

Opportunities and Challenges for Vietnamese Businesses When Investing in ASEAN

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Abstract:

The aim of the study is to analyze and evaluate direct investment activities of Vietnamese enterprises to ASEAN in the context of the ASEAN economic community (AEC) formed at the end of 2015. From there, the study proposed a number of solutions to promote direct investment activities to ASEAN until 2025, with a vision to 2030.

Keywords: Foreign direct investment, ASEAN

1. Introduction

The process of international economic integration which is taking place very strongly has had a profound impact on the economic growth of countries around the world, characterized by the development of international investment activities. Most of the investment flows are still mainly from developed countries, but in recent times, international investment activities of developing countries and emerging economies are also increasing strongly. It is becoming an important part of international investment flows, accounting for about 37% of outward investment inflows in 2019 (World Investment Report, 2020). The reason is that all countries are aware of the role of international investment, bringing many opportunities for both the country to invest and the investor (to invest abroad). Specifically, investment countries can exploit the market in the host country, ensure the supply of cheap raw materials (labor, natural resources), and create an impact on the country receiving investment in a way that benefits us in international affairs (Vu Chi Loc, 2012). Therefore, countries with large outflows of outward investment capital are interested in actively promoting the formation of bilateral and multilateral legal frameworks in the fields of investment, trade and intellectual property, aiming to pave the way and create a favorable and safe legal framework for businesses when implementing overseas investment activities.

ASEAN economic cooperation has been accelerated since 1992, in order to increase trade, attract investment and regional cooperation, ASEAN countries signed a declaration of establishment of the ASEAN - AEC single market on 22 / 11/2015 with the goal of forming a single market, free trade and investment. Investors can participate in diversified investment projects across the region more favorably as regulatory and regulatory frameworks become more transparent, foreign capital restrictions are relaxed, and regulation more effective investment protection. In particular, Vietnamese businesses have investment opportunities in the region with high stability, transparency and lower risks. With a market size of more than 600 million users and a gross domestic product (GDP) of about 3 trillion USD, ranking 5th in the world in 2018 in terms of GDP, ASEAN has always been one of the strategic priorities. trade and investment activities of Vietnamese enterprises. To take advantage of the opportunities brought by the AEC, many Vietnamese businesses have actively invested in the ASEAN region in many different fields. The Government of Vietnam has also made changes in investment policies, in the direction of increasing policy support for domestic enterprises to implement investment step by step. Statistics show that from 1991 to 2019, the total number of direct investment projects of Vietnamese enterprises to ASEAN continuously increased, cumulatively reached 791 projects, total capital was 11.23 billion USD, the average size of each project reached 14.1 million USD (Department of Foreign Investment, Ministry of Planning and Investment, 2019).

However, the achievements of Vietnamese enterprises when investing in ASEAN are still not commensurate with the available potentials of Vietnam and partners. A series of investment projects in the previous period suffered losses, had to be dissolved and returned home, many partner countries also tightened their investment policies, especially in the mining and natural resource exploitation industries. course. Many famous projects of

some Vietnamese giants have also been delayed or are ineffective. When the AEC was established, many opportunities were opened up for Vietnamese businesses, but the challenge was also greater before there were many big internal competitors in the bloc who would also enjoy preferential treatment from the AEC. In addition, changes in investment policies abroad in Vietnam and the restructuring situation of the economy in Vietnam in recent years have changed the situation of investment abroad of enterprises. Vietnam. Investment opportunities are always available, especially when the investment agreements in the AEC have created favorable conditions for businesses within the bloc. However, not all businesses can make good use of investment opportunities in foreign markets.

2. Literature review

Among the theories that seek to explain international investment, theories based on explanations of business organization currently have the greatest influence. The explanation of FDI's corporate organization stems from Hymer's famous doctoral study completed in 1960, published in 1978. In his research, Hymer first distinguished between stock investment and investment. Directly, it concludes that the hypotheses of capital exchanges through the stock market that explain international capital movements are inconsistent with the real capital distribution of MNCs and cannot explain the cause of FDI. Hymer provides a new ground for a micro-interpretation of FDI by showing that FDI is not randomly distributed between industries and that competitive conditions, especially marketing conditions, are not randomly distributed. product market, greatly affecting FDI inflows. Applying the theory of business organization, Hymer pointed out that if the foreign MNCs are exactly the same as domestic ones, there will be no benefit when entering the domestic market, as they obviously have to pay extra costs doing business in other countries, such as communication and shipping costs, higher costs for employees working abroad, language barriers, customs and having to operate offline domestic business network (these are disadvantages of the company when investing abroad). Therefore, Hymer thinks that for MNCs to carry out production abroad, it is necessary to have some proprietary advantages such as famous brand, higher technology and protection, management skills or lower costs through opening. large scale ... these advantages to compensate for the disadvantages that businesses must face in competition with other companies in the host country.

The decision of enterprises to exploit these advantages by licensing high-tech partners (licensing) or FDI depends on the nature of the advantages and the degree of imperfections of the markets. for the advantages that the business holds. The higher the imperfections, the more firms tend to choose FDI and control their activities rather than conducting ordinary commercial transactions. Thus, Hymer mentioned the factors of the advantage of enterprise ownership, but not mentioned the advantages of location as well as the impact of direct investment.

Vernon's theory of the International Product Lifecycle (1966) then explains the determinants of international trade, international investment and the relationship between international trade and international investment. This theory was further developed by Hirsch (1976) on the basis of researching American enterprises. Accordingly, the relationship of international investment and international trade considers international investment a natural stage in the product life cycle. This theory shows the role of inventions and inventions in international trade and investment by analyzing the internationalization of production in successive stages. The two ideas underpinning this theory are: (i) Each product has a life cycle, emerges-grows-slow-down-declines in proportion to the penetration-growth-saturation process. -decline; (ii) This life cycle is long or short depending on the product. In the beginning most new products are made in the country where it is invented and exported to other countries. But as new products became widely accepted in the world market, production began to be carried out in other countries. And according to this theory, the most likely result is that the product will then be exported back to the country where it was invented. Specifically, the international life cycle of products consists of 3 phases: (i) New product emerges need quick feedback and is sold domestically invented products, not significant exports; (ii) Product is ripe, demand increases, exports rise sharply, domestic and foreign competitors appear, FDI appears; (iii) Products and production processes are standardized, markets are stable,

goods become popular, businesses are under pressure to reduce costs as much as possible to increase profits or reduce prices to increase productivity. competitive force, FDI continues to grow.

In order to overcome the limitations of Vernon's International Life Cycle Theory, several other economists propose to extend Vernon's hypotheses by including costs other than labor costs. solving the FDI phenomenon of all developed countries. The product life cycle theory has not yet mentioned other factors such as location advantage that also influence offshore investment.

Buckley and Casson (1976) develop the internalization theory to explain the development of MNCs on the basis of transaction cost theory. As observed by Buckley and Casson, for MNCs to enter foreign markets through FDI rather than through other forms of business, such as export or licensing, some internal advantages are required. That is, there is a need for the economic benefits associated with the exploitation of a market opportunity by firms through internal activities rather than through external transactions (normal commercial activities). The internalization approach is linked to the idea of market imperfections proposed by Hymer and is more open to give an explanation for the existence of MNCs that cross national borders. This theory suggests that in the face of market imperfections for intangible assets and information, businesses tend to internalize their operations to minimize transaction costs and increase efficiency. manufacturing.

Synthesizing the main elements of many other works pointing out the three necessary conditions for an enterprise to conduct direct investment abroad, Dunning (1977, 1988) on the basis of a combination of assumptions about business organization industry, internalization and location advantage to explain international investment. According to the author, investment should be in the form of FDI when all three factors of location advantage, advantage of ownership and advantage of internalization are satisfied. The above three factors are combined in a model called OLI, where O (Owership advantages) is the advantage of ownership, L (Location advantages) is the advantage of location and I (Internalization advantages) is the advantage. so about localization.

MNC will compare the advantages and disadvantages of the above forms and choose which method is most advantageous for them. According to the internalization theories, FDI will be used to replace transactions in markets with internal transactions when investors find internal transactions to be less expensive, safe and feasible. Contest than deals on outside markets. This often occurs due to imperfections of production inputs market. Market imperfections stem from two main groups of reasons, which are natural weaknesses and structural weaknesses of the market.

Thus, when the external market is not perfect, businesses will have internal advantages when choosing FDI as a form of entering foreign markets. This advantage will help businesses reduce costs and overcome barriers and risks caused by imperfections of the external market (tariff and non-tariff barriers, abnormal fluctuations of the commodity market. external chemistry ...). It is the internal advantages that help MNCs conduct business synchronously and completely, produce in many countries and use intra-corporate trade to move goods, services and other factors. image between their branches.

However, it should be noted that while internalization can bring many benefits, there are also certain costs associated with the business association process. One of the most important costs is the cost of management, which means the cost of running a large business with many affiliated companies working in the same industry or in the same industry that are partners, businesses. This business has a very complex internal market for goods, services and intangible assets. Second, linking a business globally requires huge financial resources that may not be available to the business or only available at a higher cost compared to other forms. Third, new business approaches may entail special requirements or specialized assets that the MNC does not have, so firms can choose other types of intrusion.

Once there are advantages of ownership and internal advantages, businesses will also have to consider choosing a location for direct investment in the country most beneficial for promoting the two advantages above. This

issue will be answered through the assessment of location advantage, also known as the private advantage of the host country with the investor. After OLI theory, Dunning developed the theory of IDP (Investment Development Path) to explain foreign direct investment. According to this theory, the development process of countries is divided into 5 phases:

Stage 1: A country's L advantage is less attractive, FDI inflows are insignificant due to limitations of the domestic market: low income, outdated infrastructure, poor education, inadequate labor. energy... and rarely see FDI outflows.

Phase 2: FDI inflows started to increase because the advantage of L attracted investors: domestic purchasing power began to increase, infrastructure improved ... FDI in this step was mainly investment in production for import substitution and those that exploit natural resources or produce raw materials, preliminary products. Outflow of FDI in this period is not significant.

Stage 3: FDI inflows begin to decline and outflow begins to increase again. Technical capabilities of the host country have moved towards production of standardized products. On the other hand, the labor advantage diminishes, so investment must be shifted to countries with equal labor advantage in order to find markets or acquire strategic assets to protect O advantage. FDI inflows are focused on efficient import substitution industries.

Stage 4: The O advantage of domestic firms increases. Labor-intensive technologies are gradually being replaced by capital-intensive technologies. On the other hand, capital costs become cheaper than labor costs. As a result, the country's advantage L will shift to the assets. FDI from developing countries in step 4 will enter this country to search for the above assets or from less developed countries in order to find markets and establish trade relations. In this step domestic companies still prefer to carry out FDI overseas rather than export products, because they can exploit their advantages I. As a result, FDI inflows and outflows will increase, but outflow will be faster.

Stage 5: FDI inflows and outflows continue and the volume is similar. The inflow from less developed countries with the aim of finding markets and knowledge; or from developing countries in steps 4 and 5 to find effective production. Hence the outflow and the inlet are similar.

The OLI model explains the static FDI phenomenon, while the IDP theory considers the FDI phenomenon in the dynamic state with the change of these advantages in each development step. This theory, together with the OLI model, is the most appropriate to explain the phenomenon of FDI worldwide, of course, Vietnam.

3. Methodology

The research is based on an analysis of the pull and push factors (from the perspective of both the investing country and the host country) affecting the direct investment flows of Vietnamese enterprises to ASEAN. Based on the assessment of factors affecting direct investment, thereby assessing opportunities and challenges that Vietnamese businesses may face when investing in ASEAN in the context of the effective AEC from year 2015.

Sources and methods of data collection

Major secondary data are collected from various official sources, including reports and data on direct investment projects of Vietnamese enterprises to ASEAN by the Ministry of Planning and Investment, Ministry of Industry and Trade, Ministry of Finance, State Bank, General Statistics Office, Vietnam Chamber of Commerce and Industry, ASEAN Secretariat and a number of Vietnamese enterprises invest in ASEAN. The data are taken from 1991 to 2019. This data is intended to assess the current situation of Vietnam's direct investment S in the ASEAN market, based on which proposing solutions to promote early activities. investment from Vietnamese enterprises to the ASEAN region, especially in the context that the AEC has been established.

4. Result

4.1. Opportunity

The AEC will bring new opportunities for Vietnamese businesses to invest in ASEAN, which are:

First, the AEC opens a large, unified common market area with a population of over 600 million people and the current GDP of about 2,400 billion USD, the AEC will become the 7th largest economy in the world. The world's fourth-ranked export sector will enable goods, services, capital, technology and skilled labor to freely flow within ASEAN member countries without being subject to discrimination. . As a result, Vietnamese consumers have a wide choice of goods and services with lower prices and higher quality. Vietnamese businesses have the opportunity to benefit from promoting economies of scale to increase productivity and reduce production costs, leading to more competitive commodity prices. On the other hand, AEC creates chain linkages among ASEAN businesses.

Second, the AEC opens up opportunities for Vietnamese businesses to invest in ASEAN: an expanded business environment towards greater transparency and equality will be a condition for Overseas Investment, so that Vietnam can participation and regional and global value chains.

Third, the AEC creates pressure and enhances the competitiveness of Vietnamese enterprises: participating in a common playing field and being under competitive pressure from regional partners in both management and technology levels. and human resources will force Vietnamese enterprises to reform, change and improve their competitiveness in order to survive and develop.

Fourth, AEC will help businesses in the banking, insurance and securities sectors of Vietnam have the opportunity to expand their market share and access advanced and modern management technology. The AEC will help increase the coverage and service level of the financial services industry in regions where financial service penetration and service remains low. The insurance industry in the region will benefit significantly from the flow of labor and logistics services among ASEAN member countries with many conditions to create pressure to help develop more new insurance products specifically for the market. ASEAN.

Fifth, joining AEC also brings many benefits to Vietnamese workers. The AEC will allow Vietnam to compete in the global market on the basis of increasing productivity and skills of its workers. Vietnam will be one of a number of countries that will benefit more from deep regional economic integration than other countries due to its heavy reliance on foreign trade.

4.2. Challenge

In addition to the opportunities, Vietnamese businesses will also face many challenges, coming from the enterprises themselves, as well as from external factors.

First, the biggest challenge in the AEC for Vietnam is the competitive pressure from goods from ASEAN countries: with relatively similar product structures in all 10 ASEAN countries, market opening will create There is enormous competitive pressure on Vietnamese enterprises, especially those with weak competitiveness and highly protected industries up to now.

Second, the service challenge. If the goal of free movement of services in the AEC is realized, Vietnamese businesses in the service sector will inevitably be placed in a much more competitive environment (because of barriers / conditions now for foreign service providers to enter Vietnam is still relatively high, so Vietnamese service enterprises are currently being "wrapped up" quite carefully in many service fields);

Third, the challenge of labor. When the AEC completes the goal of free movement of labor, without adequate preparation, Vietnamese workers are poorly skilled, lack the necessary skills (foreign language, professionalism ...). towel over.

4.3. Objectives and orientations of Vietnamese enterprises and the State's perspective to promote direct investment of Vietnamese enterprises to ASEAN

*** For the State**

Encourage and create favorable conditions for Vietnamese investors of all economic sectors, especially non-state economic ones, to expand their investment and business markets, and to exploit their external potentials and strengths. ; increase the ability to export goods, services, and collect foreign currency; create jobs for Vietnamese workers; access to modern technology, improve corporate governance capacity and supplement resources for socio-economic development of the country.

Creating effective and sustainable development tools and measures to support Overseas Investment. Effectively manage offshore investments, especially overseas investment and business activities using state capital.

In the context of Vietnam's economy with a small scale, limited competitiveness and especially, it is necessary to spend resources to invest in economic development in the country. Overseas investment must ensure a balance of Vietnam's international payment balance; does not affect the domestic investment capital source and the macro balance of the economy.

*** For Vietnamese businesses**

Overseas investment should ensure investment efficiency orientations and objectives, ensuring that it is based on core comparative advantages to ensure a competitive advantage in investment with other businesses in the same area. sectors, especially for multinational and transnational companies that are present in ASEAN markets, enjoy investment incentives under the AEC.

First, about investment partners in ASEAN.

Vietnamese businesses should continue to promote their strengths and comparative advantages in investing in traditional market areas where we have advantages such as Laos, Cambodia, Myanmar ... on the basis of fully exploiting to bilateral and regional agreements.

The State should take measures to support and encourage special investments, especially for projects that are direct investment S to ASEAN in a number of strategic markets, related to national security and territorial borders. To step by step expand investment to new countries and markets on the basis of the comparative advantage and capacity of Vietnamese enterprises.

Second, in the area of investment in ASEAN.

Vietnamese enterprises should focus more on service fields, increase exploitation and investment in technology-applied products to increase their competitiveness and ensure their investment position in the regional market field.

The State also needs to encourage and support direct investment S in the energy and power production sectors in order to meet the electricity demand of the economy; Encourage and support projects of direct investment to ASEAN in the field of natural resource exploitation, with special attention paid to oil, gas and other mineral exploration and exploitation to meet the demand for raw materials. fuels and fuels for economic production; Encourage and support projects of direct investment to ASEAN in the field of afforestation, especially in investment areas such as Laos, Cambodia ... in order to meet the requirements of raw materials for production and export; Create favorable conditions for direct investment projects to ASEAN in the fields of industry, construction, and services to expand markets and enhance the competitiveness of businesses ...

Third, about the investor in ASEAN.

All Vietnamese businesses can take advantage of the opportunity from AEC to enter into joint ventures and links with domestic and foreign businesses to improve their investment capacity. Within the framework of the AEC, should take advantage of opportunities to approach businesses in the ASEAN region to be able to invest in these areas.

Encourage all economic sectors to invest directly to ASEAN, which directs state-owned economic groups, into fields related to energy, oil and gas, telecommunications, exploitation of natural resources, afforestation. ; Encourage and provide equal treatment between domestic and foreign-invested enterprises in direct investment S to ASEAN. The encouragement of foreign invested enterprises continued.

direct investment TO ASEAN aims to contribute to foreign investors to consider Vietnam as a place to locate their headquarters in the process of expanding investment and business activities; To encourage the formation of joint ventures and links between state enterprises and enterprises of all economic cities, especially foreign-invested enterprises, in direct investment to ASEAN; Encouraging Vietnamese enterprises to invest directly to ASEAN on the basis of joint ventures and association with overseas Vietnamese; Create favorable conditions for overseas Vietnamese to return home with the aim to continue direct investment to ASEAN.

Fourth, on investment policy in ASEAN.

Continuing to develop and perfect the legal and policy framework on overseas investment in order to create favorable conditions and orientations for entrepreneurs and businesses to invest in a safe and convenient direct investment to ASEAN; Improving administrative procedures for direct investment S to ASEAN towards simplification and convenience, further expanding the category of registered projects, reducing interference by administrative measures even for projects. project using state capital, increasing the autonomy and self-responsibility of the enterprise; Gradually decentralizing the issuance of certificates of outward investment to ministries, branches and localities in order to create proactivity and ensure the timing of administrative procedures; Stipulate synchronous measures to encourage and support direct investment S to ASEAN specifically, with special emphasis on support measures such as providing information, guiding and protecting the interests of businesses. BUSINESS direct investment to ASEAN. Study the possibility of establishing a fund to support direct investment to ASEAN of Vietnam to financially support direct investment projects to ASEAN and support Vietnamese enterprises when they encounter risks in the process. doing business abroad; Review to promote negotiation, signing and strengthen communication and dissemination of bilateral, multilateral and regional international agreements directly and indirectly related to direct investment to ASEAN, first of all Agreements to encourage and protect investment, avoid double taxation agreements, and agreements that facilitate the movement of goods, services and labor across national borders.

State point of view

The State encourages overseas investment with the aim of exploiting, developing and expanding the market; increase the ability to export goods, services, and collect foreign currency; Access to modern technology, improve governance capacity and supplement the country's socio-economic development resources, the state's views on overseas investment are shown as follows:

Firstly, overseas investment is an important way to gain initiative in the process of international economic integration. overseas investment is the transfer of resources with comparative advantage at home to create a competitive position, improve production capacity, find alternative resources, and limit environmental pollution in the country. water and consumption market expansion, promoting economic structural adjustment and resource allocation in a wider space; increase motivation to develop a safe and sustainable economy in order to get the highest benefit for the country.

Second, offshore investment must be considered as an integral part of the overall socio-economic development strategy, planning and plan, as well as of each sector, each locality in order to guide the adjusting institutions

and policies; market orientation, sectors, investment partners; ensure a balanced implementation, close to reality, avoid wasting resources, guide businesses to invest in the most beneficial way.

Third, the subjects of overseas investment are enterprises established and operating under Vietnamese law, irrespective of economic sectors and forms of ownership, and are equally treated and protected by the State. make investment abroad. Considering those foreign investors present in Vietnam as an important bridge in promoting overseas investment activities.

Fourth, attaching importance to and promoting effectively the role of the Vietnamese community abroad in promoting overseas investment activities in order to make use of financial resources, brainpower, and close relationships. diverse, multi-dimensional, multi-level and useful are available abroad.

Fifth, the legal framework and policies on overseas investment should be improved in the spirit of legal reform in general, in which, focusing on improving investment procedures; strengthen specific measures to encourage and support businesses to invest abroad; specifies the responsibilities of state agencies (including foreign diplomatic missions) and sanctions against enterprises, enhances the synthesis of overseas investment and enhances high efficiency of state management for overseas investment.

4.4. Proposing solutions to promote direct investment to ASEAN for Vietnamese businesses to 2025, with a vision to 2030

Proactively formulate an effective investment strategy, carefully prepare the pre-investment conditions and business strategy

First, proactively formulate an effective investment strategy.

In order to survive and compete effectively in the international market, businesses need to develop an investment strategy to ASEAN with appropriate steps and roadmaps based on their capacity and operational objectives. invest. For traditional investment markets, it is necessary to develop a more detailed investment strategy to take advantage of the advantages of Vietnam as well as the incentives of the host country to achieve maximum investment efficiency. . It can be said that a number of strategies that a number of Vietnamese businesses have successfully applied in ASEAN such as: (i) Strategy to be the pioneer and the leader in the niche market; (ii) Strategy based on monopoly advantage; (iii) The strategy of diversifying the investment sector; (iv) Investment strategy from near to far; (v) Strategy of cultural penetration, brand spread; (vi) Investment strategy in human resources ...

Viettel is a major telecommunications service provider in Vietnam, investing, operating and doing business in 13 countries stretching from Asia, America, Africa with a market size of 270 million people, about 3 times more. Vietnamese population, they have incorporated investment strategies in a scientific, creative and innovative way. Viettel has applied very successfully: "Strategy is the pioneer and the leader in the niche market". In 2006, Viettel was still a very small company, but Viettel had a big dream, going abroad to compete, to learn from top companies in the world, to let Viettel be more competitive, to make Viettel good. than. Going abroad to invest in mutual development, to strengthen solidarity and friendship with neighboring countries, preserve peace, protect the country from a distance. In 2006, the Foreign Investment Project Management Board was established with only 6 people and the mission is to invest in Cambodia. After 10 years, Viettel's foreign families are 10 countries, with a population of 230 million people, 2.5 times larger than the population of Vietnam. In Asia there are 4 countries: Cambodia, Laos, East Timor and Myanmar. In Africa there are 4 countries: Mozambique, Cameroon, Burundi and Tanzania. In America there are 2 countries: Haiti and Peru. Viettel's overseas subscribers are over 35 million. Turnover is 1.4 billion dollars per year. Annual growth rate is over 25%. Creating jobs for over 10,000 foreigners (2019).

At first, Viettel took up to 3 years to complete the procedures, build infrastructure, fully deploy the management and sales staff, now that number is only 1 year. This has been done in Tanzania - a country with an area nearly 3

times larger than Vietnam and the 9th market of Viettel and will continue to be done in Myanmar, Viettel's 10th market. The quick investment process helps us to optimize costs, helping people in the host country soon enjoy a high quality service at reasonable prices.

Viettel set a world record in 4 years, from the 4th operator to the first in Vietnam, in Cambodia - the first foreign market, Viettel only took 3 years, in Mozambique - the domestic market. In addition to Wednesday, it took Viettel 1 year and in Burundi, the 9th market, it took only 6 months to get the 1st position. Up to now, out of 9 markets that have been in business, Viettel is at number 1 at 5. The market is: Laos, Cambodia, East Timor, Mozambique and Burundi. The annual growth rates of the markets are all 20-30%, nearly 10 times higher than the general growth rate of the entire telecommunications industry in the world (Viettel, 2019).

In many markets, leading telecom enterprises in the world and the region such as Vodafone, Telefonica, Orange, Digicel ... have been present in front of Viettel for decades, but have hardly invested in broadband infrastructure. Fiber optic cable, coverage only concentrated in cities, Viettel, upon its presence, created extensive service coverage across all regions and was always the market leader in cable telecommunications infrastructure. optical, broadband.

Viettel has also been very successful with "The strategy of penetrating from culture, spreading the brand". Viettel invests in modern technology, invests in sustainable infrastructure, transfers and trains local residents and, in particular, builds its own brands for each market, so that each company that Viettel invests in is The brand name of that country, the company of its own, is the pride of each country. In Laos, Unitel - represents the solidarity of the Laotian tribes; in Cambodia, it's Metphone - an expression of friendship; in East Timor is Telmor - the telecommunications of the East Timor mangrove land; MyTel in Myanmar is my telecom, Myanmar's country; in Mozambique is Movitel - the telecommunications of the developing country of Mozambique; in Cameroon is Nexttel - the new generation of telecommunications for Cameroon; in Burundi is Lumitel – A bright future for the country of Burundi; in Tanzania, Halotel — A greeting, a bright sun in Tanzania; in Haiti is Natcom — The national telecommunications company in Haiti; and in Peru, Bitel - Is the telecommunications company with the colors of Peru. Among thousands of global corporations, Viettel is the only corporation with this brand philosophy, others have only one parent brand in all countries (Viettel, 2019).

Second, carefully prepare the conditions before investing in ASEAN.

Investment in ASEAN opens up a large space for businesses to develop, but there are also many difficulties and challenges because of the unfamiliar business environment, many differences, and much higher level of risk compared to domestic investment. . In order to invest successfully, Vietnamese enterprises must carry out a methodical and thorough understanding of the investment environment and business environment such as the legal system, policy, education level, and characteristics of demand. , people's tastes, infrastructure system, competitiveness, people's income, culture, beliefs, customs ... in the host country. In addition, businesses need to prepare well conditions for capital, technology, personnel and management to ensure success in investment and business activities in ASEAN.

In fact, there are a number of investment projects from Vietnam to ASEAN that have progressed more slowly with commitments, the cause of which is due to the lack of careful consideration to balance reasonable capital, technology and human resources. Many enterprises have used short-term loans for long-term investments, or are too hasty to make investments without careful research on the investment and business environment in the host country, so they have encountered difficulties. big towel is not expected. The difference in customs, habits and habits has made it difficult for enterprises in the production and business process. The investment experience of large enterprises shows that it is very important for businesses to seriously and fully research the investment environment and follow the instructions of the competent authorities. investment projects and solutions suitable for each local market.

When Vietnam joins the ASEAN Economic Community (AEC), it is not enough to understand the markets and trade procedures between these countries, but it is necessary to learn about the behavioral culture of these countries. For example greeting: Philippines: men can pat each other's shoulders after shaking hands and women kiss on cheeks, Thailand: younger people or lower positions bow first and bow deeper to show respect important; The party invites the partner in Indonesia, note absolutely not to have pork; gifts for Indonesians: must not be alcoholic beverages and any gift must have a Muslim 'halal' mark, Singapore cannot be wrapped in black and blue because it is a mourning color, and Thailand Gift wrapping should be yellow ...

People are the most important decisive factor, in order to successfully invest in ASEAN, there must be a capable staff. Vietnamese businesses need to focus on improving their international investment project management capacity. Especially, building highly qualified human resources to be used in investment projects to ASEAN to keep the technological know-how of enterprises when doing business in the host country. Labor management and use should be paid special attention to countries with limited labor qualifications and lack of skilled workers such as Laos, Cambodia, Myanmar ... to have on-site labor training policies. or sent to Vietnam or some other countries for training.

Third, proactively build a business strategy in the host country.

In order to survive and thrive in the host country, businesses must always find ways to improve their competitiveness so that they can outrank their competitors in the already established market - the red ocean. However, in addition to directly confronting competitors to survive and thrive, businesses can still find their way into a new market where there is no threat from competitors. competition-blue ocean. Many businesses in the world and Vietnam have chosen this direction and are very successful such as Vinamik, TH True milk ... In order to enter this market, businesses will have to create new value elements and be consumed by consumers. used to accept and appreciate.

In fact, a market has been established with existing businesses operating in the red ocean industry, businesses will formulate one of three competitive strategies such as a low-cost strategy. differentiation strategy, concentration strategy (also known as focus strategy) to be able to deal with competitors. In the red ocean market, competition will always be fierce and fierce, large businesses will find ways to eliminate competitors, increase market share, and increase profits. Besides the red ocean-present markets, there exists a blue ocean of empty markets that have not yet been exploited by businesses. The Blue Ocean Strategy is a strategy to find and satisfy the unknown needs of customers at an affordable cost, easily accepted by the customer, thereby becoming a leader in the ocean. Newly tapped green. The essence of this strategy is that instead of competing, businesses will grow, nurture new needs of customers that other competitors have not yet approached, or in other words, instead of competing for an existing cake. With a competitive strategy, businesses will find themselves a new cake that no one can compete with and escape the competition with the blue ocean strategy.

After, the ASEAN Economic Community was officially established on December 31, 2015. Vietnamese businesses will have to deal with large ones that have many activities in the international arena. In the context of increasingly fierce competition, Vietnamese businesses, if operating ineffectively, will quickly close. In addition to searching for solutions to improve competitiveness, finding new ways to find markets, conquer customers with their own capabilities and potentials with the blue ocean strategy is also a suitable direction for businesses, especially small and medium enterprises, without experience and strong resources.

In order to develop and implement a blue ocean strategy, an enterprise must start by understanding the current macro and business environment. Business understanding needs to focus on competitor evaluation and customer research. Find out what current competitors are offering, bring what to customers, what new products or services can they offer? Research customers to find out what their needs are like? Do they have other needs that are still not satisfied? Next, businesses need to identify opportunities to open up a blue ocean. What businesses need to do is find out what groups of products and services are being offered by businesses in their industry and why customers choose the higher one and why choose the lower one. From there businesses will find their own

blue ocean. Focusing on an industry target group will help businesses discover a new blue ocean, and focus on enhancing and differentiating complementary products and services that will create a blue ocean for them. enterprise.

Successful implementation of a blue ocean strategy forces businesses to achieve both low-cost and key differentials. However, this strategy only helps businesses get out of competition in the early stages when exploring and occupying a new market segment by themselves, in order to succeed in the long term, businesses need to build strong brands and perform more Other strategies such as marketing strategy, human resource strategy, research and development strategy ... Enterprises should analyze and break down the needs of customers to create a separate value chain, according to which the selling price is not low. but the quality is still guaranteed. The general principle for businesses when developing and implementing a blue ocean strategy is to reduce factors that fall below common industry standards; increasing factors that need to be above the common standard; Eliminate redundant elements and form new ones.

Once there is a blue ocean, businesses have the advantage of being the leader. However, if this is an attractive and large-scale market, many other businesses will imitate and consider joining the industry, competing with leading firms. Gradually the blue ocean will become the red ocean.

Therefore, a leading enterprise must always focus its capabilities and potentials to reach as far as possible in this market segment. Building a strong brand in parallel with constantly improving product quality and corporate reputation will help businesses orient customers, maintain and develop customers. At the same time, enterprises must bring out many innovations and innovations for products to satisfy more customers' requirements, but not to lose original value.

Proactively improve competitiveness

In order to improve their competitiveness, Vietnamese businesses also need to develop medium-term and long-term investment strategies, and at the same time strengthen the link between FDI businesses to ASEAN with each other and proactively identify them. clearly the risks will be faced, through which there are specific prevention plans.

Competitiveness building must be done, regularly, continuously and continuously, because it determines the viability of an enterprise in the market. Moreover, for enterprises investing abroad, the competition environment is even more fierce, requiring businesses to have their own advantages in the market to penetrate and stand firmly in the whole market. bridge.

Regarding finance: Enterprises must ensure access to mobilized capital effectively, and at the same time be able to expand production, business investment. Develop contingency plans to minimize business risks.

Regarding the quality of human resources: while many people think that it will be difficult to have enough talented people when investing abroad, Viettel thinks that 90% of each person is sleeping, there are only difficult jobs, If we are higher than our own, we can awaken these potentials, going abroad, to a new market, with different languages, different cultures, is a way to awaken talent in each person. And because of that, Viettel currently has thousands of young staff that have been trained in 10 countries every day, competing with the world's most experienced competitors every day. When they leave, they are people with knowledge, aspirations and courage, when they return, they have more confidence, dynamism, new and unique thinking style and a lot of experience without school. can be taught. This is really a valuable asset that will directly become the next layer that determines Viettel's future future in the near future and broader than that of Vietnam.

This is an important factor to help businesses survive and succeed in the market. The advantage of enterprises investing abroad in foreign markets is due to their highly qualified workforce. In addition to training the team of domestic experts, it is also necessary to plan to ensure the labor force in the host country to be able to meet the requirements of the job, improve production efficiency; At the same time, it is also necessary to take into

account human resource costs to ensure business efficiency. Taking advantage of the opportunities offered by the AEC, skilled workers have many job opportunities in ASEAN.

In terms of technology: For large enterprises, it is possible to conduct investment in scientific and technological research and development to serve the enterprise's own interests. Technological know-how is also one of the factors that help businesses improve their competitiveness in the market and is also a right direction if Vietnamese enterprises want to become TNCs and MNCs with the above names. world. The investment in the system of equipment, facilities, and people for digital transformation, research and innovation is not easy. For small and medium enterprises, when financial and human resources are limited, it is possible to approach technology support organizations both at home and abroad to acquire technologies suitable to their production capacity. my karma. In the process of production and business, it is advisable to encourage and encourage all parts of the business to improve technology, transform appropriately digitally to create unique technologies with the identity of each business. This is a unique way for Vietnamese businesses to exist in the long term.

No one can predict with certainty what the 4th industrial revolution will bring. Thirty years ago, we did not know that something called the Internet would revolutionize the economy. But today, Viettel has built an extensive, modern and sustainable telecommunications infrastructure in all 10 countries where Viettel is present. That infrastructure is the foundation for the mobile Internet, for big data, for cloud computing and the internet of things. These are the key foundations for the industrial revolution 4.0. It will change the way we live, the way we study, work and the way we entertain. Smartphones and mobile broadband will present a great opportunity for developing countries. The cost of smartphones is now 10 times cheaper than computers. The price of mobile internet service is also 10 times cheaper than the fixed internet. 10 times cheaper means that every citizen in the countries that Viettel invests can have a smartphone with a mobile Internet connection. Ten years ago, it was a dream of any developing country, it has come true today.

To bridge the gap between urban and rural areas, between rich and poor does not easily take time, even a lot of time. But telecom can do that in a very short time. That is why Viettel quickly built fiber optic broadband lines. Currently, Viettel's total fiber optic cable in all 10 markets including Vietnam is

360,000 km, enough to wrap 9 times around the earth. That is why Viettel constantly dedicates all possible resources to invest and connect the world with rural, remote and isolated areas. Viettel believes that the poor will not be poor forever if we give them an opportunity, if we help them gain information, gain knowledge, be connected to the world through telecommunications and internet. When they get richer, they will become Viettel's customers.

Regarding product promotion, along with investment in product promotion, Vietnamese enterprises also need to invest in improving product design and quality. To perform this task well, businesses must really pay adequate attention to the promotion of technical innovation and innovation. Vietnamese businesses can learn Japanese, Korean, Chinese ... about thinking about continuously improving products. Especially in the context of the global outbreak of Covid 19, limiting travel, the promotion of online products and online websites should be focused on investment, research and application.

After 10 years of market launch, TH true milk fresh milk products have been well received and appreciated by consumers. With nearly 50% market share of fresh milk, TH is becoming the leading supplier of fresh milk in the country. Besides the decisive factor is the quality of input materials, the application of modern production and packaging technology is also an important factor to help consumers bring the cleanest and most quintessential milk cans. TH true MILK sterilized fresh milk applies UHT sterilization processing technology with ultra-high heat treatment and ultra-fast cooling to help kill bacteria, microorganisms or harmful fungi ... while keeping maximize the nutrients and natural taste of the product. The finished milk is then packaged in 6-layer sterile paper packaging in a completely sterile environment, in which each layer will have a different function. TH true milk pasteurized dairy products are safe and have a shelf life of up to 6 months without the use of preservatives and refrigeration.

Diversify investment forms

Current situation of Vietnamese enterprises investing in ASEAN mainly focuses on the form of 100% capital investment and a few in the form of joint venture. Meanwhile, the investment forms of BOT, BTO, BT or flexible investment forms have not been paid attention by Vietnamese enterprises. In fact, BOT, BTO and BT investment forms are relatively popular in Vietnam, this is a relatively safe and low-risk investment solution that needs to be studied by Vietnamese enterprises.

In the context of the world economy with many fluctuations, enterprises compete with each other, leading to many enterprises in ASEAN falling into bankruptcy or selling part of their capital or many investment projects cannot be performed. or state-owned enterprises in the process of equitization, this is a good opportunity for Vietnamese enterprises to buy back. Those are also very effective business investment strategies that Thai, Singapore, and Malaysian businesses have successfully applied in ASEAN recently.

Vinamilk is a pioneer in expanding investment in the form of merger and acquisition (M&A) in foreign countries. All Vinamilk M&A projects in foreign countries are bringing in very positive revenue and are increasingly playing an important role in Vinamilk's total revenue. Specifically, with investment projects in the United States and New Zealand, Vinamilk is step by step holding the key management role and steady revenue growth. In the ASEAN market, Vinamilk's investment projects in Cambodia are also deployed in the form of M&A and are reaping many positive results. Similarly, the project in Laos, when a joint venture with a Japanese partner, also helps Vinamilk develop a large-scale organic dairy farm. According to the consolidated financial statements for the first 6 months of 2019, with export revenue increasing 15% over the same period, contributing 4,152 billion VND (equivalent to nearly 15%) to total revenue of the first 6 months of 2019 (Vinamilk, 2019).

To solve this problem, Vietnamese enterprises need to carefully study the business characteristics of the host country. These indices include business indicators that reflect the country's performance in specific sectors; policies and orientations for career development in the future; ability to exploit information about the investment environment; administrative procedures and costs related to permits and project implementation, corruption, quality of human resources and salary costs, local currency to USD exchange rate.

Strengthen cooperation with Vietnamese organizations at home and abroad

First, actively participate in associations of Vietnamese investors abroad. Unlike enterprises of Japan, Korea, China, Taiwan, Singapore ... Vietnamese businesses often lack coherence in business, even unfair competition with each other damages the interests of major Vietnamese enterprises in foreign countries. Therefore, Vietnamese businesses also need to actively participate in activities of the Association of Vietnamese Overseas Investment Enterprises, currently only AIVL, AIVC, AIVM have been established in Laos, Cambodia and Myanmar in ASEAN. Joining the business association ensures healthy competition, improve reputation and protect the interests of Vietnamese enterprises in the process of investing abroad. In addition, businesses can find business partners, learn from experiences and useful information for their overseas investment activities. Furthermore, the associations can support and protect the interests of businesses abroad.

Vietnamese businesses are also actively participating in international economic integration in the region and in the world. In particular, in the ASEAN region, businesses need to actively understand carefully the opportunities and challenges that the AEC brings in facilitation, liberalization of protection and investment promotion.

Second, strengthen connections and exchange with the Vietnamese community living, working and studying in ASEAN.

Nowadays, almost in the Southern countries, especially in Laos and Cambodia, there are Vietnamese communities living and doing business. These communities are an extremely valuable source of information

that Vietnamese businesses need to access when investing in ASEAN. It is not difficult to approach the overseas Vietnamese business community. When investing in ASEAN, Vietnamese businesses can seek information about Vietnamese in ASEAN through Vietnamese Trade Representative offices located in the country. receive investment, or through the Committee on Overseas Vietnamese under the Ministry of Foreign Affairs of Vietnam, through the Association of Vietnamese Investors in Laos, Cambodia and Myanmar.

A very effective way to find information is through Viet Kieu businesses that are investing in Vietnam. Through them, Vietnamese enterprises wishing to invest in ASEAN can learn information about legal policies, product information and competition partners in the fields they intend to invest in. private. Because more than anyone else, it is Viet Kieu businesses who best understand information about where they are residing, enjoy the privileges and fulfill the obligations of a citizen.

Through investment promotion organizations to access the market. Using information channels from investment promotion organizations, businesses can save time and money for market research, and at the same time can request support when needed.

In addition, investors should also actively seek financial support and research and development activities to improve the competitiveness of businesses, ensuring efficiency for early projects. private.

Strengthening corporate responsibility towards the state and society

The corporate attitude and responsibility towards the state and society show whether an enterprise exists and succeeds in the market. Enterprises also need to be aware of their responsibility to contribute to socio-economic development through proactively observing the provisions of the law, not only in the host country but also in their own country. comply with the provisions of Vietnamese law on offshore investment but must comply with the regulations of the host country as well as international commitments and agreements that Vietnam has signed. In addition, it is necessary to learn and respect the cultural traditions and customs of your country, and coordinate closely with the local community and social organizations in implementing investment projects, especially projects that are resource intensive and easy to have negative impacts on the environment such as: mining, hydropower, agriculture and forestry ... building value, brand, promoting social responsibility, contributing to building the image of Vietnam of friendliness, cooperation, friendship and development.

The aid and support of Vietnam to a number of countries (Laos, Cambodia, Myanmar ...) should be closely linked and facilitate investment activities. For example, support in vocational training associated with investment fields of Vietnamese enterprises to Laos, Cambodia, and Myanmar; aid in training commune-level cadres of Laos and Cambodia in Vietnam.

In addition to implementing a number of humanitarian assistance programs to implement the image promotion strategy for business investment activities, more importantly, enterprises must pay taxes and full financial obligations. seriously about reporting regimes to state management agencies. Businesses can consider this as a cost to promote their image, or an investment in society where they are also the ones who benefit from those investments indirectly. It can be seen that Hoang Anh Gia Lai Group, Viettel, Vinamilk, KOVA ... have successfully performed in Southeast Asian countries.

Enhance the exploitation of investment opportunities from AEC

Propaganda on AEC from relevant sectors is too weak and lacking. Enterprises only have access to information about what Vietnam is committed to, how many per cent to open the market, cut taxes on how many categories of products ... but information about partner countries, commitments of the AEC member countries, the market opening rates in their countries, the regulations on violations or investment incentives... are very lacking or not fully implemented. For that reason, even though enterprises know but not fully understand, do not know how to turn challenges into opportunities, even know how to take advantage of the advantages and incentives from AEC ...

According to VCCI, only 46.79% of Vietnamese enterprises actively seek information about AEC. Among nearly 94% of enterprises knowing about AEC, only 16.4% of enterprises really understand AEC and related legal commitments. The reason is that businesses lack useful information, effective and convenient access channels to capture market information, partner information, commodity information according to commitments or about competitors. in the area.

Although, the community shared positive feelings about the AEC and the impacts on the Vietnamese economy and businesses in Vietnam. But most of them are skeptical of the progression and implementation of the AEC.

With the nature of the roadmap goal, and with the composition of the Agreements and Agreements being implemented, at the time of the formation of the AEC (end of 2015), mechanism and trade policy with the ASEAN countries will not have any significant changes from the present, and therefore will not make any shocking impact on Vietnamese businesses.

Enterprises still need to be proactive in understanding the contents and commitments of the Agreements in force in the AEC to take advantage of opportunities and limit challenges from implementing these agreements. In addition, businesses also need to pay attention to the roadmap for the implementation of the future goals of the AEC to get ready for a common production and market area to be formed when the goals of the AEC are achieved. completed.

The AEC is not the only integration goal of Vietnam. Besides, there are many other FTAs with important partners, which are expected to have a great impact on the economy and businesses. Vietnam. Therefore, enterprises need to focus all their efforts to improve their competitiveness, including taking advantage of integration opportunities to improve their competitiveness, thereby being able to survive and thrive in in the coming time when Vietnam integrates more deeply into the world economy.

Recommendations to the State

Develop a national overall strategic plan on investment in ASEAN in association with the country's socio-economic development strategy.

Recognizing the importance of direct investment to ASEAN, the Prime Minister instructed the Ministry of Planning and Investment to coordinate with relevant ministries and agencies to develop mechanisms and policies to encourage and promote investment. overseas investment in general and to ASEAN in particular. In 2009, the Government signed to issue the project "Promoting Vietnam's investment abroad" issued together with the Decision No. 236 / QD-TTg dated February 20, 2009, but the solutions in the project were only in short-term, asynchronous, such as the establishment of incentive mechanisms, financial support for overseas investment activities, or the establishment of a fund to support overseas investment activities, not yet clearly defined. the responsibility of the legal authorities is not high.

Starting from the point of view that overseas investment must be considered as an integral part of strategies, master plans, socio-economic development plans in general, the author thinks that it is very necessary to develop plans. the overall strategy at the national level on overseas investment associates with the socio-economic development strategy of the country as well as of each sector, each locality. Only the national strategy has a long-term, holistic vision, demonstrating the unity of awareness and consistency in state management, administration and support solutions for this activity. Only when there is a national strategy will create the basis, motivation and direction for enterprises in determining their strategy and roadmap for overseas investment.

Solutions to support direct investment to ASEAN

Some businesses investing in ASEAN still face many difficulties without the support from competent authorities. It can be said that direct investment to ASEAN is a risky and high risk investment. In reality, the

support is still very limited at present. Therefore, the support from competent state agencies to investors in ASEAN is essential, especially for investment projects to ASEAN using state investment capital. In addition to the state support, the investor should also be responsible for strictly complying with the provisions of law on the use of state capital to invest in ASEAN, ensuring efficient and transparent investment. , focusing on the main production and business sectors to avoid spreading investment, wasting and losing state capital.

Firstly, continue to build and complete the legal and policy framework on direct investment to ASEAN in the context that the AEC has been established for 5 years, in order to create favorable conditions and orientations for Vietnamese investors. Men are safe and efficient. Create a legal framework for investment cooperation through accelerating the negotiation, signing and implementation of bilateral agreements and agreements with potential partners for investment cooperation, creating favorable conditions for investment activities and protection of investors' legitimate rights and interests.

Secondly, to continue to implement publicity and transparency in administrative procedures for overseas investment; Simplify records and related papers, shorten time, reduce social costs for investors.

Thirdly, to synchronously formulate tools and measures to support overseas investment, in which special attention is paid to supporting measures such as creating a safe legal framework; support in providing policy information and investment opportunities in the host country, protecting the interests of investors in the process of overseas investment and business; have policies to support finance and credit for overseas investment activities for a number of projects in the fields and areas encouraged to invest abroad in accordance with the law of Vietnam and in accordance with the international agreements to which Vietnam is a member.

Support investment capital.

For a number of overseas investment projects to achieve important objectives that have a positive impact on Vietnam's economic development, included in the list of industries / projects that encourage overseas investment (expected to be issued in accordance with the actual conditions of each period), such as: projects on electricity production imported to Vietnam, oil and gas, resource exploitation, mineral substitutes for imported raw materials for production and processing. domestically, growing and processing industrial crops ... proposing to be entitled to preferential policies and support in terms of capital sources, specifically:

The Bank for Investment and Development of Vietnam allows investors to borrow at least 30% of the project's total investment capital, exempt from property loan guarantees and enjoys preferential interest rates. The government can guarantee the loans of businesses. Domestic commercial banks provide loans to investment projects in some special economies (Laos, Cambodia, and Myanmar) in the above areas and are allowed to lend in excess of 15% of their charter capital. me.

In some special cases, the State may contribute capital with enterprises to implement projects and share risks with enterprises.

Increasing the convertibility of Vietnamese dong in overseas investment.

The Government also needs to continue to closely and cautiously control outward investment capital because in many cases, some organizations and individuals have overseas assets (invested or hidden) by authorities. uncontrollable. The Government should continue to persistently comply with the policy of the project “Orientation of the roadmap for liberalization of capital transactions in Vietnam’ issued under Decision No. 1590 / QD-TTg dated 11/08/2016 of the Prime Minister. Prime Minister ”.

Accordingly, increasing the convertibility of Vietnam dong (VND), focusing on implementing solutions to stabilize the macro-economy, improve the balance of payments, improve the competitiveness of the economy and take account of overseas investment in Vietnamese Dong. When the macroeconomic conditions are stable and sustainable, the supporting factors in the financial, monetary and foreign exchange markets are

strengthened, consider and formulate policies to improve the convertibility of VND in the national market. practice. Allow the use of VND to invest abroad with receiving countries that have investment agreements and payments in local currency with Vietnam, allowing VND to participate in lending transactions to the country. in case the borrower has a need to use the loan capital in VND to pay directly to the beneficiary in the territory of Vietnam or to make a clearing for a third party in VND.

About tax policy.

+ For some encouraged fields to invest abroad, investment enterprises will enjoy the following preferential policies: Exemption from corporate income tax payment for profits remitted to the country after income tax has been paid. businesses in the host country. Exemption from export tax, temporary export for re-import for goods, machinery and equipment for execution of investment projects abroad. Allows investors to use overseas profits to contribute investment capital.

+ Strengthen the signing of double taxation avoidance agreements with other countries to ensure investors do not pay double tax.

In Southeast Asia, Vietnam has signed 8 Agreements on avoidance of double taxation and prevention of tax evasion for taxes on income with the following countries: Thailand (1992), Singapore (1994). , Malaysia (1995), Laos (1996),

Indonesia (1997), Myanmar (2000), Philippines (2001), Brunei (2007). On December 24, 2013, the Ministry of Finance also issued Circular No. 205/2013 / TT-BTC, guiding the implementation of double taxation avoidance agreements and preventing tax evasion for taxes on taxes. Income and assets between Vietnam and other countries and territories are in force for enforcement in Vietnam.

- Implement investment agreements within the framework of the ASEAN Economic Community (AEC).

Quickly implement and uniformly implement the contents of bilateral and multilateral agreements and agreements between Vietnam and other countries, including Investment Promotion and Protection Agreements; Agreement to avoid duplicate taxation, to serve as the basis for investment activities of businesses in each country. Promote the negotiation and conclusion of the above agreements with some ASEAN countries in which Vietnamese enterprises have investment potential.

Fourth, encourage and support the establishment and efficiency improvement of Vietnamese business associations in ASEAN. Business associations of overseas Vietnamese investors need to increase their professional capacity to support Vietnamese investors to access overseas investment and business opportunities and fight to protect their interests. and the legal interests of Vietnamese investors in the process of investing and doing business in foreign countries.

Fifth, connect among Vietnamese investors abroad, create strength when investing in specific areas, ensure to promote the strengths of each investor and complement each other for mutual development. Maximize the role and resources of overseas Vietnamese communities to connect, cooperate and expand investment and business activities of Vietnamese enterprises abroad.

Although there is no official statistics on the investment situation of the Vietnamese community in ASEAN, based on the amount of remittances remittances to Vietnam over the years; as well as by surveying the situation in Laos, Cambodia ... it is possible to forecast that the investment scale of the overseas Vietnamese community is not small. Based on the potential of experience, knowledge and market knowledge as well as financial capacity, the Vietnamese community in ASEAN has played a very important role, being a bridge to promote and support many aspects of investment activities of Vietnamese enterprises. In some cases, the overseas Vietnamese community has been directly involved in many investment projects of both state-owned and private enterprises.

Sixth, to build a mechanism to honor: reward, give and support successful foreign investors who have made great contributions to the country's economy.

Solutions to improve state management of direct investment to ASEAN in the context of AEC implementation

First, clearly define the state management implication of overseas investment

Moving forward instead of directly managing each investment project, each specific investor's investment activity by managing according to goals, orientation, cash flow movement and investment efficiency to ensure autonomy, self-responsibility of investors and in line with the trend of increasingly deepening international economic integration.

Towards replacing the state management of Overseas Investment from administrative measures (such as issuing Certificate of Outward Investment Registration, verifying and verifying the issuance of Certificate of overseas investment...) to the state management of overseas investment according to the market mechanism such as through foreign exchange policy (cash flow management) and monetary and fiscal policy (interest rate, VND policy). weak money, strong currency, tax incentives ...).

Diversify the management tools of outward investment in the direction of gradually reducing the control regime in the form of paper reports. Accordingly, to speed up the construction and operation of the National Information System on Overseas Investment to facilitate investors' reporting; at the same time, information is uninterrupted among state management agencies on overseas investment.

Clearly define the responsibilities of state management agencies, especially the role of Vietnamese representative agencies in foreign countries with regard to overseas investment

Secondly, to reform administrative procedures for Overseas Investment in the direction of simplicity and convenience, step by step decentralization of state management over overseas investment activities, proceeding to abolish the Certificate of investment registration. overseas investment; Increasing the investors' right to take initiative and take self-responsibility before the law.

Third, strictly control foreign exchange transactions related to overseas investment; to gradually reduce and strictly manage overseas investment activities using state capital; control money laundering behavior in investment activities abroad, circumvent the law to transfer investment money, do business or settle abroad.

Fourthly, to improve coordination among state agencies in managing overseas investment activities, ensuring efficiency and effectiveness of state management on overseas investment.

The remarkable new point in this solution is the fundamental change in the state management mechanism for overseas investment. Accordingly, decentralization will be decentralized to the management of overseas investment, proceeding to abolish the procedure for issuing the Certificate of Outward Investment Registration; to build a National information system on Overseas Investment and apply a joint mechanism to manage and support overseas investment activities to share information among state management agencies, and between state management agencies and investors, reducing the clue that investors must report.

Fifth, step up research and application of science and technology for in-depth development, creating competitive advantages.

The State and Vietnamese enterprises must make strong investment in key areas, actively promote research and application of science and technology, strengthen scientific and technological potentials to actively create competitive advantages. international. In the context of limited economic potential, the State and enterprises need to identify a number of priority directions to focus on researching and creating typical technology products with strong brands in Vietnam. This is an important factor to ensure a sustainable and in-depth development, creating a basis for investment activities to ASEAN.

Sixthly, supporting businesses to conduct digital transformation, helping to manage businesses effectively in the context of a global epidemic.

Increase investment promotion to ASEAN

The first task of offshore investment promotion is to assist Vietnamese enterprises to learn about investment mechanisms and policies in countries where they are interested, approach and seek business investment opportunities. joint matching. In addition to the goal of connecting and seeking investment opportunities abroad, promotion activities also have the objective of supporting and promoting the effective implementation of existing projects, orienting new investment projects to favorable branches, domains and localities with interests associated with the domestic economy.

Recently, activities of direct investment promotion to ASEAN have not been strong, having a great impact on investment activities of Vietnamese investors. Therefore, the Government and relevant agencies need to increase investment promotion to ASEAN in order to create more favorable conditions for investors to seek investment opportunities, first of all focusing on areas where Vietnam Nam has a comparative advantage, offering practical measures to increase the provision of support services for businesses. Specifically, it is necessary to organize periodical or non-periodical meetings between the Government and enterprises, especially businesses having projects to be deployed in foreign countries. Promotion of investment to ASEAN not only focuses on large-scale projects and large enterprises, but also needs to focus on specific and detailed issues towards attracting investment from small and medium enterprises, currently occupying the majority and in the future will be strong businesses. In the short term, focus on some of the following activities:

Firstly, to form a national information system on direct investment to ASEAN. Accordingly, the system provides free information to businesses; The website of the system is located on the website of the Ministry of Planning and Investment (www.mpi.gov.vn) and linked to the websites of the Ministry of Industry and Trade (www.moit.gov.vn) and marketing websites. foreign school. The Government develops a coordination mechanism among ministries to provide information for the national information system on direct investment to ASEAN.

Second, continue to actively participate in international economic activities (organizing international conferences, international trade fairs), expanding comprehensive cooperation with other countries around the world. Maximize the advantages of WTO members and commitments in the AEC. Combined with the visits and work abroad of the Party and Government leaders to organize seminars to introduce the mutual investment environment, building a good image of the Government's concern for with activities to encourage overseas investment. From there, helping domestic enterprises and foreign investors have the opportunity to learn, access, exchange experience, and invest in each other.

Effectively combine direct investment and Viet Nam's informal development assistance to ASEAN

The flow of unofficial support and development together with appropriate foreign affairs is seen as the conditions paving the way for direct investment to ASEAN. Vietnam is a developing country and continues to receive external assistance for ODA development. However, in recent years, along with economic development and international responsibility, Vietnam has had a number of activities to support development outside and in the future, Vietnam's ODA to ASEAN continues to increase. .

Vietnam's ODA policy to ASEAN needs to be closely linked with the policy of promoting investment to ASEAN to facilitate investment and business activities of Vietnamese enterprises in the host country. The aid of Vietnam to Laos, Cambodia, and Myanmar ... should closely link and facilitate investment activities such as vocational training support associated with investment fields of Vietnamese enterprises. The workforce of these three countries has low professional qualifications, failing to meet the demand for both quantity and quality, so businesses have to send Vietnamese workers to work, train workers in the host country or bringing Lao and

Cambodian laborers to Vietnam for training. Therefore, the Government should have supportive mechanisms and policies for businesses to invest in Laos, Cambodia and Myanmar to train workers in the local country. This is a measure implemented very successfully by the governments of Japan, Korea and China over the years.

5. Conclusion

It can be affirmed that the direct investment activities of Vietnamese enterprises to ASEAN in recent years, especially in the past 14 years (since 2006), have achieved positive changes in The investment capital model, the investment area, the investment sector and a number of investment projects have begun to take effect, making an important contribution to the strengthening of Vietnam's deeper economic integration and cooperation. Male; at the same time to build up Vietnam's reputation in the international arena, strengthen and consolidate cooperation relations between Vietnam and traditional regions such as Laos, Cambodia, Myanmar ...

Over the past years, the direct investment capital of Vietnamese enterprises to ASEAN has achieved positive results, with the number of projects and registered capital in the following year always higher than the previous year. This shows that the position and power of Vietnamese businesses have been significantly enhanced. Vietnamese businesses have grown and grown constantly, not only focusing on domestic investment, but also expanding investment to ASEAN to affirm their brand and position in the international arena, especially. in the context of increasingly deepening international integration.

In addition to the achievements, direct investment of Vietnamese enterprises to ASEAN also has many shortcomings, limited in all stages from strategic orientation, policy making, to implementation. and affecting investment efficiency, the above shortcomings need to be overcome soon. In the context that the AEC was established at the end of 2015, Vietnamese businesses' investments in ASEAN are also facing new opportunities and challenges, requiring Vietnam to adjust Vietnam's investment orientation. South to ASEAN to adapt to the new situation. The study achieved the following results:

Firstly, the study has a theoretical system of foreign direct investment; Building models of factors affecting direct investment of Vietnamese enterprises to ASEAN; The overseas investment experiences of some Asian countries such as Japan, Singapore and Malaysia will be valuable lessons for Vietnamese enterprises to adjust their overseas investment in general and to ASEAN market in particular.

Secondly, from the analysis of the current direct investment status of Vietnamese enterprises to ASEAN, it shows that this activity has made a number of contributions such as bringing a number of socio-economic benefits, helping Vietnam. Strengthening cooperation with regional countries, Vietnamese businesses participate more strongly in the division of labor in the region and contribute to creating a generation of businesses with competitiveness in the region. However, the investment in the ASEAN region before and after the AEC comes into effect shows that many Vietnamese enterprises have not really invested effectively in the ASEAN region, the rate of capital deployed is still low. The investment form is limited, lack of linkage, has not created a systematic investment system among Vietnamese enterprises, which leads to many enterprises not taking advantage of the opportunities that AEC brings. The number of investment projects after the AEC was established fell dramatically and deepened, with some businesses investing in core areas rather than spreading investments.

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