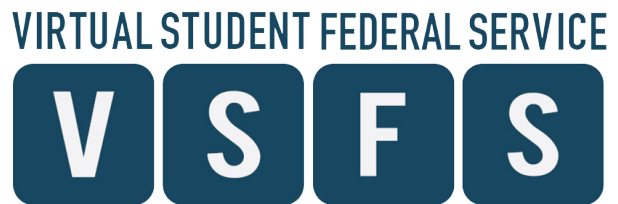


# Research and Analysis of Foreign Direct Investment into Vietnam



Project Title	Research and Analysis of Foreign Direct Investment into Vietnam
Project Summary	Conduct a review of foreign direct investment (FDI) into Vietnam, and alternative methods of calculating FDI. Develop a universal and replicable approach to analyzing FDI, evaluate FDI flows, and produce a detailed report on the status of FDI to support USAID's understanding of investment trends in
Country	Vietnam

## Project Description

According to official statistics, the United States ranks 8th in terms of total number of FDI projects and 11th in terms of total amount of FDI into Vietnam, trailing behind South Korea, Japan, Taiwan, and Hong Kong. However, these bilateral statistics show only the direct investment links to a destination, i.e. where the FDI source is registered and does not reflect the fact that investment flows are channelled through special purpose vehicles and offshore financial centres. Studies have shown that 30–50% of investment has been channelled through these conduits, leading the International Monetary Fund to coin this phenomenon as “phantom FDI.” For Vietnam, official data shows a significant level of investment from off-shore jurisdictions frequently used for corporate formation, and as a tax/liability shelter.

The OECD issued a Revised Benchmark Definition of Foreign Direct Investment in 2008, which recommended that countries compile inward investment positions according to the “ultimate investing country (UIC)” to identify the country of the investor that ultimately controls the investments in their country. The OECD only started collecting FDI information based on this revised definition in 2014. Currently, only 14 OECD countries are reporting FDI stock by ultimate investors.

As Vietnam joins the ranks of lower middle income countries, and becomes more integrated into global value chains, the country could benefit from a more strategic approach to attracting foreign investment. A more representative methodology for calculating FDI would help Vietnam thoughtfully engage with foreign investors and assist USAID with supporting Vietnam's development objectives.

The VSFS intern will support USAID/Vietnam Mission staff to conduct research and analysis that will inform USAID's engagement and technical assistance related to private sector engagement. This VSFS intern will work collaboratively with USAID/Vietnam staff to:

- Define the research and analytical methodology;
- Verify that the methodology is replicable and universally applicable;
- Update the ranking of FDI sources into Vietnam using the methodology;
- Ground truth the methodology using external sources; and
- Develop a detailed report to share within the USG.

## Required Skills or Interests

### Skill(s)

Analytical writing

Data analysis

Economic analysis

Research

## Additional Information

The ideal candidate will have education or experience in international development, macro economics and/or international finance. The tasks of the selected VSFS intern will be finalized at the start of the internship based on USAID's priorities at that time as well as the interests and skills of the intern. Depending on the intern's skills and interest the following could also be included in the internship:

- Developing a regional investment flow analysis;
- Trends analysis and projections; and
- Analysis of key investment climate issues.

## Language Requirements

<u>Language</u>	<u>Speaking Proficiency</u>	<u>Reading Proficiency</u>	<u>Importance</u>
Vietnamese-STD	Limited working proficiency	Limited working proficiency	Nice to Have