

MAJOR FEATURES OF JAPAN FDI TO VIETNAM FOR RECENT YEARS

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After The Law on Foreign Direct Investment was issued, the inflow of Foreign Direct Investment (FDI) to Vietnam has rapidly increased. However, regional financial crisis broke out in 1997 leading to resign of the foreign investment including Japan's FDI to Vietnam. During the recent years, Vietnam has strongly improved the investment environment. Besides, Japan's companies have also readjusted their investment strategy in order to reduce risks relate the concentration on a single region. All of these have changed significantly Japan's FDI to the region as well as Vietnam, such as:

Firstly, Japan's FDI to Vietnam have restored, but its growth rate hasn't been as fast as the first half of the 1990s.

Secondly, investment structure has also changed showing the tendency of increasing investment capital in industries and relatively decreasing the number of investment projects in big cities.

Thirdly, the overall effectiveness of investment projects has improved. This is obvious in a higher rate of execution of investment capital, a low number of cancelled investment licences, an increase of product export and increasing employment opportunities. This paper suggests some solutions in order to improve investment environment in future.