The relationships between,GDP, FDI, Import andExportin Vietnam after 30 years Reforms

Do Thi Thao

1 School of Economics, Huazhong University of Science and Technology, Wuhan. P.R. China
Corresponding author: dothao19091987@gmail.com

Abstract: *Foreign direct investment (FDI) is an important source of capital to supplement the total investment capital for economic growth of each country, including Vietnam. Since the Law on Foreign Investment was adopted in 1987, Vietnam has attracted a large amount of foreign capital, and this capital inflow has made important contributions to economic development. Since 1986, Vietnam has undertaken a comprehensive renovation of the country. Compared to reform and transition from a planned economy to a market economy in other countries, innovation in Vietnam has its own characteristics. Innovation in Vietnam takes place in two dimensions: "from the bottom up" in cooperatives, enterprises and "top down" means the decisions of the Party and the State. Relationship bidirectional for the renovation in Vietnam took place without conflict between "top" and "bottom", nor the "shock" is too strong to be created by the tough policies and measures and the willpower of the "top" leadership. This is a remarkable feature of the process of innovation in Vietnam, both the top-down leadership and the creativity of the people from below. Therefore, innovation has led to success.This study aims to find relationships between GDP, exports, import, and FDIin the period 1987-2017. The results show that there is a long and significant relationship between investment and exports with total domestic output at a 95% confidence level. The study also show that FDI, export ...increased GDP, creating important preconditions for the growth of the Vietnameconomic.*
Key words: FDI, export, GDP, Vietnam, reforms....

I. Introduction

FDI is an important source of capital for economic growth in countries, especially in developing countries. Vietnam is not out of the trend, the inflow of FDI inflows tends to increase over the years and has been shown to have a positive impact on economic growth. With the important milestone of the Law on Foreign Investment (1987), Vietnam has started the process of opening up integration and receiving FDI as a complementary factor to the shortage of investment capital domestic. Since then, FDI inflows into Vietnam have increased significantly in both quantity and quality.Under normal circumstances, GDP is a fundamental indicator of economic growth, economic size, level of economic development per capita, economic structure and price changes. It is an important tool commonly used internationally to examine developments and changes in the national economy. GDP growth rate is the most important macroeconomic indicator describing the situation of economic growth. In the world, almost no country is not interested in economic growth, because without adequate economic growth there will be no economic prosperity of the country and the improvement of people's lives. Vietnam in the context of deep and broad economic integration. After nearly 30 years of renovation, Vietnam's exports are considered as one of the important indicators for economic development. As a country is being referred to the world with a miraculous growth rate thanks to the policy of opening up the economy, Vietnam's exports are gradually reaching out to many countries in the world. The relationship between exports, FDI and GDP has been an important topic discussed over the last half century. These relationships are always trying to answer questions such as whether export growth will lead to GDP growth. Or does economic growth lead to export growth? How does the growth of FDI affect GDP and exports? Is there a two-way relationship between the above variables? These questions are especially important for developing countries, especially Vietnam. Through the development of trade theories and economic growth, increasing exports and attracting FDI has been identified as a driver of economic growth in some countries with some reasons. Firstly, export growth and increased capital investment will lead to aggregate demand growth of a country. Demand growth may not be sustained in a small, low-income economy, but the export market is seemingly endless and therefore openness to trade will not limit aggregate demand growth. Therefore, exports can be a catalyst for income growth. Secondly, expanding exports and expanding FDI attraction can enhance the specialization of commodity production, improve the technology level and thus increase productivity and lead to output growth.

II. Literature Review

So far, FDI in Vietnam has grown rapidly and has become a hot topic for scholars, but the number of studies rescue in this area is not much. The few studies that directly relate this topic:

Vietnam's offshore investment has received considerable attention at the international organizations such as the World Bank and ADB have been implemented in many major research institutes such as the London Institute for Strategic Studies, the Kiel International Institute for Economic Research (Germany), the World Economic and Political Research Institute of China, Vietnam ... Besides, also there are many works of famous scholars studying the investment abroad of China National as Robert Taylor, Antkiewicz, Whalley, YevgeniyaKorniyenko, Toshiaki Sakatsume, Caihua Zhu, Lina Lian, Dylan Sutherland, Jian Chen, Edward M. Graham…. Nguyen May (2003), Freeman (2002) and Nguyen Thi Phuong Hoa (2001) conducted a comprehensive study of FDI in Vietnam until 2002 and came to a general conclusion that FDI has a positive effect on growth economics through investment channels and improving human resources. Spillover effects of FDI also appear in the processing industry through labor mobility and competitive pressures.

Nguyen ThiHuong and Bui HuyNhuong (2003) draw somelessons for Vietnam by comparing the policy of attracting FDI in China and Vietnam during the period 1979-2002. Doan Ngoc Phuc (2003) analyze the situation of FDI in the period 1988-2003 and concluded that economic growth in Vietnam is heavily dependent on FDI area. In terms of methodology, most of the research on FDI in Vietnam using quantitative analysis method, the conclusion situation of FDI in Vietnam is based on statistics. Conclusions on the impact of FDI on economic growth are mainly based on the proportion of FDI to total social investment and the contribution of the FDI sector to GDP or to the growth rate of production value of the sector. The study of Nguyen Thi Phuong Hoa (2004) is one of very few studies that use both qualitative and quantitative methods. However, this study quantifies the impact of FDI on the growth of the provinces of Vietnam in order to finally find a link between FDI and poverty reduction.

Author Le Tuan Thanh, in the article "Characteristics of Chinese investment into Vietnam since the normalization of relations so far" (2006) presented an overview of the presence of Chinese FDI in Vietnam 1991-2007: capital growth rate, scale of capital increase, number of projects, form of investment, area of investment, investment sector ... In which, the author made comments about positive impact also as in the face of Chinese FDI in Vietnam. In particular, the author pointed out the good prospects of investment relations between the two countries in the coming years.

Including research Markusen&Venables, (1999) and Zhang, (2001). Some common suggestions are proposed why FDI is credible motivation for economic growth in host countries. Research shows that FDI can increase employment and capital formation, promote exports (especially export production), can bring particularly successful resources such as knowledge and know-how specific to the host country.

The transfer of technology and other spillover effects is an important part in the growth and development of an economy. When a country with poorly developed technology than the rest of the world, we can say that such a country could benefit from the diffusion of foreign technology. Therefore, a certain dependence between economic growth and technological level in the country compared to other countries (Borensztein, De Gregorio, & Lee, 1998) (Wei, Yao, & Liu, 2007).

Hsiao and Hsiao (2006) argue that exports increase FDI because it paves the way for FDI by gathering country information to reduce the transaction costs of investors. FDI can also reduce exports by serving overseas markets through the establishment of production facilities there. Balasubramanyamet. al. (1996) tested the hypothesis that boosting FDI exports in countries such as India is more profitable than FDI in other countries. They used a functional approach to production, in which FDI was considered as an independent input factor outside of capital and labor in the country. FDI is a source of human capital and developing new technologies for developing countries. FDI attracts external factors such as transfer research and diversified spillover effects. Exports are used as an additional input to production functions. Once FDI enters a country, some of its imports have previously become domestically produced.

According to research performed by Pradeep Agrawal (2000) on the economic impact of foreign direct investment in South Asia by performing time series analysis data table from the 05 countries of South Asia: India, Pakistan, Bangladesh, Sri Lanka and Nepal, said there was an impact of foreign and domestic investment. Moreover, he explained that the impact of FDI inflows on GDP growth was negative before 1980, positive in the mid-1980s and more strongly impacted by the late 1980s in the early 1990s. Most South Asian countries followed the import-substitution policy and had high tariffs in the 1960s and 1970s. These policies gradually changed over the 1980s, and by the early 1990s, most countries had eliminated Abandoning import substitution strategies, market-oriented policies are more profitable for international trade (Pradeep Agrawal, 2000). Alejandro (1977), provides evidence that foreign capital can reduce economic growth by making excessive profits in a country, thereby distorting free trade as high taxes. Maria Carkovic and Ross Levine (2002) also conclude in their economic study of FDI and GDP growth that the exogenous components of FDI do not have a strong independent influence on growth. Blomström Teals (1994) analyzes FDI inflows positively impacting per

capita incomes in a study of 78 developing countries and 23 developed countries. However, as data on developing countries were divided between the two groups based on per capita incomes. The impact of FDI on the growth of low-income developing countries is not statistically significant, although there are still positive signs. Research suggests that underdeveloped countries are less likely to benefit from multinationals. This is because domestic enterprises have outdated technology in comparison with foreign ones in order to catch up or become a supplier to Multinationals (MNEs). Most studies usually adopt the standard framework accounting growth to analyze the impact of FDI inflows on national income growth along with other factors of production.

According to a study by Najarzadeh, R. and Maleki, M. (2005) found that the relationship of foreign direct investment and economic growth of Indonesia, Malaysia, Venezuela, Saudi Arabia and Iran was positive. This impact is through the human-centered factorAccording to Mahdavi's study, A. and Javadi, S. (2005) examined the relationship between trade and economic growth. They used Granger's econometric models and showed that Iran needed simultaneous importation of alternative and export methods. Do both the strategy is to positively impact Iran's economic growth. Basat's (2002) study shows that exports in developed countries have a positive effect on economic growth. But in these countries the impact is still low, the typical relationship between increased exports and unobserved economic growth.

Sarkar's (2002) study indicates that countries have economic growth. A positive relationship between export and economic growth was established.

DrytSakys (2004) analyzed the relationship between economic growth, investment and exports in the case of Romania and Bulgaria. The results show that the relationship between the three variables. In addition, exports and investments are a positive impact on real GDP.

III. Methodology

This study selects three common factors in the results of the study of the world to consider specifically for the case of Vietnam, including foreign direct investment (FDI); Gross domestic product (GDP) and exports (EX). Observations were collected from 1987 to 2017, collected from the General Statistics Office (GSO), collected from the World Bank, and collected from data from other sources. This study uses the next quantitative approach model ARDL: Autoregressive Distributed Lag. This model has proposed by Pesaran, Shin & Smith (1996) to determine the relationship of FDI, GDP, exports and import in Vietnam. The theoretical framework of the study derives from the Cobb–Douglas production function, which is consistent with the specification used in several previous studies (see for example Hossain and Chung, 1999; Chuang, 2000; and Ramirez, 2000).The use of Co integration Regression (COINTREG) or Fully Modified Least Squares (FMOLS) method is employed to estimate the parameters given the small sample.

The OLS regression model can be extended to include multiple explanatory variables by simply adding additional variables to the equation. The form of the model is the same as above with a single response variable (Y), but this time Y is predicted by multiple explanatory variables (X1 to X_n).

$$Y = \alpha + \beta 1 X 1 + \beta 2 X 2 + \ldots + \beta n X_n (1)$$

The interpretation of the parameters (α and β) from the above model is basically the same as for the simple regression model above, but the relationship cannot now be graphed on a single scatter plot. α indicates the value of Y when all vales of the explanatory variables are zero. Each β parameter indicates the average change in Y that is associated with a unit change in X, whilst controlling for the other explanatory variables in the model. Model-fit can be assessed through comparing deviance measures of nested models. For example, the effect of variable Xn on Y in the model above can be calculated by comparing the nested models

$$Y = \alpha + \beta 1 X 1 + \beta 2 X 2 + \ldots + \beta n X n \text{ and } Y = \alpha + \beta 1 X 1 + \beta 2 X 2 + \ldots + \beta n - 1 X n - 1 (2)$$

The change in deviance between these models indicates the effect that X3 has on the prediction of Y when the effects of X1 and Xn-1 have been accounted for (it is, therefore, the unique effect that Xn has on Y after taking into account X1 and Xn-1). The overall effect of all three explanatory variables on Y can be assessed by comparing the models

$$Y = \alpha + \beta 1 X 1 + \beta 2 X 2 + \ldots + \beta 3 X n, Y = \alpha (3)$$

The significance of the change in the deviance scores can be assessed through the calculation of the F- statistic using the equation provided above (these are, however, provided as a matter of course by most software packages). As with the simple OLS regression, it is a simple matter to compute the R-square statistics.

The author buiding function in the research:

GDP = f(FDI, EX,IM) (4)

The log – linear formulation of the model is

Ln (GDP) = α + $\beta_1$lnFDI+ $\beta_2$lnEX+ $\beta_3$lnIM+ $\mathcal{E}_T$(5)

Where:

$LnGDP_t$: Natural log of GDP in Vietnam

$lnFDI_t$: Natural log of FDI in Vietnam

$lnEX_t$: Natural log of export in Vietnam

$lnIM_t$: Natural log of import in Vietnam

$ℰ_T$= Random Error

α = Constant or intercept

The author used method with a linear model to estimate the sample regression model to fine the relationship of the independent variable (LNGDP) and the dependent variable (LNFDI, LNEX, LNIM) in the period (1987-2017). And the test will be done Fully Modified Least Squares (FMOLS) method ,we have result in below follows

IV. Results And Discussion

The author want to check the time series properties of the data used before estimating the model, both the stationary and co integration tests were conducted to avoid spurious regression. The results of the unit root test was showed in table 1.We have both the ADF and PP results indicate that only $LnIM_t$was found to be stationary at first difference [I (1)] at 5% critical value and another variable ($LnGDP_t$, $LnFDI_t$, $LnEX_t$) are stationary at levels. And the author used considered at both intercept and trend in the case.

Table 4.1: The Unit Root Test for Stationary

Variable	ADF T - Stat	Critical Value	Order of Intergration	PP	Critical Value (5%)	Order of Intergration	Included in the Test Equation
$LnGDP_t$	-12.3180	-3.5806	I(0)	-6.5033	-3.5742	I(0)	Intercept &Trend
$LnCPI_t$	-4.4958	-3.5742	I(0)	-4.4958	-3.5742	I(0)	Intercept &Trend
$LnEX_t$	-46.2854	-3.5742	I(0)	-32.1809	-3.5742	I(0)	Intercept &Trend
$LnIM_t$	-34.4117	-3.5743	I(1)	-7.4016	-3.5806	I(1)	Intercept &Trend

Source: Author's computation using Eviews 9 econometric soft ware

We are checking the long run relationship among the variables was also examined using Johansen co integration theory. We consider the co integration test from both the trace statistic and maximum Eigen value indicate that there is one (1) co integrating vector equation that exist in the system at 5% level. With result in table 2 we can see that a long run have relationship among variables

Table 4.2: Johansen Co integration Results

Hypothesis No. Of E(s)	Eigen Value	Trace Statistic	5% Critical Value	Max. Eigen Statistic	5% Critical Value	Remark
None*	0.906742	112.8414	47.85613	59.30969	27.58434	Rejected
r<= 1	0.748859	53.53168	29.79707	34.54354	21.13162	Accepted
r<= 2	0.416375	18.98814	15.49471	13.46242	14.26460	Accepted

Trace statistic and maximum Eigen value indicate 1 co integration equation at 5% significant level.
denotes rejection of hypothesis of no co integration at 0.05 level.
Source: Author's computation using Eviews 9 Econometric soft ware.

Table 4.3: Granger Causality Test Results

Null Hypothesis:	F-Statistic	Prob.	Causal Inference
$LNFDI_t$does not Granger Cause $LNGDP_t$ **$LNGDP_t$ does not Granger Cause $LNFDI_t$**	6.14655 33.3416	0.0073[***] 0.0321[***]	Reject H_0 Reject H_0
$LNEX_t$ does not Granger Cause $LNGDP_t$ **$LNGDP_t$ does not Granger Cause $LNEX_t$**	7.03432 0.43451	0.0041[***] 0.6528	Reject H_0 Accept H_0
$LNIM_t$ does not Granger Cause $LNGDP_t$ **$LNGDP_t$ does not Granger Cause $LNIM_t$**	14.0878 0.89506	0.0001[***] 0.4223	Reject H_0 Accept H_0
$LNEX_t$ does not Granger Cause $LNFDI_t$ **$LNFDI_t$ does not Granger Cause $LNEX_t$**	43.4030 0.11642	0.0001[***] 0.8906	Reject H_0 Accept H_0
$LNIM_t$ does not Granger Cause $LNFDI_t$ **$LNFDI_t$ does not Granger Cause $LNIM_t$**	43.4030 0.11642	0.0002[***] 0.6604[**]	Reject H_0 Accept H_0
$LNIM_t$ does not Granger Cause $LNEX_t$ **$LNEX_t$ does not Granger Cause $LNIM_t$**	0.94650 0.69433	0.4027 0.5096	Accept H_0 Accept H_0

Note: rejecting the null hypothesis means that one variable actually granger-causes the other; while accepting the null hypothesis confirms that there is no causality between the variables at 5% level of significant.
Notes: *, ** and *** indicate significance of variable at 1%, 5%, 10% significance level

Table 4.3 shows FDI with Granger Causality to GDP and contrast GDP has granger Causality to FDI.These two variables have a causal relationship. This is explained after 30 years of economic reform and opening. FDI is a part contributing to GDP and GDP is also a highlight to attract FDI into Vietnam. FDI has made positive and impressive contributions in many aspects in the process of integration and socio-economic development of Vietnam throughout the 30 years of national renewal. As of 20/12/2017, the country has 24,748 foreign investment projects valid, with a total registered capital of USD 318.72 billion, implemented capital is USD 172.35 billion. This shows that foreign investment has made significant contributions to GDP. IM and EX also have a causal relationship with GDP. These are two factors that constitutive the total value of GDP. At the same time, there is no reverse relationship between these variables.

We have result of Estimation of Parameters using the Fully Modified Least Squares Method

Table 4.4: Estimates of the Regression Equation: $LNGDP_t$ Model

Variable	Coefficient	Std Error	t-stat	Prob
$LNFDI_t$	2.239279	0.080265	2.981129	0.0062***
$LNEX_t$	1.364718	0.591424	3.998345	0.0005***
$LNIM_t$	-2.142002	0.608485	-3.520220	0.0016***
C	3.158267	0.216946	14.55783	0.0000***
R^2 = 0.945231	R^2 adj = 0.892761	Prob(F-statistic) 0.000000		

Notes: *, ** and *** indicate significance of variable at 1%, 5%, 10% significance level
We are have function: **$LNGDP_t = 3.158267 + 0.239279\ LNFDI_t + 2.364718\ LNEX_t - 2.142002 LNIM_t$**

The coefficient of $LNFDI_t$ is positive with 2.239279 point. This implies a positive and significant relationship between the relationship of FDI and GDP in Vietnam. Vietnam proceed industrialization and modernization with a starting low point, small and weak resources. This is one of the constraints that has hindered the development process and therefore the mobilization and use of FDI plays an important role in GDP growth. This is consistent with many previous studies on the relationship of FDI and GDP by another authors.

The coefficient of $LNEX_t$ and $LNIM_t$ is 1.364718point and -2.142002 point. This implies a positive and significant relationship between the relationship of EX and GDP and negative with IM. Looking at the coefficients of the impact of exports and imports on GDP, we see that the impact of exports on GDP is positive, indicating that exports promote positive economic growth in Vietnam. But one thing to note here is the impact of import to economic growth is (-2.142002). Is Import and export growth hold back value GDP?. This shows that Vietnam is still a net importer, the added value of export products in Vietnam is low. Although, Vietnam's exports are gradually establishing a competitive position in the global market. However, Vietnam dominates the world market mainly in basic commodities, such as petroleum and minerals, agricultural products, textiles, footwear, seafood, furniture and electronics. These are big labor-intensive industries, but the trend is not growing fast in the world, and is easily affected by lowering costs from new competitors with low labor costs. The added value of low export goods is mainly due to the exploitation of natural conditions and cheap labor. Policies on export development over the past time have focused too much on quantitative norms. , not really interested in quality and export efficiency. Vietnam has not effectively exploited export competitiveness based on technology, labor skills, management ... to create highly competitive export commodities, participate in price creation High value added in the global value chain. Therefore, the impact of export to GDP is not as high as shown in Table 4.5

The stationarity of the residuals obtained from the co integration regression of the dependent variable ($InGDP_t$) of the equation on the independent variables has been tested using the ADF test. The result shown in table 4.5revealed that the residual is stationary at first difference of 0.01 significance level. The test included trend andintercept.

Table 4.5: Testing for the Stationary of the Residuals/ Error

Variable	1% Critical Value	5% Critical Value	Constant&trend	Conclusion	
Residuals			t-obs	OI	Lag
Critical Value	-7.346123	-5.128921	-14.21792 (0.0001)	I(1)	[1]

Source: Author's computation using Eviews 9 Econometric soft ware

We have the result showed in table 4.6, to ascertain the evaluation of the model on the basis theory of econometric characteristics, the diagnostic test and stability test are conducted with value. Diagnostic test suggests that the model passes the test of serial correlation, functional form mis-specification, non-normality of the errors and heteroscedasticity associated with the model (Stock & Watson, 2010). The Ramsey's RESET test also revealed that the model was correctly specified while the normality indicates that the residuals are normally distributed. Heteroscedasticity is also not a problem.
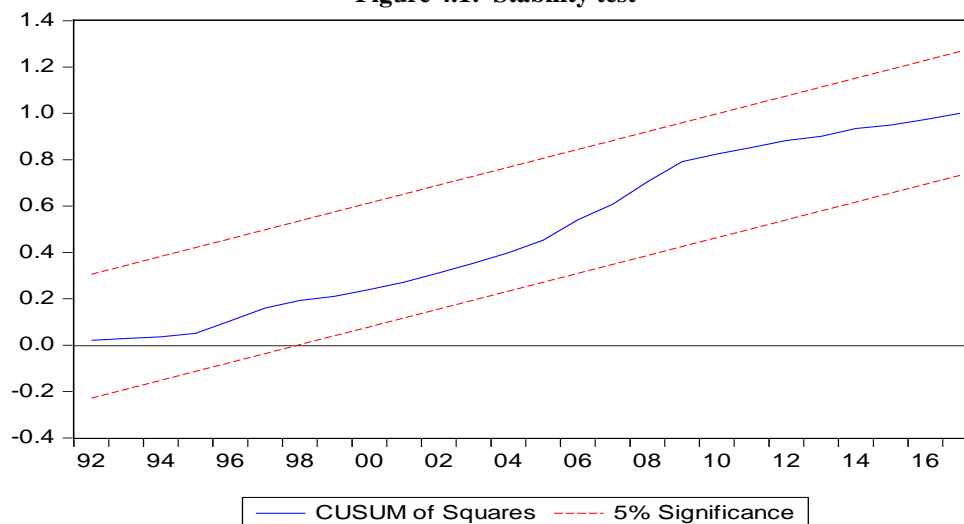
Table 4.6: The results of Diagnostic tests

Diagnostic	Statistic	Conclusion
Ramsey Rest Test	F–statistic = 3.269621 (0.2135) Log likelihood = 0.315721 (0.7494)	*Equation is correctly specified*
ARCH test	F–statistic = 6.536310 (0.23024) Obs* R-squared = 1.277865 (0.5279)	*There is no ARCH element in the residual*
Breusch-Godfrey Serial correlation LM Test	F–statistic= 10.022474 (0.89212) Obs*R-squared = 14.24828 (0.9564)	*No serial correlation*
Multivariate Normality	Jack-Bera test = 3.051903 P-value = 0.89210	*Residuals are normal*

Source: Author's computation using Eviews 9 Econometric software

Figure 4.1 above shows the stability of the model of LNGDP. The figure indicates that the model has been stable since no root lie outside the range of the conditions. The recursive residual test satisfies the stability test at 5% significance level.

Figure 4.1: Stability test

Source: Author's computation using Eviews 9 Econometric software

V. Conclusion

Based on the results of the empirical study, there is evidence that the relationship between FDI attraction, exports and imports has an impact on economic growth in Vietnam. Looking at the results of data obtained, GDP growth, it can be seen that the FDI sector is the region "burden" the growth of the economy**.**

It can be seen that the impact of FDI on economic growth is quite large, in order to improve the positive impact of FDI on growth, the positive impact of FDI on factors such as total capital investment, technology, quality of human resources, labor force, export is very important.

Firstly, in order to improve the impact of FDI on economic growth, Vietnam needs to improve the current macroeconomic instability, most notably high inflation, bad debt, Large inventories, causing large accumulation of property values in enterprises without circulation, badly affect to economic growth.

Second, continue to improve the investment environment, in order to increase the contribution of FDI in particular and capital of economic sectors in general to total capital for economic growth in Vietnam.

Thirdly, with the spillover effect of FDI projects, Vietnam needs to orient and encourage foreign investors to invest in high technologies such as information technology, at the same time, the State also has specific measures to improve the production capacity of Vietnam in terms of equipment, items of technology, and to improve the technology level in the country, medium is to increase the contribution of the FDI sector to our country's GDP. In addition, the government need support for FDI area into the export sectors of Vietnam such as agricultural products, textiles and garments, leather shoes, exploitation of natural resources, so as to improve labor productivity. Thus, both to improve labor productivity of these sectors due to the ability to apply advanced technology of FDI enterprises is very high, while expanding export activities of foreign countries, as well as interaction Support Vietnamese enterprises to export more.

Fourth, to improve the trade balance and increasing role of the FDI sector, as well as the entire economy, the need to direct the resources of the economy on the industry auxiliary, the manufacturing industry raw materials input for Vietnam's export performance as Vietnam's exports are mainly export of raw materials so the value is not high. Therefore, this not only supports the input suppliers but also reduces the costs for exporters, thereby boosting them to export more and reduce the import value and improve the balance of trade and balance of payments, contributing to the economic growth of Vietnam.

In summary, the study, through model testing and argumentation has demonstrated the relationship between FDI, EX, IM and GDP in Vietnam. Since then, the author has given some the policy recommendations with intuitive way and topical, contributing to the management mechanismto contribute and enhance the role of FDI, EX, IM ... on economic growth in Vietnam.

References

[1]. ATHUKORALA, P.C. (2005). Trade Policy Reform and the Structure of Protection in Vietnam: Division of Economics, Research School of Pacific and Asian Studies, Australian National University**.**

[2]. ALFARO, L., CHANDA, A., KALEMLI-ÖZCAN, Ş., AND SAYEK, S. (2003), "FDI Spillovers, Financial Markets, and Economic Development",*IMF Working Paper*, WP/03/186.

[3]. AZARBAYJANI, K. AND SHIRANI FAKHR, Z(2009)" The Impact Of trade and market development on economic growth: case studies Iran and their business partners in the years 1995-2005" Journal of Economic Research of Iran, the Ninth year, No.1

[4]. BURGER, J. M. AND M. KRUEGER .2003. A balanced approach to high-status achievement testing: An analysis of the literature with policy implications. International Electronic Journal for Leadership in Learning.

[5]. BRAINARD, L.1997.An Empirical Assessment of the Proximity-Concentration Trade – off Between Multinational Sales and Trade. The American Economic Review, p520-p544

[6]. BURGER AND KRUEGER. 2003. A balanced approach to highs takes achievement testing: An analysis of the literature with policy implications.

[7]. CARP, L. (2012), "Analysis of the relationship between FDI and economic growth-Literature review study",The USV Annals of Economics and Public Administration, 12,154–160.

[8]. CALVO, G. A., LEIDERMAN, L. & REINHART, C. M. 1996. Inflows of Capital to Developing Countries in the 1990s. The Journal of Economic Perspectives. p123-p139.

[9]. MARKUSEN, J.AND VENABLES. 2000. The theory of Endowment, Intra-Industry and Multinational Trade. Journal of International Economics, 52/2, p209 – p234

[10]. MIRZA, H. AND GIROUD, A. (2004),"Regional Integration and Benefits from Foreign Direct Investment in ASEAN Economies: The case of Viet Nam",Asian Development Review, Asian Development Bank, Vol.21, 68-99.

[11]. MAHDAVI,A. AND JAVADI,S.(2005)" Empirically test the relationship between foreign trade and economic growthin Iran" Journal of Economic Research of Iran, the Fifthyear, No.23

[12]. NGUYEN N. A. AND NGUYEN T. (2007),"FDI in Viet Nam: An Overview and Analysis the Determinants of Spatial Distribution across Provinces", MPRA Paper No. 1921