

# Development of China-ASEAN Agricultural Trade in the Context of CAFTA

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**Abstract:** This paper firstly analyzes the current situation of China-ASEAN bilateral agricultural trade development from 2010-2021 from two perspectives of total volume and structure, and secondly puts forward policy suggestions on the basis of trade development, such as enhancing the competitive advantages of products, adjusting the import and export structure of agricultural products, and implementing diversified markets.

**Keywords:** CAFTA; China-ASEAN; Agricultural Trade

## 1. Introduction

CAFTA, launched on January 1, 2010, accounts for about 13% of total world trade, affects 11 countries and over 1.9 billion people, has a GDP of over \$6 trillion and stores over 40% of foreign exchange, CAFTA is another important FTA in the world after the establishment of EU and NAFTA.

In the process of trade between China and ASEAN countries, agricultural products occupy a large proportion. For most ASEAN countries, agriculture is one of the main sources of GDP, and agricultural products also occupy a large proportion of China's export trade. In addition, China and ASEAN countries have similar natural environment, geographical location, climate and other conditions, so China and ASEAN have a broad basis for cooperation in agricultural trade. In conclusion, the analysis of the current situation of China-ASEAN agricultural trade development is of great significance to the bilateral agricultural development.

## 2. The Current Situation of China-ASEAN Agricultural Trade

### 2.1 Analysis of Total China-ASEAN Agricultural Trade

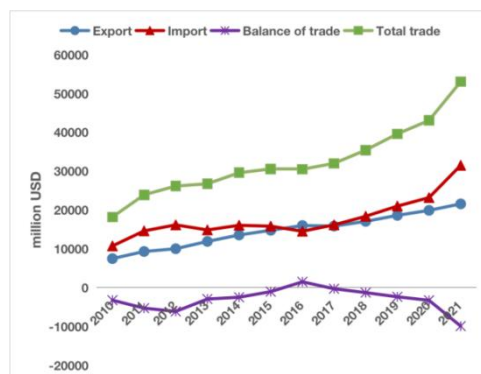


Figure 1. 2010-2021 China-ASEAN Trade in Agricultural Products

As shown in Figure 1, the scale of China-ASEAN agricultural products import and export has been expanding since the completion date of CAFTA, and the overall is in an upward trend<sup>[1]</sup>. According to the definition and statistics of agricultural products by the Ministry of Commerce of the People's Republic of China<sup>[2]</sup>, the total trade of agricultural products imported by China from ASEAN increased from US\$10,708.403 million in 2010 to US\$31,476.068 million in 2021, and the total trade of agricultural products exported to ASEAN increased from US\$7,458.009 million in 2010 to US\$ 21549.096 million.

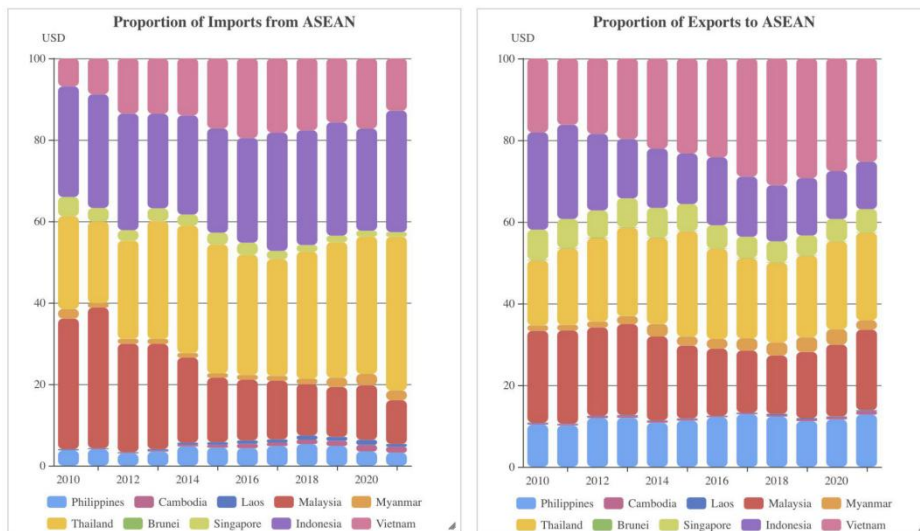


Figure 2. Proportion of China's imports from ASEAN and China's exports to ASEAN

As can be seen in Figure 2, Thailand, Indonesia, Malaysia and Vietnam have been the four major agricultural importers of ASEAN agricultural products into China, and the Philippines, Malaysia, Thailand, Indonesia and Vietnam have been the five major agricultural exporters of China, and the import share and export share of these countries are over 90%.

## 2.2 Analysis of the structure of China-ASEAN agricultural trade

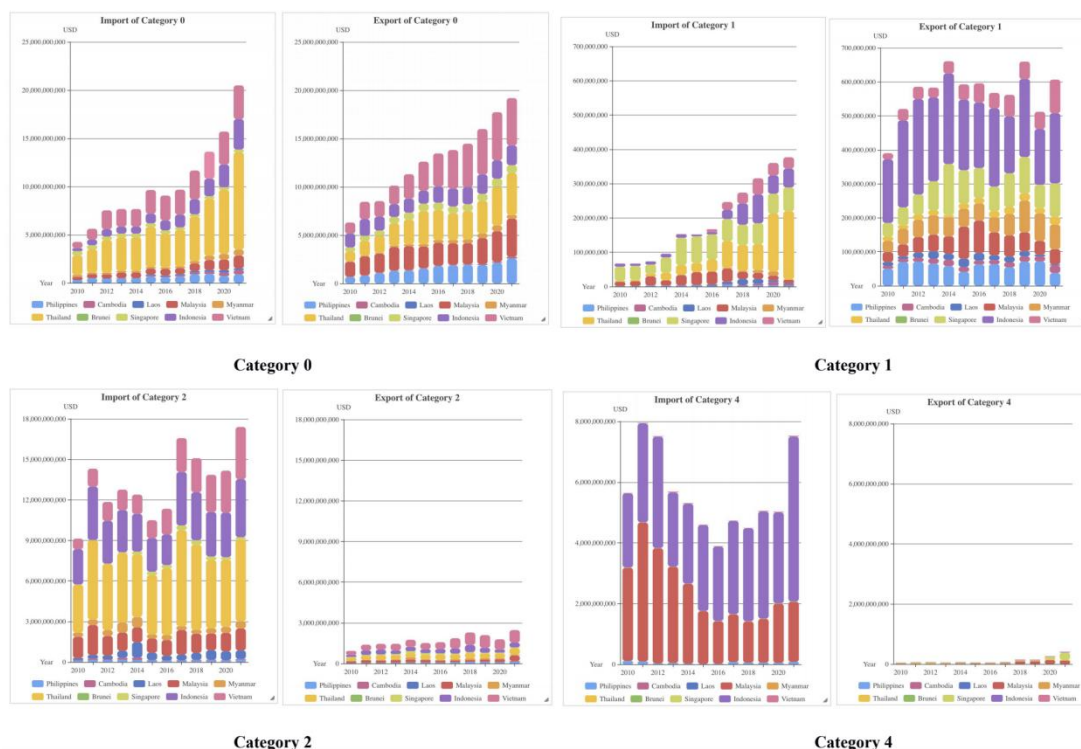


Figure 3. 2010-2021 China-ASEAN Import and Export of agricultural products of Category 0,1,2,4

International organizations have adopted different classification methods for the types of goods included in agricultural products,

for example, HS codes, SITC codes or agricultural products under BEC standards commonly used by domestic and foreign scholars<sup>[3]</sup>. The China-ASEAN agricultural trade data counted in this paper were obtained from UN Comtrade SITC Rev. 4, and agricultural products were classified into the following four major categories with reference to the Definition and Classification of the Scope of Agricultural Products in Agricultural Trade Studies: category 0 food and moving matter, category 1 beverages and tobacco, category 2 non-edible unprocessed materials other than fuel (except for chapters 27 and 28), and category Class 4 Animal and vegetable oils, fats and waxes.

As shown in Figure 3, for agricultural products in category 0 (food and movables), Thailand, Vietnam, and Indonesia are the main importers and Thailand, Vietnam, Malaysia, and the Philippines are the main exporters to China; for agricultural products in category 1 (beverages and tobacco), Thailand and Singapore have been the main importers and Vietnam, Indonesia, Malaysia, Thailand, and the Philippines are the main exporters.

For agricultural products in categories 2 and 4, China's agricultural trade imports from ASEAN are much larger than its exports from . For category 2 agricultural products (non-edible agricultural raw materials, except fuel), Thailand, Indonesia, Vietnam, and Malaysia are China's main importers and Vietnam, Thailand, Indonesia, and Malaysia are China's main exporters; for category 4 products (animal, vegetable oils and fats and waxy products), imports are mainly concentrated in two countries, Malaysia and Indonesia, with 2010-2017 relative to 2018-2021 The export volume is relatively small and mainly exported to Vietnam, Singapore, Thailand and Malaysia, while Vietnam, Thailand, Indonesia and Malaysia are the main exporting countries of China in 2018-2021.

### 3. Conclusion

To sum up, this paper suggests that China and ASEAN should adjust the import and export structure of agricultural products in the process of trade of agricultural products to achieve the effect of balanced trade. At the same time, Encourage the development of deep processing to enhance the competitive advantages of agricultural products; adopt market diversification strategy and vigorously explore new export markets to reduce and alleviate trade frictions; improve the logistics system to effectively improve the costs brought by long-distance transportation<sup>[4]</sup>.

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