



**SOUTHERN LUZON STATE UNIVERSITY, REPUBLIC OF PHILIPPINES
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THAI NGUYEN UNIVERSITY, SOCIALIST REPUBLIC OF VIETNAM**

**IMPACTS OF FOREIGN DIRECT INVESTMENT ON RESTRUCTURE
OF EXPORTS IN THE NORTHERN COASTAL REGION OF VIETNAM**

**DOCTOR
OF BUSINESS ADMINISTRATION**

BY

DBA. Candidate: NGUYEN THIEN SU (SUNT)

Scientific Adviser: Dr. TRAN DAI NGHIA

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ABSTRACT

This study was carried out to explore the impact of FDI on shifting process of exports structure in the Northern Coastal Region of Vietnam. Specifically, this study intended to answer questions of (1) influence of FDI on elements of the economy, (2) definition of shifting exports structure, (3) impact of FDI on shifting exports structure, and (4) solutions to attract FDI for shifting exports structure in the region. The main objective of the research was to take route to shift exports structure, to attract FDI, to propose oriented solutions to best promote the specific role of FDI, to cater to shift exports structure in terms of quantity, and to improve the quality of exports structure. The methodology of the thesis was to review the various relevant literatures. Method of system analysis, method of fieldwork, method of comparison, quantitative research methods and forecasting method were also used in the study. Findings showed that there have been visible changes in term of quantity of exports structure in the Northern Coastal Region. Also, a new classification of the exports structure and of the exports structuring besides the traditional classifications such as SITC, VSIC was revealed from the study. Additionally, the two analytical models used the study showed the accurate results about the impacts of FDI on shifting exports structure in the Northern Coastal Region. Based on the scientific conclusions, solutions and policy implications relating for attracting and making the best uses of FDI in the region are given in the study.

The study confirmed the positive impact of FDI implementation including inputs and outputs to the region's exports restructuring both in terms of quantity and quality of the exports structure. Specifically, the FDI made capital has a positive impact on both the quality and quantity of the exports structure. However it shows a greater impact on the quality than that on the quantity; The impact of FDI on the exports of processed or refined goods was higher than that of raw material goods. The FDI increases export value of private sector significantly; while it negatively influences to that of State Owned Enterprises; The exchange rate also has an significant effect on the quantity of export than on the quality.

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CHAPTER I: INTRODUCTION

Vietnam officially became a member of WTO five years ago. Since then, Vietnam's economy has undergone many changes and a lot of economic development strategies have been in effects to solve a problem considered as a key point after integrating into international economic arena, which is how to make gains more than " losses". In a simple term, the loss of revenue due to tariff cuts under WTO integration commitments must be offset by revenues earned from exporting goods, products, and services. The economy of Vietnam has made many progresses as export has increased relatively stable. However, the economy still faces very serious problems including high inflation rate and sharply increased in trade deficit. According to the trade balance data, the growth rate of import has always been higher than that of export since 2006; Statistics from the General Statistics Office showed that trade deficit was US \$5.07 billion and US \$14.2 billion in 2006 and in 2007 respectively; import-export balance continued to be negative at US \$12.9 billion in 2009, US \$12.4 billion, and US \$12.71 billion in 2011. Particularly, in the first quarter of 2012, the trade deficit was over US \$251 million, equal to 1% of the total export value. In which, the whole domestic sector was in deficit of US \$2.75billion whereas foreign investment sector was in surplus of \$2.5billion. According to statistics from the World Trade Organization, in 2010, Vietnam became the largest importer in the Association of Southeast Asian countries (ASEAN), 1.5 times it equaled to imports of ASEAN countries combined. Therefore, trade surplus target after joining WTO of Vietnam has not been reached.

Aiming at creating economic growth in a sustainable way, solving problems mentioned above and meeting the goals set when joining the WTO in particular and global economic integration in general, Vietnam has taken many measures to reduce trade deficit and the most radical measures are to accelerate the pace and to improve the