



FACTORS RELATING TO EXPORT PERFORMANCE TO THE UNITED  
STATES MARKET: A STUDY OF THE VIETNAM FISHERY INDUSTRY

By

NGO HONG PHUONG CHI

A Thesis Submitted in Partial Fulfillment  
of the Requirements for the Degree of

Master of Business Administration

Graduate School of Business  
Assumption University  
Bangkok Thailand

May 2004



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By

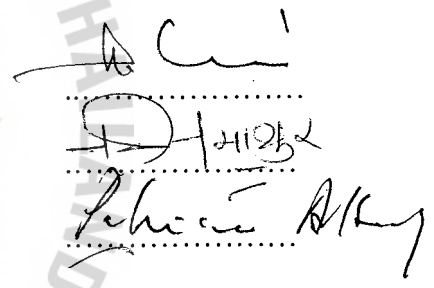
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Master of Business Administration

### Examination Committee :

1. Dr. Theerachote Pongtaveewould (Advisor)
2. Assoc. Prof. Navin Mathur (Member)
3. Dr. Patricia Arttachariya (Member)
4. Dr. Chittipa Ngamkroekjoti (Member)
5. Dr. Thanawan Sangsuwan.....(MOE Representative) •.....



Examined on : 25 May 2004

Approved for Graduation on :

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Assumption University  
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## ABSTRACT

Factors relating to export performance to the United States:

A study of the Vietnam fishery industry

This study is focused on the investigation of the relationship between export performance factors and the export performance of Vietnam fishery industry for the United States export. The research objectives encompass: Examine the relationship between the export performance factors, that are trade barriers, standardization, product differentiation, export information, and managers' perceived barriers, and export performance of Vietnam fishery industry for the United States export and also examine to what extent the export performance is related to export performance factors.

Seafood has been the spearhead industry that is one of the largest earning exports behind only crude oil and garments of Vietnam. Fishery has been considered as a key sector of Vietnam's economics. Like other important industries, fishery has been oriented to serve industrialization and modernization strategies of the Vietnam government. As a result, the export of Vietnam's fishery has penetrated more than 50 markets and the United States is the largest import market. However, the United States is one of the most fastidious markets in every aspect in terms of trading. Therefore, to find out the relationship between the export performance factors and export performance of Vietnam fishery industry for the United States export is very important. It will benefit the exporters to develop better strategies for exporting fishery products to the United States market and also help the Vietnam fishery exporters to understand better the prospects of exporting to the United States market.



There are six chapters in this research. Chapter one deals with the industrial features about fishery products. Chapter two explains the references of all relevant variables being formed in the conceptual model. Chapter three elaborates the conceptual framework. Research methodology is discussed in chapter four which encompasses the sampling survey and the research technique. Chapter five shows the result of the hypothesis testing of the research. The last chapter is the researcher's recommendation basing on the findings.

Data collection in this study is done by sending questionnaire to 40 fishery export companies in Ho Chi Minh city, Vietnam. The directors and export-import managers of the companies represent as the respondents.

Results from the test of 5 hypotheses in which independent variables consist of trade barriers, standardization, product differentiation, export information, and managers' perceived barriers and one dependent variable is the export performance, confirm that all of them show the statistical significance, which means there is relationship between pair of independent and dependent variables.

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## Chapter One

### GENERALITIES TO THE STUDY

#### 1.1 BACKGROUND RELATING TO THE PROBLEM

Vietnam started its comprehensive economics reform at the end of 1980s. Most components have been open policy, trade and investment liberalizing, and integrating to the world economies. Until 1985, Vietnam was trading only with the former Soviet Union and some socialist countries in the east of Europe. After that it has widen its trade relationships with many other countries, especially with those countries that play vital roles in the world economies such as the United States, Europe Union, Japan, China, and Asian dragons (Singapore, Hongkong, Taiwan, and South Korea). In order to integrate into international business, Vietnam has joined the Association of South-East Asian Nations (ASEAN) and Asian Free Trade Area (AFTA) sine 1995. In 1998 Vietnam entered the Asia-Pacific Economic Co-operation (APEC). Furthermore, Vietnam also applied to join the World Trade Organization (WTO) – the world's largest trade organization so far (Pham & Tran, 2002, p. 242).

One of the greatest leaps Vietnam made in its trade relations with the world was its relationship normalization with the United States. Since the lifting of the U.S embargo in 1994, the two countries have considered the trade relations as the focal point of their relationship and have obtained positive results. The Bilateral Trade agreement (BTA) signed in July 2000 was the result of continuous efforts by both sides over four years of negotiations. It is an important milestone in the process of normalization of

bilateral relations, especially in the trade domain. Vietnam has enthusiastically promoted the trade relationship with the United States to support its strategy of export-oriented industrialization. In trading with United States, seafood products have been one of the top ten commodities of Vietnam exporting to this market. Vietnam's fishery exports into the United States steadily increased in 1994, 1995, and 1996 (Do, 2000, p. 133-135).

### 1.1.1 The Overview of Vietnam Fishery Industry

Vietnam is an S-shaped coastal nation in the South East Asian region. Throughout the process of founding, defending, and building the country, the sea has and will play a very great role. Besides, Vietnam has a 3,260km coastline, many archipelagos, islands and inland water surface, support a vibrant seafood industry (Vietnam's seafood export, <http://www.vietnam-ustrade.org/seafood.htm>).

**Table 1.1: Vietnam's Marine Fishing and Aquaculture Production**

<b>Years</b>	<b>Total Fisheries Products (tons)</b>	<b>Marine Fishing (tons)</b>	<b>Aquaculture (tons)</b>
<b>1990</b>	1,019,000	709,000	310,000
<b>1991</b>	1,062,163	714,253	347,910
<b>1992</b>	1,097,830	746,570	351,260
<b>1993</b>	1,116,169	793,324	368,604
<b>1994</b>	1,211,496	878,474	333,022
<b>1995</b>	1,344,140	928,860	415,280
<b>1996</b>	1,373,500	962,500	411,000
<b>1997</b>	1,570,000	1,062,000	481,000

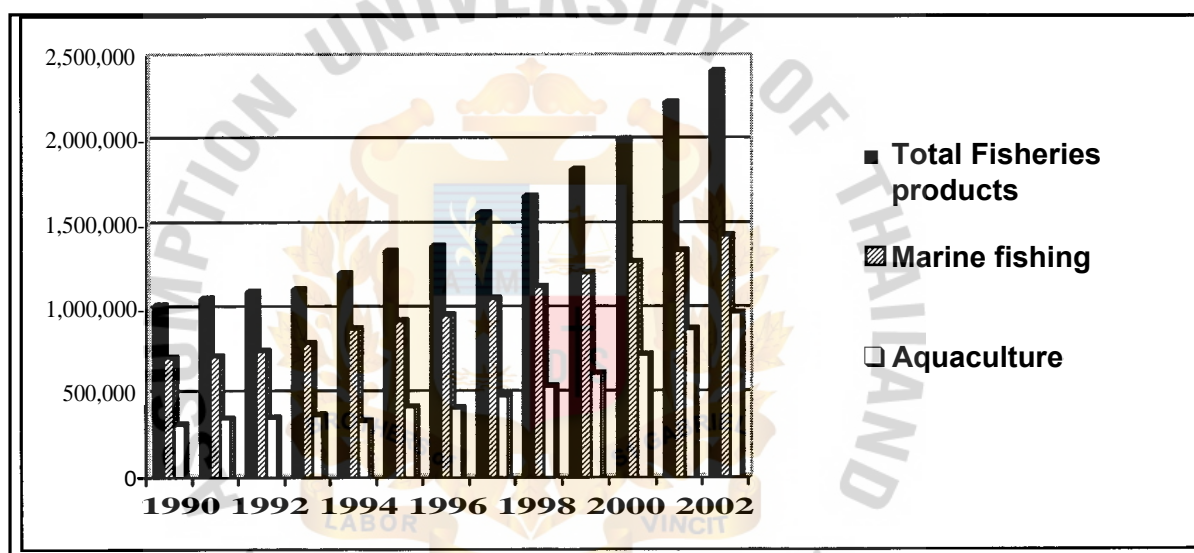


<b>1998</b>	1,668,530	1,130,660	537,870
<b>1999</b>	1,827,310	1,212,800	614,510
<b>2000</b>	2,003,000	1,280,590	723,110
<b>2001</b>	2,226,900	1,347,800	879,100
<b>2002</b>	2,410,900	1,434,800	976,100

Source: Fistenet, Reported by MOFI, <http://www.fistenet.gov.vn/info.asp?lvl=1&dp=1>

**Figure 1.1: Fisheries Production in Volume**

**Unit: Tons**



Source: Reported by MOFI, <http://www.fistenet.gov.vn/thongtin.asp?lvl=1&dp=1>

Data from table 1.1 and production graph show that Vietnam has high potential of marine fishing and aquaculture development. This is not only satisfied Vietnamese's consumption of fishery products but also able to export to many countries and in the region. According to the strategy of socio-economic development of the fishery industry, toward 2010, the total fisheries production is estimated at over 3.5 million tons, in which 40% would be exported (Fistenet, "marine", <http://www.fistenet.gov.vn/thongtin.asp?lvl=1&dp=1>).

Together with the exploitation of fish and marine products, Vietnam has also an abundant potential in freshwater and brackish water resources and natural conditions suitable for promoting the culture of freshwater, brackish water and marine species, contributing to the increase of income, the improvement of people's living standard and enriching the country.

(Fistenet, "marine", <http://www.fistenet.gov.vn/thongtin.asp?lv=1&dp=1>).

#### 1.1.1.1 Fishery industry's contributions to Vietnam's Socio-Economic Development

Vietnam fishery industry including aquaculture has contributed remarkably to meet the domestic consumption demand and export plan. Among other industries, fishery has been considered as a key sector of Vietnam's economics. Like other important industries, fishery has been oriented to serve industrialization and modernization strategies of Vietnam government. According to Ta Quang Ngoc, Vietnamese Minister of Fishery, *"fish contribute about 40 percent of the total animal protein intake of the population; and fishery exports are the third largest contributor of export earnings"* (Ta, <http://www.fao.org.vn/FisheriesE.htm>).

**Table 1.2: Major Merchandise Exports from Vietnam 1996 – 2002**

Product	1996	1997	1998	1999	2000	2001	2002
Crude Oil (US\$ mil)	8,705	9,638	12,145	14,882	15,430	16,732	16,850
Garments (US\$ mil)	1,150	1,503	1,450	1,747	1,892	1,975	2,710
<b>Seafood (US\$ mil)</b>	<b>697</b>	<b>782</b>	<b>858</b>	<b>971</b>	<b>1,479</b>	<b>1,778</b>	<b>2,024</b>
Footwear (US\$ mil)	530	978	1,031	1,392	1,464	1,559	1,828

Source: Vietnam economy, 2002,  
(<http://www.vneconomy.com.vn/statistic/en/13.htm>)

In value terms, from the 697 million US dollars the fishery sector contributed to total export value in 1996, it over doubled in 2000 and proudly reached 2,024 million US dollars in 2002. With these achievements, the fishery industry plays an important role in Vietnam's economy, becoming the 3<sup>rd</sup> best earner for Vietnam in 2002, just behind crude oil, textiles and garment product. As a result, the export of Vietnam's fishery has penetrated more than 50 markets (Report of VASEP, 31 December 2002).

Fishery industry is the first profession that contributes to agriculture's production value (Table 1.3).

**Table 1.3: Fishery industry's contribution to Agriculture's production value**

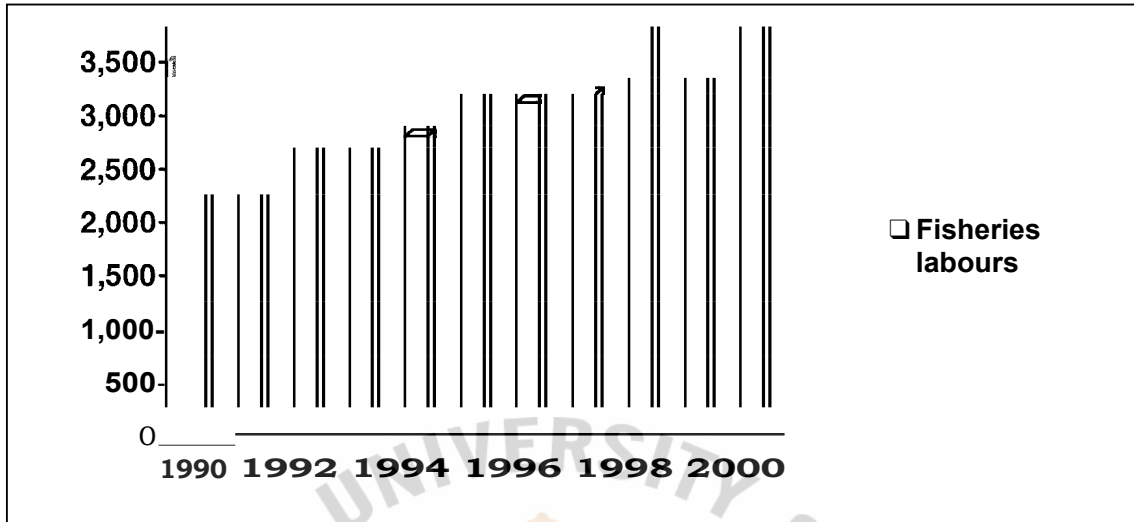
Year	1996	1997	1998	1999	2000	2001	2002	2003
% in total of Agriculture's production value.	42.3	38.2	39.7	39.2	39.5	42.1	40.6	39.8

Source: Thai Thanh Duong, 2004, "Achieved success of fishery industry in the 10 years past", Vietnam Fishery Review, No. 1, p. 15.

Fishery industry also creates more jobs for around 3.5 million laborers (Figure 1.2 below) in which more than 1 million laborers are in the product field and more than 2 million laborers are in the service field such as fishing-net production, shipbuilding, commercial service, and so on. That contributes to improve people's life, to put a new face of rural areas and coastal regions. Moreover, the development of catching fishes helps strengthening the national defense and security. Therefore, the fishery industry contributes not only to develop economy and society of the country but also security of coastal region (Vo et al, 2002, p.66).

**Figure 1.2: Number of Fisheries Labors**

Unit: 1,000 people



Source: Reported by MOFI, <http://www.fistenet.gov.vn/info.asp?lv=1&dp=1>

#### 1.1.1.2 Vietnam's fishery export to the world

Vietnam fishery industry is considered as one of the market that has that highest export rate in the world, average 20% a year (Table 1.4 and Figure 1.3 below)

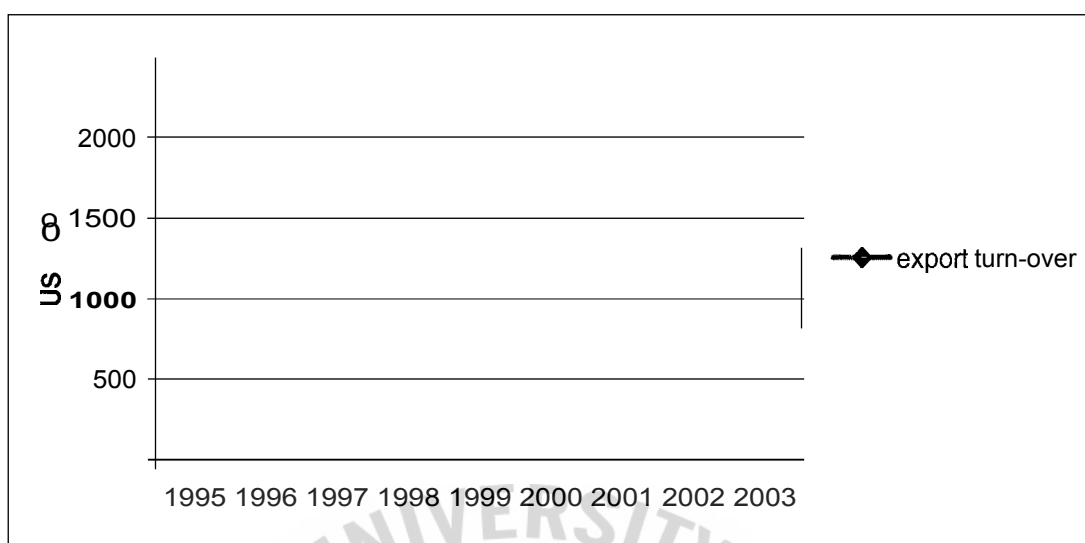
**Table 1.4: Vietnam Fishery Export Rate and Turn-over**

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Turn-over (\$US mil)	205	262	305	368	458	550	670	761	818	939	1479	1777	2024
Rate of export (%)		28	16	20	24	20	21	14	8	14	57	20	14

Source: Vo et al, 2002, "The solutions for the markets for Vietnam fishery products export", page 67.



**Figure 1.3: Vietnam Fishery Export Rate and Turn-over**



Source: Data from Vo et al, 2002, Reported by Vietnam Fishery Association, p.67; Fishery Information Centre of Vietnam's Ministry of Fisheries (Fclen). (<http://www.fistenet.gov.vn/info.asp?lvl=1&dp=4>)

Vietnam's export fishery items include four main groups; they are marine and freshwater fishes, mollusca, crustacean, and processed products such as fish sauce, canned food and so on. Among these items, dry squid, frozen shrimp and fish are the top export items. Average export price of all fishery items are on the increase trend and push up fellow traders' export price in the world (Table 1.5). Cause leads to increase in price is not only due to the price tendency in the world but also due to the high effort of Vietnam fishery industry in increasing commodity value instead of exporting raw material, increasing quality of products, applying export fishery safety standards.

**Table 1.5: Average Export Price of Vietnam fishery 1990-2002**

Year	1990	1995	1999	2000	2001	2002
Average export price (USD/kg)	4.15	4.30	4.84	5.06	5.23	5.47

Source: Vo et al, 2002, p.70; Vietnam Fishery Review, No.3, 2003, p.15

### 1.1.1.3 Major export markets of Vietnam fishery industry

Vietnam's fishery has been exported to over 64 countries in which Japan, the US, the EU, and China are the biggest importers that make up 80% of total fishery export earning (Vo et al, 2002, p 1). Fishery export has been increasing dramatically in recent year and now has become one of the country's most important exports (Vietnamese Partner Connection, <http://www.vietpartners.com/Statistic-Imex.htm>).

Table 1.6 below shows the world's largest importers of Vietnam fishery products. The graph shows how exports to all countries have steadily increased, with total fishery exports increasing from US\$ 761 million in 1997 to US\$ 2,042 million sharply in 2003. Vietnam's fishery has moved its focus from Japan, Asia markets to United State's market.

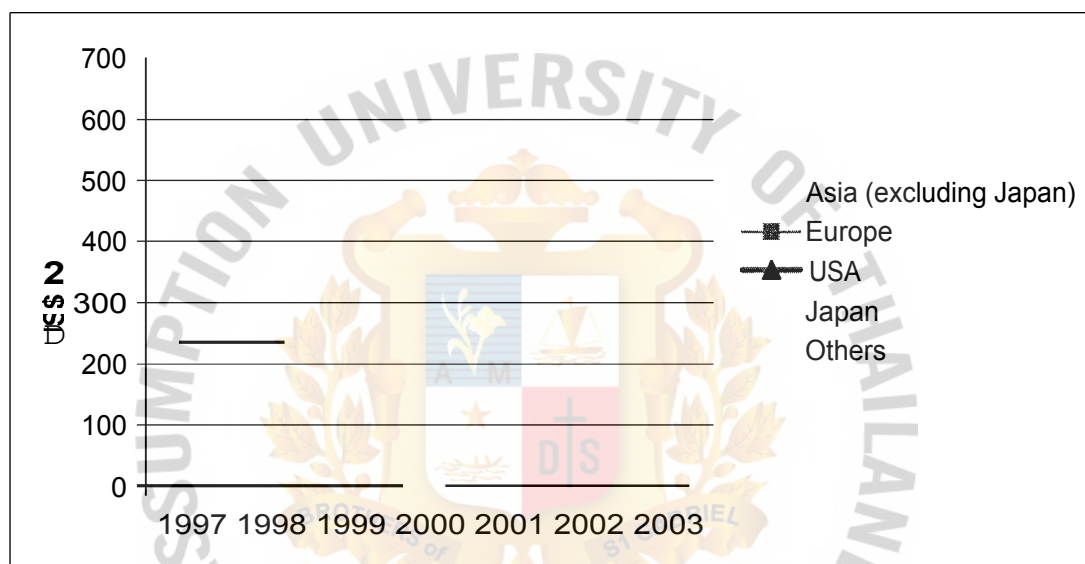
**Table 1.6: Vietnam Fishery Export 1997-2003 Classified by Market**  
(US\$ million, round off to million)

Market	1997	1998	1999	2000	2001	2002	2003
Asia (excluding Japan)	237	235	273	412	476	535	500
Europe	75	93	90	72	91	98	90
USA	39	80	130	301	489	617	655
Japan	383	358	383	469	466	478	538
Others	28	52	63	224	256	296	259
Total	761	818	939	1,479	1,777	2,024	2042

Source: Fishery Information Centre of Vietnam's Ministry of Fisheries (Fclen).  
(<http://www.fistenet.gov.vn/info.asp?lvl=1&dp=4>).

Among the major markets, the United States market increased from only 5% in 1997 to 26% of total exports in 2002 surpassing the market in Japan, which had been the top importer of Vietnam fishery in many years. As a result of the effects of Bilateral Trade agreement between the two countries, fishery product exports into the United States have been increasing significantly (Figure 1.4).

**Figure 1.4: Vietnam Fishery Export Classified by Market 1997-2003**



Source: Fishery Information Centre of Vietnam's Ministry of Fisheries (Fclen).

(<http://www.fistenet.gov.vn/info.asp?lvl=1&dp=4>)

Figure 1.4 shows the export earnings of Vietnam fishery industry from 1997 to 2003 by five main markets. Among them, the United States is the market importing Vietnam fishery with the initial difficulties. The export earnings gain from this market was very low, just only US\$ 39 million in 1997. But slowly, the United States becomes the top market of Vietnam fishery. In 2002, the export earnings from the United States market were US\$ 617 million, increasing 26% comparing with year 2001. Therefore, the United States is the most important market of Vietnam fishery export.

#### 1.1.1.4 Vietnam's fisheries export target set by Vietnamese Ministry of Fishery

On 8<sup>th</sup> December 1999, the prime Minister of Vietnam's government signed the decision number 224/ 1999/QÑ-TTg on a development program for Vietnam's fishery in the period 1999-2010. This legal document states clearly about the strategies to develop the Vietnam's aquaculture section, which significantly contributes to the export of Vietnam's fishery industry as a whole. It provides a comprehensive vision and objectives to obtain. The major responsibilities of authorities and plans for individual business are also stipulated (Fistenet, Decision 224/1999/QÑ TTg. [http://www.fistenet.gov.vn/Vietnamese/csd/van\\_ban\\_phap\\_quy/chinhphu/1999/QD224TTG-99.htm](http://www.fistenet.gov.vn/Vietnamese/csd/van_ban_phap_quy/chinhphu/1999/QD224TTG-99.htm)).

The Ministry of Fishery targets to record a growth in fishery exports to US\$ 2.5 billion in 2005 and US\$ 3.5 billion in 2010. The targets of the industry over the next ten years are given below:

Items	Units	2002	2005	2010
1. Total fisheries production	1,000 tons	2,887	2,500	3,400
2. Export revenue	US\$ billion	2.0	2.5	3.0-3.5

Source: Vinatradeusa (<http://www.vietnam-ustrade.org/seafood.htm>).

#### 1.1.2 The Overview of the United States Fishery Industry

##### 1.1.2.1 The United States consume predilection for fishery product

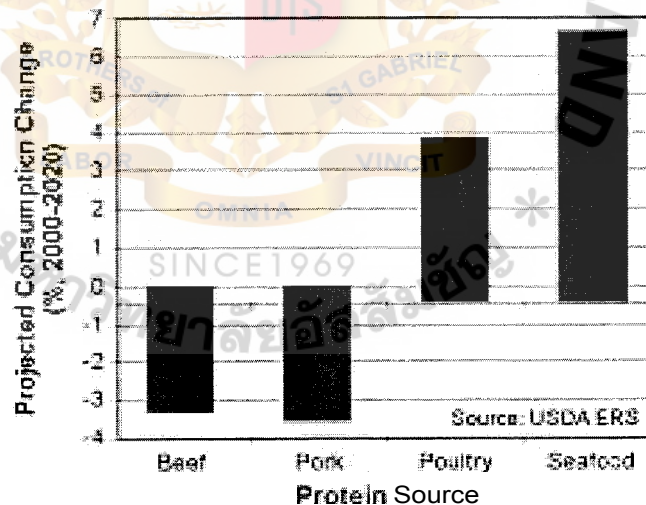
The imported fishery product to the United States is diversified about quality. They consume both cheap and expensive products. The United States has demand from



50,000 to 55,000 tons of fishery product, while it just can supply itself 8,000 tons only (Vo et al, 2002, p.24).

According to the economic research of the United States Department of Agriculture (USDA), over the next two decades, the United States will have strong demand for seafood because of shifting demographics and population. This increase will profoundly impact all elements of the U.S. and world seafood industry. It is expected that seafood will become the fastest-growing sector of the U.S protein market, outpacing poultry and beef. The main reasons for this forecasting are the changing of U.S population as well as the health messages related to seafood consumption. Therefore, the demand for seafood in the United States should grow significantly. (U.S seafood market, <http://www.hmj.com/seafood%20Vision20%Article.pdf>).

**Figure 1.5: Projected protein consumption shift in U.S. population, 2000-2020**



Source: U.S seafood market, <http://www.hmj.com/seafood%20Vision20%Article.pdf>.

The future seems bright for the United States seafood market. This favorable prospect also means that the fishery exporters have many opportunities to enter into this huge seafood market.

### **1.1.2.2 The United States aquaculture**

According to the research of Vietnam Fishery Association, the United States is one of the top ten countries about aquaculture. There are two worth attention points in the aquaculture activity in the United States:

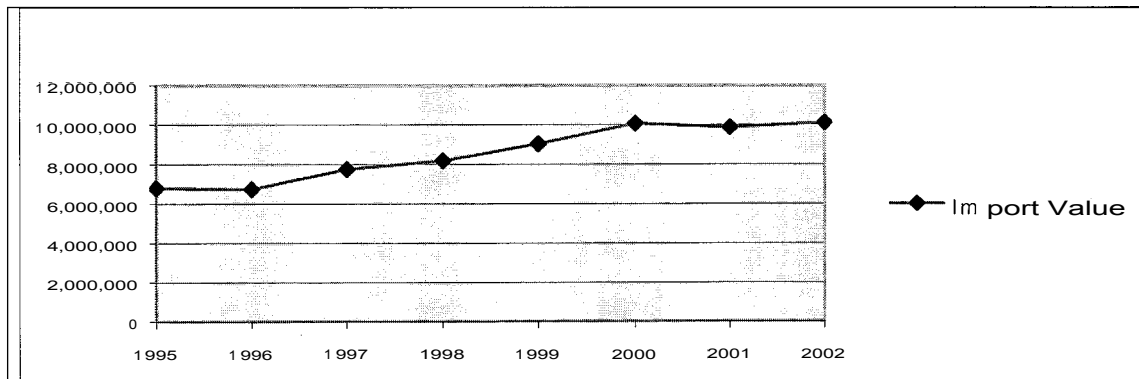
- ◆ The United States attach special importance to ecological environment and quality of the products. Whereas other countries are interested in increasing the quantity of products.
- ◆ The United States rears the aquatic products that have high and stable demand to supply to domestic market such as pimele making up 60% aquaculture quantity, salmon making up 12%, fresh shrimp making up 7%, and mollusk making up 5%.
- ◆ Most the aquatic products in the United States do not coincide with Vietnam's export fishery products that the United States market is very interested such as tiger prawn, basa fish, tilapia, and many kinds of mollusk. (Vo et al, 2002)

### **1.1.2.3 Import fishery product from the United States**

The United States is the second largest fishery importer with a share of 17% after Japan, and the fourth main fishery exporter in the world (Overview, <http://www.globefish.org>). The United States import of fishery products continuously increase in the recent years from US\$ 6.79 billion in 1995 to US\$ 10.12 billion in 2002 as shown in Figure 1.6.

**Figure 1.6: The U.S Fishery Products Imports, 1995-2002**

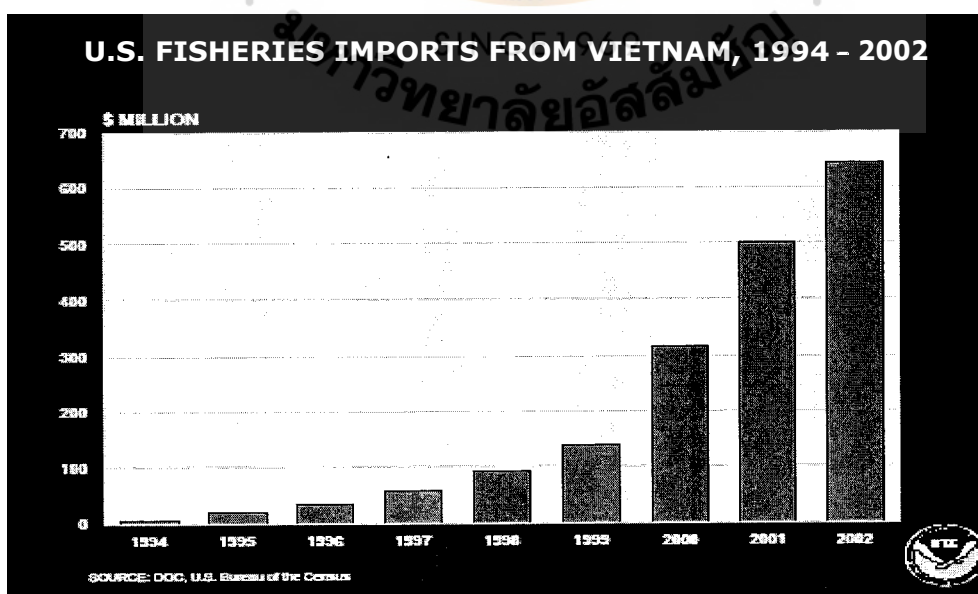
(Unit: US \$)



Source: Adjusted from U.S. Department of Commerce-Bureau of the Census, Fishery of the United States 2002, (<http://www.nmfs.noaa.gov/trade/>)

The fishery market in the United States has attracted the largest exporters in the world such as Canada, Thailand, and China and so on. Among these exporters, Vietnam's fishery was ranked 14<sup>th</sup> to the United States (<http://www.nmfs.noaa.gov/trade/>).

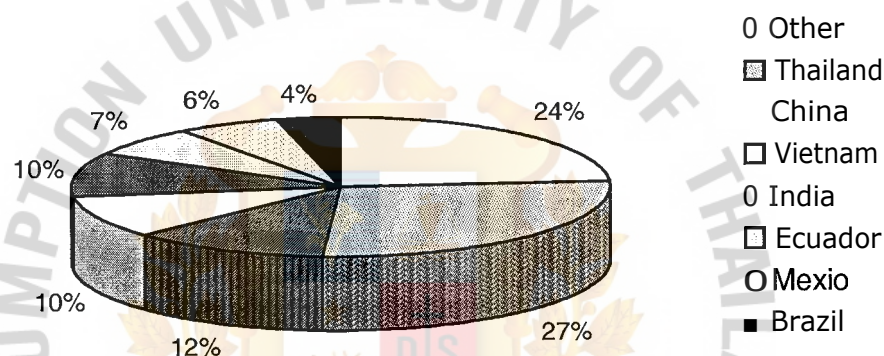
**Figure 1.7: The United States import from Vietnam, 1994-2002**



Source: DOC, U.S. Bureau of the Census, Trade and commercial service, "U.S. trade overview", <http://www.nmfs.noaa.gov/trade/>.

The most important import fishery products of the United States include tuna, salmon, crab, caviar, shrimp, lobster and scallop of which shrimp account for largest import value, some US\$ 3 billion every year. Shrimp imports accounted for 34 percent of the value of the total fishery import (World fish trade, <http://www.globefish.org>). Figure 1.8 shows the largest exporters of shrimp to the U.S. in 2002.

**Figure 1.8: The United States' Shrimp Import by Major Exporters, 2002**



Source: U.S. Department of Commerce-Bureau of the Census  
[\(http://www.nmfs.noaa.gov/trade/\)](http://www.nmfs.noaa.gov/trade/)

## 1.2 STATEMENT OF THE PROBLEM

Fishery has been considered as the important key sector that has brought currency for the country, taken part in enhancing Vietnam's economies position in the business world. In the world market, Vietnam is one of the major players of fishery in terms of production and export.

Vietnam has made a lot of effort to enhance trade relations with the United States since the Bilateral Trade Agreement (BTA) between the two countries which came into force. Many Vietnamese fishing farmers and entrepreneurs look at the bright side of the BTA, when the United States is one of the largest fishery import market in the world and offers substantial potential for Vietnam's fishery to expand the export. Enhancing the trade relation with United States, Vietnam can learn the technology and skill of producing, trading, and management to develop the fishery industry in more profitable way.

On the other hand, Vietnam's seafood industry still lacks market information and has not enough experience to deal with the risks and fierce competition in the United States. The United States is a huge market attracting largest exports with which Vietnam's fishery has been able to be competed in every aspect in terms of trading. Particularly in the food sector like fishery products, the United States' demands of seafood products are very strict with high quality, healthy, tasty, and convenient. Therefore, the American government is willing to use non-tariff barriers such as antidumping to protect its domestic fishery industry at any time because it has power to do it.

For that reason, the question that the Vietnamese exporters must think about is "How to satisfy the United States' import requirements and increase export performance in



terms of satisfaction and progress?". Answering this question is not easy for Vietnamese fishery exporters and they are likely to have difficulties. This study will focus on investigating the relationship between export performance factors and export performance of Vietnam fishery industry. And, thus, comes to the research problem, "What factors are related to the export performance of Vietnam fishery industry to the United States export?"

### 1.3 RESEARCH OBJECTIVES

The study focuses on the relationship between the related factors, that are trade barriers, standardization, product differentiation, export information, and managers' perceived barriers, and the export performance of Vietnam fishery industry for the United States export, to find the correlation coefficient of each factor, thus the research objective encompasses:

- To examine the relationship between export performance factors and export performance of Vietnam fishery industry for the United States export.
- To examine to what extent the export performance is related to export performance factors.

### 1.4 SCOPE OF THE STUDY

In this study, the researcher takes data that reflect and represent the fishery export situation of Vietnam as a whole. But the respondents for practice investigation are only focused on the fishery export companies in Ho Chi Minh City and neighboring provinces (Cuu Long Flat) at the South of Vietnam that have fishery products to the United States. These areas make up over 60 percent of total Vietnam fishery

production and over 60 percent of total Vietnamese fishery exporters who have fishery products to the United States market. (Vo et al, 2002, p.2). These companies will be represented by directors or import-export managers who have experiences and knowledge about the problems and situations of exporting to the United States market. Therefore, they are the respondents qualified to answer the questionnaires thus giving the accurate data.

## **1.5 LIMITATIONS**

The size of population is limited in this study because of the geography. There are three main areas where lots of fishery manufactures and exporters are located in Vietnam: within 200 kilometers of Ho Chi Minh City at the South of Vietnam, Central coast in the Middle of Vietnam; and North of Vietnam. Due to researcher's budget for the project and the distance barrier as well as the time limitation, it is impossible for the researcher to go to the Central coast and the North to visit fishery manufactures located there. Therefore, the respondents for the practice investigation are limited in Ho Chi Minh City at the South of Vietnam.

In fact, it is not easy to find information about Vietnam fishery industry. Officially, most of the significant data of Vietnam's seafood industry, which is not well organized, is collected from only two official web sites of VASEP-Vietnam Association of Seafood Exporters and Producers; and Fistenet-offical web site of the information center of the Ministry of fishery in Vietnam. It is noticeable that data from this web site are not detailed sufficiently.

In short, the limitations of this study are following:

- The respondents, who will be sent questionnaires, for the practice investigation are limited in Ho Chi Minh City only.
- The information resource from the Vietnam companies is limited.

Nevertheless, it is hoped that such limitations could suggest and encourage additional directions and guidelines for future study.

## 1.6 SIGNIFICANCE OF THE STUDY

Fishery has been the spearhead industry that is one of the largest earning exports behind only crude oil and garments of Vietnam. Moreover, fishery export is one of the strategies of export-oriented industrialization. In the recent years, the fishery export development speed increases remarkably and regularly, among which the United States is a huge potential market for Vietnam fishery export. This is an opportunity as well as a challenge for Vietnam seafood sector. Entering into the United States market is very difficult. Its requirements are very high and strict. The recent symbolic cases for Vietnam fishery export to the United States are catfish and shrimp dumping suits that are latent risks for Vietnamese seafood exporters and cause impacting the export performance in exporting fishery to the U.S market.

The researcher's purpose is to help a part in the examination the extent of the relationship between the related factors and the export performance of Vietnam fishery industry. For instant, the factor has a strong, moderate or weak relationship with the export performance, from that, Vietnamese fishery exporters can improve and judge soundly what ways to increase export sales as well as gain the progress in exporting the fishery products to the United States market. Therefore, this research will give benefits for:

- Those who are Vietnam fishery exporters to the United States market.
- Those who are in Vietnam fishery industry.
- Helping the exporters to develop better strategies for exporting fishery products to the United States market.
- Helping the Vietnam fishery exporters to understand better the prospects of exporting to the United States market.

### 1.7 DEFINITION OF TERMS

These are literal and operational meanings of the terms used for uniformity and clarity of understanding of some words used in this study:

**Export Information:** refers to the source, amount and quality of information that relate to the export activities in international trade (Porter, 1990).

**Export Performance:** refers to satisfaction and progress (Lages, 2000).

**Fishery Product:** are any human raw food product including marine fishing and aquaculture, crustacean, all mollusks, and other forms of aquatic animal life which is intended for human consumption (Vo et al, 2002).

**Managers' Perceived Barriers:** refer to the managers' qualified personnel and the understanding as well as knowledge about the export market regulations and opportunities (Yunus Ali, 1999).

**Product Differentiation:** refers to the characteristics of products in terms of the product innovation and the value added product that use to distinguish them from one another (Pride & Ferrell, 1997).

**Standardization:** are measured by the two quality system following

- The Hazard Analysis Critical Control Points (HACCP): is a systematic approach to the identification, evaluation, and control of food safe hazards (Codex Alimentarius Commission and the FAO/WHO Food Standards Programme, Jan 1969).
- International Organization for Standardization (ISO 9000): is a series of international standards that provide guidance in the development and implementation of an effective quality management system (Weerachai, 2001).

**Trade Barriers:** are the policies and hedges that restrict in a variety of ways trade between countries that are in terms of tariffs and non-tariffs barriers (packing and labeling regulations, health and sanitations, clearance certificate, and anti-dumping) (Griffin & Pustay, 1996).



## Chapter Two

# LITERATURE REVIEW

### 2.1 INTRODUCTION

The aim of this chapter is to support and build up a conceptual model by reviewing all the literatures that are relevant. In this research, there are five independent variables namely Trade barriers, Standardization, Product differentiation, Export information, and Managers' perceived barriers; and one dependent variable namely Export performance which are derived from the literature below.

### 2.2 LITERATURE REVIEW

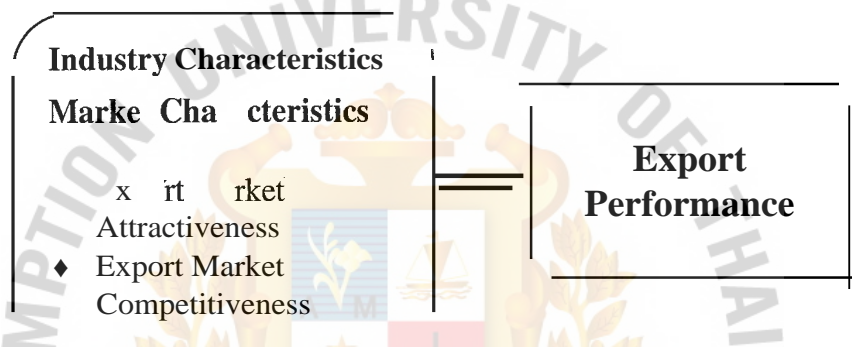
A theory can be defined as an interrelated set of statement of relationship whose purpose is to explain and predict of occurrences in reality. Good theoretical research helps direct the investigator by providing the context for the research; supporting the framework with directing the key variables and hypothesis; supporting the methodology in finding out data collection, measurement, and analysis; and leading to the discussion of the findings.

#### 2.2.1 Trade Barriers

"Trade barrier is one of the variables of external factors that influence the export performance of export firms. According to Schroder et al. (2001), external factors are divided into two sets. The first set of external factors that relates to the firm is such

factors as industry structure and technology intensiveness (Madsen, 1987). The second set of external factors relates to the export market. It includes trade barriers, export market attractiveness and export market competitiveness variables that appear in importing country. Those external factors will conduce to export marketing strategy result that has an essential and strong influence on export performance.” (Schroder et al, 2001).

**Figure 2.1: Determinants of Export Performance**



Source: Adjusted from Schroder, **B.**, Bazon, A., and Mavondo, F. (2001), "Strategy, Strategy Implementation and Export Performance of Developing Country Exporters: The Case of the Philippines", <http://130.195.95.71:8081/WWW/ANZMAC200'/anzmac/AUTHORS/pdfs/Schroder.pdf>

## **Trade Barriers**

### **What are trade barriers?**

Nowadays, countries try to gain from international trade and specialization. However, in a variety of ways trade between countries is restricted. Every country's domestic policies are in order to restrict the entry of foreign products to the home market. Such forms of government intervention can be divided into two categories: tariffs and non-tariff barriers (Griffin & Pustay, 1996, p. 205).

## **Tariff Barriers**

A tariff is a tax on imports. Two forms of import tariffs exist: (1) a specific duty payable on each unit imported or (2) an ad valorem tariff expressed as a percentage of the value of the goods imported (Grimwade, 1992, p. 24-25). In most cases, tariffs historically have been imposed for two reasons:

1. National government imposes a tax on the imported goods to raising revenue for itself.
2. The import goods that are taxed often have to raise the price in the oversea markets. This is the purpose of the government to protect the domestic industry from the imported goods. Therefore tariffs act as a trade barrier.

(Griffin & Pustay, 1996, p. 207-209)

There are some sound arguments for tariffs. One of these is the infant-industry argument. This argument indicated that in developing countries, the new industries need to be protected until they have grown to a larger size enough to be able to compete. A further argument referred to a country with the position is a power buyer. A tariff will be tax on the imported goods with the purpose to drive down the world price. The third sound argument for a tariff in the country that has to face "unfair competition" or "dumping". In this case, the price of the imported product is below the price charged by the exporting country when the product is sold domestically. (Grimwade, 1992, p. 27-29)

## **Non-tariff Barriers (NTBs)**

Non-tariff barriers include product standards, testing or approval procedures, subsidies for local products, and bureaucratic red tape which are restrictions on the quantity of a foreign product that can be imported. NTBs can be divided into three groups:

1. Quotas:

Quota is a numerical limit that the import country puts forward on the quantity of imported goods during a certain period of time. Most countries protect their powerful industries from the threat of foreign competition by using quotas.

2. Numerical export controls:

Contrary to quotas, the numerical export controls is a form of a country limits exporting on the amount of goods. An embargo is a discipline of a country or international governmental authority to another country for banning on the exporting or importing of goods to particular destination. A voluntary export restraint (VER) is a quota or export set by the exporting country to forestall more severe restrictions by the importing country.

3. Other Non-tariff Barriers:

Other non-tariff barriers or non-quantitative NTBs are the way in which imports may be reduced. They consist of a variety of product and testing standards, restricted access to distribution networks, public-sector procurement policies, local-purchase requirements, regulatory controls, currency control, and investment controls. (Griffin & Pustay, 1996, p. 210-217).

In the international trade, these NTBs are now more important impediments than tariffs are. NTBs are cause of international conflicts because they are sometimes imposed for sound domestic policy reasons but affect the competitiveness of foreign firms.

With the tariff and non-tariff barriers, the countries seek ways of reducing tariffs and protect themselves whether through international agreement or regional trading organizations.

### **2.2.2 Standardization**

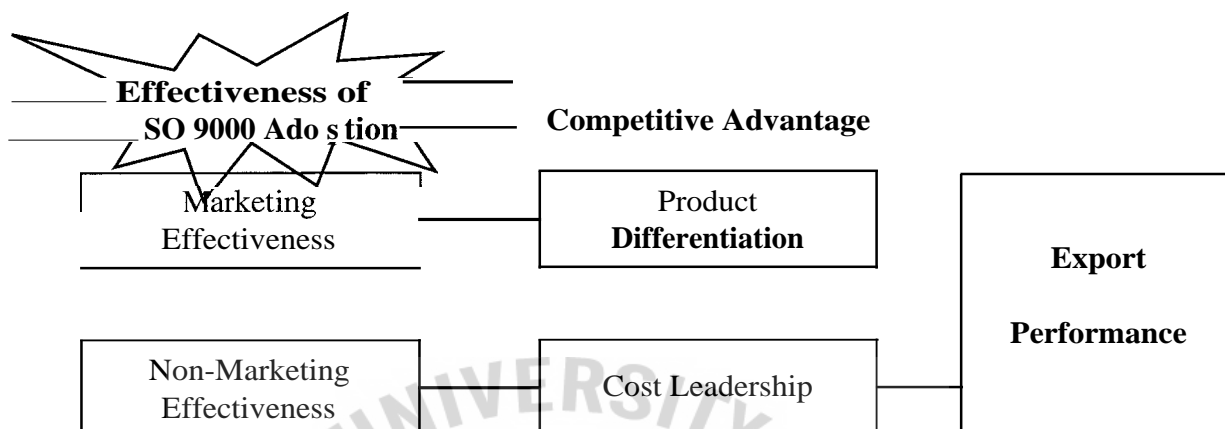
"Higher compliance to standards and stronger vertical integration are the criteria that support for the export performance of firms better. Particularly in food industry, the higher compliance to quality, safety, and environment standard, the higher export performance. Quality and food safety standards in the food sector have been an essential component of food consumption. As the income is higher and higher, consumers started to be selective on the products they use. Therefore, the impact of compliance with higher quality, safety and environment standards into export performance is very important. Especially for food industries of developing countries, as their food exports, an important item in their overall exports, are mainly into the developed countries where food quality and safety standards are increasing rapidly. Holleran et al. (1999) state that if every firm wants to improve their competitiveness, they should accept and apply the food quality and safety standards voluntarily. There are two quality systems that are considered as the essential conditions to the firm's aim at increasing the competitiveness are HACCP (Hazard



Analysis Critical Control Point) system and ISO 9000 (International Organization for Standardization)" (Albay et al., 2001).

"In the global competitiveness, firms have to deal with changing organizational operations and external environments. To achieve the success, the company needs to create and develop strategies by adopting an international standard for increasing competitiveness. ISO 9000 (International Organization for Standardization) that was issued in 1987 is the most commonly adopted form of such a standard and it provides guidance in the development and implementation of an effective quality management system. ISO 9000 helps the companies meet customers' needs, requirements, and expectations and export to more international markets. The empirical shows that ISO adoption has a positive relationship with export performance in which export marketing strategy is a mediator. According to Weeracchai and Patriya, firms sustain competitive advantages and gain high performance due to cost reduction and customer satisfaction that are outcomes of adopting ISO. While ISO 9000 certification is used as a tool by multinational enterprises to export their products to international market, performance of international market is emphasized explicitly. Therefore, export performance is explored" (Weerachai & Patriya, 2001).

**Figure 2.2: Model of Effectiveness of Iso 9000 Adoption Via  
Export Marketing Strategy and Performance**



**Source:** Weerachai & Patriya, 2002, "Effectiveness of ISO 9000 Adoption, Export Marketing Strategy and Performance: A Case Study of Thai and U.S. Firms", <http://blake.montclair.edu/~cibconf/conference/DATA/Theme5/Usa1.pdf>

### **Effectiveness of ISO 9000 Adoption**

#### **Marketing Effectiveness**

Marketing effectiveness is a concept that is linked to ISO 9000 adoption directly. It refers to customer satisfaction by improving the quality of product and services. To achieve higher customer satisfaction and gain a greater competitive advantage, firms must supply high quality product and services. For instance, firms adopt ISO 9000 because they want to concern over customer expectations and satisfaction, and a desire to meet customer needs and requirements (Buttle, 1996). In addition, Buttle states that firms adopt ISO 9000 because of marketing motivations and benefits. These factors include keeping existing customers, gaining new customers, improving customer services, and increasing customer satisfaction (Buttle, 1997).

Besides, through improving quality of products and services, firms can thus implements product differentiation in order to meet customer requirements and expectations.

### **Non-marketing Effectiveness**

All the practice within firms in the areas of production and operation are considered as the outcomes of non-marketing effectiveness. Firms can improve operational efficiency and reduce costs by adopting ISO 9000 (Douglas et. al, 1999). Operational and manufacturing efficiency that result in skill development, cost reduction, continuous improvement and organizational development can help firms gain competitive advantages in the global market. (Weerachai & Patriya, 2002)

### **2.2.3 Product Differentiation**

Ledesma stated that the capacity to produce different varieties of goods and the quality of the product are the crucial factors explaining export performance. In other words, product differentiation and increases in quality have been widely recognized as crucial factors determining the export performance of countries and sectors ( Ledesma, 2002). Moreover, product differentiation will help a product to distinguish from competitors by basing on relevance, meaningfulness, and valuableness to customer. Product differentiation is not only a main strategy for practicing to sell products but also a key strategy for gaining competitiveness. Firms need to design, develop, and create existing and new products in order to pursue the satisfaction of customer needs and requirements. Firms also need to differ with their products by innovation and more value for producing better products for customers. It is

synonymous with firms to attempt to make their products higher value and unique features. Further more, firms that want to have superior performance over other rivals generally focus on innovative and highly differentiated products. Weerachai and Patriya (2002) thus proved the greater export performance if the more product differentiation is implemented and product differentiation is a key strategy for achieving superior performance. (Weerachai & Patriya, 2002).

#### **2.2.4 Export Information**

"Information drastically effects on decision-making as well as superior organizational performance. Speaking clear in an export context, it is the acquisition of information which has traditionally been linked to export performance. Furthermore, the impact of export information use on export performance depends on the type of used information, as well as the source of that information. There are three forms of export information:

- Firstly, export marketing research (EMR) is the information that can be carried out by the firm internally, or by external market research agencies with commission. This type of information is formal and systematic. The significance of knowledge and export marketing research to firms is underlined by their direct association with export performance (Seringhaus, 1998).
- Secondly, export assistance (EA) is typically provided by official bodies such as banks or government departments and company's objective information. This information is in form of country reports. It is also the experiential information which the exporter can gather through attendance at organized trade missions.

- ◆ Finally, export market intelligence (EMI) is information which includes approaching potential customers, distributors, and competitors and reflects. It is considered as an informal and on going information mode.

The level of performance will be greater if information acquisition enables to identify market opportunities and threats to decision-makers. Export information acquisition has beneficial effects on the ability of the firm to respond to changes in the environment as well as to competitive survival in the international market place.

However, information cannot be used unless it has previously been acquired, and export performance is also likely to depend on the quality of information used. It is proposed that the greater the extent of export information generated, the greater the extent of information use. Therefore, the relationship between export information use and export performance is mediated by export information acquisition

Linking export information use to export performance implies that certain ways in which export information is used are intrinsically superior to others. This introduces the concept of effective export information use. The good quality of information and the good use by exporters will lead to a better performance." (Souchon & Diamantopoulos, 2000).

#### **2.2.5 Managers' Perceived Barriers**

“Yunus Ali (1999) reveals that managers' perception of export barriers and export sale have an influence together. It revealed that the firms' export status have an influence significantly to managers' perception about several barriers to exporting. If



the managers' perceptions to exporting barriers are accurate, they will have more abilities to face and deal with these barriers.

He argued also that if the managers do not initiate sufficiently, so they will have the misfortune to the managerial barriers. These barriers include knowledge and ambitions of managers for growth via export are limited, foreign market opportunities and necessary resource are not recognized, the fear of export operations are not real. Moreover, the preoccupation and perception sufficiently to domestic market will lead the managers' lack of ambition for export oriented growth. The lack of foreign market knowledge and misperception about foreign markets regulations, market opportunities are also declared the barriers. If the managers can perceive the barriers about their knowledge, it means they will have more chance to improve themselves. Although some managers recognize the foreign market opportunities, they are still discouraged to make export operation because of their perceived lack of necessary resource" (Yunus Ali, 1999).

#### **2.2.6 Export Performance**

Globalization is an undisputed goal and a great destination for the firms that search for opportunities abroad in order to survive. The advantages of markets, environments, and competitive factors are purposed in globalizing the international strategy by more and more companies (Czinkota et al., 1999). Therefore, increasing world globalization has made exports become an important activity for many firms. Export is the most common form of international business activity. In a process of exporting, goods or services are sent from one country to other countries for use or sale (Griffin & Pustay, 1996).

"Performance is considered an indispensable measurement for any companies in order to analyze the success of the company, both in the domestic and international areas. It is considered a complex task for assessing the export performance.

There are two principal modes for looking at the export performance; they are financial and non-financial measures. Furthermore, the credibility of these measurements and the ways those measures are to assess the usefulness of export performance usefully. Financial measures are considered as sales, profit, market share and have been associated with the objective terms that are in absolute term of percentage. In contrast to financial variables, non-financial variables that are measured by the progress and satisfaction have been associated with managers' perception. Lages augmented that in several empirical studies; the used non-financial measurements are supported with the reliability and validity and used frequently to measure the export performance. For instant, Shoham (1996), Evangelista (1994), Patterson, Cicic, and Shoham (1997) declared that "satisfaction" is the measurement that has been used at the exporting level in the recent years frequently. With the use of satisfaction and other non-financial variables, the export performance can be evaluated and taken into account many organizational and environment factors by the managers" (Lages, 2000).

## **2.3 PRACTICAL CONTENT FROM LITERATURE**

### **2.3.1 The United States Trade Barriers to Vietnam's Export Fishery**

While the United States tends to relax the tariff on its comply with trade agreement signed with many other countries or with World Trade Organization (WTO) rules, it

is increasing using many non-tariff barriers to protect its domestic industries. According to Cathy R. Wessels, the United States utilized the countervailing and anti-dumping laws to rule out seafood products imported from Norway, Chile, and China. It was the United States who unilaterally set up some trade regulations under the cloak of environment protection and food safety. In reality, although some American regulations were not accepted by the WTO, they are still applied insistently to protect the domestic fishery industry. Cathy R. Wessells also states clearly that: "In general terms, for fishery trade, these non-tariff barriers have fallen under the categories of: packing and labeling regulations; health and sanitations; animal health and safety; production process standards; and customs clearance procedures. (Wes sells, <http://www.globefish.org/presentations/onepaperpresentations/barriersintrade.htm>)

In order to restrict the seafood products imports, besides the strict rules on quality which is supervised by Food and Drug Administration (FDA), the United States also arrays with many other rules that are enforced mostly by International Trade Committee (ITC), International Trade Administration (ITA), the United States Trade Representatives (USTR), Environment Protection Administration (EPA), and the United States Custom Department (USCD). (Vo Thanh Thu, Nguyen Cuong, Doan Thi Hong Van, 2001, p.38).

There is no doubt that the surveillance on seafood imports performed by the American FDA costs time, which is the vital impact on delivery of perishable goods such as seafood. This will certainly reduce the quality and competitiveness of fishery imports. That was the reason why the National Fisheries Institute, representing many fishery

traders in the United States, raised the voice to criticize the plan of FDA to enhance the inspection of imported seafood (Collette, <http://nfi.org>).

However, the FDA will certainly continue to enhance its rules on imported seafood due to the pressure from American consumers who are very cautious about the product safety, especially food safety. In a report in September 2000, Caroline Smith Dewaal, Director of Food Safety Program confirmed that "Outbreaks are defined generally as two or more illnesses from a single source...237 outbreaks were linked to seafood." (Dewaal, <http://www.SeafoodReport.com/testimony/speeches>). This means that American consumers have been more aware of the importance of seafood safety and enhancing the role of regulative agencies in controlling quality of seafood. It can be sure that the concerning regulative agencies are increasingly tightening on fishery imports control.

Therefore, imported seafood, especially those produced in developing countries has attracted more vigilance. Besides the regular inspections, in 1997, FDA introduced a new rule called Hazard Analysis and Critical Control Point (HACCP) which is aimed at controlling and eliminating the seafood safety potential threat applied for domestic and foreign processed fishery products. (Dewaal, <http://www.SeafoodReport.com/testimony/speeches> )

In addition to those strict rules on import products, the American government also utilizes antidumping law to crack down on import from those countries that can produce low price products. The American government certainly realized that the antidumping law and similar trade barriers would cause the American consumers to

pay higher prices. However, affected by the legal lobbying practice in the United States, the government is prepared to apply the laws when the domestic industries required. For instance, in the case of Vietnam's catfish, providing that American catfish farmers comply with the lobbying law, they can make their own profit on the cost of domestic consumers. Due to this litigation, the cheaper catfish volume imported from Vietnam has been coming down since March 2002 at the rate of 65% (Tini Tran, <http://www.usvtc.org/General Info/Catfish/catfish threatens jobs.htm>). Further more, shrimp-growing farmers in the United States have filed another antidumping case against shrimp exporters from 6 countries including Vietnam.

(Food Market Exchange, <http://www.foodmarketexchange.com/>)

In the United States there is a saying "business is business". This is quite different from trading traditions in the East especially in Japan, China, and Vietnam. The trade law systems in the eastern countries are not as stringent and complicated as those in the United States. Moreover, Asian businesses usually rely on negotiation, compromising in trade dispute. They will not bring cases into court unless they can not resolve the problem through negotiation. Vietnam entrepreneurs therefore, need more time to get used to the way that the law system operates in trade in the United States market.

#### *A case of Vietnam fishery export to the United States:*

In order to integrate into international business, Vietnam has joined the Association of South-East Asian Nations (ASEAN) and Asian Free Trade Area (AFTA) since 1995. In 1998 Vietnam entered the Asia-Pacific Economic Co-operation (APEC). Furthermore, Vietnam also applied to join the World Trade



Organization (WTO) – the world's largest trade organization so far (Pham & Tran, 2002, p. 242). As part of ASEAN and AFTA, members would be reduced to intra-regional tariffs in a level of between zero to five percent by year 2003, Vietnam has been granted an extension until 2006 to comply with this requirement (Seattlepi, <http://seattlepi.nwsource.com/business/fish23.shtml>).

Remarkably in December 10, 2001, the United States and Vietnam signed a bilateral trade agreement (BTA) that formalized a preferential trading status. Since the BTA was enacted, trade from both sides increased and punitive tariffs have been slashed. The BTA facilitates Vietnam's eventual admission into the World Trade Organization and integration into the world community.

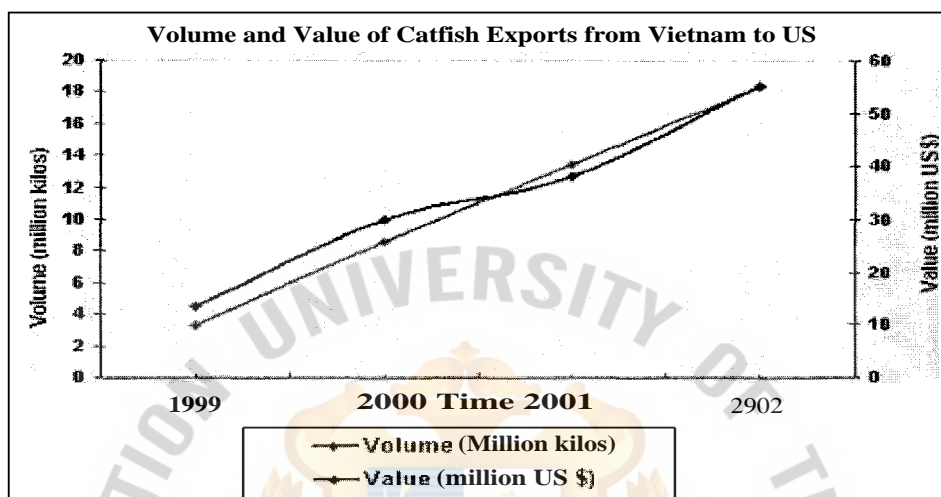
After integrating, Vietnamese side has a huge optimism, the tariff barriers and quotas are reduced. But on the other hand, a more serious obstacle to continued strong expansion in exports comes from the increasing use of non-tariff trade barriers that the United States, as an importing country, are imposing as Vietnam becomes a more important player. The most recent example is the U.S anti-dumping duty levied on catfish from Vietnam.

➤ *US-Vietnam Trade War Over Seafood:*

Vietnam catfish had been exported even before 1995, when the United States lifted the embargo on Vietnam exports. However, from the time that raw seafood tariffs dropped to zero because of integration in 1999, Vietnam export fishery spurred tremendously in exports. As showed in figure 2.3 below, the value of exports has been

increasing at the amazing annual rate of 60.21% between 1999 and 2002. The volume of exports increased 160% percent in 2000 when compared to the 1999.

**Figure 2.3: Vietnam Catfish Export to US**



Source: IDEAs, US-Vietnam Trade over Seafood, 2003.

[http://www.networkideas.org/news/sep2003/news04\\_Catfish.htm](http://www.networkideas.org/news/sep2003/news04_Catfish.htm)

With the amazing increasing in value and volume of Vietnam's catfish export in the United States, U.S. producers complain that they were losing market share to Vietnamese catfish and Vietnamese catfish markets are heavily subsidized by the government and that the true cost of producing catfish is, therefore, not reflected in the prices sold to the US. The U.S. Association of Catfish Farmers of America (CFA) accused 52 Vietnamese businesses of mining the U.S. catfish market. As it could not compete with low-priced catfish imports from Vietnam, the US producers were forced to accept losses. This made the CFA think of other measures to escape from it. The next best method is suggesting a re-course to the provision of anti-dumping in the World Trade Organization (WTO) rules and push for anti-dumping/countervailing tariffs against Vietnamese catfish. While it is true that Vietnamese catfish's low price

dues to lower production costs, including low labor costs, this allows offering fish at a competitive rate (Phan, <http://www.cid.harvard.edu/cidtrade/Papers/catfishfinal1.doc>).

After determined petitioning by CFA and individual American catfish farmers, the Department of Commerce's import administration determined that Vietnam was to be treated as non-market economy under the U.S. antidumping and countervailing duty laws. The subsequent final recommendation by Department of Commerce (DOC) on 17th June 2002, Vietnamese catfish was set a huge slapping of anti-dumping duties with margins ranging from 36.84% to 63.88% instead of 31.45% to 63.88% ([http://www.networkideas.org/news/sep2003/news04\\_Catfish.htm](http://www.networkideas.org/news/sep2003/news04_Catfish.htm)).

**Table 2.1: Final Weighted Average Dumping Margins on Certain Frozen Fish Fillets from Vietnam**

Company	Former Margin (%)	Weight-Average Margin (%)
Agifish	31.45	44.76
Nam Viet	38.09	52.90
Vinh Hoan	37.94	36.84
Cataco	41.06	44.66
Afiex	41.06	44.66
Cafatex	41.06	44.66
Danang	41.06	44.06
Mekonimex	41.06	44.06
QCD	41.06	44.66
Viet Hai	41.06	44.66
Vinh Long	41.06	44/66
Vietnam Wide Rate		63.88

**Source:** Notice of Final Antidumping Duty Determination of Sales at Less Than Fair Value and Affirmative Critical Circumstances: Certain Frozen Fish Fillets From the Socialist Republic of Vietnam, Us Department of Commerce, June 17th, 2003.

➤ *The Bilateral Trade Agreement and WTO Ascension:*

Under the circumstances, Vietnam has no choice but goes on with its seafood production, diversifying both its export products and markets, crossing its fingers and hoping for the best. The United States has clearly shown that free trade for the powerful is the freedom to use every back door tactic to ensure that trade is protected according to the dictates of their own interests.

In the meeting "Vietnam in the WTO Adherence Processing" Nov 17<sup>th</sup> 2003, Mr. Tran Quoc Khanh, chief of department of commerce (Ministry of Commerce) said, "WTO is a fair playground in which the trade barriers are reduced. Vietnam will have many conditions to limit the negative impactation". According to flu Seung, Korean Ambassador in Vietnam, three main purposes of WTO are: ensuring that trade flows as freely as possible, serving as a forum for trade negotiations, and supporting the developing countries. Once a member of WTO, Vietnam will have many chances not only in increasing export earnings, but also being made use of WTO's disputed settlement mechanisms. It means that Vietnam has the right to ask for intervention of international law-court, WTO (Vnexpress, <http://vnexpress.net/Vietnam/Kinh-doanh/2003/11/3B9CD4AE/>).

### 2.3.2 The United States' Quality and Safety Standard Requirements

The quality of food product is becoming an increasingly pertinent issue. For consumer, it is more important to assure him that products on the shelves are safe, quality products. The agencies that govern the food industry in the region are working to increase awareness of the value of a HACCP (Hazard Analysis Critical Control Point) quality assurance programme, as well as to encourage manufacturers to acquire

ISO (International Organization for Standardization) certification. Their ultimate objective is to enable Asian manufacturers to move beyond Asia, to the United States and Europe (Quality assurance, Asia Pacific Food Industry, 1994, Vol.6 (11), p. 64-68).

For imported seafood in the United States market, especially those produced in developing countries has attracted more vigilance. According to The Code of Federal Regulation 21CFR, starting December 18, 1997, all fishery exporters must show evidence of HACCP (Hazard Analysis Critical Control Point) compliance, which is aimed at controlling and eliminating the seafood safety potential threat applied for domestic and foreign processed fishery products (Vo, 2002, p. 31).

HACCP is both necessary and beneficial as a systematic means of improving operating procedures in areas such as tank cleaning. HACCP helps to identify the critical points in the food process where hygiene standards need to be stringently assessed on a routine basis. As a quality management standard, the adoption of HACCP by food producers has enable them to take a quantum leap forward in the business of producing food within acceptable hygiene levels (Quality assurance, Asia Pacific Food Industry, 1997, Vol 9(8), p. 83-87). It means that the establishment of a HACCP programme is becoming part of the minimum that a food company must do to insure safe products.

Up to now, there are around 100 Vietnam fishery companies have built HACCP programme meeting the food hygiene requirements that the FDA (Food and Drug Administration), the highest food-censoring organ of state power in the United States, enforces (Vo, 2002, p. 94). The United States' stern regulations regard not only food



product safety but also ecological environment. This is considered the trade barriers that limit the export ability of Vietnam fishery industry. From 2001 up to now, many international fishery trade disputes are more and more critical. Moreover, trade barriers are more and more stringent. The United States and the fishery import countries are uninterrupted to examine seafood product safety exported from Vietnam. Formerly, few fishery consignments exported from Vietnam to the United States are given back because of the excess of chloramphenicol and nitrofurantoin antibiotics in products. These bring about bad effects to export value and decrease the reputation of Vietnam fishery industry. Immediately after, Vietnam Fishery Association makes decisions and instructions about ban on using 10 kinds of antibiotic during the process of production. These antibiotics are equivalent the one that the United States bans (Vietlinh, <http://www.vietlinh.com.vn/db/tintuc/ShowContent.asp?ID=657>).

But, if other countries and regions begin to make the HACCP system, a requirement for entry, then HACCP becomes merely part of the minimum standards that all companies must meet. This means that companies must begin to rely on something else to distinguish themselves from the crowd. More and more the distinguish mark which potential customers seek is certification to ISO 9000 standards.

To achieve ISO 9000 certification, a company needs more than just a good quality assurance programme. The ISO 9000 provides a framework for quality control that covers the entire a series of product development from design through production, installation and servicing. So far, unlike HACCP, certification has been driven by market forces and not by regulatory decrees. In short, ISO 9000 is a measurement of a

company's commitment to quality (Quality assurance, Asia Pacific Food Industry, 1994, Vol.6 (11), p. 64-68).

### **2.3.3 Value-added Product for Vietnam Fishery**

"In the seafood industry, there is a strong need for seafood processing companies to place more emphasis on value-added products as it is the area which will attract more revenue" and "hopes increasing the amount by engaging in more value-added processing activities, which presently contribute to approximately 10 percent of seafood export earnings" says Assistant General Director of Seaprodex – a head fishery company in Vietnam- Lam Duc Dinh (Cover story, Asia Pacific Food Industry, 1995, Vol 7(8), p. 31-35)

At present, raw seafood product is an essential product of Vietnam's fishery export; this limits the seafood export earnings and affects the export performance. The fishery export companies realize the potential earnings that can be generated from exporting value-added products (Vo, 2002, p. 111). For Agrex Saigon, a leading licensed import-export company in Vietnam, it is their company's intention to move away from exporting raw seafood products to producing their own range of retail products for export markets. "Vietnam's shift toward a market-oriented economy in the late 80s has brought about a gradual liberalization in trading activities with more companies being granted the license to engage in trading or export of seafood and other products. In order to grow, we ventured into seafood processing," says Tran Quang Hung, director of Agrex Saigon (Cover story, Asia Pacific Food Industry, 1995, Vol 7(8), p. 31-35).

## Chapter Three

### RESEARCH FRAMEWORK

This chapter provides a review of relevant literature from various sources. It consists of five sections: theoretical framework, conceptual framework, components of conceptual model, research hypothesis and operational definition of the variables. The first part, Theoretical Framework, it is a logically developed, and described of associations among studied variables. The second part, Conceptual Framework, is the researchers' own model explaining the independent and dependent variables. The third part is Components of conceptual model. The fourth part, Research hypothesis, is the statements specifying the relationship between variables. The last part, operational definition of variables, translates all variables and sub-variables into action.

#### 3.1 THEORETICAL FRAMEWORK

This study is about the factors relating to the export performance of Vietnam fishery industry for the United States export.

According to Schroder et al (2001), the market characteristic including trade barriers, export market effectiveness, and export market competitiveness that have an influence on the export performance. In which trade barriers are considered as the tariffs and non-tariff barriers. Albay et al (2001) stated that in food industry, the higher compliance to quality, safety, and environment standard, the higher export performance. Especially if the goods are exported to the developed countries, the standardization is considered as the essential condition to increase the firm's reputation about the quality systems. Weerachai and Patriya (2002) proved that

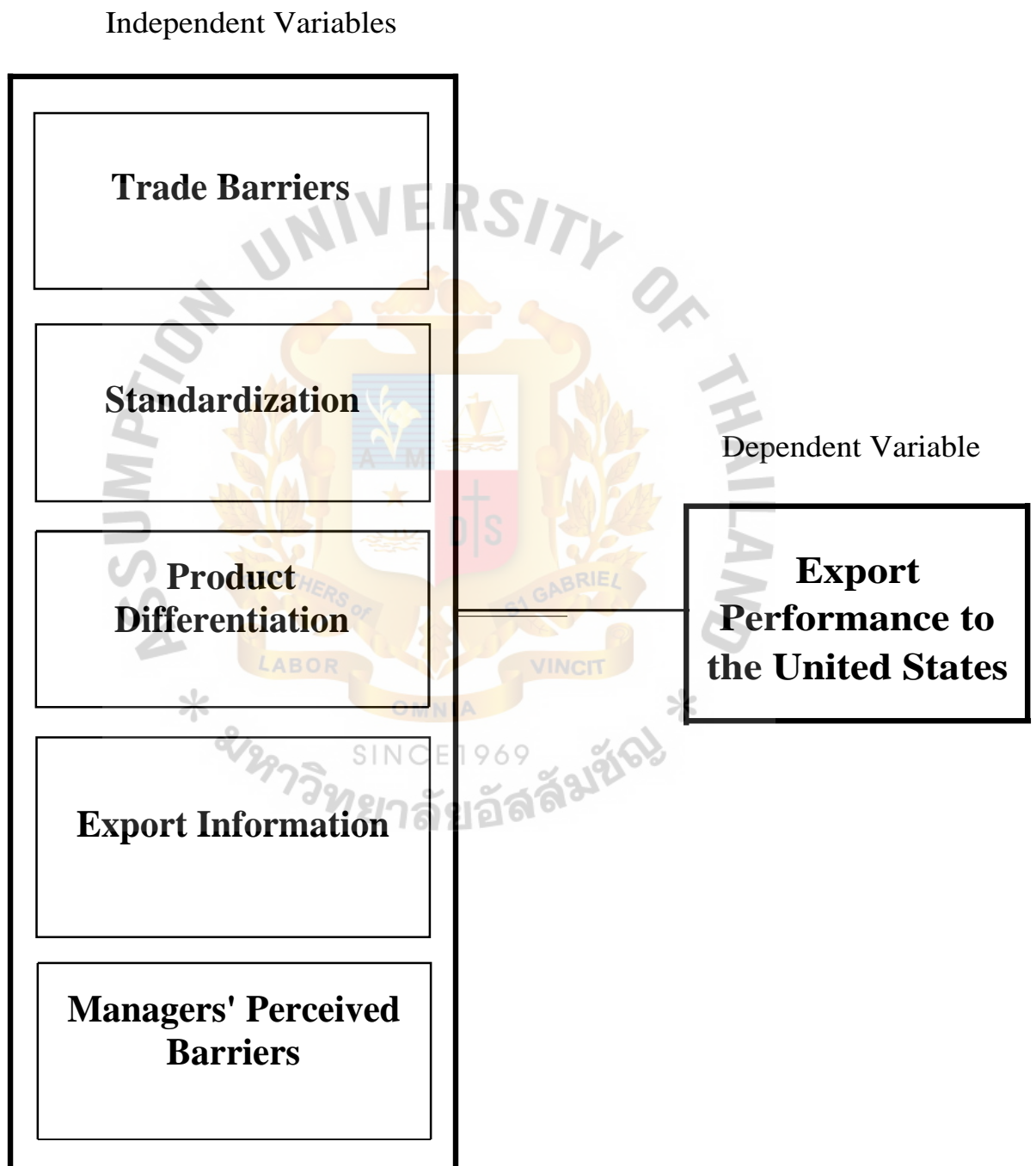
product differentiation is a necessary strategy for practicing to sell products and for gaining competitiveness. The greater export performance if the more product differentiation is implemented. According to Souchon and Diamantopoulos (2000), acquisition of information is indispensable in the trading. Information effects on decision-making as well as superior organizational performance. A causal connection between information and performance is proofed in the previous research of Souchon and Diamantopoulos (2000). Yunus Ali (1999) reveals that the managers' perceptions of export barriers and export performance have an influence together. Yunus Ali also stated that the managers' accurate knowledge about the export barriers will support for their sufficient recognize and judge in export activities relating to export performance.

### 3.2 CONCEPTUAL MODEL

A conceptual model is defined as an integration model. It is also referred as any highly formalized representation of a theoretical network that it then can be tested, examined, and generally analyzed (Noppanun, 2002).

The conceptual model in this study attempts to explain the relationship between independent variables, that are Trade barriers, Standardization, Product differentiation, Export information, and Managers' perceived barriers and dependent variable that is Export Performance.

**Figure 3.1: Research Framework**





### **3.3 COMPONENTS OF CONCEPTUAL MODEL**

According to the research framework, the researcher would like to study the factors which are independent variables, mostly influencing the export performance of Vietnam fishery industry.

#### **3.3.1 Trade Barriers**

Tariffs, or import duties, are taxes levied on import goods to raise imported product's selling price in the importing nation's market to protect domestic producers (Ball & McCulloch, 1999, p. 98).

Nontariff barriers are all forms of discrimination for purpose of restriction foreign products that can be imported (Ball & McCulloch, 1999, p. 99). Some forms of discrimination are packing and labeling regulations, health and sanitations, anti-dumping, product standards, testing or approval procedures, and subsidies for local products.

#### **3.3.2 Standardization**

Standardization is the imposition standards and regulations that relate to the product quality (Vietnam Encyclopedia, 2000). This study focuses on two standards including HACCP and ISO 9000 standard systems.

#### **3.3.3 Product Differentiation**

Some of the most important characteristics of products are the elements that distinguish them from one another. In order to make the customers perceive firm's products that are different from competing products, firm's products have to produced with a different creation and design product process from competitor's. There are

three physical aspects of product differentiation that company must consider when creating and offering products for sale: product innovation and value added product (Pride & Ferrell, 1997, p. 214).

#### 3.3.4 Export Information

Information includes all the know-how about markets, technology, and competition. A nation's growth in modern international competition cannot without growing of information. This refers to the amount and quality of information available in a nation. Updating information helps firm to overcome inertia and create a sense of urgency. It makes the upgrading of competitive advantage in established industries and competing successfully in new industries. This also refers to the source of that information (Porter, 1990, p. 639).

#### 3.3.5 Managers' Perceived Barriers

Perception is a process of impression toward sensory of individuals or organizations in order to give meaning to their environment. In the perception process, the information from around the world is selected, organized, interpreted, retrieved, and responded by their characteristic themselves (Schermerhorn et al, 2000). The perception of each individual can be substantially different from objective reality because the perceiver is affected much by personal characteristics of the individual perceiver (Robbins, 2001). In an organization, individuals make decisions. Their final choice is made among two or more alternatives. Especially, top managers are the person who determines their organization's goals, so the quality of their final decisions plays an important role in growing of organization. Therefore, managers' perceived barriers in the export field are the managers' perception and knowledge

about export market regulations, export market opportunities and also their qualify personnel.

### **3.3.6 Export Performance**

Companies need to globalize their international strategy to take advantage of underlying market, cost, environment, and competitive factors (Crinkota et al, 1999).

In the export process, one country will send goods or services to other countries for use or sale there. And export is the most common form of international business activity (Griffin & Pustay, 1996, p. 382).

Export performance is defined as a firm's outcomes achieved in international sales. In this study, the export performance is used in terms of the satisfaction and the progress (Lages, 2000).

### **3.4 HYPOTHESIS STATEMENTS**

This study consists of hypotheses to prove all variables as follows:

#### **Hypothesis 1**

H1<sub>0</sub>: There is no relationship between trade barriers and export performance of Vietnam fishery industry.

H1<sub>a</sub>: There is a relationship between trade barriers and export performance of Vietnam fishery industry.

#### **Hypothesis 2**

H2<sub>0</sub>: There is no relationship between standardization and export performance of Vietnam fishery industry.

H2<sub>a</sub>: There is a relationship between standardization and export performance of Vietnam fishery industry.

### **Hypothesis 3**

H3<sub>0</sub>: There is no relationship between product differentiation and export performance of Vietnam fishery industry.

H3<sub>a</sub>: There is a relationship between product differentiation and export performance of Vietnam fishery industry.

### **Hypothesis 4**

H4<sub>0</sub>: There is no relationship between export information and export performance of Vietnam fishery industry.

H4<sub>a</sub>: There is a relationship between export information and export performance of Vietnam fishery industry.

### **Hypothesis 5**

H5<sub>0</sub>: There is no relationship between managers' perceived barriers and export performance of Vietnam fishery industry.

H5<sub>a</sub>: There is a relationship between managers' perceived barriers and export performance of Vietnam fishery industry.

### 3.5 OPERATIONALIZATION OF THE VARIABLES

**Table 3.1: Operational Definition of Influencing Variables**

Concept	Conceptual Definition	Operational Component	Measurement Scale
Trade Barriers	Form of government intervention to protect their domestic firms from competitors.	<ul style="list-style-type: none"> <li>♦ Tariff barriers: taxes that the United States imposes on the imported fishery products.</li> <li>♦ Non-tariff barriers: forms of discrimination about packing and labeling regulations, health and sanitations, clearance certificate, and anti-dumping.</li> </ul>	Ordinal scale
Standardization	The imposition standards and regulations in product quality.	The standards of quality control with HACCP and ISO 9000.	Ordinal scale
Product Differentiation	Differences in process of creating and designing products.	<ul style="list-style-type: none"> <li>♦ Product innovation.</li> <li>♦ Value added product.</li> </ul>	Ordinal scale
Export Information	Information relates to exporting activity.	The source, amount and quality of information that relate to the export activities in international trade.	Ordinal scale



Managers' Perceived Barriers	The understanding and perception of managers about the barriers in exporting activity.	<ul style="list-style-type: none"> <li>◆ Sufficient knowledge on export market opportunities.</li> <li>◆ Knowledge on export market regulations.</li> <li>◆ Qualified personnel to deal with overseas customers.</li> </ul>	Ordinal scale
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**Table 3.2: Operational Definition of Explained Variable**

Concept	Conceptual Definition	Operational Component	Measurement Scale
Export Performance of Vietnam Fishery Industry	Level of performance of exporting activity.	<ul style="list-style-type: none"> <li>◆ Satisfaction</li> <li>◆ Progress</li> </ul>	Ordinal scale

## Chapter Four

# RESEARCH METHODOLOGY

This chapter describes how this study was conducted. It also explains how the data were collected and analyzed. This chapter includes four sections. The first section is the research method that indicates the method and procedures for collecting and analyzing data. The second section is the details of respondents and sampling procedures that specify the classification of respondents and sample size. The third section is the instrument that provides the questionnaire and methods to measure. The fourth section is the statistical treatment of data that provides and explains the statistical technique used for hypothesis calculation.

### 4.1 RESEARCH METHOD

In this research, sample survey has been employed to collect the primary data. A survey is a research technique that uses questionnaire. The information was gathered from the sample respondents by using the questionnaire sent to them (Zikmund, 1997). Using questionnaire, that was set according to the studied topic, consumed low cost in conducting, allowed to get the significant amounts of data in an economically and efficiently and provides a lot of flexibility. Those are the reasons that survey was selected.

#### **4.1.1 Documentary Research (Secondary Data)**

Secondary data includes many sources. Textbooks used in the **MBA** program of Assumption University provided basis-knowledge of research. Information collected from companies' web sites, online magazines, journals are mostly secondary data. Information has also been collected from the reports and researching books published by government organizations and fishery associations such as Statistic Publisher, the Vietnam Embassy to the United States, and Fishery Year Book. It also relies on facts and data collected from some well-established business news and magazines: Vietnam news, Vietnam express, and many reliable web sites built by the United States and Vietnam authorities and other concerning organizations.

#### **4.1.2 Primary Data**

In gathering the primary data, the researcher used questionnaire with structured questions. Questionnaires distributed to the respondents are classified as self-administered questionnaires. They were filled in by the respondents rather than an interviewer (Zikmund, 1997). Normally, in many previous researches, the questionnaires can be sent to the respondents by many ways such as inserting them in packages and magazines, via fax, via e-mail or on the Internet. Particularly in this study, the questionnaires will be distributed to the respondents by mail.

### **4.2 RESPONDENTS AND SAMPLING PROCEDURES**

Data collection is required to answer the research questions and objectives. However, the data in many researches are impossible to be collected all because of the limitations. Sampling techniques therefore were used. In the sampling process, a small number of items or some parts were selected from a larger population, and the

researchers then used those data to make conclusions regarding the whole population (Zikmund, 2003). The usefulness of sampling is to enable to study and collect data that represent for the entire population even when the researchers are impracticable because of the constraints of huge population. It also helps the researcher collect data quickly and sufficiently in most cases (Saunders et. al, 2003).

#### **4.2.1 Target Population**

A population is the complete set of units of analysis that are under investigation. In this study, the target populations are the Vietnam fishery exporters in Ho Chi Minh City and neighboring provinces (Cuu Long Flat) at the South of Vietnam who export fishery products to the United States. All together, there are 118 exporters listed according to statistic data of Vietnam Association of Seafood Exporters and Producers. These exporters are facing the intense competition and many barriers in term of trade. They know the problems and situation of the competition in this market. Hence, they are the respondents qualified to answer the questionnaires, thus giving the accurate data.

#### **4.2.2 Sampling size**

##### **4.2.2.1 Sampling units**

Zikmund (1997) stated, "The sampling unit is a single element or group of elements subject to selection in the sample". Sampling units in this research are the fishery export companies in Ho Chi Minh City only. Each company is represented by one director or export-import manager to complete the questionnaire.

#### **4.2.2.2 Appropriate size**

In industry research, the sampling unit of the company is very few, so the maximum size is 1/3 of population size seems sufficient (Cooper, 1985). In this research, number of fishery companies that have fishery products to the United States is 118, thus size of sample is 40 companies.

### **4.3 RESEARCH INSTRUMENTS / QUESTIONNAIRE**

#### **4.3.1 Research instrument design**

The instrument used for this survey research is questionnaire. Questionnaires were used to present questions and record answers in quantities field research surveys. The questionnaire has been developed based on variables of the conceptual framework of this study. The respondents in this study are Vietnamese, and in order to respect them, the questionnaire will be prepared in Vietnamese. However, this questionnaire will be also translated into English to facilitate the readers.

The questionnaire consists of questions asking the respondents about their valuation toward the factors that relate to export performance when they export fishery products to the United States. All questions were presented in two following parts:

**Part I:** General information of respondents is called "Company background"

**Part II:** Toward the factors that relate to Export Performance, including Trade barriers, Standardization, Product differentiation, Export information, and Managers' perceived barriers.

#### **4.3.2 Data collection / Gathering procedures**

After designing the questionnaire, the researcher begins to the work for the collecting data. The respondents whom the researcher aims are the fishery export companies in Ho Chi Minh City only because of the limitation about distance that showed in the previous chapter and the good relationship between the researcher and the respondents in Ho Chi Minh City. The researcher contacted the directors or export-import managers of the fishery export companies in Ho Chi Minh City by making the telephone calls to all of them for asking if they make sure to be willing to complete the questionnaires and reply to the researcher by mail. The contacts were done until the researcher got 40 companies that made sure they would reply the complete questionnaires to the researcher by mail. The questionnaires then would be mailed directly to the directors or export-import managers of the fishery export companies that were chosen in Ho Chi Minh City. The time for sending and getting back the questionnaires of 40 companies is from the beginning to the end of March, year 2004.

#### **4.4 PILOT STUDY**

Churchill (1991) stated that each question in the questionnaire must be ensured that it is not confusing or ambiguous and the respondents do not feel offensive. Therefore, the questionnaire has to be reviewed carefully. The small pilot study will be useful in determining how reliable and valid the questionnaire is. In order to detect the weakness and error in the instruments (Questionnaire), pre-testing is required before any actual testing is conducted. Pretests are considered essential to detect the problems of the questionnaire when obtaining information from the respondents" (Churchill, 1991, p.396-398).



The researcher aimed to (1) measure the convenience and ease of answering the questionnaire for unprepared respondents; (2) ascertain the time spent for answering/completing the questionnaire; and (3) find out which – if any - part of the questionnaire was difficult to understand or if any category, sequencing and/or structure needed to be modified before the final questionnaire was released.

The results of the pilot study were carried out regarding:

- The sequence, wording, and structure of the questionnaire.
- Whether all of the respondents find the questionnaire easy to understand and convenient to fill in.
- The length of the questionnaire, the average time to finish filling in the questionnaire.

#### **4.5 RELIABILITY TEST**

The accuracy and precision of the procedure are referred in reliability. It is concerned with estimates of the degree to which a measurement is free of random or unstable error. Reliability testing is of significance and will be required solely in case the independent variables are interdependent and contain linkages in the operational process.

Since the concepts of the independent variables are composite measures, an index measure technique is used. Reliability test of such concepts by “Cronbach alpha” value indicates the certain acceptance of whether such particular concepts are statistically applicable for further test with the dependent variables. Cronbach alpha is utilized the internal consistency of the measurement. Each scale is tested by SPSS to

compute alpha value. If alpha is greater than or equal to 0.6, it indicates a strong measure of reliability.

In this research, the questionnaires have been pre-tested through 10 Vietnamese exporters who have their business with Thai people. The researcher asked them face-to-face for completing the questionnaires at any time they were in Bangkok, Thailand. The pre-test was done during two weeks, from the middle until end of February, year 2004, excluding the holidays. The information about their coming was informed by Vietnam embassy staffs.

At the end of the pre-test process, the researcher tested the reliability of the instrument for Part II. After the respondents have filled in the questionnaire, researcher put data into SPSS and tested the reliability by using Alpha model. The result will be shown in table 4.1 below:

**Table 4.1: Reliability Analysis – scale (Alpha)**

Variable	No of case	No of items	Alpha
Trade barriers	10	9	0.920
Standardization	10	6	0.809
Product differentiation	10	3	0.776
Export information	10	5	0.706
Managers' perceived barriers	10	3	0.664
Export performance	10	2	0.831

From result above, the researcher sees that all of the variables have alpha greater than 0.6. The researcher can conclude that the data is quite reliable

## 4.6 DATA ANALYSIS TECHNIQUE

### 4.6.1 Descriptive statistic

Zikmund (1997) stated that in order to interpret the data gathered, descriptive analysis is applied to transform the raw data into a form that will make it easy to understand and interpret. The researcher used descriptive statistic that consists of the frequency, percentage in order to describe the personal data of respondents.

### 4.6.2 Hypothesis testing

After having collected data from questionnaires, the data were analyzed and summarized by using Statistical Package for Social Science (SPSS) program. The collected data described about the nature of these companies and hypothesis testing done through rank-order correlation coefficient test.

**Spearman's Rank Correlation Coefficient test** was used to measure the strength of relationship between pairs of independents and dependent variables. The formula for computing Spearman's Rank is as follows:

$$r_s = 1 - \frac{\sum d_i^2}{n(n-1)}$$

Where:

$n$  = number of ranks

$d$  = algebraic difference for each rank in the two distributions of ranks

The correlation coefficient ( $r$ ) ranges from +1.0 to —1.0. If the value of  $r$  is 1.0, there is perfect positive linear relationship. If the value of  $r$  is —1.0, there is a perfect negative linear relationship. No correlation is indicated by  $r = 0$  (Zikmund, 1997, p. 627). The table below will show the value  $r$  and measure the strength of association.

**Table 4.2: Interpreting the Correlation Coefficient**

Correlation ( $r$ )			Interpretation
0.81	to	1.00	Very strong
0.61	to	0.80	Strong
0.41	to	0.60	Moderate
0.21	to	0.40	Weak
0.00	to	0.20	Very weak

Source: Neil J. Solkind, (2000) Exploring Reasearch, pp 207-208.

For this study, the researcher used Spearman's Rank Correlation Coefficient because all variables are measured by ordinal scale. The summary of hypothesis and statistical analysis is in table 4.3 below:

**Table 4.3: Summaries of Hypothesis and Statistical Analysis**

No.	Hypothesis	Hypothesis testing technique
1	<p><b>H1<sub>0</sub></b>: There is no relationship between trade barriers and export performance of Vietnam fishery industry.</p> <p><b>H1<sub>a</sub></b>: There is a relationship between trade barriers and export performance of Vietnam fishery industry.</p>	Spearman's Rank Correlation Coefficient
2	<p><b>H2<sub>0</sub></b>: There is no relationship between standardization and export performance of Vietnam fishery industry.</p> <p><b>H2<sub>a</sub></b>: There is a relationship between standardization and export performance of Vietnam fishery industry.</p>	Spearman's Rank Correlation Coefficient
3	<p><b>H3<sub>0</sub></b>: There is no relationship between product differentiation and export performance of Vietnam fishery industry.</p> <p><b>H3<sub>a</sub></b>: There is a relationship between product differentiation and export performance of Vietnam fishery industry.</p>	Spearman's Rank Correlation Coefficient
4	<p><b>H4<sub>0</sub></b>: There is no relationship between export information and export performance of Vietnam fishery industry.</p> <p><b>H4<sub>a</sub></b>: There is a relationship between export information and export performance of Vietnam fishery industry.</p>	Spearman's Rank Correlation Coefficient
5	<p><b>H5<sub>0</sub></b>: There is no relationship between managers' perceived barriers and export performance of Vietnam fishery industry.</p> <p><b>H5<sub>a</sub></b>: There is a relationship between managers' perceived barriers and export performance of Vietnam fishery industry.</p>	Spearman's Rank Correlation Coefficient

## Chapter Five

### DATA ANALYSIS

This data analysis part shows the findings, results as well as analysis obtained from the survey in order to answer the research questions and hypotheses indicated in the previous chapters. This chapter is divided into three major sections. In section one, descriptive statistics, the samples' characteristics will be analyzed for the purpose of confirming the target population. In section two, hypothesis testing results, inferential statistics and hypothesis testing between independent and dependent variables will be tested. The conclusion will be in section three.

#### 5.1 DESCRIPTIVE STATISTICS

Descriptive statistics are statistical indices that provide researchers with summary measures for the data contained in all elements of a sample. Descriptive statistics consists of the frequency, percentage in order to describe the personal data of respondents (Kinnear & Taylor, 1991).

The data was collected from the survey of 40 respondents. They are Vietnamese fishery exporters who export fishery to the United States market. This section provides five themes concerning respondents' profile i.e. job title, year of company establishment, number of employees, company's activities, and time of exporting to the United States. The profiles are displayed through the use of frequency distribution and percentage as follows:



**Table 5.1: Respondents' job title**

Respondents' job title					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Export-import manager	24	60.0	60.0	60.0
	Director	16	40.0	40.0	100.0
	Total	40	100.0	100.0	

**Chart 5.1: Respondents' job title**

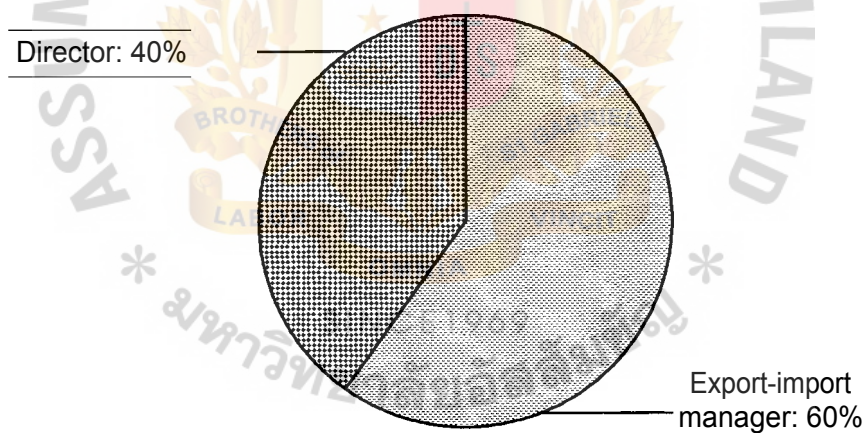
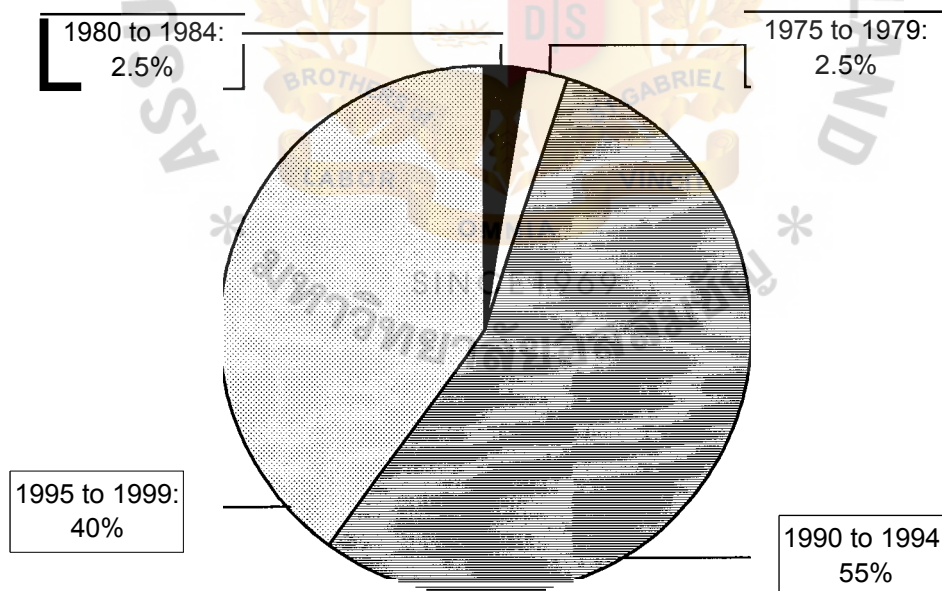


Table 5.1 shows the respondents' job title. It includes of 24 export-import managers and 16 directors or 60% and 40% respectively.

**Table 5.2: Year of establishment**

Year of establishment					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1975 to 1979	1	2.5	2.5	2.5
	1980 to 1984	1	2.5	2.5	5.0
	1990 to 1994	22	55.0	55.0	60.0
	1995 to 1999	16	40.0	40.0	100.0
	Total	40	100.0	100.0	

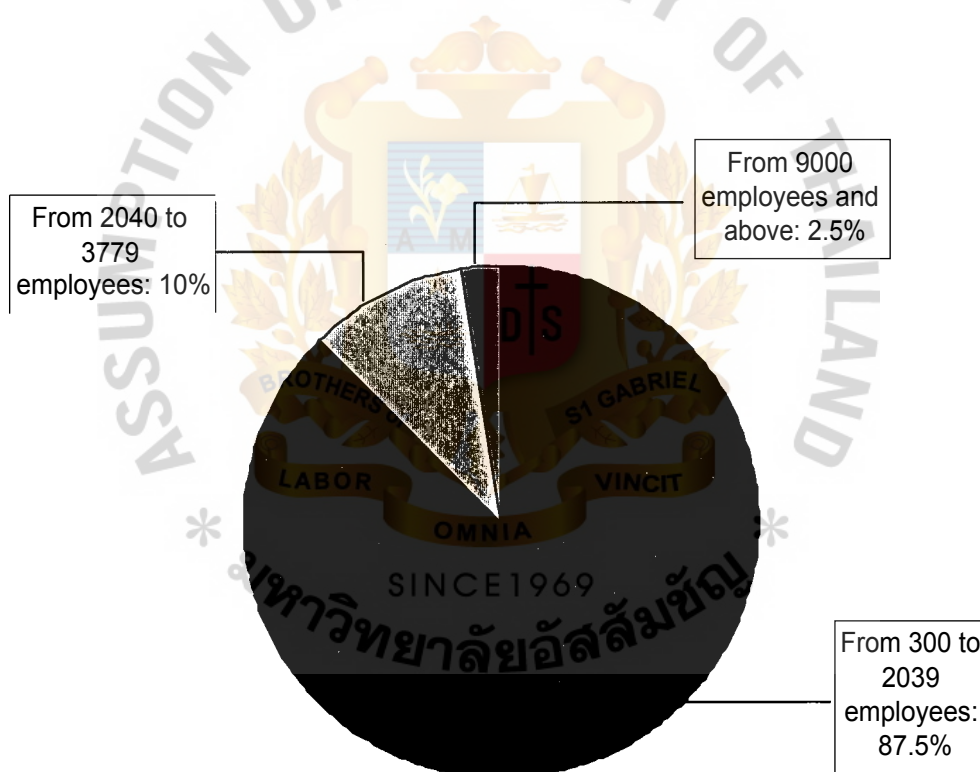
**Chart 5.2: Year of establishment**



In table 5.2, most companies were established from year 1990 to 1994 (55%) and from 1995 to 1999 (40%) or 22 companies and 16 companies respectively.

**Table 5.3: Number of employees**

Number of employees					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	From 300 to 2039	35	87.5	87.5	87.5
	From 2040 to 3779	4	10.0	10.0	97.5
	From 9000 and above	1	2.5	2.5	100.0
	Total	40	100.0	100.0	

**Chart 5.3: Number of employees**

From table 5.3, most companies (87.5%) have from 300 to 2039 employees, 10% have from 2040 to 3779 employees, and only 2.5% have from 9000 employees and above.

**Table 5.4: Characteristics of company**

Activities				
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Manufacturer and export(	40	100.0	100.0	100.0

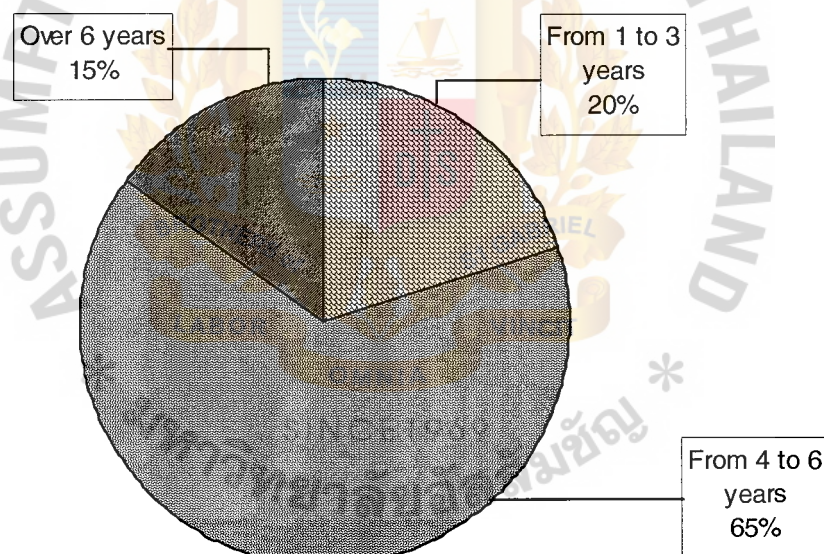
From table 5.4, all of 40 companies that are respondents of this study have characteristics of both manufacturers and exporters. These are not companies who have the role of distributor, export trader, or foreign sales officers at all.



**Table 5.5: Number of years export to the United States**

Number of years export to the United States					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	from 1 to 3 years	8	20.0	20.0	20.0
	from 4 to 6 years	26	65.0	65.0	85.0
	over 6 years	6	15.0	15.0	100.0
	Total	40	100.0	100.0	

**Chart 5.4: Number of years export to the United States**



In table 5.5, the percentage of the companies that have from 1 to 3 years for exporting to the United States is 20%, from 4 to 6 years is 65%, and over 6 years is 15% or 8 companies, 26 companies, and 6 companies respectively.

## 5.2 HYPOTHESIS TESTING RESULTS

This section is intended to indicate and understand the relationship of five independent variables: trade barriers, standardization, product differentiation, export information, managers' perceived barriers and one dependent variable: export performance. The option is placed with 10 scales to measure five independent variables. Each option is set on a scale of 9 to 0, in which point 9 carries the highest degree of agreement and point 0 carries the highest degree of disagreement.

Spearman's Rank Correlation Coefficient Test was used to identify whether or not there is a relationship between independent and dependent variables as well as the degree of association between them.





## **Hypothesis 1**

*H10: There is no relationship between trade barriers and export performance of Vietnam fishery industry.*

*H1<sub>a</sub>: There is a relationship between trade barriers and export performance of Vietnam fishery industry.*

**Table 5.6: Nonparametric Correlations between Trade barriers and Export performance**

Correlations			Performance	Trade Barriers
Spearman's rho	Performance	Correlation Coefficient Sig. (2-tailed) N	1.000 . 40	-.476** .002 40
	Trade Barriers	Correlation Coefficient Sig. (2-tailed) N	-.476** .002 40	1.000 . 40

\*\*Correlation is significant at the 0.01 level (2-tailed).

The results in table 5.6 show that the level of significance **a** is 0.002, which is less than 0.05 ( $0.002 < 0.05$ ). Therefore, the null hypothesis H10 is rejected, whereas the alternative hypothesis H2<sub>a</sub> is accepted. The Spearman's Correlation Coefficient (**r**) is -0.476 which means that there is moderate negative relationship between trade barriers and export performance. Furthermore, it shows that the correlation is significant at the 99% confident level under 2-tailed test.

## **Hypothesis 2**

*H<sub>20</sub>: There is no relationship between standardization and export performance of Vietnam fishery industry.*

*H<sub>2a</sub>: There is a relationship between standardization and export performance of Vietnam fishery industry.*

**Table 5.7: Nonparametric Correlations between Standardization and Export performance**

Correlations			Standardi zation	Performance
Spearman's rho	Standardization	Correlation Coefficient	1.000	.667**
		Sig. (2-tailed)	.	.000
		N	40	40
	Performance	Correlation Coefficient	.667**	1.000
		Sig. (2-tailed)	.000	.
		N	40	40

\*\* . Correlation is significant at the 0.01 level (2-tailed).

From the results of table 5.7, the sign \*\* exhibits that the correlation is significant at the 0.01 level under 2-tailed test. Therefore, it can be indicated that the result is very accurate at 99% significant level. The value of the correlation coefficient is equal to 0.000, which is less than 0.05 (**a**). This means that the null hypothesis  $H_{10}$  is rejected, whereas the alternative hypothesis  $H_{2a}$  is accepted. The Spearman's Correlation Coefficient (**r**) is 0.667 that means that there is strong positive relationship between standardization and export performance.

### **Hypothesis 3**

*H<sub>30</sub>: There is no relationship between product differentiation and export performance of Vietnam fishery industry.*

*H<sub>3a</sub>: There is a relationship between product differentiation and export performance of Vietnam fishery industry.*

**Table 5.8: Nonparametric Correlations between Product differentiation and Export performance**

Correlations			Performance	Product Differentiation
Spearman's rho	Performance	Correlation Coefficient	1.000	.563**
		Sig. (2-tailed)	.	.000
		N	40	40
	Product Differentiation	Correlation Coefficient	.563**	1.000
		Sig. (2-tailed)	.000	.
		N	40	40

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The results in table 5.8 show that the significant value is 0.000, which is less than 0.05

(a). It is concluded that the null hypothesis H<sub>30</sub> is rejected, whereas the alternative hypothesis H<sub>3a</sub> is accepted. The Spearman's Correlation Coefficient (**r**) is 0.563; this affirms that there is a moderate positive relationship between product differentiation and export performance. Furthermore, it shows that the correlation is significant at the 99% confident level under 2-tailed test.

#### **Hypothesis 4**

*H40: There is no relationship between export information and export performance of Vietnam fishery industry.*

*H4<sub>a</sub>: There is a relationship between export information and export performance of Vietnam fishery industry.*

**Table 5.9: Nonparametric Correlations between Export information and Export performance**

Correlations			
		Performance.	Export Information
Spearman's rho Performance	Correlation Coefficient	1.000	.506*
	Sig. (2-tailed)	.	.001
	N	40	40
Export Information	Correlation Coefficient	.506*	1.000
	Sig. (2-tailed)	.001	.
	N	40	40

\*\*. Correlation is significant at the 0.01 level (2-tailed).

From the result of table 5.9, the significant value is 0.001, which is less than 0.05 ((a). Therefore, the null hypothesis H40 is rejected. Moreover, the Spearman's Correlation Coefficient (**r**) is 0.506 that means there is moderate positive relationship between export information and export performance. Furthermore, the correlation is significant at the 99% confident level under 2-tailed test.

### **Hypothesis 5**

*H50: There is no relationship between managers' perceived barriers and export performance of Vietnam fishery industry.*

*H5<sub>a</sub>: There is a relationship between managers' perceived barriers and export performance of Vietnam fishery industry.*

**Table 5.10: Nonparametric Correlations between Managers' perceived barriers and Export performance**

<b>Correlations</b>				
			Performance	Managers' perceived barriers
Spearman's rho	Performance	Correlation Coefficient	1.000	.470**
		Sig. (2-tailed)	.	.002
		N	40	40
	Managers' perceived barriers	Correlation Coefficient	.470*	1.000
		Sig. (2-tailed)	.002	.
		N	40	40

\*\* . Correlation is significant at the 0.01 level (2-tailed).

From the results of table 5.10, the sign \*\* exhibits that the correlation is significant at the 0.01 level under 2-tailed test. Therefore, it can be indicated that the result is very accurate at 99% significant level. The value of the correlation coefficient is equal to 0.002 which is less than 0.05 ( $\alpha$ ). This means that the null hypothesis H50 is rejected, whereas the alternative hypothesis H5, is accepted. The Spearman's Correlation Coefficient (**r**) is 0.470 which means that there is moderate positive relationship between managers' perceived barriers and export performance.

## 5.3 SUMMARY

This part provides the summary as well as the conclusion of the results from descriptive statistics and hypothesis testing.

### 5.3.1 Demographic profiles of respondents

Most of the companies receiving our questionnaire are established from 1990 to 1994, accounting for 55%, total of 40 companies. There are 40% that are respectively 16 companies are established from 1995 to 1999. There is only one company opened from 1975 to 1979 and one more from 1980 to 1984. There is no company established from 1985 to 1989.

There are 87.5% companies that have from 300 to 2039 employees, respectively 35 companies. From 2040 to 3779 employees, there are 4 companies. And just only one company that has the largest number with 9000 employees is named Viet Nam National Seaproducts Corporation.

Characteristics of all the companies in this study are manufacturers and exporters. They all have fishery products to the United States, in which 20% companies have from 1 to 3 years exporting to the U.S., 65% companies have from 4 to 6 years and 15% companies have over 6 years exporting fishery products to the U.S.

The respondents who represented for the companies to answer the questionnaires are export-import managers and directors. In which, export-import managers make up 60% and directors make up 40% the total of respondents. They have wide knowledge and vital responsibilities about company's business activities.



### 5.3.2 Summary of hypotheses testing results

**Table 5.11: Summary of hypotheses testing results**

<b>Hypothesis</b>	<b>Statistic Test</b>	<b>Level of significant</b>	<b>Correlation Coefficient</b>	<b>Result</b>
Ha1: There is a relationship between trade barriers and export performance of Vietnam fishery industry.	Spearman's Rank Correlation	0.002	-0.476	Reject Ho
Ha2: There is a relationship between standardization and export performance of Vietnam fishery industry.	Spearman's Rank Correlation	0.000	0.667	Reject Ho
Ha3: There is a relationship between product differentiation and export performance of Vietnam fishery industry.	Spearman's Rank Correlation	0.000	0.563	Reject Ho
Ha4: There is a relationship between export information and export performance of Vietnam fishery industry.	Spearman's Rank Correlation	0.001	0.506	Reject Ho
Ha5: There is a relationship between managers' perceived barriers and export performance of Vietnam fishery industry.	Spearman's Rank Correlation	0.002	0.470	Reject Ho

The results from the test of correlation of five hypotheses between the related factors and export performance shown in table 5.12 reveal that all of five hypotheses are statistically substantiated. As a result, it can be concluded that all of five factors including Trade barriers, Standardization, Product Differentiation, Export Information, and Managers' Perceived Barriers are correlated with Export Performance.

Table 5.12: Correlation Coefficients and Correlation Level

Factors	Correlation Coefficients	Correlation Level
1. Trade Barriers	-0.476	Moderate negative relationship
2. Standardization	0.667	Strong positive relationship
3. Product Differentiation	0.563	Moderate positive relationship
4. Export Information	0.506	Moderate positive relationship
5. Managers' Perceived Barriers	0.470	Moderate positive relationship

The table above shows the correlation level between each part of independent and dependent variables, in which trade barriers have a moderate negative relationship with the export performance of Vietnam fishery industry. The remainder composes of standardization, product differentiation, export information, and managers' perceived barriers which have a positive relationship with the export performance of Vietnam fishery industry. Among which, standardization has a strong impact on the export performance of Vietnam fishery industry.

## Chapter Six

### RESEARCH RESULTS

This chapter presents the conclusions based on the results of the study with regard to the research objective posed in chapter 1 and other issues of concern.

There are three sections in this chapter. The first section is the conclusion drawn against the research problem. The second section consists of the implications that evolve from the findings. The third section concludes with suggestions and discussions about how further research should be conducted.

#### 6.1 CONCLUSION DRAWN AGAINST THE RESEARCH PROBLEM

In pursuant to the early statement of problem of this study, the query is "What are the related factors to the export performance of Vietnam fishery industry?". And after examine the relationship between the factors and the export performance from the analysis part, it can be concluded that the related factors to the export performance of Vietnam fishery industry consist of:

- ◆ Trade barriers
- ◆ Standardization
- ◆ Product differentiation
- ◆ Export information

♦ Managers' perceived barriers

With the main objective of this research which is the examination to what extent is the export performance related to any factor, the achieved conclusion are discussed as follows:

1. Trade barriers have moderate negative relationship with the export performance of Vietnam fishery industry. Trade barriers are considered the barricade of the export performance. The more the trade barriers, the less the export performance.
2. Standardization to which this study refers is composed of HACCP certification and ISO 9000 standard has a strong positive relationship with the export performance of Vietnam fishery industry. The higher the standardization, the higher the export performance.
3. Product differentiation has a moderate positive relationship with the export performance of Vietnam fishery industry. The more the product differentiation, the higher the export performance.
4. Export information has a moderate positive relationship with the export performance of Vietnam fishery industry. The more export information, the higher export performance.
5. Managers' perceived barriers have a moderate positive relationship with export performance of Vietnam fishery industry. The more the managers' perceived barriers, the higher the export performance.

## 6.2 IMPLICATION

Fishery industry is considered the key economic sector giving the high export effect. With the fast development, the sector contributed to conduction Vietnam integrating into the world economy. However, Vietnam fishery export to the United States market has been having many insecure factors, lacking of firming that threaten the export performance. To gain US\$2.5 billion of fishery export earnings in 2005 and from US\$ 3 to US\$ 3.5 in 2010, in which the United States is the principal export market, the study of the related factors to the export performance in term of export sales and export effectiveness as well as the concrete solutions are very important and have high practical sense.

Speeding up the fishery export based on the findings in this study requires synchronous solutions not only from the sector but also from all levels of government. Beside the companies' efforts, it is very necessary to have the help of the government.

### 6.2.1 Trade barriers

#### 6.2.1.1 Role of Government and Vietnam Association of Seafood Exporters and Producers (VASEP)

Fishery export has contributed remarkably to Vietnam's economic and has been oriented to serve industrialization and modernization strategies of Vietnam government. In the developing country as Vietnam, the fishery development is still spontaneous, unstable, and risky. To push up the fishery export adjoining the world market, government's role is very important. Government is not only a conductor to regulate the sector developing in the right way but also a negotiator to have the

advantage fishery export environment. Also, government is an interferer that gives the support motivation to fishery exporters.

Experiences from the success fishery export countries in the world such as Thailand, India, and Indonesia show that government's role is extremely important: government orients the fishery development, negotiate with the import countries to remain and enlarge the market (Vo et. al, 2002).

The most recent example is The United States antidumping duty levied catfish from Vietnam and Vietnam fishery exporters lost in this case. The cause of this loss was not that Vietnam fishery exporters dumped. The deep cause was the disadvantageous position of Vietnam fishery exporters. Their union and finance were not strong enough to be able to protect themselves. Besides, the lack of information and knowledge make them unable to go on trial individually. For that reason, the role of the government and Vietnam Association of Seafood Exporters and Producers (VASEP) is very important.

Vietnam fishery exporters should join and become the members of VASEP to be supported in every way. When they are the members, they will have high and strong voice. With the lead of the VASEP, the exporters will have a strong co-operation for pushing those who are responsible in the government for the negotiation with the United States' government to create the most conditions for the fishery exporters about import duties, and clearance certificate; regulations of food quality and safety hygiene; allowance together about quality and specification of fishery products.

Supposing that at the time Vietnam's catfish were sued, if Vietnam was a member of World Trade Organization (WTO), the fishery exporters will have



more chances for winning because of WTO's intervention. Therefore, the fishery exporters and VASEP should have the constant relationship with the government to push the government more diligent in negotiating with the international trade organizations.

- The government, the Commercial Ministry specially needs to establish the department specialized in dealing with the international commercial dispute. The experts in this department should have wide knowledge of international commercial stipulations to be able to struggle against the international executive and legislative bodies. In the long run, when Vietnam adheres in WTO, this department has an important role in protecting the interests of Vietnam fishery exporters.

In tradition, the quality checking and issuing the certificate are done just for the end product. Nowadays, the quality checking system is carried out at once in the producing line of the export country instead of in the United States' custom gate. Therefore, the Vietnam government and the related departments should improve and issue more the quality regulations and systems to be able to make sure the product quality.

#### **6.2.1.2 Organic fishery product**

One of the non-tariff barriers is health, safety, and sanitations. The United States is a developed country and most consumers with the high income pay much attention to the food quality that is not harmful for their health. Therefore, the organic fishery products are considered. The gene altering creatures are not considered as organic products. Why do people make awareness to the organic products?

Producing the organic products is getting more and more benefits in the United States. Around 90% total the consumers consider that the organic products are safe and in concord with the environment. The organic products do not have chemical substance. They are grown in the natural environment without chemical. Organic products satisfy the customers' demand about safety, rich of nutritive substance and mineral. And in the United States, if the product just has 1% component of gene altering creature, that product must be appointed in the packing. The meeting in Montreal in January 2000 with the represent of 130 countries, in which the United States is one of the members, united an agreement about the gene altering creature label on the pack cover and forbid importing the products that are considered harmful for the country. And under the pressure of the consumer and environment organization, the United States Department of Agriculture (USDA) promulgated the national ecological standard in December 2000 with the content of unifying the organic product producing. And the standard of organic fishery product is born (Duong Nguyen Khai, 2003).

For Vietnam fishery industry, the organic fishery product cost high expenditures for keeping the fishery environment in good condition, preventing them out of being infected by the Salmonella, Listeria, and Campylobacter chemical. But in order to go up and satisfy the United States' strict regulations, the Vietnam fishery industry should consider much in the rearing method as well as invest more for the infrastructure.

#### **6.2.1.3 Labeling, marking, and packing**

Packing is considered as the indispensable factor to affirm the quality of the product and also a non-tariff barrier for the export product. Packing not only represents for the product but also protect the product out of the mechanics damages. The manufacturers

and the exporters as well should improve the packing for the fishery product into many ways following:

- For the frozen shrimp with the big quantity, it should be protected with the PE plastic to keep the product cold. Then these PE plastics are put in the carton box that should be white color to make it brighter and cleaner.
- The canned frozen fish products should be design how to be arranged and transported on the pallet to avoid the damage.
- In traditional packing method, the product is packed in the big casks. This method makes the conserve difficult. The new packing for fishery product that is exported to the industry should be packed under the fillet form with the small quantity in every tray.

Labeling is also one of the trade barriers that the United States concentrate on while Vietnam exporters do not attach special importance to. Also in the catfish case, the United States stated that Vietnam fishery export companies imitated the United States' fishery label and logo, made the misjudging for the consumers. Actually, Vietnam basa fish is also catfish, but Vietnam fishery exporters did not pay attention to register for label, thus they were sued and compelled to change catfish for Basa catfish, Mekong catfish, Pangas catfish (Nguyen, 2001). Therefore, the vital importance for Vietnam export fishery:

Must register label for each fishery product to avoid the regrettable failures and losses. The Vietnam Fishery Ministry should oblige the fishery-exported products to have trade name of the product and also "Product of Vietnam" or "Made in Vietnam" on the packing.

- Trade mark, origin country, expire day, name of the manufacturer, exporter, and importer, conserve method, warning for the customer when using the product must be in the packing.
- Furthermore, the “Ecolabels” is more and more applied in the United States. If the product with the “Ecolabels” that means the fishery product lives in the pure environment and condition and is harmless for using, it will be more favored by the importers.

#### **6.2.2 Compel the fishery exporters to achieve the HACCP and stimulate to build ISO 9000 certification**

Living standard is increasing not only in the United States but also in most countries in the world; therefore regulations of food quality and safety hygiene are also more and more strict. In the import countries, these regulations are to protect the consumer's profit and prevent the domestic fishery producers. Hence, the means that researcher attaches much important to are increase fishery quality in every angle and the Vietnam fishery exporters have to gain the international quality control certifications such as **ISO**, **HACCP**. Neglect in quality control causes disastrous consequence; for instant, the case of India five years ago: masses of shrimp products that exported to Europe were warned about bad quality they were forbidden to export to Europe market. As the result, the quantity of Indian export shrimp products decreased remarkably. Even when they were allowed to export again, the price was very low comparing with the same products from other countries (Vo et al, 2002, p.126).

For the HACCP, this is the passport for Vietnam fishery products to the United States. Besides, with HACCP system, the producers will often prevent and dispose the

dangers immediately throughout the producing process. However, HACCP standard does not serve the consumer's satisfaction. So, to maintain the prestige of the products and to meet the highest demand of the customers in the import country, Vietnam fishery exporters should establish the **ISO 9000** standard.

However, spending for HACCP is quite high for Vietnam fishery producers. The amount is from US\$ 5,000 to US\$ 50,000 depending on the producers' infrastructure and technology while lots of fishery producers are in small size (Vo et al, 2002, p.151). Hence to carry this program into effect, the functional departments such as the science and environment department should co-ordinate with the Department of Commerce to support a part of expenditure. Moreover, in the first period of carrying this program, the government should exempt the income tax or refund the VAT for producers to excite and encourage the fishery producers and exporters. In sum, the government and Commercial Ministry have to compel all the fishery exporters to achieve the HACCP and also stimulate them to build the ISO 9000 certification.

### **6.2.3 Make the product differentiation by the product innovation and value-added product**

#### *Product innovation*

Innovation is the acquainted term for most people and object that concerns the improvement and amelioration. In fishery industry, to differ the product from the competitors, product innovation should be concerned. Also, venturing into selling the value-added fishery product is the way to provide variety of product and keep in phase with consumer needs.



◆ Fishery product is the kind of food that is easy to spoil. They have to be kept in cold temperature. Besides, the distance between Vietnam and the United States is half a length earth. Therefore, to keep the fishery product fresh is very important, when the consumer is more and more aware of the product quality. From before until now, the technique of using plastic packed is still applied. But for the differentiation, the exporters should think about the vacuum-packed. This is the new technique that helps the fishery product fresh longer. With this technique, the packing will be shrunk, and the product therefore is not exposed to air and any bacterium or microorganism. This new packing will add more value to the fishery product in terms of high quality.

◆ The high hydrostatics pressure (HHP) technique began applying in the producing process last century and approached in many countries. HHP is more and more interesting the fishery industry because it disposes the microorganisms that are harmful or cause of the spoil of the products (Anh Thy, 2002). In Vietnam fishery industry, this technique has not applied yet because of many reasons. Firstly, the cost for this technique is very high, exceeding the fishery firms' capability. Secondly, HHP technique is very complex and required the extremely accuracy in the producing process. However, HHP technique is very useful and gives much benefit. The consumers satisfy to pay more for the health and safety product. The consumers' good will can create the advantages for HHP technique penetrating into the fishery industry. The fishery firms should have the realizable producing solution to be able get the benefits and advantages from HHP technique. The firms and manufacturers should associate to reduce the cost of HHP technique; approach the products to take full advantage of capacity. The usefulness of HHP technique is considered as a long term strategy in fishery industry.



♦ A packing technique that is popular in Holland, German, and Belgium is "Modified Atmosphere Packing" (MAP) (Vo et al, 2002). This is the new technique; it treats the air surrounding the fishery product by a kind of gas to lengthen the using time of the product. This method will develop the usefulness by limiting the growth of the bacterium as well as the color change.

#### Value-added product

A gradual but steady industry trend is the shift from simple processing or packing towards value-added seafood or meat products such as fish- or meat balls, finger food items or convenient ready-to-eat foods. Much of this though seems more of a response to rising demand in existing export market for such products, rather than active demand from home markets. Processed value-added products are a means of reducing costs and increasing earnings as these items command higher prices, being purchased for convenience rather than economy.

♦ More value-added items should be offered such as crumbed squid rings, tempura fish and seafood baskets offering an assortment of fishery products. One leading factor for the market's expansion is hugely popular fast-food chains in the United States, which has generated broad acceptance and spurred demand for frozen versions of pizzas, meat patties, french fries in supermarkets. Therefore, the spin-offs from fishery product with the different tastes should be offered such as the frozen spring rolls, samosas that are convenient for fast-food restaurants.

♦ Vietnam fishery products exported under the raw materials are crucial while the consumers demand higher quality and nutrition food. Particularly, the United States is the country in which the people are aware of the importance of the quality. For the

recommendation, the Vietnam fishery exporters should produce the products constantly fresh, and have high nutritional value. The products can be in form of smoked, dried and salted, frozen filet fishery. Therefore, the outlook for more innovation and effective processing technology is promising.

#### **6.2.4 Export information**

As analyzed in the previous chapters, one of the obstacles for fishery exporters is the weakness in covering export information such as supply and demand, price, competitor, regulations in import markets (tariffs and non-tariffs), and stipulations of food hygiene and secure, and so on. Therefore, it is necessary to set up market research office. Its responsibility is to help the exporters to have a thorough grasp of export information.

Setting up the company's trading representative office in the United States is also very important. Depending on the growth and dimension, each fishery exporter may choose for itself the trading representative form as follows:

- Joining capitals to VASEP (Vietnam Association of Seafood Exporters and Producers) to open the trade deal office in the United States. And exporters catch information and carry out their commerce speeding up through this office.
- Commercial Ministry coordinates with Fishery Association to depute the commerce expert who is embassy counselor in Vietnam embassy in the United States responsible for furnishing information.
- Finding the collaborator in the United States with the reasonable commission to gather information and speed up commerce.

- The companies having high export earnings can open the trade deal office directly in the cities that they export to.

There are also many the import speeding up programs in the United States. These programs will support for the exporters in the developing countries about the market statistic reports, data of the importers, opportunities to enhance the market, and so on. Therefore, the fishery exporters should get information about such programs.

Global aquaculture alliance (GAA) is the non-profit international organization that operates in the aim of setting up the standards for the aquaculture fishery (Vo et al, 2002). The recommendation for the Vietnam fishery exporters is reach this organization. The reason is this organization is responsible for the methods that support the quality for the aquaculture. The members of this organization will get a lot of benefit about the valid information, such as the fishery demand forecast information, market information, updated new regulations, and so on. And the members will get the certificate and also have name on the GAA website.

#### **6.2.5 Enhance the wide knowledge for the fishery exporters**

One of the obstacles that have an effect on the export performance is the exporter's knowledge and qualified personnel. The companies that export fishery products should become the members of Vietnam Association of Seafood Exporters and Producers (VASEP) to be supplied the update related information as well as the market regulations. Besides, VASEP should often organize training courses to educate, and organize the periodical press conference for the exporters to exchange and improve their knowledge.

The problem of the Vietnamese exporters in qualified personnel is they often do not contact the partners. Therefore, to have the good relationship with the partners, the exporters should keep in touch regularly by fax, telephone, or e-mail that is very popular today.

One more the weakness of the Vietnamese managers is they do not reply and feedback the partners' questions immediately. The dilatory make the relationship with the partners bad. The best for the Vietnam managers are feedback information on time. In the case they cannot feedback, the proper reasons should be show out. And the reason should be the exporter is gathering the information and preparing for the feedback.

Besides, to improve the knowledge about the export market regulations and opportunities, here is the United States market; the representative office in the U.S is also the recommendation for this section. The VASEP will be the appointee responsible to open the representative office. The exporters with capital ability can also open it by themselves. This representative office will be handled by the Vietnamese who stay in the United States. They are competent people to update the information about the market regulations accurately: what kind of import products the United States allows, which required certificate of clearance, and so on.

With the export market opportunities, the exporters should through this kind of office or the agencies, research market opportunities. They should research what trend of the United States fishery consumption is, how they are interested in seafood, and what kind of fishery products are consumed much, and so on.

### 6.3 FURTHER RESEARCH

This study is researched under the point of view of the company as a whole. In the further research, the consumer's point of view should be done. Consumer is the indispensable element in any trading. This is the extremely important factor that decides the success of the business.

The United States is the export market for Vietnam fishery industry only that is researched in this study. Meanwhile, Europe also has high fishery demand and some other countries such as Japan, Australia, and China and so on, are the potential markets. Moreover, fishery is a key industry for Vietnam economy. Hence, in the further research, it should approach more international markets in the larger dimension.

Also, this research just refers to fishery products in terms of raw material fishery. Meanwhile the processing fishery products are also more and more interesting and have high export value; for example, canned fishery products. Therefore, delving the processing fishery product is the recommendation for further research.

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# APPENDIX



**SURVEY OF FACTORS RELATING TO EXPORT  
PERFORMANCE TO THE UNITED STATES: A STUDY OF THE  
VIETNAM FISHERY INDUSTRY**

**QUESTIONNAIRE**

Dear Sir or Madam,

This research is a part of my study at master of business administration program of Assumption University, Bangkok, Thailand. The objective of this study is to examine the factors relating to export performance of Vietnam fishery industry to the United States. Hence, I designed this questionnaire with my expectation of collecting necessary data for my analysis.

I am aware you are busy, and I would be grateful if you could take the time to answer this questionnaire

Your answer will be treated with the strictest confidence and used solely for academic research project. No individual information will be forwarded to any external organization.

Thank you for your time and co-operation.

Please return the completed questionnaire by mail or fax to:

Ms. Ngo Hong Phuong Chi

150 Nguyen Van Linh, Danang City

Tel: (84-511) 893161; Fax: (84-511) 832651

[E-mail: phuongchi150@yahoo.com](mailto:phuongchi150@yahoo.com)

## COMPANY BACKGROUND

Job title of Respondent:

Year of Establishment:

Number of Employee:

1. Please check all of those activities that describe your company's operation(s):

- ☐ Manufacturer
- ☐ Distributor
- ☐ Exporter
- ☐ Export Trader
- ☐ Foreign Sales Officer
- ☒ Manufacture and Exporter

2. How long have your company been exporting Fishery products to the United States market?

## TRADE BARRIERS

On a scale of 9 to 0, how would you describe your level of agreement/disagreement of the following trade barriers perspectives?

(Point 9 carrying the highest degree of agreement and point 0 carrying the highest degree of disagreement)

No.	Trade Barriers	9	8	7	6	5	4	3	2	1	0
1	Currently, you are experiencing a difficulty of the United States trade tariff.										

2	Dealing with the United States import duties is difficult.												
3	Dealing with the United States fees for customs clearance is difficult.												
4	Dealing with the United States VAT is difficult.												
5	Dealing with the United States visa and document requirements is difficult.												
6	Dealing with the United States rules about labeling, marking, and packing is difficult.												
7	Dealing with the United States anti-dumping law is difficult.												
8	Dealing with the American fishery farmer's competitive advantages offered by Federal and Provincial Subsidies is difficult.												
9	Dealing with the United States environment standards is difficult.												

## STANDARDIZATION

On a scale of 9 to 0, how would you describe your level of agreement/disagreement on the Quality and Safety Standards perspectives?

(Point 9 carrying the highest degree of agreement and point 0 carrying the highest degree of disagreement)

No.	Standardization	9	8	7	6	5	4	3	2	1	0
10	With HACCP/ISO certification, your company explains the quality control system to customers easily.										
11	With HACCP/ISO certification, your company improves credibility.										
12	With HACCP/ISO certification, your company reduces instances of physical damages and problems.										
13	With HACCP/ISO certification, your company reduces customer audits.										
14	With HACCP/ISO certification, your company has more established business relationships with customers.										
15	With HACCP/ISO certification, your company reduces financial loss for damage and problems.										

## PRODUCT DIFFERENTIATION

On a scale of 9 to 0, how would you describe your level of agreement/disagreement on the Product Differentiation perspectives?

(Point 9 carrying the highest degree of agreement and point 0 carrying the highest degree of disagreement)

No.	Product Differentiation	9	8	7	6	5	4	3	2	1	0
16	Your fishery products are different from other exporters.										

17	Your fishery products are innovative.										
18	Your fishery products are added more and more value.										

## EXPORT INFORMATION

On a scale of 9 to 0, how would you describe your level of agreement/disagreement on the Export Information perspectives?

(Point 9 carrying the highest degree of agreement and point 0 carrying the highest degree of disagreement)

No.	Export Information	9	8	7	6	5	4	3	2	1	0
19	All information related to export were sufficient.										
20	Information that is supported by government departments, banks such as country reports is sufficient.										
21	Information that is gathered by the exporter through attendance at organized trade missions is sufficient.										
22	Information that is carried out by the firm internally or by external market research agencies is sufficient.										
23	Information of customers, distributions, markets and competitors is sufficient.										



## MANAGERS' PERCEIVED BARRIERS

On a scale of 9 to 0, how would you describe your level of agreement/disagreement on the Managers' Perceived Barriers perspectives?

(Point 9 carrying the highest degree of agreement and point 0 carrying the highest degree of disagreement)

No.	Managers' Perceived Barriers	9	8	7	6	5	4	3	2	1	0
24	Dealing with the knowledge on export market regulations is difficult.										
25	Your company has sufficient knowledge on export market opportunities.										
26	Dealing with the qualify personnel to handle overseas customers is difficult.										

## EXPORT PERFORMANCE

On a scale of 9 to 0, how would you describe your level of agreement/disagreement on the Export Performance perspectives?

(Point 9 carrying the highest degree of agreement and point 0 carrying the highest degree of disagreement)

No.	Export Performance	9	8	7	6	5	4	3	2	1	0
27	Your company's export is progressing.										
28	You are satisfied with your export sales last year.										

**Thank you for completing this questionnaire.**

# BANG CAU HOI

Bang cau hoi nay la mot phan luan van cua sinh vien cao hoc nghanh Quang Tri Kinh Doan, truong Dai Hoc Assumption, Thailand.

Chung toi rat mong duoc su hop tac tinh cuc cua anh/chi trong viec tra loi bang cau hoi nay nham tin hieu moi quan he giua nhung nhan to lien quan den hieu qua xuất khẩu thủy sản của Vietnam vào thị trường Mỹ.

## Phan 1: So lieu ye cong ty

Chức vụ của người đại diện: .....

Năm thành lập của công ty: .....

Số lượng công nhân: .....

1. Vui lòng đánh dấu vào chức năng hoạt động của công ty

Nhà sản xuất

Nhà phân phối

— Nhà xuất khẩu

Công ty thương mại xuất khẩu

Công ty thương mại quốc tế

Nhà sản xuất và xuất khẩu

2. Công ty đã xuất khẩu thủy sản vào thị trường Mỹ trong bao lâu?

.....

## Phan 2: Bang cau hoi chinh

Hướng dẫn:

Dùng ô vi trí công tác hiện tại của anh/chi:

♦ Chọn phương án trả lời thích hợp nhất theo kinh nghiệm thực tế của anh/chi.



[illegible]

22	Thông tin mà được thu thập từ những công ty nghiên cứu thị trường là đúng.										
23	Thông tin từ khách hàng, nhà phân phối, thị trường earth tranh là đúng.										
	<b>Nhan thuc cua anh/chi</b>	<b>9</b>	<b>8</b>	<b>7</b>	<b>6</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>0</b>
24	Kiến thức và những quy định về thị trường xuất khẩu là kho.										
25	Anh chi có kiến thức đúng đắn về cơ hội thị trường xuất khẩu,.										
26	Yêu cầu cá nhân trong thương lượng với khách hàng là kho.										
	<b>Hieu qua xuất khẩu</b>	<b>9</b>	<b>8</b>	<b>7</b>	<b>6</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>0</b>
27	Xuất khẩu của công ty trong năm qua là đang đi lên.										
28	Công ty thỏa mãn với sản lượng xuất khẩu của năm ngoái.										

Xin chân thành cảm ơn anh chi đã hoàn thành bảng của hỏi.



