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DO VAN DAT

**ATTRACTING FOREIGN DIRECT INVESTMENT
FOR SUSTAINABLE ECONOMIC DEVELOPMENT
IN HUNG YEN PROVINCE**

SUMMARY OF DOCTORAL DISSERTATION IN ECONOMICS

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INTRODUCTION

1. Rationale of the study

The world economy is entering a period of profound restructuring under the combined effects of digital transformation, global supply-chain reconfiguration, geopolitical competition and the growing requirement for green development. In that context, foreign direct investment (FDI) continues to serve as an important driver of economic growth in developing countries. However, the attraction of FDI today is no longer based simply on low labour costs or short-term tax incentives; it has shifted strongly towards locations with sound governance capacity, synchronous infrastructure, a transparent investment environment and a clear orientation towards sustainable development. This creates an urgent requirement for Vietnamese localities in general, and Hung Yen province in particular, to renew their thinking and improve financial policies in order to enhance the quality of FDI attraction in the new stage of development.

For Vietnam, the FDI sector has made important contributions to GDP growth, export turnover, employment generation and the process of industrialisation and modernisation. Nevertheless, practical development over recent years has also revealed a number of limitations, including the modest quality of technology transfer, a low localisation rate, weak linkages between FDI enterprises and domestic enterprises, and spillover effects on productivity and innovation that have not matched the scale of invested capital. As the Government is implementing strategies on green economy, circular economy and the commitment to net-zero emissions by 2050, attracting high-quality, environmentally friendly FDI associated with sustainable development has become a long-term strategic issue. Resolution No. 50-NQ/TW of the Politburo clearly affirms the shift from attracting FDI at all costs to selective FDI attraction, giving priority to high technology, innovation, efficient use of resources and projects capable of creating higher added value for the economy.

In this context, Hung Yen province is facing both major opportunities and increasingly intense competitive pressure in attracting international investment. With a strategic location in the centre of the Red River Delta, within the Hanoi Capital Region and the Northern Key Economic Region, Hung Yen has outstanding advantages in transport connectivity, market access, logistics and industrial development. In recent years, the province has become an attractive destination for many foreign investors in processing and manufacturing, electronics, mechanics and supporting industries. The rapid development of industrial parks, together with strong urbanisation, has contributed to the transformation of the economic structure towards modern industry and services.

On the basis of the above theoretical and practical requirements, the study entitled 'Attracting Foreign Direct Investment for Sustainable Economic Development in Hung Yen Province' is particularly necessary. Its results contribute to improving the theoretical basis of FDI attraction associated with sustainable development at local level, and provide scientific and practical arguments for financial-policy making, improving the investment environment, selecting high-quality FDI flows and promoting sustainable economic growth in Hung Yen province in the process of international economic integration.

2. Research objectives

The general objective of the dissertation is to systematise, interpret and supplement the theoretical and practical basis for attracting foreign direct investment (FDI) in association with sustainable economic development at local level; on that basis, to assess the current situation of FDI attraction in Hung Yen province, identify the affecting factors and propose a system of financial solutions to improve the quality, effectiveness and sustainability of FDI flows towards 2030.

The specific objectives are as follows:

Systematise the theoretical basis for attracting FDI for sustainable economic development from the perspective of finance and banking.

Analyse the factors and financial instruments that affect the ability to attract FDI at local level.

Assess the current situation of FDI attraction, and the role of financial policies and instruments in FDI attraction in Hung Yen province.

Propose financial solutions and recommendations to strengthen FDI attraction for sustainable economic development in Hung Yen province towards 2030.

3. Research object and scope

Research object

The research object of the dissertation consists of theoretical and practical issues relating to the attraction of FDI for sustainable economic development at local level, with an emphasis on mechanisms, policies and financial solutions that affect the capacity to attract, select and improve the quality of FDI flows in Hung Yen province. The dissertation approaches FDI not only in terms of investment size but also in terms of quality, efficiency and its economic, social and environmental spillover effects.

The study clarifies the role of public financial policy, investment incentives, budget expenditure on infrastructure, credit, financial support, the investment environment, local governance capacity, the quality of human resources and infrastructure in attracting FDI towards high technology, environmental friendliness, linkages with domestic enterprises and conformity with the province's orientation for modern industrial development.

Research scope

In terms of space, the dissertation focuses on Hung Yen province, a locality in the Northern Key Economic Region with advantages in geo-economic position, transport connectivity, industrial-park development, logistics, and processing and manufacturing industries. The selection of Hung Yen is practically meaningful because the province is undergoing a strong transition towards a modern industrial growth model while facing requirements for better growth quality, environmental protection and efficient use of resources.

In terms of content, the dissertation analyses the current situation of FDI attraction, assesses affecting factors and evaluates the effectiveness of financial policies in creating a competitive, transparent and stable investment environment. In terms of time, the dissertation assesses the period 2000-2025, with a focus on 2020-2025, and proposes solutions towards 2030 with a vision to 2050.

4. Research methodology

4.1. Data collection methods

The dissertation uses a combination of secondary and primary data. Secondary data are collected from statistical yearbooks, reports of the Ministry of Finance, the Foreign Investment Agency, socio-economic and investment-attraction reports of Hung Yen province, legal documents, planning documents, development strategies, and domestic and international studies. Primary data are collected through questionnaires administered to state management officials, FDI enterprises and experts; observed variables are measured using a five-point Likert scale. After data cleaning, 279 valid questionnaires are used for analysis.

4.2. Data analysis methods

The dissertation combines qualitative and quantitative research. Analysis, synthesis, comparison and logical methods are used to systematise theory, analyse policies and clarify the development context of Hung Yen. The dataset of 279 valid questionnaires is processed using SPSS 22 through descriptive statistics, Cronbach's Alpha reliability testing, exploratory factor analysis (EFA) and multiple linear regression in order to determine the degree and direction of the effects of the factors on the FDI investment decision in Hung Yen province.

4.3. Research framework

The research framework is built on the relationship between factors attracting FDI and sustainable economic development in Hung Yen province during the period 2000-2025, with orientation to 2030.

5. Contributions of the dissertation

5.1. Scientific contributions

First, the dissertation systematises, supplements and clarifies the theoretical basis for attracting foreign direct investment in association with sustainable economic development at local level, thereby clarifying the content, role and evaluation criteria of FDI attraction for sustainable economic development in the context of international economic integration and growth-model transformation.

Second, based on the synthesis of theory and previous studies, the dissertation develops and tests a research framework on the relationship between FDI-attracting factors and sustainable economic development, clarifying the mediating role of FDI in relation to the economic, social and environmental pillars of sustainable development at provincial level.

Third, the dissertation provides empirical evidence through quantitative analysis based on 279 valid questionnaires and modern statistical techniques, including Cronbach's Alpha, EFA and multiple regression, thereby adding scientific grounds for studies on the effects of FDI on sustainable economic development in Vietnam, particularly in the context of local growth-model renewal.

5.2. Practical contributions

First, the dissertation comprehensively and systematically assesses the attraction and use of FDI in Hung Yen province during 2000-2025, with deeper analysis of the 2020-2025 period; on this basis, it identifies achievements, limitations and causes, providing a practical picture for provincial managers and policy makers.

Second, based on qualitative and quantitative results, the dissertation identifies the major factors affecting the effectiveness of attracting and using FDI for sustainable economic development, thereby providing a scientific foundation for adjusting and improving investment-attraction mechanisms and policies suitable to Hung Yen's development conditions in the new stage.

6. Structure of the dissertation

Apart from the table of contents, lists of abbreviations, figures and tables, the introduction, conclusion, references and appendices, the dissertation consists of four chapters:

Chapter 1: Overview of research related to attracting foreign direct investment in association with sustainable economic development at provincial level.

Chapter 2: Theoretical basis and practical experience in attracting foreign direct investment in association with sustainable economic development at provincial level.

Chapter 3: Current situation of attracting foreign direct investment in association with sustainable economic development in Hung Yen province.

Chapter 4: Solutions to strengthen the attraction of foreign direct investment in association with sustainable economic development in Hung Yen province towards 2030.

CHAPTER 1: OVERVIEW OF RESEARCH RELATED TO ATTRACTING FOREIGN DIRECT INVESTMENT IN ASSOCIATION WITH SUSTAINABLE ECONOMIC DEVELOPMENT AT PROVINCIAL LEVEL

1.1. Studies related to the dissertation topic on foreign direct investment attraction

1.1.1. Studies by international scholars

International studies on FDI have shifted from an approach that emphasised the contribution of FDI to economic growth towards an approach that analyses FDI within the framework of sustainable development. Studies by Dunning, Borensztein, Blomstrom, Kokko and Alfaro, as well as recent studies by the OECD, UNCTAD and the World Bank, show that FDI can provide capital, technology, employment and governance capacity for host economies. Nevertheless, these positive effects are realised only when the locality has good institutional quality, synchronous infrastructure, appropriate human resources, technology absorption capacity and sufficiently strict environmental policies. Therefore, modern research increasingly emphasises FDI quality, innovation, quality employment, decarbonisation, value-chain linkages and sustainable regional development.

1.1.2. Studies by Vietnamese scholars

The system of domestic studies on FDI shows that, although researchers approach FDI from different localities and perspectives, they generally affirm the important role of FDI in national and local socio-economic development. FDI contributes to economic growth, economic restructuring, budget revenue, employment generation and integration into global value chains. These studies provide a useful foundation, but many of them still focus mainly on investment scale or short-term economic effects.

1.1.3. Studies on sustainable economic development

Studies on sustainable economic development and FDI attraction at local level confirm the need to combine economic growth with social progress and environmental protection. At provincial level, FDI attraction cannot be confined to

tax incentives or the expansion of capital volume; it must be associated with project quality, technology, environmental standards, linkages with domestic enterprises, budget contribution, employment, productivity improvement and economic restructuring. This provides the basis for the dissertation to inherit, develop and test these issues in the case of Hung Yen province.

1.2. Assessment of related studies and research gaps

1.2.1. Theoretical assessment

In theoretical terms, previous studies have built a relatively comprehensive foundation on FDI, investment motives, spillover effects, and the role of institutions, infrastructure, human resources and markets. However, most studies still approach FDI through capital scale, growth impacts or national-level analysis. Studies that simultaneously consider financial policy, FDI quality and sustainable economic development at provincial level remain limited, especially in the context of green development, circular economy and competition to attract high-quality FDI.

1.2.2. Practical assessment

In practical terms, domestic studies have analysed the role of FDI in growth, structural transformation, exports, budget revenue and employment in many localities. Some recent studies have paid more attention to FDI linked with sustainable development. However, there is still a lack of systematic research on Hung Yen province from a finance-banking perspective, combining secondary data, enterprise surveys and quantitative models to identify the factors affecting investment decisions.

1.2.3. Methodological assessment

Regarding methodology, many international studies use quantitative models with panel or time-series data, whereas many domestic studies rely mainly on description, synthesis and policy assessment. The dissertation addresses this limitation by combining qualitative and quantitative methods, using 279 valid survey responses, Cronbach's Alpha, EFA and multiple regression to add empirical evidence for a provincial-level study.

1.3. Research gaps

The dissertation's research gaps are mainly identified in three respects: (i) there are not many in-depth studies on FDI attraction associated with sustainable economic development at provincial level from a finance-banking perspective; (ii) there is a shortage of empirical models quantifying the impact of factors such as infrastructure, institutional policy, human resources, natural resources, market potential and cost advantages on FDI investment decisions; and (iii) for Hung Yen, no study has systematically developed the theory, assessed the situation during 2000-2025 and proposed financial solutions towards 2030 in the context of green development, supply-chain shifts and the improvement of FDI quality.

1.4. Research questions and new contributions of the dissertation

The dissertation addresses the following questions: What theoretical basis explains the relationship between FDI attraction and sustainable economic development at provincial level? What is the current situation of FDI attraction in Hung Yen during 2000-2025? Which factors affect FDI investment decisions? In what direction should financial policy be improved to attract high-quality FDI? The new contributions of the dissertation are the supplementation of a theoretical framework and evaluation criteria for FDI attraction associated with sustainable development, the testing of a factor model using 279 survey responses, and the proposal of financial-solution groups suitable to Hung Yen's conditions.

SUMMARY OF CHAPTER 1

CHAPTER 2: THEORETICAL BASIS AND PRACTICAL EXPERIENCE IN ATTRACTING FOREIGN DIRECT INVESTMENT IN ASSOCIATION WITH SUSTAINABLE ECONOMIC DEVELOPMENT AT PROVINCIAL LEVEL

2.1. General theory on foreign direct investment and FDI attraction

2.1.1. Concept and characteristics of foreign direct investment

Foreign direct investment (FDI) is one of the important forms of international investment, reflecting the movement of capital from one country to another in order to establish long-term ownership and control over production and business activities

in the host country. In the context of deepening globalisation and international economic integration, FDI is not only a source of additional capital for the economy, but also an important channel for transferring technology, managerial skills and modern knowledge among countries.

2.1.2. Attraction of foreign direct investment

Foreign direct investment attraction has become an important strategy for many countries and localities to promote economic growth, improve production capacity and strengthen economic competitiveness. For developing countries, including Vietnam, attracting FDI is not only a way to supplement development investment capital but also an important channel for receiving technology, managerial skills and access to international markets.

According to UNCTAD (2023), FDI attraction can be understood as the totality of policies, mechanisms and activities of governments and local authorities aimed at creating a favourable investment environment and encouraging foreign investors to bring capital, technology and resources into production and business activities in the host country or locality. From the perspective of economic management, FDI attraction is not confined to increasing the number of projects; it also aims to improve the quality of investment flows and ensure their consistency with national or local socio-economic development orientations.

2.2. Theoretical basis of sustainable economic development

2.2.1. Concept of sustainable economic development

In the context of climate change, resource depletion and increasingly fierce development competition, sustainable economic development has become a strategic orientation for many countries and localities, including Vietnam. According to the United Nations, sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs (United Nations, 2015). This view emphasises the need to ensure harmony between economic growth, social progress and environmental protection in the long term.

2.2.2. Contents of sustainable economic development

Sustainable economic development is a development process that ensures harmony among economic growth, social progress and environmental protection in order to maintain stability and improve development quality in the long term. From the United Nations perspective, sustainable development is built upon three pillars - economic, social and environmental - which have reciprocal and interactive relationships. Under current conditions, sustainable economic development reflects not only the speed of economic growth but also the quality of growth, resource-use efficiency and the capacity to maintain stable development in the future.

2.3. Attracting FDI in association with sustainable economic development at provincial level

2.3.1. Concept and relationship between FDI attraction and sustainable economic development at provincial level

Attracting FDI in association with sustainable economic development at provincial level is understood as the process by which local authorities synchronously use policies, financial instruments, institutional reforms, infrastructure development, human-resource development and investment promotion to select, orient and support FDI projects that positively contribute to economic growth, social progress and environmental protection. The relationship between FDI and sustainable development is not automatic; its effectiveness depends on the quality of capital flows, the absorptive capacity of the locality and policy-regulation capacity.

2.3.2. Contents of FDI attraction associated with sustainable development at local level

The contents of FDI attraction associated with sustainable development include: improving a transparent, stable and predictable investment environment; selecting projects according to technology, added value, linkages and environmental standards; developing industrial-park, logistics, urban and supporting-service infrastructure; improving the quality of human resources; strengthening linkages between FDI enterprises and domestic enterprises; controlling environmental impacts and promoting green transformation. These contents are particularly

important for Hung Yen because the province is industrialising rapidly and faces increasing pressure on land, infrastructure and the environment.

2.4. Financial policies and instruments in attracting FDI associated with sustainable development at local level

2.4.1. Tax policies and tax incentives for foreign investors

Tax policy is an important financial instrument used by the State to regulate the economy and orient investment flows. As international competition for investment becomes stronger, many countries and localities use tax incentives to improve the attractiveness of the investment environment and encourage foreign investors to implement projects locally. According to the OECD (2020), tax incentives are among the important factors affecting multinational enterprises' investment decisions, especially at the stage of location selection.

2.4.2. State budget expenditure policy for investment infrastructure development

State budget expenditure plays an important role in creating the physical and infrastructure conditions necessary for economic development. In the context of growing competition in investment attraction among countries and localities, the effective use of state budget resources to develop infrastructure is an important solution to increase the attractiveness of the investment environment and attract FDI. According to the World Bank (2020), the quality and level of infrastructure development significantly affect the investment decisions of multinational enterprises because good infrastructure reduces production and transport costs and improves business efficiency.

2.4.3. Credit policy and financial support for FDI enterprises

In addition to fiscal policies such as tax incentives and budget expenditure on infrastructure, credit policy and financial-support mechanisms also play an important role in creating a favourable investment environment and promoting FDI attraction. Through the banking credit system and financial-support funds, the State can provide necessary financial resources to support enterprises during project

implementation and expansion, thereby improving the efficiency of investment capital and promoting sustainable economic development.

2.4.4. Financial instruments to promote FDI attraction for sustainable economic development

With increasing climate change, resource depletion and environmental pressure, many countries and localities have shifted from a traditional investment-attraction model to a sustainable-development investment-attraction model, prioritising environmentally friendly projects, clean technologies and high added value. To achieve this goal, financial instruments play an important role in orienting and encouraging foreign investors to undertake projects consistent with sustainable-development objectives.

2.5. Factors affecting FDI attraction for sustainable economic development at provincial level

The dissertation synthesises six major groups of factors affecting FDI attraction at local level: market potential, cost advantages, natural resources and geographical location, human resources, infrastructure, and institutional policies. Based on the research overview and the reality of Hung Yen, the dissertation develops research hypotheses that these factors have positive impacts on FDI investment decisions. Infrastructure, institutional policies and human resources are expected to play important roles as FDI flows shift from cost-based advantages to the quality of the investment environment.

2.6. Criteria for assessing FDI attraction for sustainable economic development at provincial level

The criteria for assessing FDI attraction associated with sustainable economic development should reflect both the scale and the quality of capital flows. The dissertation approaches the issue through the following groups of criteria: registered and realised capital, number of projects, structure by sector, location and partner; contributions of the FDI sector to growth, restructuring, budget revenue, exports, productivity and employment; linkages with domestic enterprises; technology

quality; resource use; environmental compliance; and contributions to green-growth objectives.

2.7. Experience in attracting FDI for sustainable development and lessons for Hung Yen province

Experience from several countries and localities shows that sustainable FDI attraction should be based on a selective strategy, synchronous infrastructure, transparent institutions, quality human resources, incentives linked to actual performance, and environmental-monitoring mechanisms. The lesson for Hung Yen is to shift strongly from competition based on incentives and costs to competition based on governance quality, infrastructure, public services, regional linkages, supporting industries, innovation and green-development standards.

SUMMARY OF CHAPTER 2

CHAPTER 3: CURRENT SITUATION OF ATTRACTING FOREIGN DIRECT INVESTMENT IN ASSOCIATION WITH SUSTAINABLE ECONOMIC DEVELOPMENT IN HUNG YEN PROVINCE

3.1. Current situation of foreign direct investment in Hung Yen province

3.1.1. Natural and socio-economic conditions affecting FDI attraction in Hung Yen

Hung Yen province has a prominent advantage in geographical location. It lies in the centre of the Red River Delta, adjacent to Hanoi and connected with major economic centres such as Hai Phong, Quang Ninh and Bac Ninh. The province is influenced by important transport routes and has favourable conditions for developing industrial parks, logistics and supporting industries. This geographical position helps reduce transport costs, expand access to input and output markets, and increase attractiveness to foreign investors.

Regarding socio-economic conditions, Hung Yen has maintained relatively high economic growth, a strong process of industrialisation and urbanisation, and an increasingly improved system of industrial parks. The province has advantages in labour supply, market size, proximity to the Capital Region and the ability to participate in regional value chains. Nevertheless, the province also faces pressure

in terms of land funds, infrastructure, environmental treatment, worker housing, social infrastructure and the quality of skilled labour.

3.1.2. Policies for attracting FDI contributing to sustainable economic development in Hung Yen

Hung Yen has implemented many policies to improve the investment environment, develop industrial parks, reform administrative procedures, promote investment and support investors. The province has oriented FDI towards processing and manufacturing, supporting industries, high technology and projects with better added value. However, local financial policies and support instruments still need to be further improved so that incentives are linked more closely with technology, environmental standards, labour training, localisation and long-term contributions to the province.

3.1.3. Current situation of FDI attraction in Hung Yen province

3.1.3.1. Number of projects and registered capital over time

During 2000-2025, Hung Yen attracted an increasing number of FDI projects and a growing amount of registered capital. The cumulative number of FDI projects reached more than 500, with registered capital of several billion USD. This reflects the transition from an initial attraction phase to a phase of strong development based on industrial parks and processing and manufacturing industries.

In recent years, Hung Yen has continued to maintain its attractiveness to foreign investors thanks to improvements in infrastructure, administrative-procedure reform and regional-linkage advantages. The years 2023 and 2024 recorded positive FDI attraction; by 2025, the province continued to strengthen investment promotion, develop industrial parks, expand development space and orient itself towards selecting higher-quality capital flows.

3.1.3.2. FDI attraction in Hung Yen by locality, partner and investment field

By investment area, industrial parks such as Thang Long II, Pho Noi A, Pho Noi B, Yen My I and Yen My II are the main areas attracting many projects and large amounts of FDI capital. Thang Long II has 95 projects, accounting for 17.2%;

Pho Noi A has 72 projects, accounting for 13.0%. In terms of registered capital, Pho Noi A reached about USD 1,310 million, Yen My I and II about USD 1,286.97 million, Thang Long II about USD 1,266.10 million and Pho Noi B about USD 1,182 million. By partner, Japan, the Republic of Korea and China are the three largest investor groups; Japan has 171 projects, accounting for 31.7%, and registered capital of about USD 3,752.99 million, accounting for 55.2%. By field, FDI is concentrated in electricity, electronics, informatics, telecommunications, mechanical engineering, textiles and garments, automobile and motorcycle components, and manufacturing industries.

3.1.4. Comparison of FDI attraction in Hung Yen with neighbouring provinces

A comparison with neighbouring provinces shows that Hung Yen holds a significant position in the Red River Delta, especially due to its proximity to Hanoi, connectivity with Hai Phong and a developing industrial-park network. The number of projects in Hung Yen is relatively high, but the average capital per project and the share of high-technology projects still need improvement in order to compete with strong FDI centres such as Bac Ninh and Hai Phong.

The period 2020-2025 shows that Hung Yen maintained stable growth in FDI attraction, but it needs to shift from advantages based on location and costs to advantages based on infrastructure, technology, institutions, human resources and green development. This is essential for improving the quality of capital flows, limiting the risks of extensive development and increasing the spillover effects of the FDI sector on the local economy.

3.2. Contributions of FDI to sustainable development in Hung Yen province

3.2.1. Economic contributions

FDI makes an important contribution to Hung Yen's economic development by supplementing investment capital, promoting industrial production, creating jobs, increasing budget revenue and expanding exports. The share of FDI capital in total social investment rose from 17.8% in 2011 to 33.4% in 2024, reaching 45.3% in

2021. The scale and business results of FDI enterprises also improved markedly: average business capital increased from VND 41,612 billion in 2011-2015 to VND 70,574 billion in 2016-2025; net revenue rose from VND 26,346 billion to VND 67,551 billion; and pre-tax profit increased from VND 862 billion to VND 5,211 billion. This shows that the FDI sector has become an important driver of structural transformation and improvement in the province's production capacity.

3.2.2. Social contributions

In social terms, the FDI sector contributes to job creation, income improvement and the formation of an industrial labour force. On average during 2011-2015, FDI enterprises employed about 49,703 workers with an average monthly income of VND 5.739 million; during 2016-2025, this increased to about 77,487 workers with an average monthly income of VND 8.448 million, higher than the overall average of enterprises in the province. This is an important contribution to labour transition and local social security.

3.2.3. Environmental contributions

In environmental terms, FDI creates opportunities to access higher technologies, governance standards and environmental standards, especially in industrial parks with centralised wastewater, waste and environmental management systems. However, positive impacts do not arise automatically. The province needs to continue controlling project selection, supervising operations, raising environmental standards and prioritising clean-technology, energy-saving and low-emission projects.

3.3. Factors affecting FDI attraction for sustainable economic development in Hung Yen province

3.3.1. Scales and research sample

The research model uses six groups of factors affecting FDI investment decisions: market potential (TNNT), cost advantages (LTCP), natural resources/geographical location (TNTN), human resources (NNL), infrastructure (CSHT), and institutional policies (CSTC). The dependent variable is the investment decision (DAUTU). The survey sample consists of 279 valid responses

from FDI enterprises, management officials and experts. The measurement scales are built using a five-point Likert scale and tested for reliability, convergent validity and discriminant validity before regression analysis.

3.3.2. Regression analysis results

3.3.2.1. Reliability assessment of the scales

Cronbach's Alpha results indicate that the scales achieve reliability and the observed variables have appropriate item-total correlations. Exploratory factor analysis (EFA) gives KMO = 0.948 and Bartlett's test is statistically significant, indicating that the data are suitable for factor analysis. After rotation, the six factor groups have a clear structure and reflect the major aspects affecting FDI attraction in Hung Yen.

3.3.2.2. Regression analysis

Multiple linear regression is conducted with six independent variables (CSHT, CSTC, NNL, LTCP, TNTN and TNTT) and the dependent variable DAUTU. The model has $R = 0.839$, $R\text{ Square} = 0.703$ and $\text{Adjusted } R\text{ Square} = 0.697$, meaning that the factors in the model explain approximately 69.7% of the variation in investment decisions. The ANOVA test has $\text{Sig.} = 0.000$, showing that the model is appropriate for the research data.

Summary of regression model results for factors affecting FDI investment decisions in Hung Yen province

Variable	B	Beta	t	Sig.	VIF
TNTT	0.168	0.161	3.083	0.002	2.485
LTCP	0.061	0.060	1.263	0.208	2.051
TNTN	0.229	0.211	4.480	0.000	2.036
NNL	0.095	0.091	2.042	0.042	1.808
CSHT	0.368	0.352	7.246	0.000	2.159
CSTC	0.160	0.149	3.232	0.001	1.959

Note: $R = 0.839$; $R\text{ Square} = 0.703$; $\text{Adjusted } R\text{ Square} = 0.697$; dependent variable: DAUTU.

The regression results show that infrastructure (CSHT) has the strongest effect on FDI investment decisions (Beta = 0.352), followed by natural resources/geographical location (TNTN, Beta = 0.211), market potential (TNNT, Beta = 0.161), institutional policies (CSTC, Beta = 0.149) and human resources (NNL, Beta = 0.091). The cost-advantage factor (LTCP) has Sig. = 0.208, so there is insufficient basis to confirm its statistical significance in the model. VIF values range from 1.808 to 2.485, all below 3, indicating no serious multicollinearity. These results reflect the trend that investors increasingly attach importance to infrastructure quality, location, market potential and institutions rather than cost advantages alone.

3.4. Assessment of FDI attraction for sustainable economic development in Hung Yen province

The notable achievements are the rapid increase in FDI scale across periods; significant contributions of the FDI sector to social investment capital, industrial production, revenue, profit, workers' income and economic restructuring; and the development of industrial parks, connecting infrastructure, investment-promotion policies and administrative reform, which have created an important foundation for FDI attraction.

The main limitations are that FDI quality is not yet uniform; some projects remain processing- or labour-intensive, with low added value and limited linkages with domestic enterprises; supporting industries have not developed commensurately; and pressures on land, environment, worker housing, social infrastructure and human-resource quality are increasing.

The causes stem from limitations in infrastructure quality, clean land funds, regional-linkage capacity, skilled labour quality, supporting industries, selective-project policies and post-licensing supervision capacity. At the same time, competition for FDI among localities in the region is becoming increasingly intense, while international investors' standards have shifted strongly towards green, digital and sustainable development.

SUMMARY OF CHAPTER 3

CHAPTER 4: SOLUTIONS TO STRENGTHEN THE ATTRACTION OF FOREIGN DIRECT INVESTMENT IN ASSOCIATION WITH SUSTAINABLE ECONOMIC DEVELOPMENT IN HUNG YEN PROVINCE TOWARDS 2030

4.1. Viewpoints, orientations, context and forecasts on FDI attraction for sustainable economic development in Hung Yen

4.1.1. Domestic and international contexts affecting FDI attraction for sustainable economic development in Hung Yen

The international context towards 2030 creates both opportunities and challenges for Hung Yen. Supply-chain restructuring, the China+1 strategy, digital transformation, Industry 4.0, green growth, ESG requirements and competition for high-quality FDI are changing investment-location criteria. Investors are no longer concerned only with costs; they increasingly value infrastructure, human resources, governance quality, environmental compliance, logistics and policy stability. This trend is consistent with Hung Yen's advantages but also requires the province to renew financial policies, upgrade infrastructure and improve the quality of public services.

Domestically, institutional improvement, green transformation, the development of the digital economy, the planning of the Red River Delta and competition among localities require Hung Yen to clearly define its priority FDI segments. The province needs to target high-technology projects, supporting industries, logistics, smart urban development, high-quality services and sectors with high added value, while limiting projects that consume excessive resources, have high emissions or produce low spillover effects.

4.1.2. Viewpoints and orientations for attracting FDI for sustainable economic development in Hung Yen

The central viewpoint of the dissertation is that FDI attraction must be an organic part of Hung Yen's sustainable-development strategy rather than an end in itself. The province should give priority to quality, efficiency, technology, environmental standards and spillover capacity instead of merely pursuing the

number of projects or the volume of capital. FDI projects should be selected according to their contributions to green growth, productivity, budget revenue, quality employment and linkages with domestic enterprises.

Hung Yen's orientation for FDI attraction towards 2030 is to focus on high-technology processing and manufacturing, supporting industries, electronics, precision mechanics, automobile and motorcycle components, logistics, smart urban and service development, high-tech agriculture and environmentally friendly sectors. The province needs to form eco-industrial parks, synchronous infrastructure, professional one-stop services, effective post-inspection mechanisms and an ecosystem supporting investors.

Another important orientation is to link FDI attraction with the development of domestic enterprises and local human resources. FDI projects should create opportunities for small and medium-sized enterprises to participate in supply chains, receive technology transfer, improve management skills and meet production standards. At the same time, the province should promote vocational and technical training and strengthen linkages among educational institutions, enterprises and industrial parks to meet the requirements of new-generation FDI.

4.1.3. Forecast of FDI and other resource needs for sustainable economic development in Hung Yen during 2025-2030

The forecast of resource needs for 2025-2030 should be placed within the province's objectives of growth, industrialisation, urbanisation and green development. Capital needs for socio-economic infrastructure, industrial parks, logistics, transport, worker housing, environmental treatment and smart urban areas are very large. Therefore, FDI not only supplements capital but also brings technology, governance, production standards and connections with international markets.

The dissertation approaches FDI forecasting through three scenarios. The cautious scenario maintains an attraction pace similar to the recent period. The baseline scenario gradually improves infrastructure, procedures and promotion in order to increase both project scale and quality. The positive scenario assumes that

Hung Yen effectively exploits regional advantages, strongly improves the investment environment and attracts high-technology, logistics, supporting-industry, smart-urban and green projects. In any scenario, the core requirement remains improving the quality, efficiency and sustainability of FDI.

4.2. Solutions to promote sustainable FDI in Hung Yen province

4.2.1. Groups of management and policy solutions

Improving local financial policies towards attracting high-quality FDI and sustainable economic development in Hung Yen

Empirical results show that FDI attraction in Hung Yen is most strongly affected by infrastructure, followed by natural resources/geographical location, market potential, institutional policies and human resources, while cost advantages are not statistically significant. Therefore, local financial policy should shift from broad-based incentives to conditional incentives linked to technology, the environment, linkages, labour training, fulfilment of investment commitments and long-term contributions to the province.

The province should improve financial policy in the following directions: prioritising budget resources for key infrastructure; designing post-licensing support mechanisms; implementing tax, fee and land-rent policies in accordance with regulations but selectively; developing clean land funds and eco-industrial parks; promoting public-private partnerships in infrastructure; and improving transparency, accountability and the efficiency of budget expenditure for investment promotion, human-resource training and environmental protection.

In addition, the province needs to develop a finance-banking system that supports FDI enterprises and linked domestic enterprises, including credit, guarantees, international payments, foreign exchange and supply-chain finance; support domestic enterprises in upgrading their standards to participate in FDI supply chains; and encourage green finance, green credit and financial instruments for technological innovation, energy saving and emission reduction.

4.2.2. Solutions for developing foundational conditions for sustainable FDI attraction

Hung Yen should prioritise the development of transport, logistics, electricity, water supply, wastewater and waste treatment, telecommunications, digital infrastructure and social infrastructure around industrial parks. At the same time, the province needs to prepare clean land funds, accelerate site clearance, develop eco-industrial parks, upgrade public administrative services and establish inter-sectoral coordination mechanisms. Regarding human resources, it should connect FDI enterprises with training institutions, develop vocational-training programmes based on enterprise orders, and improve digital skills, technical skills and labour discipline.

4.2.3. Solutions for orienting FDI attraction in association with growth-model transformation and sustainable development

Hung Yen needs to shift from extensive FDI attraction to in-depth attraction, prioritising projects with high technology, high added value, economical land use, low emissions, linkages with domestic enterprises and commitments to labour training. The province should develop a selective list of projects calling for investment, apply screening criteria on technology, environment, energy, labour and budget contribution, strengthen post-licensing supervision, periodically evaluate project implementation efficiency, and handle projects that are delayed or fail to meet commitments.

4.3. Recommendations and proposals

The dissertation recommends that the central government continue improving legal policies on investment, taxation, land, environment, eco-industrial parks, green finance and decentralised investment management, while supporting localities in strategic investment promotion, regional infrastructure development and human-resource training. For Hung Yen province, it is necessary to issue an action programme on sustainable FDI attraction towards 2030, improve the investor database, build project-selection criteria, enhance appraisal quality, improve public services and strengthen dialogue with enterprises.

SUMMARY OF CHAPTER 4

CONCLUSION

The dissertation confirms that attracting FDI for sustainable economic development in Hung Yen province is a strategic requirement in the context of supply-chain shifts, competition for international capital, green development and growth-model renewal. Hung Yen has many advantages in location, infrastructure, industrial parks, markets and regional linkages; however, to promote the effectiveness of FDI, the province needs to shift strongly from quantity-based attraction to quality-based attraction.

In theoretical terms, the dissertation systematises the scientific basis of FDI, FDI attraction, sustainable economic development and the relationship between FDI attraction and sustainable development at provincial level; it also clarifies the role of financial policies and instruments in orienting FDI flows. In practical terms, the dissertation analyses the current situation of FDI attraction in Hung Yen during 2000-2025, identifying economic, social and environmental contributions as well as limitations in quality, linkages, technology and development pressure.

Quantitative results from 279 survey responses show that the factors affecting FDI investment decisions in Hung Yen include infrastructure, natural resources/geographical location, market potential, institutional policies and human resources. Infrastructure has the strongest effect, while cost advantages are not statistically significant. These results provide an important basis for proposing financial and local-governance solutions to improve the quality of the investment environment.

The proposed solution system focuses on improving local financial policies, prioritising budget expenditure for infrastructure, developing green finance, supporting linked enterprises, improving the quality of human resources, developing eco-industrial parks, strengthening project selectivity and post-licensing supervision. These solutions aim to help Hung Yen attract high-quality FDI, create a driver for sustainable growth, improve competitiveness and contribute positively to the development of the Red River Delta.

**LIST OF THE AUTHOR'S PUBLISHED WORKS RELATED TO THE
DISSERTATION**

No.	Title of work	Publication date	Journal
1	Impact of COVID-19 on foreign direct investment in Vietnam	March 2024	Journal of Global Academic Research in Economics, Business and Management
2	Opportunities and challenges in attracting foreign direct investment into Vietnam in the new context	May 2025	Financial and Accounting Research
3	Enhancing FDI attraction to promote sustainable economic development in Hung Yen province	June 2025	Economics and Forecast
4	Factors affecting the capital structure of Vietnamese hydropower enterprises	June 2025	Economics and Forecast
5	Factors affecting the attraction of foreign direct investment capital into provincial-level localities	July 2025	Financial and Accounting Research
6	Attracting foreign direct investment for sustainable economic development in Hung Yen province	October 2025	Financial and Accounting Research