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Foreign Firms in Vietnam and the US–China Trade War

Kazunobu Hayakawa*, Chuc Nguyen Dinh

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Keywords: US–China trade war, Chinese firms, Vietnam
JEL classification: F15, F53

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* Institute of Developing Economies, JETRO (Kazunobu_Hayakawa@ide.go.jp)

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3-2-2, WAKABA, MIHAMA-KU, CHIBA-SHI
CHIBA 261-8545, JAPAN

Foreign Firms in Vietnam and the US–China Trade War

Kazunobu HAYAKAWA[§#]
Bangkok Research Center, Institute of Developing Economies, Thailand

Chuc Nguyen DINH
Institute of Regional Sustainable Development, Vietnam

***Abstract*:** This study empirically investigates ownership of foreign firms in Vietnam during the US-China trade war. In our empirical analysis, we identify firm's nationality by two indicators: the country of the largest shareholder or investor, and the directors' nationalities. This differentiation plays a key role in identifying so-called "Singapore-washing" in Chinese firms. Our findings can be summarized as follows. First, foreign direct investment from Singapore is mostly conducted by non-Singaporeans. However, there are only a small number of Chinese directors' firms with an investment source from Singapore. Second, among firms in Vietnam with Chinese directors, those that entered after the start of the US–China trade war or those with an investment source from countries other than China have a lower propensity for trade. Third, the larger presence of firms with an investment from China is associated with higher export growth to the US, but firms with Chinese directors are not.

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1. Introduction

Vietnam is seen as one of the countries that have "fished in troubled waters" since the initiation of the US–China trade war in 2018. In 2018, the US began to increase tariffs on imports from China. In retaliation, China imposed additional tariffs on an array of products imported from the US. The US government also strengthened export controls based on national security interests and regulated the exports of key technologies and components to China. As a result, while trade between China and the US has significantly declined, some countries have enjoyed trade diversion effects with respect to the Chinese or US markets. In particular, Vietnam has increased exports to the US, partly due to its geographical proximity to China.

Indeed, the US–China trade war helped Vietnam to attract inward foreign direct investment (FDI) from many countries around the world. Some of this investment is the

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# Author: Kazunobu Hayakawa; Address: JETRO Bangkok, 127 Gaysorn Tower, 29th Floor, Ratchadamri Road, Lumphini, Pathumwan, Bangkok 10330, Thailand; Tel: 66-2-253-6441; Fax: 66-2-254-1447; E-mail: kazunobu_hayakawa@ide-gsm.org.

result of companies relocating production facilities from China to Vietnam.[1] For example, Sharp Corporation, a Japanese electronics company, relocated the production of its US-bound notebook PCs to a new plant in Vietnam. Apple started producing its AirPods wireless earbuds through Chinese-owned companies located in Vietnam (Luxshare Precision Industry Co. Ltd. and Goertek Inc.). Japan's Nintendo outsourced some production of its Nintendo Switch gaming system to firms in Vietnam. Japan's Kyocera transferred printer production to Vietnam, and Chinese electronics maker TCL established a television manufacturing plant in the country. Relocating these production bases increases exports from Vietnam to the US, not just from Vietnamese-based firms but also from foreign firms with facilities or subsidiaries located in Vietnam.

Against this backdrop, this study empirically investigates ownership of foreign firms in Vietnam during the US–China trade war. We identify these firms' nationality using two indicators: one is the country of the largest shareholder or company with the largest investment (the investment source basis), while the other is the directors' nationality (the nationality basis). This differentiation is important because "Singapore-washing" or "de-Chinafy" has attracted much public attention.[2] Many Chinese firms may first establish affiliates in Singapore, then invest in Vietnam through those Singapore-based affiliates to avoid additional US tariffs imposed on goods imported from China. In this study, we can identify these firms to some extent by exploiting a combination of the investment source country and directors' nationality.

The study is divided into two parts. In the first part, we examine the characteristics of foreign firms in Vietnam using Enterprise Surveys conducted by the General Statistics Office of Vietnam, revealing various interesting findings. First, in terms of both investment source and nationality basis, South Korean firms are the dominant foreign players in Vietnam, followed by Singaporean and Japanese firms on an investment source basis versus Taiwanese and Japanese firms based on directors' nationality. Chinese firms are increasing in importance but still rank fourth. Second, FDI coming from Singapore is mostly conducted by non-Singaporeans. However, only a small number of firms in Vietnam with Chinese directors receive FDI from Singapore. Third, among firms whose directors are Chinese, those that entered Vietnam after the US–China trade war was initiated offered lower wages and had lower productivity, lower capital intensity, and a lower propensity for trade than other foreign-owned firms. In addition, firms whose directors are Chinese but receive investments from countries other than China have a lower ROA and a lower propensity for trade.

In the second part of the study, we investigate which country's firms in Vietnam were more likely to export to the US during the US–China trade war period. To do so, we combine data from the Enterprise Surveys with province-level trade data. As we do not have firm-level trade data to examine this issue, we rely on an indirect means and examine the

[2] See, for example, https://www.ft.com/content/5583db36-5141-413f-9687-2c3f4968ff07.

industry-province-level correlation between exports to the US and the size of each country's firms. Using this approach, we find that on average, while a larger presence of firms with an investment source from China is associated with higher export growth to the US, that is not the case when based on firms with Chinese directors. We also detect significantly positive correlations between some foreign firms in certain industries.

Our study contributes to the literature on the US–China trade war.[3] Many studies examine the effects of tariffs on US imports (e.g., Amiti et al., 2019; Amiti et al., 2020; Cavallo et al., 2021; Fajgelbaum et al., 2020; Handley et al., 2023; Jiang et al., 2023) or China's imports (e.g., Ma et al., 2021). Several studies examine the trade effects of the US–China trade war on third economies (e.g., Fajgelbaum et al., 2024; Hayakawa et al., 2024; Yang and Hayakawa, 2023). Trade diversion involving Vietnam for the US market is examined in Alfaro and Chor (2023) and Choi and Nguyen (2023). The IMF (2024) and Iyoha et al. (2024) also investigate the existence of trade circumvention from China to the US via Vietnam. Mayr-Dorn et al. (2023) and Rotunno et al. (2023) conduct a more detailed analysis of Vietnam, investigating the effect of the US–China trade war on wages in Vietnam. They find that Vietnamese workers and districts that were more exposed to the trade war enjoyed higher employment, working hours, and wages. In this study, we shed light on the role of the country of origin behind ownership or control of foreign firms in Vietnam during the US–China trade war.

The rest of this study is organized as follows. The next section provides an overview of performance indicators for foreign firms in Vietnam. Section 3 investigates which countries' firms are more likely to export to the US during the US–China trade war period. Section 4 concludes the study.

2. Overview

In this section, we provide an overview of performance indicators for foreign firms in Vietnam. To do so, we employ Enterprise Surveys conducted by the General Statistics Office of Vietnam from 2017 to 2021. These surveys were initiated in the 2000s by Vietnam's General Statistics Office to collect updated information on the performance of enterprises nationwide. The surveys aim to provide reliable data on the number of enterprises, labor, investment capital, revenue, and many other economic indicators. The Enterprise Survey is conducted annually to update the development of enterprises in Vietnam and serves as a basis for evaluating, planning, and designing economic development policies. The annual survey questionnaire is also designed with special components to investigate specialized contents, such as energy use and innovation. Since 2020, the survey has covered all enterprises in the main questionnaire. Every five years, survey is based on a nationwide

[3] See, for example, Fajgelbaum and Khandelwal (2022) for a review of this literature.

census; in other years, the survey is conducted using a stratified sample.

We restrict our study to manufacturing firms based on ISIC 2-digit industry codes. As mentioned in the previous section, we identify firms' nationalities by both investment source and directors' nationality. Firms without any information on directors' nationality or investment sources are treated as Vietnamese firms. We use the mode values of industry codes (2-digit), directors' nationality, and investment sources to obtain stable figures.

Figure 1 shows total revenues by investment source. FDI from China increased over our study period, especially since the initiation of the US–China trade war. Nevertheless, investment from South Korea has maintained a dominant share, with China ranked fourth, and Singapore and Japan ranked second and third, respectively, with FDI from these two countries experiencing a gradual increase over the period. Taiwan increased its investment in Vietnam but showed a slight decrease in 2021. In contrast, the US presence in terms of FDI has been low. Even after the US–China trade war, investment from the US did not show a notable increase.

=== Figure 1 ===

Figure 2 depicts revenues of foreign-owned firms in Vietnam based on their director's nationality in 2020, which is a Census year. On this basis, South Korea is still the dominant player, accounting for 43% of total revenues. Unlike the rankings based on investment source, here Taiwan and Japan have almost the same share, 14%. Based on directors' nationality, China is again ranked fourth in terms of revenues. Interestingly, Singapore's share becomes very low based on directors' nationality, lower than even the US share, despite the fact that investment from Singapore ranks second, as shown in Figure 1. Thus, we can conclude that investment from Singapore is conducted by non-Singaporeans.

=== Figure 2 ===

Table 1 reports revenues for foreign-owned firms in Vietnam by industry in 2020. The trends are similar to the overall trends based on the source of investment and directors' nationality. The largest revenues for firms controlled by Chinese, Japanese, and South Korean companies are found in the machinery industries. The textile industry shows relatively large revenues not only for firms controlled by China and South Korea but also for Taiwanese firms. For Taiwanese firms, the textile industry registers the highest revenues, while Japanese firms show relatively large revenues from transport equipment. As shown in Figures 1 and 2, we can see large gaps in revenues of Singapore-controlled firms based on directors' nationality versus investment source. US firms show relatively large revenues in the food industry, while Vietnamese firms register large revenues in the food and metal industries.

=== Table 1 ===

Table 2 shows revenues by region in 2020. Japanese and South Korean-owned firms are mainly located in the Northern region of Vietnam, while the main location for Taiwanese (and US) firms is the Southern region. Chinese firms are located equally in the Northern and Southern regions. Based on revenues, South Korean firms are the largest in the Central region when ownership is classified by directors' nationality, while Singapore is larger based on investment source. Thus, these firms would be mostly ones whose investment comes from Singapore but whose directors' nationality is South Korean. The location of Vietnamese firms is slightly biased toward the Southern region.

=== Table 2 ===

Table 3, which reports the number of firms in our sample in 2020 by investment source and directors' nationality, offers several interesting findings. First, the diagonal cells show a large number of firms, meaning investment sources and directors' nationality are mostly the same. Second, contrary to the popular view, only a small number of firms with Chinese directors have an investment source of Singapore (24 firms), which is almost the same as the number of firms with Japanese directors and an investment source of Singapore.[4] Third, a relatively large number of firms have Taiwanese directors and an investment source from China. This type of firm will be an investment by Taiwanese multinational firms in China. Fourth, we also see a relatively large number of foreign firms where the directors' nationality is either Rest of the World (ROW) or Vietnamese.

=== Table 3 ===

Thus far, we have investigated aggregated revenues for foreign-owned firms in Vietnam based on underlying nationality. Next, we examine firm-level indicators, including wages (W), revenues per employee (R/L), capital-labor ratio (K/L), return on assets (ROA, R/A), labor productivity ((R-M)/L), and trade status (Trade). Due to data limitations, we compute value-added as revenues minus material inputs, then obtain labor productivity by dividing this result by the number of employees. Trade status indicates whether firms are engaged in exporting or importing. We regress these indicators on dummy variables based on directors' nationality, with the base nationality set to Vietnamese. We also control for industry fixed effects (defined at the two-digit ISIC level) and province fixed effects. The data source for this analysis is, again, Vietnam's General Statistics Office Enterprise Surveys, focusing on the 2020 survey. We winsorize all variables at the 1%–99% level.

Table 4 shows the estimation results using an ordinary least square (OLS) regression.

[4] One caveat is there may be Singapore-washed or de-Chinafied firms that assign a director's nationality as Vietnamese.

The coefficients indicate a comparison with Vietnamese firms. Wages are highest in Singaporean firms, followed by South Korean firms (excluding firms classified as ROW). However, the number of firms classified as Singaporean based on directors' nationalities is very small, as shown in Figure 2. Chinese firms offer relatively low wages among foreign firms. Sales per worker (R/L) or labor productivity ((R-M)/L) is highest in Singaporean firms, followed by Japanese and South Korean firms, while Taiwanese firms are relatively inefficient. Singaporean and Japanese firms are capital intensive, i.e., they have a high K/L. ROA is notably low in Japanese, South Korean, and Taiwanese firms. Finally, Japanese firms are most likely to trade (export or import), and among foreign firms in Vietnam, Chinese firms have a modest propensity to trade.

=== Table 4 ===

Next, we investigate the characteristics of firms with Chinese directors. First, we introduce the interaction term of the Chinese director dummy with a dummy of "D2018," which takes a value of one if a firm enters the survey data after 2017. This interaction term examines differences among Chinese firms according to the year they entered the survey, either before or after the beginning of the US–China trade war. We also introduce the interaction term of the Chinese director dummy with "NonCN Source," which takes a value of one if the firm's primary source of capital is not China. With this interaction term, we examine the differences between firms classified as Chinese or not Chinese according to investment sources. The results are shown in Table 5. Among Chinese directors' firms, those that entered after the beginning of the US–China trade war offer lower wages and have lower productivity, capital intensity, and propensity to trade. The lower propensity to trade indicates that the entry of Chinese firms into Vietnam after the US–China trade war was not necessarily aimed at avoiding US tariffs by exporting from Vietnam to the US market. The results also show that firms classified as Chinese based on directors' nationality that have investment sources other than China have a lower ROA and lower propensity to trade than those whose investment source is China. Thus, "de-Chinafying" is not associated with trade.

=== Table 5 ===

3. Exports to the US and the Foreign Presence

In this section, we investigate which country's firms were more likely to export to the US during the US–China trade war period. Although previous studies on the trade effect of the US–China trade war show a significant increase in exports from Vietnam to the US, exporters in this trade diversion are not necessarily Vietnamese firms; they may be Chinese or even US firms. The best way to confirm this would be with firm-level trade data; however,

we do not have access to that data for this study. Therefore, we rely on an indirect means of conducting our analysis. Specifically, we examine the industry-province-level correlation between export growth to the US and the size of each country's firms. We employ bill-of-lading trade data by country, province, year, and product, obtained from the Global Trade Atlas. Due to data constraints, we have those data from 2019.

Our OLS regression equation is specified as follows.

$$\left(\frac{Export_{cip2023}}{\sum_c Export_{cip2023}} - \frac{Export_{cip2019}}{\sum_c Export_{cip2019}}\right) = \sum_{f\in\Omega}\left(\beta_f\left(\frac{R_{fip2020}}{\sum_{f\in\Omega} R_{fip2020}}\right)\cdot US_c\right) + FE_{cp} + FE_{ip} + FE_{ci} + \epsilon_{cip}$$

where $Export_{cipt}$ refers to exports of industry i to country c from province p in year t. To control for differences among export destinations, we restrict country c to those with a level of economic development similar to the US, specifically OECD countries.[5] Industry is defined using the four-digit ISIC code, revision 4. The dependent variable indicates the change in the share of exports to country c relative to total exports by industry and province between 2019 and 2023. $R_{fip2020}$ represents the total revenues of firms from foreign country f in industry i in province p in year 2020. Ω includes China, Japan, South Korea, Singapore, Taiwan, the US, and ROW. As in the previous section, foreign firms are categorized by either investment sources or directors' nationality. US_c takes a value of one if country c is the US.

The main independent variable represents the share of the size of each country's firms relative to all foreign firms by industry and province, as of 2020, constructed using data from Vietnam's 2020 Enterprise Survey. A higher value for firms from country c indicates a greater existence of such firms in a given industry and province. By interacting this share with the US destination dummy, we determine which country's firms, based on size, are more highly correlated with export growth to the US at the province-industry level. We control for country-province fixed effects (FE_{cp}), industry-province fixed effects (FE_{ip}), and country-industry fixed effects (FE_{ci}). ϵ_{cip} is a disturbance term.

Table 6 reports the estimation results for all manufacturing industries. A large presence of Chinese firms, where country is defined by investment source, is associated with a high export growth to the US. The insignificant result for China on a directors' nationality basis indicates that exporters to the US from Vietnam that have ties to China are firms with a Chinese investment source but are not necessarily those with Chinese directors. As shown in Table 3, among firms with an investment source from China, there are a relatively large number of firms whose directors are Japanese, South Korean, or Taiwanese. Nevertheless, as firms with Chinese directors are dominant among those with an investment source from China, we conclude the main exporters must have Chinese directors. A large presence of

[5] In 2019, the share of Vietnam's exports to OECD countries accounted for 59% of total exports.

firms with Japanese or Taiwanese directors is associated with lower export growth to the US. The negative correlation in firms with an investment source of Singapore is interesting as firms are believed to engage in "Singapore-washing" to avoid additional tariffs when exporting to the US. This negative correlation may be driven by firms with Japanese or Taiwanese directors. In addition, the high propensity to trade seen in firms with Japanese directors, as shown in Table 4, indicates those firms actively trade with non-US countries, perhaps neighboring ASEAN countries.

=== Table 6 ===

We also estimate the regression by broad industry. The upper panel in Table 7 shows the results where ownership is based on directors' nationality. We find a positive association with export growth for South Korean firms in the chemical industry, Singaporean firms in other industries (with an abnormally high coefficient), Taiwanese firms in other industries, and US firms in the wood industry. The lower panel reports results under the investment source basis, indicating a positive association for Chinese firms in the textile and machinery industries, Japanese firms in the chemical industry, Taiwanese firms in the metal industry, and US firms in the wood and transport industries. In short, we observe significantly positive correlations in some types of firms in some industries.

=== Table 7 ===

6. Concluding Remarks

This study empirically investigates foreign firms in Vietnam during the US–China trade war. To identify the presence of so-called "Singapore-washing" or "de-Chinafying" we identify a firm's nationality based on its source of investment and directors' nationality, resulting in several important findings. First, contrary to public opinion, there are only a small number of firms with Chinese directors whose primary source of investment is Singapore. Second, among firms whose directors are Chinese, those who entered Vietnam after the US–China trade war was initiated or whose investment capital is from countries other than China have a lower propensity for trade. The former result indicates the entry of Chinese firms into Vietnam after the onset of the US–China trade war is not necessarily aimed at avoiding US tariffs by exporting to the US market from Vietnam, and the latter result indicates that "de-Chinafying" is not associated with trade. Third, the large presence of firms with an investment source from China is associated with higher export growth to the US, but that of firms with Chinese directors is not. However, the former include not only firms with Chinese directors but also those with non-Chinese directors such as Japanese, South Korean, or Taiwanese directors.

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Table 1. Revenues by Industry in 2020 (Million VND)

	Food	Textile	Wood	Chemical	Metal	Machinery	Transport	Others
Nationality								
CN	29	136	37	55	60	178	6	59
JP	18	15	16	138	78	294	277	55
KR	34	253	15	95	93	2,250	37	14
SG	2	5	1	4	1	12	0	3
TW	35	402	24	60	130	160	24	61
US	22	1	1	4	1	3	1	17
ROW	350	176	49	159	98	247	55	58
VN	1,018	389	329	553	1,159	215	160	167
Source								
CN	19	175	36	53	69	256	7	65
JP	34	18	17	139	91	312	273	57
KR	34	266	12	98	94	1,295	33	12
SG	151	16	13	29	27	1,055	11	5
TW	43	423	29	55	137	78	34	63
US	15	10	1	8	6	7	17	23
ROW	286	92	24	146	68	125	37	51
VN	924	378	342	540	1,129	231	146	158

Source: Authors' compilation using the Enterprise Surveys.

Note: CN includes Hong Kong.

Table 2. Revenues by Region in 2020 (Million VND)

	Nationality			Source		
	North	Central	South	North	Central	South
CN	242	34	281	338	45	295
JP	572	17	283	584	18	320
KR	1,564	694	534	1,166	139	539
SG	12	2	15	502	578	223
TW	193	74	626	109	73	674
US	2	0	46	31	1	54
ROW	279	50	857	151	31	642
VN	1,461	443	1,978	1,443	429	1,873

Source: Authors' compilation using the Enterprise Surveys.

Note: CN includes Hong Kong.

Table 3. Investment Sources versus Director's Nationality in 2020 (Number of Firms)

	Nationality							
Source	CN	JP	KR	SG	TW	US	ROW	VN
CN	1,216	34	50	3	89	3	344	104
JP	4	1,084	10	1	5	1	147	110
KR	14	1	2,761		11	3	209	88
SG	24	19	7	47	5	2	116	57
TW	79	10	27	2	1,266	1	380	84
US	11	1	12	2	12	64	49	50
ROW	27	20	10	3	83	8	696	206
VN	481	61	439	13	252	38	12,168	99,956

Source: Authors' compilation using the Enterprise Surveys.

Note: CN includes Hong Kong.

Table 4. OLS Results for Firm-level Indicators: Nationality-basis

	W	R/L	K/L	R/A	(R-M)/L	Trade
CN	0.138***	0.211***	0.052	0.014	0.437***	0.429***
	[0.023]	[0.038]	[0.046]	[0.043]	[0.046]	[0.012]
JP	0.427***	0.276***	0.505***	-0.535***	0.669***	0.678***
	[0.022]	[0.036]	[0.048]	[0.042]	[0.044]	[0.011]
KR	0.493***	0.294***	0.328***	-0.249***	0.621***	0.504***
	[0.018]	[0.028]	[0.037]	[0.031]	[0.035]	[0.009]
SG	0.569***	0.461***	0.475***	-0.221	1.054***	0.507***
	[0.091]	[0.159]	[0.174]	[0.172]	[0.155]	[0.056]
TW	0.264***	-0.008	0.315***	-0.568***	0.296***	0.519***
	[0.020]	[0.032]	[0.039]	[0.037]	[0.043]	[0.011]
US	0.400***	-0.005	0.157	-0.117	0.594***	0.441***
	[0.098]	[0.166]	[0.203]	[0.181]	[0.180]	[0.045]
ROW	0.606***	0.493***	0.328***	-0.074	0.822***	0.567***
	[0.037]	[0.058]	[0.072]	[0.063]	[0.069]	[0.017]
N	68,999	68,203	48,056	51,056	60,209	106,318
Adj. R-sq	0.127	0.15	0.153	0.067	0.123	0.219

Source: Authors' compilation using the Enterprise Surveys.

Notes: This table reports the estimation results using the OLS method. ***, **, and * indicate statistical significance at the 1%, 5%, and 10% levels, respectively. The standard errors are robust ones. In all specifications, we control for industry fixed effects and province fixed effects. CN includes Hong Kong. The base is Vietnamese firms. W = Wages, R = Revenues, L = Employment, A = Assets, M = Material inputs, Trade = Whether trading goods or not.

Table 5. OLS Results for Firm-level Indicators: Nationality-basis

	W	R/L	K/L	R/A	(R-M)/L	Trade
CN	0.388***	0.504***	0.148**	0.071	0.612***	0.566***
	[0.031]	[0.052]	[0.061]	[0.055]	[0.061]	[0.018]
CN * D2018	-0.477***	-0.495***	-0.273***	0.022	-0.298***	-0.078***
	[0.042]	[0.073]	[0.090]	[0.086]	[0.091]	[0.023]
CN * NonCN Source	0.024	-0.122	0.094	-0.212**	-0.109	-0.221***
	[0.046]	[0.080]	[0.098]	[0.093]	[0.100]	[0.023]
JP	0.426***	0.275***	0.504***	-0.535***	0.669***	0.678***
	[0.022]	[0.036]	[0.048]	[0.042]	[0.044]	[0.011]
KR	0.491***	0.292***	0.327***	-0.249***	0.620***	0.504***
	[0.018]	[0.028]	[0.037]	[0.031]	[0.035]	[0.009]
SG	0.570***	0.462***	0.475***	-0.221	1.054***	0.507***
	[0.091]	[0.160]	[0.174]	[0.172]	[0.155]	[0.056]
TW	0.264***	-0.008	0.315***	-0.568***	0.295***	0.519***
	[0.020]	[0.032]	[0.039]	[0.037]	[0.043]	[0.011]
US	0.399***	-0.005	0.157	-0.117	0.594***	0.441***
	[0.098]	[0.166]	[0.203]	[0.181]	[0.180]	[0.045]
ROW	0.606***	0.493***	0.328***	-0.074	0.822***	0.567***
	[0.037]	[0.058]	[0.072]	[0.063]	[0.069]	[0.017]
N	68,999	68,203	48,056	51,056	60,209	106,318
Adj. R-sq	0.128	0.15	0.153	0.067	0.123	0.221

Source: Authors' compilation using the Enterprise Surveys.

Notes: This table reports the estimation results using the OLS method. ***, **, and * indicate statistical significance at the 1%, 5%, and 10% levels, respectively. The standard errors are robust ones. In all specifications, we control for industry fixed effects and province fixed effects. CN includes Hong Kong. The base is Vietnamese firms. W = Wages, R = Revenues, L = Employment, A = Assets, M = Material inputs, Trade = Whether trading goods or not. "2018" takes a value of one if a firm enters after 2017. "NonCN Source" takes a value of one if the firm's representative capital source does not come from China.

Table 6. The OLS Results for All Manufacturing Industries

	Nationality	FDI Source
CN	0.007	0.106**
	[0.051]	[0.047]
JP	-0.122***	-0.02
	[0.043]	[0.042]
KR	-0.027	0.044
	[0.039]	[0.048]
SG	-0.101	-0.126***
	[0.098]	[0.044]
TW	-0.114*	-0.003
	[0.060]	[0.066]
US	-0.074	0.011
	[0.133]	[0.118]
ROW	-0.05	-0.04
	[0.061]	[0.054]
N	67,640	47,918
Adj. R-squared	0.016	0.029

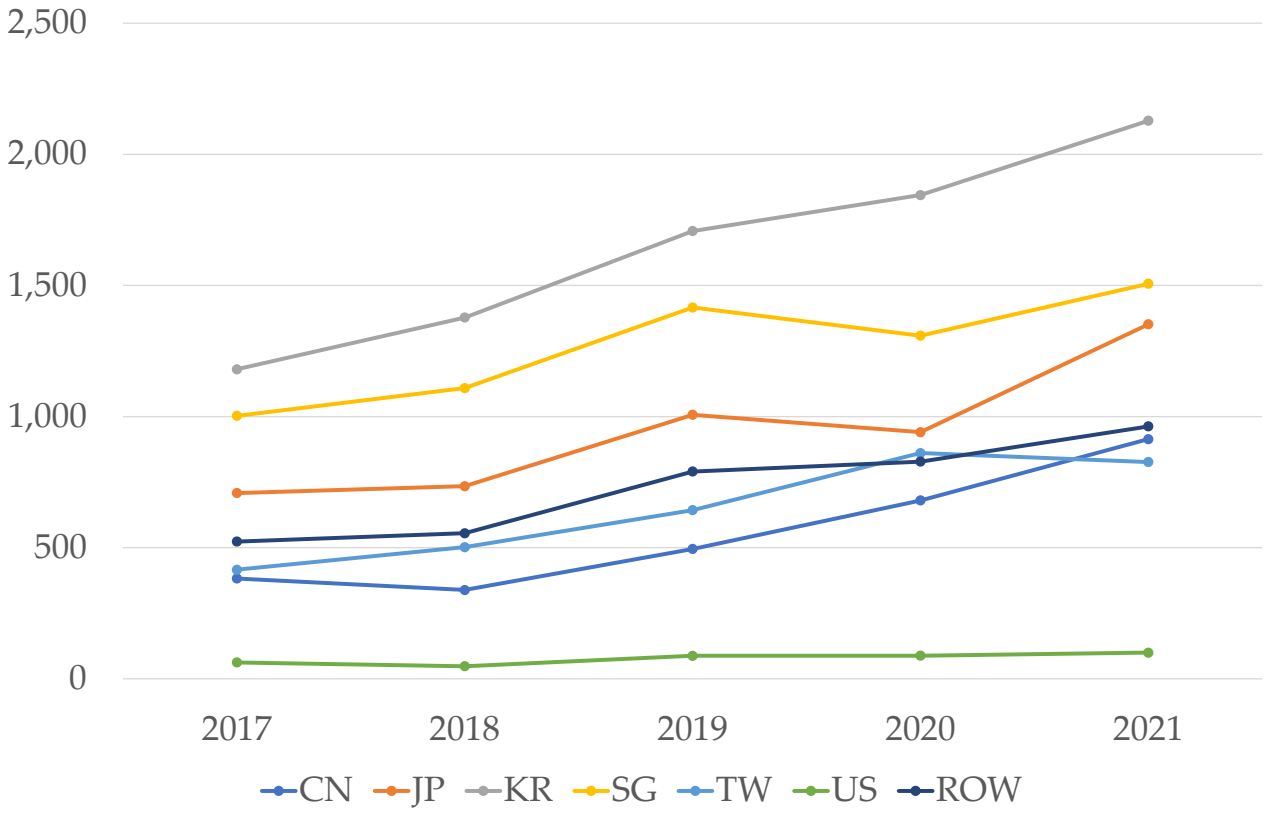
Notes: This table reports the estimation results using the OLS method. The two-letter country code indicates the coefficient for the interaction term between the revenues in foreign firms from that country and the US dummy (i.e., 1 if the importing country is the US). ***, **, and * indicate statistical significance at the 1%, 5%, and 10% levels, respectively. The standard errors are clustered by country, industry, and province. In all specifications, we control for industry-province fixed effects, industry-country fixed effects, and country-province fixed effects.

Table 7. The OLS Results by Industries

	Food	Textile	Wood	Chemical	Metal	Machinery	Transport	Others
Nationality								
CN	0.124	0.124	-0.08	0.063	0.111	0.065	-4.656**	-0.122
JP	-0.515**	-0.1	-0.084	0.167	-0.136	-0.098	-1.142***	-0.182
KR	-0.02	-0.085	0.009	0.315**	-0.261	0.019	-0.554*	-0.228**
SG	-0.07	-0.133	-0.652	0.096	-0.132	1.371		21.125**
TW	-0.103	-0.174*	-0.979***	0.118	0.159	-0.18	0.024	0.383**
US	0.513	-0.638*	1.487***	-0.907	-0.095	0.342	-0.3	-0.461
ROW	-0.251	-0.078	-0.196	0.09	-0.017	0.186*	0	-0.306*
N	8,398	11,324	7,828	8,132	11,552	11,590	1,330	3,268
Adj. R	0.083	0.032	0.041	0.05	0.075	0.086	0.081	0.074
FDI Source								
CN	0.485	0.213***	-0.254	0.119	0.018	0.283***	0.286	-0.02
JP	-0.112	0.003	0.234	0.255**	0.01	-0.062	-0.314***	-0.208
KR	-0.093	-0.044	0.029	0.18	-0.279***	0.115	-0.465*	-0.383**
SG	-0.076	-0.091	0.165	-0.015	-0.169*	-0.132		-0.038
TW	0.03	-0.021	-0.005	0.288	0.299*	-0.104	0.071	0.189
US	-0.103	-0.381***	0.722***	-2.790***	-1.655**	0.161	0.940***	-0.217
ROW	-0.018	-0.227	0.272	-0.052	0.124	-0.082	1.003	-0.191
N	5,092	8,550	5,472	5,472	7,220	8,588	950	2,318
Adj. R	0.015	0.063	0.005	0.088	0.096	0.136	0.198	0.059

Notes: This table reports the estimation results using the OLS method. The two-letter country code indicates the coefficient for the interaction term between the revenues in foreign firms from that country and the US dummy. The two-letter country code indicates the coefficient for the interaction term between the revenues of foreign firms from that country and the US dummy (which takes a value of 1 if the importing country is the US). ***, **, and * indicate statistical significance at the 1%, 5%, and 10% levels, respectively. Standard errors are clustered by country, industry, and province. In all specifications, we control for industry-province fixed effects, industry-country fixed effects, and country-province fixed effects.

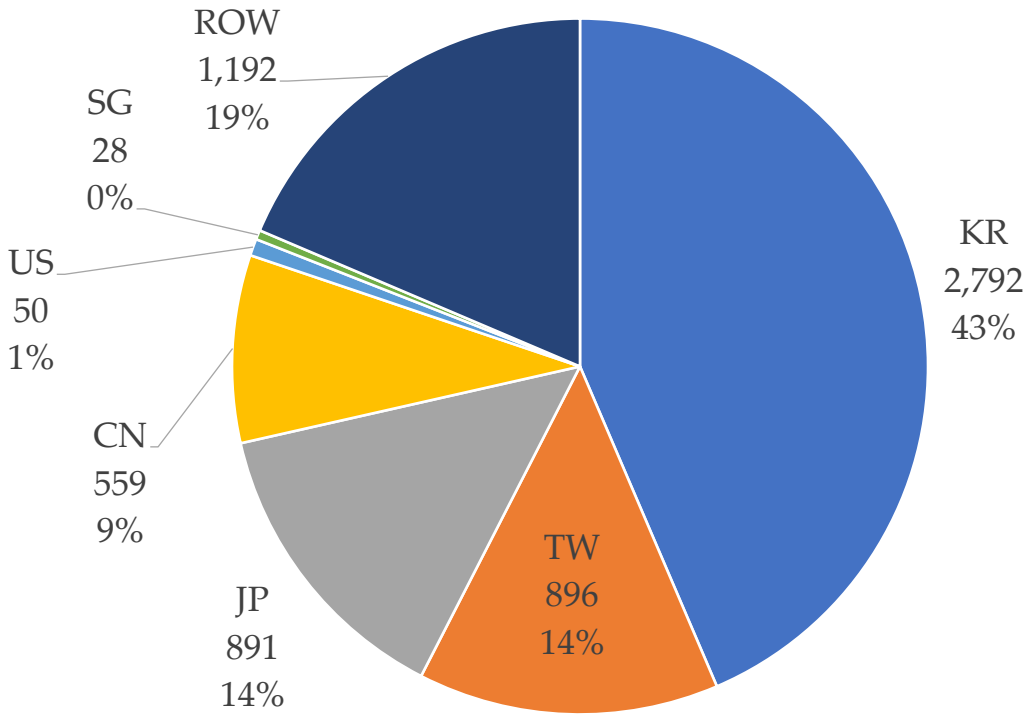
Figure 1. Revenues by Investment Sources (Million VDN)



Source: Authors' compilation using Vietnam's Enterprise Surveys.

Note: CN includes Hong Kong.

Figure2. Revenues by Director's Nationality in 2020 (Million VDN)



Source: Authors' compilation using Vietnam's Enterprise Surveys.

Note: CN includes Hong Kong.