MINISTRY OF EDUCATION AND TRAINING MINISTRY OF FINANCE

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TRAN THI THANH LOAN

FINANCIAL SOLUTIONS FOR ATTRACTING FOREIGN DIRECT INVESTMENT INTO THANH HOA PROVINCE

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SUMMARY OF DOCTORAL DISSERTATION IN ECONOMICS

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The dissertation will be defended before the Academy-level Dissertation Examination Committee at the Academy of Finance.

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INTRODUCTION

1. Rationale for the Research

In the context of profound changes in the global economy, characterized by the restructuring of global supply chains, shifts in international investment flows, the promotion of green transformation, and the implementation of the Global Minimum Tax (GMT), the investment location selection criteria of multinational corporations have undergone significant changes. Domestically, Viet Nam continues to improve its institutional framework and investment environment while orienting foreign direct investment (FDI) attraction toward quality, high technology, innovation, and sustainable development.

Under the current decentralized investment management system, provincial governments play a crucial role in creating an attractive investment environment through financial solutions, including infrastructure investment, land policies, and financial support. These financial solutions directly influence the investment intentions of FDI enterprises.

However, existing studies on FDI attraction have mainly focused on the national level or examined general determinants of the investment environment, while there remains a lack of systematic research evaluating the impact of local government financial solutions on FDI attraction.

Thanh Hoa Province possesses considerable potential and advantages for attracting FDI. Nevertheless, its FDI attraction performance has not yet been commensurate with its potential and comparative advantages. Therefore, the study entitled **"Financial Solutions for Attracting Foreign Direct Investment into Thanh Hoa Province"** is of both theoretical and practical significance.

2. Research Objectives and Research Tasks

2.1. Research Objective

The objective of the dissertation is to improve the system of financial solutions for attracting foreign direct investment into Thanh Hoa Province.

2.2. Research Tasks

The dissertation addresses the following main research tasks:

(i) To systematize and clarify the theoretical foundation of FDI attraction and financial solutions for attracting FDI at the provincial level;

(ii) To analyze and evaluate the current situation of FDI attraction and the implementation of financial solutions for attracting FDI in Thanh Hoa Province during the period 2020 - 2025;

(iii) To develop and validate a research model to assess the magnitude and direction of the associations between factors related to financial solutions and the intentions of FDI enterprises operating in Thanh Hoa Province to maintain their operations, increase their investment capital, and expand their investment activities;

(iv) To identify the achievements, limitations, and causes of the limitations in the implementation of financial solutions for attracting FDI in Thanh Hoa Province;

(v) To propose financial solutions to enhance FDI attraction in Thanh Hoa Province in the coming period.

3. Research Subject

The research subject of the dissertation is the theoretical and practical issues concerning financial solutions for attracting foreign direct investment at the provincial level.

4. Research Scope

Research Content:

The dissertation examines financial solutions for attracting foreign direct investment (FDI) at the provincial level from two perspectives: policy content and policy implementation. The financial solutions examined include infrastructure investment, tax incentives, credit support and access to finance, land policies and land rental incentives, other financial support measures, and the implementation of financial solutions.

Research Area:

The research was conducted in Thanh Hoa Province. In addition, the dissertation draws upon the experience of several domestic and international localities in attracting FDI.

Research Period:

The dissertation analyzes the situation of FDI attraction and the implementation of financial solutions in Thanh Hoa Province during the period 2020 - 2025. Based on these findings, it proposes financial solutions to enhance FDI attraction through 2030.

5. Research Methodology

The dissertation employs a combination of qualitative and quantitative research methods based on the methodology of dialectical materialism and historical materialism.

The research data consist of both secondary and primary data. Secondary data were collected from the Statistical Yearbooks, socio-economic reports of Thanh Hoa Province, and relevant state management agencies. Primary data were collected through a questionnaire survey of managers of FDI enterprises operating in Thanh Hoa Province using a five-point Likert scale. A total of 350 questionnaires were distributed, 298 were returned, of which 265 valid questionnaires were used for the analysis.

The dissertation employs descriptive statistics, comparative analysis, synthesis, and analytical methods to assess the current state of FDI attraction and the implementation of financial solutions in Thanh Hoa Province. For the quantitative research, Cronbach's Alpha is used to assess the reliability of the measurement scales, Exploratory Factor Analysis (EFA) to identify the underlying factor groups, and regression analysis to evaluate the magnitude and direction of the associations between the research factors and the investment intentions of FDI enterprises in the surveyed sample.

6. Novel Contributions of the Dissertation

From a scientific perspective, the dissertation develops an evaluation framework for financial solutions aimed at FDI at the provincial level from two dimensions: policy content and policy implementation. It also identifies six groups of factors associated with financial solutions and implementation conditions, including infrastructure development investment, tax incentives, credit support and access to finance, land and land-rent policies, other financial support measures, and the effectiveness of implementing financial

solutions. In addition, the dissertation quantifies the magnitude and direction of the associations between the research factors and the intentions of FDI enterprises operating in Thanh Hoa Province to maintain their operations, increase their investment capital, and expand their investment activities, thereby providing additional scientific grounds for determining the priority levels of the solutions in combination with the province's practical conditions.

From a practical perspective, the dissertation identifies the limitations and their underlying causes in the implementation of financial solutions for attracting FDI in Thanh Hoa Province during the period 2020 - 2025. It also proposes an integrated system of financial solutions through 2030 that is coherent, feasible, and focused, thereby contributing to enhancing the effectiveness of FDI attraction in the province.

7. Structure of the Dissertation

In addition to the Introduction, Conclusion, References, and Appendices, the main content of the dissertation is organized into four chapters:

Chapter 1: Literature Review Related to the Dissertation Topic.

Chapter 2: Theoretical and Practical Foundations of Financial Solutions for Attracting Foreign Direct Investment into Localities.

Chapter 3: Current Situation of the Implementation of Financial Solutions for Attracting Foreign Direct Investment into Thanh Hoa Province.

Chapter 4: Improving Financial Solutions for Attracting Foreign Direct Investment into Thanh Hoa Province.

CHAPTER 1: LITERATURE REVIEW RELATED TO THE DISSERTATION TOPIC

1.1. Literature Related to the Dissertation Topic

1.1.1. Studies on FDI Attraction at the Provincial Level

Existing domestic and international studies on FDI attraction at the provincial level mainly focus on two research directions.

First, studies on the determinants of FDI enterprises' investment intentions and local FDI attraction indicate that factors such as market size, infrastructure quality, human resources, the institutional environment, and

local competitiveness play important roles in influencing FDI enterprises' investment intentions (Wheeler & Mody, 1992; Dunning, 1993; Villaverde & Maza, 2015; Ascani et al., 2016; Budiono & Purba, 2023). In Viet Nam, studies by Dang Thanh Cuong (2012), Nguyen Ngoc Anh (2014), Vu Viet Ninh (2018), Le Hung Son (2020), and Banh Thi Thao (2022) have highlighted the roles of infrastructure, human resources, the investment environment, regional linkages, and local governance capacity in attracting FDI.

Second, studies evaluating the impact of FDI on economic growth and development have shown that FDI contributes to increasing investment capital, facilitating technology transfer, improving labor productivity, and promoting economic restructuring. Representative studies include those by Alfaro (2003), and Bui Huy Cuong (2023).

1.1.2. Studies on Financial Solutions for Attracting FDI

1.1.2.1. Studies on Public Expenditure Solutions

Studies by Wang (2013), Othman et al. (2018), and Bambe (2025) indicate that public expenditure, particularly infrastructure development investment and improvements in the efficiency of public spending, plays an important role in improving the investment environment and attracting FDI. In Viet Nam, studies by Pham Thi Hong Nhung (2016), Luong Duc Danh (2018), and Do Thi Ha Thuong (2016) have clarified the role of public investment expenditure, infrastructure development, and the mobilization of financial resources in enhancing the investment attraction capacity of localities. However, these studies have mainly examined individual aspects separately and have not considered public expenditure as an integral component of a comprehensive system of financial solutions for attracting FDI at the provincial level.

1.1.2.2. Studies on Tax Solutions

Studies by Klemm and Van Parys (2012), James (2013), Appiah-Kubi et al. (2021), and Xing, Cui, and Qu (2018) have highlighted the roles of tax incentives, tax competition, and the effectiveness of tax policy implementation in attracting FDI. More recent studies by Cuervo-Cazurra et al. (2022) and the OECD (2021, 2022, 2025) indicate that, in the context of the Global Minimum Tax (GMT), the role of tax incentives is gradually

diminishing, while the quality of the investment environment has become increasingly important.

In Viet Nam, studies by Ngo Thi Hoai Thu (2013), Le Xuan Truong (2019), Hoang Phuong Anh (2021), Le Nhu Quynh (2022), and Bui Kieu Anh (2023) have clarified the role of tax policy in attracting FDI and the shift from broad-based tax incentives to targeted tax incentives. However, there is still a lack of systematic studies evaluating the role of tax solutions within the overall system of financial solutions for attracting FDI at the provincial level.

1.1.2.3. Studies on Financial Support Solutions

Studies have shown that access to credit and financial support services play an important role in attracting FDI (Claessens & Laeven, 2005; Alfaro et al., 2008; UNCTAD, 2022). In Viet Nam, numerous studies have clarified the impacts of the financial environment, credit, land policies, and financial support measures on the investment activities of FDI enterprises. However, there remains a lack of studies on financial support solutions for attracting FDI at the provincial level.

1.2. Research Gaps

1.2.1. Overall Assessment of Previous Studies

Previous domestic and international studies have clarified the role of FDI, the determinants of FDI attraction, and several solutions to support investment attraction. However, financial solutions have generally been examined in isolation and have not been systematically investigated in the context of FDI attraction at the provincial level.

1.2.2. Research Gaps to Be Addressed

Previous studies still exhibit several limitations. Specifically, they have: (i) not developed a comprehensive analytical framework for financial solutions for attracting FDI at the provincial level; (ii) not simultaneously clarified the channels through which financial solutions and implementation conditions may be associated with the investment intentions of FDI enterprises; (iii) paid limited attention to quantifying the magnitude and direction of these associations; and (iv) not conducted in-depth research on financial solutions for attracting FDI in Thanh Hoa Province. Accordingly, the dissertation focuses on financial solutions to enhance FDI attraction into Thanh Hoa Province.

CHAPTER 2: THEORETICAL AND PRACTICAL FOUNDATIONS OF FINANCIAL SOLUTIONS FOR ATTRACTING FOREIGN DIRECT INVESTMENT INTO LOCALITIES

2.1. Theoretical Foundations of Foreign Direct Investment and FDI Attraction at the Provincial Level

2.1.1. Concept, Characteristics, and Classification of Foreign Direct Investment

2.1.1.1. Concept of Foreign Direct Investment

Foreign direct investment is a form of cross-border investment in which a foreign investor establishes ownership, control, or a significant degree of influence over an enterprise in the host economy with the objective of obtaining long-term economic benefits. According to the International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD), the United Nations Conference on Trade and Development (UNCTAD), and the World Bank, the defining characteristic of FDI is a long-term investment relationship associated with managerial control or a significant degree of influence exercised by the foreign investor over the investee enterprise.

Building upon these perspectives, the dissertation defines FDI as a form of investment in which a foreign investor contributes capital and exercises managerial control or a significant degree of influence over an enterprise in the host economy in pursuit of long-term economic benefits. In addition to capital investment, FDI may also involve technology transfer, managerial know-how, and production organization, thereby contributing to the economic development of the locality.

2.1.1.2. Characteristics of Foreign Direct Investment

First, FDI is characterized by the foreign investor's ownership and control of the investee enterprise.

Second, FDI involves the simultaneous transfer of capital, technology, and managerial know-how.

Third, FDI is a long-term form of investment closely associated with production and business activities.

Fourth, FDI is highly dependent on the national investment environment and the provincial business environment.

Fifth, FDI generates spillover effects on the host economy.

2.1.1.3. Classification of Foreign Direct Investment

FDI can be classified according to the mode of market entry (greenfield investment and mergers and acquisitions); the form of investment organization (wholly foreign-owned enterprises, joint ventures, and contractual arrangements); the investment objective (market-seeking, efficiency-seeking, resource-seeking, and strategic asset-seeking investment); or the investment sector, such as industry, services, infrastructure, high technology, and agriculture.

The classification of FDI provides a basis for identifying investment characteristics and motivations, as well as for formulating financial solutions to attract FDI in line with the development orientation of the locality.

2.1.2. Economic Theories Underpinning FDI Attraction

The dissertation draws upon the major theories of foreign direct investment (FDI), including the Eclectic Paradigm (OLI), the Theory of Imperfect Markets, the Theory of Comparative Advantage, the Product Life Cycle Theory, the Internalization Theory, and the Gravity Model. These theories explain the motivations for foreign investment, investment location selection, and the factors influencing FDI flows.

These theories consistently suggest that the investment decisions of foreign enterprises are influenced by both firm-specific advantages and the characteristics of the investment location. Among these, location-specific advantages play a particularly important role in determining a locality's ability to attract FDI. This provides the theoretical foundation for examining financial solutions to enhance the investment attractiveness of Thanh Hoa Province.

2.1.3. FDI Attraction at the Provincial Level

2.1.3.1. Concept of FDI Attraction at the Provincial Level

FDI attraction at the provincial level is the process by which provincial governments establish and maintain favorable conditions to attract, retain, and enhance the performance of FDI projects within their jurisdictions. This

process aims not only to increase the number of FDI projects and the amount of investment capital but also to improve the quality of FDI inflows, the efficiency of capital utilization, technology spillovers, and the contribution of the FDI sector to local economic growth. Therefore, FDI attraction is both an objective and an important instrument for enhancing local competitiveness and promoting sustainable local economic development.

2.1.3.2. The Role of FDI Attraction in Local Socio-economic Development

First, FDI supplements investment capital for local development and production expansion.

Second, FDI promotes technology transfer, managerial know-how, and innovation.

Third, FDI creates employment, improves workforce quality, and facilitates labor restructuring.

Fourth, FDI contributes to state budget revenues and broadens the tax base.

Fifth, FDI promotes economic restructuring and enhances local competitiveness.

Sixth, FDI strengthens international economic integration and enhances the locality's participation in global value chains.

2.1.3.3. Contents of FDI Attraction at the Provincial Level

First, formulating the provincial strategy and objectives for FDI attraction.

Second, formulating and implementing an appropriate system of investment incentives and support policies.

Third, improving the investment environment and enhancing the effectiveness of the implementation of FDI attraction policies at the provincial level.

2.1.3.4. Factors Affecting FDI Attraction at the Provincial Level

First, factors relating to the national economic, institutional, and socio-political environment.

Second, factors reflecting the location-specific advantages and socio-economic development conditions of the locality.

Third, factors relating to the quality of public governance and the policies of the provincial government.

Fourth, factors relating to the context of international economic integration and competition among localities.

Fifth, factors relating to financial solutions at the provincial level.

2.1.3.5. Criteria for Evaluating FDI Attraction at the Provincial Level

The results of FDI attraction are evaluated based on criteria relating to the scale and volume of investment capital; the contribution of the FDI sector to economic growth, state budget revenues, exports, and employment; the quality of FDI inflows, as reflected in technological sophistication and technology spillovers; as well as environmental and sustainable development considerations.

2.2. Theoretical Foundations of Financial Solutions for Attracting FDI at the Provincial Level

2.2.1. Concept and Characteristics of Financial Solutions for Attracting FDI at the Provincial Level

Financial solutions for attracting FDI at the provincial level refer to *a comprehensive system of measures adopted by the State or provincial governments to directly influence the costs, benefits, profitability, and risk levels perceived by foreign investors, thereby creating incentives for them to choose, maintain, and expand their investment activities in the locality*. These financial solutions are implemented through major groups of measures, including tax solutions, public expenditure solutions, land-related solutions, credit solutions, and other financial support measures, in accordance with the prevailing legal framework.

Financial solutions for attracting FDI exhibit three fundamental characteristics: (i) they directly influence the economic benefits and investment decisions of FDI enterprises; (ii) they are selective and oriented toward specific industries, investment scales, and technological levels; and (iii) they are subject to the legal framework and the fiscal capacity of the locality.

2.2.2. Key Groups of Financial Solutions for Attracting FDI at the Provincial Level

First, state budget expenditure on local infrastructure development to attract FDI.

Second, tax solutions and tax incentives for FDI enterprises.

Third, financial solutions relating to land and investment-supporting infrastructure.

Fourth, credit solutions and support for access to finance for FDI enterprises.

Fifth, non-tax financial support solutions.

2.2.3. Criteria for Evaluating the Outcomes of Financial Solutions for Attracting FDI at the Provincial Level

The outcomes of financial solutions for attracting FDI are evaluated through two groups of criteria: qualitative and quantitative criteria.

The qualitative criteria reflect the extent to which financial solutions are aligned with FDI attraction objectives, their influence on investment decisions, and the level of satisfaction of FDI enterprises with the policies implemented at the provincial level.

The quantitative criteria reflect the outcomes of financial solution implementation through changes in FDI inflows; the effects of state budget expenditure on infrastructure development and land policies on FDI attraction; shifts in the structure of FDI in line with the province's attraction orientation; and supplementary indicators such as the contribution of the FDI sector to state budget revenues, exports, production value, and employment creation.

2.3. Experience in Applying Financial Solutions for Attracting FDI in Selected Domestic and International Localities and Lessons Learned for Thanh Hoa Province

The experience of selected domestic and international localities demonstrates that effective FDI attraction requires the coordinated implementation of financial solutions in conjunction with infrastructure development, improvements in the investment environment, and the enhancement of human resource quality.

Based on these experiences, several lessons can be drawn for Thanh Hoa Province. These include prioritizing infrastructure investment; implementing targeted financial solutions; improving the investment environment and the quality of public governance; and integrating FDI attraction with human resource development, supporting industries, and sustainable development objectives.

CHAPTER 3: CURRENT SITUATION OF THE IMPLEMENTATION OF FINANCIAL SOLUTIONS FOR ATTRACTING FOREIGN DIRECT INVESTMENT INTO THANH HOA PROVINCE

3.1. Natural, Economic, and Socio-economic Conditions of Thanh Hoa Province Affecting FDI Attraction

3.1.1. Natural Conditions

Thanh Hoa Province enjoys a strategic geographical location, serving as a gateway connecting the Northern Key Economic Region, Northern Laos, and the North Central Region of Viet Nam. The province covers an area of approximately 11,120 km², features diverse topography, has a 102-km coastline, and possesses relatively abundant natural resources. These conditions provide significant advantages for socio-economic development and FDI attraction, while also highlighting the need for continued infrastructure investment and effective disaster risk management.

3.1.2. Economic Conditions

During the 2020 - 2025 period, Thanh Hoa Province maintained relatively strong economic growth. The province's Gross Regional Domestic Product (GRDP) increased from VND 189,149 billion to VND 333,617 billion. Its economic structure continued to shift toward industrialization, with the industry and construction sector playing a leading role.

Table 3.1. Socio-economic Development of Thanh Hoa Province during the 2020 - 2025 Period

Indicator	2020	2021	2022	2023	2024	2025
GRDP (VND billion)	189.149	215.851	252.442	276.539	305.965	333.617
GRDP growth rate (%)	5,90	8,85	12,40	6,93	10,50	8,27
Economic structure (%)						
- Agriculture, forestry and fisheries	17,23	16,07	14,46	14,15	13,88	13,25
- Industry - construction	42,35	46,64	48,29	48,26	48,14	47,94
- Services	33,53	30,82	30,46	31,33	31,71	32,93
- Import taxes less product subsidies	6,89	6,47	6,79	6,26	6,27	5,87
GRDP per capita (VND million)	51,60	58,10	67,82	73,90	81,30	88,45

Source: Statistical Yearbooks of Thanh Hoa Province, 2020 - 2025.

Table 3.1 shows that the province's economic conditions continued to improve, providing a favorable foundation for FDI attraction. However, the share of high-tech industries and the competitiveness of local enterprises remained limited.

3.1.3. Social Conditions

During the 2020 - 2025 period, the social conditions of Thanh Hoa Province continued to improve. In 2025, the population reached 3,771.8 thousand people, the labor force reached 1,980.2 thousand people, and the proportion of trained workers increased to 28.90%. GRDP per capita increased from VND 51.60 million in 2020 to VND 88.45 million in 2025. Social security, national defense, and public security were ensured.

Overall, the large population, abundant labor force, and stable social environment constitute important advantages for FDI attraction. However, the quality of highly skilled workers and vocational skills still need to be further improved to meet the requirements of high-tech FDI projects.

3.2. Current Situation of FDI Attraction in Thanh Hoa Province

3.2.1. FDI Attraction in Thanh Hoa Province

3.2.1.1. FDI Attraction Policies of Thanh Hoa Province

Based on the policies of the Central Government, particularly Resolution No. 50-NQ/TW and Resolution No. 58-NQ/TW, Thanh Hoa Province has implemented measures relating to tax incentives, land, infrastructure development, administrative procedure reform, and investment promotion. These policies have contributed to improving the investment environment, enhancing competitiveness, and strengthening FDI attraction in the province.

3.2.1.2. FDI Attraction Performance of Thanh Hoa Province

Despite the impacts of various domestic and international economic fluctuations, Thanh Hoa has maintained its position as one of the leading FDI-attracting localities in the North Central Region. The number of valid FDI projects increased from 132 in 2020 to 188 in 2025. Newly registered FDI capital recovered strongly from 2023 onward, reaching USD 652.28 million in 2025. Implemented FDI capital fluctuated but remained at a

relatively high level, indicating the province's capacity to implement FDI projects.

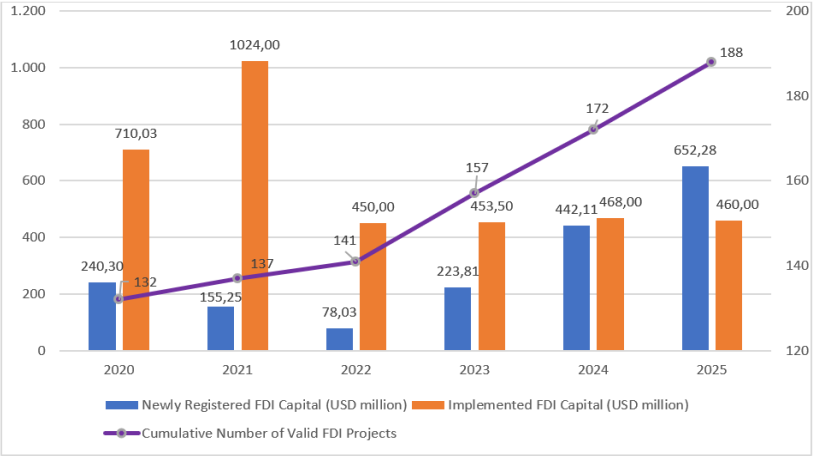


Figure 3.1. Trends in the Number of Active FDI Projects, Newly Registered FDI Capital, and Implemented FDI Capital in Thanh Hoa Province during the 2020 - 2025 Period

Source: Department of Finance of Thanh Hoa Province.

Figure 3.1 shows that the number of active FDI projects and the amount of newly registered FDI capital exhibited an upward trend, while implemented FDI capital fluctuated over the years. These results reflect the attractiveness of the investment environment, while also indicating the need to further improve the effectiveness of FDI project implementation and capital disbursement.

Overall, FDI has contributed to promoting economic growth and accelerating the restructuring of the province's economy toward industrialization and modernization.

3.2.2. Results of FDI Attraction in Thanh Hoa Province

The results of FDI attraction in Thanh Hoa Province are reflected in the performance of the FDI enterprise sector in terms of implemented capital,

revenue, exports, imports, employment generation, and contributions to the state budget.

Table 3.14. Performance of the FDI Sector in Thanh Hoa Province during the 2020 - 2025 Period

Indicator	2020	2021	2022	2023	2024	2025
Implemented Capital (USD million)	710,03	1.024,00	450,00	453,50	468,00	460,00
Revenue (USD million)	6.184,79	5.790,50	6.938,20	6.520,00	6.713,00	6.867,40
Exports (USD million)	2.455,18	4.179,39	4.825,70	4.688,00	5.989,03	7.282,66
Imports (USD million)	4.616,87	6.450,09	8.678,92	7.969,00	9.793,89	9.764,51
Number of Employees (Persons)	137.780	131.251	158.000	194.200	205.000	215.000
State Budget Contributions (USD million)	615,27	539,69	312,90	278,48	376,25	364,21

Source: Department of Finance of Thanh Hoa Province.

Table 3.14 shows that the FDI sector continued to make positive contributions to the province's economic growth, exports, employment generation, and state budget revenues. Revenue increased from USD 6,184.79 million in 2020 to USD 6,867.40 million in 2025; exports increased from USD 2,455.18 million to USD 7,282.66 million; and the number of employees increased from 137,780 to 215,000. The FDI sector also contributed to technology transfer, the development of supporting industries, and the enhancement of the province's competitiveness.

3.3. Current Situation of Financial Solutions for Attracting FDI in Thanh Hoa Province

3.3.1. Implementation of Financial Solutions for Attracting FDI in Thanh Hoa Province

3.3.1.1. Current Situation of State Budget Expenditure on Infrastructure Development for Attracting FDI

State budget expenditure on infrastructure development is an important financial solution for enhancing the province's investment absorption capacity and improving its investment environment. During the 2021 - 2025 period, state budget expenditure on capital construction increased from VND 1,382,149 million to VND 1,600,120 million, with investment concentrated on transport infrastructure, economic zones, and industrial parks.

Table 3.17. Comparison between State Budget Expenditure on Capital Construction and FDI Attraction in Thanh Hoa Province during the 2021 - 2025 Period

Year	State Budget Expenditure on Capital Construction (VND million)	Increase/ Decrease (%)	Newly Registered FDI Capital (USD million)	Increase/ Decrease (%)	Implemented FDI Capital (USD million)	Increase/ Decrease (%)
2021	1.382.149	-	155,25	-	1.024,00	-
2022	1.410.299	2,04	78,03	-49,74	450	-56,05
2023	1.488.626	5,55	223,81	186,83	453,5	0,78
2024	1.444.984	-2,93	442,11	97,54	468	3,20
2025	1.600.120	10,74	652,28	47,54	460	-1,71

Source: *Department of Finance of Thanh Hoa Province*

The data presented in Table 3.17 show that state budget expenditure on capital construction and FDI attraction did not move in the same direction in the short term. However, in the medium term, infrastructure investment contributed to enhancing the investment attractiveness and FDI attraction capacity of Thanh Hoa Province.

3.3.1.2. Current Situation of the Implementation of Tax Incentive Policies for Foreign Investors

Thanh Hoa Province has implemented tax incentives for FDI enterprises in accordance with the regulations of the Central Government, with a focus on Nghi Son Economic Zone, industrial parks, and investment incentive sectors. These incentives have contributed to reducing investment costs,

enhancing the attractiveness of the investment environment, and supporting the attraction of large-scale FDI projects in the province.

3.3.1.3. Current Situation of Financial Policies on Land and Land Rental

Thanh Hoa Province has implemented land rental incentives in accordance with the regulations of the Central Government, while also reforming land administration procedures and preparing land funds for investment. These measures have contributed to improving access to land and attracting FDI. However, land clearance and the development of industrial land funds still face certain limitations.

3.3.1.4 Current Situation of Credit Support and Access-to-Finance Policies

Credit support and access-to-finance solutions for the FDI sector in Thanh Hoa Province have been implemented through the commercial banking system and concessional financing sources. The province has mainly supported enterprises in connecting with credit institutions and improving the investment environment to facilitate capital mobilization. However, access to concessional financing and the development of the local financial market remain limited.

3.3.1.5. Current Situation of Investment Promotion and Human Resource Development Policies

Thanh Hoa Province has strengthened investment promotion in a more targeted manner and implemented vocational training programs to meet the needs of FDI enterprises. These measures have contributed to improving the investment environment and the quality of human resources. However, resources for investment promotion and the availability of highly skilled workers remain limited.

3.3.1.6. Current Situation of State Management in the Implementation of Financial Solutions

Thanh Hoa Province has strengthened state management in the implementation of financial solutions through administrative procedure

reform, the one-stop-shop mechanism, and enhanced coordination among management agencies. The management of taxation, land, and public investment has been implemented in a relatively coordinated manner, contributing to improvements in the investment environment. However, financial risk management, transfer pricing control, and the effectiveness of public investment disbursement still require further improvement.

3.3.2. Evaluation of the Implementation of Financial Solutions for Attracting FDI in Thanh Hoa Province

3.3.2.1. Achievements

Financial solutions have contributed to improving the effectiveness of FDI attraction in Thanh Hoa Province. The investment environment has continued to improve; the number of projects, newly registered capital, and implemented capital have shown an upward trend. The structure of FDI has shifted toward manufacturing and processing industries, energy, and large-scale projects in Nghi Son Economic Zone. At the same time, administrative procedure reform and improvements in the effectiveness of state management have contributed to enhancing transparency and the province's competitiveness in attracting FDI.

3.3.2.2. Limitations and Causes

In addition to the achievements, the implementation of financial solutions for attracting FDI in Thanh Hoa Province has still faced several limitations, including the limited flexibility of financial solutions; slow progress in land clearance and infrastructure development; the effectiveness of credit support, investment promotion, and human resource training has not yet met the requirements for attracting high-quality FDI; and shortcomings in policy implementation.

The main causes include an inconsistent legal framework and decentralization mechanism, limited financial resources, inadequate planning and infrastructure preparation, and increasing competition among localities in attracting FDI.

3.4. Research on the Factors Affecting FDI Attraction in Thanh Hoa Province

The study was conducted based on a survey of 265 managers of FDI enterprises operating in Thanh Hoa Province.

The regression analysis results indicate that all six factors in the model are positively associated with YDINH in the surveyed sample and are statistically significant at the 1% level (Sig. = 0.000).

The factors, ranked in descending order of the relative strength of their associations, are infrastructure quality (β = 0.384), tax incentives (β = 0.338), access to credit and finance (β = 0.337), land costs and access to land (β = 0.241), other financial support (β = 0.210), and the effectiveness of financial policy implementation and governance (β = 0.202).

The research results indicate that infrastructure quality, tax incentives, and access to credit and finance have the strongest associations with YDINH in the surveyed sample.

CHAPTER 4: IMPROVING FINANCIAL SOLUTIONS FOR ATTRACTING FOREIGN DIRECT INVESTMENT INTO THANH HOA PROVINCE

4.1. Orientations and Perspectives for Improving Financial Solutions for Attracting FDI into Thanh Hoa Province toward 2030, with a Vision to 2050

4.1.1. FDI Capital Demand of Thanh Hoa Province during the 2026 - 2030 Period

To achieve an average GRDP growth rate of 11% or higher and mobilize approximately VND 840 trillion in total social investment during the 2026 - 2030 period, Thanh Hoa Province needs to continue attracting substantial FDI capital. The dissertation estimates that the province's FDI capital demand will reach approximately VND 210 - 252 trillion, equivalent to 25% - 30% of total social investment (Table 4.1):

Table 4.1. Estimated FDI Capital Demand of Thanh Hoa Province during the 2026 - 2030 Period

Indicator	Estimated Value
Total social investment during the 2026 - 2030 period	VND 840,000 billion
Target share of FDI to be attracted	25% - 30%
Total FDI capital demand for the period	VND 210,000 - 252,000 billion
Annual average	VND 42,000 - 50,400 billion

Source: Author's calculations based on References [57], [58], and [59].

The estimated results indicate that the province's demand for FDI capital in the coming period will be substantial. Therefore, Thanh Hoa Province should strengthen FDI attraction in a selective manner, giving priority to high-tech, high value-added, and environmentally friendly projects with strong linkages to domestic enterprises. At the same time, the province should continue to improve its financial solutions in order to enhance the attractiveness of the investment environment and the competitiveness of the locality.

4.1.2. Orientations and Objectives for Attracting FDI in Thanh Hoa Province

4.1.2.1. Orientations for Attracting FDI in Thanh Hoa Province

Thanh Hoa Province pursues a proactive and selective approach to FDI attraction, giving priority to quality, efficiency, high technology, and sustainable development. FDI attraction is associated with the development of key industries and sectors, improving the effectiveness of policy implementation, strengthening linkages with domestic enterprises, and developing high-quality human resources.

4.1.2.2. Objectives for Attracting FDI in Thanh Hoa Province

The province aims to improve the scale, quality, and effectiveness of FDI attraction, with priority given to high-tech, high value-added, and environmentally friendly projects. At the same time, it seeks to enhance the contribution of the FDI sector to economic growth, exports, state budget

revenues, employment generation, technology transfer, and the competitiveness of the locality, while improving the investment environment and the effectiveness of state management of FDI activities.

4.1.3. Orientations for the Development of Priority Sectors and Fields for Attracting FDI in Thanh Hoa Province

Thanh Hoa Province adopts a selective approach to FDI attraction, giving priority to high-tech, high value-added, environmentally friendly projects with strong linkages to domestic enterprises. FDI attraction is associated with the development of Nghi Son Economic Zone, key industrial parks, and sustainable growth objectives.

(1) Manufacturing and processing industries: Priority is given to projects applying advanced technologies, generating high added value, and promoting supporting industries and deep processing, thereby contributing to the development of production value chains.

(2) Energy and green energy industries: Priority is given to clean energy, renewable energy, and energy-saving technology projects associated with environmental protection.

(3) Logistics, seaports, and production support services: Developing logistics systems, seaports, and supporting services to enhance the competitiveness of the locality.

(4) High-tech agriculture and agricultural product processing: Priority is given to projects applying high technologies in agricultural production, processing, and preservation.

(5) Human resources, science and technology, and innovation: Encouraging projects associated with workforce training, technology transfer, and digital transformation.

(6) Tourism: Priority is given to marine tourism, ecotourism, cultural tourism, and high-quality resort tourism projects in line with sustainable development.

4.1.4. Orientations for Improving Financial Solutions to Enhance FDI Attraction in Thanh Hoa Province

Financial solutions should be improved in a coordinated, stable manner and in accordance with the legal framework of the Central Government, while supporting the selective attraction of high-tech, high value-added, and environmentally friendly projects. The implementation of financial solutions should be aligned with the development orientations of priority sectors, fields, and key areas of the province, while ensuring fiscal sustainability and enhancing the efficiency of public resource utilization. In addition, administrative reform, the effectiveness of state management, and the quality of the investment environment should continue to be improved.

4.2. Financial Solutions for Attracting FDI into Thanh Hoa Province toward 2030

4.2.1. Improving Financial Solutions for Infrastructure Development

The research results indicate that infrastructure quality is the factor most strongly associated with YDINH in the surveyed sample. Therefore, the province should prioritize public investment resources for transport infrastructure, logistics, Nghi Son Economic Zone, and industrial parks, while promoting the mobilization of non-state resources and public-private partnerships to enhance connectivity and reduce investment costs for FDI enterprises.

4.2.2. Improving the Implementation of Tax Incentive Policies

Improve the effectiveness of the implementation of tax incentive policies through administrative procedure reform, digital transformation, and strengthened coordination among management agencies.

4.2.3. Improving Credit and Financing Support Solutions

Strengthen the linkages between FDI enterprises and credit institutions, diversify financing sources, and enhance the role of public investment in supporting FDI attraction.

4.2.4. Improving Financial Solutions on Land and Land Rental

Accelerate land clearance, prepare clean land funds, digitalize land data, and improve land use efficiency.

4.2.5. Improving Other Financial Support Solutions

Enhance the effectiveness of investment promotion, human resource training, and digital transformation support for priority sectors and fields.

4.2.6. Improving the Effectiveness of the Management and Implementation of Financial Solutions

Promote administrative reform and digital transformation, improve the quality of public officials, and enhance coordination among management agencies.

4.2.7. Supporting Solutions

In addition to financial solutions, the province should implement coordinated solutions relating to planning, infrastructure development, improvement of the investment environment, enhancement of human resource quality, and innovation in investment promotion activities. These solutions provide an important foundation for enhancing investment absorption capacity and attracting high-quality FDI projects in the coming period.

4.3. Recommendations

4.3.1. Recommendations to the National Assembly

Continue to ensure the consistency, stability, and transparency of legislation on investment, finance, taxation, and land; clearly specify transitional provisions for projects already approved when policies change; review the implementation of the Global Minimum Tax and investment support mechanisms; strengthen oversight of the use of incentives and support measures; and evaluate the implementation outcomes of the special mechanisms applicable to Thanh Hoa Province.

4.3.2. Recommendations to the Government

Ensure the consistent implementation of regulations on the Global Minimum Tax and the Investment Support Fund; prioritize public investment for interregional infrastructure and infrastructure serving Nghi Son Economic

Zone; integrate and utilize existing information systems on investment, land, and taxation; and evaluate policies by comparing the incentives and support provided with project implementation outcomes.

4.3.3. Recommendations to Central Ministries and Agencies

Accelerate the issuance and improvement of implementing guidelines; provide guidance on investment support mechanisms in the context of the Global Minimum Tax (GMT); improve the quality of technology and environmental appraisal for FDI projects; strengthen the integration of national databases; develop a unified system of criteria for evaluating FDI effectiveness; and support capacity building for local officials responsible for policy implementation.

CONCLUSION

The dissertation has systematized and clarified the theoretical foundations of FDI attraction and financial solutions for attracting FDI at the provincial level; developed a research framework on the factors affecting FDI attraction; and drawn lessons for Thanh Hoa Province.

Based on the analysis of the current situation during the 2020 - 2025 period, the dissertation shows that Thanh Hoa Province has achieved positive results in attracting FDI but still faces several limitations regarding the quality of FDI inflows, the effectiveness of implementing financial solutions, and the capacity for policy implementation. The quantitative research results indicate that the factors related to financial solutions and implementation conditions are positively associated with the intentions of the surveyed FDI enterprises to maintain their operations, increase their investment capital, and expand their investment activities.

Based on these findings, the dissertation proposes a system of financial solutions and recommendations to enhance the effectiveness of FDI attraction, thereby contributing to improving the investment environment, enhancing the quality of FDI inflows, and promoting the sustainable socio-economic development of Thanh Hoa Province in the coming period.

LIST OF THE AUTHOR'S PUBLICATIONS RELATED TO THE DISSERTATION

1. Pham Thi Kim Len, Tran Thi Thanh Loan (2022), “Attracting foreign direct investment (FDI) in Vietnamese agriculture sector in the context of the Fourth Industrial Revolution”, *Journal of FINANCE & ACCOUNTING RESEARCH*, No. 06 (19), 2022.
2. Tran Thi Thanh Loan (2026), "Experience in Attracting Foreign Direct Investment in Selected Provinces and Cities in Viet Nam", *Online Journal of Economics and Finance*, No. 104, January 2026.
3. Tran Thi Thanh Loan (2026), “Current Situation of FDI Attraction and the Effectiveness of FDI Utilization in Thanh Hoa Province during the 2020 - 2025 Period", *Online Journal of Economics and Finance,* No. 102, January 2026.
4. Tran Thi Thanh Loan (2026), “Improving Tax Incentive Policies for Attracting FDI into Thanh Hoa Province”, *Online Journal of Economics and Finance*, No. 103, January 2026.