



ĐẠI HỌC HUẾ
HUE UNIVERSITY

TẠP CHÍ KHOA HỌC

Journal of Science

Chuyên san

Khoa học Xã hội và Nhân văn

Social Sciences and Humanities Issue

ISSN 1859-1388

Tập/Volume 78
Số/Number 9, 2012

TABLE OF CONTENTS

1.	<i>Pham Tran Thuy Anh</i>	Implications of the spread of english today in Vietnam: Education, IT, and Media	5
2.	<i>Tran Xuan Chau</i> <i>Ho Thi Bich Ngoc</i>	Developing supporting industries in Vietnam today	13
3.	<i>Elma Lodder</i> <i>Nguyen Quang Phuc</i>	Livelihood strategy and social differentiation after agricultural land conversion for urban expansion in a peri-urban area of Hue city, Vietnam	23
4.	<i>Nguyen Thi Huong Giang</i> <i>Vu Thi Minh Ngoc</i>	Investigating key determinants of export performance in Vietnam	35
5.	<i>Le Ngoc My Hang</i> <i>Hoang Giang</i>	Development of a model for evaluating the effectiveness of accounting information systems in co-operatives in Thua Thien Hue province	49
6.	<i>Nguyen Dang Hao</i>	Factors affecting the income of households in the coastal sandy area of Thua Thien Hue province...	59
7.	<i>Nguyen Dang Hao</i> <i>Duong Duc Quang Hao</i>	The relationship between brand perception and individual customer loyalty: a case of military commercial joint stock bank branch Hue	75
8.	<i>Nguyen Thi Minh Hoa</i>	Institutional arrangements in the procurement of live pigs in Nghe An province	83
9.	<i>Nguyen Thi Dieu Linh</i>	Value chain of high quality rice markets a case study in Quang Vinh - Quang Dien - Thua Thien Hue - Viet Nam	93
10.	<i>Le To Minh Tan</i> <i>Pham Phuong Trung</i> <i>Nguyen Thi Khanh Trang</i> <i>Pham Anh Thi</i> <i>Nguyen Hoang Bao Khanh</i>	Determinants of the intention to use internet banking in Hue	105

11.	<i>Duong Ba Vu Thi</i> <i>Tran Bao An</i> <i>Tran Duc Tri</i>	The relationship between banking service quality and customer satisfaction at bank for agriculture and rural development - Thua Thien Hue branch.	117
12.	<i>Nguyen Van Toan</i> <i>Thai Thanh Ha</i> <i>Huynh Minh Tri</i>	Who is a better economic performer? A comparison between individual farmers and common interest households in Ha Tinh province	131
13.	<i>Nguyen Ho Minh Trang</i>	Measuring the impact of tourism on economic growth: An empirical analysis for the case of Thua Thien Hue province	143
14.	<i>Doan Thanh Tuan</i> <i>Pham Hoa Hiep</i>	The difficulties encountered by graduates majoring in translation.....	155

INVESTIGATING KEY DETERMINANTS OF EXPORT PERFORMANCE IN VIETNAM

Nguyen Thi Huong Giang¹, Vu Thi Minh Ngoc²

College of Economics, Hue University

Vietnam Forestry University

Abstract. Export performance plays an important role in the development of an economy. Many researches have proved that higher growth rate of GDP depends significantly to export activities. Export expansion has been a key focus of the trade reforming process in Vietnam over the last 15 years. Consequently, Vietnam export performance has changed significantly which directly and indirectly leads to better economic performances. However, this article shows that export value accounts for very high proportion of GDP, reflecting that Vietnam's growth is depending heavily on export activities. This may cause potential vulnerability to Vietnam's economy. The article, therefore, examines the key determinants to Vietnam's export performance using an econometric model. The result shows that distances to importers, population and GDP volume of importing countries significantly affect the export performance of Vietnam while the effect of being a member of APEC and ASEAN is ambiguous.

1. Introduction

Export-lead growth has been successful for East Asian countries. In addition, some Southeast Asian countries also succeeded in pursuing this strategy among these, Vietnam is a prominent case. In the reform (Doi Moi) process of Vietnam, the export regime reform to expand its export has been the core part of this reform (Athukorala, 2009).

Vietnam opened its market in 1986 and then accelerated the international economic integration since 1995. In the last decade, the volume of export has increased significantly from \$14.5 billion in 2000 to \$57.1 billion in 2009 with an annual export growth rate of 34%¹. This remarkable growth of export from the country is worth for further investigation to understand the source of the export growth.

The purpose of this paper is to analyse the important determinants to export

¹ General Statistics Office of Vietnam

performance of Vietnam. It may result in some useful policy implications for Vietnam to reach their potential level of export in the future.

The paper is constructed as follows: the relevant literature on analysing the export performance is discussed in section 2; section 3 includes a brief background of the export of Vietnam; section 4 presents the data and econometric model; section 5 interprets the estimated results from the model; the final section discusses policy implications for export growth in Vietnam in the years ahead.

2. Literature review

Although there is a growing body of literature that has addressed the issue of export performance, there is still no uniformly accepted conceptualization and operationalisation of the construct.

At the empirical level, Harrigan, 2001 (cited in Blas et al., 2007) estimates the bilateral trade volume with respect to Gross Domestic Product (GDP), distance and other explanatory variables depending upon the specification of the equation. Typically in a log-linear form, Ok (2010) illustrates that the volume of trade between two countries is promoted by their GDP/income and constrained by their geographic distances. Deardorff (1998) argues that the relative distance of trading partners should also have an impact on the volume of trade. Wei (1996) and Helliwell (1997) extend this concept and define a 'remoteness variable' that captures third-country effects. In addition, Bergstrand (1985) explains that trade flows between two countries as directly proportional to the product of each country's 'economic mass' that can be measured by GDP and inversely proportional to the distance between the countries (cited in Kalirajan and Singh 2008).

3. Background information on export of Vietnam

Export expansion has been a key focus of the trade reform process in Vietnam over the last 15 years. The trade regulation has been gradually amended. In particular, the trading rights, which were previously in the hand of state-owned enterprises, are now entitled to all business sectors. This has reduced the price distortion and market failures created by state-controlled trading monopolies and improved the competitiveness and efficiency of trading companies. At the same time, export-promotion policy regime was introduced. Many effective measures have been made to facilitate export activities such as relaxing export duties and establishing export processing zones (EPZs).

Another major attempt to promote export of Vietnam is the gradual deregulation of the strictly controlled foreign exchange system, which started with opening foreign exchange trading floors. In addition, Vietnam government established an interbank foreign exchange market in 1994, removed the tax imposed on foreign exchange remittance in 1996 and authorized some basic foreign exchange transactions in 1998.

The surrender requirement fell from 80 percent to 40 percent in 2001 and then was finally eliminated in 2004 (Athukorala 2005). All of these changes in foreign exchange system have effectively stimulated export activities and facilitated the trade liberalization process of Vietnam.

Besides these unilateral reform measures, Vietnam has participated in various bilateral and multilateral agreements to promote export activities. Some important bilateral agreements are the trade agreement with European Union in 1992, bilateral trade agreements with Japan in 1999 and with the United States (US) in 2001. Moreover, Vietnam's export performance has also been improved thanks to the successful efforts to join the Association of South East Asian Nations (ASEAN), the ASEAN Free Trade Area (AFTA) in 1995. Vietnam also joined the Asia-Pacific Economic Cooperation (APEC) in 1998 which helps the country to facilitate its trade with Asia-Pacific countries. Lastly, Vietnam accessed the World Trade Organization (WTO) in January 2007 which further intensifies Vietnam's commitments to open its market and in turn, helps Vietnam have better market access to the world market.

Thanks to all of these efforts, Vietnam export performance has changed significantly. First, Vietnam has maintained high growth rate of export except for 2001 due to the slowing down on the US economy. Table 1 shows Vietnam's export volume over 2002 – 2007. Export has risen from over \$19,000 million in 2002 to over \$52,000 million in 2007 with the average annual growth rate of 17.67 percent. Another characteristic of Vietnam's export performance is a continuous increase in the share of exports in GDP (Table 1).

Table 1. *Vietnam's export goods and services 2002 - 2007*

Year	Exports (million USD)	Export growth (annual %)	GDP (million USD)	Exports (% of GDP)
2002	19,913.09	11.56	35,058.22	56.80
2003	23,045.87	15.73	38,867.11	59.29
2004	29,847.15	29.51	45,404.39	65.74
2005	36,624.29	22.71	52,803.88	69.36
2006	44,041.74	20.25	59,835.22	73.61
2007	52,769.16	19.82	68,624.85	76.90

(Source: World Data Bank, 2010. 'World Development Indicators & Global Development Finance', databank.worldbank.org (18/08/2010)).

Second, in the exported commodity structure, primary products accounted for a great proportion of exports from Vietnam (Table 2). The share of rice export, which was

the dominant earner among agricultural exports, has significantly reduced recently. This is a result of the rapid expansion of other traditional agricultural products (mostly coffee and rubber) and, more importantly, processed food (Athukorala 2009). Meanwhile, the share of manufacturing in Vietnamese merchandise exports increased from less than 10 percent in 1990 to over 58 percent in 2006 (Athukorala 2009). An important characteristic of manufacturing exports is the heavy concentration in the traditional labour intensive manufacturing such as footwear. However, there has been a notable diversification of the commodity composition in Vietnam's export products (Table 2).

Table 2. *Some main export goods of Vietnam (Million USD)*

Commodities	2002	2003	2004	2005	2006	2007
Rice	3,236.2	3,810.0	4,063.1	5,254.8	4,642.0	4,580.0
Textile, sewing products	2,732.0	3,609.1	4,429.8	4,772.4	5,854.8	7,732.0
Fishery products	2,021.7	2,199.6	2,408.1	2,732.5	3,358.0	3,763.4
Footwear	1,875.2	2,260.5	2,691.1	3,038.8	3,595.9	3,999.5
Coffee	722.2	749.4	976.2	912.7	980.9	1,232.1
Electronic parts and computer	605.4	854.7	1,062.4	1,427.4	1,807.8	2,165.2
Rubber	454.8	432.3	513.4	554.1	703.6	715.6

(Source: General Statistics Office of Vietnam, 2010. 'Trade, Price and Tourism').

Third, with respect to export diversification, Vietnam's export markets have expanded mostly from depending on Soviet bloc's economies into diversified markets around the world. However, Vietnam's export to the ASEAN countries has been relatively small. Only 16.7 percent of total exports were shipped to ASEAN in 2007. Among them, Singapore is the largest importer, accounting for 27.55 percent of Vietnam's export value to ASEAN countries. Nevertheless, the export value with other ASEAN countries has steadily increased because of the tariff reduction requirements under AFTA. On the other hand, APEC countries, including the US, have recently become major trading partners of Vietnam, which account for nearly three-quarters of Vietnam's exports from 2002 to 2007. Another important trading partner of Vietnam's exports is the European Union. Together with the US, European Union is the major markets for Vietnam's exports of labor-intensive products such as agricultural products, textiles and footwear.

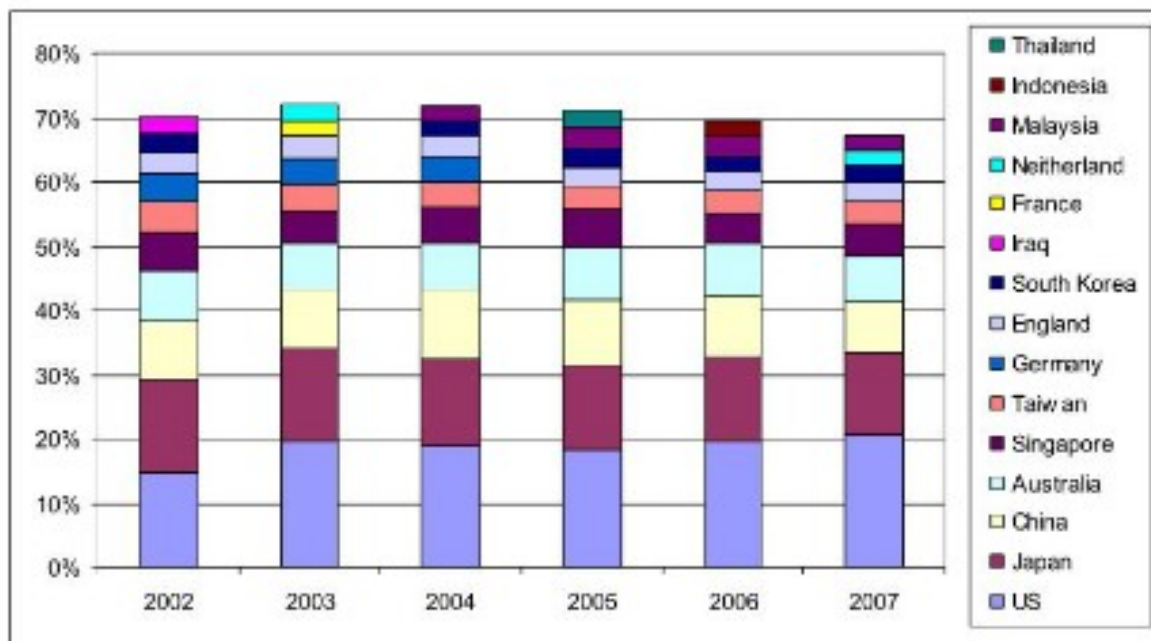


Fig. 1. *Ten largest markets of Vietnam's export*

(Source: General Statistics Office of Vietnam).

About the contribution of export to the growth, the share of export value in Vietnam's GDP has steadily increased over the period from 2002 to 2007 (Table 1). It is clear that export contributes a large part to the growth of Vietnam's GDP. It may be regarded as an evidence for the early success in the export led growth strategy of Vietnam. In comparison with China, a country that has a quite similar politic as well as economic structure to Vietnam, China's export value share in GDP also increases during the same period, particularly, from 25.13 percent in 2002 to 39.68 percent in 2007 (World Development Indicators, 2010). However export value comprises for about only one third of the total China's GDP compared with over two third in the case of Vietnam. Moreover, according to 2010 World Development Indicators, the growth rate of export turnover of China is decreasing and quite low (9.09 percent in 2007) while that of Vietnam is much higher, which is 19.82 percent in 2007.

4. Data and Econometric model of analysis

4.1. Data sources, variables construction and specification of the model

The data for Vietnam is obtained from the following sources. The data of the exporting volume from Vietnam to other countries are obtained from the General Statistics Office of Vietnam. The distance from Vietnam to other countries is obtained from The Free Map Tools². The GDP and population of other countries are obtained

²<http://www.freemaptools.com/how-far-is-it-between.htm>

from the World Bank Data. The data used in this analysis is the average value of variables in period 2002-2007. The group of 48 importing countries is selected among the lists of largest importing countries. The reason for choosing those countries is that the importing volumes of such countries from Vietnam are highest. The figure 1 above provides ten largest importing partners of Vietnam among 48 selected nations in terms of importing value in million USD.

The variables used in this study are constructed as illustrated in Table 4.

Table 4. *Variable construction*

Variable	Label for variable	Unit	Note
expo	The value of export volume from Vietnam to the importing countries	Million USD	Dependent variable
dista	The distance from Vietnam to those countries	Km	Independent variable
GDP	The value of GDP of the importing countries	Million USD	Independent variable
pop	Population of the importing countries	Number of people	Independent variable
APEC	= 1 if the importing country is a member of APEC		Dummy variable
ASEAN	= 1 if the importing country is a member of ASEAN		Dummy variable
lnexpo	Ln(expo)		
lnista	Ln(dista)		
lnGDP	Ln(GDP)		
lnpop	Ln(pop)		

Table 5. *Summary of data*

	Distance (km)	GDP (million USD)	Population (million people)
Min	392	6,076.82	3.2
Max	17920	12,000,000	1,299.58
Mean	8085.146	816,699.20	101.64

Although there is a wide range of factors which may affect the export performance of Vietnam, this paper focuses on some main factors for the following reasons.

First, distance is a powerful determinant of bilateral trade. Knowing how far a country is from its trading partners provides useful information about its ability to trade. Distance has a direct effect on transportation cost which affects the price of export. Huang Rocco R (2007) also claims that not only transport costs but also unfamiliarity can explain the negative correlation between geographic distances and bilateral trade volumes.

Second, there is a strong relationship between trade and economic growth (Jeffrey, F & David R 1999). Openness, which is often defined as the ratio of trade (export and import) to GDP, has been considered as one of the main determinants of economic growth. In turn, the level of GDP of a country will determine import volume that the country needs depending on this level (high, middle or low income) and the structure of Vietnam's export (primary products, subsistent products, manufacturing products or highly-value added products)

Furthermore, trade activities are considerably affected by the market size which largely is determined by the size of population in each importing country. The market size is a key determinant to decide the amount that a country trades because it reflexes the market demand for commodities (Philippe M, 2003). Otherwise, the change in population size also leads to the change in consumers' taste and preference due to population structure changes. Therefore, it may affect the import volume of a country that directly influences bilateral trade.

Finally, APEC and ASEAN are used in the model as dummy variables. They may draw some differences between trading to a member and to a non-member of these organizations. APEC has worked to facilitate the tariffs reduction and other trade barriers elimination across the Asia-Pacific region to increase trade. ASEAN has established its regional free trade area which has significantly reduce the trade barriers among the ten members of the group. Since Vietnam is a member of these two regional groups, the membership of other countries to APEC and ASEAN may play a role in determining the export of Vietnam to its trading partners.

In this study, the method of Ordinary Least Square (OLS) is used to estimate the effect of some main factors including distance, GDP, population and member of APEC as well as member of ASEAN on export value of Vietnam which has the following form:

$$\ln expo = \beta_0 + \beta_1 \ln dista + \beta_2 \ln GDP + \beta_3 \ln pop + \beta_4 APEC + \beta_5 ASEAN + \varepsilon$$

Where ε is error term, reflecting other influences on export value of Vietnam such as the amount of FDI invested to Vietnam, the number of trade agreements

between Vietnam with other countries. These factors can be reflexed in ε as unobserved factors because of the lack of the data.

Our purpose when running this model is to obtain unbiased and consistent estimators of coefficients of explanation variables. Therefore, the model needs to be well defined with expectation of a high value of R-square. Otherwise, the model also needs to satisfy all assumptions of OLS method, especially the assumption of no correlation between ε and the independent variables to avoid endogeneity problem.

The log-log form of the model is considered to use in this analysis because of its advantages. In the log model, the spread of residual is smaller than in linear model, so taking log reduces the Heteroskedasticity problem. Otherwise, when taking log-transformation, the coefficients will be the elasticity which reflects more accurate the relationship between dependent and independent variables in reality.

5. Model interpretation

The regressions has been run based on different country sample and the results are represented in Table 6. The model as a whole is well-defined with a reasonably high value of R square. In this part, we discuss whether the size and significance of these variables are robust or not in the presence of other variables.

Table 6. *Result of the model estimation*

Explanatory variables	Coefficients
Lndista	-0.698
lnGDP	0.956
Lnpop	-0.295
APEC	0.294
ASEAN	1.520
_cons	0.002
Number of observations	48
F(5, 42)	31.77
Prob > F	0
R-squared	0.7909
Adj R-squared	0.766
Root MSE	0.8065

Distance from Vietnam to importing countries

The coefficient of distance variable is statistically significant at 95 percent level

of confidence to explain the change in the value of exports of Vietnam. The direction of relationship is negative implying that an increase in the distance with the trading partners is expected to increase costs – transportation and marketing – thus reducing the value of exports of Vietnam to importing countries. The coefficient of distance is -0.6982 implying that 1 percent increase in distance (in km) with trading partners would decrease the exports of Vietnam by 0.698 percent if other things remained unchanged. In practice, this relation may be biased when we looked at the cases of EU or the United State. However, GDP, population, trade principles that Vietnam are granted by these countries and other variables can be useful to explain this situation.

GDP of importing countries

If we look at the GDP coefficient, it indicates that the GDP variable is statistically significant with 95 percent of confidence that it has relation to the value of exports of Vietnam. The coefficient of GDP is 0.9564 indicating that an increase of 10 percentage point in GDP of trading partner countries would raise Vietnam's export by roughly 9.5 per cent.

If the size of GDP represents the purchasing power of a country to imports, or demand on exports of foreign country, thus the model would tell us that Vietnam's export is more influenced by world demand. Hence, we can envisage two possible scenarios on how export performance in the country is affected by global demand. First, in the case of global economic expansion, world's demand would increase leading to an increase in export from Vietnam. In the case of global economic downturn, world's demand would decrease undermining exports from our country. Second, one inference that we can draw from the model is the type of goods exported by Vietnam. Since most of Vietnam's export products can be categorized as more concentrated on superior goods (manufacturing goods), so it is consumed more by world market as income increases. Thus, it can be said that demand factors have significant effects on Vietnam's export volume.

Population of the importing countries

The result obtained is general as expected. If we look at the p value of variable population in the model, it is clear that population is statically significant at the 5% level. This means that the population of a trading partner is highly significant to explain the change in export value of Vietnam, specifically if the population size of a trading partners increase by 1%, the export of Vietnam will decrease by 0.3%. It is a bit strange to see the negative impact of population size of importing countries on the export values of Vietnam to such countries here, but in some cases, it can be explained as follow:

First, population is a key factor that determines market size. Empirically, market size effects express the demand side effects, which play an important role for international trade. If a country is a larger economy which has a larger population, the

demand for goods and services will be high relatively. Data obtained in period 2002-2007 shows that the main importers of Vietnam including the US, Japan, China and Australia are all big countries in terms of population, so the total demand for a commodity is large. Most of the export products of Vietnam to these countries are basic products including manufacturing products such as household furnishings, clothes, footwear, food and electronic equipments, which are mostly for the basis need of livelihood. Thus, Vietnam's export amount is significantly influenced by a change in population of the importing partners. Second, a larger trading partner represents increased export market opportunities. However, the bigger market size also results in the present of more competitive firms in the market. Therefore, it is reasonable to explain why Vietnam's export volume decreases when trading partner's population increase since the potential ability to compete of Vietnamese firms is quite low in comparison to other exporters in the world.

Membership of the APEC and ASEAN

In order to examine the link between export performance and membership of APEC and ASEAN, a dummy variable namely APEC (ASEAN) has been used as an explanatory variable in the model. APEC (ASEAN) receives the value "one" if the country to which Vietnam is exporting their products is an official member of APEC (ASEAN).

The APEC (Asia Pacific Economic Cooperation) was established in 1989 by 12 countries. APEC is the premier forum for facilitating economic growth, cooperation, trade and investment in the Asia-Pacific region. APEC currently has 21 members referred to as "Member Economies", which account for approximately 40.5 percent of the world's population, approximately 54.2 percent of world GDP and about 43.7 percent of world trade (APEC 2010). Vietnam joined in this forum at the APEC Kuala Lumpur Ministerial Meeting in November 1998.

The coefficient for the APEC dummy was found to be positive as expected although it is statistically insignificant. There are some reasons to explain the ambiguous export promotion effect of APEC. First, APEC is the regional group operating on the basis of non-binding commitments, open dialogue and equal respect for the views of all participants. Unlike the WTO or other regional free trade areas, APEC has no treaty obligations required of its participants (APEC 2010). The decisions-making process in APEC is based on consensus and commitments are undertaken on a voluntary basis. Exporting to APEC members does not go along with any tariff reduction offer or any other trade favorable conditions. Therefore, there are no obvious export promotion effects when Vietnam export to countries that are member of APEC.

Second, the economic leaders of APEC have agreed to announce their commitment to complete the achievement of their goal of free and open trade and

investment in the Asia-Pacific no later than the year 2020 for the developing countries and 2010 for industrialized economies (APEC Leaders' Declaration 1994). However all the trade favorable commitments might be implemented with lags, thus their impact on trade with developing countries including during the period 2002 – 2007 may not be significant.

Third, Vietnam has reached some important trade agreements with non-APEC countries, especially countries in European Union (EU) and also with APEC members, such as the bilateral trade agreement between Vietnam and the US. Consequently, the membership of APEC is insignificant in affecting Vietnam's export.

ASEAN was established on 8 August 1967 in Bangkok, Thailand. Initial ASEAN had only five original members. Now it has 10 members among which, Vietnam became a full member on 28 July 1995. ASEAN with its free trade area, namely AFTA, have made significant progress in the lowering of intra-regional tariffs through the Common Effective Preferential Tariff (CEPT) Scheme for AFTA. More than 99 percent of the products in the CEPT Inclusion List of ASEAN-6, comprising Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore and Thailand, have been brought down to the 0-5 percent tariff range.

The coefficient of ASEAN is positive and significant while that of APEC is positive but insignificant for Vietnam. Vietnam is still enjoying the benefit from MFN commitment implemented by other members of AFTA. In addition, the tariffs barrier of the ASEAN-6 has been reduced remarkably to fewer than 5 percent. Therefore, Vietnam's membership of ASEAN is expected to contribute to increasing export opportunities and thus export value of Vietnam to the countries that are member of ASEAN. This suggests that becoming a member of a regional organization may bring about advantages to Vietnam's export performance.

6. Conclusion and policy implication

Export performance plays an important role in the development of Vietnamese economy. The analysis shows that a country that is not rich in natural resource like Vietnam can still do better in realizing its export potential. However, it should be noted that export value accounts for very high proportion of GDP, reflecting that Vietnam's growth is depending significantly on export activities. This may cause potential vulnerability to Vietnam's economy facing the uncertainties in the world economy. As the result, the policy implication is that Vietnam should also consider the domestic market of nearly 87 billion people and have appropriate policies to boost the domestic market demand and consumption.

In addition, the paper focused on analyzing the important determinants that affect the export performance of Vietnam. These determinants are the distance, the GDP of importing countries, the population of importing countries, and the membership of

the APEC and ASEAN.

First, the distance has the negative relationship to the export performance of Vietnam. This implies that Vietnam is efficient in reducing the gap between its potential and actual exports with the majority of its trading partners. The policy implication is that Vietnam should optimize this advantage over other ASEAN countries. It should be noted that Vietnam is well positioned in the strategic geography of Asia and enjoy both long costal lines with sea-ports and continental road connection with neighboring countries such as China and Thailand. It also needs to make the clearings at ports and custom houses faster and hassle free through technological measures and a greater participation of the private sector as it increases increasing costs to domestic manufactures.

Second, the rise in GDP of trading partners has significant impact to exports of Vietnam. This is probably explained by different composition of goods exported by the country since the share of manufacturing product or skill-intensive products in Vietnam's exports is great among export products. Therefore, when GDP or income of trading partners increases, skill-intensive products from Vietnam will be consumed more. The policy implication is that Vietnam should focus on more skill-intensive products rather than labour-intensive products to improve the value of the products.

Third, the population of the importing countries have strong negative impact to Vietnam's export. This implies the structure of main exported products of Vietnam are the basic products. In addition, this also implies a low competitiveness of Vietnamese firms. As the result, the policy implication is that Vietnam should consider improving the quality of export products to meet the higher demand of costumers especially for consumers in high income countries such as US, EU and Australia because as explained above, the consumers of those countries demand for higher quality of products while the main exported products of Vietnam are the basic ones.

Fourth, both APEC and ASEAN membership have positive effect to Vietnam's export. However, the impact from APEC membership seems to be statistically insignificant due to the nature of this unbinding cooperation forum. On the other hand, the impact from ASEAN membership seems to be statistically significant for Vietnam. This implies the fact that Vietnam is the less developed and the late comer in ASEAN. In addition, it also implies that ASEAN market is not the most important destiny of its export. The policy implication is that Vietnam should look for big markets outside ASEAN such as the US and EU rather than focus only on the intra-regional trade.

References

- [1]. ASEAN, *Overview*, The Association of Southeast Asian Nations, viewed 18 August 2010, <http://www.aseansec.org/64.htm>

- [2]. APEC, *About APEC*, Asia-Pacific Economic Cooperation, viewed 18 August 2010, http://www.apec.org/apec/about_apec.html
- [3]. APEC, *1994 Leaders Declaration*, Asia-Pacific Economic Cooperation, viewed 18 August 2010, http://www.apec.org/apec/leaders_declarations/1994.html
- [4]. Athukorala PC, *Economic Transition and Export Performance in Vietnam*, ASEAN Economic Bulletin, Vol. 26, No. 1, (2009), 96-114.
- [5]. Blasi GD, Seccia A, Carlucci D and Santeramo FG, *Contributed Paper prepared for presentation at the 105th EAAE Seminar International Marketing and International Trade of Quality Food Products*, Bologna, Italy, March 8-10, 2007.
- [6]. Dcardorff A, *Determinants of bilateral trade: does gravity work in a neoclassical world* in JA Frankel (ed), *The Regionalization of the World Economy*, The University of Chicago Press, Chicago, 1998.
- [7]. GSO, *Trade, Price and Tourism*, General Statistics Office of Vietnam, viewed 18 August 2010, http://www.gso.gov.vn/default_en.aspx?tabid=472&idmid=3
- [8]. Hill H, *Export Success Against the Odds: A Vietnamese Case Study*, World Development, Vol. 28, No. 2, (2000), 283-300.
- [9]. Jeffrey F & David R 1999, *Does Trade Cause Growth?*, Australian Energy Regulator, Vol. 89, No. 3, (1999), 379-399.
- [10]. Kalirajan K & Singh K, *A Comparative Analysis of China's and India's Recent Export Performances*, Asian Economic Papers, Vol. 7, No. 1, (2008), 1-28.
- [11]. Ok ST, *What Determines Intra-EU Trade? The Gravity Model Revisited*, International Research Journal of Finance and Economics, Issue 39, (2010), 244-250.
- [12]. Wei, SJ, *Intra-national versus International trade: How Stubborn are Nations in Global Integration?*, NBER Working Paper, National Bureau of Economic Research, Cambridge, No. 5531 (1996), 1-28.