Abstract

This thesis analyzes the importance of China within the global economy and assesses the potential of Vietnam to serve as its replacement, or at least for some industries. Using the network analysis and the hypothetical extraction method (HEM), the most influential sectors of the Chinese economy were identified and an increasing trend of reliance of the Westen countries on China's supply and demand was found. Next, using the trade decomposition method, the participation in GVC for Vietnam and China was calculated. Although Vietnam is increasing its participation and other countries are increasing their demand for inputs from Vietnam, based on the available data, it was not possible to determine whether these changes could mean that Vietnam can replace China in the future.