

## Vietnam's Textile & Clothing Exports to the U.S. Under OTEXA Monitoring<sup>1</sup>

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September 2007

This paper analyzes Vietnam's monthly exports to the United States from January 2000 to May, 2007 using monthly trade statistics available from the U.S. Census. The analysis focuses on Vietnam's performance in terms of both U.S. market share and price, and the sample period includes Vietnam's accession to the WTO (in 2001) as well as the onset of monitoring of a subset of Vietnam's textile and clothing (T&C) exports to the United States by the U.S. Office of Textiles and Apparel (Otexa) in 2007. I find that Vietnam's share of the U.S. T&C import market grew substantially after its admission to the WTO in 2001 that that, despite this growth, it remains a relatively small player compared to other U.S. trading partners, particularly China. Vietnam's growth in market share is substantially larger in products that subsequently became the focus of monitoring by Otexa. I also find that Vietnam's T&C import unit values rise over time. By 2002, these unit values are approximately equal to the average of all U.S. trading partners once one controls for countries' level of development and distance from the United States. Comparison of Vietnam's exports with China reveals that Vietnam's textile and clothing prices are substantially more expensive than exports from China starting in 2005 despite Vietnam's lower wages. Similar trends are observed for both monitored and unmonitored products.

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<sup>1</sup> I thank Amit Khandelwal for research assistance and both Wilbur Ross and the NSF (SES SES-0550190 and SES-0241474) for research support. Any opinions, findings, and conclusions or recommendations expressed in this material are those of the author and do not necessarily reflect the views of the National Science Foundation.

## Introduction

This paper examines the market share and relative price of Vietnam's textile and clothing exports to the United States. In line with standard practice, export price comparisons are made in terms of import unit values, where the import unit value of a particular product in a particular month from a particular exporter is defined as the total import value for that month divided by the total import quantity for that month (e.g., dollars per pair of socks).

This paper proceeds as follows. First, I describe the data used in the analysis. Second, I analyze Vietnam's market shares. Finally, I examine the relative ranking of Vietnam's export prices. All figures and tables are reported after the main text.

## Data

U.S. import unit values are constructed using data collected by the U.S. Bureau of the Census. These data are available for purchase from the Census Bureau's website.<sup>2</sup> A dataset linking together the individual monthly files noted below was constructed for this project. This dataset tracks all U.S. imports by country of origin, ten-digit Harmonized System (HS) product code, month and year starting in 2000, the year before Vietnam joined the WTO. The data extend to May 2007, which is the most recent month for which trade statistics are available.<sup>3</sup>

In January 2007, the U.S. Office of Textiles and Apparel (Otexa) began monitoring a subset of Vietnam's textile clothing exports to the United States.<sup>4</sup> The set of "monitored" HS products is publicly available on Otexa's website; Table 1 lists these products according to three-digit Otexa textile and clothing industries. Note that all monitored HS products are part of HS categories 61 and 62, which are referred to as "articles of apparel and clothing accessories, knitted or crocheted" and "non knitted or crocheted", respectively.

In addition to trade data, this analysis makes use of information on country's per capita GDP and location. This information is used to construct average textile and clothing prices that control for cross-country variation in relative wages and distance to the United States. Real per capita GDP data are drawn from the World Bank World Development Indicators database while data on countries' distance in kilometers from the United States is taken from the Centre D'Etudes Prospectives et D'Informations Internationales. Both datasets are publicly available online.<sup>5</sup>

## Vietnam's Share of the U.S. Import Market

Vietnam's penetration of the U.S. market is higher in textile and clothing products than other products like electronics. These relative shares can be seen in Table 2, which reports Vietnam's U.S. import market shares by two-digit Harmonized System (HS)

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<sup>2</sup> U.S. import data can be downloaded at <http://www.census.gov/foreign-trade/download/dvd/index.html>.

<sup>3</sup> The Census data also record imports by district of entry and any special program under which the import was admitted to the United States (e.g., the Caribbean Basin Initiative). Following standard practice, the data here are aggregated by country, product and month.

<sup>4</sup> Discussion of the monitoring program, as well as comments on its usefulness, can be found on Otexa's website at <http://otexa.ita.doc.gov/vn.htm>.

<sup>5</sup> World Bank data is at <http://devdata.worldbank.org/dataonline/>. CEPII distance data is available at <http://www.cepii.fr/anglaisgraph/bdd/distances.htm>.

category and year. As indicated in the Table, Vietnam's import market shares in Textiles (HS 50 to 63) and Footwear (HS 64-67) grew substantially after its entry into the WTO in 2001, but remain relatively small compared to China, the leading source of U.S. imports in these markets.

Within the textiles and clothing industry, Vietnam's import market shares exhibit substantial variation. This variation is illustrated in Table 3, which reports Vietnam's share of U.S. textile and clothing products according to whether or not they are monitored (rows 1 and 2) and, for monitored products, by three-digit Otexa industry (remaining rows).

As indicated in Figure 1 and the first two rows of Table 3, Vietnam's share of the U.S import market has grown more quickly in monitored versus non-monitored textile and clothing products. Whereas market shares in these two groups of goods were equal in 2000, at 0.1 percent each, they grew to 5.3 and 0.4 percent, respectively, by May 2007. Growth across monitored categories has been unequal. By 2007, the market shares of products in monitored Otexa industries ranged from 0.4 percent ("sweaters") to 8.9 percent ("knit shirts"). Across all monitored products, products in four industries have market shares exceeding 7 percent by 2007. These are: Women's/Girls' Cotton Knit Shirts (339), Women's/Girls' Trousers (348), Men's/Boy's Non-Knit Shirts (640) and Women's/Girl's Knit Shirts and Blouses (648).

For comparison, Table 4 provides a comparable breakdown of China's U.S. import across Vietnam's monitored and unmonitored products. As indicated in the Table, China's market share in Vietnam's unmonitored categories in 2007, at 15.7 percent, is 43 times as large as Vietnam's, at 0.4 percent. In monitored categories, it is almost four times as large, 19.9 versus 5.3 percent.

### Vietnam's Relative Export Prices

Determining whether or not Vietnam's exports are over- or undervalued requires a benchmark. One natural candidate is the average export price of all other U.S. trading partners in the same product market and month. Vietnam's position relative to such an average, however, is sensitive to the identity of the other trading partners. It is well known in the international trade literature that relatively more developed countries have significantly higher export prices within product markets. This relationship reflects variation in both input costs (e.g., wages) and output attributes (e.g., product quality): apparel from Italy is generally more expensive than apparel from China because of Italy has relatively high wages but also because Italian garments exhibit greater style, durability or other dimensions of quality for which U.S. consumers are willing to pay more. As a result, Vietnam's export prices might be significantly below the average if Italy is also present in the market, but significantly above the average if the other exporters in the market are even less developed than Vietnam.

Trading partners' location *vis a vis* the United States can also influence export prices. Indeed, it is also well known in the international trade literature that export prices vary with countries' distance from the export market due to the "Washington apples" effect. When there are fixed costs associated with shipping goods to foreign markets, producers have an incentive to ship their highest-margin (i.e., highest quality) goods to those markets. Washington state apple producers, for example, have an incentive to ship

their higher-quality apples to New York versus Seattle, or, in an international trade context, to Japan versus Mexico.

Given these considerations, I use both *unconditional* and *conditional* export prices to compare Vietnam's exports to those of other U.S. trading partners. Unconditional export prices are equivalent to the simple average noted above; they do not attempt to control for variation in country attributes. Conditional export prices, on the other hand, net out price variation associated with countries' levels of development and distance from the U.S. market. Though use of conditional export prices is best, comparison of conditional and unconditional export prices provides useful intuition.

I use regression analysis to generate both sets of export prices for all trading partners exporting the same goods to the United States as Vietnam, for each month in which they export them. The data included in the regressions includes all trade from January 2000 to May 2007, and all products whether or not they are part of the textile and clothing industry.

Regression results are summarized in Table 5. The first column shows the outcome of regressing the natural log of U.S. trading partners' export unit values on a constant and product-month fixed effects.<sup>6</sup> Residuals from this regression provide estimates of countries' *unconditional* export prices, i.e., their export prices relative to the mean for each product in each month.

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<sup>6</sup> Product-month fixed effects account for the fact that prices differ widely across markets (e.g., shoes versus shirts). Because the regression is run on all HS products in which Vietnam participates, it is important to remove this variation before comparing prices. The use of product-month fixed effects also mitigates the influence of seasonal variation in prices across months.

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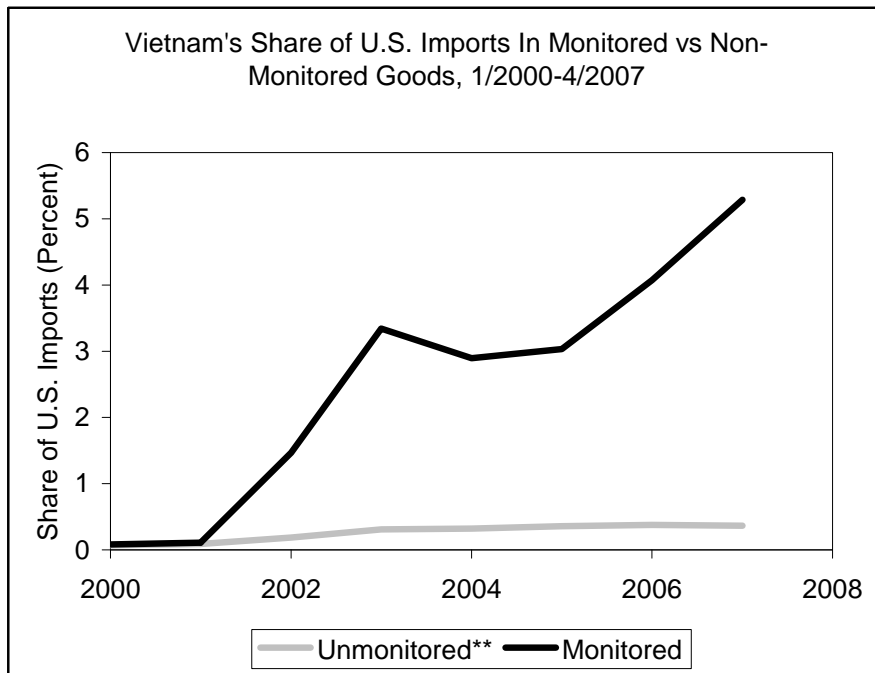
Category	2000	2001	2002	2003	2004	2005	2006	2007*	Change 2000-7
Unmonitored**	8.3	9.0	10.9	12.2	13.4	14.6	15.5	15.7	7.4
Monitored	7.5	7.0	8.0	10.6	12.9	17.7	16.7	19.9	12.4
338 M/B Knit Shirts, Cotton	1.8	1.5	2.1	1.8	2.0	4.5	6.3	9.1	7.4
339 W/G Knit Shirts/Blouses, Cotton	1.7	1.7	1.9	1.5	1.6	6.3	9.5	12.8	11.0
340 M/B Cotton Shirts, Not Knit	4.7	0.2	0.7	6.4	2.9	11.5	11.6	15.4	10.7
341 W/G Cot. Shirts/Blouses,N-Knit	5.5	5.7	3.2	3.2	6.8	23.4	36.0	40.9	35.4
345 Cotton Sweaters	5.3	3.5	3.1	3.6	4.1	23.9	27.1	43.0	37.8
347 M/B Cot. Trousers/Breeches/Shorts	1.8	3.0	4.7	3.5	2.0	6.2	8.7	12.8	11.1
348 W/G Cotton Trousers/Slacks/Shorts	0.4	0.4	0.8	0.8	0.6	5.1	15.1	19.8	19.5
352 Cotton Underwear	2.4	3.3	2.2	2.4	2.1	4.0	3.5	7.3	4.9
359 Other Cotton Apparel	16.9	16.3	16.7	24.5	19.0	22.9	21.6	36.0	19.1
438 Wool Knit Shirts/Blouses	1.3	5.6	3.0	2.1	2.0	41.6	68.1	43.7	42.4
440 Wool Shirts/Blouses, Not-Knit	na	na	na	na	na	na	na	na	na
446 W/G Sweaters, Wool	0.0	0.0	7.7	7.3	5.3	46.0	59.3	26.8	26.8
447 M/B Wool Trousers/Breeches/Shorts	1.0	3.1	3.9	4.4	3.2	8.0	7.1	9.5	8.6
448 W/G Wool Slacks/Breeches/Shorts	3.1	3.1	2.9	3.7	3.4	19.2	30.2	32.6	29.5
638 M/B Mmf Knit Shirts	1.9	2.8	1.6	1.6	1.3	3.3	6.0	7.9	6.0
639 W/G Mmf Knit Shirts / Blouses	4.1	5.9	5.2	4.7	5.5	12.5	24.4	26.7	22.7
640 M/B Not-Knit Mmf Shirts	9.4	12.2	11.6	11.7	11.8	16.5	12.3	15.5	6.2
641 W/G Not-Knit Mmf Shirts / Blouses	13.8	15.1	13.9	13.9	13.1	30.2	40.9	42.8	29.0
645 M/B Mmf Sweaters	4.8	5.7	3.7	4.6	9.3	50.1	30.1	25.0	20.2
646 W/G Mmf Sweaters	16.7	12.9	12.2	11.6	14.7	44.8	37.0	44.3	27.6
647 M/B Mmf Trousers/Breeches/Shorts	8.8	6.1	7.8	8.8	8.0	11.3	15.0	19.3	10.5
648 W/G Mmf Slacks/Breeches/Shorts	7.0	7.4	7.8	6.8	6.8	10.5	14.1	18.5	11.5
652 Mmf Underwear	7.7	6.6	7.1	8.9	9.0	13.9	12.5	20.5	12.8
659 Other Man-Made Fiber Apparel	4.7	3.6	5.1	5.8	6.1	16.0	18.5	23.2	18.6
838 Knit Shirts / Blouses, Silk / Veg	29.3	34.7	84.4	93.8	95.4	95.4	96.6	93.7	64.4
840 N-Knit Shirts / Blouses, Silk/Veg	17.3	18.3	42.1	63.6	72.7	74.5	75.7	71.5	54.2
845 Sweaters, Oth Non-Cot Veg Fibers	72.9	65.8	65.9	73.2	85.5	94.3	92.9	91.2	18.3
847 Trousers/Breeches/Shorts, Silk/Veg	43.2	28.5	46.9	77.5	88.9	89.2	87.3	73.9	30.7
852 Underwear, Silk / Veg Blends	0.0	0.0	0.0	0.0	0.0	20.2	56.6	62.3	62.3

Notes: Table reports China's share of the U.S. import market by Otexa categories in which Vietnam is being monitored in 2007. Last two rows show the average market share across monitored and unmonitored categories, respectively. \*Data for 2007 are for January through April. \*\*Unmonitored categories are: 200 201 218 219 220 222 223 224 225 226 227 229 237 239 300 301 313 314 315 317 326 330 331 332 333 334 335 336 338 339 340 341 342 345 347 348 349 350 351 352 353 354 359 360 361 362 363 369 400 410 414 431 432 433 434 435 436 438 439 440 442 443 444 445 446 447 448 459 464 465 469 600 603 604 606 607 611 613 614 615 617 618 619 620 621 622 624 625 626 627 628 629 630 631 632 633 634 635 636 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 659 665 666 669 670 733 734 735 736 738 739 740 741 742 743 744 745 746 747 748 750 751 752 758 759 800 810 831 832 833 834 835 836 838 839 840 842 843 844 845 846 847 850 851 852 858 859 863 870 871 899 911 912 913 and 914. Category 440 has negligible exports.

Table 5 reports the results of regressing the natural log of countries' export unit values on product-month fixed affects as well as both the natural log of countries' real per capita GDP and a quadratic in the natural log of countries' distance from the United States. Residuals from this regression provide estimates of countries' *conditional* export prices, i.e., their export prices relative to the mean for countries at a similar level of development and distance from the United States.<sup>7</sup>

### Vietnam's Conditional Export Prices

The residuals from the first regression reveal that Vietnam's mean unconditional textile and clothing price is rising over time but that it is generally lower than that of the average U.S. trading partner. This trend is displayed in

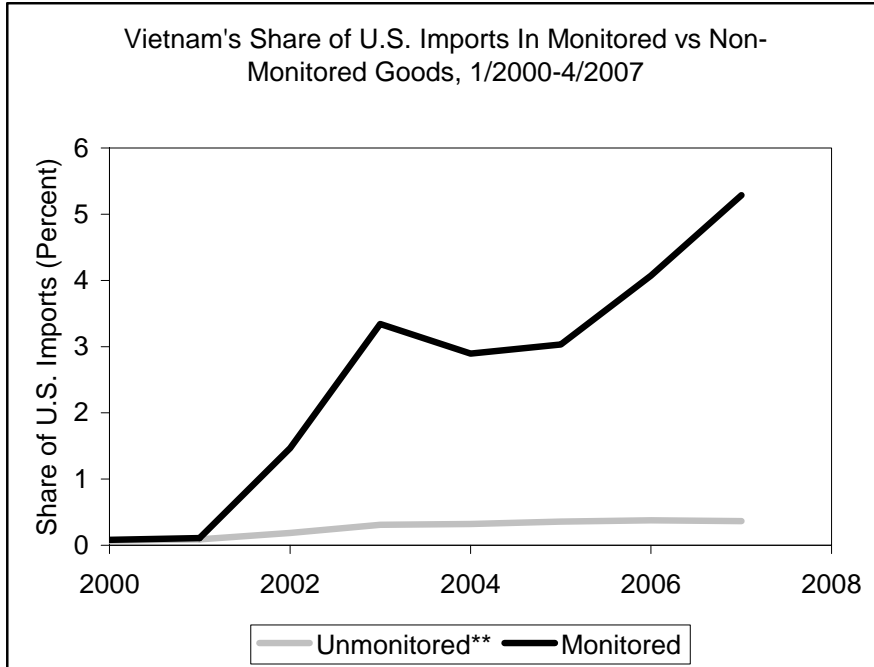


Notes: Figure reports Vietnam's share of the U.S. import market according to whether products were being monitored by Otexa in January 2007. Data for 2007 are for January through April. Monitored and unmonitored categories are noted in text.

<sup>7</sup> The  $R^2$  of each regression reveals how much of the variation in export prices can be explained by the fixed effects and the regressors. Comparing the  $R^2$  in the two columns reveals that the regressors explain about 5 of the remaining 31 percent of price variation not explained by product-month means.

Figure 2, which reports, in red, Vietnam's mean unconditional export price across all textile and clothing products, by month, using the residuals from the first regression in Table 5.<sup>8</sup> Note that unconditional export prices are expressed in natural logs, and that the average price for each month across all trading partners is normalized to a value of zero. The fact that Vietnam's mean log prices are all negative indicates that they are all below average. Because log differences are roughly equivalent to percentage point differences, a value of -0.5 is approximately equal to 50 percent below the average.

In addition to displaying Vietnam's difference relative to the average U.S. trading partner, the top panel of



Notes: Figure reports Vietnam's share of the U.S. import market according to whether products were being monitored by Otexa in January 2007. Data for 2007 are for January through April. Monitored and unmonitored categories are noted in text.

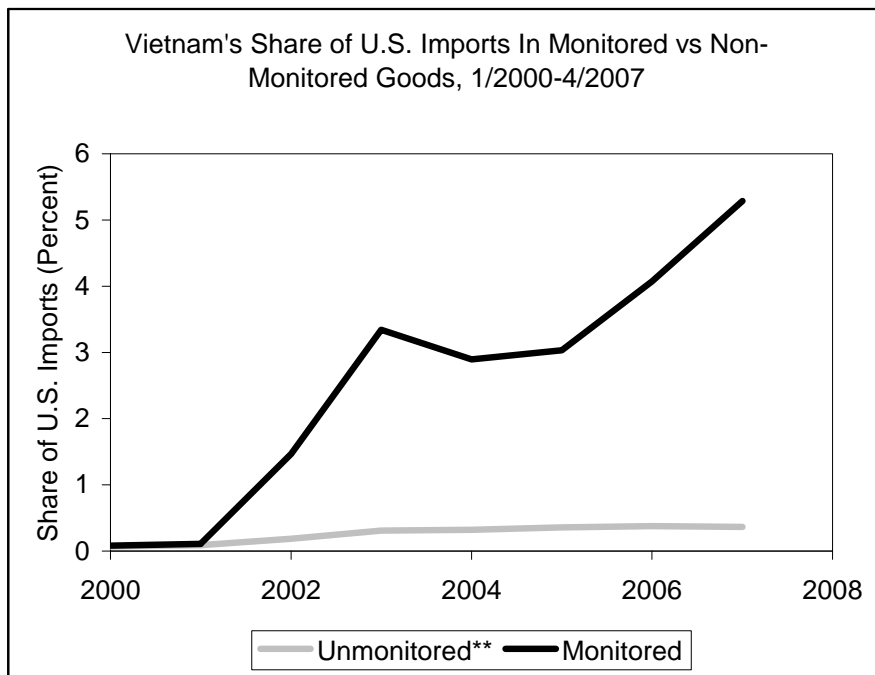
<sup>8</sup> In the Figure, textile and clothing goods are defined as all products in HS chapters 50 through 63.

Figure 2 also reports the mean textile and clothing prices for China (blue) as well as for two groups of countries that together comprise all other U.S. textile and clothing exporters: Asia (dark grey) and Rest of World (ROW; light gray). I define Asia to be the developing countries of Asia, i.e., Cambodia, Indonesia, Laos, Macau, Malaysia, Philippines, Taiwan, Thailand, Bangladesh, India, Nepal, Pakistan and Sri Lanka. I define ROW to encompass all remaining U.S. trading partners participating in the same product markets as Vietnam, including Canada, Japan and the developed economies of the EU.

As indicated in the panel, Vietnam's unconditional export prices are substantially lower than those from ROW and generally lower than those from Asia throughout the sample period. This ranking of unconditional export prices makes sense given that Vietnam's level of development (and wages) are relatively low compared to the countries in these two groups. In 2005, the last year for which GDP data are available, Vietnam's real per capita GDP was \$538 compared with an average of \$2702 for Asia and \$6671 for the ROW. Somewhat surprisingly, Vietnam's unconditional export prices are *higher* than those of China after 2005 even though China is relatively more developed. In 2005, China's real per capita GDP was \$1449. As indicated in the Figure, China's unconditional export prices are declining throughout the sample period.

Vietnam's Unconditional Export Prices

The bottom panel of



Notes: Figure reports Vietnam's share of the U.S. import market according to whether products were being monitored by Otexa in January 2007. Data for 2007 are for January through April. Monitored and unmonitored categories are noted in text.



Figure 2 reports average conditional textile and clothing prices. As explained above, these prices net out variation in prices induced by countries' level of development and proximity to the United States, providing a more "apples to apples" comparison. As indicated in the Figure, Vietnam's conditional prices lie above the average for all U.S. trading partners (that is, zero) beginning in 2002. Moreover, Vietnam's conditional export prices are about equal to those of ROW countries, and substantially higher than those of China's beginning in 2005. Thus, a key message of the bottom panel of Figure 2 is that Vietnam's textile and clothing prices are slightly above what one would expect given its level of development and distance from the United States.

#### Prices of Monitored versus Non-monitored Products

Vietnam's export prices are generally at or above what one would expect given the country's attributes whether or not products are associated with Otxa monitoring. These trends can be seen in Figure 3, which compares unconditional and conditional price trends for monitored versus unmonitored textile and clothing products in a series of four line graphs. Note that the identity of monitored products is provided in Table 1. I define unmonitored products to be all textile and clothing products in HS chapters 50 through 63 not listed in Table 1.

All four panels of Figure 3 show that Vietnam's textile and clothing prices rise over time beginning in late 2001. Vietnam's unconditional export prices in monitored goods are very similar to those of China and the rest of Asia starting in 2005. As above, its conditional prices in these goods are generally higher than those of both Asia and China. Similar trends are observed for unmonitored products. In all four panels, China displays a substantial drop in export prices in 2005, an outcome likely related to the elimination of global textile and clothing quotas in that year.

#### Vietnam's Relative Export Prices within Textiles and Clothing

As reported above, Vietnam's conditional textile and clothing export prices are generally above those of other countries starting in 2002. To assess relative prices within the textiles and clothing industry, Figure 4 reports mean conditional export prices across goods in each monitored Otxa industry by month since monitoring began. For comparison, data is also provided for China.

The scatterplot for each month in the top panel of the Figure graphs Vietnam's average conditional export price across monitored products in each category against those for China. Vietnam's prices are to the right of zero (the average of all trading partners) in most Otxa industries. They also generally lie below those of China. Major exceptions to these trends include categories 838 ("knit shirts and blouses, silk") in March and categories 448 ("woman's/girl's wool slacks") and 345 ("cotton sweaters") in May.

To assess the economic importance of such outliers, the bottom panel of Figure 4 the scatterplots of relative prices as the top panel but also displays, via the size of each category's circle, Vietnam's market share in the category. Large circles indicate that Vietnam's market share in the category in the noted month is relatively high compared to a category with a small circle. As indicated in the panel, categories with below-average export prices are those in which Vietnam has a very small U.S. presence.

# Tables and Figures

## Table 1: Exports Monitored by Otexa

Category	Description	HS Codes													
338	M/B KNIT SHIRTS, COTTON FROM VIETNAM	6105100010	6105100030	6109100012	6109100014	6109100018	6109100023	6109100027	6110202040	6110202067	6110202069				
339	W/G KNIT SHIRTS/BLOUSES, COTTON FROM VIETNAM	6106100010	6106100030	6109100040	6109100045	6109100060	6109100065	6109100070	6110202045	6110202077	6110202079				
340	M/B COTTON SHIRTS, NOT KNIT FROM VIETNAM	6110202079	6114200010												
341	W/G COT. SHIRTS/BLOUSES,N-KNIT FROM VIETNAM	6205202016	6205202026	6205202031	6205202051	6205202061	6205202066	6205202076	6211320060						
342	COTTON SWEATERS FROM VIETNAM	6206100010	6206303011	6206303031	6206303041	6206303061	6211420054	6211420056							
343	M/B COT. TROUSERS/BREECHES/SHORTS FROM VIETNAM	6110202010	6110202015	6110202020	6110202025										
344	W/G COTTON TROUSERS/SLACKS/SHORTS FROM VIETNAM	6103421020	6103421040	6103421050	6103421070	6203191020	6203424003	6203424006	6203424011	6203424016	6203424036				
345	COTTON UNDERWEAR FROM VIETNAM	6203424036	6203424046	6203424051	6203424061	6211320040									
346	FROM VIETNAM	6104622006	6104622011	6104622026	6104622028	6104622030	6104622060	6112110060	6113009042	6204120030	6204624011				
347	WOOL KNIT SHIRTS/BLOUSES FROM VIETNAM	6204624011	6204624021	6204624031	6204624041	6204624051	6204624056	6204624066	6211420030						
348	WOOL SHIRTS/BLOUSES, NOT-KNIT FROM VIETNAM	6107110010	6107110020	6108210010	6108210020	6108910005	6108910015	6109100004	6109100007	6207110000	6208913010				
349	WOOL SWEATERS, WOOL FROM VIETNAM	6112490010	6211118010	6211118020											
350	WOOL TROUSERS/BREECHES/SHORTS FROM VIETNAM	6106201010	6106201020	6110110080											
351	WOOL SLACKS/BREECHES/SHORTS FROM VIETNAM	6205900710													
352	W/G MMF KNIT SHIRTS FROM VIETNAM	6110110030													
353	W/G MMF SLACKS/BREECHES/SHORTS FROM VIETNAM	6203411210	6203411810	6203433010											
354	W/G MMF TROUSERS/BREECHES/SHORTS FROM VIETNAM	6104631510	6204619010	6204619030	6204632510	6204692010	6211410010								
355	MMF UNDERWEAR FROM VIETNAM	6105202010	6105202030	6109901007	6109901009	6109901013	6109901049	6110303040	6110303051	6110303053	6114301010				
356	W/G MMF SHIRTS / BLOUSES FROM VIETNAM	6106202010	6106202030	6109901050	6109901060	6109901065	6109901070	6109901090	6110302063	6110303045	6110303057				
357	W/G MMF TROUSERS/BREECHES/SHORTS FROM VIETNAM	6110303057	6110303059	6114301020											
358	W/G MMF SLACKS/BREECHES/SHORTS FROM VIETNAM	6205302010	6205302030	6205302040	6205302050	6205302070	6205302080	6211330040							
359	W/G NOT-KNIT MMF SHIRTS / BLOUSES FROM VIETNAM	6206403010	6206403025	6206403030	6206403050	6211430060									
360	M/B MMF SWEATERS FROM VIETNAM	6110303010													
361	W/G MMF SWEATERS FROM VIETNAM	6110303020													
362	M/B MMF TROUSERS/BREECHES/SHORTS FROM VIETNAM	6103431520	6103431540	6103431550	6103431570	6112120050	6113009044	6203230060	6203433510	6203433590	6203434010				
363	W/G MMF SLACKS/BREECHES/SHORTS FROM VIETNAM	6203434010	6203434020	6203434030	6203434040	6203492015	6203492045	6210405031	6210405039	6211330030					
364	MMF UNDERWEAR FROM VIETNAM	6104632006	6104632011	6104632026	6104632028	6104632030	6104632060	6104692030	6104692060	6112120060	6204633010				
365	FROM VIETNAM	6204633010	6204633090	6204633510	6204633530	6204633532	6204633540	6204692510	6204692530	6204692540	6210505031				
366	KNIT SHIRTS / BLOUSES, SILK / VEG FROM VIETNAM	6107120010	6107120020	6108110010	6108229020	6108920005	6108920015	6109901047	6109901075	6207199010	6207998520				
367	N-KNIT SHIRTS / BLOUSES, SILK/VEG FROM VIETNAM	6207998520	6208920030												
368	SWEATERS, OTH NON-COT VEG FIBERS FROM VIETNAM	6112310010	6112410010	6112410020	6112410030	6112410040	6211111010	6211111020	6211121010	6211121020					
369	TROUSERS/BREECHES/SHORTS, SILK/VEG FROM VIETNAM	6105908060	6109908010	6110909090											
370	UNDERWEAR, SILK / VEG BLENDS FROM VIETNAM	6205904040	6206100050	6206900040	6211499050										
371		6110909042													
372		6104698040	6203498045	6203498060	6204699044	6204699046									
373		6208199000													

Notes: Monitored categories and HS codes downloaded from <http://otexa.ita.doc.gov/vn.htm>.

**Table 2: Vietnam's Share of the U.S. Import Market by Two-Digit HS Code**

Two-Digit HS Chapter	Vietnam								China							
	2000	2001	2002	2003	2004	2005	2006	2007*	2000	2001	2002	2003	2004	2005	2006	2007*
01-05 Animal & Animal Products	2	3	3	4	2	3	3	2	5	5	6	7	7	8	9	10
06-15 Vegetable Products	1	1	1	1	2	2	2	2	2	2	2	3	3	3	4	3
16-24 Foodstuffs	0	0	1	1	1	1	1	1	2	2	3	3	3	4	4	5
25-27 Mineral Products	0	0	0	0	0	0	0	0	1	1	1	0	1	1	1	0
28-38 Chemicals & Allied Industries	0	0	0	0	0	0	0	0	3	3	3	3	3	4	4	4
39-40 Plastics / Rubbers	0	0	0	0	0	0	0	0	12	13	15	15	16	18	19	20
41-43 Raw Hides, Skins, Leather, & Furs	0	0	1	1	1	1	1	2	45	47	55	59	62	65	65	61
44-49 Wood & Wood Products	0	0	0	0	0	0	0	0	5	6	7	9	9	11	13	13
50-63 Textiles	0	0	1	3	3	3	3	4	11	11	13	15	17	24	27	29
64-67 Footwear / Headgear	1	1	1	2	3	4	5	5	61	63	66	68	69	71	73	74
68-71 Stone / Glass	0	0	0	0	0	0	0	0	6	8	9	10	10	11	11	10
72-83 Metals	0	0	0	0	0	0	0	0	8	10	12	14	14	15	16	18
84-85 Machinery / Electrical	0	0	0	0	0	0	0	0	9	11	14	18	22	25	27	27
86-89 Transportation	0	0	0	0	0	0	0	0	1	1	1	1	2	2	2	3
90-97 Miscellaneous	0	0	0	0	0	1	1	1	26	27	30	33	34	35	36	36
98-99 Services	0	0	0	0	0	0	0	0	2	3	3	4	5	5	6	6

Notes: Table reports Vietnam and China's share of the U.S. import market by Harmonized System chapters. \*Data for 2007 are January through April.

**Table 3: Vietnam's Share of the U.S. Import Market, by Otexa Category**

Category	2000	2001	2002	2003	2004	2005	2006	2007*	Change 2000-7
Unmonitored**	0.1	0.1	0.2	0.3	0.3	0.4	0.4	0.4	0.3
Monitored	0.1	0.1	1.5	3.3	2.9	3.0	4.1	5.3	5.2
338 M/B Knit Shirts, Cotton	0.2	0.2	2.0	4.7	4.9	3.7	3.6	4.0	3.8
339 W/G Knit Shirts/Blouses, Cotton	0.1	0.2	2.0	6.5	6.7	5.4	7.1	8.8	8.7
340 M/B Cotton Shirts, Not Knit	0.3	0.0	0.2	10.4	8.4	0.0	4.9	4.8	4.5
341 W/G Cot. Shirts/Blouses,N-Knit	0.0	0.0	3.5	5.2	6.4	5.1	1.6	1.4	1.4
345 Cotton Sweaters	0.0	0.0	1.5	2.4	0.9	0.9	0.6	0.9	0.9
347 M/B Cot. Trousers/Breeches/Shorts	0.1	0.1	4.5	8.7	5.0	4.2	3.3	4.8	4.7
348 W/G Cotton Trousers/Slacks/Shorts	0.2	0.2	5.5	7.9	6.6	6.1	5.6	7.3	7.1
352 Cotton Underwear	0.0	0.0	0.2	0.5	0.3	0.5	0.7	0.5	0.5
359 Other Cotton Apparel	0.0	0.0	0.7	4.9	4.2	1.2	8.4	5.1	5.1
438 Wool Knit Shirts/Blouses	0.0	0.0	0.1	0.1	0.2	0.5	1.1	0.6	0.6
440 Wool Shirts/Blouses, Not-Knit	na	na	na	na	na	na	na	na	na
446 W/G Sweaters, Wool	0.0	0.0	0.2	0.9	2.0	0.1	0.1	0.1	0.1
447 M/B Wool Trousers/Breeches/Shorts	0.0	0.0	1.2	2.1	0.4	1.5	2.8	3.3	3.3
448 W/G Wool Slacks/Breeches/Shorts	0.0	0.0	1.4	1.5	1.4	0.8	2.3	0.9	0.9
638 M/B Mmf Knit Shirts	0.1	0.0	1.0	2.2	1.3	1.9	2.8	4.1	4.0
639 W/G Mmf Knit Shirts / Blouses	0.0	0.0	0.8	1.3	1.0	2.6	2.2	4.5	4.5
640 M/B Not-Knit Mmf Shirts	0.0	0.1	2.2	5.6	5.5	5.8	8.4	8.9	8.9
641 W/G Not-Knit Mmf Shirts / Blouses	0.0	0.2	1.2	2.2	1.7	2.8	2.3	3.2	3.2
645 M/B Mmf Sweaters	0.0	0.0	0.7	1.1	1.3	2.1	0.8	0.4	0.4
646 W/G Mmf Sweaters	0.0	0.0	1.4	1.6	0.7	1.0	2.3	0.4	0.4
647 M/B Mmf Trousers/Breeches/Shorts	0.2	0.0	1.5	3.8	3.0	4.1	5.0	5.0	4.7
648 W/G Mmf Slacks/Breeches/Shorts	0.1	0.3	1.6	3.2	2.7	4.9	5.5	8.3	8.2
652 Mmf Underwear	0.0	0.0	0.3	0.7	0.7	0.9	1.3	1.6	1.6
659 Other Man-Made Fiber Apparel	0.0	0.0	0.4	2.2	2.4	2.8	2.9	3.7	3.7
838 Knit Shirts / Blouses, Silk / Veg	0.0	0.0	0.1	0.1	0.3	0.1	0.1	0.1	0.1
840 N-Knit Shirts / Blouses, Silk/Veg	0.0	0.0	0.0	0.7	0.8	0.3	1.0	0.5	0.4
845 Sweaters, Oth Non-Cot Veg Fibers	0.0	0.0	0.0	0.1	0.1	0.5	1.3	0.7	0.7
847 Trousers/Breeches/Shorts, Silk/Veg	0.0	0.0	0.1	0.4	0.5	1.1	1.2	3.2	3.2
852 Underwear, Silk / Veg Blends	0.0	0.0	0.0	17.1	0.0	0.0	0.0	2.6	2.6

Notes: Table reports Vietnam's share of the U.S. import market by Otexa categories in which it is being monitored in 2007. Last two rows show the average market share across monitored and unmonitored categories, respectively. \*Data for 2007 are for January through April. \*\*Unmonitored categories are: 200 201 218 219 220 222 223 224 225 226 227 229 237 239 300 301 313 314 315 317 326 330 331 332 333 334 335 336 338 339 340 341 342 345 347 348 349 350 351 352 353 354 359 360 361 362 363 369 400 410 414 431 432 433 434 435 436 438 439 440 442 443 444 445 446 447 448 459 464 465 469 600 603 604 606 607 611 613 614 615 617 618 619 620 621 622 624 625 626 627 628 629 630 631 632 633 634 635 636 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 659 665 666 669 670 733 734 735 736 738 739 740 741 742 743 744 745 746 747 748 750 751 752 758 759 800 810 831 832 833 834 835 836 838 839 840 842 843 844 845 846 847 850 851 852 858 859 863 870 871 899 911 912 913 and 914. Category 440 has negligible exports.

**Table 4: China's Share of the U.S. Import Market, by Otexa Category**

Category	2000	2001	2002	2003	2004	2005	2006	2007*	Change 2000-7
Unmonitored**	8.3	9.0	10.9	12.2	13.4	14.6	15.5	15.7	7.4
Monitored	7.5	7.0	8.0	10.6	12.9	17.7	16.7	19.9	12.4
338 M/B Knit Shirts, Cotton	1.8	1.5	2.1	1.8	2.0	4.5	6.3	9.1	7.4
339 W/G Knit Shirts/Blouses, Cotton	1.7	1.7	1.9	1.5	1.6	6.3	9.5	12.8	11.0
340 M/B Cotton Shirts, Not Knit	4.7	0.2	0.7	6.4	2.9	11.5	11.6	15.4	10.7
341 W/G Cot. Shirts/Blouses,N-Knit	5.5	5.7	3.2	3.2	6.8	23.4	36.0	40.9	35.4
345 Cotton Sweaters	5.3	3.5	3.1	3.6	4.1	23.9	27.1	43.0	37.8
347 M/B Cot. Trousers/Breeches/Shorts	1.8	3.0	4.7	3.5	2.0	6.2	8.7	12.8	11.1
348 W/G Cotton Trousers/Slacks/Shorts	0.4	0.4	0.8	0.8	0.6	5.1	15.1	19.8	19.5
352 Cotton Underwear	2.4	3.3	2.2	2.4	2.1	4.0	3.5	7.3	4.9
359 Other Cotton Apparel	16.9	16.3	16.7	24.5	19.0	22.9	21.6	36.0	19.1
438 Wool Knit Shirts/Blouses	1.3	5.6	3.0	2.1	2.0	41.6	68.1	43.7	42.4
440 Wool Shirts/Blouses, Not-Knit	na	na	na	na	na	na	na	na	na
446 W/G Sweaters, Wool	0.0	0.0	7.7	7.3	5.3	46.0	59.3	26.8	26.8
447 M/B Wool Trousers/Breeches/Shorts	1.0	3.1	3.9	4.4	3.2	8.0	7.1	9.5	8.6
448 W/G Wool Slacks/Breeches/Shorts	3.1	3.1	2.9	3.7	3.4	19.2	30.2	32.6	29.5
638 M/B Mmf Knit Shirts	1.9	2.8	1.6	1.6	1.3	3.3	6.0	7.9	6.0
639 W/G Mmf Knit Shirts / Blouses	4.1	5.9	5.2	4.7	5.5	12.5	24.4	26.7	22.7
640 M/B Not-Knit Mmf Shirts	9.4	12.2	11.6	11.7	11.8	16.5	12.3	15.5	6.2
641 W/G Not-Knit Mmf Shirts / Blouses	13.8	15.1	13.9	13.9	13.1	30.2	40.9	42.8	29.0
645 M/B Mmf Sweaters	4.8	5.7	3.7	4.6	9.3	50.1	30.1	25.0	20.2
646 W/G Mmf Sweaters	16.7	12.9	12.2	11.6	14.7	44.8	37.0	44.3	27.6
647 M/B Mmf Trousers/Breeches/Shorts	8.8	6.1	7.8	8.8	8.0	11.3	15.0	19.3	10.5
648 W/G Mmf Slacks/Breeches/Shorts	7.0	7.4	7.8	6.8	6.8	10.5	14.1	18.5	11.5
652 Mmf Underwear	7.7	6.6	7.1	8.9	9.0	13.9	12.5	20.5	12.8
659 Other Man-Made Fiber Apparel	4.7	3.6	5.1	5.8	6.1	16.0	18.5	23.2	18.6
838 Knit Shirts / Blouses, Silk / Veg	29.3	34.7	84.4	93.8	95.4	95.4	96.6	93.7	64.4
840 N-Knit Shirts / Blouses, Silk/Veg	17.3	18.3	42.1	63.6	72.7	74.5	75.7	71.5	54.2
845 Sweaters, Oth Non-Cot Veg Fibers	72.9	65.8	65.9	73.2	85.5	94.3	92.9	91.2	18.3
847 Trousers/Breeches/Shorts, Silk/Veg	43.2	28.5	46.9	77.5	88.9	89.2	87.3	73.9	30.7
852 Underwear, Silk / Veg Blends	0.0	0.0	0.0	0.0	0.0	20.2	56.6	62.3	62.3

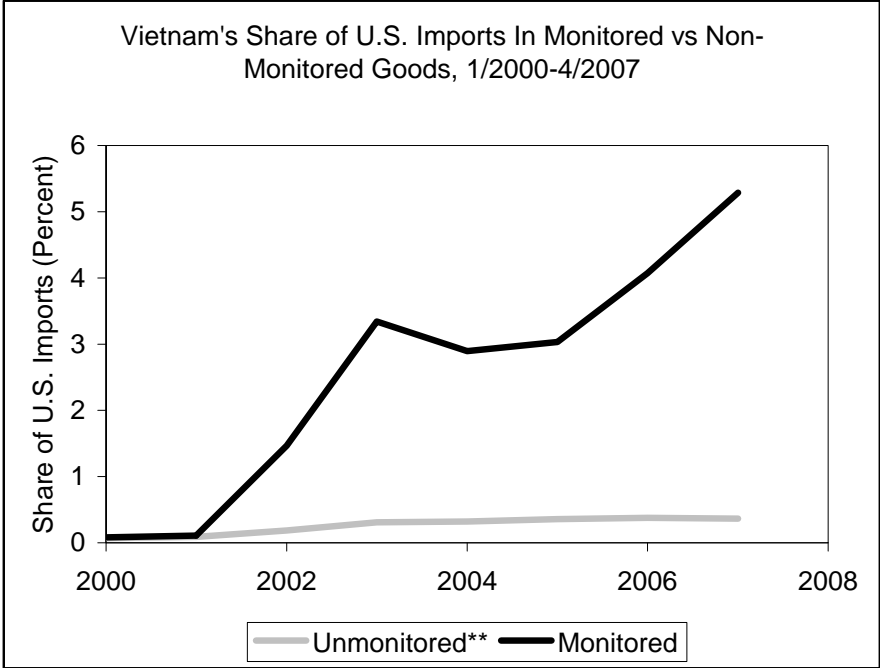
Notes: Table reports China's share of the U.S. import market by Otexa categories in which Vietnam is being monitored in 2007. Last two rows show the average market share across monitored and unmonitored categories, respectively. \*Data for 2007 are for January through April. \*\*Unmonitored categories are: 200 201 218 219 220 222 223 224 225 226 227 229 237 239 300 301 313 314 315 317 326 330 331 332 333 334 335 336 338 339 340 341 342 345 347 348 349 350 351 352 353 354 359 360 361 362 363 369 400 410 414 431 432 433 434 435 436 438 439 440 442 443 444 445 446 447 448 459 464 465 469 600 603 604 606 607 611 613 614 615 617 618 619 620 621 622 624 625 626 627 628 629 630 631 632 633 634 635 636 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 659 665 666 669 670 733 734 735 736 738 739 740 741 742 743 744 745 746 747 748 750 751 752 758 759 800 810 831 832 833 834 835 836 838 839 840 842 843 844 845 846 847 850 851 852 858 859 863 870 871 899 911 912 913 and 914. Category 440 has negligible exports.

**Table 5: Unit Value Regressions**

	In(Unit Value)	In(Unit Value)
In(Real Per Capita GDP)		0.30 (0.006)***
In(Distance)		2.17 (0.015)***
In(Distance) <sup>2</sup>		-0.13 (0.001)***
Constant	3.29 (0.001)***	-7.87 (0.060)***
Observations	2,387,850	2,247,338
R-squared	0.69	0.74
HS x Month Fixed Effects	Yes	Yes

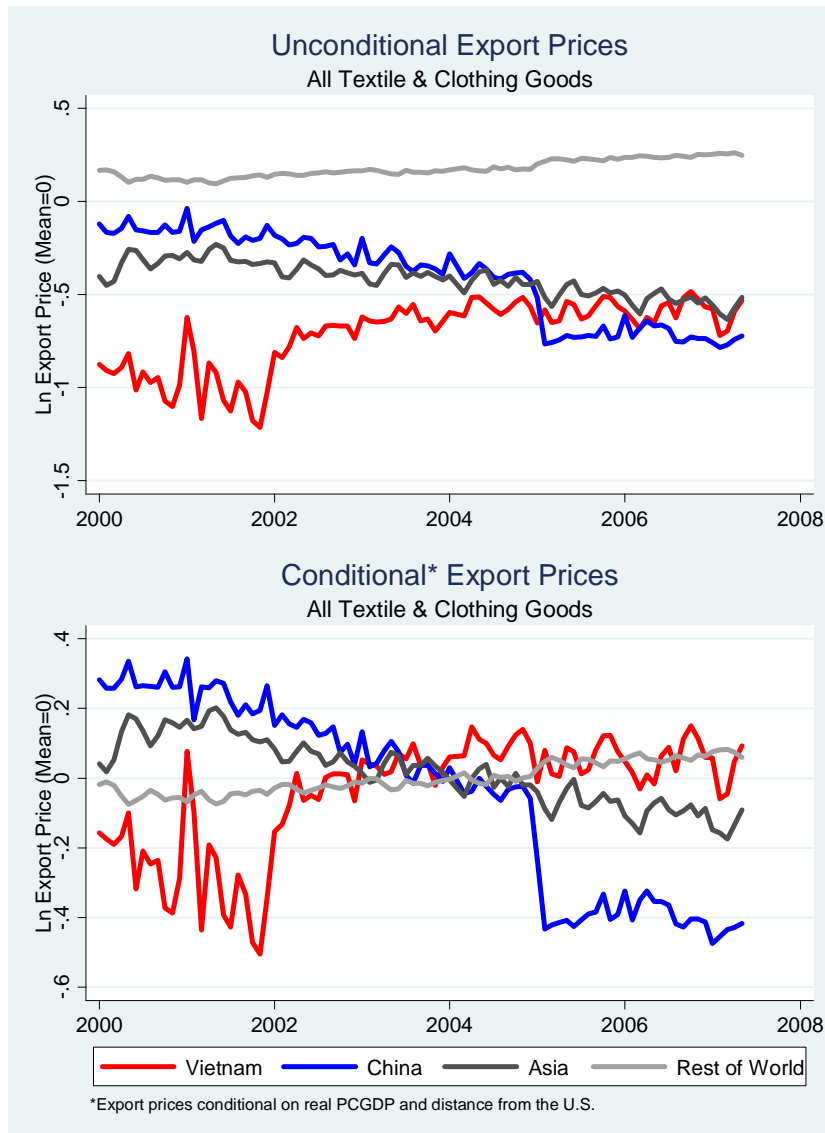
Notes: Standard errors in parentheses. Regression includes all products in which Vietnam is present, for the months in which it was present. \*, \*\* and \*\*\* denote statistical significant at 10, 5 and 1 percent levels, respectively.

**Figure 1: Vietnam's U.S. Import Market Share**



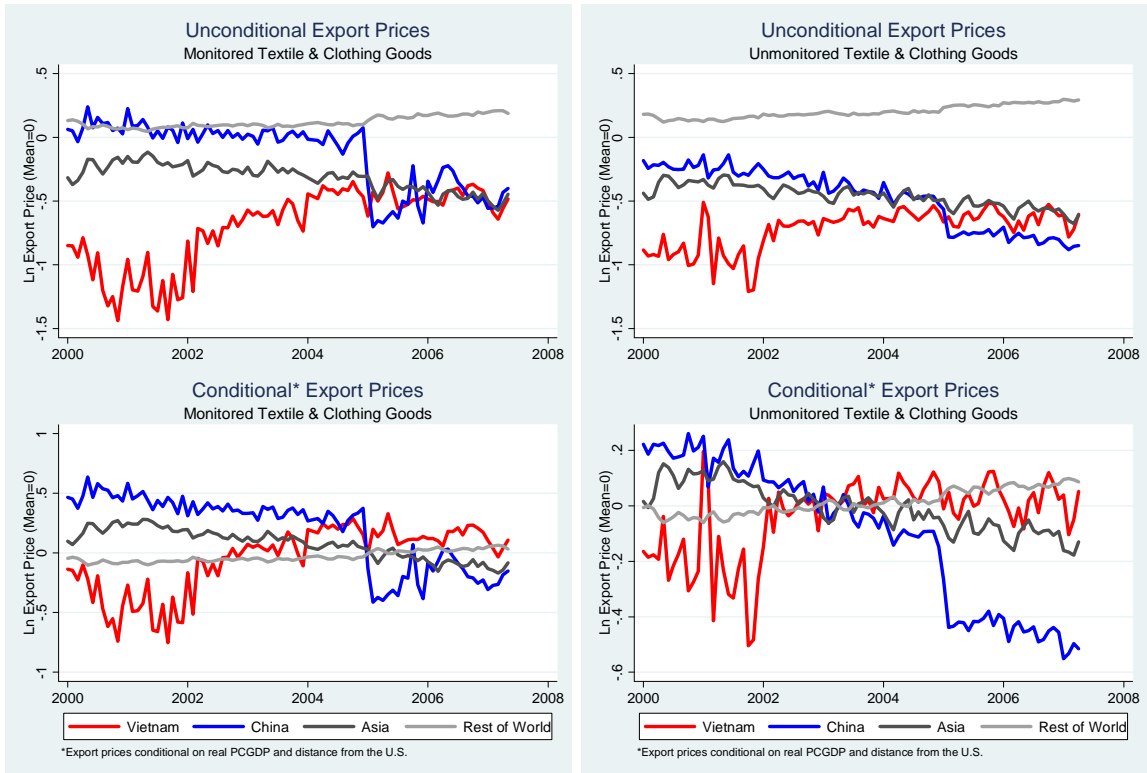
Notes: Figure reports Vietnam's share of the U.S. import market according to whether products were being monitored by Otxa in January 2007. Data for 2007 are for January through April. Monitored and unmonitored categories are noted in text.

**Figure 2: Mean Export Prices for All Goods, by Month**





**Figure 3: Mean Export Prices for Monitored vs Unmonitored Textile and Clothing Goods, by Month**



**Figure 4: Conditional Export Prices by Otxa Category, 2007**

