

Foreign Direct Investment (FDI) in Vietnam Economy

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Abstract

Foreign Direct Investment has positive impacts on developing economies, however without proper and effective policies in attracting and management of foreign investment, there can be negative impacts as well. This study attempts to provide a picture of foreign investment in Vietnam over the past time. The main research method used in the article is statistics analysis and Input-Output analysis method using data from Vietnam General Statistics Office, along with some contemporary policy discussion. A comprehensive statistical investigation shows that while FDI sector consistently accounts for about 20% of Vietnam GDP since 1995, this sector is becoming dominating in importing and exporting relatively to State and other non-State sectors. Besides, policies exercised by the Government are both showing signs of unfair treatment between FDI and domestic sectors and showing loopholes exploited by FDI firms (such as tax avoidance and price transfer). From the Input-Output analysis, we discovered that the sector which needs State investment the most—domestic sector with highest spillover effects to income and lowest to import—is begin neglected in favor of FDI sectors. Consequently, this has created a fragmented domestic economy that is assembly-based and not fully utilising its manufacturing potentials. Some recommendations drawn from the study are: increase effectiveness of policy in attracting and using foreign investments; ensure fairness in treatment between foreign and domestic firms; create incentives to boost domestic manufacturing; priorities foreign capitals which have positive spillover effects and technology transfer.

Keywords

Domestic, Enterprise, FDI, GDP, GNI, Input-Output, Investment, Export, Import

1. Introduction

Foreign direct investment (FDI) has a very important meaning both in the start-up phase of the economy, as well as in the depth of development, on the way of industrialization, modernization and development of knowledge economy. This is because foreign direct investment is a very important source of supplementary capital to the total investment capital and contributes to economic growth. Since 1978, when the Law on Foreign Investment of Vietnam [1] was passed, a large amount of foreign capital was attracted, making important contributions to economic development, stimulating exports and improving quality of human resources, technology, and an important premise for Vietnam's economic growth. On the other hand, attracting foreign direct investment is also one of the main objectives in Vietnam's socio-economic development.

Although attracting foreign direct investment is very important to mobilizing and long-term usage of capital, it is necessary to select and make policies suitable to each stage of development. In recent years, FDI enterprises in Vietnam have enjoyed many incentives from tax and land policies which, in turn, have caused many difficulties and disadvantages for domestic enterprises. This article aims to assess the status of the FDI sector's contribution as well as Vietnam expectations for FDI enterprises. Through analysis, some recommendations will be given to domestic businesses and to the state to have appropriate policies that ensure mutual benefits for all kind of business and harmonize with the country's interests.

Vietnam Investment Law [2] stipulates that: Foreign direct investment is when foreign investors bring into Vietnam capital in cash or any assets to invest, investors may be an organization or individual. There are also a number of widely recognized definitions of FDI:

Foreign direct investment (FDI) is a foreign-owned capital of assets such as factories, mineral mines and land in countries, but does not include securities. It is also possible to understand that direct investment is a long-term form of investment by an individual or company investing in another country by establishing a business-production facility, in which an individual or foreign company that will take control of this business in the country where the investment is made.

The World Trade Organization (WTO) has also made the following definition of FDI: Foreign direct investment is made when an investor from a country (called the investor country) acquires investment assets in order to invest at another country (the host country that attracts investment) along with the right to manage the property. Direct management is a sign to distinguish FDI from other financial instruments such as securities and credit. Thus, it can be seen that FDI has the following basic characteristics:

- There are elements of investment capital from abroad (may be individuals or organizations, businesses);
- Use that capital to invest abroad by setting up new assets;

- The foreign party has the right to manage the use and exploitation of such capital.

Economists have come up with explanations on why FDI exists and the phenomenon of moving capital from one country to another. This is because there is a difference in the productivity of the increase in the marginal productivity—the amount of output that a manufacturer can obtain by using an additional unit of production factor of capital between countries. Therefore, some countries are both foreign capital investor and receiver. A “capital surplus” country in a certain field often has lower marginal productivity when using it in another country, because it has reached “critical” point. A “capital deficit” country often has a higher marginal productivity, due to many untapped potentials. This situation will lead to the movement of capital from surplus to relatively scarce places, in order to maximize profits because the production costs of “excess capital” countries are often higher than those of “capital deficit” and wishing to receive capital.

Growth theories often focus on production factors, typically the notions of Ricardo, Smith, Karl Marx, which are followed by the Solow-Swan model [3] [4] as a model of exogenous growth, capital, labor, technological processes, management methods... (total factor productivity—TFP). Next Paul Romer [5] and Robert Lucas (1988) [6] put technological progress and the role of human capital as the central point of their theoretical model. It was Robert Barro [7], Barro JR, Sala-i-Martin [8] who emphasized not only the technological process, but also human capital and public policies as contributors to the increased continuous growth.

The Input-output analysis is also used in this study. There are not many studies using the I/O model to assess the impact of FDI. Some related studies such as Shri Prakas, Shalini Sharma and F. Kasid [9] in IIOA conference at San Paolo presented the approach input output model of impact of FDI on Indian economic growth, Bruno de Souza Lopes *et al.* [10] used input output approach in order to compared Foreign Direct Investment versus Domestic Investment, Trinh Bui and Pham Le Hoa [11] used also input output approach for comparing structure of Vietnam economy and China economy. Research on Vietnam Economic Structure Change based on input output system also mention Ha *et al.* [12].

This study indicates that the foreign-invested sector may increase GDP but may also reduce the economy’s resources, which can make the gross national income (GNI) smaller and the flow of money going abroad is getting bigger and bigger, while people and host countries hardly get any benefits from FDI enterprises.

2. Methodology and Data Sources

This study is based on the criteria of the System of National Accounts (SNA), the path from income generation to income distribution and redistribution is ex-

pressed through macro indicators such as export, import, GDP, GNI.

Another study by Leontief [13] [14] also used input-output analysis approach in order to find the induced impacts by final demand to output, value added and import. In this research the gross capital formation was divided into state, non-state and FDI areas. Data in this research are available in website of GSO, and the input-output table was updated in 2016.

- Approach update input-output table 2016:
- + Based on structure of the input-output table, 2012 with competitive import-type and row vectors as intermediate input and gross input collected by enterprise survey. Call $II(2012)$ and $II(2016)$ are intermediate input vectors in 2012 and 2016; $GI(2012)$ and $GI(2016)$ are gross input vectors in 2012 and 2016, element of intermediate input matrix defined as follow:

$$X_{ij}(2016) = (X_{ij}(2012)/II(2012)) * II(2016)$$

- + Household consumption was collected by VHLSS survey.
- + Export and import based on report of Vietnam general statistics office.
- + Gross capital formation was collected by report of provinces and enterprise survey.

After that the Ras¹ [15] method was used for balancing gross input and gross output.

- Apply input-output system:

The standard Leontief (1941) was solving:

$$X = (I - A^d)^{-1} * Y^d \quad (1)$$

where: X is an output matrix that is induced by factor of domestic final demand; A^d is domestic direct intermediate coefficient matrix, Y^d is domestic final demand matrix, dimension of this matrix is number sectors in row and factors on domestic final demand (final consumption, gross capital formation of state area, gross capital formation of non-state area, gross capital formation of FDI area and export).

From (1) we have:

$$V = v * (I - A^d)^{-1} * Y^d \quad (2)$$

With: V is value added matrix and v is their coefficient matrix

And:

$$M = m * (I - A^d)^{-1} * Y^d \quad (3)$$

With: M is import vector and m is their coefficient vector

From (1), (2), (3), the induced impact of output, value added and import defined as follow:

¹Some experts believe that the RAS method is named after the economist Richard Stone (1919-1991), who, among his other achievements, co-authored the 1968 SNA together with Abraham Aidenof. His full name was John Richard Nicholas Stone. He did not have "A" as his middle initial so there must be another explanation for RAS.

Output multipliers:

$$X \div \sum Y \quad (4)$$

Value added multipliers:

$$V \div \sum Y \quad (5)$$

Import multipliers:

$$M \div \sum Y \quad (6)$$

where: \div shows scalar division.

The data of these indicators are collected at the General Statistics Office (GSO) [16], an office under Vietnam Ministry of Planning and Investment. This data are from 1995 to 2017 and preliminarily calculated in 2018. Therefore, the data evaluated here are relatively long-term (in 22 years). Vietnam experienced important milestones during this period, such as: officially normalized relations with the United States in 1995; officially became a member of WTO in 2007; became a low-middle-income country in 2010.

As the data is compiled from the General Statistics Office, this ensures consistency in calculation and definition of figures. However, the data does not show particularly where FDI comes from (*i.e.* which country, which times). This is a major setback for FDI statistics in particular but also for Vietnam in general. For example, export and import data only became available recently from Ministry of Industry and Trade. In the framework of analyzing data from the General Statistics Office, the analysis in part (3) and policy recommendations in part (4) focus on clarifying the current status of FDI in Vietnam in more than 20 years (not clarifying Vietnam's trade relations).

3. Status of Foreign Direct Investment in Vietnam

Although the flow of investment from the FDI sector is expected to generate growth for Vietnam, according to the General Statistics Office (GSO) the proportion of investment capital of the State economic sector still accounts for the largest proportion and if compared 2013 to 1995, only decreased by 1.6% points (from 42% down to 40.4%). Particularly since Vietnam joined the WTO in 2007, the investment capital of the state economic sector has tended to increase, while the non-state and FDI sectors tend to decrease (**Table 1**).

Although the FDI sector's capital accounts for only about 22% of the total capital, the import-export value of this sector increasingly accounts for a significant proportion of the total import-export value (**Table 1**). From 2000 up to now, Vietnam has always had high trade deficits, highest in 2008 with a total trade deficit of over \$18 billion. For a developing economy like Vietnam, trade deficit is not necessarily bad, if imported goods serve the demand for production and for domestic consumption. However, in fact, the imported goods mainly serve the FDI sector, an area where most of the machinery, equipment, materials, raw materials, etc. are used for production are mainly imported, then again

Table 1. Structure of investment by types of ownership.

Year	Structure (%)			
	Total	State	Non-state	FDI
1995	100.0	42.0	27.6	30.4
1996	100.0	49.1	24.9	26.0
1997	100.0	49.4	22.6	28.0
1998	100.0	55.5	23.7	20.8
1999	100.0	58.7	24.0	17.3
2000	100.0	59.1	22.9	18.0
2001	100.0	59.8	22.6	17.6
2002	100.0	57.3	25.3	17.4
2003	100.0	52.9	31.1	16.0
2004	100.0	48.1	37.7	14.2
2005	100.0	47.1	38.0	14.9
2006	100.0	45.7	38.1	16.2
2007	100.0	37.2	38.5	24.3
2008	100.0	33.9	35.2	30.9
2009	100.0	40.5	33.9	25.6
2010	100.0	38.1	36.1	25.8
2011	100.0	37.0	38.5	24.5
2012	100.0	40.3	38.1	21.6
2013	100.0	40.4	37.7	21.9
2014	100.0	39.9	38.4	23.3
2015	100.0	38.0	38.7	23.3
2016	100.0	37.6	39.0	23.4
2017	100.0	35.7	40.6	23.7
Prel. 2018	100.0	33.3	43.3	23.4

Source: Vietnam GSO.

are used for export. Some major exporting products of Vietnam such as electronics; computers and components; phones and components; textiles; footwear..., are heavily assemble-based in nature, have low value-added content, the efficiency of the economy is not significant. According to research on trade deficit and GDP growth rate in the period of 2000-2016, whether trade deficit is high or low, GDP still grows well in this period. In 2012, trade surplus was \$284 million, GDP growth still reached 5.03%, even though it was low in the past 12 years.

The statistics also show that since the WTO accession (2007), the openness of the Vietnamese economy was huge, the export of goods in the period of 2007-2016 increased by 364%, the import of goods increased 279%. However, considering the ownership, it can be seen that the FDI sector increased much faster than the domestic sector: the export of FDI in this period increased by 454% and the import of goods of the FDI sector increased by 472%, the average export growth rate of the FDI sector in the period of 2007-2016 is about 21%

annually and the average growth of import of FDI sector is about 22% annually, while the export and import growth of the domestic sectors in this period is 11% and 7% annually respectively. The import and export structure also shows that the FDI sector is rapidly gaining market share of exports and imports. In 2005 exports of FDI sector accounted for about 57% of the total export value In 2016 the region’s exports sector accounts for 72% of the total export value; similarly, the import structure of the FDI sector also increased from 35% in 2005 to 59% in 2016.

Import and export trends of the FDI sector are also increasingly “dominating”, gradually occupying the market share of the domestic economic sector. The export structure of the domestic economic sector in 1995 accounted for 73% of total export turnover by the year 2000 it was 52.98%, down to 27.5% in 2017. Meanwhile, the FDI sector increased from 27% in 1995 to 47.02% in 2000 and 72.5% in 2017. Import structure also changed significantly, as the domestic economic sector “yielded” 33.2% market share to the FDI sector in the period 2000-2017 (Figure 1 and Figure 2).

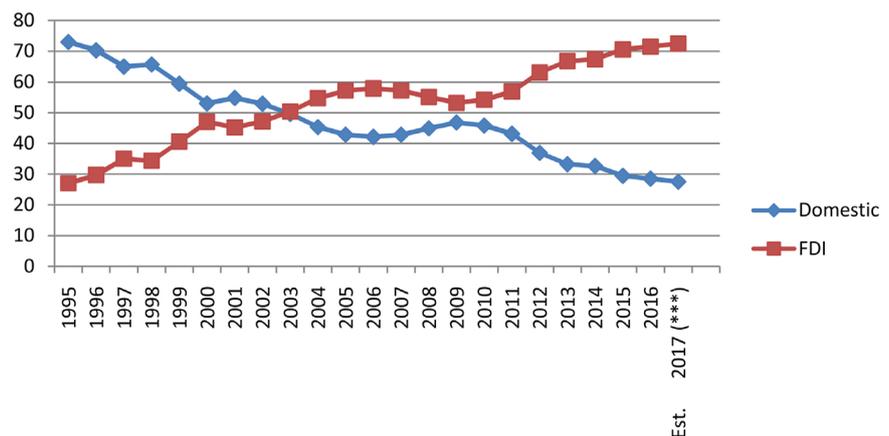


Figure 1. Structure of goods exports in the period 2000-2017 (%). Source: Authors’ calculation from GSO data.

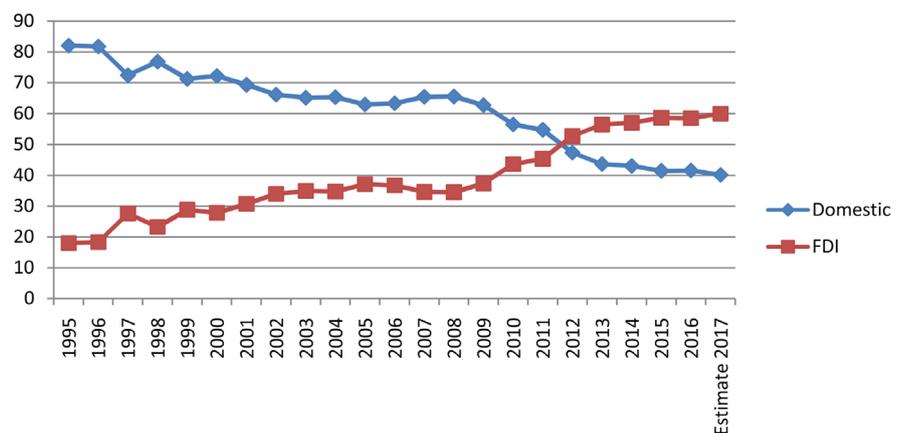


Figure 2. Structure of goods imports in the period 2000-2017 (%). Source: authors’ calculation from GSO data.

In recent years, many policy makers and experts have been optimistic because Vietnam export of goods has been a trade surplus. While domestic economy sector experienced trade deficit from 1995 to 2017, foreign investment sector has always enjoyed trade surplus. In 1995 the foreign invested sector only had a trade surplus of \$5 million; in 2017 the trade surplus of this region was over \$25 billion. In comparison, domestic area's trade deficit in 1995 was about \$2.7 billion and in 2017 was over \$25 billion. Thus, we can see that the total trade surplus or trade deficit is brought by the foreign invested sector. Does this indicate that praising trade surplus actually is praising the outsider's money?

According to GSO, the export of FDI sector is very large (72.5% in 2017) but the value adding to GDP only accounts for 18% of the total export value (**Figure 3**). Even though in the FDI sector's exports which are including exports of resources (coal, oil, etc.), the ratio of intermediate costs is not high, but the proportion of value increases of this area in total GDP is only approximately 20%. In fact, the contribution of the FDI sector to GDP of 20% is not small while the private sector only contributes about 10%, the contribution of the state economic sector accounts for 32% including State-owned enterprises' contributions to state management and non-business activities (money from recurrent budget), estimated contribution of state-owned enterprises to GDP is about 20%². The largest contribution to GDP is the household sector accounting for 33% of GDP, once again affirming that Vietnam's economy is not only a processing economy but also one that is very fragmented. One country cannot grow if the economy is based on manufacturing and small households. Unfortunately, this proportion has not changed noticeably since 2005 (**Table 2**).

The production of the foreign investment sector is mainly for processing and the portion of the export of this sector is only in the processing, the value added is extremely low in the export value. In essence, export from this sector is the export from the owner's country exploiting Vietnamese market's favoring conditions to other third-party countries. If goods are produced by foreign investment sectors but sold in Vietnam, they are in fact exported to Vietnam and have higher profits when they produce in their home countries and then export to Vietnam because they enjoy many advantages and cheap labor. This is partly reflected in the contribution of the FDI sector to GDP although the export value is very large but the value added of this sector in GDP is low (only about 18%). Based on estimated net foreign ownership payment data in 2018, it shows that net foreign ownership is of more than \$20 billion, in which more than \$10

²Currently, economic situation assessments are often tied to targets. GDP in Vietnam today is not only calculated but also recognized in terms of supply side, that is to add all value-added by basic prices of industries in the economy and product tax (in Value added according to the calculation method of Vietnam Statistical Office does not include product tax) on the principle of permanent residence, for example a FDI enterprise operating in the territory of Vietnam for more than one year, the entire value The increase of that enterprise is included in Vietnam's GDP, an FDI enterprise exploiting natural resources in Vietnam is also calculated according to the above principle. Thus, the growth in scale as well as the number of GDP indicators does not really reflect the picture of the economy, such as FDI enterprises specializing in resource exploitation, they will transfer profits to their country but the figures are still reflected in Vietnam's GDP.

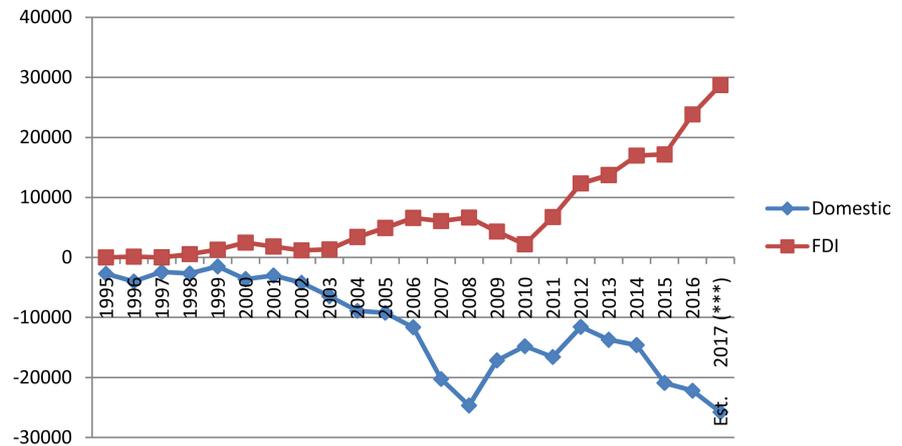


Figure 3. Net export of domestic economic sector and foreign invested sector (USD million). Source: Vietnam GSO.

Table 2. Proportion of GDP contribution of economic sectors (%).

	Total	State economic sector	Non-state economic sector	In which by types:			Foreign invested sector
				Collective	Private	Household	
2005	100	37.6	47.2	6.6	8.5	32.1	15.2
2006	100	36.7	47.2	6.3	9.0	31.9	16.1
2007	100	35.3	47.7	6.1	9.7	31.9	17.0
2008	100	35.1	47.5	5.9	10.2	31.4	17.4
2009	100	34.7	48.0	5.8	10.5	31.7	17.3
2010	100	33.5	48.8	5.3	10.7	32.8	17.7
2011	100	32.7	49.3	5.2	10.9	33.2	18.0
2012	100	32.2	48.3	5.0	10.9	32.3	19.5
2013	100	32.3	48.4	4.5	8.7	35.3	19.3
2014	100	31.9	48.2	4.5	8.7	35.0	19.9
2015	100	31.9	48.0	4.5	8.8	34.8	20.1
2016	100	32.0	47.3	4.4	9.1	33.8	20.7
2017	100	28.63	41.74	3.76	8.64	29.34	19.63

Source: Statistical yearbook of vietnam (various years) [17].
<http://www.gso.gov.vn/default.aspx?tabid=388&idmid=3&ItemID=14481>.

billion is for debt repayment and more than \$10 billion is for a legal money transfer abroad and on average FDI sector paid about \$7.5 billion in tax, in which essentially VAT is not the money of the FDI sector but the money of Vietnamese consumers contributing to the budget through the consumption of products from this sector. This is not to mention how businesses can bring products into and out of Vietnam, which are very difficult to grasp, so the real profit may have been located overseas but Vietnam cannot know and cannot tax, this part of tax payment may have been enjoyed by the FDI enterprise originating country.

According to the principle of the National Account System (SNA) resident

unit, the value added of the foreign capital sector is accounted for GDP, and then businesses in this sector can keep the profit to re-invest and also transfer money to the “mother” country (originating country).

$$\text{GNI} = \text{GDP} + \text{property income} - \text{property payment}$$

$$\text{Cash outflow} = \text{property income} - \text{property payment}$$

Thus, although the foreign capital sector adds up significantly to GDP growth, it nevertheless contributes considerably to net foreign cash outflow to be faster than GDP growth rate. The average GDP growth by current price during the period of 2007 - 2017 is 22% while the growth rate of cash outflow is 32%, thereby reducing the ratio of Gross National Income (GNI) to GDP from 97.2% in 2000 to 95.2% in 2017. Almost similarly is the final consumption of the population, when banks lend out money for consumption, it will make the final consumption of the population increase, leading to the increase in GDP at the time, but the complications accompanied are the risk of bad debt, inflation and decreased savings of the household in the next cycle. Similar argument can be made about government procurement, an increase in government procurement will lead to an increase in GDP but also budget deficit, overspending. Investing in projects such as monumental construction, gates, road digging filling also increases GDP but leads to a higher ratio of savings-to-investment and debt risks increase. This is the reason many experts believe that the higher the GDP growth, the more the country's resources are reduced when growth is based on the foreign capital sector or procurement-driven as above.

Therefore, the growth of the FDI sector can increase GDP but make the economy a shrinking resource through the targets of GNI, NDI and Saving of the economy, while those of the originating country through FDI enterprises increased. One problem is that in addition to the good management and capital source of the FDI sector, Vietnamese policies are too favoring this sector, while domestic non-state enterprises are not entitled to incentives. It is impossible to understand what people think when exempting processing enterprises from taxes (basically FDI are processing firms), if the domestic enterprises also import those goods for domestic production, they are taxed for import and VAT of imported goods but those who do processing are exempted from tax³. So, what other incentives to businessmen not to only process? So how can the manufacturing industry of auxiliary products be developed? In addition, FDI enterprises are entitled to corporate income tax incentives “*newly established enterprises from investment projects in the economic zone are entitled to the tax rate of 10% for 15 consecutive years from the first year that revenue is generated*” and then receives further incentives “*In addition, businesses operating in the economic zone will be exempted from corporate income tax for 4 years from the time the business has taxable income and 50% reduction in the next 9 years*”. It is comparable to say, agricultural emphasis is needed, but agricultural production and

³Pursuant to Point a, Clause 1, Article 10 of Decree No. 134/2016/ND-CP of September 1, 2016 of the Government, stipulates: “Article 10. Tax exemption for goods imported for processing or export processed products”.

agricultural inputs such as pesticides are “entitled” to a non-taxable policy, ie the input VAT is not deducted, while being exported by the “household” is “subject” to the tax rate of zero, *i.e.* it is both not taxable and deducted from input VAT. Why are domestic enterprises selling domestic products not entitled to preferential tax policies but only FDI enterprises enjoy? Vietnamese people have suffered from hardships for long, should they continue to suffer?

Thus with such a tax preferential policy is one of the reasons that the structure of the domestic private enterprise sector could not exceed 8% - 9% of GDP during the past 15 years,. In GDP, only the transition between the two favored areas is the state-owned enterprises and the FDI sector. If nothing changes or only changes in words, then the individual economic sector will remain dominant for many years (contributing over 30% of GDP) while the FDI sector is not managed and tightly bound. Thus, the integration of CPTPP will be the only playground of FDI enterprises and other countries.

When examining the issue in a comprehensive way based on the updated input-output model for 2016, this model shows the spillover effect of final demand elements including final consumption, investment (investment of state economic sector, non-state economic sector and FDI sector) and exports to production value (output) and income from production (added value). The calculation results indicate that although the non-state economic sector has a lowest effect to production value, it has a highest effect to income and lowest to import. The basic principle when choosing a key industry or choosing the factors of the final demand is to consider which sectors or factors of demand have a high spillover-coefficient to income and a low spillover-coefficient to import, therefore policy makers can intervene to stimulate production and control import. From 2007 up to now, the State’s policies have tried to manage the demand, curb inflation and stimulate economic growth. It is nothing wrong with management of demand to stimulate production in the short term, but according to Keynes’s general theory, demand management should only be momentary and should not be done for a long time. Most importantly, if intervention in demand is decided, which factors will be most beneficial to the economy? For many years, the government has stimulated economic growth through increasing public investment, while actually public investment has the lowest effect to income (investing 100 VND only spread to 27 VND of income, while 100 VND invested in non-state sector can spread to 35 VND of income—**Table 3**). Tax policies for export seem to be a mistake when export of host country is actually export of other countries in a machining economy. The priority for export not only brings low value-added but also constrains the non-state economic sector to develop and increases the trade deficit as well as the balance of payments deficit. **Table 3** was calculated which was based on Equations (4), (5) and (6) above.

4. Conclusions and Some Policy Recommendations

Vietnam has signed many multilateral and bilateral trade agreements, in an open

Table 3. Output, value added and import induced by domestic final demand (Equations (4)-(6)).

	Final consumption	Gross capital formation of State area	Gross capital formation of Non-State area	Gross capital formation of FDI area	Export
<i>Output</i>	1.63	1.70	1.62	1.68	1.73
<i>Value added</i>	0.35	0.27	0.35	0.28	0.27
<i>Import</i>	1.36	1.50	1.38	1.50	1.50

Sources: Authors' calculation based on vietnam input-output, 2016.

and integrated world, the flow of foreign investment directly or indirectly into Vietnam is inevitable. What do the government and the people expect from this capital inflow into Vietnam? Firstly, they expect to attract the workforce, technology transfer, but perhaps the most likely is the achievement-driven motives from the Central to Local administration levels, when capital flows into any province their GRP and national GDP increases despite the fact that Vietnamese people do not considerably benefit from this, but only some people benefit from this growth achievement.

In fact, some experts “complain” about this sector not because they are against it but they see an unjust treatment in implementing policies between different types of businesses since due to foreign investment tax incentives Vietnamese people have to bear additional tax burden. So the first thing to do is to *eliminate the achievement-driven motives and tenure culture* of the leadership levels, followed by a *real just of both policy and policy implementation*. In addition, it is not that experts who often write and talk about foreign-invested sector do not have hope in this capital flow, but rather they expect a boost in *economic structural change*, a promotion in transparency and equality so that domestic enterprises have a motivation to compete healthily with foreign-invested enterprises. To do so, it is necessary to *push back and proceed to eliminate petty corruption*, it is the petty corruption that terribly discourages the terrible domestic enterprises, they must compete by bribing, bribing to shake hands with officials.

When attracting foreign capital, “people of authority” need to firstly think about the benefits of the country, of Vietnamese people in the short, medium and long terms. Thus, it is necessary to introduce principles of *technology transfer* after a certain time. It is necessary to regulate enterprises with foreign capital on *labor use in quantity as well as in quality*. Priority should be given to attracting foreign investment flows into industries with *high spillovers to other sectors, low spillovers to imports, energy and environment*. But the important thing is that domestic businesses have to raise themselves; if a domestic enterprise refuses to stand up or cannot stand up, it is not the fault of foreign-invested enterprises. If the situation does not change, the economy will be the economy of foreign businesses. That’s okay but sad! It may not be sad because working for anyone is working as a laborer, but working for the righteous people is still better.

Enterprises with foreign capital, according to a senior official of the Ministry of Industry and Trade in a recent conference on December 3 between Da Nang University of Economics and Hanoi Foreign Trade University, are more righteous than domestic businesses.

Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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