The key driver to FDI's attraction in Vietnam in the context of digital transformation

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Abstract

Foreign Direct Investment (FDI) is a key driver of economic growth in developing countries like Vietnam, fostering global integration through capital inflows, technology transfer, and managerial expertise. This study explores how Vietnam can enhance FDI attractiveness amid digital transformation by addressing barriers in digital infrastructure, human resources, and investment policy. Using Principal Component Analysis (PCA), the research highlights the impact of digital infrastructure, a skilled digital workforce, the regulatory environment, and technology-focused FDI on investment inflows. The findings identify critical factors influencing FDI decisions and emphasize the importance of improving digital infrastructure, developing a competent tech workforce, reforming regulations, and strengthening innovation ecosystems. These strategies are essential for attracting FDI in high-tech sectors and supporting Vietnam's long-term economic growth.

Keywords: Digital transformation, Foreign direct investment, PCA, Vietnam.

1. Introduction

Foreign Direct Investment (FDI) is widely recognized as a key driver of economic growth, especially in emerging economies such as Vietnam. The United Nations Conference on Trade and Development [1] emphasizes that FDI is instrumental in promoting global economic integration through capital inflows, the transfer of technology, and the improvement of managerial expertise. Many studies have demonstrated that FDI brings mutual benefits to both host countries and investing firms as it supports economic growth, infrastructure development, and job creation in host nations while providing investors with access to new markets, cost efficiencies, and risk diversification [2]. In the case of Vietnam,

according to Investment Law No. 67/2014/QH13, FDI is capital contributions by foreign investors in various forms, including monetary investments and intellectual property assets, for long-term operations.

However, the global shift towards digital transformation presents both opportunities and challenges for Vietnam. Emerging technologies like artificial intelligence (AI), big data, and the Internet of Things (IoT) are reshaping global FDI trends, especially toward high-tech sectors. Although Vietnam has made notable progress in developing its digital infrastructure, including improvements in internet speed, data centers, and access to cloud computing services, limitations in digital skills and infrastructure readiness continue to constrain its ability to attract high-quality FDI. This is particularly evident in industries that rely heavily on advanced technology, such as information technology (IT), telecommunications, and e-commerce, where strong digital infrastructure is essential for investment attraction.

Moreover, a skilled workforce in digital technologies is essential for fostering innovation and attracting foreign direct investment (FDI). Multinational corporations often prioritize countries with a strong talent pool in software development, data science, artificial intelligence (AI), and cybersecurity to meet their technological and operational needs. In recent years, Vietnam has tried to enhance its education system by promoting STEM (Science, Technology, Engineering, and Mathematics) programs. Despite these efforts, a significant shortage of highly specialized professionals in high-tech fields remains. To strengthen its position in the digital economy, Vietnam must focus on developing a robust pipeline of skilled workers in technology-related sectors. Crucially, bridging the skill gap will require stronger collaboration between universities, vocational training institutions, and technology companies. Such partnerships can ensure that training programs align with industry demands and better prepare the workforce to support innovation and attract global investment.

Vietnam's ability to attract FDI is intricately linked to its development in digital infrastructure, digital human resources, and FDI in technology. Improving digital infrastructure ensures that investors in the technology sector have the tools to operate efficiently. The research will focus on key factors such as digital infrastructure development, a skilled digital workforce, and FDI inflow into technology to propose actionable strategies for Vietnam to become a leading destination for FDI in the context of digital transformation.

2. Literature review and Hypotheses
2.1. The Interconnection between Digital Transformation and FDI

Foreign direct investment (FDI) has long been regarded as a catalyst for economic growth, technological advancement, and productivity improvements, especially in developing countries. Beyond its financial implications, FDI plays a critical role in transferring knowledge, encouraging innovation, and promoting the adoption of modern technologies [3, 4]. Recent research has highlighted the strong association between FDI inflows and a country's digital readiness, particularly in high-tech industries. Given the ongoing global digital transformation, the intersection between FDI attraction and digital development has become increasingly salient for emerging economies.

Digital transformation, defined as the integration of technologies such as artificial intelligence (AI), big data analytics, the Internet of Things (IoT), and cloud computing into business and governmental systems, is fundamentally reshaping traditional determinants of FDI [5, 6]. This transformation enhances operational efficiency, streamlines supply chains, reduces transaction costs, and creates new value chains for foreign investors [7]. According to Van Veldhoven and Vanthienen [8], digitalization reshapes the global investment landscape and fosters competitiveness. Countries that proactively develop digital infrastructure, regulatory frameworks, and workforce capacity are more likely to attract high-value, knowledge-based FDI [9].

2.2. Digital Infrastructure as a Driver of FDI Inflows

A growing body of literature recognizes the development of digital infrastructure as a critical factor in attracting FDI. The digital economy-powered by internet connectivity, cloud infrastructure, and data networks-has become a central driver of global economic growth [10, 11]. In this context, countries with strong digital foundations offer lower transaction costs, greater market access, and smoother integration into global supply chains [12, 13].

Emerging economies increasingly invest in robust digital infrastructure to remain competitive [14, 15]. Well-targeted digital investment policies-such as improving connectivity, incentivizing digital firms, and fostering ecosystem-wide digitalization, improve FDI absorption and localization [16, 17]. The Nigerian experience provides useful lessons. While digital technologies contributed to rising FDI inflows in Nigeria, the lack of complementary policies in skills development and technology absorption hindered the broader economic benefits [18, 19]. These findings reinforce that digital infrastructure alone is insufficient without aligned national strategies.

2.3. Skilled Digital Workforce and Investment Competitiveness

Parallel to infrastructure development, the availability of a skilled digital workforce is increasingly seen as a cornerstone of FDI competitiveness. Multinational enterprises (MNEs) are actively seeking locations with abundant human capital capable of adapting to and leveraging advanced technologies [20, 21]. As Fitzgerald [22] notes, the digital economy extends far beyond e-commerce and includes platform-based business models, smart manufacturing, and innovation hubs that require a flexible and tech-savvy workforce.

Despite its importance, the global digital talent gap presents a significant barrier. The demand for skilled digital professionals has outpaced supply in many regions, creating bottlenecks in attracting and retaining FDI [23]. Nations that succeed in reskilling their workforce, establishing new talent pipelines, and aligning higher education with industry needs are better positioned to capture high-tech FDI [24, 25].

2.4. FDI Inflows into Technology as Catalysts for Transformation

FDI inflows in high-tech and digital sectors not only reflect investor confidence but also stimulate structural transformation in host economies. These investments can enhance productivity, drive R&D, and embed global best practices into domestic industries [26]. When host countries succeed in attracting technology-focused FDI, they create spillover effects that benefit adjacent sectors and accelerate overall economic modernization [27, 28]. However, effective absorption of such investments depends on supportive institutions and policy environments. Barriers such as weak intellectual property protection or fragmented data governance can disincentivize long-term, technology-intensive FDI [29].

2.5. The Vietnamese Context

Vietnam has made notable progress in digital adoption and FDI attraction. However, critical gaps remain in infrastructure readiness, workforce capacity, and policy implementation. Although the National Digital Transformation Program aims to foster a robust digital ecosystem, Vietnam still lags behind regional peers such as Malaysia and Singapore in 5G deployment, cloud accessibility, and AI integration. In addition, Vietnam's workforce lacks sufficient digital skills, especially in emerging domains such as blockchain, data science, and automation [30]. In addition to technological constraints, institutional and regulatory inefficiencies remain a significant barrier to attracting high-tech FDI. Issues such as limited data privacy protections, fragmented governance, and complex administrative procedures deter many potential investors, especially those operating in knowledge-intensive industries [29]. These shortcomings weaken investor confidence and inhibit long-term investment planning in the digital sector.

Nonetheless, Vietnam retains important advantages that support its FDI attractiveness. Its strategic geographic location, rapidly growing startup ecosystem, and economic openness continue to appeal to global investors. Provided that structural constraints are effectively addressed, Vietnam holds substantial potential to become a regional leader in digital and innovation-driven FDI. Several provinces have emerged as illustrative examples of this potential. One prominent case is Quang Ninh, which has consistently ranked among the top three FDI destinations in Vietnam from 2021 to 2024. In 2023 alone, the province attracted over USD 3.1 billion in newly registered capital, which accounted for more than 15% of national FDI, and it continued this trajectory in the first half of 2024 with an additional USD 1.36 billion (Tran, 2024). Quang Ninh's success is underpinned by synchronized infrastructure development, including an extensive expressway network, international seaports, and airports, as well as proactive investment facilitation and land readiness for secondary investors. The province's strategic shift toward high-tech and green industries further exemplifies how localized digital transformation and industrial upgrading can enhance FDI attraction.

Similarly, Ha Nam province has emerged as a competitive FDI destination in northern Vietnam. The province has achieved notable success in attracting foreign investment through the development of modern industrial parks, active administrative reform, and the implementation of investor-friendly policies. These include 24/7 access to utilities, land incentives, streamlined investment procedures, and direct communication channels between provincial leaders and investors. However, despite strong inflows, Ha Nam also reflects broader national challenges. The province continues to face limitations in technology transfer and integration with domestic supply chains. Most foreign enterprises in Ha Nam remain concentrated in low-skilled, labor-intensive manufacturing, with limited spillovers to local firms or contributions to innovation capacity [31]. These examples underscore the need for Vietnam, both at the national level and within individual provinces, to shift from a quantity-focused FDI approach to one that emphasizes quality, sustainability, and deeper local linkages.

2.6. Research Hypotheses

Drawing on the reviewed literature, this study posits that Vietnam's ability to attract FDI in the digital age is significantly influenced by three critical factors: the availability of a skilled digital workforce, the development of digital infrastructure, and the scale of FDI inflows into technology-related sectors. Accordingly, the following research hypotheses are proposed:

H_1: There is a linear relationship between the availability of a skilled digital workforce and foreign direct investment (FDI) attraction in Vietnam.

H_2: There is a linear relationship between the development of digital infrastructure and FDI attraction in Vietnam.

H_3: There is a linear relationship between FDI inflows into technology sectors and Vietnam's capacity to attract further FDI.
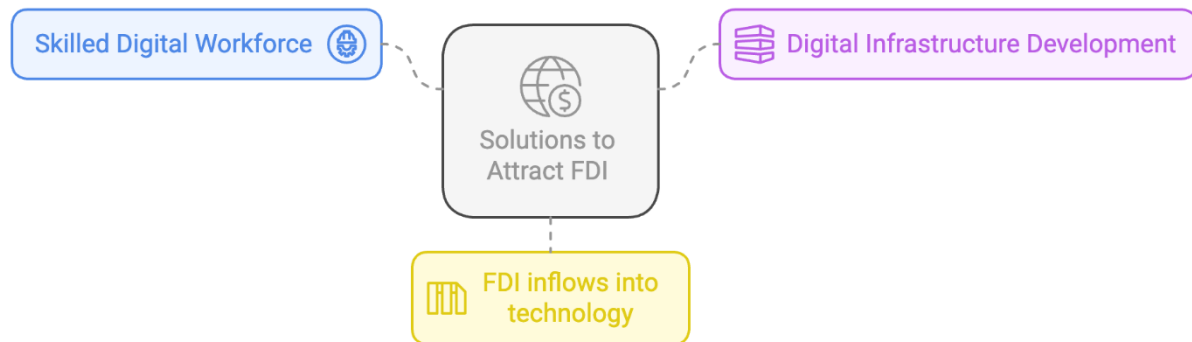
Strategies for Attracting Foreign Direct Investment

Figure 1.
The research model.

3. Methods

3.1. Research Design

This study adopts a hybrid methodological approach, combining a systematic literature review with secondary data analysis to evaluate Vietnam's foreign direct investment (FDI) attraction capabilities in the context of digital transformation. The approach ensures a coherent integration of theoretical foundations, empirical patterns, and analytical techniques, thereby facilitating the formulation of practical strategies grounded in evidence.

3.2. Data Collection and Description

Secondary data for the empirical component was obtained from the General Statistics Office of Vietnam, covering the period from 2018 to 2024. The following indicators were selected to reflect Vietnam's digital readiness and its relationship with FDI attraction:

- Internet speed (Mbps)
- Number of data centers
- Technology labor force (%)
- FDI inflows into technology (million USD)

These indicators are summarized in Table 1 as follows:

Table 1.
The data variable in Vietnam from 2018 to 2024.

Year	Internet speed (Mbps)	Number of data centers	Technology labor force percentage (%)	FDI inflows into technology (million USD)
2018	25	5	1.1	150
2019	30	7	1.5	200
2020	61.69	9	2.0	250
2021	40	12	2.5	300
2022	45	15	2.7	350
2023	90	30	2.8	427
2024	120.32	33	3.0	534

Sources: Compiled from data of the General Statistics Office of Vietnam.

3.3. Addressing Multicollinearity with Principal Component Analysis

Given the likelihood of intercorrelation among independent variables, the study adopts Principal Component Analysis (PCA) to address multicollinearity and data redundancy. Three potential solutions were considered:

- Excluding correlated variables results in the loss of valuable information.
- Applying PCA for dimensionality reduction helps identify the most significant uncorrelated components.
- Constructing a composite index via PCA preserves the information content across all original variables.

PCA is selected as the most robust approach due to its capacity to transform a set of potentially correlated indicators into uncorrelated components [32]. This enables the construction of a new variable that captures the maximum variance and supports further analysis without compromising model reliability.

3.4. Mathematical Procedure of Principal Component Analysis

The initial data is arranged in a matrix form $X = (x_i)_{nxm}$, where n is the number of observations and m is the number of variables. Since the original variables have different units, the data is standardized into $Z = (Z_{ij})_{nxm}$.

From the standardized data matrix, calculate the correlation matrix $R = (r_{ij})_{nxm}$. Calculate m eigenvalues λ_p (P = 1, 2, 3...m) and the corresponding eigenvectors $L_p = L_{p1}, L_{p2},...L_{pm}$. Derive the formula to express the principal components:
$F_p = L_{p1}Z_1 + L_{p2}Z_2 + ... + L_{pm}Z_m$
where *p* = 1, 2, 3 ... m.

Determine the contribution ratio of the principal components: Select eigenvalues $\lambda_p > 1$. The cumulative contribution ratio of the principal components is the percentage of the information contained in those components. The higher the cumulative contribution ratio, the closer it is to the actual situation. The acceptable range for the cumulative contribution ratio of the principal components is between 70% and 90% [33].

Perform the Weighted Sum Method for the selected *k* principal components to obtain the principal component scores.

$$F = \sum_{p=1}^{k} \left(\frac{\lambda_p}{\sum_{p=1}^{m} \lambda_p}\right) Fp$$

4. Results

Before conducting the principal component analysis, it is essential to perform the KMO and Bartlett's tests. The KMO test yielded a result of 0.7145510139326088, and Bartlett's test showed a significance value (Sig) of 0.000, indicating that there is a correlation among the variables. The original data meet the testing requirements and are suitable for principal component analysis. The selection of principal components was carried out after standardizing the original data and using Python for the analysis. The results obtained from running the data are as follows:

Table 2.
Results of Principal Components Analysis for the Data.

Year	PCA1	PCA2	PCA3	PCA4
2018	-2.56238413	-0.55184215	-0.18063632	-0.03266865
2019	-1.88863991	-0.19101787	-0.11210415	-0.06164672
2020	-0.73604488	-0.2046725	0.50391775	0.1049237
2021	-0.34756578	0.73639691	0.0283641	0.02374718
2022	0.2308796	0.84373674	-0.04971622	-0.07969244
2023	2.04985022	-0.16122602	-0.27850224	0.20246465
2024	3.25390488	-0.4713751	0.08867709	-0.15712772

The PCA method reduces the dimensionality of the data, so each row is now represented in a lower-dimensional space (using principal components). The values in each column represent how much each observation (year) 'projects' onto the corresponding principal component.

In 2018, the value for PC1 was -2.56, meaning that in this year, the factors contributing to FDI attraction (such as infrastructure like internet speed) were less developed compared to later years. In 2024, PC1 is 3.25, showing substantial improvement, especially in Internet speed and data center growth, which likely boosted FDI inflows into technology.

PC2: A positive value means that data center expansion and labor force involvement are improving, suggesting a higher capacity for technological growth. In 2021, PC2 is 0.74, showing that the number of data centers and the labor force were major drivers of technological development that year.

PC3: This component captures more specific variations, such as the technology labor force and its evolving influence on the country's capacity to attract FDI in the tech sector. The higher values for this component, such as 0.50 in 2020, indicate that workforce development is becoming progressively more crucial for FDI inflows as digital transformation advances.

The PC4 accounts for the remaining variation in the data, which may stem from more complex interactions between the four variables. While its contributions are smaller than those of the first three components, it still offers valuable insights into the subtle dynamics of how the technology labor force and FDI inflows interact, particularly in more specific years such as 2022 and 2023. The role of Digital Transformation is evident as Vietnam enhances its digital infrastructure (e.g., internet speed, data centers) and invests in workforce development, leading to a notable increase in FDI inflows within the technology sector. The strong correlation between internet speed and FDI inflows, especially in the later years, indicates that improvements in digital infrastructure play a significant role in attracting foreign investors to the technology sector. Regarding the technological workforce and FDI, the positive trend in the technology labor force percentage (as seen in PC2 and PC3) highlights Vietnam's growing capacity to support digital transformation. As the number of skilled workers increases, Vietnam becomes more appealing to foreign investors seeking a capable workforce.

The year-by-year analysis reveals distinct trends in the development of digital infrastructure and FDI inflows (Figure 2). From 2018 to 2020, negative values for the first principal component (PC1) suggest slower progress in key areas such as digital infrastructure, data center expansion, and foreign direct investment (FDI) attraction. These years were marked by limited advancements, which likely hindered the inflow of FDI. However, from 2021 to 2024, there was a notable shift, with substantial improvements in internet speed, data center development, and the technology labor force. These factors contributed to higher positive values in both PC1 and PC2, signaling a more favorable environment for FDI inflows, particularly in the technology sector, as the country's digital transformation gained momentum.
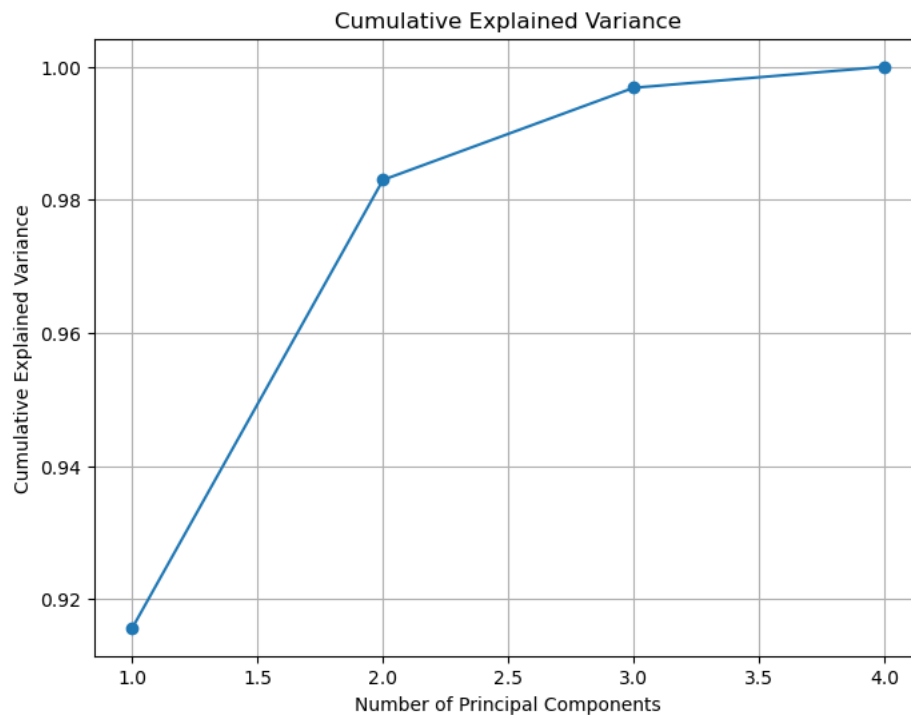
Figure 2.
The number of components.

5. Discussion

5.1. Challenges in Attracting High-Tech FDI Amid Digital Transformation

5.1.1. Digital Infrastructure Limitations

Digital transformation has created challenges and opportunities for Vietnam to attract foreign direct investment (FDI), particularly in high-tech sectors. A significant challenge lies in the country's developing digital infrastructure. Although the Vietnamese government has made notable progress in expanding 5G coverage and upgrading telecommunications systems, adopting and integrating digital technologies remains slower than several regional peers [34]. For instance, as of 2021, Thailand achieved 5G coverage for approximately 76% of its population, while Singapore reached 95% coverage [35]. In contrast, Vietnam's 5G deployment is still nascent, primarily limited to trials in urban areas [36]. This lag in comprehensive 5G infrastructure may reduce Vietnam's attractiveness to foreign investors in technology-driven industries.

5.1.2. Gaps in Digital Workforce Competency

Another significant barrier is the quality of Vietnam's digital workforce. While Vietnam benefits from a young and dynamic labor force, its proficiency in digital skills and adaptability to emerging technologies remains insufficient to meet the demands of high-tech investors. As noted by Cunningham et al. [30], the proportion of workers possessing Information and Communication Technology (ICT) skills in Vietnam is lower than that of regional peers such as Malaysia and Thailand. Moreover, critical gaps in specialized competencies, including software development, cybersecurity, and data science, hinder Vietnam's aspirations to establish itself as a hub for high-tech FDI. These deficiencies may deter multinational corporations, which rely on a highly skilled workforce to drive innovation and maintain global competitiveness [37]. Without substantial investments in education and workforce upskilling, Vietnam risks forfeiting opportunities to leverage its digital economy's potential fully.

5.1.3. Regulatory and Legal Deficiencies

Vietnam's legal and regulatory framework requires significant improvements to support digital transformation effectively. Although the government has introduced several measures to promote innovation and attract technology investments, the current framework remains inadequate in addressing critical issues such as data privacy, cybersecurity, and intellectual property protection. High-tech investors often demand a transparent, stable, and robust regulatory environment to safeguard their intellectual and technological assets [38]. Without such safeguards, Vietnam may struggle to attract global technology leaders and high-tech enterprises seeking expansion opportunities in Southeast Asia.

5.2. Emerging Opportunities through Digital Transformation

Despite these challenges, digital transformation presents Vietnam with substantial opportunities to enhance its FDI attractiveness. The National Digital Transformation Program, launched in 2020, has opened significant investment opportunities for foreign companies in key digital sectors such as e-commerce, financial technology, AI, and blockchain. The Vietnamese government has demonstrated its commitment to improving the investment climate by promoting the integration

of digital technologies across public services, commerce, and manufacturing. This commitment is reflected in ongoing efforts to develop digital infrastructure and implement transparent policies to foster innovation.

The emergence of Vietnam's technology startup ecosystem offers novel opportunities for international investors aiming to engage in the initial phases of Vietnam's technological development. The government's endorsement of innovation hubs and incubators enhances the possibilities for collaboration between domestic and international technology companies. International investors are increasingly focused on the advancement of Vietnam's smart cities and the implementation of AI and IoT technologies to enhance urban infrastructure. As Vietnam advances its digital economy, these developments are expected to facilitate increased high-value FDI in growing sectors, establishing the nation as an ascending participant in Southeast Asia's digital arena.

5.3. Strategic Recommendations

Although Vietnam holds considerable potential to attract foreign direct investment (FDI), realizing this potential requires a strategic and well-coordinated approach. To enhance its competitiveness in the evolving global economic landscape, Vietnam must implement comprehensive programs focused on upgrading digital and physical infrastructure, streamlining administrative procedures, and improving the quality of its workforce. A key component of this strategy involves the development of industrial zones and high-tech parks, which serve as critical platforms to meet the demands of advanced technology investors and foster stronger linkages between foreign enterprises and domestic firms. These strategic initiatives will strengthen Vietnam's capacity to attract high-value FDI and ensure its sustained integration into global value chains. Accordingly, Vietnam should consider the following priority actions:

5.3.1. Enhancing Digital Infrastructure

The ongoing enhancement and extension of digital infrastructure are crucial for sustaining and attracting high-quality FDI. With the progressive deployment of 5G networks countrywide, Vietnam must intensify its investment in data centers, cloud computing, and digital security services. Investors in fintech, AI, blockchain, and digital technology necessitate dependable and highly secure infrastructure for optimal operation. Strengthening cybersecurity and improving data protection will draw more interest from foreign investors, particularly prominent technology companies like Google, Microsoft, and Apple. Alongside enhancements to complex infrastructure, the importance of soft infrastructure, particularly cybersecurity, must also be underscored. Vietnam should allocate resources toward information security solutions and enhance its cybersecurity capabilities to safeguard enterprises' data and digital assets. Information security is a primary concern for international investors, especially in sensitive areas such as fintech and information technology. Establishing a secure and safeguarded business environment will enhance investor trust and attract high-tech investments.

5.3.2. Targeted Investment Promotion and Policy Reform

Vietnam needs to concentrate on targeted FDI attraction. Vietnam is a prominent destination for attracting FDI. Nevertheless, to secure higher-quality FDI projects, emphasis should be placed on initiatives that offer significant added value, utilize environmentally sustainable technologies, and favorably influence local businesses. This necessitates the augmentation of policies and institutions, emphasizing the attraction of large firms with modern technology, notably in industries such as artificial intelligence, pharmaceuticals, financial services, banking, and high-tech agriculture.

Vietnam must establish explicit legislative frameworks for burgeoning areas such as fintech, artificial intelligence, blockchain, and renewable energy. Simplifying administrative procedures and modernizing the approval process will facilitate investor operations in Vietnam, decreasing the time and costs of executing FDI projects. These improvements will enhance the appeal of new ventures and incentivize current investors to broaden their activities.

Connecting the FDI sector with the domestic economy is crucial for fostering supporting industries and improving the competitiveness of Vietnamese firms within the global supply chain. Incentives must be offered to promote collaboration between foreign enterprises and local businesses via financial aid, interest rate support, and favorable policies.

5.3.3. Cultivating Superior Human Capital

Enhancing the quality of Vietnam's workforce is a fundamental prerequisite for attracting FDI in high-tech sectors. In order to meet the evolving demands of technology-intensive industries, the government must substantially increase investments in education and vocational training, with a strategic focus on STEM (science, technology, engineering, and mathematics) disciplines. Strengthening these areas will equip the labor force with the specialized competencies required by advanced industries. In parallel, Vietnam should prioritize the development of public-private partnerships with leading global technology firms to co-design and implement training programs tailored to digital skills. These programs should emphasize core competencies in information technology, artificial intelligence (AI), and big data analytics. Successful models from countries such as Singapore and India demonstrate the effectiveness of such partnerships in cultivating a digitally proficient and industry-aligned workforce—an approach that Vietnam can emulate to meet investor expectations in rapidly evolving sectors such as AI, blockchain, and e-commerce. Furthermore, the government should promote reskilling and upskilling initiatives to help the existing workforce adapt to technological advancements and remain competitive in a dynamic labor market. Collaborations with international educational institutions can serve as an effective means to transfer global expertise and best practices, accelerating workforce readiness. By implementing these measures, Vietnam can build a future-ready talent pool, thereby enhancing its attractiveness to innovation-driven FDI and reinforcing its position as a competitive hub in the regional digital economy.

6. Conclusions

In summary, this paper uses the PCA model to identify the key factors in attracting FDI inflow to Vietnam in the context of digital transformation. The results show that the first principal component (PC1) significantly improved in 2024, particularly in internet speed and data center growth. PC2 and PC3 highlighted the increasing importance of labor force development and technological capacity for FDI inflows. The analysis showed a shift from negative values in 2018-2020 to positive trends from 2021-2024, reflecting Vietnam's digital transformation and improved FDI attraction in the technology sector. This study sought to identify strategies to enhance Vietnam's competitiveness in attracting high-quality FDI within the context of digital transformation. The findings reveal notable progress and enduring challenges across key domains, such as digital infrastructure, a skilled digital workforce, and FDI inflow in technology.

The research emphasizes the critical need for Vietnam to transition from a low-cost labor model to an economy driven by high-value human capital, innovation, and advanced technological markets. To achieve this, Vietnam must focus on improving digital infrastructure, enhancing digital skills within the workforce, and refining regulatory frameworks to foster a more attractive environment for FDI in high-tech and innovative sectors. By addressing these challenges and leveraging emerging opportunities, Vietnam can position itself as a global leader in attracting sustainable and innovative FDI. The findings indicate that investments in digital transformation and human capital development will be key to ensuring long-term competitiveness and economic growth in the digital age.

Future research, informed by these insights, could explore actionable strategies for policymakers and industry stakeholders to further support Vietnam's digital transformation. These strategies could enhance resilience and sustained economic growth, positioning Vietnam as a top destination for high-quality FDI.

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