



Resolution 10 and Vietnam's Next FDI Chapter

Why Management Quality Now Becomes a Strategic Investment Factor

CORE THESIS

Vietnam's Resolution 10 marks a shift from attracting FDI to demanding measurable value creation. For business leaders, it signals a new standard: management quality will increasingly decide who benefits from Vietnam's next growth phase.

For Vietnamese owners, management teams, investors, banks and public decision-makers dealing with growth pressure, supply-chain access, restructuring needs and execution risk.

1. The core management shift

Vietnam's Politburo Resolution No. 10-NQ/TW marks an important strategic shift in the country's investment policy. It is not simply another signal that Vietnam remains open for foreign direct investment. It is a clearer statement that Vietnam wants a different kind of foreign investment: more strategic, more technology-driven, more integrated with the domestic economy, and more accountable for the actual contribution it delivers.

The headline targets are ambitious: US\$200–300 billion in newly registered FDI during 2026–2030, with disbursed investment expected to reach US\$150–200 billion. By 2045, the foreign-invested sector is expected to contribute around 30 per cent of GDP and approximately 25 per cent of total social investment.

WHAT CHANGES

The real move is from FDI attraction to FDI performance governance: investment will increasingly be assessed by technology, localisation, supplier development, training, green/digital transformation, compliance and measurable contribution.

Vietnam now wants to know what an investment actually adds to the country's development capacity. Does it bring advanced technology? Does it create higher-skilled employment? Does it support Vietnamese suppliers? Does it improve productivity and management capability? Does it transfer know-how and strengthen Vietnam's position in global value chains?

For companies

- Commitments become operating obligations
- Reporting and KPI evidence matter
- Supplier readiness becomes strategic

For policymakers

- Policy intent must become measurable
- Incentives need enforceable conditions
- Implementation must stay predictable

2. From capital attraction to capability absorption

STRATEGIC HINGE

Vietnam is no longer asking only what capital enters the country, but what capability remains inside the economy.

Vietnam's FDI success story is real. Foreign-invested enterprises have played a major role in exports, manufacturing development, employment and global supply-chain integration. But the limits of the existing model are now visible: too much low-value assembly, limited technology transfer, insufficient domestic value added and weak linkages with Vietnamese suppliers.



Capability absorption: converting foreign investment into local skills, suppliers, technology and management systems.

Resolution 10 addresses this gap. Attracting capital is mainly a question of market access, cost position, stability, infrastructure and incentives. Absorbing capability is harder. It requires skilled people, reliable suppliers, transparent governance, enforceable standards, data systems, financing capacity, technology readiness and management discipline.

MANAGEMENT IMPLICATION

Vietnam does not only need more factories. It needs stronger companies: better institutions, deeper management systems, reliable execution and a domestic supplier base that can meet international standards.

3. Incentives and technology transfer become operational

One of the most important implications of Resolution 10 is the move toward more performance-based incentives. Foreign-invested enterprises may increasingly be expected to demonstrate that they have fulfilled commitments related to technology, R&D, training, localisation, supplier development, green transformation, digital transformation and compliance.

This changes the logic of investment incentives. In a traditional model, incentives are often negotiated and granted at approval stage. Resolution 10 points toward a more dynamic model: benefits may become linked not only to what investors promise, but to what they actually deliver.

What investors must prove

- Technology and R&D commitments
- Training and local leadership
- Supplier-development progress
- Green/digital implementation

What management must build

- KPI tracking and evidence files
- Budget ownership for commitments
- Reporting routines and controls
- Defensible compliance documentation

Technology transfer therefore has to become operational. It must be translated into mechanisms: local engineering teams, joint training programmes, supplier upgrading, technical documentation, process standards, R&D collaboration, leadership localisation and measurable capability development.

BLUNT POINT

Investment commitments can no longer remain aspirational language in a dossier. If the company cannot document progress, a gap opens between regulatory promise and operational reality. That gap can become expensive.

4. Transformation becomes a condition for competitiveness



Management execution: transformation translated into KPIs, systems, governance and production reality.

THE VTA ANGLE

This is not policy commentary. It is an execution agenda for owners, boards and management teams.

For Vietnamese enterprises, Resolution 10 should be read as a call to prepare for a more demanding business environment. It creates an opportunity to connect more domestic companies with FDI supply chains and increase localisation in key industries. But opportunity is not qualification.

Companies that remain informal, opaque, under-managed or dependent on personal relationships rather than institutional capability will struggle. The new FDI model requires transformation: reliable financial statements, cost control, procurement discipline, production planning, quality systems, inventory management, working-capital control, ERP readiness, compliance, ESG documentation and a stronger second management layer below the founder or owner.

BOARD AND OWNER CHECK

Can the company grow without constant founder intervention? Can it pass customer, bank or investor scrutiny? Can it qualify for higher-value supply chains? Are commitments translated into routines and evidenced by KPIs?

5. Turnaround, restructuring and the higher bar

Resolution 10 is also relevant for companies under financial or operational pressure. In the past, a restructuring or turnaround case was often defined mainly by liquidity, debt, revenue decline, cost position and operational inefficiency. These issues remain central. But in the new FDI environment, another layer becomes more important: regulatory and strategic commitment risk.

For FDI enterprises, turnaround plans may need to assess whether the company can still fulfil the commitments linked to investment approval or incentives. For Vietnamese suppliers, turnaround may mean something different: building the management systems, financing discipline and delivery reliability required to qualify for FDI supply-chain integration.

PRACTITIONER VIEW

Some companies will not be fundamentally unviable. They will be under-managed. Targeted operational and financial restructuring can convert them into credible suppliers, partners or acquisition targets.

Review now

- Investment commitments
- Incentive conditions
- Technology-transfer evidence
- Localisation and supplier roadmap

Fix now

- Governance and KPI cadence
- Transfer-pricing documentation
- Operational data quality
- Second-layer management capability

For policymakers, the challenge will be to translate Resolution 10 into clear, predictable and enforceable mechanisms. For companies, the conclusion is direct: the next phase of Vietnam's FDI development will reward those that can prove performance. It will expose those that cannot.

What business leaders should do now

Treat Resolution 10 as a management review trigger, not a distant policy signal.

Assess investment commitments, incentive conditions, technology transfer, localisation, supplier development, green/digital transformation, compliance systems and operational data.

The companies that act early will be better prepared for regulatory expectations, investor discussions, customer audits, financing processes and strategic partnerships.

For a confidential discussion:

Dr. Sven David
Founder and General Director
VIET Transformation Advisors Co., Ltd.
contact@viet-ta.com | www.viet-ta.com