

Perception of Export Barriers and Opportunities to the EU Markets for Vietnamese Firms: From Academic-Related Theories

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T*his research focuses on examining export barriers and export promotion programmers encountered to the EU markets by Vietnamese firms. The study not only explores the academic discourse on these trade issues, but also explores the impact of these policies and perceptions of these policies in the case of the EU and Vietnam on the performance of Vietnamese firms. Using a Vietnamese typical textile and garment exporter as a proxy for firms in this industry, the study identifies a number of issues related to export barriers and export promotion. However, in this short paper, some prominent points of the Vietnamese textile industry and the academic-related analysis will be presented only to help all readers systemize fundamental knowledge around export barriers and export performance.*

Keyword: *Export barriers, export promotion, export performance, Vietnamese firms and EU markets.*

1. Background information

Trade is an activity that humans have been engaged in since they mastered moving goods and services between locations. Throughout the nineteenth and twentieth century, free trade has been advocated as a means for nations to consume more than they could produce. Moreover, in the last forty years, we have seen exporting as the crucial factor for economic growth and development in many developing and emerging markets. The trend is impressive with each year; total turnover from export activities generates a significant and increasing amount of national income worldwide. Many researchers such as Onkvisit and Shaw (1997), and Czinkota

and Ronkainen (1998) have demonstrated the benefit of export activities. According to Czinkota and Ronkainen (1998)-‘it raises technological, quality and service standards in the organisation’. Exporting is a weapon to increase companies’ competitiveness and improve production efficiency. It generates more profits for enterprises, therefore, rewarding for shareholders and employees with increased profits. Export activities create more money that firms can utilise for reinvestment and growth. Moreover, foreign market expansion and diversification via exporting makes firms more stable than just focusing on domestic markets as it acts as a safety valve for fluctuations in the domestic

market (Leonidou, 2000). Although in an era of a trade liberalisation, integration and competition, most firms have chosen to engage in export operations in order to achieve the above indicated targets; achieving in exporting is not easy to accomplish. It requires firms to have sufficient capacity which is related to many internal domestic factors. Moreover, many export obstacles impede firms from export activities, depending on the country, specific industry and international involvement levels which can cause the obstacles to vary in importance and scope.

Considering the textile and garment industry, in terms of export growth, Vietnam has risen to one of the ten most important countries in

Figure 1: Industrial output of Vietnam's textile and garment industry (GSO, 2010)

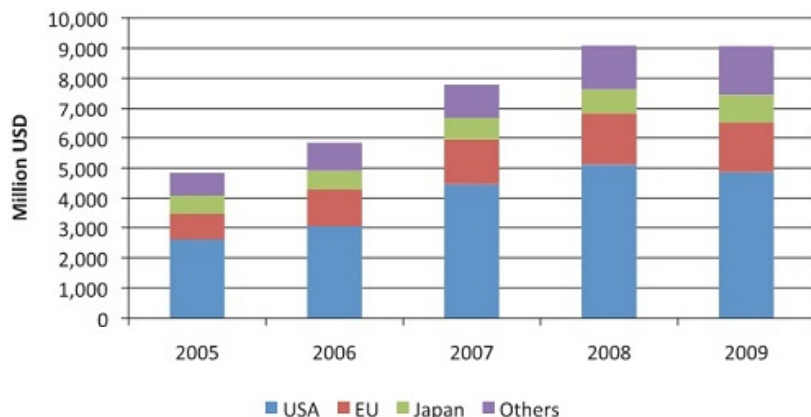


Table 1: A Snapshot of the Apparel Sector in China, Vietnam (2009)

Key Comparative Indicators	China	Vietnam
Total Imports (Value)	\$ 1,651,745,000	\$ 604,373,333
Total Exports (Value)	\$ 100,479,288,000	\$ 8,244,000,000
Companies Operating in the Sector	52,828	3,174
Small	13.2%	26.8%
Medium	54.0%	55.0%
Large	32.8%	18.2%
Est. no. of works in the sector	4,587,000	1,194,310
Male	20.0%	17.0%
Female	80.0%	82.8%

terms of apparel export turnover in the world. Vietnamese firms have made a significant contribution to the growth of world textile and garment industries. According to the General Statistics Office of Vietnam (GSO), in 2009 industrial output from the textile and garment sector totalled an estimated VND 47.6 trillion.

Table 1 is a snapshot of the Apparel Sector in China and Vietnam in 2009. According to World Bank (2010), 18% of Vietnamese textile and garment exporters can be classified as large having a major contribution to the Vietnamese economy in general and the Vietnamese textile and garment industry in particular.

In 2011, Vietnam's textile

and garment export turnover reached US \$13.5 billion, making an impressive growth of 25% compared to 2010 (Petro Times, 2012; E-NEWSPAPER OF INDUSTRY AND TRADE, 2012). It is estimated to increase to US \$16 billion and US \$22 billion in 2015 and 2020 respectively (Vietnam Financial Review, 2010). However, as noted above, many export barriers exist and impede Vietnamese firms on their exporting paths. It is not only external barriers but also internal barriers.

Regarding the textile and garment industry's contribution in Vietnam, it is considered as one of the major export businesses that influence the

Vietnam economy. In 2011, the export activities of this industry generated many benefits for the Vietnam economy, especially, its total turnover ranking number one in the list of export turnover generated by other industries (Industrial Review of Vietnam, 2011). The importance of this study in the context of Vietnam cannot be underestimated. In particular, many of the most prominent firms such as VTEC, NHABECO, GARCO 10, PHUONG DONG GARMENT JSC, PHONG PHU CORP generate most of the activity for the Vietnamese textile and garment industry. These firms each year generate considerably export turnover compared to others in the industry. Currently, Vietnamese textile and garment firms export their products to many countries in the world, but the major markets are the USA, EU, Japan, and Korea (Communist Party Of Vietnam Online Newspaper, 2012). In the EU markets, the major markets of Vietnamese textile and garment firms are ranked in descending order including Germany, UK, Spain, Netherland and France respectively.

The above fundamental information about markets as well as the industry reveals the importance of textile and garment industry for the Vietnam economy. However, the current situation of Vietnamese textile and garment industry reveals that; firms might confront many difficulties due to a number of nontariff export barriers that influence the development of Vietnam economy. Moreover, a number of studies exist on export

barriers and some focus on country data, but few explore this issues from the perspective of the firm or specific industry. Moreover, most of these studies focus on tariff barriers and external barriers with little regard to nontariff barriers that exist internally. Da Silva and Da Rocha (2001) investigated the real perception of export barriers to Mercosur by Brazilian firms but it is widen to a country analysis and did not focus to specific industry and the international involvement level of firms (See Appendix 2). In general, this study can be recognised as macro analysis; however, there is room to do something much more micro focused. Based on these limitations and the necessary of understanding which factors can be perceived as the most important and practical export barriers to the EU markets by Vietnamese firms, this study will clarify all the above issues.

In terms of analysis, the secondary data surrounding export obstacles/barriers and export promotion will be investigated. The study not only contextualises the theoretical literature but also the firm's internal information and Vietnamese textile and garment industry insights. VTEC (Viettien Garment Corporation), one of the most significant actors in the Vietnamese garment and textile industry, is selected as an industry proxy due to its representative characteristics for Vietnamese textile and garment industry.

Because of the urgency and necessity of investigating practical export obstacle/barriers and export promotion to the EU markets by Vietnamese firms, the research will concentrate more on

the current situation in Vietnam rather than proffer a historical narrative. However, when the issues are analysed, some previous connection and information about the textile and garment industry and the historical trade relationship between Vietnam and EU will be used. A deductive method is the main tool of information analysis in this research. Based on theoretical background and primary data collected from the investigated firm via questionnaires and in-depth interviews, the paper will demonstrate the impact of export barriers as well as export promotion in the context of the textile and garment industry in Vietnam.

In an attempt to contextualise the topic, following part will explore and summarise the relevant academic literature and issues related to this research which include export obstacles/barriers, export promotion and the relationship between these factors and firms' export performance.

2. Literature review

Internationalisation defined as the integration of countries and firms through the movement of goods and services makes many countries and firms around the world not only integrated, but interdependent. In particular, international trade, typically, seen as export activities have a vital role in leveraging internationalisation process. According to Leonidas et al. (2007:742), in a contemporary period, export and its related activities are considered as 'the most popular, easiest and quickest way' for many firms to internationalise. Due to technological change, increased communication and containerisation, countries from

the different part of the world can exchange commodities easily. According to Barker and Kaynak (1992), export turnover has a significant contribution to firms' total sales and firms' stable development, export boost profitability, improve trade balances and provide employment. However, many export obstacles/barriers have impeded adversely export activities. After investigating the context of international trade of developing countries, trade between Vietnam and EU has been chosen to illustrate this point. It also provides a case of where trade activity involving a developing country can be used to highlight specific issues that firms in such a country face. Therefore, the following review will examine the literature on the barriers and export promotion of export activities in the context of Vietnam and EU.

2.1. Exporting insight from Vietnam

2.1.1. The bilateral relationship between Vietnam and EU:

The EU has been an important trade partner of Vietnam due to bilateral trade between Vietnam and EU which has developed significantly over the past decade. In 1995, Vietnam signed a framework agreement called EC on sustainable cooperation and development with the EU. By 2010, Vietnam and EU completed negotiations about PCA (Partnership and Cooperation Agreement) which states that Vietnam can receive concessionary treatment in regards to trade with the EU (EU Generalized System of Preferences, GSP). This system allows developing countries (including Vietnam) to

pay lower import tariffs on some of their exports to the EU. In 2009, the imports that received GSP preferences had the value of 60 billion Euros, which represents 4% of total EU import and 9.3% of total EU imports from developing countries. Moreover, there are some products that can be imported to EU markets quota-free (The World and Vietnam Report, 2010). However, this agreement also makes it difficult for Vietnamese firms due to non-tariff regulation which are still enforced- SPS (Sanitary and Phytosanitary Measures) and TBT (Technical Barriers to Trade) (Ministry of Natural Resource & Environment, 2012). Currently, FTA (Free Trade Agreement) is being negotiated between Vietnam and EU with the view of reducing tax for Vietnamese firms to 0% (from current 4.5 %) in some industries. However, some major export industries of Vietnam to the EU markets are still imposed high tariffs which are higher than other countries using FTA with EU.

2.1.2. The export situation of Vietnamese firms to EU market:

Vietnam's trade volume has steadily increased since the introduction of the reform policy known as Doi Moi in 1986. The main trading partners of Vietnam include EU, Japan, USA, Korea, Hong Kong, Singapore and Taiwan (Nguyen and Anwar, 2011). In 2010, export turnover of Vietnam exceeded US \$71.6 billion (Industrial Review of Vietnam, 2012). Recently, imports being higher than exports have triggered trade deficit (compared to 2010, in 2011 the trade deficit increased to over US \$18 billion (General statistic office, 2012)). However,

export turnover of Vietnamese firms to the EU markets (Germany, Netherland, UK, France and Spain) in 2011 which equalled US \$19.2 billion increasing more than 25% compared to 2010. Export products include shoes, textile products, coffee, seafood, wooden products, peppercorn, cashew nuts and traditional handicraft products (Vietnam Customs, 2012). And in 2011, textile and garment products to the EU markets also marked an incredible point (US \$13.5 billion), which indicates an increase of 41%, compared to 2010. The projection for Vietnamese textile and garment export in 2012 is USD 15 billion (Petro Times, 2012; Communist Party Of Vietnam Online Newspaper, 2012). Currently, Vietnam is a trade partner of the EU, ranking 31 in the list of countries which import to EU markets and has got 0.6 % in total import of EU (WTO Center, 2011). The reason for this significant increase in exports to the EU market is the depreciation of the US dollar against the Euro and the increasing price of some products in the world, especially, agricultural products. Moreover, due to the European debt crisis, European consumers are purchasing more products and commodities offered at reasonable prices (Bacha Garment JSC, 2012).

In regarding to the seafood industry, currently, the EU is the biggest market of Vietnam (which a share of 25.7 %), following Japan (19%) and US (16%). It makes Vietnam the sixth biggest seafood exporting country in the world (Bao Moi, 2012). However, food hygiene requirements, IUU (illegal unreported and unregulated

fishing) and price devaluation on seafood products has been creating a number of challenges for Vietnamese firms in this industry when they try to penetrate deeply into EU markets.

With regards to the textile industry, the export volume to EU markets is 18% of total textile exports of the country (Industrial Review of Vietnam, 2011). In 2011, total export turnover of garment products to all markets reached US \$13.5 billion and hit the new record of growth- more than 38%. In particular, this figure reached US \$2.4 billion, counting for 2.4% in total to the EU import turnover of textile products and ranking Vietnam in the seventh place in total countries which export textile to EU markets (Doanh Nhân Saigon, 2012). EU markets require imports of the above indicated products be high quality at reasonable price. Currently, Vietnam firms compete adversely with foreign firms and are facing difficulties in exporting due to non-tariff requirements (TBT, SPS, IUU, hygiene on import products-HACCP- Hazard Analysis and Critical Control Point System, REACH and hosh, "Eco friendly") and firms' inadequate capabilities of expanding market share and creating distribution channel, unsustainable imported input materials. Consequently, we need to review and understand the wider context that Vietnam finds itself in through exploring the literature on export barriers.

2.2. Export barriers

The basic objective of firms is to maximize profits (Parking and King, 1992). In a contemporary internationalised economic setting, the above statement is meaningful,

especially for export firms. However, many export barriers indicated in previous research might reduce the volume of export activities as well as profits. According to Leonidou (1994b), export barriers as attitudinal, structural, operational constraints could impede or prohibit firms in expansion or maintain their export operations. Following findings are demonstrated based on various perspectives.

From 1960s to 1990s, many studies related to export barriers were published that proffered various views on export barriers (See appendix 1). In terms of focus on small manufacturing firms which are cross-sections of industries, we often see the studies by Groke and Kreidle (1967), Alexandrides (1971), Rabino (1980) sighted. The researchers of these studies used mail survey methods to explore export barriers perception among smes, then based on some previous related export barriers studies and using descriptive statistics to analyse collected data drew conclusions. Some major export barriers have been found such as trade restrictions, limited information about foreign markets, locating overseas distributors, competitive intensity, logistical constraints, lacking of trained personnel (Katsikeas, 1994; Katsikeas and Morgan, 1994). However, all of the above findings were based on a research in export developed countries such as Turkey, Singapore, United States, Australia, Greece and Cyprus. In addition, the amount of research samples, the research methodologies, timeframes and company-specific factors were totally different

among these studies which was not important given the nature of the studies in terms of identifying export barriers.

Some researchers used different approaches to investigate which export barriers were more important, such as Barker and Kaynak (1992), Moini (1997) and Rabino (1980). Their findings revealed that regulatory barriers and import restrictions are most significant and problematic for export firms. They focus more on the barriers at the macroeconomic level and nominal barriers for specific industry such as clothing and food. Moini's findings also suggested that export firms focused on single market might suffer an adverse competition on price and quality of product in foreign markets. These macro studies have historically dominated the literature.

Besides these studies, there are other findings from studies by Bilkey and Tesar (1977), Kedia and Chhokar (1986), Cheong and Chong (1988), Barker and Kaynak (1992) which show that export firms might encounter different barriers based on their level of international involvement. A number of researchers have emphasized this area and divided it into two basic forms which were main causes that impeded firms from engaging in export activities and export experience problems. The researchers indicated four levels of international involvement such as non-exporter, new exporter, expanding exporter and continuing exporter. According to Bilkey and Tesar (1977), "the more advanced the export stage, the greater the proportion of firms that perceived

difficulties in exporting procedures" - which included obtaining sufficient representation in foreign markets, and payment from foreign customers. For non-exporters, the lack of information and foreign contacts, high initial investment and inadequate human resource might be the most importance obstacles, while trade barriers, corruption, capital difficulties can be seen as the most barriers confronted by expanding exporter (Barker and Kaynak, 1992; Ahmed et al., 2004). Researchers have started to observe smes behaviours in encountering barrier problems which are collected, aggregated and group it into the above two forms.

Other studies have aggregated all barrier characteristics, for instance, Seringhouse and Rosson (1991) formulate into four types of barrier characteristics which are operational/resource-based, informational, motivational and knowledge-based. Alternatively, Cavusgil (1984) differentiate firms' internal and external environment barriers. Based on this study, Leonidou (1994b) and Morgan (1997) have demonstrated a comprehensive framework on four-cell matrix set of export barriers which are internal-domestic, internal-foreign, external-domestic and external-foreign. In this framework, some barriers which are not indicated in previous studies, are discussed which include excessive document requirements, procedural difficulties in export transaction, unfamiliar business protocols and practice, regulatory import controls of foreign government. This framework is considered applicable for all



countries due to its comprehensive contexts. However, in-deep studies about export barriers perceptions by firms in various countries seem to be different in the degree of barriers.

In addition, different group of researchers have used different approaches to investigate export barriers at the firm level. Some studies are conducted and completed by observation exhibited exporter behaviours, others using survey, interview, data collection and evaluation the degree of export barriers toward specific countries, another formulate export barriers based on specific industry, macro level and internationalization involvement level; fewer studies focus on corruption in export procedures, input materials, high transportation costs, noncompliance to non-tariff barriers, lack of rule of law and immature financial intermediaries to facilitate trade whereas the above noted can be barriers for Vietnamese firms when they export some products to the EU markets. However, those noted non-tariff barriers in Vietnam were not witnessed and addressed in previous studies. Therefore, in

order to help firms overcome these barriers, the government might hold an important role in offering export promotion to stimulate export activities.

2.3. Export promotion

Export promotion programs (EPPS) refer to all public measures designed to leverage export activities of domestic firms (Czinkota and Ronkainen, 2007). It can be called as export stimuli that the government offers a range of assistance activities. These programs might facilitate to firms in its export activities and improve companies' performance (Eaton et al., 2004). The programs seem to differ significantly between countries, especially in developing countries due to their difference in a various areas. The empirical question of what factors leverage small and medium-size firms to export can help governments formulate a suitable export promotion program in their own countries, has been explored by many researchers for five decades. The initial one can be traced back to the work of Simmonds and Smith (1968). They used observation method and collected all related

information about exporting performance to indicate real key stimulus elements. However, they had just conducted export stimulus elements and failed in giving a good export promotion programs that the government of the researched developing countries should be used.

During the following years, many researches investigating export promotion used a more theoretical development and methodology to explore export promotion. Brezzo and Perkal (1983), Seringhaus (1986, 1990) and Diamantopoulos et al. (1993) had analyzed the role of EPPS toward smes and identified key incentives based on company needs and industry. Another school of thought based on continuing research on EPPS and having evaluated specific programs, for instance, Sharkey et al. (1989) evaluated specific EPPS, besides concentrating on financial and information support from government, they had a comprehensive explanation about the decision-making from pre-export period until completed export. This made the distinction

between their research and previous studies. In addition, the research of Alvarez (2004), Wikinsion and Brouther (2006) also focused more on researching the use of sponsored foreign trade exhibitions, trade missions, identification of agents/distributors support by states but with limited sample (only 105 companies) might lead their findings partly unreliable.

Besides that, Linnemann et al. (1987) presented a number of EPPS adopted across 17 developing countries and the findings reveal six key areas of government intervention: exchange rate policy, import policy, fiscal policy, factor market policy, investment policy, and export promotion policy. In addition, some authorities have focused on exploring the match between company needs and offered EPPS (Naidu and Rao, 1993; Crick and Katsikeas, 1995). However, these approaches have only evaluated a specific program, called cross sectional studies, which can be a useful but not a comprehensive tool to help smes overcome export barriers.

As more attention has been paid to EPPS, many researchers have used different academic approaches to investigate comprehensively export promotion and there are three schools of thought that can be considered. Firstly, according to Naidu et al. (1997), there are four categories; which are export information and advice, product planning and support, marketing support, and financial guarantees that are crucial for export promotion based on their research. They also stated that public institutions have a vital role to develop effective export assistance programs and guide for

all export organizations and even a firm being uninterested in foreign market. They conduct a survey with 120 Indian export firms to answer the question of how government is going to support export firms and then group all findings into the above indicated categories. Generally, this approach might be evaluated thoroughly about export promotion but they still have some issues that should be presented. The sample is too small and it just illustrates export promotion programs used in specific countries (India). Moreover, they do not differentiate export promotion programs should be used based on internationalisation stages and industries. Before this research, the studies of Czinkota (1994), Cavusgil (1984), Seringhaus and Rosson (1991) also group EPPS to motivational, informational and operational need of firms based on the degree of firm's export involvement. (See appendix 3)

Secondly, Freixanet (2011) has synthesized all previous studies and based on his research surrounding export promotion programs, he has found that export promotion program should be offered suitably based on the degree of internationalisation stage of a group of export firms because firms have different needs. The five stages of exports include starting/passive exporter, regular exporter with little structure, and regular exporter with complete structure, consolidated exporter with permanent sale or logistic establishments and industrial multinational with product subsidiaries abroad. Freixanet assumes that the first three above present stages of export are demonstrated for firms having

not established permanently and the degree of internationalisation increase respectively. In these stages, direct promotion, financial aid, consultation, information support such as information on market, export know-how should be used due to its little experience in foreign market and its resources. For the remaining stages, government can use 'investment support' tool to leverage export activities. In this research, Freixanet conducted a survey on over 1874 manufacturing export companies from different sectors of the economy to group their export information, utilized export promotion tool and collect export sales/total sales after using export promotion programs. These reliable data provided by the ACICSA database via another database called SABI. However, the finding of above study might not be suitable for all industries and did not give an in-deep analysis of specific industry.

Finally, Jones (2006) had a different approach to explore export promotion. He focused on exchange rate fluctuations and raised some theories around this. He assumed that one of the major differences between domestic and international business transactions was the impact of exchange rate fluctuation in income, costs and profits. For example, if 1 GBP buys 1.5 USD (the rate is 1:1.5) and if government adjusts the exchange rate 1GBP buys 1.4 USD (the rate is 1:1.4), it means the pound is rising in value and the US dollar is falling. This stimulates UK firms export more to US markets (or any market using the dollar in international business transactions) because they might get a better

value by using little the pound to buy the dollar for payment process. Based on this simple benefit, Jones indicated that exchange rate influencing trade flows and has a powerful leverage to stimulate export activities if government adjusted it reasonably, based on the export situation in their countries. Again, the above studies are high emphasis in the literature on export promotion at macro variables and international finance and trade but lack of localized knowledge in term of promotion approaches.

The above analysed literature on export barriers and export promotion might lead to the question of how export performance is measured and the impact of barriers and promotion to export performance.

2.4. Export performance and to measure

2.4.1. Assessment of previous academic studies on export performance:

Export performance research has proliferated in the last three decades. Different approaches with better theory and academic-based are applied time by time (Shoham, 1996; Sousa et al., 2008; Wheeler et al., 2008) (See appendix 4). From the 1960s to 1990s, a group of researchers investigated export performance in term of countries, the size of the sample, industry context, data collection method, hypotheses research. For instance, many researches in export performance were conducted in the USA (Aaby and Slater, 1989; Chetty and Hamilton, 1993). Other researches were conducted in European countries where English is not their indigenous language, they applied and investigated



export performance studies in their own countries (Hulzmuller and Kasper, 1991; Bijmolt and Zwart, 1994); there are a few studies on export performance in developing countries such as Asia and Latin America. Most of the above researches focused on manufacturing industry (machine, food and clothing) and smes, based on data collected from email survey and the export database, hypotheses testing is utilized (Naidu and Prasad, 1994, Pla-Barber and Alegre, 2007), some groups of researchers advocated a specific export performance unit which are product and market-gained (Cavusgil and Zou, 1994, Morgan et al., 2004). However, these units have not studied thoroughly and had an inconclusive finding.

According to Zou and Stan (1998), Katsikeas et al. (2000), Singh (2009), Freeman et al. (2012), even though the previous researches have been conducted but they might not have 'strong theoretical foundation' and being suffered from serious conceptual, methodological and practical limitations. More recent work has addressed export performance based on theoretical approaches

of Zou and Stan (1998). They propose three paradigms; the first one is the relational paradigm, it expresses the importance of exporter-customer relationships based on relational exchange theory (Matanda and Freeman, 2009, Ural, 2009). The second one called the structure-conduct-performance paradigms which present the relationship of firms' strategic choice and its performance at each industry (Ruppenthal, 2009). The last paradigm is called the RBV paradigm (Resource Based View) which has been becoming increasingly accepted as a burgeoning and powerful theoretical paradigm within export performance research (Wolff and Pett, 2000; Peng, 2001, Morgan et al., 2004). This paradigm demonstrates the need of maintaining firms' sustainable competitive advantage in its served markets by utilizing thoroughly all firms' valuable resources and capabilities.

2.4.2. Export performance measurement:

There are many studies on how to measure export performance but no conclusive agreement has been reached in this area in terms

of which appropriate factors determine export performance as well as their measurement (Stoina et al., 2011) (See appendix 4). For instance, Wiedersheim-Paul et al. (1978), Cooper and Kleinsehmidt (1985) indicated that profitability and market growth opportunities affect export performance measurement and the researchers linked it to firm characteristics, overseas market characteristics, and international involvement level and then divided export performance measurement into four factors such as export intensity (sales and percentage of total sales), number of markets-gained, profitability and manage satisfaction. These studies used a self-administered mail survey and applied stepwise regression to point out what factors have a significant contribution to export performance measure. Another approach to identify export success is to divide export performance in terms of non-economic and economic outcome (Katsikeas et al., 2000), non-economic factors which are the degree of internationalisation, export sustainable competitive advantages.

However, the studies of Madsen (1987) and Matthyssens and Pauwels (1996) can be seen as a holistic approach that they grouped the measurement tool of export performance into three categories which are financial, non-financial and composite scale. In term of financial measures, sales (export sales or export intensity), export profit-divided and growth (look at sale and profit increasing over a period of time) are considered

as a main tool to evaluate export performance (Majocchi et al., 2005). Regarding to non-financial measures, there are three factors, which are perceived success, satisfaction and goal achievement, being considered. The final factor of export performance measures is composite scales; this factor refers to evaluating performance based on all other measure factors. After that, many studies based on this approach and have in-deep investigation on each export performance measure (Raymond et al., 2011; Ural, 2009; Style et al., 2008; Francis and Collins-Dod, 2004). Link these measures to the above academic studies, it can be seen that researchers used different criteria of measurement, typically Katsikeas et al. (1996) utilized survey and interview 87 Greece export firms to investigate what factors constitute to the success of export activities, he used regression analysis and goal achievement measure to evaluate export performance. According to Style and Hersch (2005), although each country might have different criteria of evaluating export performance, the three above categories presented initially by Matthyssens and Pauwels (1996) is still a comprehensive measurement framework●

***(To be continued
in the next issue)***

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