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ATTRACTING AND USING FOREIGN INVESTMENT IN VIETNAM: CURRENT SITUATION AND SOME RECOMMENDATIONS

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The paper uses statistics to analyze the contribution of foreign investment sector (FI) to Vietnam economy in the period of 1998 - 2017 both in terms of success, limitations and shortcomings, and proposes views, orientations and some key solutions to improve the efficiency of attracting and using foreign investment in the coming period.

***Keywords**: Foreign investment; contribution of foreign investment sector; attract and use foreign investment.*

1. Introduction

The impressive economic growth that Vietnam has made over the last decade has greatly contributed to the foreign investment capital. The foreign investment sector is an important source of capital supplement in the total social development investment capital; promotes economic restructuring; forms some key industries; increases production capacity; plays a leading role in exporting and restructuring export products, gradually bringing Vietnamese products into the global production chain and value chain; transfers technology in some industries and fields; formed the linkage between foreign investment and domestic sectors, promoting the development of supporting industry; contributes to the state budget; supports the balance of payment, contributing to macroeconomic stability; creates jobs, restructuring jobs, developing human resources, improving labor productivity, and has now become a driver of growth.

In addition to the achieved results, the attraction, use and management of foreign investment in recent years still have some major shortcomings such as the linkage between foreign invested sector and domestic sector and the spillover effect of productivity is not high. Attracting and transferring technology from the foreign investment sector has not achieved the expected efficiency. Foreign investment from transnational corporations (TNCs) and to the fields using high technology, new and advanced technology is still limited. Infrastructure and agriculture development are Vietnam's priority areas with great demand and potential, but the results of foreign investment attraction are still inadequate. Some foreign investment projects have not strictly complied with law provision on environmental protection. Some foreign invested enterprises had acts of transfer pricing, causing losses to the state budget.

The objective of this paper is to assess the current situation of implementing the Party and State's

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major policies on foreign investment, analyze the results of foreign invested sector's contribution to Vietnamese economy in the period of 1988 - 2017, from that propose some recommendations to improve the efficiency of foreign investment attraction and use in the coming period. Data on foreign investment used in this paper was compiled from reports of World Bank (WB), Organization for Economic Cooperation and Development (OECD), General Statistics Office of Vietnam (GSO), Ministry of Planning & Investment, Foreign Investment Agency.

2. Major guidelines and policies of the Party and the State on foreign investment

The major Party and State's guidelines and policies on foreign investment can be considered in 03 phases, basing on the time of important changes in objective and orientation. The first phase began with Foreign Investment Law in 1987 and policies of opening to cooperate with regional economy and world economy in the late 90s of XX century before the Asian financial - monetary crisis entered in 1996. The second phase is institutional innovation and improvement to overcome negative impacts of the Asian financial - monetary crisis and further integrate into the world economy with important milestone is concluding negotiation for joining the WTO by the end of 2006. The third phase is the process of Vietnam's extensive international integration, along with several institutional innovations in foreign investment in line with international commitments, with the most notable is the 2014 Investment Law. The latest is Resolution No.50-NQ /TW in 2019 of the Politburo on request of proactively and selectively attract and select foreign investment cooperation, taking quality, efficiency, technology and environmental protection as the main evaluation criteria.

Table 1: *Summary of institutional improvements for foreign investment*

1986	Resolution of the VI Party Congress orientations to build "multi-sector commodity economy"
1987	1987 Law on Foreign Investment in Vietnam
1990	1990 Amended and supplemented Law on Foreign Investment in Vietnam
1990	1990 Private Enterprise Law and 1990 Corporate Law
1992	1992 Constitution 1992 Amended and supplemented Law on Foreign Investment in Vietnam
1996	1996 Law on Foreign Investment in Vietnam
2001	1992 Amended and supplement Constitution in 2001 The 2001-2010 socio-economic development strategy, which identifies more broadly the investment form for foreign investment The Government issued Resolution No. 09/2001/NQ-CP on enhancing the attraction and raising the efficiency of foreign direct investment in 2001-2005 period.
2005	2005 Investment Law and 2005 Enterprise Law
2013	2013 Constitution Resolution No. 103/NQ-CP on direction of improving the efficiency of attracting, using and managing foreign direct investment in the coming time.
2014	2014 Investment Law and 2014 Enterprise Law
2019	Resolution No. 50-NQ / TW of the Politburo on the direction of perfecting institutions, policies and improving the quality and effectiveness of foreign investment cooperation by 2030.

Source: Compiled

Besides perfecting the system of legal and policy and improving the business environment, Vietnam also proactively integrates deeper into the world economy through negotiation, signing and implementing free trade agreements (FTAs), especially 03 new generation FTAs with high and comprehensive standards and balanced benefits agreements which are CP-TPP, EVFTA and RCEP; building institutional, infrastructure and human connections with countries in the region, at the same time, forming ASEAN Economic Community (AEC), creating a region with strong ties in diplomatic, economic, social and cultural. Therefore, despite the latest opening, Vietnam's liberalization of foreign investment is faster than Malaysia, Indonesia and the Philippines. . According to the OECD's rating based on the calculation of the Foreign Investment Restriction Index for 60 countries and territories, Vietnam ranked the 21st in terms of openness to foreign investment.

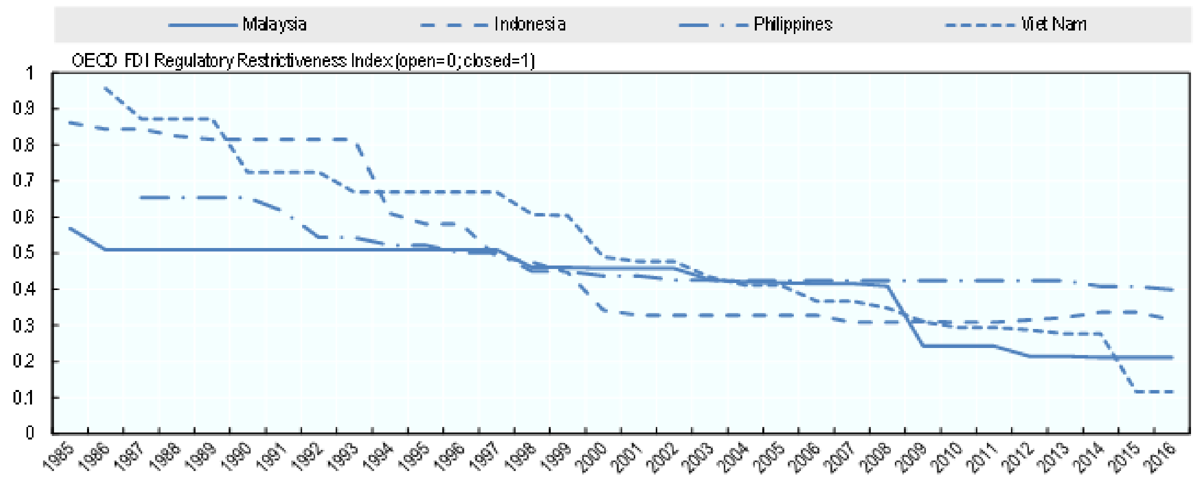
Although the business environment and investment in Vietnam in recent years has been assessed to be more open and favourable than in the previous period, in fact, countries in the region have also stepped up renovating and perfecting the legal system, improving competitiveness of the investment environment. In overall, Vietnam investment environment is still much inferior to the region's and the world's. This is reflected in Vietnam's average and low rankings in the evaluation of international organizations on investment environment, enterprise development and asset security, etc.

3. Result of foreign investment attraction and use

According to data of the Foreign Investment Agency, by October 2018, there were about 26,876 foreign investment projects from 129 countries and territories, committed investment capital was USD 336.25 billion, and implemented capital was over USD 187.4 billion. Foreign investment projects focus mainly on industry, accounting for 68.62% of the total registered investment capital, service: 30.38%, and agriculture - forestry - fishery: 1.00%.

Foreign investment has been present in all provinces and cities nationwide, of which concentrated mainly in the Southeast region, accounting for about 42% of the total registered investment capital; followed by the Red River Delta region, accounting for 28%; North Central and Central Coastal Region, accounting for 18%; Mekong River Delta, accounting for 6%; The Northern Midlands and Mountains is 5% and the Central Highlands about 1%.

Foreign investors are mainly from Asia, accounting for 71% of registered capital, particularly Korea, Japan, Singapore and Taiwan, accounting for 21% of total investment capital from Asian countries; Europe and North America accounted for 16%.



Source: Report of Vietnam Investment Policy Evaluation (OECD, 2017)

Figure 1: *Index of restriction for foreign investment of Vietnam and some countries in the region*

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The investment form of 100% foreign capital accounts for 72% of total registered investment capital, joint venture accounts for 22%, BOT, BT and BTO contracts account for 4% and business cooperation contracts account for 2%. Cross-border mergers and acquisitions (M&A) activities have been emerging since 2001 and have increased dramatically since 2007. In the period 2006 - 2015, the number and scale of M&A activities increased rapidly, reaching an average of 143 deals/year with a total value of about 2.3 billion USD/year, focusing on the financial sector and insurance, petroleum, food and beverage, electronics, real estate, etc.

Table 2: *Contribution of foreign investment in Vietnam's GDP growth*

Period	State	Private	Foreign investment	Economy
1987-1996	9.64	5.85	27.85	8.34
1997-2006	6.58	6.26	12.38	7.01
2007-2009	.18	.00	6.32	5.82
2010-2017	4.88	6.08	9.18	6.08

Source: Calculated from data of General Statistics Office

The contribution of foreign investment to Vietnam's socio-economic development can be considered in the following main aspects:

Firstly, foreign investment is an important source of capital in the total development investment capital of the whole society and is a driving force for growth:

Before 1990, the scale and number of foreign investment projects was modest, from 1991 to before Asian financial crisis, the number of projects with foreign investment capital increased sharply, with 2,341 projects and total registered capital reached USD 35.56 billion, implemented capital was USD 13.37 billion. Therefore, proportion of foreign investment capital in the total development investment capital of the whole society increased from 13.1% in 1990 to the highest level of 32.5% in 1995, foreign investment became an important source of investment capital of the economy. However, in the first 10 years, the foreign investment sector contributed only 15.04% to general growth, the state economic sector still played a leading role with average growth of 9.64% and contributed up to 45% into general growth (see table 2). The reason was that the scale of foreign investment sector was still small, accounting for only 6.58% of GDP in 1995.

After the decline period due to the impact of Asia financial and monetary crisis in 1997, foreign investment inflows gradually recovered and began to increase sharply since the end of 2004. On average in the period of 1997 - 2006, implemented foreign investment capital was 3.15 billion USD/year, total implemented capital reached 25.23 billion USD, accounting for 59% of total registered capital. Although the proportion of foreign investment capital in the total social development investment capital in period of 2007 - 2017 is not high, reaching an average of 18.0%, but the average proportion of this sector in GDP increased, reaching 10.7 %. In the context that overall economic growth rate of the whole country decreased (over 7%) compared to the period before crisis, contribution of foreign investment sector to the growth tended to increase, accounting for 18.22% of the growth rate. growth. The reason is that GDP growth rate of foreign investment sector reached 12.4%/year, higher than the national average (7.01%/year) as well as the state sector (6.58%/year) and non-state sector (6.26%/year).

In the period since Vietnam joined WTO, foreign investment inflows have increased rapidly; especially, implemented investment capital reached a high level, over 12.1 billion USD/year, total implemented capital reached 133.3 billion USD, accounting for 44% of the total registered capital, leading to the increased proportion of foreign investment capital in

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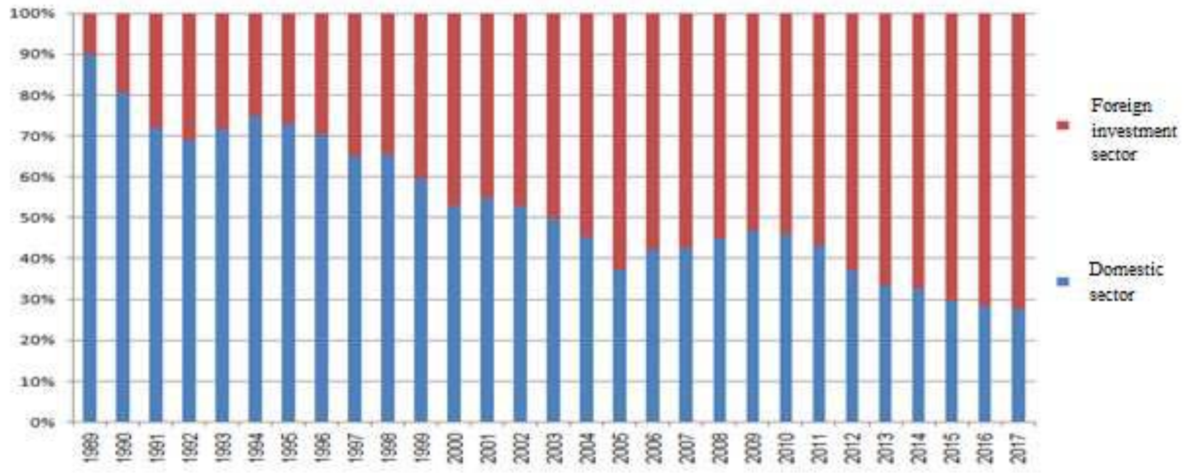
the total social development investment capital, with an average of about 24.3%/year. The foreign investment sector has become an increasingly important driving force of growth, with the contribution to growth of up to 27.7% in the average annual growth of 6.0% of the economy. The proportion of foreign investment sector in GDP reached a peak of 19.6% in 2017. Besides direct contributions to growth, foreign investment sector also had other impacts such as increasing production capacity of the economy, spill over effects on technology, human resource development, fixed asset formation, etc. and these factors also indirectly contribute to the overall growth of the economy.

Secondly, foreign investment continues to play a leading role in export, gradually bringing Vietnam to participate in global production and value chain.

Foreign-invested enterprises have contributed significantly to Vietnam's export growth in recent years. Export turnover growth of foreign investment sector is 2-3 times higher than that of domestic area; export turnover is about 1.5 - 2 times. Therefore, the proportion of foreign investment sector in total export turnover increased from 17.0% in 1995 to 72.5% in 2017. Export growth of foreign investment sector in period of 2011 - 2015 averaged nearly 24.0%; 3.2 times of that of domestic sector (an average increase of 7.6%/year). In the period of 2016 - 2017, export growth of foreign investment sector decreased, reaching an average of 16.4%/year but still 1.5 times higher than the domestic sector (an average of 11.2%/year).

Foreign investment sector with the presence of several large TNCs in the world operating in many fields such as Samsung, LG, General Electric, Intel, Mitsubishi, Sanofi, Panasonic, etc. has contributed to bringing Vietnam to step by step join the global network value and production chain, promote restructuring of export products.



Source: General Statistic Office

Figure 2: *Export structure by economic sector (%)*

The report "Vietnam's economic degree of diversity" by the Central Economic Commission and the United States Agency for International Development (USAID) shows that Vietnam is the country with the most products added to the list of exports (460 products), followed by China (337), Poland (276) and India (252). In the period of 2000-2015, the number of export commodity lines classified according to the 3-digit SITC standard of Vietnam increased from 199 items to 251 items, the number of commodity with export turnover of over 100,000USD also increased from 163 items to 237 items. This result shows that the export diversity of Vietnam is equivalent to that of other leading East Asian export countries.

Thirdly, foreign investment promotes economic restructuring and formation of some new industries

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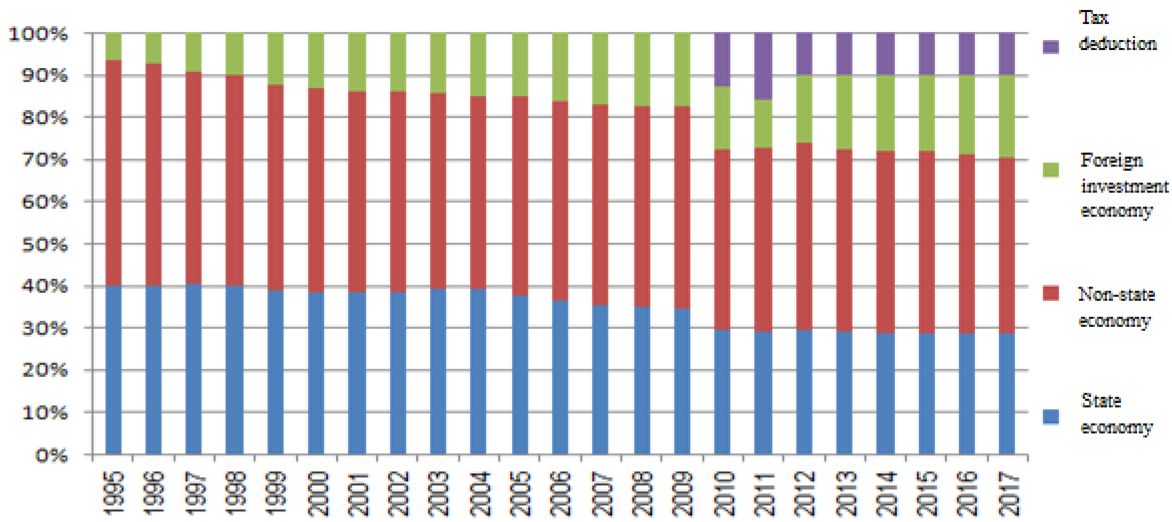
and products, which are the foundation for long-term growth and modernization of the economy.

The structure of foreign investment capital flows by industry and field has changed and shifted significantly towards a more modern direction, helping to form some new industries and products, creating diversity and increasing the complexity of the economy, since then, contributed to accelerating economic restructuring and accelerating the process of industrialization and modernization.

the past few years, foreign investment inflows continue to shift to higher value-added industries, such as manufacturing computer, electronic and optical products (with significant scale growth from 2.8% in 2016 to 5.8% in 2017), increasing investment in sectors of service for production (from 1% in 2016 to 47% in 2017).

- Service sector: is the second field rank in attracting foreign investment, especially since Vietnam joined the WTO, the foreign inflows into



Source: General Statistic Office

Figure 3: *GDP structure by economic sector 1990 - 2017 (%)*

- The sector of industry - construction: in the first stage, foreign investment proportion was relatively low in total development investment capital of the whole society and GDP, therefore, the impact on restructuring was limited, foreign invested enterprises only contributed about 1/4 of total industrial production value. However, more than 10 years later, this proportion nearly doubled, reaching 46.3% in 2012, starting to surpass the domestic sector in terms of industrial production value since 2014, leading to a strong influence of the foreign invested sector to restructuring internal structure of industry sectors and contribute to the formation of a number of key industries of the economy, such as telecommunication, oil and gas exploitation, processing, electronic, IT, steel and cement, etc. Over

this field increased sharply. The growth rate of foreign investment in service sector was quite high, from 42% (2006) to 216% (2007) and 160% (2008). Foreign investment sector has contributed to the development of many high-quality services such as hotel, apartment for rent, banking, insurance, auditing, shipping, logistics, supermarket, retail, etc. These services also contributed to creating a new method of distributing goods, consuming and stimulating domestic trade activities.

- Foreign investment capital also affects economic structure changes and accelerates the process of industrialization and modernization in some major localities such as Hanoi, Bac Ninh, Hai Duong, Thai Nguyen and Vinh Phuc in the North. , Ho Chi Minh City, Ba Ria - Vung Tau, Binh Duong and Dong Nai in the South. About 60-70% of total investment capital in IZs and EPZs is foreign invested capital, accumulated until the end of 2017, IZs and EZs attracted nearly 7,900 projects with a total investment of USD 170 billion; the rate of investment capital increased over the years, in 2013 reached 36.0%, and to 2017 it reached 64%. In addition, coastal economic zones and high-tech zones are also attracting foreign investment capital, forming production zones and clusters of the economy.

Fourthly, foreign investment makes a significant contribution to the total state budget revenue

Direct budget revenue (excluding personal income taxes and other fees) from the foreign investment sector increased significantly over time. From 2000 to 2017, the amount of tax paid by foreign invested enterprises to the budget increased nearly 3 times, from over VND 59,030 billion to VND 172,028 billion. Considering the proportion of corporate income tax payment with other indicators, such as proportion of total social investment, it can be seen that the foreign investment sector is more tax-efficient than domestic enterprises, including state-owned enterprises. According to 2016 budget finalization figures, state-owned enterprise sector accounted for 39% of the total implemented investment capital, but only accounted for 23.4% of the total budget revenue and accounted for 24.8% of the total corporate income tax revenue (CIT), domestic industry, commerce and service sectors accounted for 37.6% of the total implemented investment capital, but contributing to the state budget only accounted for 14.3%; accounting for 22.7% of total CIT. Meanwhile, foreign investment sector accounted for 23.4% of the total investment capital carried out in the same year, but contributed 18.5% of the total state budget revenue, equivalent to 52.5% of the total CIT revenue, if exclude the revenue from crude oil is 37.8%.

Fifthly, foreign investment plays an important role in creating jobs, restructuring employment, developing human resources and improving labor productivity of the economy.

According to 2017 General Enterprise Census of the General Statistics Office, the number of employees working in foreign invested enterprises increased from 330,000 in 1995 to 1.5 million in 2007 and about 3.6 million in 2017. Rate of labor increase in the foreign investment sector was very high, averaging 7.6%/year in the period of 2005 - 2017, nearly 4 times higher than the labor growth of the economy, while state sector and non-state sector increased by only 0.5% /year and 1.9%/year respectively. Labor growth of foreign investment sector in 2005-2010 period averaged 9.2%/year; in 2011-2015 period, it reached 5.0%/year on average; in 2016-2017 period, it reached an average of 10.1%/year. Meanwhile, labor growth rate of the economy in these periods was 2.8%/year; 1.5%/year and 0.8%/year. In addition, the foreign invested sector can create 2 to 3 indirect jobs / 1 direct labor in other areas of the economy.

The labor structure in the foreign investment sector by industry shows that the production of foreign invested enterprises is concentrated in some labor-intensive industries. The industries of textile and footwear account for over 52% of the total number of employees working in the foreign investment sector; the other processing industries account for nearly 25%. The proportion of labor in electronics and electronic products has increased rapidly, from 8.03% in 2012 to 15.7% in 2017.

Labor productivity of the foreign investment sector is always significantly higher than that of the state and non-state sectors. In 2017, labor productivity (calculated at 2010 comparative prices) of the foreign invested sector was 3.7 times higher than general productivity of the economy, 1.3 times than that of the state sector, 7.4 times more than that of non-state sector. The labor structure shift towards increasing the proportion of currently employed labor force in foreign invested sector (although only reaching 5%) has contributed about 29.3% to the growth of overall labor productivity of the economy in the period 2006 - 2016.

4. Limitations and shortcomings in attracting and using foreign investment

In addition to the above-mentioned major contributions, the recent attraction and use of foreign investment have also revealed some of the following major limitations:

Firstly, the spill over effect of foreign investment sector to the domestic sector is still weak

Not-close linkage between foreign invested enterprise sector and domestic sector is still the biggest constraint in attracting and using foreign investment capital. Foreign investment projects mainly focus on some of stages in labor-intensive and medium-technology industries such as processing (textile, footwear, wood processing), assembly (electronics, automobiles, motorcycle, etc.) and some food processing industries. Most spare parts, raw materials and associated services (product design, financial management, etc.) for production are imported, instead of being supplied by domestic enterprises. The import-to-export ratio of foreign investment sector was quite high, at 81.5% in 2017. Or for industry of electronics, manufacturing phones and components, the foreign investment sector exported 100% of the phone value and components but also imported up to 89% of value of phones and components, showing that the use level of components that domestic enterprises produce is very low.

This situation have lasted for many years, on one hand, showing the underdevelopment of Vietnam's supporting industry, on the other hand, also showing a loose link between the foreign investment sector and the domestic sector. Therefore, while the foreign investment sector plays a key role in industrial growth (over 50% of the value of industrial output) and export (over 70% of export value), Vietnam is at risk of being "stuck" on relatively low rungs in the global value chain; the localization rate in some industries is still low and slowly improved. This is also the cause of the fact that foreign investment sector's contribution to the growth is lower than its potential. In period of 2011 - 2017, Vietnam achieved an export to GDP ratio of 81.2%, but the average growth rate was only 6.1%/year.

Secondly, technology transfer from the foreign investment sector is still slow and limited:

In fact, Vietnam has not been a priority investment destination for leading technology corporations of the US or EU. Accumulated US investment in Vietnam to 2018 is about USD 10 billion out of the total over USD 300 billion that the US has invested abroad. Or, EU investment in Vietnam is only about 24.6 billion USD as of 2018, too small compared to the potential of the EU business community. The percentage of foreign invested enterprises using US and EU technology is only about 6.0%. The number of foreign invested enterprises with high technology capacity is limited, only 5% of foreign invested enterprises have high technology, 80% have medium technology, and the remaining 14% use low technology.

In general, although it is assessed using more modern machinery, equipment and production lines, the machinery, equipment and production lines used in foreign invested enterprises are not too superior compared to domestic enterprises. Machinery, equipment and production lines are mostly at the level of average modern or advanced average of the region. Technology update and proportion of enterprises investing in R&D is limited, mainly done through technology purchase rather than advanced development and technological innovation. This has significantly reduced the ability to transfer and spread technology of the foreign investment sector.

Thirdly, some of foreign investment projects do not ensure environmental sustainability, and the efficiency of land use is not high:

Along with the increasing trend of foreign investment flows is the risk that some foreign investment projects, which are not environmentally friendly, consume energy, natural resources and human resources, move to Vietnam. Some foreign investment projects operating inside and outside IZs and EPZs have not strictly complied with provisions of the law on environmental protection. Several foreign invested enterprises have imported outdated machines and equipment, causing environmental pollution in Vietnam, but have not been detected in time, resulting in environmental consequences in some locations, long-term impact on people health and regional ecosystems, causing conflicts of interest between manufacturing and processing industries with agriculture and tourism, as well as between foreign invested enterprises and the community.

Fourthly, attracting foreign investment in some priority sectors and areas is limited:

Although many policies have been applied to direct the flow of foreign investment into some sectors, fields and localities to improve economic structure of some industries, the results have not been as

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Table 3: *Foreign investment attraction by technology level*

(% registered capital)

Year	No classify	By technology			
		High	*Average high*	*Average low*	*Low*
2006	41.29	20.48	57.05	7.98	14.49
2007	44.35	14.34	39.13	17.56	28.98
2008	38.47	10.68	75.61	4.78	8.93
2009	68.35	7.56	50.12	12.39	29.94
2010	68.40	9.31	42.60	9.17	38.93
2011	45.74	22.56	25.50	9.57	42.37
2012	42.30	12.24	41.62	12.89	33.25
2013	32.03	53.07	10.63	19.96	16.34
2014	25.93	50.37	11.08	7.36	31.20
2015	42.36	13.76	21.85	15.39	48.99
Average	***42.86***	***22.11***	***43.47***	***10.36***	***24.06***

Source: Foreign Investment Agency, Ministry of Planning and Investment

expected. Agriculture still lacks attraction to foreign investment, accounting for just over 2% of the total project number and more than 1% of the total registered capital by the end of 2017. On average, each foreign investment project in agricultural sector has a very low capital scale compared to the average of other projects (6.9 million USD/project compared to 15 million USD/project). The goal of attracting foreign investment into processing industry after harvesting, preserving, cultivating, raising livestock and aquaculture has not been achieved, while these are Vietnam's advantageous industries.

Foreign investment projects in the field of infrastructure development (road, railway, inland waterways, aviation, etc.) are very limited although this is an area in which Vietnam is in high demand. Investment activities of foreign invested enterprises in research and implementation are very limited, most TNCs of world-class companies in information technology and investment media have not established research and development center in Vietnam. In the service industry, the proportion of foreign investment in large-scale real estate projects remains high. Foreign investment in intermediary services, high value-added services, education, training, health care, environment, etc. still account for a low proportion of the total committed and disbursed foreign investment capital.

5. Some recommendations

The first is the viewpoint of attracting and using foreign investment:

- The foreign investment sector continues to be an important component of the economy that needs to be encouraged for long-term development. Attracting and using foreign investment must be selective, and focused on the principle of diversifying capital sources, ensuring the independence and autonomy of the economy, proactively and actively integrating deeper and deeper international integration; at the same time ensure national defense, security and national sovereignty.

- Harmonizing the combination of attracting and using foreign investment in both width and depth, focusing on depth, ensuring sustainable development, encouraging innovation, creativity and close association between foreign invested enterprises and domestic enterprises.

- Make the most of achievements and opportunities of the Industry 4.0, the trend of global capital flows, new investment forms and methods, and make the most of Vietnam's advantages to create breakthroughs and take initiative to attract the world's leading investors from developed countries holding new and advanced technologies, modern management capabilities, and international competitiveness to invest in high value-added industries and fields.

- Improve the effectiveness and efficiency of state management in order to timely overcome the limitations and inadequacies arising in development process of the foreign investment sector.

The second is that, on the orientation of attracting and using foreign investment, it is necessary to ensure quality, efficiency and sustainable development, encourage innovation and close association between foreign invested enterprises and domestic enterprises, specifically:

- Prioritize attraction of foreign investment into high-tech, new, advanced technologies, environment-friendly technology, information technology, telecommunication and electronics technology at the world's advanced level, of Industry 4.0., high-tech agriculture, high value agriculture, health care, education and training, high quality tourism, financial service, logistics, technical infrastructure development, clean energy, renewable energy, smart energy.

- Ensure the harmony between export growth and investment in developing high value-added products and services and using domestic raw material, developing supporting industries, training human resources in attracting and using foreign investment to improve the quality of growth.

- Attract foreign investors, foreign invested enterprises, especially TNCs, to participate in forming and developing sectoral clusters according to each value chain and linkage in the industry clusters.

- Continue to attract foreign investment into industries that Vietnam still has advantages such as textiles, footwear, etc. but prioritize focusing on high value-added stages associated with smart and automated production processes.

- Foreign investment attraction must be in line with the national master plan, national sector planning and regional and local planning, ensuring regional and national socio-economic efficiency in general, especially is the efficient use of land and non-renewable resources. Promote the restructuring of foreign investment in localities and regions towards increasing added value and strengthening links with businesses in regional links.

- Diversify and multilateralism attracting foreign investment from many markets and partners. Exploit effectively relationships with strategic partners, focusing on developed countries (USA, EU and Japan) to actively attract potential foreign investors from these countries to invest in projects high and new technologies, advanced services and modernity, with high spillover effect in the economy. Not attracting projects that use outdated and unenvironmentally friendly technologies.

The third is some key solutions:

- Continue to improve institution and business environment for convenience business investment to attract and use effectively foreign investment. Ensure consistency in macroeconomic policies; manage flexibly and closely financial, monetary and other policies, ensuring macroeconomic stability, control inflation, interest rate, and suitable exchange rate, ensuring large balances of the economy to create confidence for foreign investors to invest in large and long-term projects.

- Continue administrative reform, especially administrative procedure, ensuring a favorable, open, transparent, safe, and stable investment business environment with high competitiveness of regional countries. Ensure strict and full enforcement of the rights of business freedom, ownership of property and intellectual property rights of foreign investors according to modern market standards and international integration to create favorable conditions for foreign investors to enter, operate and withdraw from the market.

- Study and issue policies to create a legal framework for the development and management of new investment forms and modes consistent with international practice. Complete the system of legal and policies to ensure consistency among relevant laws, especially the Law on Investment, the Law on Enterprises, the Law on Land, the Law on Environmental Protection, etc. and among laws and law guidelines.

- Develop a system of legal documents specifying scientific criteria to select and screen foreign investment projects based on project quality and effectiveness. Concretize the regulations on technology transfer; clearly identify what is high technology, source technology, environmentally friendly, etc. from which to have appropriate preferential policies.

- Operate effectively all types of markets and open markets to attract foreign investment. Increase market liberalization of production factors. Restrict the issuance of non-market decisions on access to land, capital and opportunities to enter the market. Removing barriers to market entry for foreign investors in industries and sectors in which Vietnam no longer needs protection. Create equal opportunities for foreign investors to buy appropriate shares, to be strategic partners of state-owned enterprises under the scheme of restructuring SOEs in order to improve business efficiency.

- Promote and support joint ventures, cooperation and technology transfer between domestic and foreign invested enterprises. Promulgating policies to promote and support domestic enterprises in joint ventures and associates through capital contribution, purchase of shares and capital contributions of foreign invested enterprises in industries and fields using high technology and technology new, advanced, moving towards owning and mastering technology. Supporting domestic enterprises worthwhile, selecting and receiving technology transferred from foreign invested enterprises, ensuring compatibility and synchronization.

- Encourage foreign invested enterprises to enter joint ventures and partnerships, creating favorable conditions for domestic enterprises to participate in the global production and value chains; developing supporting industries and increasing the localization rate through domestic suppliers; transfer modern technology and management skills to domestic enterprises through joint venture projects and cooperation in some important sectors and fields of the economy.

- Improve labor institutions in accordance with international practices, ensure the implementation of commitments in new-generation free trade agreements and enforce labor standards. Innovate human resource training in accordance with international standards, having skills and skills suitable to the context of Industry 4.0.

- Finally, quickly issue scientific criteria, standards and regulations on exploitation and use of natural resources and environmental protection in attracting and using foreign investment on the principle of not attracting foreign investment by all mean prices; do not attract projects that are likely to destroy natural resources and environment. Strictly control production technology of foreign invested enterprises which may cause environmental pollution, encourage these enterprises to innovate, upgrade technologies, process deep processing and improve the quality of commodity products. Not consider the expansion of scale and extension of operation duration for foreign invested projects which are operating in sectors and fields primarily based on natural resources exploitation and raw processing, which are not likely to cause environmental pollution.◆

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Summary

Bài báo sử dụng số liệu thống kê để phân tích đóng góp của khu vực đầu tư nước ngoài (ĐTNN) đối với nền kinh tế Việt Nam trong giai đoạn 1998 - 2017 cả về những thành công và hạn chế, tồn tại và đề xuất quan điểm, định hướng và một số giải pháp chủ yếu nhằm nâng cao hiệu quả thu hút, sử dụng ĐTNN trong giai đoạn tới đây.

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