

**Research title:** A study on the impact of FDI on actual value of VND in the period 2000 to 2010

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**Prize:** Incentive Prize at unit level, 2011

**Research objectives:**

- Analyzing research overview about VND and the situation attract FDI in Vietnam and the fluctuation of exchange rate in the period 2000 to 2010.
- Understanding the impact of FDI on the domestic currency value.

**Research Contents:**

- General issues on foreign capital investment (FDI) in Vietnam for the period 2000 to 2010.
- Overview of the exchange rate and the relationship between exchange rates and FDI .
- Testing the relationship between exchange rates and FDI in Vietnam.

**Research outcomes:**

Research has confirmed the analysis based on the theory that the strong increase FDI inflows in the period 2000 to 2010 actually causes the increasing pressure to the real value of the domestic currency (using a linear regression model, with the support of software EViews 6.0). The obtained result showed that the third quarter of FDI is the most powerful influence to the rate of this period.

If FDI particular in the third quarter increased 1%, the rate of reduction of this period decreases 0,089 421% when other conditions are constant. The real rate decreases means that the currency is under pressure to increase prices.

FDI is not the only reason causes exchange rates, this research only clarifies a small part of the research field rates. The impact of FDI is not large, in fact this effect is overwhelmed by other factors and rates subject to strong downward pressure than the pressure increase.

The volatilities of the exchange rate will cause difficulties in many areas of business and policy decisions of government research so seriously, depth of exchange rate fluctuations.