Motivations of major resolution will entice long-term foreign investors

Emphasis is now being placed on attracting high-quality investment into strategic sectors such as semiconductors, AI, and green technology. **Sven David**, CEO of Viet Transformation Advisors, analyses the nation's key competitive advantages and the gaps that need to be addressed to attract more high-value ventures in the years ahead.

This month, Vietnam has marked a significant shift from simply attracting foreign investment to developing the foreign-invested economic sector, with a stronger focus on technology transfer, innovation, and value creation.

The national implementation conference for Resolution No.10-NQ/TW on June 30 made the direction unmistakable. It changes the bargain between Vietnam and foreign investors: the central question now is how international resources can strengthen domestic capabilities, technological capacity, competitiveness, and strategic autonomy.

Over the next decade, this should strengthen Vietnam's appeal to long-term, tech-intensive investors, while reducing the importance of low-cost investment alone. The next phase will be defined less by the volume of investment than by the capabilities it builds within the economy.

The strategic task is to distinguish investments that mainly add capacity from those that also build capability. Projects that strengthen local suppliers, develop Vietnamese management, introduce relevant technology, and contribute to strategic sectors fit this direction. Capability should be assessed through observable results: high-quality jobs, Vietnamese engineers and managers taking operational responsibility, local suppliers meeting international standards, additional value created in Vietnam, and engineering, research, or innovation functions established in the country. These outcomes matter more than approval-stage commitments.

A selective foreign direct investment strategy should be judged not only by the projects Vietnam attracts, but also by those it is prepared not to prioritise.

Performance-based incentives should reward capability created, not merely capital committed. Investors will assess whether Vietnam can become not only a production location, but also a regional manufacturing base, engineering centre, research and development location, or source of qualified suppliers and management talent.

Credibility will depend on clear expectations, measurable performance, and consistent interpretation. With strategic selection and predictable implementation, Vietnam can strengthen its appeal to investors seeking durable operating advantages rather than temporary cost gains.

Strategic sectors

Vietnam's strongest advantage is the combination of political stability, manufacturing scale, extensive trade access, a strategic location in Asia, and a growing role in diversified regional supply chains. Together, these provide a credible base for export and domestic markets.

The principal gaps concern power reliability, talent, local supplier depth, logistics, suitable industrial locations, and coordinated regulatory execution. These determine whether a strategic project can move from approval to stable operation and expansion.

For investors, the questions are whether power is reliable, talent is available, suppliers and approvals can be secured on time, and the site can support future expansion.

High-value foreign investment depends on operational depth. Strategic investors need technical leaders, production managers, quality specialists, and middle managers who can translate technology into reliable execution. Training needs closer alignment with selected industries.

Vietnam needs stable electricity, robust digital networks, efficient logistics, and suitable industrial areas. University-industry cooperation can support joint laboratories, specialist training, applied research, and commercialisation.

Regulatory execution connects these elements. Tech-intensive investors value coordinated decisions on data, intellectual property, environmental approvals, energy access, and taxation. Dependable processes help them manage complexity within commercial timeframes.

As the global minimum tax narrows the role of traditional incentives, competition will now turn on institutional quality, infrastructure, skills, suppliers, and policy credibility.

These capabilities cannot be developed everywhere at once. The strongest outcomes are likely to come from clusters where infrastructure, talent, regulation, finance, and demand reinforce one another.

A semiconductor investor will assess policy direction together with power reliability, technical leadership, supplier depth, and decisions delivered on time. Vietnam's competitive advantage will therefore depend increasingly on coherent sector-specific operating conditions rather than isolated incentives.

Meanwhile, technology transfer creates lasting value when Vietnamese companies can absorb, operate, and improve what is transferred. Supplier development is a main channel through which technology, know-how, and operating standards become embedded in the domestic economy.

Local content grows sustainably when suppliers meet demanding requirements on quality, cost, delivery, traceability, compliance, and financial stability. Policy support can create opportunities, while commercial qualification determines whether a supplier can remain in an international value chain.

Supplier development should begin with a credible supplier database covering capacity, certifications, technology, quality systems, financial strength, and delivery performance. Foreign-invested enterprises should disclose procurement needs, technical standards, localisation roadmaps, and cooperation opportunities early enough for Vietnamese companies to prepare and invest.

A supplier may own the right machinery and still fail qualification because production planning is weak, quality records are incomplete, or working capital cannot support the required volumes. Each assessment should produce a time-bound qualification plan covering investment, responsibility, milestones, and financing. Samsung's long-running supplier-development programme in Vietnam illustrates this in practice, helping Vietnamese companies meet the standards required to enter its production network.

Supplier development should proceed in stages, with buyers reviewing improvements in quality, financial capacity, process control, traceability, and delivery performance. Financing should reflect verified progress, while continued support should depend on whether agreed corrective action produces results.

Vietnamese companies need stronger governance, financial transparency, and operational discipline. Large foreign-invested enterprises can contribute through supplier training, shared standards, technical support, and commercial visibility. Sector-based programmes can align anchor investors, banks, public agencies, and suppliers around common qualification criteria and clear responsibility for follow-through.

Long-term strategies

Foreign companies should begin by defining Vietnam's role in their Asian business. It may serve as a manufacturing base, regional platform, engineering centre, R&D location, or a combination. What matters is how the operation complements the company's existing footprint.

That role should determine location, investment scope, local partnerships, and the capabilities to be built. Commitments on technology, training, localisation, and supplier development are most credible when they follow from the operating model. Commitments become operating obligations, and operating obligations require governance.

Companies should assume that output-based support will depend on verified delivery and that material non-performance may affect incentives or project status. Each material commitment should therefore be linked to the business plan, capital allocation, and regular management reporting.

A senior executive should be accountable for delivery, while implementation requires clear responsibilities across operations, finance, legal, and government relations, supported by budgets, timetables, and verifiable evidence. Deviations should be escalated early and resolved before they become regulatory or operational problems.

The strategy should remain commercially grounded. Companies should resist overpromising: ambitious targets become liabilities when economics cannot support them. A smaller commitment that is funded, governed, and delivered is more valuable than an impressive but unfunded promise. The performance framework should allow for justified adjustment. Long-term investments face changes in demand, technology, supply chains, and regulation. Companies and authorities should establish how material changes will affect obligations.

Resolution 10 points towards a performance compact in which foreign investors contribute more than capital, Vietnamese companies build the capacity to absorb more value, and the state provides the institutional reliability that allows both sides to perform.

In Vietnam's next phase of foreign investment attraction, capital may open the door, but lasting capability, strong local partnerships, and disciplined execution will determine success.■