

# **CIFREM SEMINARS**

## **THE SURVIVAL OF NEW FOREIGN FIRMS IN VIETNAM**

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***Thursday, July 24 2008  
2pm - DISA Seminar room- first floor  
Faculty of Economics  
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*This paper studies the survival of foreign entrants in Vietnam by looking at the life span of 187 foreign firms created in 2000 over the period 2000-2005. By applying the Cox proportional hazard model, the study finds that foreign firms with larger start-up size and growing current size are more likely to stay in the market for more periods. Moreover, being a wholly-owned foreign firm and locating in industrial zones or economic processing zones increase the likelihood of survival of foreign firms. Finally, similarities in culture create advantages for foreign firms in cooperating with local partners, therefore increase the chance of their survival. This is the first study on the survival of foreign investors in Vietnam as well as in transition economies. The empirical results are particularly significant for the Vietnamese authorities in designing policies aimed at attracting foreign investments.*