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Original Article

Does Vietnam gain and lose from the United States-China trade war?

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Abstract *- The trade war between the United States and China, the two largest traders and economies in the world, has not only affected their economies but also others. The effects of that trade war on Vietnam's trade can be found in the current paper. The value of goods exported to the United States increases by 308%, the bulk of which originates from products with the same names as products imported from China (so-called CN products). The value of imports also increases. More interestingly, most of the import value sources are from goods with the same names as products exported to the United States (so-called US products). Their values are higher 2.8 times than those of non-US goods.*

Keywords *- Vietnam's imports and exports, trade war, non-US, US products, non-CN, CN products.*

I. INTRODUCTION

The trade war between the U.S. and China, the two biggest economies in the world, started on March 22, 2018, when the President of the United States of America, Donald Trump, began increasing tariffs on some Chinese products imported to. That trade war has had impacts not only on their economies but on the others. A trade war occurs when a nation protects the domestic industry and creates jobs through the imposition of tariffs/quotas, and the foreign country(s) retaliates similar forms of trade protectionism. The trade war could have a long-term negative impact on international trade if the retaliations intensify. A nation raises a trade war when it encounters pressure from imported products, leading to a downturn in domestic industries and a rise in unemployment rates. Trade wars' efficiency could be worked out in the short term as domestic producers get more competitive advantages by lowering their prices. Nonetheless, the employment will cost, the economic growth of all concerned countries will be weakened, and inflation will be caused by higher import prices if a trade war lasts long.

History reported the trade wars, where one of the worst trade wars was the 1930 Smoot-Hawley Tariff. Smoot-Hawley Tariff was signed to help US farmers who had been ravaged by the Dust Bowl. The average rate of tariffs rose from 40% of 900 import tariffs to 48% and was imposed on any imported products. But the increase in tariff rates harmed domestic food prices for Americans who had already suffered from the Great Depression and prompted other countries to retaliate with their tariffs. Consequently, the growth in international trade had been reduced by 65%.

The trade war between the US and China began when on March 22, 2018, President Donald Trump announced tariffs on US$ 50 billion of Chinese imports being proposed. This trade war took place between the two largest economies and traders in the world, collectively accounting for over 40% of the world GDP and about a quarter of global trade. The trade war had its origin in the US trade deficit with China. While the US only exported US$ 187.5 billion to China, it imported US$ 522.9 billion from China (according to the US Trade Representative's Office in 2017). As a result, the overall US trade deficit was US$ 335.4 billion. The trade war has escalated with several phases in which tariff rates imposed in the later phases have been higher than the previous ones. The US imposed tariffs on the large washing machines and solar panels by 20% and 30%, respectively, in the first process. A month later, it put 25% and 10%, respectively, on steel and aluminum tariffs. China had retaliated by increasing tariffs on goods imported from the United States, affecting US$ 35.8 billion of US exports. The second and third phases were when on July 6 and August 23, 2018, the US imposed tariffs on a wide range of products whose value was US$ 34 billion and US$ 16 billion imported from China, respectively. In retaliation, China imposed tariffs equal to the value of products imported from the US. The trade war worsened considerably when the US, on September 24, 2018, added tariffs of US$ 200 billion to the products imported from China. These goods were imposed with tariff rates of 10% set to increase to 25% in January 2019. After one day, China imposed a 10% tariff rate on US$ 60 billion worth of imports from the US to retaliate [4].

Because the high tariff rates are imposed on a wide range of products, they affect international trade in the region and the world. Some researches explore the effects

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of the trade war on trade and other economic features. Chang et al. (2019) examine the impact on Japanese multinational corporations (MNCs) of the US-China trade war. The data includes two sets: one is quarterly data about these MNC's international affiliates, especially for those affiliates closely trading with North America (NA), and the other is Japanese companies listed on the stock market. They use the Difference-in-Difference (DID) model to determine the effects of the US-China trade war on Japanese firms by dividing the datasets into two parts since Mar 22, 2018, before and after the trade war. The trade war brings revenue down for the MNCs. Their stock prices are declined for the listed companies, especially for the listed companies (Chinese affiliates) relying on Japanese imports [2].

Teimouri and Raeissadat (2019) examine the effects of the trade war between the US and China on the economic growth of ASEAN countries. They assess the dependency of each ASEAN economy on China and the US based on the data in the United States government reports and index methodology. Hinged on the score (e.g., Vietnam and Singapore get nineteen and twenty-three, respectively), the order of which is significantly affected is as follows: Singapore, Malaysia, and Thailand, next for Indonesia, Philippines, and Vietnam. In 2018, Vietnam exported (imported) 16.5% (19.3%) and 27.5% (4.4%), respectively, from China and the US. Consequently, the trade balance with China was in deficit, while the trade balance with the U.S. was in surplus [9].

Abiad et al. (2018) analyze the impact of the trade war on more features, such as GDP, exports, employment rate, and the balance of the current account. They concentrate not only on ASEAN countries but on developing Asia. To estimate the direct and indirect effects on each country and sector, they use the Multiregional Input-Output Table (MRIOT) of the Asian Development Bank. Additionally, they quantify to third parties the trade redirector from both China and the US. The results indicate both China and the US, for each, GDP is cut by 1% and 0.1%, while developing Asia earns small net profits from the trade redirector [1].

Another researcher estimating the US-China trade war is Khan (2019). Global economic growth is expected in two scenarios in his research: the trade war is confined to China and the US (the other countries do not involve), and the other countries also join. In the former scenario, the growth rate decreases by -0.5%, and in the latter, the world economy is in recession [5]. Zhu et al. (2018) also point out the economy, finance, diplomacy, and other field effects of the trade war in China, the US, and other nations [11]. They also suggest solutions for China to defend its interest in this trade war, such as relying more on the development of "Belt and Road", or technology improvements. Kashyap and Bothra (2019) examine the trade war effects on the international supply chain and on the opportunities and challenges that the European Union and India may face, where India has a great opportunity (golden opportunities) to increase its exports to both participants of the trade war and Europe [4]. Nicita (2019) analyzes another trade effect of the trade war, which is the trade diversion. Both China and the US lose (losses on production and higher consumer prices). Mexico, China's Taiwan Region, the European Union, and Vietnam get benefits from China's trade diversion [6].

Import tariffs for a wide array of Chinese products result in increased costs of trade. The rise in relative prices of Chinese products compared with other products causes redirectors of trade to other countries from China. Vietnam is one of the countries with a significant chance to increase its export value to the US due to Vietnamese comparative labor costs and geographic location advantages. Transportation costs are one of the trade costs that have been confirmed from the literature, having an impact on exchange goods. Vietnam has a common border with China, so if the US imports move from China to Vietnam, the costs of transportation do not vary significantly. The other advantage Vietnam has is in terms of labor costs. One of the factors drawing foreign firms moving from China to Vietnam is the low labor cost. Ho et al. (2018), Lam and Nguyen (2019) point out some of the benefits Vietnam has gained from the trade war [3], [8].

To capture the trade impact of the trade war, we use the Vietnam monthly exports to the US data and DID model from 2011 to 2019. The results show that, after the trade war, the trade flow from Vietnam to the US increases considerably. The scale is around 308%. The positive effect of the trade war on the movement of imports is about 99%. Nonetheless, Lac Phong (2018) indicates that the possibility of indirect export of Chinese products to the US through Vietnam may be positive [7]. The officers (according to PV/vol.vn, 2019) also warn that Vietnam needs to strengthen trade security measures to prevent foreign goods from fraud origin (Made in Vietnam) by simply assembling for export to the United States. To test this hypothesis, we isolate the imported products from China as a group, and from other partners as another group [10]. We then use the export flow to the US and split it into two categories as well: group 1 contains the goods which have the same names as the products imported from China, and group 2 includes the rest of the products. Vietnam imports from China are about 839% higher than other partners. Import value from China increases by 23.5% after the trade war. Interestingly, the value of imported US goods is 2.8 times higher than imported non-US products, while the value of Vietnam exports CN products to the US is 47.1% higher. In particular, before the trade war, Vietnam exports the CN goods to the US is 24.4% lower than the non-CN products.

The remaining parts of the current paper are arranged as follows: Section 2 is a data description, section 3 describes the framework for capturing the impact of the trade war on Vietnamese trade, section 4 is estimated results, and the last is the conclusion.

II. DATA

We use Vietnam trade data derived from Vietnam Customs to examine the impact of the US-China trade war on the Vietnam trade. That data is the monthly data from January 2011 to October 2019, including both export and import flows from and to the major Vietnamese partners. The advantage of this data is the monthly data. Because the US-China trade war began on March 22, 2018, the time for annual data or quarterly data is quite short if we estimate the trade effect for Vietnam only. The sample is more fitting for studying the effect of the trade war on Vietnamese trade in-outflows. However, the data are recorded aggregately and not based on any international classifications. Therefore, it is hard to track exactly what tariffs are imposed on the goods.

From the export flow, we only keep the export flow from Vietnam to the US to investigate the possibility of exporting Vietnam caused by the trade flow redirector. The number of Vietnam products exported to the US includes forty products in this data (more information provided in Table I), while twenty-two products have the same name as the products imported from China.

Table 1. The Proportion of Import Value From China to the Rest of The Trade Partners

Year	China/other partners
2011	33.77
2012	37.69
2013	43.22
2014	43.77
2015	47.55
2016	45.02
2017	41.64
2018	42.86
2019	46.98

Note: the last two months in 2019 (November and December), the import value is hypothesized as equally as the import value in October 2019 because of unpublished data from Vietnam Customs [13].

We split the sample from the import flow into two groups: group 1 contains the goods imported from China, and group 2 is the rest. Vietnam had trade ties with the 115 major partners. The proportion of Vietnam's imports from China to the rest was very high, rising from 33% in 2011 to 47% in 2017, despite a slight reduction to 46 percent in 2019 (more information sees in Table III). In particular, import growth from China increased by 11.8% in April 2018, while import growth from the rest dropped by 14.6%; import growth from China increased by 84.3% in March 2019, while the remainder only increased by 29% (for more details see Fig 1 and Fig 2).

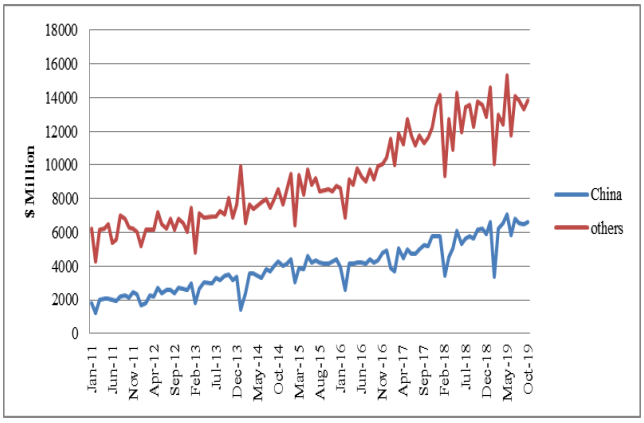

Fig. 1 Vietnam Import From China and Other Partners (Monthly Data)

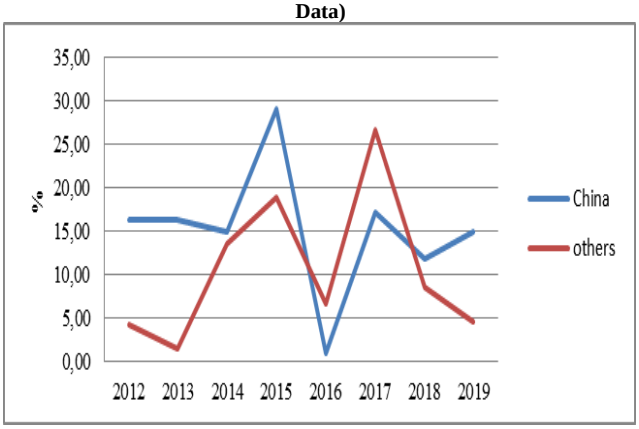

Fig. 2 Import Growth of Vietnam From China and Other Partners (Yearly Data)

III. ESTIMATE METHODS

Does Vietnam have any benefits from that trade war? Does the trade move from China to Vietnam? To answer the questions, we use the DID model. The equation is set out in Equation 1.

$$\ln X_{kt} = \beta_0 + \beta_1 TW_t + \lambda_t + \eta_k + \varepsilon_{kt} \quad (1)$$

Where ln is the natural logarithm; X_{kt} is the export value's product k which is exported to the US at time t; TW takes the value of one after the trade war occurred (from March 2018 to the end of the period), and of zero, otherwise; λ_t is the month-fix effect; β_0 represents for the base group (the export value's products before trade war); ε_{kt} is the error term. We add the λ_t to account for the time-varying variables from the importer, such as GDP, CPI, etc., and η_k is the sector-fixed effect (the most aggregate of commodity codes in HS Rev.2 is 1-digit level with 9 sectors and 2-digit level includes 97 sectors. In the sample, there are seventy-three products, less than 2-digit level; hence, we consider them as sectors).

Vietnam gets the benefits from a trade war if β_1 is significantly positive. Oppositely, if β_1 is negative, Vietnam is hurt. Because of the trade war, the US has changed to import from other markets, and Vietnam has some comparative advantages to capture this chance, as mentioned above.

To test the Lac Phong (2018) suggestion, we use the DID model set up as in Equations 2, 3, and 4 [7]. Firstly, we examine the effect of the trade war on imports from China. β_3 in Equation 2 captures this effect.

$$\ln IM_{ikt} = \beta_0 + \beta_1 TW_t + \beta_2 CN_{ikt} + \beta_3 CN_{ikt} TW_t + \lambda_t + \eta_k + \gamma_i + \varepsilon_{ikt} \quad (2)$$

Where i_t is Vietnamese import value of product *k* at month *t* from country *I*, CN_{ikt} takes the value of one if product *k* is imported from China at month *t*, and zero, otherwise. γ_i is country-fixed effect to account for Vietnam's partner's characteristics unvarying, such as religion, distance, etc., and ε_{ikt} is the error term. The other notations are the same as the notations in Equations 1.

Secondly, we set up Equation 3 to estimate the trade war effect on Vietnam's importation from China in two groups: group 1 represents US products, and group 2 is non-US.

$$\ln IM_{kt} = \beta_0 + \beta_1 TW_t + \lambda_t + \eta_k + \varepsilon_{kt} \quad (3)$$

The notations in Equation 3 are similar to the ones in Equations 1 and 2.

Finally, we evaluate Vietnam's export value to the US in cases of the CN products and non-CN products. The effect is captured by β_3 in Equation 4.

$$\ln X_{kt} = \beta_0 + \beta_1 TW_t + \beta_2 CN_{kt} + \beta_3 CN_{kt} TW_t + \lambda_t + \eta_k + \varepsilon_{kt} \quad (4)$$

Where CN_{kt} takes the value of one if Vietnam exports product *k* to the US., which is similar to the product imported from China at month *t*, and of zero, otherwise. The other notations are the same as the notations in Equation 1 and Equation 2.

IV. ESTIMATE RESULTS

The China-Vietnam trade redirector means the US has boosted imports from Vietnam after the trade war. Table II shows Vietnam receiving the benefits of the trade war. Vietnam's export value to the US rose by 308% (This number is calculated by $e^{1.408}$ - 1) after the tariffs were raised by the United States.

Table 2. The Vietnamese Exported to the US After the Trade War

	(1)
VARIABLES	lnexport
TW_t	1.408***
	(0.139)
Constant	14.33***
	(0.116)
Observations	3,550
R-squared	0.914

*Note: Standard errors are in parentheses; *** is significant at 1%; export is the natural logarithm of export value from Vietnam to the US; TW takes value of one after the trade war; the coefficients of month-fixed effect and sector-fixed effect are omitted for briefly.*

This finding provides evidence that Vietnam is successful in exploiting opportunities to sell more to the world's largest market. The advantages not only increase the short-term value of Vietnam's exports but also create new long-term trade partnerships for Vietnamese companies.

Now, we test the Lac Phong (2018) hypothesis. Firstly, we run the Equation 2, and the estimated results are presented in Table III. Column 2 of Table III estimates the impact of the US-China trade war on Vietnam imports, and column 3 of Table IV on Vietnam imports from China and the other partners.

The *TW* coefficient in column 2 of Table III is significantly positive, indicating that after the trade war, Vietnam imports more, rising by 99%. Vietnam needs more inputs to export more to the US. Therefore increased imports are understandable as Vietnam depends on the production process of foreign supplies.

China is one of Vietnam's most important trading partners. Imports in Vietnam are heavily dependent on China. Compared to other partners, on average, Vietnam imports from China are extremely higher than others. In Table III, the CN coefficient is equivalent to 2.459, which accounts for the import of Vietnam from China. The result matches Teimouri, and Raeissadat's (2019) production of Vietnam could be a risk in the event of significant dependence on imported materials from China [9].

Table 3. The Effect of the Trade War on Vietnam Import From China and Other Partners

	(1)	(2)
VARIABLES	lnimport	lnimport
TW_t	0.690***	0.677***
	(0.0754)	(0.0755)
CN_{et}		2.459***
		(0.115)
$TW_t x CN_{kt}$		0.211***
		(0.0576)
Constant	12.97***	12.98***
	(0.121)	(0.133)
Observations	81,283	81,219
R-squared	0.407	0.408

*Note: Standard errors are in parentheses; *** is significant at 1%; import is the natural logarithm of the Import value which Vietnam imports from its partners; TW takes value of one after the trade war, and zero, otherwise. CN takes the value of one of the products are imported from China and zero, otherwise. The coefficients of time-fixed effect, country-fixed effect, and sector-fixed effect are omitted for briefly.*

Table 4. The Impact of The Trade War on the US and Non-US Products Imported From China

	(1)	(2)
VARIABLES	import (US products)	import (non-US products)
TW_t	1.499***	0.807***
	(0.129)	(0.158)
Constant	13.04***	13.03***
	(0.103)	(0.302)
Observations	1,905	2,642
R-squared	0.954	0.920

*Note: Standard errors are in parentheses; *** is significant at 1%; import is the natural logarithm of the Import value which Vietnam imports from its partners; TW takes value of one after the trade war occurred and zero, otherwise. The coefficients of time-fixed effect and sector-fixed effect are omitted for briefly.*

More interesting, Vietnam increases its imports from China after the trade war. The *TW*CN* coefficient is significantly positive and equals 0.211, compared to a 23.5% increase in imports from China after the trade war.

Now, by splitting the goods imported from China into the US products and the non-US products, we analyze more in-depth the impact of the trade war on Vietnam's imports from China by running the Equation 3 for each category. The projected results are set out in Table IV, where columns (1) and (2) are the estimated results for the US products and non-US products, respectively. After the trade war, both groups increased the value of imports. The magnitude of each, however, is quite different. While the non-US product import value increases by 124%, the US product import value from China is greater than 2.8 times than the non-US product import value corresponding with 348%.

Finally, we divide the sample into non-CN products and CN products and run Equation 4. The estimated results are shown in Table V. The base group (the non-CN group) is defined by the constant. Interestingly, the value of CN products is exported to the US less than that of the non-CN products before the trade war.

The non-CN goods also get more benefits after the trade war. Their export value to the US increases by 233.3%. In particular, the *TWxCN* estimation in Table V is significantly positive, indicating that the value of the CN products is exported to the US more than that of the non-CN products after the trade war (inverting the export values between two groups). The difference in export values of the two groups to the US before and after the trade war is statistically significant and equals 0.386, equivalent to 47%.

Table 5. The Trade War Effect on the CN And Non-CN Products Exported to the US

	(1)
VARIABLES	lnexport
TW_t	1.204***
	(0.140)
CN_{kt}	-0.218**
	(0.0897)
$TW_t x CN_{kt}$	0.386***
	(0.0484)
Constant	16.17***
	(0.325)
Observations	3,550
R-squared	0.916

*Note: Standard errors are in parentheses; *** and ** are significant at 1% and 5%, respectively; export is the natural logarithm of export value from Vietnam to the US; TW takes value of one after the trade war occurred and zero, otherwise. CN takes the value of one of the products are imported from China and zero, otherwise. The coefficients of time-fixed effect and sector-fixed effect are omitted for briefly.*

From the estimated results, we can summarize the estimated results as follows: Both the values of import and export of Vietnam from China and to the US increased after the trade war. Especially, the increase in the US products and CN products is more than that one in non-US and non-CN products. Finally, the value of the CN products exported to the US is less than the non-CN products before the trade war but more after the trade war.

Not all the goods are subject to tariffs, so the effect of increasing tariffs on the various products is not the same either. For each CN commodity, we apply Equations 2 and 4 to more explicitly investigate the impact of the trade war. As mentioned above, however, the goods reported in Vietnam Customs do not meet the classifications of the products or sector as Comtrade Statistics. We cannot find out exactly which products are imposed tariffs from the trade war as the list imposed in HTSUS classification (*HTSUS Classification is Harmonized Tariff Schedule of the United States; the products are disaggregated into the 8-digit level*). We follow the 2-digit level (closer to products imposed by the tariffs). The list of products imposed tariffs recorded in the 2-digit level is provided in Tables 6. We only list the products imposed in phases 1 and 2, however. The tariffs imposed cover almost all chapters in the HTSUS classification in phase 3. And phase 4 applies the new tariff rates to the remaining products.

Vietnam imports from China and exports to the US are 22 concurrent items, as stated in Table VII. In Tables, VIIa, VIIIb, and table IXa, IXb, the Column number from (1) to (22) corresponds to the order of the element in Table VII. The import values of 20/22 US products increase significantly after the trade war, while 2/22 US products have an insignificant impact. The effects of the trade war on the import values of products 1, 6, 7, 10, 14, and 20 are the greatest.

While there are 16/22 CN products whose export values increase, the export values of non-CN products are insignificant or negative. Some CN products' export value increased largely after the trade war, such as products 9, 16, and 21 (around 542%); some other CN products' export value increased more than 130%, such as products 3, 5, 6, and 17.

Table 6. List of Products Imposed Tariffs in the First Two Phases [12]

No.	**Products**	**Stage**
1	Nuclear reactors, boilers, machinery, and mechanical appliances; parts thereof	1 & 2
2	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles	1 & 2
3	Railway or tramway locomotives, rolling-stock and parts thereof; railway or tramway track	1 & 2

	fixtures and fittings and parts thereof; mechanical (including electro-mechanical) traffic signaling equipment of all kinds	
4	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	1 & 2
5	Aircraft, spacecraft, and parts thereof	1 & 2
6	Ships, boats, and floating structures	1 & 2
7	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments, and apparatus; parts and accessories thereof	1 & 2
8	Plastics and articles thereof	2

Note: for more detail, the 8-digit level.

Table 7. List of US Products Imported From China & The CN Products Exported to the US [13]

No.	Products
1	Pastry Cooks, sweets, and cereal products
2	Rubber
3	Insulated wires and cables
4	Wood and wooden products
5	Other products
6	Fruits and vegetables
7	Fishery products
8	Chemicals
9	Still image, video cameras, and parts thereof
10	Computers, electrical products, spare parts, and components thereof
11	Textile, leather, and foot-wear materials and auxiliaries
12	Chemical products
13	Rubber products
14	Plastic products
15	Iron and steel products
16	Iron and steel
17	Animal fodders and animal fodder materials
18	Glass and glassware
19	Petroleum products
20	Yarn
21	Telephones, mobile phones, and parts thereof
22	Precious stones, precious metal, and articles

Table 8. The Effect of The Trade War on Each US Product Imported From China (From Product 1 To Product 11)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
VARIABLES	lnimport	lnimport	lnimport	lnimport	lnimport	lnimport	lnimport	lnimport	lnimport	lnimport	lnimport
TW	0.934***	0.481***	0.671***	0.718***	0.560**	0.853***	1.207***	0.584***	0.559***	0.834***	0.367***
	(0.116)	(0.126)	(0.101)	(0.0968)	(0.221)	(0.101)	(0.198)	(0.0708)	(0.0981)	(0.100)	(0.114)
Constant	13.67***	15.19***	17.32***	16.84***	18.96***	16.56***	14.98***	18.13***	17.75***	19.72***	18.71***
	(0.0517)	(0.0562)	(0.0452)	(0.0433)	(0.215)	(0.0453)	(0.0889)	(0.0316)	(0.0523)	(0.0450)	(0.0588)
Observations	100	100	99	100	20	100	99	100	67	99	75
R-squared	0.400	0.130	0.315	0.360	0.263	0.419	0.277	0.410	0.333	0.416	0.125

Table 9. The Effect of The Trade War on Each US Product Imported From China (From Product 12 To Product 22) (Cont.)

	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
VARIABLES	lnimport	lnimport	lnimport	lnimport	lnimport	lnimport	lnimport	lnimport	lnimport	lnimport	lnimport
TW	0.804***	0.621***	0.957***	0.659***	0.426**	0.0705	0.545***		0.875***	0.514***	0.567***
	(0.117)	(0.0886)	(0.151)	(0.130)	(0.191)	(0.106)	(0.107)		(0.0847)	(0.150)	(0.196)
Constant	17.81***	16.41***	18.11***	18.14***	19.20***	16.56***	17.10***	18.43***	17.62***	19.79***	14.28***
	(0.0524)	(0.0396)	(0.0674)	(0.0582)	(0.0859)	(0.0577)	(0.0600)	(0.0744)	(0.0381)	(0.0673)	(0.0887)
Observations	100	100	100	99	99	67	60	25	99	99	98
R-squared	0.325	0.333	0.292	0.211	0.049	0.007	0.311	0.000	0.524	0.108	0.080

Table 10. The Effect of the Trade War on Each CN Product Exported to the US ((From Product 1 To Product 11)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
VARIABLES	lnexport	lnexport	lnexport	lnexport	lnexport	lnexport	lnexport	lnexport	lnexport	lnexport	lnexport
TW	0.503***	-0.373**	0.984***	0.587***	0.822***	0.816***	0.0742	0.328	1.951***	0.761***	-0.0951
	(0.116)	(0.148)	(0.154)	(0.129)	(0.198)	(0.173)	(0.108)	(0.207)	(0.344)	(0.193)	(0.116)

Constant	14.98***	15.43***	15.47***	19.14***	18.32***	15.50***	18.61***	14.54***	13.80***	18.87***	15.38***
	(0.0518)	(0.0660)	(0.0693)	(0.0578)	(0.193)	(0.0774)	(0.0487)	(0.0925)	(0.183)	(0.0865)	(0.0601)
Observations	100	100	99	100	20	100	99	100	67	99	75
R-squared	0.161	0.061	0.295	0.174	0.488	0.185	0.005	0.025	0.331	0.139	0.009

Table 11. The Effect of The Trade War on Each CN Product Exported to the US ((From Product 12 To Product 22) (Cont.)

	(12)	**(13)**	**(14)**	**(15)**	**(16)**	**(17)**	**(18)**	**(19)**	**(20)**	**(21)**	**(22)**
VARIABLES	lnexport	lnexport	lnexport	lnexport	lnexport	lnexport	lnexport	lnexport	lnexport	lnexport	lnexport
TW	0.258**	0.804***	0.770***	0.412***	1.987***	0.961***	-0.0809		0.531***	1.860***	0.591***
	(0.130)	(0.141)	(0.143)	(0.111)	(0.425)	(0.252)	(0.138)		(0.101)	(0.354)	(0.189)
Constant	14.56***	15.68***	16.91***	17.28***	15.52***	14.11***	15.53***	14.37***	14.79***	18.30***	16.76***
	(0.0580)	(0.0630)	(0.0638)	(0.0501)	(0.191)	(0.138)	(0.0775)	(0.276)	(0.0453)	(0.159)	(0.0851)
Observations	100	100	100	99	99	67	60	25	99	99	99
R-squared	0.039	0.249	0.229	0.124	0.184	0.183	0.006	0.000	0.222	0.221	0.091

V. CONCLUSION

The US commercial redirector from China to Vietnam is a great opportunity for the Vietnamese companies to boost their exports to the largest market in the world. Vietnam has been able to take this opportunity. After the trade war, the export value to the U.S. increases by 308%. The CN products exported to the US particularly are much. Before the trade war, its value is less than the non-CN product value, and the opposite order takes place after the trade war.

The trade war also fosters a rise in import value from both China and other partners, where the import value of the US goods is 2.8-fold higher than the import value of the non-US products. The expected results provide the decision-makers with valuable information to make reasonable policies to catch up with the chances of exporting goods to the largest market and to protect the interesting producers.

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