

Complementarity, substitutability and rivalry in trade between South East Asian and Latin-American countries

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Author: Marcel VAILLANT

Co-Authors: Enrique GILLES

The main goal of the paper is to characterize structural pattern of trade of South East Asian and Latin American Countries. With this information we can have elements to make some predictions about the impact of the set of trade agreements developed among countries of both regions. Differentiated inside countries and outside countries of trade preferential agreements. The methodology we are going to apply combine a network approach with conventional trade specialization index of relative comparative advantage (and disadvantage). International trade can be represented as a bipartite network connecting products with countries, where a link exists if a country exports a product with Revealed Comparative Advantage (RCA). Projecting this bipartite network on the products partition, Hausmann, Klinger, Barabási and Hidalgo (2007) developed the notion of Product Space. Then, Flores and Vaillant (2013) presented a new version of the Product Space with two major extensions of this framework. First, they consider the alternative projection of the bipartite network on the countries partition, building what we call the "Country Exports Space" (CXS). Second, they replicate the same procedure to the imports bipartite network and present the "Country Imports Space" (CMS). These two spaces are representations of the similarities among the baskets of products that countries import or export. Recently Flores (2015) introduce the concepts of complementarity, substitutability and rivalry with permits a deep knowledge of structural trade relationships among countries. Trade specialization indexes calculations were conducted using BACI International Trade Database from CEPII (Gaulier and Zignago, 2010), with bilateral trade consistency-corrected COMTRADE data for almost 5.000 products (Harmonized System subheadings) and 167 countries. In order to obtain more robust results, we use the mean trade values for the four-year period 2009-2012.

This type of research analysis is new for the evaluation of bilateral trade relationships influenced by preferential trade agreements. Also could be linked with input output analysis to improve the quality of the assumption of the sectoral destiny of the imported products (the missing index).