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Attracting FDI from the EU to Vietnam in the new context

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Abstract
As of December 31, 2021, the EU's total registered FDI kapital into Vietnam reached over 25.58 billion USD with 2,515 projects, accounting for more than 8% of projects and more than 7.5% of total registered FDI in Vietnam. EU investors were present in 18 out of 21 important economic sectors, focusing on manufacturing and processing industry 36.3%, refining and petrochemical 11%, textiles and garments 6.94%, electronics 6.4%, food processing 5.6%, cars and means of transport 5.2%; production and distribution of electricity and gas 20.7%, real estate 11%, information and communication 6.6% (GSO, 2021); contributed significantly to Vietnam's economic growth. However, this result is not commensurate with the potential of cooperation between Vietnam and the EU. This study assesses the current situation of attracting FDI from the EU into Vietnam, the impacts of the EVFTA and EVIPA, some solutions to strongly attract FDI from the EU into Vietnam in the coming time.

Keywords: Foreign Direct Investment (FDI), EU, Vietnam, EVFTA, EVIPA.

1. Introduction

Up to now, there have been many studies on the impact on the economy in general and trade in particular of the FTAs that Vietnam has signed to attract FDI into Vietnam. However, after nearly 2 years of implementing the trade and investment liberalization agreement between Vietnam and the EU (EVFTA and EVIPA), attracting FDI from the EU to Vietnam has many expectations in the new context. In addition to assessing the current situation of attracting FDI from the EU into Vietnam, studies on the impact of EVFTA and EVIPA are not many, although the EVFTA has been in effect since August 2020 and EVIPA has been ratified by Vietnam, Decree No. approved by the European Institute. In addition, these studies mainly focus on analyzing the impact of the EVFTA on the entire macro-economy, not mentioning much about EU FDI activities into Vietnam in the new context - the context when the agreement VN-EU free trade comes into effect, EVIPA is approved. The studies carried out on the impact of the EVFTA have not shown the commitments of the two sides up to now and have not analyzed the factors affecting the investment decisions of investors of the two countries. EU countries enter Vietnam in a new context.

The EU-Vietnam Free Trade Agreement (EVFTA) and the EU-Vietnam Investment Protection Agreement (EVIPA) are expected to be a push for Vietnam to receive a large investment wave from Europe right at the moment when the EU-Vietnam Free Trade Agreement (EVFTA) will flow into the country. FDI capital moved after the COVID-19 pandemic. At the same time, the two agreements emphasize and increase EU investors' great confidence in Vietnam's investment environment in a new phase, demonstrating Vietnam's commitment to creating a completer and more effective legal framework. more for the protection of investment activities of investors from the EU. However, attracting FDI from the EU into Vietnam is not commensurate with the potential of cooperation between Vietnam and the EU, there are no investors from the EU in the top 10 countries with the largest FDI in Vietnam; Real impacts from EVFTA and EVIPA have not met expectations. This study assesses the current situation of attracting FDI from the EU into Vietnam, the impacts of the EVFTA and EVIPA, and proposes some solutions to strongly attract FDI from the EU into

Vietnam in the coming time. This shows that the Enterprises from the EU are still quite cautious with the investment and business environment in Vietnam.

This study analyzed the current situation of attracting FDI from the EU into Vietnam before and after the EVFTA came into effect and the EVIPA was approved, and assessed the results, difficulties and limitations in attracting EU FDI into Vietnam. Male. This study used the exploratory multiplier analysis (EFA) model to analyze the factors affecting the EU's FDI attraction to Vietnam through a regression model with the dependent variable being "The decision of investment from the EU" and 10 independent variables are 10 groups of factors converging from many observations, which are: (i) Strategic objectives of investors; (ii) Investor's capacity; (iii) Regional economic linkages; (iv) Trade agreements between the investing country and the recipient country; (v) The economic - political - social stability of Vietnam; (vi) Infrastructure of Vietnam; (vii) Investment promotion policy; (viii) Purchasing power of the domestic market; (ix) Investment promotion activities; and (x) Development of supporting industries in Vietnam. From there, draw conclusions about the influence of the groups of factors as well as the influence of the observed variables on the dependent variable, serving as a basis for policy recommendations for the Government of Vietnam and solutions to attract attention. FDI from the EU into Vietnam in the new context.

2. Materials and methods

The author collected data on FDI in Vietnam from the General Statistics Office (GSO) and the Foreign Investment Agency, Ministry of Planning and Investment of Vietnam in the period of 2010 - 2021. In addition, the author also referenced the data of some scientific works published to serve the research process.

The primary data source is collected by surveying EU foreign-invested enterprises that are investing in Vietnam by submitting a questionnaire. factors affecting the investment decisions of these enterprises. Out of a total of 1000 survey questionnaires that the research team sent online to EU foreign-invested enterprises investing in Vietnam, the research team received 686 valid responses. The sample size obtained was 686 - meeting the sample size requirement. According to some experts, the number of observations (sample size) must be at least 4 to 5 times higher than the number of variables in the factor, the number of variables included in the EFA model of 34 variables, at least 136 to 170 observed, so the sample size of 686 responds well.

Information about scale selection: Observations are put into the questionnaire on a 5-point Likert scale, in which, “1” is “strongly disagree”; “2” means “disagree”, “3” means “no opinion”, “4” means “agree” and “5” means “strongly agree”. The proposed research model includes 10 factors and uses the Likert scale to consider the rating level.

Information processing tool: After collecting data from the survey tables, classify and remove the unsatisfactory survey forms. Then the data was encrypted and cleaned using SPSS 22.0 software.

Model analysis and testing tools: The research team uses reliability analysis tools through Cronbach's Alpha coefficient, exploratory factor analysis (EFA). The EFA method of factor analysis belongs to the group of interdependence techniques, that is, there is no dependent variable and independent variable, but it relies on the correlation between variables (interrelationships). EFA is used to reduce a set of k observations into a set of F (F < k) of more significant factors. The basis of this reduction is based on the linear relationship of factors with primitive variables (observed variables). The condition for exploratory factor analysis is to satisfy the following requirements: (i) Factor loading: If 0.3 </= Factor loading </= 0.4 is considered minimal, If Factor loading >=0.5 is considered significant; (ii) $0.5 \leq KMO \leq 1$: KMO coefficient (Kaiser-Meyer-Olkin) is the index used to consider the suitability of factor analysis. A large KMO value is appropriate for factor analysis; (iii) Bartlett test has statistical significance (Sig. < 0.05): This is a statistical quantity used to consider the hypothesis that the variables are not correlated in the population. If this test is statistically significant (Sig. < 0.05), the observed variables are correlated with each other in the population.

Descriptive statistical method to analyze the current situation of EU FDI attraction to Vietnam, disaggregated statistical method for data on FDI into Vietnam in general and EU FDI into Vietnam in particular

3. Research results and Discussion

3.1 Overview of economic, trade and investment relations between Vietnam and the EU

With a market of 512 million people, accounting for 22% of world GDP, and per kapital income of 36,580 USD/year, the EU is a leading economic partner of Vietnam, one of three trading partners and an export market. the most important import of Vietnam (after China, the United States). Vietnam-EU trade turnover has increased 17 times in the past 20 years, reaching 56.45 billion USD in 2019, and Vietnam is the EU's second largest trading partner in ASEAN (after Singapore), in which Vietnam exports to the EU. Imports to the EU 41.54 billion USD of goods and 14.9 billion USD from the EU. The EU has always been Vietnam's second largest trade surplus market (after the US), the volume is increasing, helping Vietnam to make up for its large trade deficit with China, South Korea... In 2020, the EVFTA be executed. However, due to the Covid-19 epidemic and market fluctuations, trade activities between Vietnam and the EU have been significantly affected. According to a report of the Ministry of Industry and Trade (2021), the two-way import-export turnover between Vietnam and the EU-27 reached 49.8 billion USD, down 0.1% compared to 2019, accounting for 9.13% of the total turnover. import and export of the country in general. In which, Vietnam's goods exports to the EU reached 35.1 billion USD, down 1.8% compared to 2019. Vietnam's goods import turnover from the EU market in 2020 reached about 14.65 billion USD, up 4.3% compared to 2019.

EU is in the group of 5 largest foreign direct investors in Vietnam (along with Korea, Japan, Singapore and Taiwan - China). The EU's investment trend is mainly focused on high-tech industries, recently developing into service industries (posts and telecommunications, finance and banking, office for lease, retail). ..). EU investors have advantages in technology, actively contributing to technology transfer, creating a number of new industries, occupations and new products with high technology content, creating many new jobs. Vietnam's investment in the EU is not much, but these investment projects have contributed to helping Vietnamese enterprises exploit their business advantages, access and expand the EU market with great purchasing power.

Although the EU is one of the largest investors in Vietnam, Vietnam's investment in the EU is not much and mainly focuses on a few countries such as the Netherlands, the Czech Republic, and Germany. However, this is also a huge step forward for Vietnamese enterprises in terms of both vision and potential when they have boldly invested in projects to the EU. Accumulated as of December 31, 2019, Vietnam has 78 investment projects in 10 EU member countries such as the UK, Poland, Belgium, Portugal, Germany, the Netherlands, France, the Czech Republic, and the West. Spain and Slovakia with a total registered capital of about 320.20 million USD.

3.2 Characteristics of overseas investment of EU investors

EU investors are known to be careful when investing abroad. Many studies show that the investment determinant of EU countries is not cheap labor or abundant natural resources to get low production costs. The fundamental factor to build an investment strategy of EU investors is market access and purchasing power of the domestic market. Therefore, countries such as the US, Canada, Switzerland and developed countries are the places that receive the most investment capital from the EU, because what makes EU investors attracted to these markets is their large scale, rich and highly connected markets (large market purchasing power). In 2014, despite a sharp decline in EU direct investment abroad. Investment in the Canadian market alone has doubled from EUR 11.8 billion in 2013 to EUR 23.4 billion. Also stemming from the reason of market access, EU countries' mutual investment accounts for a large proportion compared to investment outside EU members.

However, recently, along with the general trend of the world economy, there have been certain changes in the views of EU investors, they pay more attention to emerging markets in Latin America, Asia (except for the EU). Middle East and Japan), Middle East Europe and Russia, Mediterranean countries. Although capital flows are still fluctuating erratically over the years, the general trend is upward. For these new markets, EU investors pay special attention to the strategic location of the host country. This is because EU investors are often transnational companies who want to develop a closed production and distribution network in the region (and not just in one country) with high linkages and tight division. clearly.

Technical infrastructure of the host country is also a factor that is very important to EU investors. Infrastructure for communication, electricity, transportation... factors that greatly affect input costs of the production process, competitiveness of products and are considered as prerequisites for production and business activities are considered in detail by investors.

In addition, the quality of human resources is a factor that investors care about, especially EU investors. EU investment focuses a lot on the service and processing and manufacturing sectors, so it requires a high level of technical expertise and labor management skills, and a professional style. Countries with abundant human resources but low qualifications are not attractive factors for European investors.

Regarding the EU's foreign investment concentration industries, it is the service, processing, mining and oil refining industries. On the other hand, EU enterprises do not focus as much on production for export as those from Korea, Japan or Singapore… This view has many similarities with American investors, which is more responsive demand in the host country or group of countries if developing regional value chains.

3.3 Situation of attracting EU's FDI into Vietnam

With the investment liberalization commitments in the EVFTA and EVIPA, EU businesses will enjoy more incentives when investing and doing business in Vietnam. At the same time, the adjustments and amendments to Vietnam's legal regulations to be consistent with the EVFTA in a number of areas such as intellectual property will also contribute to helping businesses in general and EU businesses in particular enjoy the benefits. higher protection for creative investment activities. Therefore, EVFTA and EVIPA are assessed to create great opportunities for Vietnam to attract investors from the EU, especially in fields such as processing, manufacturing and high-tech industries., clean energy, renewable energy, services...

3.3.1 EU FDI attraction to Vietnam before EVFTA and EVIPA take effect

Within 10 years, since Vietnam's Foreign Investment Law took effect in 1988, FDI from the EU has increased 12 times, from $186.96 million to $2.24 billion in 1997 (accounting for 13.8 % of total registered FDI capital into Vietnam in 1997). FDI from the UK increased sharply, from 0.99% and 0.11% respectively in 1995 - 1997 to 8.43% and 19.06% of the total registered capital from the EU in 1998 - 1999. The years 2000 - 2001 FDI from the EU has become an important source of investment for Vietnam, accounting for about 38% of the total value of registered FDI. Especially, after Vietnam joined the WTO, registered FDI from the EU jumped from 5.41 billion USD in 2007, to 10.49 billion USD in 2008 (ie an increase of 93.89% and accounted for 16.4). % over 64 billion USD of total registered FDI capital in 2008). With US$1.88 billion in total newly and additionally registered capital and capital contribution to purchase shares in 2018, currently with US$25 billion of more than 2,000 valid EU FDI projects in Vietnam.

As of December 31, 2019, EU is the fourth largest investment partner in Vietnam with 2317 valid projects, total registered capital is 25.36 billion USD, equivalent to 7.6% of total FDI capital. into Vietnam. (GSO, 2019). FDI from the EU especially increased rapidly after Vietnam joined the World Trade Organization (WTO) in 2007 and reached a record of $2.6 billion in registered capital in 2010 and about $1.69 billion in realized capital. However, due to the impact of the global financial-economic crisis, this capital flow slowed down. In recent years, FDI from the EU has recovered, but has not yet reached the record level of 2010.

Despite the increase in investment capital, the share of EU FDI in Vietnam is still modest in total EU FDI abroad as well as EU FDI in ASEAN in general. According to statistics of Eurostat and ASEANStats, in 2017, EU's FDI was mainly intra-regional FDI (accounting for more than 61%), FDI into the US accounted for 29.35%, FDI into

ASEAN reached 5.7%, equivalent to 175 $2.2 billion in the period 2010-2017. In relation to other ASEAN countries, Vietnam is not yet a major investment partner with only about 3% of the EU's total investment in ASEAN, ranking third after Singapore (85%) and Malaysia (10%) (Nguyen Thi Minh Phuong, 2019).

According to data from the GSO by the end of December 31, 2019 in 19/28 EU countries having direct investment activities in Vietnam, the countries investing the most include the Netherlands (345 projects, 10.05 billion USD of registered capital), France (565 projects, 3.6 billion USD), Luxembourg (52 projects, 2.4 billion USD), Germany (352 projects, 2 billion USD) and Belgium (71 projects, 1 billion USD) (Fig. 1 and 2). Investments from other EU partners are negligible. This shows that to attract FDI from traditional partners as well as new partners in the EU is still relatively large. Some big corporations of EU are operating effectively in Vietnam such as Shell Group (Netherlands), Total Elf Fina (France, Belgium), Daimler Chrysler (Germany), Alcatel Comvik (Sweden), Siemens, Daimler-Chrysler , B. Braun, Messer, Schaeffler and Bosch (Germany).

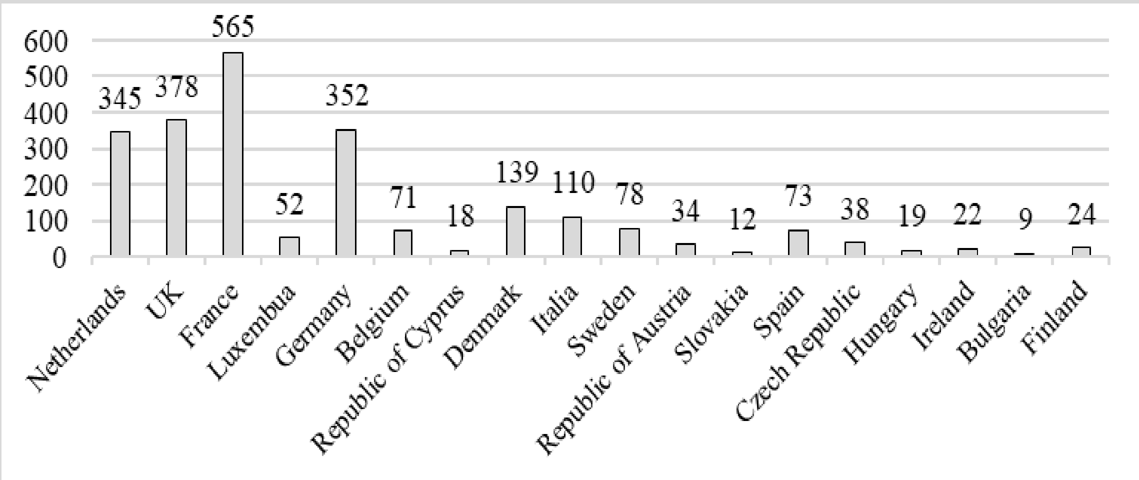

Fig. 1: Direct investment of EU members in Vietnam by number of projects
(Accumulated until December 31, 2019, Unit: project)
Source: GSO (2021)

The average value of FDI projects invested by the EU is relatively small ($11.02 million), lower than the average ($12.4 million). In particular, there is a big difference in the size of FDI projects of EU partners. Some countries have large-scale investment projects, such as Luxembourg (average 51.48 million USD), the Netherlands (29.02 million USD), Cyprus (26.75 million USD), Belgium ($14.8 million), Slovakia ($14.15 million). Most of the rest are small-scale from 1 to 5 million USD or under 1 million USD (Fig. 2).

In terms of investment, the EU has invested in 18/21 industries according to the national economic sub-sector system, in which the focus is on the manufacturing and processing industry (accounting for 36.3% of the total investment capital, mainly weak in sectors, such as refining and petrochemical 11%, textiles and garments 6.94%, electronics 6.4%, food processing 5.6%, cars and means of transport 5.2%); production and distribution of electricity and gas (20.7%), real estate (11%). Information and Communication (6.6%) (Nguyen Thi Minh Phuong, 2019). Therefore, FDI from the EU contributes to the process of economic restructuring in a positive direction in Vietnam. Investments from the EU are also spread more evenly than FDI from Japan and Korea.

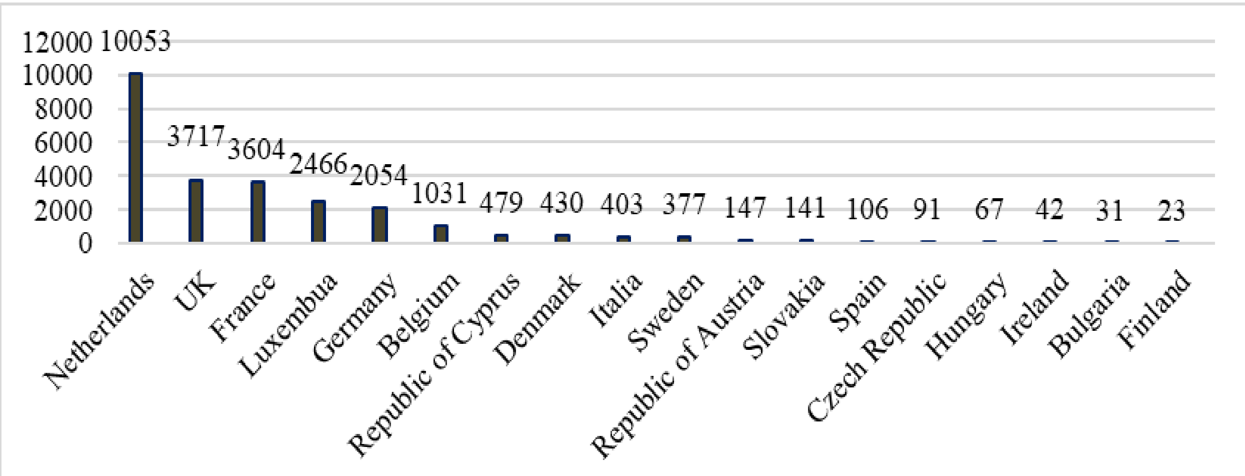

Fig. 2: Direct investment of EU members in Vietnam
(Accumulated registered capital as of December 31, 2019; Unit: million USD)
Source: GSO (2021)

Regarding investment areas, EU investors have been present in 54 provinces and cities across the country, but mainly concentrated in big cities with developed infrastructure, seaports and airports, such as: Ho Chi Minh City (15.1%), Ba Ria - Vung Tau (15%), Hanoi (14.8%), Quang Ninh (9%), Dong Nai (8.3%), Binh Duong (6.9%). Therefore, FDI from the EU has not helped to improve the development gap between regions and regions in the country.

As for the form of investment, the majority of EU investment projects in Vietnam are 100% foreign capital. Form of joint venture, BOT, BT, BTO accounts for a small proportion. This leads to limited linkages between the FDI sector and the domestic sector, as well as the limited spillover effects from FDI enterprises.

3.3.2 EU FDI attraction to Vietnam after EVFTA and EVIPA take effect

Regarding the amount of capital and investment projects: Cumulatively as of December 31, 2020, the total registered FDI capital of the EU into Vietnam reached USD 25,576.1 million with 2,509 projects, compared to the accumulated amount as of December 31, 2020, increased by 216.1 million USD and 192 projects (GSO, 2020) (Fig. 2).

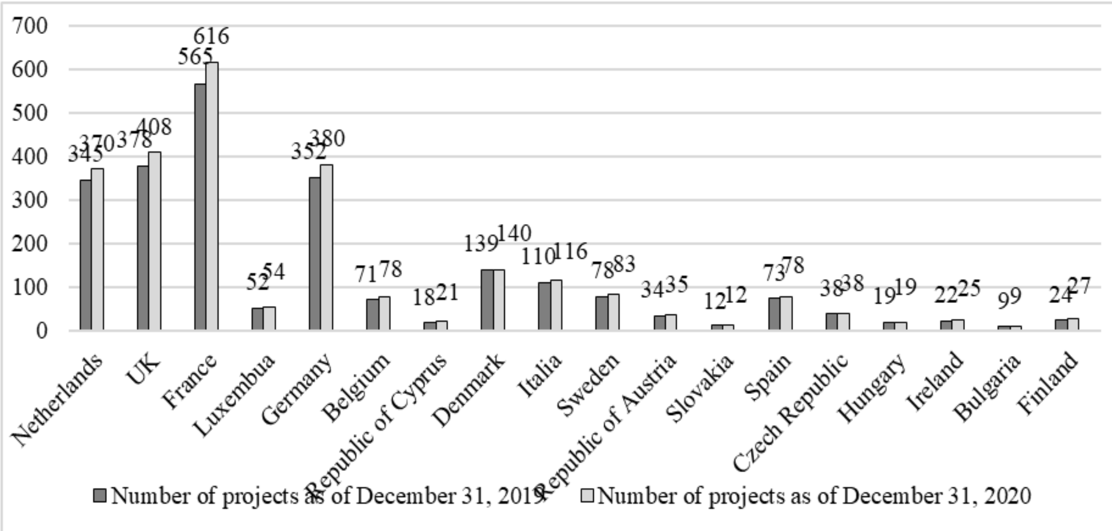

Fig. 3: EU FDI into Vietnam by number of projects* as of December 31, 2019 and December 31, 2020 (Unit: Project)
Source: GSO (2021)

However, the number of investment projects from the EU in 2020 and early 2021 is the result of ideas from previous years, to get an investment license in 2021, businesses must prepare from 2019, 2020 or even long before that. Overall, Vietnam's current FDI attraction results are still mainly from Asian investors such as Japan, Taiwan, China, Singapore, and Thailand. After nearly a year since the EVFTA took effect, there is still no sign of a strong FDI wave from the EU into Vietnam.

Regarding investment partners: EU members investing in Vietnam have not changed much compared to before the EVFTA took effect, currently the Netherlands, France, and Germany are still the main EU members with investment levels and strong trade relations with Vietnam, the other members of the EU account for a negligible amount of capital and projects.

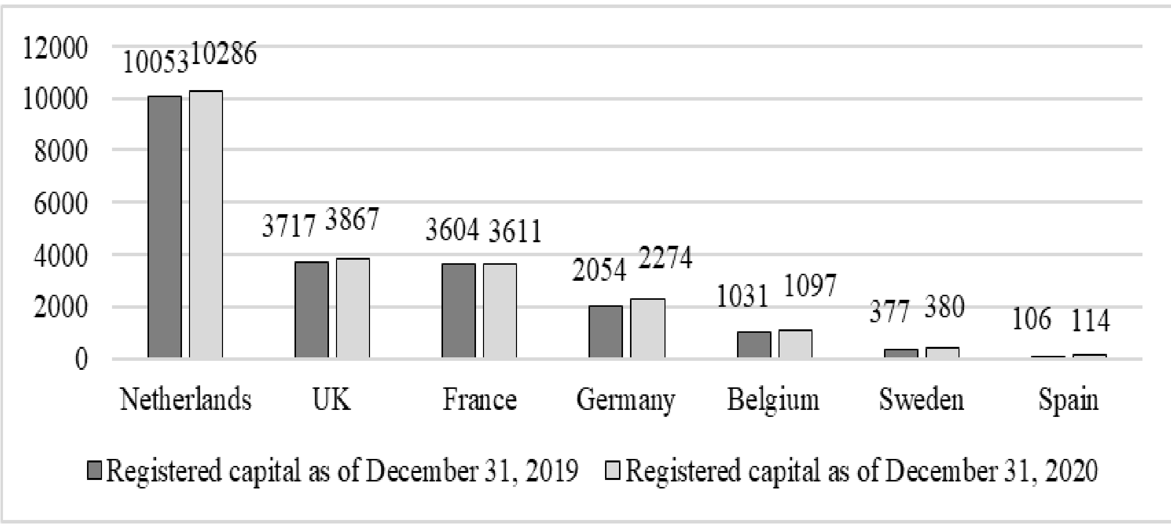

Fig. 4: Registered FDI capital of major EU investors into Vietnam before and after EVFTA comes into effect*
Source: GSO (2021)

Some of the main countries investing in Vietnam have changed when comparing 2019 and 2020, in which the Netherlands still holds the leading position after the EVFTA comes into effect, the total accumulated capital into Vietnam increased by 233.1 million USD and 25 projects, the second was Germany with 219.3 million USD and 28 projects, the third was Belgium with 65.8 million USD and 7 projects, the fourth was France with 6.8 million USD and 51 projects (Fig. 4). In the remaining countries, the amount of capital remained unchanged, or increased low, only about 0.1 to 0.5 million USD, in addition, the amount of FDI capital decreased such as Lucxembourg (down 362.4 million USD) and Italy (down 10.4 million USD). It can be said that the real impact of the EVFTA on attracting investment from the EU over the past year has not been clear, especially in the context that the COVID-19 epidemic has strongly affected global trade and investment.

In terms of investment, EU's FDI is still aimed at exploiting natural resources and taking advantage of cheap labor to carry out the stages of assembling and processing products for domestic sale and export. Meanwhile, the number of projects in fields that Vietnam is interested in attracting such as high-tech projects, source technology, green technology, renewable energy, high-tech agriculture, finance and banking. , ... still little. With the goal of exploiting natural resources, cheap materials and labor, plus tax reduction for many products exported from the EU to Vietnam, EU businesses investing in Vietnam will benefit not only from the tax rate of the newly opened country for Vietnam is reduced, but we also give a lot of incentives for FDI.

Therefore, EVFTA and EVIPA will be stimulants for EU investors to pour capital into Vietnam in the near future. EU's FDI into Vietnam is forecasted to increase in service industries that are committed to opening up deeper than commitments in the World Trade Organization (WTO), and at the same time, the strength of EU countries such as: financial services, logistics, computer services, environmental services, higher education, distribution, telecommunications and healthcare. At the same time, FDI from the EU can also increase into service sub-sectors that Vietnam does not commit to in the WTO, but commits to in the EVFTA, such as fairs and exhibitions, postal services, delivery services, etc. warranty and repair services for ships, domestic ships, aircraft, shipping container handling services, freight agency services... In the coming time, Dutch investors and Belgium intend to invest in the construction of the Cai Mep Ha Logistic Center project in Ba Ria-Vung Tau province worth $984 million with the goal of developing Cai Mep Ha into a leading center of transportation services, containers and export of agricultural products from the Mekong Delta to the European Union. At the same time, this is a project that will apply "green transport" measures for sustainable development.

Immediately after the EVFTA came into effect, the European Chamber of Commerce in Vietnam (EuroCham) has asked questions about the impact of the Agreement on the business and investment plans of enterprises of the EVFTA. Member States. Accordingly, one third of respondents said that this Agreement is an important part of their investment decision in Vietnam with the top two factors expected to boost growth, which is tax cuts. (33%) and easier market access for investors (13%). According to a representative of EuroCham, when the EVIPA comes into effect, it will together with the EVFTA give EU investors better confidence when choosing to do business in Vietnam, and at the same time help attract more investment capital from the EU. future EU countries (Nguyen Chien Thang & Dinh Manh Tuan, 2021).

3.4. The exploratory factor assessment (EFA) model of factors affecting EU FDI into Vietnam

With the above model and the enterprise survey, it can be seen that there are 10 main groups of factors affecting the "investment decision" of EU enterprises in Vietnam or the ability of EU enterprises to attract FDI into Vietnam. are: Strategic objectives of investors, Capacity of investors, Regional economic linkages and trade agreements between the investing country and the host country, Economic and political stability - Social, Infrastructure, Investment promotion policies, Quality of planning, purchasing power of the domestic market, Promotion activities, Development of supporting industries in the host country. For each factor group, there are questions related to the factor group.

The number of questions that can be included in the EFA model is 34 measurement variables belonging to the 10 groups of factors above that have been coded and entered into SPSS 20 software for analysis (corresponding to 34 survey questions).

The first factor: Includes 04 observed variables (DC1; DC2; DC3; DC4), naming this factor as "Investor's motivation"

The second factor: Includes 04 observed variables (NLDT1, NLDT2, NLDT3, NLDT4), naming this factor as "Investor capacity".

The third factor: Including 05 observed variables (LKKV+FTA1, KKKV+FTA2, KKKV+FTA3, KKKV+FTA4, KKKV+FTA5), named "Regional economic linkages and trade agreements between the two countries". host country and host country.

The fourth factor: Includes 02 observed variables (ONDKT1, ONDKT2), named "Economic stability".

The fifth factor: Includes 04 observed variables (Infrastructure1; Infrastructure2; Infrastructure3; Infrastructure4), named "Infrastructure and supporting services".

The sixth factor: Includes 06 observed variables (CSHT1; CSHT2; CSHT3; CSHT4), named "Investment promotion policy of the host country".

Seventh factor: Including 02 observed variables (CLNNL1, QLNL2), named for this factor as "Quality of human resources".

The eighth factor: Includes 02 observed variables (SMTT1, SMTT2), named "Market purchasing power".

The ninth factor: Includes 02 observed variables (XTDT1, XTDT2), named "investment promotion".

The tenth factor: Including 03 observed variables (CNHT1, CNHT2, CNHT3), named "Development of supporting industry in the receiving country".

Table 1: Rotated Component Matrix.

Rotated Component Matrix*

	Component							
	1	2	3	4	5	6	7	8
ONDKT1	.900							
CSHT3	.871							
CSHT1	.587							
LKKV+FTA3	.576							
CSKK3	.546							
XTDT1		.652						
ONDKT2		.646						
LKKV+FTA2		.628						
LKKV+FTA1		.552						
DC2		.547						
CLNNL1			.755					
CLNNL2			.675					
SMTT2			.575					
NLDT4			.564					
XTDT2			.531					
SMTT1			.479					
CSHT4				.713				
LKKV+FTA4				.605				
CSHT2				.601				
DC3				.506				
DC4								
CSKK1					.891			
CSKK2					.864			
CSKK5					.454			
CSKK4					.423			
CNHT3						.828		
CNHT1						.594		
NLDT3							.810	
NLDT2							.514	
LKKV+FTA5								.900
DC1								.879
CNHT2								.700
NLDT1								.682
CSKK6								.544

Source: from data exported from SPSS 22.0 software.

There are 8 columns, which means that there are 10 factors drawn from 34 observed variables and rerun EFA with 34 variables (table 1), then we have the following results: Check the reliability of the factors using Cronbach's alpha; we proceed to test the factors using Cronbach's alpha coefficient. In terms of empirical research, observed variables with item-total correlation less than 0.4 will be excluded and the standard for choosing the scale when Cronbach's Alpha is from 0.6 or higher (Nunnally and Burnstein 1994 according to the results of the survey).

Table 2: Checking for factors.

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation
DC	44.24	1.786	.616
NLDT	44.25	1.768	.621
LKKV+FTA	44.25	1.747	.615
ONDKT	44.27	1.910	.677
CSHT	44.25	1.853	.641
CSKK	44.29	1.697	.619
CLNNL	44.29	1.885	.671
SMTT	44.28	1.714	.611
XTDT	44.24	1.925	.649
CNHT	44.26	1.838	.637

Source: from data exported from SPSS 22.0 software.

In summary, through the results of calculating the Cronbach Alpha coefficient, we see that all 10 factors are statistically significant and have the necessary reliability coefficients. Therefore, these 10 factors are eligible to continue to be used in further analyses.

To determine, measure and evaluate the influence of factors (from 1 to 10) on attracting foreign direct investment of EU enterprises, we can use multiple linear regression method. following: QDDTCEU = β0 + β1CSHT+ β2ONDKT+ β3 CNHT+ β4SMTT+ β5DC+ β6CNNNL+β7(LKKV+FTA) +β8CSKK+β9NLDT+β10XTDT.

Table 3: Results of ANOVA analysis.

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	33.778	10	3.378	102.336	.000[b]
	Residual	22.280	675	.033		
	Total	56.058	685			

a. Dependent Variable: QDDTCEU

b. Predictors: (Constant), CNHT, CLNNL, ONDKT, NLDT, XTDT, CSKK, CSHT, SMTT, LKKV+FTA, DC

Source: from data exported from SPSS 20.0 software

Table 4: Results of coefficients analysis.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.334	.246		1.357	.000		
	CSHT	.724	.040	.240	6.613	.000	.448	2.234
	ONDKT	.696	.033	.136	4.081	.000	.531	1.883
	CNHT	.654	.035	.468	3.499	.000	.489	2.045
	SMTT	.618	.030	.097	3.374	.001	.711	1.406
	DC	.575	.027	.000	.014	.000	.840	1.190
	CLNNL	.439	.034	074	2.560	.000	.696	1.438
	LKKV+FTA	.411	.027	.069	-2.399	.000	.705	1.418
	CSKK	.378	.022	.002	.089	.000	.852	1.173
	NLDT	-.348	.024	.137	4.808	.000	.727	1.375
	XTDT	.266	.022	.004	.140	.000	.876	1.142

a. Dependent Variable: QDDTCEU

Source: from data exported from SPSS 22.0 software.

The VIF (Variance Inflation Factor, magnification variance) < 10 (table 4), so there is no multicollinearity.

Table 5: Model Summary Analysis Results.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.776[a]	.603	.828	.182	1.946

a. Predictors: (Constant), CNHT, CLNNL, ONDKT, NLDT, XTDT, CSKK, CSHT, SMTT, LKKV+FTA, DC

b. Dependent Variable: QDDTCEU

Source: from data exported from SPSS 22.0 software.

The values of the independent variable and the dependent variable are normalized, the expected sign in the relationship between the independent variable and the dependent variable is a positive sign that specifies the weight of each component affecting the FDI decision of EU investors.

From the results of regression analysis with the actual regression model as follows:

QDDTCEU=0.334+0.724*CSHT+0.696*ONDKT+0.654* CNHT+0.618*SMTT+0.575*DC+0.439*CLNNL+0.411*(LKKV+FTA) +0.378*CSKK+0.348*NLDT+0.266*XTDT

The above model explains that 82.8% of the change of Y variable is caused by independent variables in the model, the remaining 17.2% of the variation is explained by other variables outside the model that are within the range of the model. micro-theme could not be studied. The results of regression analysis have shown the importance of 10 variables DC, NLDT, LKKV+FTA, ONDKT, CSHT, KSKK, NLNL, SMTT, XTDT, HT for the dependent variable Y (QDDTCEU).

Thus, the Beta value shows: (i) Standardized regression values of infrastructure and investment support services affect 72.4% of EU investors' foreign investment decisions; (ii) The standardized regression value of Socio-economic stability affects 69.6% of EU investors' foreign investment decisions; (iii) The normalized regression value of the development of supporting industries affects 65.4% of foreign investment decisions of EU investors; (iv) The normalized regression value of market purchasing power affects 61.8% of EU investors' foreign investment decisions; (v) The normalized regression value of the foreign investment motivation of investors affects 57.5% of the foreign investment decisions of EU investors; (vi) The standardized regression value of the quality of domestic human resources affects 43.9% of EU investors' foreign investment decisions; (vii) The normalized regression value of regional connectivity and trade agreements between the host country and the host country affects 41.1% of EU investors' foreign investment decisions; (viii) The standardized regression value of the flexibility and attractiveness of the investment policy system and the promotion of foreign investment affects 37.8% of EU investors' foreign investment decisions; (ix) The standardized regression value of investor capacity affects 34.8% of EU investors' foreign investment decisions.

3.5. Solutions to attract FDI from the EU to Vietnam in the new context

In the short term, FDI increases mainly through channels of liberalization of trade in goods, services and investment. At the same time, the ability to improve the quality of FDI inflows is mainly through the implementation of expanded commitments such as intellectual property, competition, transparency, labor, environment, ... Therefore, Vietnam needs to seriously, fully and effectively implement the commitments and obligations in the EVFTA and EVIPA in order to take advantage of the opportunities and benefits of the EVFTA and EVIPA.

Perfecting the infrastructure system, including transport and telecommunications infrastructure, has always been considered as one of the solutions to remove bottlenecks and promote competitiveness of the economy, especially in the context that the economy is entering the era of the industrial revolution 4.0. According to a survey of EU businesses investing in Vietnam, infrastructure factors affect 45.6% to FDI attraction, which is a factor that makes many EU investors afraid to invest in Vietnam. Male Investing in completing the infrastructure system in a synchronous manner will help reduce costs, speed up the time to bring goods from the point of production to the hands of consumers, and at the same time meet the requirements of various forms of new e-commerce business.

Enhance effective investment promotion; Improve the quality of human resources; Supporting industry development

4. Conclusions

Currently, the real impacts of the EVFTA on Vietnam's economy and investment flows from the EU into Vietnam have not been as expected and predicted before, and the level of impact of the EVFTA is not clear yet. This is partly due to the impacts of the COVID-19 epidemic and limitations on legal policies, infrastructure, quality of human resources, and supporting industries in Vietnam, which is still young, lacks linkages between businesses. FDI and domestic enterprises. This study is based on survey results of EU enterprises currently operating in Vietnam and, through the EFA model, has proposed groups of solutions to effectively attract EU FDI into Vietnam in the context of new scene.

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