



Evaluating the Competitiveness of the Vietnam Textile and Garment Industry

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Abstract

In the context of the country's increasingly innovative and deeply integrated with the world, especially since Vietnam joined the Association of Southeast Asian Nations (ASEAN) in 1995, our country has been competing increasingly fierce in all fields and all economic sectors, including the textile industry. Up to now, the position of these two industries has been increasingly affirmed in the world consumption market. Currently, garment and leather products are present in many countries around the world with increasing export turnover and in which large enterprises play an important role. However, in order to maintain our position and improve our competitiveness, we need to re-evaluate the competitive advantages as well as the limitations of enterprises and Vietnam's textile and garment industry. This paper uses the diamond model method to show the competitiveness ability of Vinatex enterprises through 4 main factors: Firm strategy, structure and rivalry, factor conditions, demand conditions, related and supporting industries. From there, we come up with solutions that contribute to solving the difficulties, paving the way for the further development of these two industries.

Keywords: Competitiveness, Diamond model, Garment & Textile, Vinatex, Vietnam

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Introduction

Textiles and garment (T&G) represent the quintessential engines of industrial growth. Vietnam's textile and garment industry is growing strongly and playing an increasingly important role in the country's economic growth. This industry also has a great impact on the socio-economic development of Vietnam. According to the General Statistics Office, Vietnam's textile and garment industry contributes 10% of the national industrial output value, creating jobs for 2.7 million workers, accounting for 25% of the total number of employees in the country. industry, accounting for 5% of the total workforce. According to data of the Vietnam Textile and Apparel Association, as of 2017, the total number of textile and garment enterprises reached nearly 6000 enterprises. As Nguyet A. V., (2014), the textile and garment industry are one of the key industries in the consumer goods industry, contributing to meet the demand of consumers as well as the other industries and solve employment for labors, increase social welfare. Vietnam textile and garment industry consists of two major parts: textile and garment. The textile sector includes fiber spinning, shuttle weaving, dyeing, and finishing.

The garment sector uses the main material as fabric and some other accessories such as thread, lace, button, etc., through designing, cutting, and using the sewing machine to make the final garment. The textile and garment enterprises are businesses operating in the field from spinning, weaving, dyeing, and finishing fabrics to materials such as thread, laces, buttons, cutter, auxiliary equipment, and final products. In research of Le H.T., (2017), Vietnam's textile and garment industry has been developing strongly and plays an increasingly important role in the growth of the national economy. Therefore, the business efficiency as well as the existence and development of textile and garment enterprises have great impact on the social-economic development of Vietnam.

However, according to many experts, besides these great achievements, the textile and garment industry still has certain limitations, such as the stages in the production process are uneven so the production is mainly based on garment processing, export products are not diversified, and the supporting industries are not adequately developed. Increasingly, the size of enterprises is mainly small enterprises, management skills are limited, labor productivity is not high and marketing capacity is not suitable with production capacity, businesses have almost no long-term development strategy. Therefore, Vietnamese enterprises cannot enjoy huge profits from the textile and garment industry. Therefore, it is extremely important for businesses to operate effectively and possess a great competitive advantage. The Vietnam Textile and Garment Group (VINATEX) is the biggest state-owned group of companies in the field of textile and garment in Vietnam. Therefore, this article uses the diamond model to analyze the competitive advantage of Vinatex textile and garment group, thereby showing the competitive advantage of Vinatex, and highlighting the factors that are still weak. From there, make recommendations to improve competitive advantages for Vinatex in general and for Vietnamese textile and garment enterprises in particular.

Literature Review

In recent years, numerous studies in the area of economics and business have examined the sources of competitiveness in the firm. Business scholars pay more attention to firm's competitiveness while economists focus on national and regional competitiveness. (Arze, & Svensson, 1997; Avella, Fernandez, & Vazquez, 2001; Demir, M.H. & Ince, 2007; Nachum, 1998; Porter, 1990). It has been argued that the concept of "competitiveness" is vague at the national context due to the fact that international trade is not a zero-sum game. Krugman (1997) argues that national policies that are based on the analysis of international competitiveness of a particular country represent a significant drawback. Furthermore Porter (1998) claims that national and regional competitiveness are important, however countries still need to improve the competitiveness of their firms to compete in the global market (Porter, 1998).

In this literature a great deal of studies concerning the importance of competitiveness on a firm's performance has been conducted. For instance, Schmalensee (1985) used the 1975 data of the Federal Trade Commission Line-of-Business of The United State of America and reports that the strength of the corporate-parent effect is negligible while industry membership explains 20% of variability in firm's total performance. In line with Schmalensee (1985), Rumelt (1991) finds that corporate – parent only explains 1-2% of the variation in firm's performance. However, business unit effect explains 41 – 46% of unit performance. More recently, McGahan and Porter (1997) and McGahan (1999) have used cross-sectional 1981-1994 data from the U.S and reports that 36% of the variation in profitability could be attributed to firms' characteristics and competitive strategies.

Héricourt and Poncet (2009) used 1300 firm-level data and finds evidence that the development of cross-border relationships with foreign firms helps the private domestic firms to bypass both the financial and legal obstacles that they face at home. Using firm's level data of ten manufacturing sectors of 11 Sub-Saharan African countries, the study of Goedhuys and Sleuwaegen (2010) finds evidence that product innovation and own transport means are significant for firm's performance.

Textile is one of the traditional products that not only bring high socio-economic value to Vietnam but also make an important contribution to the process of industrialization and modernization of the country. Vietnam's textile and garment exports in recent years have been constantly increasing in terms of quantity, types and value of export turnover, making Vietnam one of the 10 countries with textile and garment export turnover. leading the world. Due to the important position of the textile and garment industry in the national economy and the constant fluctuations of the world economic situation, the issue of improving the competitiveness of the industry has been receiving attention and attention. from a wide range of levels, sectors, managers and scientists. Up to now, there have been many discussions, conferences, seminars and research works on this topic; Among them, there are a number of typical research papers published in newspapers and magazines such as:

Duong, T. T. H., (2010). Solutions to improve the competitiveness of Vietnam's textile and garment industry. Economics and Forecasting. The author has analyzed and assessed the current situation of Vietnam's textile and garment in the period from after Vietnam's accession to the WTO to 2010. From there, some solutions are proposed to improve the competitiveness of the textile and garment industry. Vietnam in the international arena. There are several solutions belonging to the state, such as: Improving the economic and legal environment; capital mobilization policy; improve the operational efficiency of the Textile and Garment Association; and some solutions on the sector side are: organization of information system; promote trade promotion, develop human resources, strengthen business linkages, improve quality and lower product costs.

Joining the World Trade Organization (WTO) and the Asean Free Trade Area (AFTA) Vietnamese businesses with many opportunities and challenges. Products of Vietnamese enterprises can reach out to the world. Vietnamese enterprises can seek market share for their products but must improve their capacity to cope with competitors from countries that produce a lot of traditional textile products such as China and Korea. Nguyen, B. V., (2012), "Competitiveness of Vietnam's textile and garment exports to the European Union (EU) in the context of WTO integration". The article focuses on providing solutions to improve the competitiveness of Vietnamese textile and garment enterprises so that they can compete with other textile and garment enterprises in the EU market in the context of fierce competition.

Huong, T. Vu & Lam C. Pham (2016) "A dynamic approach to assess international competitiveness of Vietnam's garment and textile industry" by using the Generalized Double Diamond Model (GDDM), analyzed international competitiveness of Vietnam's G&T industry showed that Vietnam should focus on to enhance its position in the global marketplace. Tran, T. B. N., & Tran T. P. T., (2018), provide an overview of the Vietnam's textile and garment industry and the vision of Vietnam's textile and garment industry to 2030. The results from research show that Vietnam's textile and garment industry has contributed great value to Vietnam's exports and GDP as well as solving employment. Although Vietnam's G&T industry is a common topic for researchers in Vietnam, previous literature on its competitiveness in the Vietnamese market is limited. In particular, there is no research that specifically describes the competitiveness of an enterprise, but only refers to the

assessment of the competitiveness of the textile industry in general. While enterprises are the main factors affecting the competitiveness of the textile and garment industry. Therefore, this article will analyze in detail the factors affecting the competitive advantage of Vinatex through the diamond model.

Methods

Research approaches

Vietnam National Textile and Garment Group (Vinatex) is a leading unit in Vietnam's textile and garment industry, having strong global competitiveness and stemming from the Group's business situation in the context of a global free trade agreement. demand, especially the TPP, promoting internal resources for development has become a vital issue for Vinatex and the entire Vietnamese textile and garment industry. Therefore, the author chooses the diamond model, a model that focuses on internal resources to analyze Vinatex's competitiveness. From there, propose solutions to improve internal resources to increase the competitive advantage of the Group and the whole Vietnamese textile and garment industry. In this model, any company at any nation would be affected by both internal factors (Firm strategy, Structure and Rivalry; Factor Conditions; Demand Conditions; Related and Supporting Industries) and external factors (Government and Chance), as shown in Figure 1 (Porter, 1990).

Among the models that are adopted to explain nation or industry competitiveness, the widely used one is Michael Porter's Diamond Model introduced firstly in Porter (1990). According to this model, four main attributes that underlie conditions or platform for determination of the national competitive advantage are "Factor conditions", "Demand conditions", "Related and Supporting Industries", and "Firm Strategy, Structure and Rivalry". Porter (1990) also proposed government policies and chance as exogenous shocks, which supported the whole system of national competitiveness with four above-mentioned attributes.

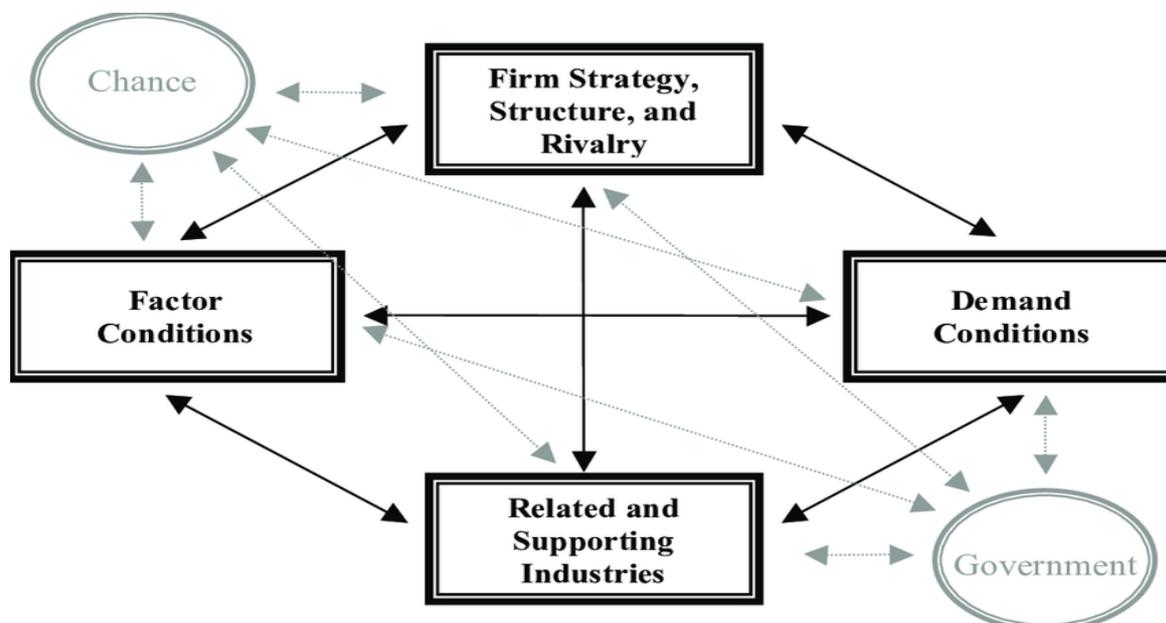


Fig 1. Porter's Diamond Model of National Competitive Advantage
Source: Porter (1990)

The elements in Figure 1 are explained as below.

- ***Factor conditions***

According to Porter (Porter, 1990), each nation obtains some terms called factors of production (factor conditions), which are necessary inputs of production process (natural resources, capital, human resources, and infrastructure available, etc.) to compete in any industry. Porter argues that “A nation’s endowment of factors clearly plays a role in the competitive advantage of a nation’s firms”, but different countries have different stocks of factors, and for each industry has different the most important factors, so the competitive advantages are dissimilar “across nations and among industries”.

- ***Demand conditions***

Demand condition is another determinant of national competitive advantage, and it would affect how industries perform within not only a certain nation but in international market. When companies attempt to satisfy demand both of local customers and customers across borders, these striving activities might push the companies to innovate faster, improve product’s quality, have higher competitive advantages, and achieve sustainable growth.

- ***Related and Supporting Industries***

The presence in the nation of related and supporting industries provides the foundation for one national industry’s advantage in international competitive. “Competitive advantage in some supplier industries confers potential advantages on a nation’s firms in many other industries, because they produce inputs that are widely used and important to innovation or to internationalization.” (Porter, 1990). Enterprises are often relied on their partnerships or their connections to create additional value and become more rivaling.

- ***Firm Strategy, Structure and Rivalry***

How the firms in an industry are created, structured, and managed in business rival environment is regarded as national competitive advantage. Each country has different goals, strategies, and the ways an industrial firm organized. Firms do not need to be confined only in their home countries; they could rival with their global strategies in international competition. However, the national circumstances in which enterprises run principally define how companies are performed: it influences their strategy and how they structure themselves.

- ***Chance***

Chance could affect the benefits of a country, a sector or an industry, etc., so firms should regularly observe the changing in market conditions to make accurate decisions.

- ***Government***

Many people have argued that the most strongly influenced to the internationally competitiveness of a country is government policies. However, “Government is indeed an actor in international competition, but rarely does it have the starring role”, in other words, government is only a subset of supporter for industries (Porter, 1990). According to Porter, the role of the government factor is described only as the influence on four aforementioned factors to encourage companies raising their competitiveness at higher level.

Sources of Data

To analysis, data and information collected during course of this study is obtained from several secondary sources, including WTO databank, the state Bank of Vietnam databank and Yearbooks from General Department of Vietnam Customs. The study used data of Total Garment Exports from Vietnam for past 11 years (2010 to 2020).

Analysis of the Findings

Analyzing the competitiveness of Vinatex according to the "Diamond model"

Factor Conditions

Natural Resources

Vinatex is allowed to use a potential land fund to meet the speed of business development and increase equity. Currently, the Group is assigned to manage and use a land fund with an area of over 490,000 m² to serve production and business activities, as a training and research base, as well as office areas. With this land fund, the Group and many of its member units have a competitive advantage in terms of geographical location because the factories are located in convenient traffic locations: shops and offices are located in different locations. central areas of major cities such as Hanoi, Hai Phong, Da Nang, and Ho Chi Minh City. In addition, Vinatex is allowed to use 100% of the money to change the land use purpose in some units to increase equity after equitization. The capital increase process took place from 2014 to the end of 2017 and the total capital increase was estimated at 1,490 billion VND. This additional capital will support Vinatex to continue to invest in expansion in core units with high operational efficiency in order to fulfill the goal of completing the supply chain.

Labor Source

In the resource group, the labor force considered is simple, untrained or basicly trained. In general, Vietnam's textile and garment industry in particular and the industry in general have advantages compared to many countries because of using abundant and cheap domestic labor, but the average labor productivity is lower compared to other countries.

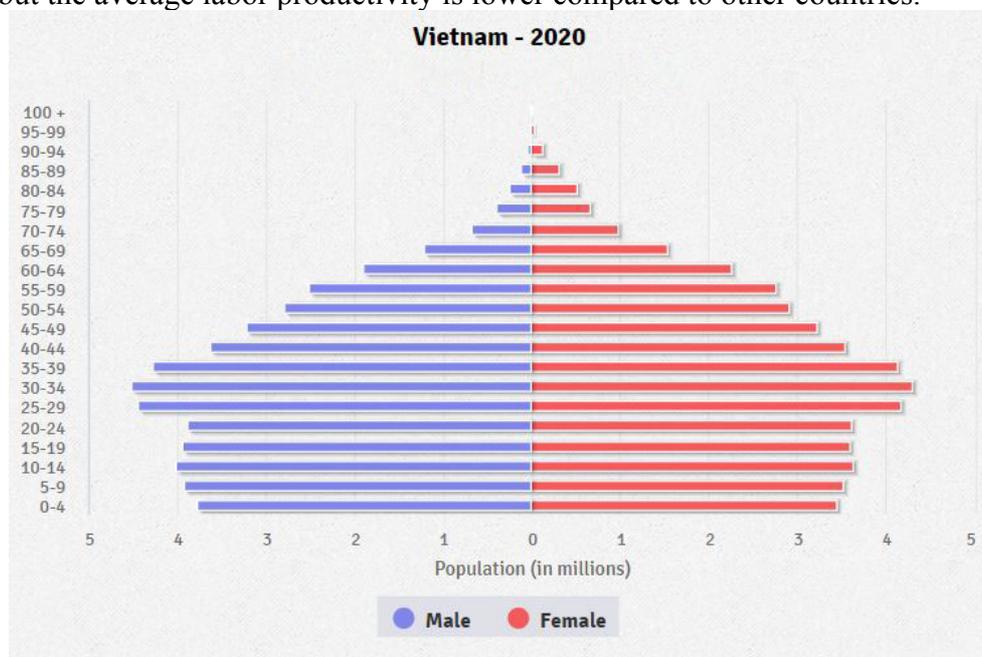


Fig 2. Population Pyramid of Vietnam at 2020

The latest 2020 census results show that Vietnam currently has 98,168,828 people, ranking 15th in the world and 3rd in Southeast Asia. The population structure of our country is still young, the proportion of the population in working age accounts for over 55% of the total

population according to the population pyramid. Every year, the society adds about 1.1 million new workers.

According to the latest statistics of the Vietnam Textile and Apparel Association, the textile and garment industry has created jobs and stable incomes for about 2.5 million direct workers and nearly 2 million indirect workers (in secondary industries). support, warehousing, transportation, etc.). With the average income of employees reaching nearly 8 million VND/person/month, an increase of 7% compared to 2019 equivalent to 96 million VND/year, the total salary fund paid for 2.5 million direct workers In one year, 240 trillion VND (equivalent to 10 billion USD) is not a small number, significantly contributing to social spending and economic growth.

Table 1: Labor structure of Vinatex in 2012

No.	Classify	Number of labour	Percentage
Total number of employees		155,000	100%
Labor structure by sex			
1	Male employees	111,600	72%
2	Female employees	43,400	28%
Labor structure by nature of work			
1	Labour management	9,300	6%
2	Skilled Labor	17,050	11%
3	Direct labor	128,650	84%
Labor structure by age			
1	Under 25 years old	69750	45%
2	26-35 years old	54250	35%
3	36-45 years old	21700	14%
4	Over 46 years old	9300	6%

Vinatex has a team of experienced workers with the main labor force being female workers, accounting for over 70%. A team of 28 managers with long-term experience in the industry, especially senior leaders at the parent company's office and member units. This is one of Vinatex's strengths in the process of completing its business orientation and strategy. The turnover rate of the Group's personnel is low at less than 10%, of which the rate of change in 2019-2020 is only 2-3% and is oriented towards restructuring production units from cities to agriculture village in accordance with the long-term business strategy set by the Government for the textile industry in Vietnam (Table 1).

Financial Capital

To solve capital for development investment, Vietnam's textile and garment industry mobilizes capital from economic sectors at home and abroad through the forms of business cooperation, joint venture, associate company, joint stock. to transform enterprises and enterprises with 100% foreign investment capital.

Vinatex has current charter capital of VND 3,400 billion, par value of each share is VND 20,000. The Group currently owns capital in many business units with the strongest production and business capacity in Vietnam's textile and garment industry. The corporation has created a connection and resonance among its members who are the leading textile

enterprises in Vietnam. Vinatex has set a target in 2020 to have a revenue of VND 17,000 billion, up about 12% compared to 2019; dividend in 2019 for shareholders is 5% due to the impact of the Covid -19 pandemic, so it greatly affects the company's business situation and strives to reach over 6%; the roadmap to strive for dividend payment to 2021; employee income increased by over 8% over the same period.

Table 2: Financial Situation of Vinatex Over The Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Financial income	330	340	350	423	235	442	339	317	324	366	253
Dividends	234	231	261	322	311	382	324	385	438	518	327
Profit after tax	201	216	217	234	464	531	579	685	702	716	560
Total assets	4.281	4.374	5.088	5.286	17.781	18.811	19.794	20.906	21.894	19.833	18.019
Long-term investments	2.607	2.877	3.368	3.245	1.868	1.993	2.078	2.124	2.142	2.338	2.487
Short-term investments	25	36	125	137	448	301	952	720	530	1.717	1.519
Total liabilities	504	446	512	558	11.248	11.477	12.199	13.084	13.898	11.893	9.951
ROEA	5,33	5,61	5,67	5,52	5,54	5,51	4,35	5,01	5,54	6,51	4,09
ROAA	4,86	4,99	5,13	4,73	2,7	2,09	1,68	1,9	2,05	2,49	1,73

Source: Vietstock & author's calculation

In order to increase value and competitive advantage, Vinatex has signed cooperation agreements with many major banks such as a comprehensive cooperation agreement with Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank), cooperation in credit with Vietnam Thuong Tin Commercial Joint Stock Bank (Vietbank)... Vietcombank and Vinatex's subsidiaries have comprehensively cooperated in business activities with the total outstanding balance of the Group and its subsidiaries. members at Vietcombank is more than 47,325 billion VND. Cooperation agreements will help businesses have capital to invest in machinery, equipment, factories, serving production and business activities to promote and build production and supply chains for Vinatex.

Demand Conditions

Globalization does not diminish the importance of local market demand. It can be said that Vinatex soon saw the importance of domestic demand and soon knew how to focus and take advantage of the domestic market to enhance its position, thereby creating a good springboard to reach out to the world market. Vietnam with nearly 100 million people and gross domestic product (GDP) per capita of 3,521 USD/person (according to World Bank data in 2020) is a potential market for textile products.

When the economy is growing, the needs of people change faster. Besides, the market and the trend of wearing are always changing. Understanding this feature of the market, Vinatex annually organizes the Vietnam Fashion Fair (VIFF) in two main cities, Hanoi and Ho Chi Minh City, to connect consumers and retailers with fashion brands. trademark. In addition, Vinatex also cooperates with member units, regularly organizes and sponsors fashion weeks and fashion design programs to encourage designers across the country to develop, bringing to customers the best of both worlds. consumption of new fashion models, good quality, high applicability... contribute to improving the competitiveness of Vietnamese textiles and garments in the market.

Related and Supporting Industries

Supporting industry is an industry that produces intermediate products, components, spare parts and tools that play a supporting role in the production of a certain type of end product. Depending on the specific product to be manufactured, intermediate products may include raw materials, materials, components, spare parts, accessories, packaging, labels, dyes, etc. raw materials for painting, dyeing... and may also include intermediate products, preliminary materials.

In order for the textile industry to rise to new heights, the Vietnam Textile and Garment Group is focusing on prioritizing investment in developing related and supporting industries. Vinatex has the advantage of a closed production cycle and a complete supply chain because the parent company plays the role of connecting and coordinating the activities of all member companies in the supply chain.

Table 3: Vinatex's supply chain in 2020

	Yarn	Textile	Garment
Production capacity:	155,000 ton of yarn per year	170 tons/year million square meters/year	352 tons/year million products/year
Items:	Blended yarns TC, TR, CVC, cotton yarn, cotton yarn, polyester yarn, including carded and combed	Woven Fabrics	
Technology equipment	Yarn is produced on advanced technological lines originating from Europe, Japan, China... The equipment invested in the current projects is mainly provided by famous manufacturers in the world with High automation, better quality control, increased productivity and improved working conditions for employees.	Textile machines are imported mainly from Japan, in which air looms account for a large proportion (about 80%). Air looms are highly appreciated for their high speed and efficiency (average speed of 1000 rpm), easy operation, high durability, and suitable for climatic conditions in Vietnam.	Modern equipment technology, imported mainly from Europe, Japan and the US (Juki - Japan, Brother - Japan, Kansai - Japan, Durkopp Adler - Germany, Gerber - USA).
Typical company	Vietnam Cotton Joint Stock Company	Phong Phu Corporation, Viet Thang Corporation, 8/3 Textile, Dong Xuan Knitting, Dong Phuong Knitting, Hanoi Textile, Nam Dinh Textile	Viet Tien Garment Joint Stock Company, Garment 10 Corporation, Viet Thang Corporation, Nha Be Garment Joint Stock Company, Duc Giang Garment Joint Stock Company, Hung Yen Garment Joint Stock Company

The advantage of Vietnam National Textile and Garment Group is that it has been forming supply chains of Yarn - Textile Dyeing - Garment in both weaving and knitting; Vinatex brand has had a certain position for domestic consumers and for leading textile and garment corporations in the world; There are production factories in most of the provinces in Vietnam; Possess an abundant workforce.

Firm Strategy, Structure and Rivalry

Strategy and Company Structure

The year 2014 marked an important turning point in the development history of Vinatex when the enterprise carried out equitization. This is an opportunity for Vinatex to attract domestic and foreign partners to contribute resources, advanced technology, management and market experience, synergize strengths, take full advantage of opportunities from the TPP Agreement and other FTAs for sustainable development. Equitization is an inevitable development in the Group's comprehensive transformation strategy to improve operational efficiency, business capacity and ability to exploit business opportunities, ability to adapt to development trends of the Vietnamese textile and garment industry in the coming decades.

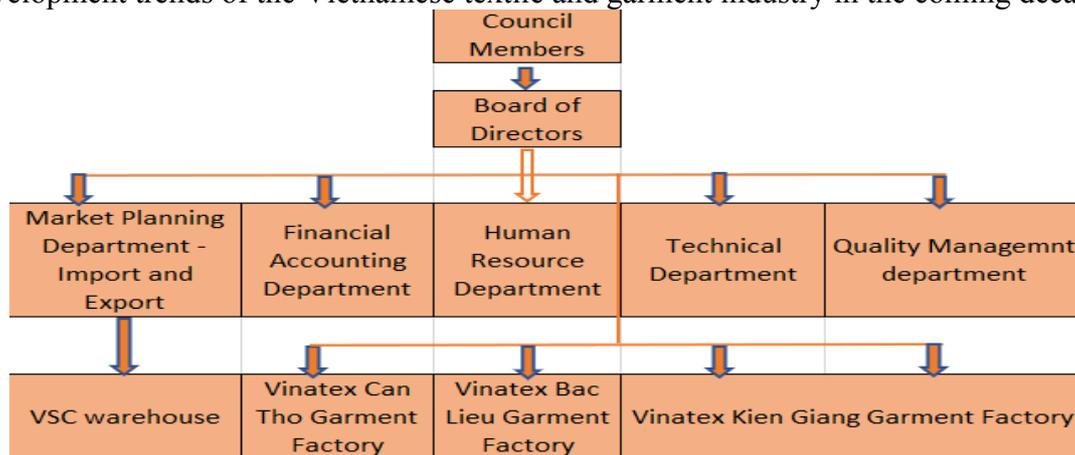


Fig 3. Organisational Structure Diagram Southern Garment Textile Company - Vinatex
 After the equitization is completed, Vinatex has the conditions to develop mid-level management human resources from strategic partners and external shareholders, because the trend when investing capital shareholders always want to follow, participate in and support the management of invested enterprises. This is a very important factor for Vinatex to have more management resources and promote investment because the investment must take into account the first management personnel (Fig 3)

Rivalry

It can be said that when entering the world textile and garment market, especially the EU, Japan, and US markets by export, the biggest and most formidable competitor for Vietnamese textile and garment enterprises said. in general and Vinatex in particular is China. China holds the leading position in the world textile industry in terms of cotton yarn, cotton fabric and garment production, and second in chemical fiber production. As of 2018, Vietnam is currently ranked 2nd in textiles and apparel and only after China. However, the distance is very far. Competing with China is almost impossible, which is why textile and apparel countries choose Vietnam as a direct competitor. This puts Vinatex in a huge challenge. Besides China, other competitors such as Korea, Taiwan, Thailand, Singapore, Philippines... are garment exporters with higher export turnover than Vietnam because they create more advantages. compared with Vietnamese textile products.

Obviously Vinatex and the Vietnamese textile and garment industry have too many serious competitors. This makes the level of competition in the world export market very fierce and drastic, forcing Vietnamese enterprises to invest properly in all aspects in order to remain firmly in the world market.

Other factors

- Government

The textile and garment industry is one of the leading industries, playing an important role in the export strategy of Vietnam's goods to the world market. With a relatively high export growth rate, the textile and garment industry has made significant contributions to the growth of commodity exports in particular and economic growth in general in Vietnam. Therefore, the industry always receives special attention and great incentives and support from government fees. In the past period, the Government has implemented a number of measures to support textile and garment enterprises to export.

On April 11, 2014, the Ministry of Industry and Trade issued Decision No. 3218/QĐ-BCT approving the development planning of Vietnam's textile industry up to 2020, with a vision to 2030. Besides, the Government There are also a number of other measures to encourage exports in general and exports of textiles in particular. For example, Vietnam has implemented the National Trade Promotion Program. The Vietnam Development Bank offers export credit to businesses with preferential interest rates.

- Chance

Vietnam National Textile and Garment Group can take advantage of a number of opportunities to develop exports in the current period when textile and garment production is tending to shift to developing countries including Vietnam. creating new opportunities and resources for textile enterprises in terms of access to capital, equipment, production technology, advanced management experience, and skilled labor from developed countries. Besides, Vietnam's deeper and deeper integration into the regional economy and the world economy also facilitates better market access for textiles and garments. Vietnam is now a member of the WTO, and has also participated in the signing and implementation of many important free trade agreements at both the bilateral level (such as the Vietnam - Japan Trade Partnership Agreement) and the multilateral trade agreement. (such as agreements within the framework of ASEAN such as ACFTA, AKFTA, ASEAN-Australia-New Zealand, etc.).

On the other hand, our participation in the CPTPP will help Vietnam's textile and garment industry have some objective advantages over competitors not in the CPTPP such as China, India, Bangladesh, Pakistan, Indonesia. Some countries in the CPTPP are huge potential export markets such as Canada and Australia besides Japan. Vietnamese textiles and garments, if certain binding conditions are met, will be eligible for tax incentives when exporting to these countries. The recently signed Vietnam - EU Trade Agreement will create favorable conditions for Vietnam's Textile, Garment and Footwear industry to develop further.

Finally, in order to promote the textile and garment industry to develop, to be able to compete with other countries, the Government has recently issued a number of measures to promote the textile supporting industry - development. According to Decree No. 111/2015/ND-CP, effective from January 1, 2016, textile and garment are 2 out of 6 sectors on the list of supporting industry products prioritized for development in Vietnam.

Discussion and Implications

For stakeholders of Vietnam's textile and garment industry, the article has pointed out the advantages and disadvantages for Vinatex in particular and the textile industry in general. The manager, owner of a garment factory or a textile organization can take advantage of the advantages that the article has pointed out such as the advantage of natural resources, the factors of the advantage of cheap labor and work forces is young to promote and increase

the size and efficiency of labor for companies. For the strategic and company structure factors, business owners or managers should optimize the structure of each business in order to achieve the most effective key apparatus. In addition, another factor that has not been effectively exploited is the related and supporting industries, which have caused reduce effective to the production line in the textile industry. Therefore, one of the most necessary solutions is to develop domestic raw materials to maximize profits as well as reduce dependence on imported raw materials.

Moreover, for the Government's policy makers in the near future due to our participation in the CPTPP and EVFTA, these textile and garment industries must be ready not only to meet the domestic consumption market but also to compete. fierce competition with competitors in other countries in the future, expanding export markets. Therefore, the article also pointed out that the problem for us is to accurately assess the competitiveness, thereby seeing the advantages and disadvantages of the textile industry at the present time. Thereby, it will help the Government and businesses in this textile industry to find appropriate strategies and solutions to maintain sustainable development.

Conclusion

The study has generalized the famous theory of "Diamond Model" of M.Porter and flexibly applied each element of the model to analyze the competitiveness of Vietnam Textile and Garment Group. Factors that can be grouped into four main groups are factors of production; group of demand factors; group of supporting and related industries; corporate strategy, structure and domestic competition. In addition, there are two additional external factors that are the role of the government and the opportunities for the Group.

Through general analysis, we need to realize that currently the competitiveness of our country's textile and garment industry is not high compared to other countries producing the same product and is not commensurate with the available potential. Although the Textile and Garment industry is the two key industries that bring in quite high export turnover compared to other manufacturing industries, it is not commensurate with its production capacity. Therefore, in order to stand firm and develop in the domestic market, constantly expanding and increasing market share in the export market, Vietnam's textile and garment industry needs to implement synchronous solutions to improve the competitiveness of Vietnam industry, cope with competitive pressures from other textile and garment exporting countries and most importantly, improve product quality and brand, actively improve the adaptability to technical barriers of other textile and garment exporters big market.

Limitations and Future Directions

The article is based on a diamond model that includes 4 main factors to show the competitiveness of Vietnam's textile and garment industry in general and Vinatex Group in particular. Thereby effectively assessing the advantages and disadvantages of the Vietnamese market for the Vietnamese textile and garment industry. But besides that, the study only covers the textile industry of Vietnam, so the research results should be used with caution in the context of other countries. However, in the future, researchers can conduct comparative studies to understand more about the competitiveness of the textile industry of the countries where the industry plays a vital role. Furthermore, the study included data from 2010 to 2020, therefore, in the future, some more similar studies are recommended to update the literature regarding the competitiveness of the textile industry.

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