Firm specifics, Trade liberalization, and export intensity with the moderating role of location advantages- Empirical evidence from Vietnam

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ABSTRACT

Vietnam has experienced an impressive period of economic growth recently. Since the foreign trade relation of Vietnam expanded, the export sector has been outperformed with a double-digit growth rate, especially Ho Chi Minh City (HCMC). To study the impact of firm specifics, trade liberalization on export intensity (EI) of Vietnamese exporters with moderating effect of location advantages on the relationship between firm specifics and EI, data was collected from 61 exporters listing in Vietnam stock markets from 2010 to 2020. The regression test was carried out by applying GMM model and showed that firm productivity has a negative impact on EI while cost to income ratio has a positive impact on EI at the significance level of 5%. Trade liberalization has a positive impact on EI significantly at 5%. The findings confirmed the moderating role of firm location in the relationship between firm specifics and EI. The findings support RBV theory, and trade liberalization policy.

Keywords: Trade liberalization, location advantages, export intensity, Ho Chi Minh City, Vietnam.