

THE IMPACT OF FOREIGN INVESTMENT ON THE SOCIO-ECONOMIC DEVELOPMENT OF THAI NGUYEN PROVINCE IN THE PERIOD 2018–2022

Nghiêm Văn Long

TNU - University of Education

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Received: 06/3/2025	In the context of economic globalization, investment flows from developed countries to developing nations have been increasing significantly. This presents a favorable opportunity for developing countries to leverage their advantages and seize opportunities to promote domestic socio-economic development. Vietnam, as a developing country in a dynamically growing economic region, considers foreign investment attraction crucial for both national and local socio-economic development. By employing methods such as literature review, statistical analysis, comparison, and data synthesis, this article focuses on analyzing and assessing the status of investment capital attraction and the development of foreign-invested enterprises in Thai Nguyen province during the period 2018–2022. Based on this analysis, the study provides a comprehensive evaluation of both the positive impacts and the existing limitations in attracting foreign investment. The research findings show that FDI capital and enterprises have significant impacts on Thai Nguyen's socio-economic development, including accelerating industrialization and modernization. However, certain limitations persist, especially in the face of the challenges posed by economic integration. The findings of this study hold important implications by providing a holistic view of foreign investment's impact. They serve as a foundation for proposing solutions to optimize investment capital utilization, drive economic breakthroughs, and formulate appropriate policies for the sustainable attraction and management of foreign capital flows.
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TÁC ĐỘNG CỦA ĐẦU TƯ NƯỚC NGOÀI TỚI SỰ PHÁT TRIỂN KINH TẾ - XÃ HỘI TỈNH THÁI NGUYÊN TRONG GIAI ĐOẠN 2018 - 2022

Nghiêm Văn Long

Trường Đại học Sư phạm – ĐH Thái Nguyên

THÔNG TIN BÀI BÁO	TÓM TẮT
Ngày nhận bài: 06/3/2025	Trong bối cảnh toàn cầu hóa kinh tế, các dòng đầu tư từ các nước phát triển sang nước đang phát triển ngày càng nhiều. Đây là điều kiện thuận lợi cho các nước đang phát triển phát huy tốt các lợi thế, tranh thủ cơ hội để thúc đẩy sự phát triển kinh tế - xã hội trong nước. Việt Nam là một quốc gia đang phát triển trong khu vực có nền kinh tế năng động trên thế giới, việc thu hút đầu tư nước ngoài có ý nghĩa lớn đối với sự phát triển kinh tế - xã hội của cả nước và các địa phương. Bằng việc sử dụng các phương pháp nghiên cứu tổng quan tài liệu, phương pháp phân tích, so sánh, tổng hợp số liệu thống kê, bài báo tập trung phân tích, đánh giá thực trạng thu hút nguồn vốn đầu tư và sự phát triển các doanh nghiệp có vốn đầu tư nước ngoài trên địa bàn tỉnh Thái Nguyên giai đoạn 2018-2022; từ đó đánh giá tổng thể, toàn diện những tác động tích cực cũng như những hạn chế còn tồn tại trong việc thu hút đầu tư nước ngoài. Kết quả nghiên cứu của bài báo cho thấy, vốn đầu tư và các doanh nghiệp FDI có tác động mạnh tới sự phát triển kinh tế - xã hội tỉnh Thái Nguyên, thúc đẩy quá trình công nghiệp hóa - hiện đại hóa của địa phương; song cũng tồn tại những hạn chế nhất định trước những tác động và thách thức của quá trình hội nhập. Nội dung và kết quả nghiên cứu của bài báo có ý nghĩa quan trọng trong việc chỉ ra một cách tổng thể tác động của đầu tư nước ngoài. Đây là cơ sở đề xuất một số giải pháp nhằm sử dụng hiệu quả nguồn vốn đầu tư, tạo sự bứt phá trong quá trình phát triển, đồng thời hoạch định những chính sách phù hợp để thu hút và kiểm soát dòng vốn một cách bền vững.
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Doanh nghiệp	
Kinh tế - xã hội	
Thái Nguyên	

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Email: longnv.geog@tnue.edu.vn

<http://jst.tnu.edu.vn>

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Email: jst@tnu.edu.vn

1. Introduction

Foreign direct investment (FDI) plays a crucial role for countries worldwide. For developing nations, FDI helps attract capital, facilitates technology transfer, creates employment, and contributes to economic growth. Meanwhile, for developed countries, FDI enables businesses to expand their markets, optimize production costs, and enhance global competitiveness. Numerous studies have analyzed the correlation between FDI and economic growth, as well as the factors influencing FDI attraction [1] - [3]. According to Lim [1], key determinants of FDI attraction include market size, infrastructure quality, and economic and political stability. Similarly, Jun [2] and Nunnenkamp [3] focused on identifying the factors influencing FDI inflows in developing countries - a group that comprises the majority of nations worldwide today. The Asia-Pacific region has emerged as one of the world's most dynamic economic centers. Lucas [4] and Ruffin [5] conducted research on the role of FDI and the factors affecting FDI inflows in this region. Ruffin [5] highlighted that Asian countries are considered "rising stars" of economic growth, with their contribution to global output increasing rapidly in recent years. In addition to academic research, international economic organizations have also published studies and specialized reports on foreign direct investment. Notable works include the "Benchmark definition of foreign investment" by the Organisation for Economic Co-operation and Development (OECD) [6]; the "World investment report: Foreign direct investment and the challenges of development" [7]; and the "World Investment Report: FDI policies for development – national and international perspectives" [8].

Vietnam is a developing country progressing rapidly on the path of industrialization and modernization, where foreign direct investment (FDI) plays a crucial role in economic development. Many researchers have focused on Vietnam's economic integration process, the current state of FDI, and its role in the country's economy [9], [10]. According to Nguyen Thi Thuy Dung [9], foreign investment in Vietnam is primarily concentrated in the manufacturing and processing industries..., contributing to increased budget revenues and driving economic restructuring; however, limitations remain, including weak linkages between FDI enterprises and domestic suppliers, as well as the fact that FDI inflows often bring in only medium or outdated technology. Dang Ngoc Huyen Trang [11] analyzed the relationship between FDI inflows and Vietnam's trade balance while Nguyen Hoang Viet [12] examined the impact of international trade and FDI on average wages in enterprises at the local level in Vietnam. Further research projects and books have also explored the current status and effects of FDI on Vietnam's economic growth [13] - [15].

In recent years, Thai Nguyen has emerged as a prominent destination for foreign investment, attracting numerous large-scale manufacturing projects. The issue of FDI attraction has become a significant research focus, with scholars primarily analyzing the actual investment inflows in Thai Nguyen and their impact on the province's socio-economic development [16] - [18]. Nguyen Thi Tam [18] highlighted that FDI has contributed to economic growth and job creation; however, policy limitations and land clearance challenges have significantly affected investment attraction. Overall, existing studies have analyzed the state of FDI attraction in Thai Nguyen and provided initial assessments of its impacts. However, there remains a lack of comprehensive research evaluating the specific effects of FDI on various socio-economic aspects. Consequently, there is a need for further studies to propose solutions for improving the quality and efficiency of FDI utilization in the coming years. Addressing these research gaps is the primary focus of this article.

2. Research Method

To conduct the study presented in this article, the author employed a combination of literature review, statistical analysis, comparison, and data synthesis methods. The research involves a comprehensive review and collection of materials from various sources, including books,

scientific articles published in academic journals, domestic and international research studies and statistical reports from official agencies. This approach ensures the scientific rigor and reliability of the research findings.

Additionally, the collected materials and statistical data were carefully selected and processed using standard statistical analysis, comparison, and synthesis methods. These methods allow an in-depth examination of the current state of foreign investment attraction in Thai Nguyen province, an assessment of its positive impacts and limitations on the local economy and the development of appropriate policy recommendations for sustainable growth in the future.

3. Results and Discussion

3.1. Current status of investment attraction and the development of foreign-invested enterprises in Thai Nguyen province

In recent years, Thai Nguyen's economy has experienced rapid growth, leveraging its inherent advantages while seizing opportunities presented by economic integration. The province's multi-sector economic development policies have facilitated the participation of various economic sectors in business and production activities, with particularly strong growth in the foreign-invested sector. At present, the foreign-invested sector plays a crucial role in capital investment, significantly contributing to Thai Nguyen's economic development.

Table 1. Implemented investment capital of foreign-invested enterprises at current prices in Thai Nguyen province over the years and periods

<i>(Unit: Billion VND)</i>					
Year	2018	2019	2020	2021	2022
Implemented investment capital	20,968.8	12,116.8	17,014.1	20,924.7	21,506.9
% of GRDP	62.2	32.1	42.2	50.7	45.0
Period	2001-2011	2011-2015	2016-2020	2018-2022	
Implemented investment capital	3,743.0	120,327.3	116,664.3	92,531.3	

Source: [19]

As shown in Table 1, in 2018, the FDI capital in the province reached VND 20,968.8 billion VND, accounting for 46.5% of the total investment in all economic sectors. Although FDI inflows declined in 2020 due to the COVID-19 pandemic, they rebounded in 2022, reaching 21,506.9 billion VND, which accounted for 37.1% of total investment across economic sectors - the second largest share after the non-state sector - and contributed 45.0% to the province's Gross Regional Domestic Product (GRDP). Between 2010 and 2022, foreign investment increased by 41.3 times, equivalent to an additional 20,986.2 billion VND, on average, the province attracted nearly 1,750 billion VND per year from this economic sector.

Analyzing FDI inflows by period, significant shifts can be observed. In the period of 2001–2011, the province attracted only 3,743 billion VND in FDI. In the period of 2011–2015, a sharp increase in FDI inflows was recorded, driven by proactive local government policies to attract foreign investors; particularly in the industrial sector, a pivotal moment was the entry of Samsung group, which established large-scale electronic and IT manufacturing operations in the province. Period 2018–2022, FDI capital skyrocketed to 92,531.3 billion VND, accounting for 38.2% of total investment.

About the number of investment project, since the foreign investment law of Vietnam came into effect, Thai Nguyen province received its first foreign investment projects in 1993. Between 1993 and 1998, the province attracted nine FDI projects with a total registered capital of 59.5 million USD and realized capital of 26.8 million USD. From 1993 to 2022, Thai Nguyen successfully attracted 232 FDI projects, with a total registered capital of 8,846.7 million USD and actual investment reaching 8,450.5 million USD. By the end of 2022, the cumulative number of valid projects stood at 173, with 9,068.8 million USD in total registered capital and 7,808.5 million USD in realized investment (the industrial sector dominates FDI inflows, accounting for

146 out of 173 active projects, accounting for 84.4% of project, 98.4% of total registered capital, and 99.6% of total realized capital).

The majority of FDI inflows into Thai Nguyen come from countries in the Asia-Pacific region. South Korea is the largest foreign investor, with 111 out of 173 valid projects as of 2022, representing a total registered capital of 7,331.5 million USD (equivalent to 80.8% of total effective registered FDI); most of these investments focus on industrial production, particularly in the electronics and IT sectors.

In addition to South Korea, China, Japan, and Singapore have also played a significant role in Thai Nguyen's economic and industrial growth, contributing to the province's economic development through various business and production investment projects.

The above figures clearly demonstrate that the foreign-invested sector plays a crucial role in the economic and social development of Thai Nguyen province. FDI has become an indispensable and strategic factor in the province's development, particularly in the context of economic integration. FDI capital is especially significant for the industrial sector, which serves as the key economic driver for the province's industrialization and modernization efforts. With a large number of projects and substantial investment capital, FDI has strengthened the province's economic structure and long-term growth prospects.

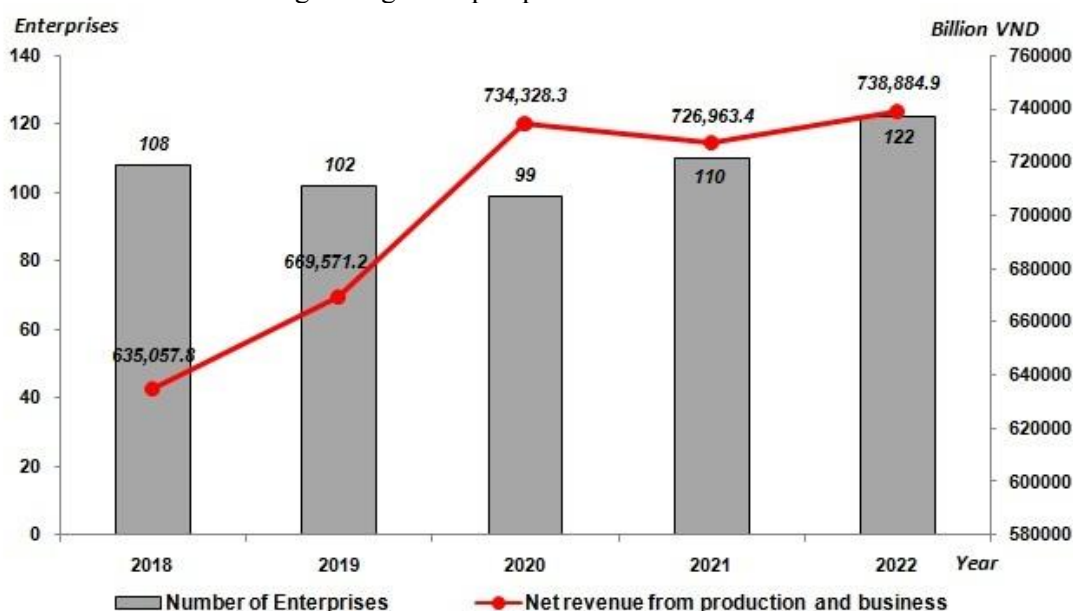


Figure 1. The chart shows the number of enterprises and net revenue from production and business in Thai Nguyen in the period 2018-2022

The number of foreign-invested enterprises in Thai Nguyen has been increasing steadily. In 2018, the province had 108 foreign-invested enterprises; by 2022, this number had grown to 122 enterprises, accounting for 2.6% of all active businesses in the province (Figure 1). Although foreign-invested enterprises represent a small proportion of the total number of enterprises, they employ the largest workforce compared to other economic sectors. In 2022, foreign-invested enterprises provided jobs for 96,772 workers, accounting for 48.9% of the total labor force in businesses across the province. Notably, they also played a significant role in female employment, hiring 68,630 female workers, which made up 62.1% of total workforce. This fact highlights the vital contribution of FDI enterprises not only to economic growth but also to employment generation and social stability in Thai Nguyen.

Foreign-invested enterprises in Thai Nguyen not only generate a substantial number of jobs for both local and out-of-province workers but also offer higher income levels compared to other

economic sectors. In 2022, the total income of workers in foreign-invested enterprises reached 14,889.9 billion VND, accounting for 59.9% of the province's total labor income. This figure was nearly as twice as the income of the non-state sector and 7.2 times more than that of the state sector. The average monthly income per worker in foreign-invested enterprises stood at 12.7 million VND, surpassing the provincial average of 10.7 million VND across all businesses. This income advantage has played a critical role in improving living standards, ensuring social stability in Thai Nguyen.

In 2018, the total investment capital of these enterprises was 265,396.1 billion VND; by 2022, this figure had increased to 407,196.0 billion VND, accounting for 65.3% of the total annual investment capital of enterprises. Among the corporations and companies with large-scale production investments in Vietnam that have been operating effectively, Samsung group from South Korea stands out; after 10 years of operation, Samsung's investment capital in projects in Thai Nguyen has reached USD 7.5 billion, accounting for nearly 73% of the province's total FDI investment. Samsung's projects have had a significant impact on the development of the industrial sector in particular and Thai Nguyen's economy in general, influencing the province's economic structure, labor structure, and the spatial organization of its economic territory.

The production efficiency of enterprises is assessed based on revenue and business profit. The net revenue from production and business activities of foreign-invested enterprises increased from 635,057.8 billion VND in 2018 to 738,884.9 billion VND in 2022, with an average annual increase of nearly 26,000 billion VND. The pre-tax profit of these enterprises reached 52,082.2 billion VND, accounting for nearly 97.0% of the total profit of all enterprises in the province (Table 2).

Table 2. Development situation of foreign-invested enterprises in Thai Nguyen in the period of 2018-2022

Year	2018	2019	2020	2021	2022
Number of enterprises	108	102	99	110	122
Number of employees (people)	114,569	111,800	104,993	97,486	96,772
% of total enterprises	52.8	51.9	51.2	51.5	48.9
Total annual investment capital (billion VND)	265,396.1	291,767.8	328,282.7	383,614.9	407,196.0
% of total enterprises	66.6	65.3	66.0	67.6	65.3
Net revenue from production and business (billion VND)	635,057.8	669,571.2	734,328.3	726,963.4	738,884.9
% of total enterprises	82.0	80.9	80.7	78.6	75.0
Profit before tax (VND billion)	64,180.1	48,384.3	50,943.7	52,262.9	52,082.2
% of total enterprises	97.3	95.8	97.4	100.0	97.0
Total income of labor (billion VND)	13,343.6	14,200.9	14,219.0	12,441.5	14,889.9
% of total enterprises	61.8	61.8	60.7	58.0	59.9
Average monthly income of workers (thousand VND)	10,303	10,585	10,928	10,174	12,749

Source: [19]

3.2. The impact of foreign-invested enterprises on the socio-economic development of Thai Nguyen province

3.2.1. Positive impacts

As analyzed above, foreign investment capital and foreign-invested enterprises in Thai Nguyen have undergone significant transformations in recent years, affirming their crucial role in the socio-economic development of the province.

* *The foreign investment sector contributes to increasing GRDP scale, per capita GRDP, and local budget revenue*

The participation of various economic sectors in production, especially the contributions of foreign-invested enterprises, has driven the economic growth of Thai Nguyen province. The province's GRDP has been expanding rapidly, rising from 98,518 billion VND in 2018 to 142,950 billion VND in 2022, with an average annual increase of over 11,000 billion VND. The

total output of the foreign-invested sector has also grown steadily, reaching 47,146 billion VND in 2022 and contributing nearly 33.0% of the province's total GRDP. The rapid increase in GRDP relative to the population growth rate has led to an upward trend in per capita GRDP. In 2022, Thai Nguyen's per capita GRDP was 4,124 USD per person (based on the average exchange rate), compared to 3,370 USD per person in 2018. At current prices, this corresponds to 95.1 million VND per person in 2022, up from 77.7 million VND per person in 2018. This is an important indicator for assessing economic growth, development, and improvements in the quality of life for residents.

Along with GRDP growth, the production activities of foreign-invested enterprises have played a crucial role in increasing state budget revenues within the province. In 2022, the FDI enterprise sector contributed 4,493.2 billion VND to the provincial budget, accounting for 23.5% of total budget revenue. This is a vital factor in fostering investment and development, further strengthening the local economy in the future.

** The foreign investment sector contributes to economic restructuring*

Shifting the economic structure towards modernization is an inevitable trend for economies aiming to improve production quality, efficiency, and overall economic scale. The foreign investment sector has significantly reshaped the industrial and territorial economic structure of Thai Nguyen province. Its direct and substantial impact on the industrial sector has led to a rapid increase in total output and the sector's share of the economy, rising from 56,380 billion VND in 2018 to 83,638 billion VND in 2022, accounting for 58.5% of the province's total GRDP (compared to 57.2% in 2018) (*Statistical data as shown in Table 3*). Currently, this sector holds the largest share in Thai Nguyen's economy, followed by the service sector, which contributes 27.2% (equivalent to 38,828 billion VND). In 2022, industrial production value reached 1,075.7 trillion VND, with 90.4% (equivalent to 972.2 trillion VND) coming from the foreign investment sector, these figures highlight the dominant role of foreign-invested enterprises in the industrial sector and the overall economy of Thai Nguyen. Foreign investment projects are mainly concentrated in manufacturing and processing industries, with key industrial products including smartphones, tablets, textiles, and tea processing.

The total output and proportion of the industrial-construction and service sectors have been increasing, while the agriculture-forestry-fisheries sector has been declining, accounting for only 10.1% in 2022. This transformation aligns with the province's actual conditions and is a crucial factor in helping Thai Nguyen achieve its goal of becoming a modern industrial province in the near future.

Table 3. *Gross domestic product at current prices by region and economic sector of Thai Nguyen province in the period 2018-2022*

Year	2018		2020		2022	
	GRDP (Billion VND)	Ratio (%)	GRDP (Billion VND)	Ratio (%)	GRDP (Billion VND)	Ratio (%)
Total	98,518	100.0	116,008	100.0	142,950	100.0
<i>By economic sector</i>						
Agriculture-forestry-fishery	10,690	10.9	13,391	11.5	14,498	10.1
Industry-construction	56,380	57.2	67,285	58.0	83,638	58.5
Services	26,393	26.8	30,692	26.5	38,828	27.2
Product taxes minus product subsidies	5,055	5.1	4,640	4.0	5,986	4.2
<i>By economic component</i>						
State sector	17,707	18.0	21,812	18.8	25,120	17.5
Non-State sector	42,033	42.7	49,192	42.4	64,698	45.3
Foreign-invested sector	33,724	34.2	40,365	34.8	47,146	33.0
Product taxes minus product subsidies	5,055	5.1	4,640	4.0	5,986	4.2

Source: [19]

Foreign investment in industrial production and business projects has led to economic differentiation and territorial restructuring. The emergence of Samsung's High-Tech Complex, with multiple factories producing and assembling mobile phones, tablets, accessories, and electronic components, has significantly influenced industrial growth in Yen Binh Industrial Park (Pho Yen city) and Diem Thuy Industrial Park (Phu Binh district). These facilities have attracted tens of thousands of workers from both within and outside the province, driving a rapid increase in industrial output in these areas. In 2022, Pho Yen city's foreign-invested industrial production value led the province, reaching 830.7 trillion VND (accounting for 96.5%), followed by Phu Binh district with 21.4 trillion VND (2.5%). That same year, Pho Yen city continued to rank first, with 840.3 trillion VND (90.2%), followed by Thai Nguyen city with 40.6 trillion VND (4.4%), and Phu Binh district with 23.3 trillion VND (2.5%). These three localities alone accounted for 97.1% of the province's total industrial production value, demonstrating the dominance of foreign investment in shaping Thai Nguyen's industrial economy.

** Foreign investment sector creates large employment opportunities and increases worker incomes*

Currently, the foreign-invested sector provides a large number of stable jobs with relatively high incomes for workers in Thai Nguyen. In 2022, this sector employed 429,394 workers, accounting for 71.3% of the total workforce in the province's economic sectors. Employment was mainly concentrated in industry (45.3%) and services (37.8%). Beyond job creation, foreign investment also contributes to higher and more stable incomes, enabling workers to improve their living standards. Labor productivity in the foreign-invested sector reached 286 million VND per worker per year, with an average monthly income of 12.2 million VND per person. In comparison, the domestic sector reported 208.6 million VND per worker per year and an average income of 6.2 million VND per person per month.

** Foreign investment sector contributes to import-export value*

The presence of foreign companies and enterprises in Thai Nguyen, especially in the industrial sector, has led to the production of high-quality products with significant export value, generating foreign exchange revenue for the local economy. Among these, mobile phones and phone components - products of the electronics and IT industry under Samsung's investment in Yen Binh Industrial Park - have been the largest export category in the province for many years, with a continued upward trend. In 2022, these products reached an export value of 28,004.5 million USD, accounting for 93.7% of the province's total export value. The second-largest export category was heavy industry and mineral products, valued at 1,372.5 million USD (4.6%). The third was light industry and handicrafts, valued at 498.2 million USD (1.7%). The foreign-invested sector contributed 97.6% of the total export value, equivalent to 29,154.6 million USD. In terms of imports, in 2022, the foreign-invested sector accounted for 97.4% of the province's total import value, equivalent to 18,281.1 million USD, primarily comprising machinery, equipment, tools, and spare parts. Thus, the foreign investment sector played a crucial role in Thai Nguyen's foreign trade and overall economic development, contributing 97.5% of the province's total import-export turnover in 2022. This not only highlights the impact of foreign investment but also demonstrates the openness of the local economy in the context of global integration [19], [20].

3.2.2. Existing limitations

- The rapid influx of foreign direct investment has positively transformed Thai Nguyen's economy and society. However, with the foreign-invested sector contributing over 30% of GRDP and more than 90% of industrial output, the province's economic structure has become increasingly dependent on this investment source. This has led to economic imbalances both in sectoral composition and in regional development. Changes in FDI trends, both present and future, will significantly impact various economic sectors, necessitating strategic planning to proactively respond to market fluctuations and ensure sustainable development.

- Besides the imbalance in the economic structure, there is also a disparity in income between domestic and foreign enterprises. The high income offered by foreign enterprises has created a strong attraction for workers, not only within Thai Nguyen province but also for a significant number of laborers from other regions. Many foreign companies do not require highly skilled workers, making them a major destination for rural laborers. As a result, while these enterprises generate a large number of jobs, they also cause localized labor shortages in certain areas, particularly in rural regions closely linked to agriculture. The strong pull of foreign enterprises on the labor force has placed considerable pressure on domestic businesses. If domestic enterprises do not implement appropriate policies, improve working conditions, and enhance employee benefits, they risk losing or facing a shortage of workers, which could create challenges for their production and business operations.

- The concentration of a large workforce in foreign enterprises at various localities has exerted significant pressure on social issues such as social housing, worker housing, population management, public security, infrastructure development - particularly transportation infrastructure - as well as healthcare and education, both in the present and the future.

- Workplace relations between management and employees in foreign enterprises remain a concern. Due to high production demands and profit-driven goals, these companies often enforce intensive work schedules, maximize production time, and frequently require overtime, sometimes violating Vietnam's labor laws; workers' salaries do not always reflect their workload and working conditions, negatively affecting their health and rights.

- Due to the nature of their business and production activities, many foreign enterprises recruit and employ a large workforce without specific requirements for skill levels, particularly targeting young and female workers. This has had consequences for the quality of the provincial labor force, leading to an underutilization of training infrastructure in the province, which serves as a major human resource training center for the region and the country. As a result, many training institutions have limited involvement in supplying skilled labor for foreign enterprises [20].

3.3. Solutions to enhance the quality and efficiency of foreign investment attraction

- Local authorities should pay attention to and create favorable conditions by implementing incentive policies and preferential support for domestic enterprises, particularly small and medium-sized enterprises across various production sectors. It is essential to continue encouraging and leveraging resources from different economic sectors to participate in business and production activities, thereby diversifying industries and economic components. This approach will help establish a dynamic and flexible economic structure capable of meeting market demands.

- Local authorities should continue to refine the legal framework for investment, ensuring that incentive policies are transparent and publicly available. Additionally, implement measures to attract investment projects by encouraging reputable and large-scale investors to engage in production activities within the province. These efforts should align with local development trends and practical conditions, fostering economic and social growth while ensuring sustainable development.

- Thai Nguyen province should maximize the positive impacts of the FDI sector, effectively leverage foreign capital and large-scale investment projects to strongly promote socio-economic development.

- The province needs to implement policies that encourage the development of supporting industries with active participation from domestic enterprises, aiming to increase the localization rate of products, particularly in industrial production. It is also essential to diversify industries and product lines to reduce overdependence on foreign enterprises and to generate a wide range of goods that meet market demands.

- The province should focus on enhancing the skill levels of the workforce to meet the demands of economic development, particularly in sectors requiring technical expertise. At the

same time, it is necessary to strengthen discipline, responsibility, and professional ethics while expanding and improving the quality and effectiveness of training programs. This is a key factor in attracting foreign investment projects. Moreover, training should be aligned with market needs, and collaboration between enterprises and regional training institutions should be encouraged to develop a high-quality human resource base that meets industry requirements.

- Local authorities should strengthen the inspection and supervision of foreign-invested enterprises to ensure compliance with regulations. Strict measures should be taken against companies that cause environmental incidents, use outdated technologies, maintain inadequate working conditions, or violate labor laws [20].

4. Conclusion

Foreign investment plays a crucial role in promoting economic growth and modernizing production in developing countries, including Vietnam. It also fosters international economic integration, helping Vietnam participate more deeply in the global value chain. With the existing local potential, along with positive changes in development strategies, enhanced integration, expanded international cooperation, and the attraction of foreign investment, the economy and society of Thai Nguyen province have experienced rapid growth, making it a bright spot in the development of the Northern Midlands and Mountainous region. Recently, with the economic recovery following the COVID-19 pandemic, the foreign-invested economic sector has witnessed strong growth and has played an essential role in the province's socio-economic development. This sector has contributed to increasing the GRDP, per capita GRDP, and budget revenues; driving economic restructuring towards modernization, generating a significant number of jobs with relatively high and stable incomes for the workforce and contributing to export activities with key industrial products. Additionally, it has brought substantial capital and advanced technology, helps improve labor skills and product competitiveness in the locality. However, the rapid development of the FDI sector has made Thai Nguyen's economy increasingly dependent on it, leading to imbalances in production and economic development among different localities. It has also created considerable pressure on domestic enterprises and social issues within the province. This reality requires Thai Nguyen to implement comprehensive and appropriate solutions related to policies, legal frameworks, infrastructure, and workforce quality to maximize advantages, enhance positive impacts, and mitigate the negative effects of the foreign-invested sector in the future.

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