



Determinants of Foreign Direct Investment in Nghe An Province, Vietnam

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**Accepted December 2019*

ABSTRACT

This paper examines the determinants of Foreign Direct Investment (FDI) in Nghe An province, Vietnam through a regression model. By using a dataset of 225 observations in 10 years starting from 2008, it was found that three factors play a pivotal role in promoting FDI capital in Nghe An province, namely economic growth, infrastructure and labor productivity. All three variables have a positive relationship with the FDI capital flow. Especially, labor productivity plays a most important role to promote FDI in Nghe An province. On the other hand, the research result shows that there is no influence of inflation, tax and the world economic crisis in 2008 on the attraction of FDI capital in Nghe An province. The paper makes recommendations to the authorities to enhance the ability to attract FDI capital inflow in the developing localities like Nghe An province, Vietnam.

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Keywords: Foreign direct investment, determinants, regression model, Nghe An province, Vietnam.
