
This paper studies the impact of export-platform FDI on the host economy. Foreign firms may engage in export-platform FDI when a host country can serve as an export base for a third country. The impact of this type of FDI on the domestic economy is theoretically ambiguous. In general, the (positive) spillovers on the host economy are stronger the larger the market of the third country and if there is a trade agreement between the host economy and the third country. The paper studies how export-platform FDI affected the domestic economy in Vietnam, providing a test for these predictions of the model. The key finding is that trade agreements do indeed lead this type of FDI to have a positive knock-on effect on the host economy, but the impact of the size of the third country’s market is ambiguous.

The issue analyzed in this paper is interesting, particularly as there are not many studies in this area that focus on developing countries, perhaps due to lack of appropriate data. That said, I have a number of questions on the implementation of the empirical analysis. Below I list these questions and, where possible, I provide some suggestions to the authors to improve their work.

1. There should be at least one paragraph explaining why export-platform FDI is particularly relevant for Vietnam. In this specific case, I am not convinced that it is more of an offshoring story within a trade agreement area rather than export-platform FDI as in the case mentioned in the introduction (e.g. Ireland, Holland, and Belgium). For instance, the authors could motivate the choice of Vietnam by showing that FDI is mainly driven by non-FTA countries while exports are directed to FTA members.

2. The authors should provide more details in the main text on the data they are using:
   - How many industries? Number of firms per industry? Etc.
   - Is the information on type of firm ownership (i.e. foreign or domestic) included in the survey? What are the shares across sectors?

3. How are the supporting industries selected? Are those the most important industries supplying to the export-oriented industries?

4. What is the criteria for a sector to be export-oriented? Do you consider a sector to be export oriented if more than 50% of its output is exported in at least 1 year, in all years, or it is a time-varying definition?

5. Results in Table 1. What is the correlation between Domestic demand and Foreign demand? The results in column (3) and (4) could be driven by collinearity. This, for instance, would be the case if both domestic and foreign owned exporters experience similar shocks.

6. Results in Table 2.
Why do you use log FBL (foreign demand) to “identify impacts of LCR” (local content requirement)? The relationship between these variables, if it exists, is not self-evident and should be explained.

It is not clear how to interpret the coefficient in column (5) and (6). All the “size” variable are actually interaction terms between log of GDP and the relevant trade agreement dummy variables (i.e. WTO or US BTA). I do not know if the GDPs or trade agreements are driving these results. You should include them separately in your regressions.

Minor comments:

7. The introduction should provide the intuition of how the model works and what its main implications are. Similarly, more discussion of the data and empirical results would be useful.

8. Try to be consistent in how you label your variables and tables. DBL and FBL become DBK and FBK in Table 1. In the text you refer to Table 2 as Table B1.

9. The placement of Figures and Tables in the paper could be improved. Table 2 is in the conclusion section.