

**Determinants of Vietnam's Textile Exports:
An analysis by Gravity Model**

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ABSTRACT

This study investigates the patterns and factors influencing Vietnam's textile exports following its accession to the World Trade Organization (WTO). The analysis employs the gravity trade model and utilizes panel data from 2007 to 2019, focusing on Vietnam's textile export flow to its primary trading partners. The findings reveal that various factors, including the size of the economy, per capita income disparity, the presence of free trade agreements (FTAs), labor force participation rate, logistics performance, and foreign direct investment (FDI) inflows, influence Vietnam's textile exports. All these variables, except FDI, have a positive impact on Vietnam's textile exports. The study fills an existing research gap regarding the factors affecting Vietnam's textile exports and contributes to the existing literature. Additionally, it provides policy recommendations for the development of Vietnam's textile industry, emphasizing the importance of maintaining a skilled labor force amidst population aging, improving logistics quality, and leveraging FTAs to boost textile exports in the future.

Keywords: Textile, Export determinants, Export Performance, Panel data, Vietnam

JEL Classification: F14, F40, C23

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