Capacity for Vietnam – Japan FTA: Gravity model approach

Tran Ngoc Quan (Master student of Transition Economy Official of Ministry of Trade, Vietnam Email: tnq_168@yahoo.com

This paper, prepared for the graduation paper at master level in GRIPS, explores the way to find an appropriate partners for Vietnam's FTA strategy in the quantitative method; in which investigates capacity of a Japan – Vietnam FTA for their owned sake of trade improvement.

Focus on the advantage of Japan and Vietnam on trade, put their relation on the world trade relation and explore their potential trade, Although Vietnam does not lie in the priority list of Japan for its FTA, it turns out that a FTA between Vietnam and Japan will be a appropriate policy on the basis of trade interest.

Among 13 nations examined, suggested potential FTA partners for Vietnam: Singapore, Egypt and large economies in the Asia – Pacific region.