million in 2024, surpassing exports, which amounted to USD 773.2 million. As a result, Viet Nam's trade balance

with South Africa shifted from a trade surplus to a trade deficit, reflecting changes in the structure of bilateral trade between the two countries.

Table 1. Viet Nam-South Africa Trade Balance, 2014-2024 (Unit: USD million)

Year	Imports	Exports	Trade Surplus	Trade Deficit	Total Trade Value
2014	221.0	793.6	572.6	-	1,014.6
2015	89.3	803.11	713.81	-	892.41
2016	149.5	868.78	719.28	-	1,018.28
2017	242.5	751.6	509.1	-	994.1
2018	386.4	724.3	337.9	-	1,110.7
2019	329.3	799.89	470.59	-	1,129.19
2020	707.6	681.2	-	26.4	1,388.8
2021	426.5	847.3	420.8	-	1,273.8
2022	399.4	878.9	479.5	-	1,278.3
2023	404.0	763.67	359.67	-	1,167.67
2024	946.2	773.2	-	173.0	1,719.4

Source: Compiled by the author based on data from the National Statistics Office, the General Statistics Office, and the Ministry of Finance.

Overall, the Viet Nam - South Africa trade balance fluctuated during the 2014 - 2024 period but remained largely in Viet Nam's favor. From 2014 to 2019, Viet Nam consistently recorded a trade surplus, with the surplus ranging from USD 337.9 million to USD 719.28 million. The highest trade surplus during this period was recorded in 2016, amounting to USD 719.28 million, as exports increased to USD 868.78 million while imports remained at only USD 149.5 million. However, the trade surplus gradually narrowed between 2017 and 2019 as imports from South Africa grew rapidly. In particular, imports reached USD 386.4 million in 2018, reducing the trade surplus to USD 337.9 million.

In 2020, under the impact of the COVID-19 pandemic and disruptions to global supply chains, the bilateral trade balance shifted to a trade deficit for the first time, amounting to USD 26.4 million. This was primarily attributable to a sharp increase in imports from South Africa, which reached USD 707.6 million, exceeding exports of only USD 681.2 million. This was the only year during the first half of the study period in which Viet Nam recorded a trade deficit in its trade relations with South Africa.

From 2021 to 2023, in line with the recovery of international trade, Viet Nam quickly regained its trade surplus position. The trade surplus reached USD 420.8 million in 2021, increased to USD 479.5 million in 2022, and then declined to USD 359.67 million in 2023. This trend reflects the recovery of

Viet Nam's exports while also indicating that bilateral trade gradually stabilized following the disruptions caused by the pandemic. Notably, 2024 marked a significant turning point in the bilateral trade balance, as Viet Nam recorded a trade deficit of USD 173 million - the largest trade deficit during the entire study period. Imports reached USD 946.2 million, surpassing exports of USD 773.2 million, while total bilateral trade increased to a record high of USD 1.719 billion. This development indicates that bilateral trade continued to expand in scale, while also reflecting Viet Nam's growing demand for raw materials, minerals, and production inputs imported from South Africa.

Considering the entire 2014-2024 period, the bilateral trade balance remained largely in Viet Nam's favor, with Viet Nam recording trade surpluses in nine out of the eleven years. Nevertheless, the occurrence of trade deficits in 2020 and 2024, particularly the substantial deficit recorded in 2024, suggests that the bilateral trade structure has been gradually adjusting toward a more balanced pattern. It also reflects South Africa's increasingly important role as a supplier of raw materials and production inputs for Viet Nam's economy.

3.3.2. Commodity Structure of Bilateral Trade

Alongside the steady growth in import and export bilateral trade, the commodity structure also reflects the relatively stable development and sustainable expansion of trade between Viet Nam and South Africa over the past decade. The composition of traded goods is an important indicator of the nature of bilateral trade, revealing the degree of complementarity and comparative advantages between the two economies. It provides a comprehensive basis for assessing the effectiveness and characteristics of bilateral trade relations. Moreover, the commodity structure reflects the competitive advantages of each country and illustrates the ongoing structural transformation of traded goods as economic and trade relations between Viet Nam and South Africa continue to expand.

Table 2. Viet Nam's Major Exports to South Africa and Imports from South Africa in 2024 (USD million)

Exports	Value	Imports	Value
Telephones	200.6	Minerals	1.11
Textiles and garments	31.78	Metals	9.23
Footwear	115.9	Industrial raw materials	20.8
Machinery and equipment	66.8	-	-

Source: Compiled by the author based on statistical data from the website of the General Department of Viet Nam Customs.

More specifically, the commodity structure of bilateral trade between Viet Nam and South Africa in 2024 reveals a relatively clear division of labor within the global value chain between the two economies. Viet Nam primarily exported manufactured products with relatively high value added to

South Africa, including telephones valued at USD 200.6 million, footwear at USD 115.9 million, machinery and equipment at USD 66.8 million, and textiles and garments at USD 31.78 million. Among these, telephones and footwear accounted for the largest shares, reflecting Viet Nam's strong competitiveness in export-oriented manufacturing industries. This outcome is largely attributable to the country's successful attraction of foreign direct investment (FDI), the rapid development of export-oriented manufacturing sectors, and its increasingly deep integration into global value chains. Vietnamese electronic products, telecommunications equipment, and footwear have not only benefited from competitive labor costs but have also progressively improved in quality to meet international standards, thereby enhancing their penetration into non-traditional markets, including South Africa.

Conversely, Viet Nam's imports from South Africa were concentrated primarily in industrial production inputs, including industrial raw materials valued at USD 20.8 million, metals at USD 9.23 million, and minerals at USD 1.11 million. Although the absolute value of these imports remains modest compared with Viet Nam's total imports from the world, these products play an important role in supporting domestic manufacturing, metallurgy, and construction material industries. This pattern reflects South Africa's traditional comparative advantage in abundant natural resources, particularly mineral resources and precious metals, which constitute a fundamental pillar of the country's economy.

The differences in the export and import structures of the two countries clearly demonstrate a complementary rather than directly competitive relationship. Viet Nam mainly supplies manufactured products, while South Africa serves as a supplier of raw materials and natural resources for production. This trade pattern is consistent with David Ricardo's theory of comparative advantage, under which each country specializes in producing and exporting goods with lower opportunity costs while importing products in which it has no comparative advantage. The differences in resource endowments, technological capabilities, and production structures have therefore created favorable conditions for the relatively stable development of bilateral trade in recent years.

Beyond reflecting comparative advantages, the commodity structure also illustrates the different positions of the two countries within global value chains. Viet Nam's principal exports, including telephones, machinery and equipment, and textiles and garments, are manufactured products positioned in the processing, assembly, and finishing stages of production, where higher export value is generated. In contrast, South Africa continues to export mainly resource-based products such as minerals and metals. This indicates that bilateral trade extends beyond the simple exchange of goods and instead reflects the integration of different stages within international production networks, whereby raw materials from South Africa may serve as production inputs in Viet Nam before being processed into manufactured goods for domestic consumption or re-export to other international markets.

Despite these positive features, the bilateral commodity structure still exhibits several limitations. The range of traded products remains relatively concentrated, with Viet Nam's exports relying heavily on telephones and footwear. Consequently, export performance is vulnerable to fluctuations in demand in the South African market or changes in the production strategies of foreign-invested enterprises. Similarly, imports from South Africa continue to consist primarily of raw materials and minerals, while the country's processed products, high-technology goods, and value-added agricultural products have yet to account for a significant share of bilateral trade. Therefore, both countries should further diversify their trade structure by expanding the exchange of technology-intensive and high-value-

added products while strengthening cooperation in agricultural processing, energy, supporting industries, and technology to better exploit the complementary advantages of their respective economies.

Overall, the commodity structure of Viet Nam-South Africa trade in 2024 reflects a highly complementary trading relationship characterized by limited direct competition, consistent with the development characteristics of the two economies. This provides a favorable foundation for expanding bilateral trade in the future and creates opportunities to elevate economic relations beyond merchandise trade toward greater cooperation in investment, technology transfer, and deeper participation in supply chains linking Southeast Asia and Africa.

3.3.3. Assessment of Bilateral Trade Relations

Against the backdrop of Viet Nam's continued commitment to international economic integration, the implementation of its policy of diversification and multilateralization of foreign relations, and the expansion of export markets beyond its traditional trading partners, trade relations between Viet Nam and South Africa have achieved notable progress. As the largest, or one of the largest, economies in Sub-Saharan Africa, South Africa serves as an important gateway for Vietnamese goods to access Southern Africa and, more broadly, the African market. Conversely, Viet Nam has increasingly become an important trading partner of South Africa in Southeast Asia, thereby contributing to the expansion of economic cooperation between the two countries amid the growing importance of South-South trade.

Overall, bilateral trade between Viet Nam and South Africa has maintained a relatively stable growth trajectory over the past decade, despite fluctuations resulting from the COVID-19 pandemic, disruptions to global supply chains, and broader global economic uncertainties. This upward trend reflects the growing demand for merchandise exchange as well as the gradual strengthening of economic linkages between the two countries. More importantly, the trade structure between Viet Nam and South Africa is characterized by complementarity rather than direct competition, providing a solid foundation for long-term economic cooperation.

With regard to exports, Viet Nam primarily supplies the South African market with manufactured products possessing relatively high value added, including telephones and components, footwear, machinery and equipment, textiles and garments, electronic products, and various consumer goods. Among these, telephones and components together with footwear consistently account for the largest share of Viet Nam's exports, reflecting the country's comparative advantage in export-oriented manufacturing industries based on abundant labor resources, competitive production costs, and deep integration into global value chains (Tho, 2025). The sustained growth of these export categories also indicates expanding consumer demand in South Africa for Vietnamese products, while demonstrating the increasing capability of Vietnamese enterprises to satisfy international quality standards and market requirements.

Conversely, South Africa mainly exports minerals, precious metals, industrial raw materials, and selected agricultural products to Viet Nam. These products constitute essential inputs for Viet Nam's metallurgy, manufacturing, electronics, and processing industries. Owing to its abundant natural

resource endowment, South Africa complements Viet Nam's domestic supply of raw materials that remain insufficient or cannot yet be produced domestically, thereby supporting Viet Nam's industrialization and industrial development (Ministry of Industry and Trade, 2014). The distinct differences in the export and import structures of the two economies demonstrate that bilateral trade is founded upon the comparative advantages of each country, resulting in a complementary rather than directly competitive relationship. Such complementarity not only contributes to the expansion of bilateral trade but also enhances resource allocation efficiency, broadens market access, and diversifies trading partners for both countries.

Despite these positive developments, bilateral trade between Viet Nam and South Africa has yet to realize its full potential. Although bilateral trade has increased steadily in recent years, the overall scale of merchandise exchange remains relatively modest when compared with the total foreign trade of each country, as well as the market size and consumer demand of the two economies. This suggests that substantial opportunities remain for expanding bilateral trade, particularly as Viet Nam seeks to diversify its export markets beyond traditional partners, while South Africa aims to broaden its sources of imports from Asia.

One of the most significant constraints on bilateral trade is the geographical distance between the two countries. The absence of direct maritime and air transport routes requires most goods to be transshipped through ports or logistics hubs in Europe, the Middle East, or Asia before reaching their final destinations. This substantially increases delivery times, logistics expenses, insurance costs, and other transaction costs, thereby reducing the price competitiveness of exported goods (see also: World Bank). At a time when logistics costs have become an increasingly important determinant of international competitiveness, this limitation has significantly constrained the expansion of bilateral trade.

In addition, inadequate market information remains a common challenge for the business communities of both Viet Nam and South Africa. Many Vietnamese enterprises still lack sufficient access to information on consumer demand, legal frameworks, technical regulations, quality standards, tariff policies, and business practices in the South African market. At the same time, Vietnamese firms have yet to establish extensive distribution networks, agency systems, and trade promotion channels in South Africa, making it more difficult to identify business partners, build brand recognition, and expand market share. Likewise, South African enterprises possess limited knowledge of the Vietnamese and broader ASEAN markets, thereby constraining their ability to capitalize on business opportunities effectively (VNA, 2022).

Beyond these challenges, the level of connectivity between the business communities of the two countries remains relatively limited. Investment promotion, trade promotion activities, and market information exchange have yet to be conducted on a regular basis, while existing bilateral cooperation mechanisms have not been fully utilized. This indicates that Viet Nam - South Africa trade relations are still in a stage of development and have not yet reached a high level of economic integration.

Based on the above analysis, it can be concluded that although Viet Nam-South Africa trade relations have achieved encouraging results owing to their complementary trade structure and growing demand for bilateral exchange, several constraints remain, including limited trade scale, inadequate logistics connectivity, high transaction costs, and insufficient market information. Accordingly, both countries

should strengthen trade promotion activities, enhance business-to-business connectivity, improve logistics and transport infrastructure, and expand bilateral economic cooperation mechanisms to better exploit the potential of their trade relationship. Addressing these constraints will not only contribute to increasing bilateral trade but also establish a stronger foundation for a long-term economic partnership between Viet Nam and South Africa in the context of deepening international economic integration.

3.4. Policy Implications for Viet Nam

3.4.1. Policy Implications

Based on the analysis of Viet Nam - South Africa trade relations during the 2014 - 2024 period, it can be observed that although bilateral trade has achieved certain positive outcomes, it still faces significant limitations in terms of trade scale, market penetration, and firms' participation. Against the backdrop of increasing uncertainty in the global economy and the growing necessity of market diversification, developing appropriate policy implications to strengthen trade relations with South Africa - one of Viet Nam's key partners in Africa is essential.

The findings indicate that, despite the establishment of a relatively stable foundation for bilateral cooperation and several encouraging achievements, the overall trade volume remains modest and has yet to fully reflect the potential of both countries. In the context of deepening international economic integration, intensifying global competition, and the increasing urgency of market diversification, a comprehensive, multi-level, and long-term policy framework is required to enhance the effectiveness of bilateral trade relations.

First, at the governmental level, Viet Nam should continue to strengthen economic diplomacy in a more practical and results-oriented manner, with South Africa identified as a strategic partner in Viet Nam's engagement with the African market. Increasing high-level exchanges, promoting the negotiation and implementation of agreements on trade, investment, avoidance of double taxation, and trade facilitation would help improve the legal framework, reduce institutional barriers, and create a more stable business environment. At the same time, Viet Nam should actively promote negotiations for free trade agreements with regional organizations such as the Southern African Customs Union (SACU) in order to expand market access for Vietnamese exports.

Second, the Government should formulate export support policies specifically tailored to African markets in general and South Africa in particular. Priority should be given to developing financial support instruments such as export credit, payment guarantees, and trade risk insurance. In practice, one of the greatest challenges faced by Vietnamese firms entering the South African market is payment security and credit risk. Therefore, *"developing payment guarantee services and trade risk insurance"* (Huy, 2016, p.103) represents a key policy solution. In addition, the Government may consider providing preferential export credit or indirect financial support for South African importers to stimulate demand for Vietnamese products.

Third, greater attention should be devoted to developing logistics infrastructure and trade facilitation services to support exports. Long geographical distance and high transportation costs remain major obstacles to Viet Nam-South Africa trade. Accordingly, the Government should encourage enterprises

to establish bonded warehouses, distribution centers, and trade promotion offices in key markets, while promoting maritime transport cooperation and expanding direct shipping routes to reduce intermediary costs and improve supply chain efficiency.

Fourth, improving market intelligence and trade promotion activities is essential. Given that information on African markets remains limited and fragmented, the Government should establish a centralized, up-to-date, and accessible market information system while enhancing the role of Viet Nam's overseas trade offices. As Huy (2016, p.103) argues, *"market information plays a crucial role in business operations."* Improving both the quality and accessibility of market information would help reduce business risks and improve export performance.

At the intermediary level, industry associations should strengthen their role as a bridge between the Government and enterprises. These associations should provide market information, training, legal advisory services, and trade promotion support, while actively participating in policy formulation. Organizing business forums, specialized trade fairs, and trade promotion programs would enhance firms' ability to access the South African market (Huy, 2016, p.104).

At the enterprise level, Vietnamese firms need to adopt a more proactive, long-term, and internationally oriented business strategy. Enterprises should conduct comprehensive market research and develop market-entry strategies suited to different consumer segments and local conditions in South Africa. At the same time, they should diversify their export portfolio by increasing the share of technology-intensive and higher value-added products, thereby reducing dependence on traditional export commodities.

Moreover, improving product quality and complying with technical standards and rules of origin have become indispensable as non-tariff barriers continue to increase. Enterprises should also strengthen cooperation with one another as well as with Vietnamese communities in Africa in order to benefit from local market knowledge, business networks, and distribution channels. Furthermore, deeper participation in global value chains and the establishment of strategic partnerships with international firms would enhance their competitiveness and resilience in responding to market fluctuations (Huy, 2016, pp.104 - 105).

Finally, it should be emphasized that strengthening Viet Nam-South Africa trade relations is significant not only from a bilateral perspective but also as a strategic gateway for expanding Viet Nam's presence across the African continent. Therefore, future policies should adopt a long-term and sustainable approach, closely aligned with Viet Nam's broader strategy of export market diversification amid an increasingly volatile global economy.

3.4.2. Prospects for Viet Nam - South Africa Trade Cooperation

Against the backdrop of an increasingly multipolar global economy and the restructuring of global supply chains, Viet Nam - South Africa trade relations are expected to enjoy considerable development prospects in the medium and long term.

One of the key foundations underpinning the prospects for bilateral trade development is the complementary nature of the two countries' trade structures. Viet Nam possesses comparative advantages in exporting manufactured products such as electronics, textiles and garments, and footwear, while South Africa has strengths in mineral resources and industrial raw materials. These

differences create favorable conditions for both countries to develop complementary trade relations, minimize direct competition, and enhance the efficiency of merchandise exchange.

Moreover, expanding cooperation with emerging economies, including South Africa, has become an important orientation of Viet Nam's external economic policy. Viet Nam aims to “*diversify its trading partners and avoid excessive dependence on a single country*” (Viet Nam News Agency, 2025, p. 3). This demonstrates that strengthening relations with partners such as South Africa is significant not only in economic terms but also as part of Viet Nam's broader strategy to balance and diversify its international economic relations.

Furthermore, deeper cooperation with South Africa provides opportunities for Viet Nam to enhance its position within global value chains. This process of integration can “*enhance Viet Nam's position in the international arena*” (Viet Nam News Agency, 2025, p. 8), while creating favorable conditions for Viet Nam to expand its markets, attract investment, and gain access to advanced technologies. In this context, South Africa can serve as an important gateway through which Viet Nam connects with regional and global markets.

Nevertheless, despite these opportunities, the prospects for Viet Nam-South Africa trade relations continue to face several challenges. Long geographical distance, high transportation costs, and limited logistics connectivity remain significant barriers to bilateral trade. In addition, insufficient market information and the limited market access capacity of Vietnamese enterprises persist, while export activities continue to face constraints in terms of growth quality and market diversification (Nhieu, 2016, p. 45).

Overall, as the global economic order continues to evolve toward greater multipolarity, strengthening cooperation with emerging partners such as South Africa will not only enable Viet Nam to diversify its export markets but also reinforce its position within the global economic system. This process is closely associated with the development of regional supply chains “*toward diversification, greening, and digitalization*” (Viet Nam News Agency, 2025, p. 8) (General Department of Viet Nam Customs, n.d.), thereby contributing to reducing dependence on traditional markets. Therefore, if both countries effectively capitalize on these opportunities and adopt appropriate strategies, Viet Nam-South Africa trade relations have strong potential to develop in a sustainable manner.

4. CONCLUSION

Against the backdrop of deepening international economic integration and the growing necessity for market diversification among developing economies, trade relations between Viet Nam and South Africa during the 2014 - 2024 period have achieved significant progress. This development reflects not only the expansion of bilateral economic cooperation but also the broader trend toward strengthening South - South cooperation in international trade. Drawing upon theories of comparative advantage, international economic integration, trade facilitation, and global value chains, this study provides a comprehensive analysis of the context, influencing factors, current situation, and future prospects of Viet Nam-South Africa trade relations during the study period.

Despite being affected by major disruptions in the international economic environment, including the COVID-19 pandemic, global supply chain disruptions, geopolitical competition, and the rise of trade

protectionism trade between Viet Nam and South Africa continued to demonstrate an overall upward trend. Total bilateral trade increased from just over USD 1 billion in 2014 to a record high of approximately USD 1.72 billion in 2024, reaffirming South Africa's position as Viet Nam's largest trading partner in Sub-Saharan Africa. The bilateral trade structure is highly complementary, with Viet Nam primarily exporting manufactured products while South Africa supplies minerals, metals, and industrial raw materials. This complementary pattern reduces direct competition and provides a favorable foundation for expanding long-term economic cooperation.

Overall, however, Viet Nam - South Africa trade relations have yet to reach their full potential. Geographical distance, high logistics costs, the absence of direct transportation routes, limited market information, insufficient market access capacity among enterprises, and various technical barriers continue to constrain bilateral trade development. Trade volume remains relatively modest compared with the overall foreign trade of each country, while business-to-business linkages and the effectiveness of existing bilateral economic cooperation mechanisms remain limited.

Based on these findings, this study proposes several policy implications for Viet Nam to promote sustainable trade relations with South Africa. These include strengthening economic diplomacy and improving the bilateral trade cooperation framework; enhancing trade promotion and market information services; developing logistics infrastructure and transportation connectivity; and supporting enterprises in improving their competitiveness, complying with technical standards, and expanding distribution networks in the South African market. At the same time, greater roles should be assigned to trade offices, industry associations, and the business community in facilitating business partnerships and better exploiting the cooperation potential between the two countries.

Notably, 2025 marks a new milestone in Viet Nam-South Africa relations, as the two countries agreed to upgrade their relationship to a Strategic Partnership, thereby providing a favorable political foundation for expanding economic and trade cooperation. During the State Visit of South African President Cyril Ramaphosa to Viet Nam in October 2025, leaders of both countries agreed to promote market access, strengthen business connectivity, and accelerate the conclusion of key economic agreements, including an Agreement on the Avoidance of Double Taxation, a Mutual Legal Assistance Agreement, and other trade facilitation arrangements. In particular, Viet Nam called on South Africa to support the early launch of negotiations for a Free Trade Agreement (FTA) between Viet Nam and the Southern African Customs Union (SACU). If successfully implemented, such an agreement would help reduce trade barriers, facilitate the movement of goods, services, and investment, expand Viet Nam's access to Southern African markets, and enable South Africa and other SACU members to strengthen their economic links with the ASEAN market through Viet Nam. These developments indicate that Viet Nam-South Africa trade cooperation is entering a new stage of development, supported by an increasingly solid political and institutional foundation.

In conclusion, as the global economy continues to evolve toward greater multipolarity, diversified supply chains, and stronger cooperation among emerging economies, Viet Nam-South Africa trade relations are expected to possess substantial room for future expansion. Supported by strong political relations, highly complementary trade structures, and the shared commitment of both governments to strengthening economic cooperation, bilateral trade is well positioned to grow more robustly in the coming years. Such development will contribute to Viet Nam's export market diversification strategy

while promoting more effective, balanced, and sustainable economic cooperation between Southeast Asia and Africa.

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