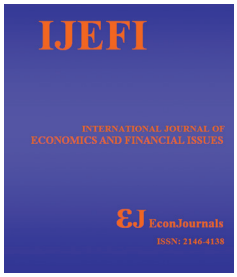

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Analyzing the Competitiveness and Complementarity of the Tea Trade between China and Mekong River Basin Countries

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ABSTRACT

This study examines the competitiveness and complementarity of the tea trade between China and Mekong River Basin countries (Cambodia, Myanmar, Thailand, Vietnam, and Laos) from 2014 to 2023. Using the Revealed Comparative Advantage (RCA) index, the Trade Complementarity Index (TCI), and the Trade Intensity Index (TII), the research assesses China's position in the tea market of the region. The survey results indicate that China has maintained a strong comparative advantage in tea exports, occupying a dominant position in the region, but competition from Vietnam is particularly significant. China's tea trade exhibits strong complementarity with Cambodia and Myanmar while maintaining close trade ties with Vietnam, Cambodia, and Thailand. Recent trade complementarity and trade intensity between China and the Mekong River Basin countries show a steady upward trend, signaling increased alignment in bilateral trade. The study offers policy recommendations—adopting market-specific strategies, fostering regional cooperation, and optimizing product structures—to enhance China's tea trade competitiveness.

Keywords: Tea, Mekong Countries, Comparative Advantage, Trade Complementarity Index
JEL Classifications: F10, F14, Q17, R11

1. INTRODUCTION

The Mekong River originates in Yushu Tibetan Autonomous Prefecture, Qinghai Province, China, where it is known as the Lancang River. After flowing out of China, it passes through Myanmar, Laos, Thailand, and Cambodia before emptying into the South China Sea near Ho Chi Minh City, Vietnam (Gupta, 2008). As the river traverses most countries in Asia, the Mekong maintains geographical and economic significance (Zhang and Lu, 2015). In 1992, the Asian Development Bank initiated the Greater Mekong Subregion (GMS) Economic Cooperation Program, including the six countries of the Mekong River Basin. This initiative aims to strengthen economic ties among member states while promoting regional economic and social development (Wang, 2007).

Driven by cooperation mechanisms and frameworks such as the GMS, the Lancang-Mekong Cooperation (LMC), the Regional Comprehensive Economic Partnership (RCEP), and the Belt and Road Initiative (BRI), trade cooperation between China and other Mekong River Basin countries continues to deepen. Bilateral trade volume has grown steadily since 1992 (Zhao, 2023). Data from China's General Administration of Customs indicates that the total trade volume between China and Mekong River Basin countries surpassed $400 billion in 2023, nearly doubling from a decade ago. The trade volume between China and the Mekong River Basin countries exceeded $200 billion in the first half of 2024, marking a 12% year-on-year increase.

Tea is one of China's key specialty agricultural exports. As the birthplace of tea plants, China is the world's largest producer and consumer of tea and the second-largest tea exporter (Yan and Xu, 2011; Zhao and Guo, 2025). Tea is among the world's most popular non-alcoholic beverages, with tea cultivation in over 60 countries and consumption in more than 160 countries

(Basu Majumder et al., 2010). As a traditional product deeply embedded in Chinese culture, tea is not only a symbol of cultural exchange in the international market but also an integral part of China's agricultural economy (Chen et al., 2016). Geographically close to China, the Mekong River Basin countries have been influenced by Chinese culture, developing tea-drinking habits while mastering tea-processing techniques early on. For instance, Vietnam and Myanmar established tea plantations in the 19th and early 20th centuries, respectively. Today, all five Mekong River Basin countries, apart from China, produce tea (Xian and Wang, 2006). However, due to strong domestic consumption demand, these countries still import large quantities of tea from global markets, primarily from China.

Table 1 shows that the import volume and value of Chinese tea in the Mekong River Basin countries exhibited a steady growth trend from 2014 to 2019, reflecting rising tea consumption in the region. Imports peaked in 2019, reaching 11,748.9 tons with a total value of $24.12 million, highlighting strong market demand. However, the unit price remained relatively low at only $2.05 per kilogram, significantly below China's average tea export price of $5.51 per kilogram. This suggests that market demand was primarily for mid- to low-end tea. In 2020, the COVID-19 pandemic led to a sharp decline in import volume, which fell by 41.1%, while import value decreased by only 12.9%. This suggests that low-end tea imports experienced a significant reduction, whereas the demand for mid- to high-end tea remained stable. During the post-pandemic market adjustment from 2021 to 2023, import volumes stabilized at around 9,000 tons, while import values remained within the range of $17 to $18 million. Although the market has shown signs of recovery, it has yet to return to its 2019 peak.

Regarding China's market share in this region, a fluctuating upward trend occurred from 2014 to 2020, reaching a peak of 44.5% in 2020. However, from 2021 onwards, China's share in the Mekong River Basin tea market began to decline, dropping to 31.5% in 2023, nearing its 2014 level. Trends varied across countries. In Vietnam, China's tea maintained a strong market position, peaking at 65.2% in 2019 and remaining above 40% despite fluctuations. Cambodia's market share steadily increased and has been maintained at around 30% in recent years. Thailand's share experienced significant volatility, surging to 47.7% in 2020 before dropping to 18% in 2023. Myanmar's market share steeply declined after 2018, falling below 2% between 2020 and 2022 before rebounding to 16.5% in 2023. Meanwhile, Laos witnessed rapid growth in Chinese tea imports after 2020, peaking at 68.8% in 2022 before declining to 28.4% in 2023.

China's tea export has maintained a strong market presence in Vietnam and Cambodia. In contrast, its market share in Thailand, Myanmar, and Laos has exhibited considerable fluctuations, indicating notable uncertainties in these markets.

With the full implementation of the Greater Mekong Subregion (GMS) Economic Cooperation Program, the Lancang-Mekong Cooperation (LMC), and the Regional Comprehensive Economic Partnership (RCEP), along with the continued advancement of the Belt and Road Initiative (BRI) (Huang et al., 2021). China and Mekong River Basin countries have established a comprehensive, multi-layered framework for economic and trade collaboration. Against the backdrop of accelerating regional economic integration, the average annual GDP growth rate of Mekong River Basin countries over the past decade has exceeded 5% (World Bank, 2023). Meanwhile, consumer preferences are shifting from necessities to higher-quality, health-oriented products (Zhang, 2013). As a specialty agricultural product with deep cultural roots and significant health benefits, tea is crucial to agricultural trade between China and ASEAN countries. The global tea consumption market has already surpassed $25 billion (Statista, 2024), reinforcing tea's position as a key economic and cultural bridge between China and the Mekong region.

Based on the above, a systematic analysis of the spatiotemporal evolution of the tea trade between China and Mekong River Basin countries—while assessing China's tea export competitiveness and trade complementarity—will provide valuable insights for optimizing China's tea export structure and cultivating new international competitive advantages. This analysis can contribute

Table 1: Import volume, value, and proportion of Chinese tea: Mekong river basin countries (2014-2023)

Country	Item	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Myanmar	Quantity	305.2	275	234.4	355.7	49.9	19.6	1.9	15.3	12.4	79.1
	Value	75.4	74.8	63.8	92.7	20.5	11.8	1.7	6	4.9	64.4
	Proportion	33.9%	32.8%	36.5%	36.0%	15.7%	8.6%	1.3%	1.6%	1.5%	16.5%
Thailand	Quantity	1078.7	2989.8	4788.4	4184.2	5728	6588.4	4737.7	6147.8	6957	7264.5
	Value	367.3	242.5	425.9	313.1	351.8	351.7	1240.5	879.1	401.6	444.9
	Proportion	25.8%	17.8%	24.2%	19.9%	17.9%	15.9%	47.7%	38.1%	17.6%	18.0%
Viet Nam	Quantity	944.5	917.4	1037.7	800.9	2958.3	5006.4	1949.4	1783.8	2183.8	2027.6
	Value	347	327.7	320.3	346	1267.7	2016.3	807.1	670.2	1170.1	1169.4
	Proportion	43.8%	35.8%	29.4%	31.0%	53.8%	65.2%	48.1%	41.2%	47.5%	47.9%
Cambodia	Quantity	40.9	9.1	30.7	40	32.7	132.6	207.7	219.7	155.7	222.2
	Value	10.1	2.7	8.3	17.8	12.9	30.9	52.6	64.5	65.7	99.3
	Proportion	12.4%	6.2%	12.3%	17.7%	12.1%	26.0%	27.2%	32.3%	30.0%	30.2%
Lao	Quantity	0	1.5	17.5	0.3	0.1	1.9	24.2	659.3	-	-
	Value	0	0.8	17.2	0.5	0.1	1.3	1.7	126.1	213.1	32.3
	Proportion	0.1%	6.4%	25.9%	0.5%	0.1%	1.1%	1.5%	54.5%	68.8%	28.4%
Total	Quantity	2369.3	4192.7	6108.6	5381	8769	11748.9	6920.9	8826	9308.9	9593.4
	Value	799.9	648.5	835.5	770.1	1653	2412	2103.6	1745.9	1855.4	1810.3
	Proportion	31.7%	25.3%	26.5%	24.5%	35.6%	42.5%	44.5%	36.8%	33.1%	31.5%

The unit of the value and quantity in the table is 104USD and t, respectively

to China's strategic approach in building a more balanced, sustainable regional value chain. The remainder of this paper is organized as follows. Section Two reviews the relevant literature on trade competitiveness and complementarity. Section Three outlines the research methodology. Section Four quantifies China's trade advantages and complementarity in tea exports using the Revealed Comparative Advantage (RCA) index and the Trade Complementarity Index (TCI). Section Five presents policy recommendations and strategic suggestions.

2. LITERATURE REVIEW

Numerous scholars have examined China's tea export trade from perspectives such as export structure, competitiveness analysis, and trade potential. Wang and Pan (2004) analyzed China's tea export competitiveness from 1986 to 2000 by measuring key indicators, including the RCA index, TCI, and Export Price Elasticity. Their findings revealed a significant decline in China's tea export competitiveness during this period (Wang and Pan, 2004). Xu (2006) analyzed China's tea export competitiveness using the TCI, RCA index, and International Market Share to find that China's tea export competitiveness has been gradually declining. Zhang (2018) utilized data from the International Trade Centre to analyze the export structure of China's tea industry. Using three indicators—International Market Share, the TCI, and the RCA index,tor study assessed the export competitiveness of various tea types and packaging specifications from 2001 to 2016. The results indicate a downward trend in China's tea export competitiveness. The study suggests that focusing on developing green tea, stabilizing black tea, and promoting specialty tea exports are key strategies to strengthen and enhance China's international market competitiveness in tea.

Li and Gao (2007) empirically analyzed the comparative advantage of China's tea industry using the RCA index. The results indicate that while China's tea industry has a certain comparative advantage, it has been gradually declining. Based on these findings, policy recommendations are made to improve the competitiveness of China's tea industry. Guan (2010) analyzed the export unit price, international market share, TCI, and RCA index for various types of tea in China. The study found that among China's tea exports, large-packaged green tea has the strongest comparative advantage, while large-packaged fermented tea has the weakest. Small-packaged green tea and small-packaged fermented tea have shown the most rapid increase in comparative advantage. Measures to enhance China's tea export competitiveness include strengthening tea exports with unique advantages, restructuring the export product portfolio, and optimizing the export market structure.

Wang et al. (2020) explored China's international tea trade competitiveness by applying the Intra-Industry Trade Index and the RCA index. The findings indicate that tea remains a product with a comparative advantage for China. Li et al. (2022) analyzed China's tea trade with other RCEP member countries from 2011 to 2020, using trade data to examine import and export trends. By calculating key trade indices, including the RCA index, TCI, and TII, the study assessed the competitiveness and complementarity of bilateral tea trade. The findings indicate that China has maintained a long-term comparative advantage in tea exports, with notable competition from Vietnam and Indonesia, while exhibiting strong trade complementarity with countries such as New Zealand, Brunei, and Australia.

Yang et al. (2019) analyzed the characteristics and trends of China's tea trade with ASEAN countries from 2001 to 2017. The study found that China's tea exports to ASEAN were primarily concentrated in Thailand, Malaysia, Myanmar, Vietnam, and Singapore, with export volume consistently accounting for over 64% of the ASEAN market. Additionally, China's tea exports to Thailand, Vietnam, and Malaysia experienced rapid growth, with Vietnam showing the fastest growth in export value. Wang et al. (2021) evaluated the policy impact of the BRI on China's tea export growth using a progressive difference-in-differences (DID) model based on panel data from China and 40 major tea-importing countries and regions. The study found that the BRI has positively affected China's overall tea export value and that higher levels of economic openness significantly contribute to the growth of China's tea exports. The study provided policy recommendations on how China's tea export trade can leverage the opportunities presented by the BRI.

Regarding research methods, scholars have primarily employed common measurement indicators, including the RCA index, TCI, and TII for analysis. Regarding research subjects, target markets often focus on global markets or regions such as the European Union and ASEAN, with less research on Mekong River Basin countries. Based on the above, the present study uses the RCA index to measure the competitiveness of Chinese tea in the Mekong River region market to determine whether there is an export advantage. The study combines the TCI and TII to analyze the degree of demand matching between Chinese tea exports and Mekong countries, assessing the trade cooperation complementarity and potential. The aim is to predict the competitiveness and development direction of China's tea trade under the new situation and provide targeted policy recommendations.

3. RESEARCH METHODOLOGY

3.1. RCA Index

The Revealed Comparative Advantage (RCA) index, first proposed by Balassa, measures the export share of a specific product within a country's total exports relative to the share of that product in global trade. This index serves as an effective indicator of a country's international competitiveness in a particular industry (Shi, 2004). The calculation formula is as follows:

$$RCA_{ij}^{k} = \frac{(X_{ij}^{k} / X_{i}^{k})}{(X_{wj}^{k} / X_{w}^{k})}$$

Where X_{ij}^{k} represents the export value of product j by country i in year k. X_{i}^{k} represents the total export value of country i in year k. X_{wj}^{k} indicates the export value of product j in year k worldwide. X_{w}^{k} depicts the total export value worldwide in year k.

The RCA index assesses a country's international competitiveness in a specific industry. It is classified into four ranges: RCA < 0.8

indicates very weak competitiveness, 0.8 ≤ RCA < 1.25 represents relatively weak competitiveness, 1.25 ≤ RCA < 2.5 signifies relatively strong competitiveness, and RCA ≥ 2.5 reflects very strong competitiveness. A higher RCA value suggests greater international competitiveness in a given industry (Hao, 2020; Miankhel et al., 2014).

3.2. TCI

The Trade Complementarity Index (TCI) was first proposed by Japanese scholar Kiyoshi Kojima and later refined by Glick and Rose, among others (Rong and Yang, 2006). The TCI measures the degree of complementarity between a country's exports of a specific product and another country's imports of the same product, reflecting the alignment of their trade structures. The specific calculation formula is as follows:

$$TCI_{ij}^{k} = RCA_{xj}^{k} \times RCA_{mj}^{k}$$

Where TCI_{ij}^{k} represents the trade complementarity index between countries i and j for product k. RCA_{xj}^{k} represents the comparative advantage of exporting country i in product k, with a higher value indicating a greater advantage for the exporting country in producing product k. RCA_{mj}^{k} indicates the comparative advantage of importing country j in product k, with a higher value indicating a greater disadvantage for the exporting country in producing product k.

A TCI >1 indicates strong trade complementarity between the two countries for that product, with a higher value signifying stronger complementarity. In contrast, an index of less than 1 suggests weaker complementarity between the two countries for that product. When a country's export product categories align more closely with another country's import product categories, the TCI between the two countries increases, signifying a more pronounced trade complementarity (Lu et al., 2019).

3.3. TII

The Trade Intensity Index (TII), proposed by Brown, is a comprehensive indicator used to measure the degree of interdependence in bilateral trade between two countries (Xiang and Tang, 2016). The formula is as follows:

$$TII_{ij} = (X_{xj}/X_{iw})/(M_j/M_w)$$

Where X_j^i represents the tea export value from country i to country j. X_w^i represents the total tea exports from country i to all countries. M_j indicates the total tea imports of country j, and M_w represents the total tea imports worldwide. A TII >1 indicates a strong trade relationship between the two countries in tea. Conversely, a TII of <1 suggests a weaker trade relationship. Generally, the stronger the trade complementarity between the two countries, the higher the TII value (Ma and Qiu, 2022).

4. RESULTS

4.1. RCA Index Results

Table 2 shows noticeable differences in the RCA index for the tea trade among Mekong River Basin countries. China and Vietnam have relatively high export RCA indices, indicating strong competitive capabilities, while other countries in the region either lack or exhibit very weak competitive capabilities. As a traditional agricultural country, Vietnam benefits from a favorable ecological environment, providing a significant comparative advantage in tea production and export. In 2014, Vietnam's export RCA index was 4.57, considerably higher than that of the other countries in the region. However, since 2015, increased international competition has led to a sharp decline in Vietnam's export RCA index. This indicates that Vietnam's tea no longer holds an exceptionally strong competitive position. Nevertheless, Vietnam remains one of China's key competitors in tea exports.

As a major tea producer and exporter, China occupies a crucial position in the international tea trade market. China's RCA index remained above 1.25 from 2014 to 2023, signaling a consistent comparative advantage in tea exports. Although the RCA index in China fluctuated during this period, it usually remained at a relatively high level. Table 2 shows that China's RCA index gradually declined from nearly 2 to around 1.5 by 2023. From 2017 to 2018, the index peaked close to 2, reflecting improved competitiveness in the global tea market, likely driven by growth in high-end tea exports or expanding international demand. However, in 2019, the index began to decline. This is possibly due to intensified global competition, rising domestic consumption, changes in export structure, and fluctuations in international trade and logistics costs. Despite these fluctuations, China's comparative advantage in tea exports remained relatively stable, reaching high levels in certain years.

From an import perspective, there are significant differences in the RCA indices for tea imports across countries, reflecting varying degrees of dependence on tea imports. Overall, China, Thailand, and Vietnam have relatively low RCA indices, while Cambodia, Myanmar, and Laos have higher indices, indicating stronger demand for tea imports. China's RCA index ranges from 0.13 to 0.28, consistently below 1. This suggests a low reliance on imported tea, aligning with its position as a major global producer and exporter. Thailand's RCA index has generally been low but has increased since 2020, indicating a gradual rise in tea import demand in the Thai market. Vietnam's RCA index has fluctuated between 0.13 and 0.34 for an extended period, showing low import dependence, although there have been occasional increases, likely due to structural changes in domestic market demand.

Cambodia's RCA index has generally been low. However, it has shown an upward trend in recent years, reaching 0.56 in the final year, signaling a growing dependence on tea imports. Myanmar's RCA index fluctuated significantly, initially ranging from 0.19 to 0.38. However, it has surged in the last two years to 0.72 and 0.98, reflecting a rapid increase in tea import demand. This is possibly driven by the expansion of the domestic consumer market. Laos' RCA index for tea imports ranged from 0.05 to 0.72. Although initially low, it has steadily risen since 2020, indicating a growing demand for tea imports.

These countries lack competitive advantages in the tea trade. Their import demand is more pronounced within the region, providing

Table 2: RCA index results for imports and exports of mekong river basin countries

Item	Country	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Export	China	1.64	1.41	1.57	1.54	1.99	1.83	1.67	1.76	1.61	1.46
	Cambodia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Myanmar	0.31	0.18	0.21	0.36	0.50	0.30	0.28	0.43	0.63	0.62
	Lao PDR	0.11	0.40	0.42	0.30	0.42	0.58	0.55	0.52	-	-
	Thailand	0.10	0.08	0.09	0.12	0.16	0.18	0.22	0.23	0.20	0.19
	Vietnam	4.57	3.04	2.83	2.27	2.40	1.97	1.50	1.54	1.67	1.77
Import	China	0.13	0.16	0.17	0.21	0.23	0.27	0.26	0.22	0.27	0.28
	Cambodia	0.23	0.10	0.13	0.18	0.17	0.16	0.28	0.27	0.28	0.56
	Myanmar	0.38	0.34	0.27	0.34	0.19	0.21	0.20	0.90	0.72	0.98
	Lao PDR	0.05	0.08	0.39	0.45	0.41	0.61	0.62	0.72	-	-
	Thailand	0.17	0.17	0.22	0.18	0.22	0.26	0.35	0.29	0.29	0.36
	Vietnam	0.15	0.14	0.15	0.13	0.28	0.34	0.18	0.17	0.26	0.15

Source: Calculated by the author (data from the UN Comtrade Database)

substantial opportunities for trade cooperation. Therefore, China should fully leverage the benefits of regional economic integration, capitalize on its comparative advantages, target these emerging tea-consuming markets, actively expand trade partnerships, and increase its market share in Mekong River Basin countries.

4.2. TCI Results

The TCI between China's tea exports and the tea imports of the Mekong River Basin countries has generally shown an upward trend in recent years. This indicates that the compatibility of China's tea trade with these countries is steadily improving. However, market demand and growth conditions vary across countries. The TCI between China and Cambodia was relatively low in 2015, at just 0.145, but it steadily increased thereafter, reaching 0.814 in 2023. This suggests that Cambodia's demand for tea imports has been growing, with rising potential, although the base remains relatively low (Table 3).

The TCI between China and Myanmar has fluctuated significantly. Table 3 shows that from 2014 to 2019, it remained between 0.3 and 0.6. In 2021, it surged to 1.574 and remained high at 1.431 in 2023. This indicates a very strong trade complementarity between China's tea exports and Myanmar's tea imports, signaling a clear rise in Myanmar's dependence on imported tea. The TCI between China and Laos saw the most significant growth. In 2014, it was just 0.08, but by 2021, it had exceeded 2.326 and increased to 2.49 in 2022. Although it slightly declined in 2023, it remained at a high level. Before 2017, the TCI between China and Thailand, as well as between China and Vietnam, was approximately 0.2, indicating weak complementarity. This is possibly due to sufficient local production or direct competition with China. However, the index has risen in recent years, signaling increased demand for imported tea, suggesting that there may still be untapped market potential and opportunities.

Overall, the TCI between China's tea exports and the tea imports of the Mekong River Basin countries has shown a positive upward trend. The average TCI index between China and the five countries in the Mekong River Basin has increased by 158.74% over the past decade. China's tea has significant market potential in these countries, particularly Myanmar, Cambodia, and Laos, where trade complementarity is strong. Moving forward, China should fully leverage its comparative advantages and play a more prominent role in enhancing trade with these countries.

Table 3: TCI results between china and Mekong river basin countries

Year	Cambodia	Myanmar	Thailand	Vietnam	Lao
2014	0.384	0.626	0.284	0.245	0.080
2015	0.145	0.480	0.24	0.197	0.114
2016	0.210	0.425	0.345	0.238	0.617
2017	0.278	0.526	0.280	0.206	0.686
2018	0.341	0.378	0.442	0.556	0.825
2019	0.301	0.38	0.480	0.626	1.040
2020	0.467	0.337	0.582	0.297	1.091
2021	0.467	1.574	0.510	0.290	2.326
2022	0.448	1.157	0.464	0.421	2.490
2023	0.814	1.431	0.519	0.453	0.972

Source: Calculated by the author (data from the UN Comtrade Database)

4.3. TII Results

The TII of tea between China and the Mekong River Basin countries reflects the strength of their bilateral trade relationships. Table 4 shows that the tea trade relationship between China and Vietnam is the closest. The index consistently remained high, peaking at 4.32 in 2019, indicating a robust trade connection. Thailand's index has remained stable but is lower than Vietnam's, reaching 2.59 in 2021. This suggests a growing trade relationship. Cambodia's TII shows a steady upward trend, rising to 2.25 in 2023, indicating a gradual strengthening of bilateral trade cooperation. Myanmar's index fluctuated significantly, remaining around 2.5 from 2014 to 2017, before dropping sharply after 2018 to just 0.10 in 2022. It recovered to 1.23 in 2023, reflecting a substantial weakening of the tea trade intensity, which is now in a recovery phase. Laos' index had been relatively low for an extended period but saw a sharp increase after 2020, reaching 4.63 in 2022. This signifies a rapid rise in China's dependency on Laos' tea market in recent years (Table 4).

Overall, the average TII index between China and the five countries in the Mekong River Basin has increased by 17.56% in the past decade. The intensity of tea trade between China and Laos, as well as between China and Myanmar, has fluctuated but is still relatively high, indicating a close tea trade relationship between the two countries. Comparatively, Vietnam, Cambodia, and Thailand have maintained stable, long-term, and close trade relationships. In the future, differentiated trade strategies can be adopted to meet the specific market needs of each country.

Table 4: TII results between China and Mekong River basin countries

Year	Cambodia	Myanmar	Thailand	Vietnam	Lao PDR
2014	0.96	2.61	1.99	3.37	0.01
2015	0.48	2.51	1.36	2.73	0.49
2016	0.89	2.66	1.77	2.14	1.89
2017	1.25	2.55	1.41	2.20	0.04
2018	0.83	1.07	1.22	3.68	0.01
2019	1.72	0.57	1.06	4.32	0.07
2020	1.95	0.09	3.42	3.45	0.10
2021	2.20	0.11	2.59	2.80	3.71
2022	2.02	0.10	1.19	3.20	4.63
2023	2.25	1.23	1.34	3.57	2.12

Source: Calculated by the author (data from the UN Comtrade Database)

5. CONCLUSIONS

This study analyzes the competitiveness and complementarity of China's tea exports to Mekong River Basin countries using trade data from the United Nations Commodity Trade Database (2014-2023). The following conclusions are drawn. First, China's tea trade in the Mekong River Basin generally holds a comparative advantage. However, after peaking in 2018, the advantage has somewhat declined, although China's tea exports continue to possess strong competitiveness, with the overall advantage slightly weakened. Second, China's tea trade in the Mekong River Basin exhibits competitive relationships and strong complementarity with other countries in this region. Vietnam, for instance, shows considerable competition with China's tea exports but demonstrates a high degree of trade intensity. Myanmar and Laos exhibit strong complementarity with China's tea exports, while Cambodia and Thailand maintain a close trade connection with China's tea exports. Both the TCI and the TII are rising. This suggests that the trade alignment between China and the Mekong River Basin countries continues to strengthen, highlighting significant potential for China's tea exports in this region.

Based on the above research conclusions, the following recommendations are proposed regarding China's tea exports to Mekong River Basin countries:

5.1. Adopt Differentiated Strategies for Various Markets

For countries with high complementarity and fast-growing tea import demand, such as Laos, Myanmar, and Cambodia, efforts should expand the market, increase exports, establish local agent systems, and enhance brand recognition. Policy coordination should be strengthened, focusing on linking with China's infrastructure investments (e.g., the China-Laos Railway), establishing tea logistics and warehousing centers, and reducing transportation costs. For markets like Vietnam and Thailand, where complementarity is currently weaker and where they are tea-producing and exporting countries, this study recommends focusing on distinctive tea products and developing mid- to high-end tea exports to meet the demand for premium health-oriented products. A differentiated competition strategy should be adopted to enter these markets. Opportunities for cooperation in tea deep processing technologies should be explored.

5.2. Promote Regional Coordination Strategies

Collaborative data platforms should be established by partnering with Mekong River Basin countries to create a digital tea trade platform. This could enable real-time sharing of supply and demand, pricing, and policy information, reducing information asymmetry. Trade facilitation should be enhanced by fully utilizing regional trade policies and agreements, promoting zero or low-tariff tea trade, optimizing cross-border logistics systems, and improving transportation efficiency. Efforts should be made to align with the food safety standards of Mekong countries while promoting mutual recognition of organic and green tea certifications to boost market competitiveness.

5.3. Product Structure Strategy for Tea Enterprises

Tea enterprises should adjust their product structures based on market demand, promoting high-value-added tea products (e.g., Pu'er tea, Oolong tea, tea bags, and new-style tea drink ingredients) for export while catering to the younger consumer group's demand for convenient tea beverages. Enterprises should strengthen brand development and tea culture promotion through social media marketing, utilizing new media platforms to promote their brands. Experience stores should be established in key markets such as Bangkok, Ho Chi Minh City, and Phnom Penh while organizing tea trade fairs and tea culture festivals in Mekong River Basin countries. This can be in conjunction with the BRI to increase market awareness and acceptance.

This study finds that China's tea trade with the Mekong River Basin countries holds significant potential. By implementing targeted strategies, diversifying trade models, and localizing strategies, China can increase its market share, solidify its influence in the region, and shift the Mekong region from a competitive market to a value-chain cooperative model. This will enhance the quality, efficiency, and sustainability of China's tea exports.

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