

**MINISTRY OF
PLANNING AND
INVESTMENT**

**MINISTRY OF
EDUCATION AND
TRAINING**

**CENTRAL ECONOMIC MANAGEMENT RESEARCH
INSTITUTE**

NGUYEN HOANG TUNG

**IMPACT OF CAPITAL MARKET ON
INVESTMENT DECISIONS OF NON-
FINANCIAL ENTERPRISES LISTED ON THE
VIETNAM STOCK MARKET IN THE CONTEXT
OF FINANCIAL CONSTRAINS**

Major: Development Economics

Code: 9 31 01 05

SUMMARY OF DOCTORAL THESIS IN ECONOMICS

Ha Noi - Nam 2022

The thesis is completed at:

Central Institute for Economic Management

Supervisors:

1: Assos. Prof. Dr. Tran Cong Sach

2: Dr. Dang Quang Vinh

Reviewer 1: Assos. Prof. Dr. Nguyen Thi Hoai Le

.....

Reviewer 2: Assos. Prof. Dr. Le Thi Lan Huang

.....

Reviewer 3: Assos. Prof. Dr. Le Trung Thanh

.....

The thesis will be examined by committee at the Institute level at the Central Institute for Economic Management, at

.....

The thesis can be found at:

Library of Central Institute for Economic Management

National Library, Ha Noi

INTRODUCTION

1. The reasons for researching the thesis topic

Capital is a prerequisite for investment decisions of enterprises. Investment is a source of economic growth and development. Developing capital market (CM) to meet the demand for investment activities to expand production and business of non-financial enterprises is an important factor in promoting social and economic development.

Although there has been a rapid growth in the past period, the scale of Vietnam's financial institutions is still small, unstable development, incomplete financial institutions, and no balanced development between the stock market and the medium and long-term credit market, between the bond market and the stock market, the allocation of capital by industry and by economic sector is still slow to change.... To date, there have been no qualitative and quantitative evaluation studies on the impact of financial advisors on investment decisions of listed companies in the context of financial constraints (FC). In order to have scientific grounds for proposing regulations and solutions for rapid, balanced, effective, safe and sustainable development of CM in order to minimize financial financial costs, stimulate investment of listed enterprises, the implementation of research thesis topic: *“Impact of capital market on investment decisions of non-financial enterprises listed on Vietnam stock market in the context of financial constraints”* is necessary, meaningful in both theory and practice.

2. The purpose and significance of the thesis research

The purpose of the thesis research: The ultimate purpose of this study is to contribute to overcoming the financial situation and

promote investment and business development of the listed companies on the Vietnam Stock Exchange..

Theoretical significance of the thesis research: is to select an appropriate theoretical framework and apply a quantitative analysis and evaluation model to measure the impact of CM on investment decisions of listed companies on the Vietnamese stock exchange in the context of FC.

The practical significance of the thesis research: Provide scientific arguments for strategic and policy makers to develop CM in Vietnam.

3. Thesis structure

The content of the thesis is structured into 4 chapters, including: Chapter 1: Overview of published research and research orientation of the thesis; Chapter 2: Theoretical basis and model for assessing the impact of CM on investment decisions of listed companies on the stock exchange in the context of financial statements; Chapter 3: The reality of the impact of CM on investment decisions of listed companies on the Vietnam Stock Exchange; Chapter 4: Orientation and solutions to develop CM in order to reduce financial costs and stimulate investment decisions of enterprises listed on Vietnam stock exchange in the period to 2030.

CHƯƠNG 1

OVERVIEW OF PUBLICED RESEARCH AND RESEARCH ORIENTATION OF THE THESIS

1.1. Overview of published studies on the impact of CM on investment decisions of listed companies on the stock exchange

1.1.1. Overview of researches published abroad related to corporate investment and the impact of auditors on investment decisions of enterprises in the context of FC

- Theoretical studies related to the investment of enterprises
- Capital market and cost of capital (COC) studies
- Studies on the impact of financial constraints on investment decisions of enterprises; FC tests through the index
- Some studies on the influence of CM on investment decisions of enterprises

1.1.2. Research works have been published in the country on the impact of CM on investment decisions of listed enterprises in the context of FC.

- Some studies on the impact of CM on the non-financial listed enterprises
- Some studies on the factors affecting the investment decision of Vietnamese enterprises

1.1.3. The issues under the thesis topic have not been solved by published research works

- There has not been an in-depth and systematic research on the current situation of development of CM in Vietnam, updated for the period 2016-2020 and development orientation to 2030.
- There have not been any published quantitative studies in Vietnam on the impact of CM on the investment decision of enterprises through the COC.
- There have not been any published research and studies in Vietnam on the impact of auditors on the investment decisions of non-

financial enterprises in the context of FC from the CM and from within the enterprise.

1.1.4. Issues that The thesis will focus on solving

- Explain more clearly the theoretical basis of the CM and the quantitative model to assess the impact of the CM on the investment decisions of listed companies..

- Research, evaluate qualitatively and quantitatively the current situation of CM development and the impact of Vietnamese CM on investment decisions of listed enterprises through COC and cash flow of enterprises.

- The thesis will detect and identify the deviations of Vietnam's CM and forecast the context to provide policy implications and solutions to develop a balanced, healthy, effective and safe CM in order to reduce minimize financial costs and stimulate investment decisions of listed enterprises.

1.2. Research direction of the thesis

1.2.1. Research objectives of the thesis topic

Overall objectives: Explain more clearly the theoretical and practical basis of CM development in Vietnam, using a quantitative model to assess the impact of CM on investment decisions of listed non-financial enterprises; From there, detect the inadequacies and deviations of the CM and propose orientations and solutions to develop the CM in order to minimize FC and stimulate investment decisions of non-financial enterprises listed in Vietnam during this time, up to 2030.

1.2.2. Objects and limitations of the research topic Thesis

* Research object of the thesis Thesis: Theoretical and practical issues of CM and the impact of CM on investment decisions

of non-financial enterprises listed on the Vietnamese stock exchange in the context of FC.

* Limiting the scope of the thesis research:

- In terms of content: The thesis focuses on studying the one-way impact of the CM, which is mainly the stock market through COC in the market, on the investment decisions of listed non-financial enterprises. Vietnam's CM is studied based on 3 main components: including medium and long-term credit market, stock market and venture capital CM. The context of FC includes FC of listed non-financial enterprises, FC of CM.

- About space: Research thesis on CM in Vietnam and non-financial enterprises listed on Vietnam stock exchange

- About time: The thesis uses data to assess the situation after 2007 (after Vietnam joined the WTO) and propose orientations and solutions to develop Vietnam's CM until 2030.

1.2.3. Approach and research methods of the thesis topic

The thesis studies the impact of CM on investment decisions of listed non-financial enterprises from the perspective of capital sources, interest rates and COC; in which, CM is studied in terms of international integration and FC. The thesis combines qualitative assessment with quantitative assessment of the impact of CM on investment decisions of listed non-financial enterprises, in the context of existing FC from both the enterprise side and from the CM. In the quantitative assessment, the thesis chooses the AutoRegressive Distributed Lag (ARDL) model to study the data and apply the adjusted weighted average COC (WACC) method (replacing the independent variable - cost of equity using long-term loan interest rates) to calculate the COC of non-financial enterprises listed on the

Vietnamese stock exchange. A total of 695 enterprises have been studied with 22,296 observations in the evaluation analysis model. Research data over a period of 11 years, from 2007, in which 152 state-owned enterprises (owned by the state with 100% charter capital or controlling shares), accounting for 21.87% of the sample, and 543 private enterprises, accounting for 78.13% of the sample.

CHƯƠNG 2

THEORETICAL BASIS AND MODEL FOR ASSESSMENT OF IMPACT OF CAPITAL MARKET ON INVESTMENT DECISIONS OF NON-FINANCIAL ENTERPRISES LISTED ON THE STOCK EXCHANGE IN THE CONFERENCE OF FINANCIAL CONSTRAINS

2.1. Capital market and the participation of non-financial enterprises

2.1.1. Capital market and instruments on CM

In this Thesis, The CM is conceived as a type of financial market, where trading activities and buying and selling of medium and long-term financial assets take place according to the rules of the market with the regulation of the State to solve the problem. address the long-term investment capital needs of businesses, the government and households. Capital market consists of many specific markets, which, based on the scope of activities and operating characteristics of the market, are divided into: Medium and long-term credit market; Stock market.

Capital market has 3 main groups of factors, including: market actors (enterprises, government, local authorities, banks, non-bank financial institutions, financial funds, individuals, and social

organizations) other...); market objects are financial instruments and products (collectively referred to as capital goods) traded and exchanged on the CM; Market intermediaries are forms and means of brokering between economic actors who are CM subjects, a visible or invisible bridge linking market actors..

Instruments on CM: Securities of all kinds; debt receipt contracts drawn by borrowers are circulated in the medium and long term credit market; capital contracts between investment funds.

2.1.2. Non-financial enterprises and CM participation

In this thesis, Non-financial enterprises are understood as enterprises whose revenue is mainly from the provision of goods or services that are not in the financial sector. Enterprises can access capital through the issuance of stocks and corporate bonds on the stock market or borrowing money in the medium and long-term credit market.

2.2. Investment of enterprises and the impact of FC on investment decisions of listed non-financial enterprises

2.2.1. Investment and investment decision of non-financial enterprises

Investment is an activity where an economic entity (enterprise, individual, etc.) takes the profit obtained in the future as a purpose, use capital (cash, in-kind with a certain amount or other financial assets) to produce and sell certain goods or services. In finance, investing is defined as allocating financial resources to assets that are expected to provide benefits or profits over a certain period of time.

Investment decision is the investor's behavior, representing the investor's investment decision. An enterprise, when it is the subject of investment decision, becomes an investor when there is agreement

with each other *rights and responsibilities, and must meet the following conditions: 1, Can make investment decisions relatively independently; 2. Having adequate investment capital, including concentrated capital in various forms; 3. Having the right to own or control the assets formed by the investment, and at the same time can conduct business relatively autonomously or entrust it to others.*

Overview of the theories on the investment decision of non-financial enterprises: Classical and neoclassical theory of the phone of enterprises, Accelerator model, Tobin's Q Theory.

2.2.2. Financial constraints and factors causing FC of listed non-financial enterprises

Financial constraints can be the state of enterprises, CMs or macroeconomics. In the most general sense, FC are a state of scarcity or lack of financial resources. On the CM, FC are a state of scarcity, shortage of capital goods supply and market deviations that make capital goods artificially scarce, limiting access to capital sources on the CM. For enterprises, FC are the situation in which enterprises do not have access or have to access external capital at high cost; Enterprises suffer from FC when they are not able to raise the amount of capital needed for their optimal growth.

The main factors causing FC and their influence on investment decisions of listed non-financial enterprises: 1) Cash flow; 2) Firm size, 3) Debt ratio, 4) Growth opportunities of the business (Tobin's Q), 5) Net sales (Sales), 6) Last year's revenue, 7) Policies and state ownership for various types of enterprises in CM management

2.3. Theoretical basis of the impact of CM on investment decisions of listed non-financial enterprises in the context of FC

2.3.1. Theoretical perspectives on the impact of capital costs on investment decisions of enterprises and calculation methods

According to neoclassical theory, a firm's desired amount of capital is dependent on its output level and its COC (as determined by financial markets, expected inflation rate, asset depreciation rate, and taxes). *According to Keynesian theory*, when studying the relationship between finance and investment in a perfectly competitive market, the efficient marginal cost is equal to the return in the risk-free condition.. *According to Modigliani and Miller's theory*, COC is independent of the firm's financial structure under perfect market conditions despite its risks. *According to asymmetric information theory*, interest rate affects the risk of borrowing through adverse selection (lenders cannot distinguish borrowers according to the degree of project risk) and moral hazard (borrowers actually do riskier projects with debt than when they invest with their own money). *Theory of capital structure of enterprises*, businesses will benefit more due to a lower COC due to the use of tax shields.

2.3.2. Impact mechanism, impact channels of CM on investment decisions of listed non-financial enterprises

Mechanism of impact of CM through investment decision interest rate of listed non-financial enterprises through debt market channel: Debt market affects the FC of enterprises through the fact that capital providers will often prioritize a group of enterprises with the same characteristics, then the prioritized enterprises will have favorable access to capital and with low cost, low interest rate. The enjoyment of high or low interest rates also directly affects the cash

flow of enterprises (as a representative to measure FC), high interest rates will cause businesses to pay a lot of money for debt and have low cash flow, thereby reduce capital for potential projects of enterprises; If the interest rate decreases, the cash flow will increase, helping businesses have more investment options.

Mechanism of impact of CM through interest rate on investment decisions of non-financial enterprises listed under CM channel. In the equity market, the expected interest rate of investors in the enterprise or for the enterprise is the cost of the equity market. When the COC increases, the investment decreases and vice versa.

2.4. Model to analyze and quantify the impact of CM on investment decisions of listed non-financial enterprises in the context of FC

2.4.1. Model selection

Research This thesis uses the AutoRegressive Distributed Lag (ARDL) model, with the optimal delay of ARDL(4,4,4) Using the main variables: total fixed assets in year, revenue represents production productivity of enterprises, capital costs of enterprises... The thesis considers expanding the research model to find out the influence of FC on investment decisions of enterprises (FC of enterprises occur. when the investment of the enterprise is dependent on the internal capital of the enterprise); Cash flow is used as a proxy to measure this effect, calculated as a proportion of the firm's existing equity. The research model of FC with the optimal lag is ARDL(4,4,0,1), adding the profit after tax variable, and at the same time classifying enterprises according to ownership criteria to determine the effect of COC and FC to each group of enterprises

2.4.2. Explain variables and set research hypotheses

- Dependent variable (I/K) = Total fixed assets / total assets

- Independent variables:

1) Revenue variable (SALES): SALES = net sales

Hypothesis H1: Net sales have a positive relationship with corporate investment.

2) Cash flow variable (CF): CF = Profit after tax

Hypothesis H2: There is a positive relationship between cash flow and investment of enterprises.

3) Variable COC (UC): is a representative to study the impact of capital costs on the investment of enterprises.

Hypothesis H3: There is a negative relationship between the COC and investment of firms.

4) Variable mechanism, policy and state ownership for different types of enterprises in CM management: Studying the influence of the State on CM and business operations.

5) Enterprise size variable: Research, evaluate, and find the causes of FC of enterprises.

2.4.3. The method of using the model to analyze and evaluate the impact of the CM on investment decisions of listed non-financial enterprises in the context of FC

Process of using the model: Step 1: Determine the existence of a long-run relationship between the variables; Step 2: Select the appropriate delay for the ARDL model / Determine the maximum delay in the model; Step 3: Reanalyze the ARDL model into a modified model Description of the data sample: The figures of total fixed assets, total assets, net sales, profit after tax, book value of equity market, Book value of debt is taken from the audited financial

statements of enterprises. The long-term interest rate data is taken from the State Bank's data. Because during the research period, the interest rate fluctuates very strongly and with a large frequency, so the interest rate is determined as the interest rate at the beginning of the financial year of the enterprise, which is January 1 every year and quarterly. A total of 695 DN were studied with 26,425 observations of each variable in the model. Data is taken from 01/01/2007 to 01/08/2020.

CHƯƠNG 3

REAL IMPACT OF CAPITAL MARKET ON INVESTMENT DECISIONS OF NON-FINANCIAL ENTERPRISES LISTED ON VIETNAM STOCK EXCHANGE

3.1. Overview of the situation of CM development in Vietnam and the participation of non-financial enterprises

3.1.1. Overview of the stages of formation and development of CM in Vietnam

- Pre-2001: Initiation, early stage
- Period 2001-2006: The stage to create a premise for CM development
- The period from 2007 - 2015: Boom - recession - recovery period.
- 2016 -2020 period: Vietnam's CM has developed rapidly and is complete in structure with components including medium and long-term credit market, derivatives market (established in 2017) and a structure, the newly built part is the venture CM (established in 2017). During this period, Vietnam's CM initially developed towards creating a balance between the medium and long-term credit market and the

stock market. At the end of 2018, the size of the economy's credit debt was equivalent to 131% of GDP; at the end of 2019, the capitalization and value of financial assets traded on the stock market, derivatives market and venture CM were equivalent to 112.7% of GDP.

3.1.2. The development status of components of Vietnam's CM and the participation of enterprises

- Current status of medium and long-term credit market development: Fast but unstable growth; high interest rate; The allocation of capital by industry is not reasonable and by type of enterprise also causes FC.

- Development status of Vietnam's stock market: Starting from 2000, growing fast but not stably, not developing the balance between bond market and stock market, the capitalization on the stock market at the end of 2019 reached about 92% of GDP, (of which bond market is about 30.3% GDP, stock market is about 73% GDP).

- The derivatives market officially opened in August 2017, has grown rapidly in the past 3 years, with more than 36 million contracts traded. By the end of 2018, there were 57,677 new derivative accounts opened

- Venture CM started to develop in Vietnam since 2017 (Implementing Resolution No. 27/NQ-CP dated February 21, 2017 of the Government), there are about 40 venture capital funds operating in Vietnam . In the period of 2018-2019, more than 3,000 businesses have received USD 889 million with 92 deals with domestic and foreign investment funds..

3.2. Analyzing the actual impact of the CM on investment decisions of non-financial enterprises listed on the Vietnamese stock exchange in the context of FC

3.2.1. Analyzing the actual impact of interest rate on CM on the COC of non-financial enterprises listed on Vietnam stock exchange

- In the period 2007-2020, the average COC of enterprises experienced network fluctuations in the period 2010-2014, then tended to decrease gradually and remained relatively stable in the period 2015-2020.

- In the period 2008-2019, there is always a disparity between the average COC of the large group of enterprises and the average COC of the group of SMEs, in which, large enterprises always have a lower COC than SMEs in the research period.

- In the period 2008-2019, there is always a disparity between the average COC of the group of state-owned enterprises (SOEs) and the group of private enterprises, in which, the average COC of the group of SOEs always lower than the average COC of private enterprises.

3.2.2. Results of using quantitative models to assess the impact of CM through capital cost and cash flow channels on investment decisions of listed non-financial enterprises

- Simulation of the impact of independent variables on the investment decision of enterprises: Increasing revenue by 1% increases the investment of enterprises in the same quarter by 0.063%. From the second quarter of the year, increasing revenue still helps the phone to increase, but the impact is quite small (only from 0.03% or less). If the COC increases by 1%, the investment of the enterprise will decrease by 0.257%.

- Impact of changing interest rate on investment decisions of enterprises: When interest rate increases by 1%, cash flow decreases by 1.961%, enterprise's investment in the first quarter will increase by about 2.6% but the following quarters will decrease. Enterprises' phone numbers go very large from 4% - 9%.

- Influence of FC on investment decisions of enterprises: In the case of large enterprises, the cash flow coefficient has a much smaller impact on investment decisions than SMEs. SOEs do not face FC when implementing investment projects, because the cash flow variable is not significant in the research model results, while private enterprises are highly dependent on the enterprise's cash source.

3.3. Summarize and assess the current situation of CM development in Vietnam and the impact of CM on investment decisions of listed non-financial enterprises

3.3.1. Synthesis of new findings from the results of quantitative assessment of the impact of CM on investment decisions of listed non-financial enterprises

(1) *Interest rate on the CM has a great impact on investment decisions of enterprises through the capital cost channel of enterprises and there is a distinction between large enterprises and SMEs, between SOEs and private enterprises.* In which, the average COC of the group of SMEs is always higher than the COC of the group of large enterprises; The COC of private enterprises is always higher than the average of the group of SOEs. Through the COC channel, when the interest rate increases by 1%, the investment of enterprises decreases by 0.257% in the first quarter, from the second quarter onwards, it causes the growth of investment to increase by about 0.04% per quarter.

(2) *Interest rate on the CM has the effect of changing the cost of debt, thereby changing the cash flow that businesses can use to invest.. Accordingly, when interest rate decreases by 1%, the cash flow of enterprises increases by 1.961%.*

(3) *The stock market is not yet the main capital mobilization channel of non-financial enterprises listed on the Vietnamese stock exchange. In fact, the Vietnamese CM has obstacles and FC that prevent businesses from accessing external capital or having to accept high costs..*

(4) *Investment decisions of listed SOEs are less affected by CM. The results of quantitative analysis and evaluation show that cash flow on the CM has no impact on SOEs, nor does revenue affect investment decisions of SOEs listed on the Vietnamese stock exchange. interest rate in the market has no impact on investment decisions of SOEs and investment of SOEs is proven to have no relationship in the results of this quantitative study (While private enterprises, this coefficient is 83,403). That is, if the interest rate decreases, the investment of SOEs will not increase.*

(5) *There is a distinction between actors participating in the CM, SMEs in Vietnam are the main subjects affected by FC.*

3.3.2. Synthesize and assess the qualitative situation of Vietnam's CM development affecting investment decisions of listed non-financial enterprises

* Key achievements: Firstly, the CM institution, especially the laws and policies for the CM's operations, have been promulgated relatively synchronously and continuously innovated and perfected according to international practices. Second, the scale of the CM is getting bigger and bigger, the number of market actors is increasing,

the market's target audience is getting more and more diversified, and the market structure is gradually improving. Third, the CM in Vietnam is being restructured, improving the efficiency of mobilization and allocation of development investment capital, aiming to become the main capital mobilization channel of non-financial enterprises..

* Some shortcomings and limitations: Firstly, the size of the CM is small, growing fast but not balanced among the components of the CM and is not sustainable, the size of the stock market is still small compared to the medium and long term credit market. term. Second, interest rate of medium and long-term credit capital is higher than the average interest rate of ASEAN4; The credit market structure has shifted slowly and has not focused much on the manufacturing sector, nor has the proportion of capital allocated to high-risk industries (such as real estate, securities...). Third, the stock market has not had a breakthrough development, the transparency of the market is not high, the capital goods resources of the economy are slow to be converted into capital flows to be traded on the market due to the progress of the market. The process of equitization of SOEs is still behind schedule. Fourth, the institution of operation and development of CM in Vietnam is still slow to be completed synchronously, not meeting the requirements of managing the rapid, effective, synchronous and balanced development of CM components. Fifth, the development of Vietnam's CM still depends heavily on the development of the medium and long-term credit market, not on the development of the stock market, the average interest rate and COC are still high, not yet stimulated. Investment in production and business development of listed non-financial enterprises. Sixth, the orderly situation of the CM in Vietnam and market confidence is not high.

** Main causes of the limitations*

- The main reasons: the component markets of Vietnam's CM are newly formed and developed (derivative securities market and venture CM just started operating in 2017), international integration and the industrial revolution 4.0 took place quickly but had a strong impact on the development of Vietnam's CM, while the institutions had not changed, supplemented and perfected to meet the need...

- Subjective causes: The perception and theoretical thinking on development and management of the balanced, sustainable and effective development of the CM are new issues for Vietnam. The equitization of SOEs is still slow, still dominated by group interests and there is no drastic direction in direction and administration.

CHƯƠNG 4

ORIENTATIONS AND SOLUTIONS FOR DEVELOPMENT OF CAPITAL MARKET AIM TO MINIMIZING FINANCIAL CONSTRAINTS, STIMULATING INVESTMENT DECISIONS OF NON-FINANCIAL ENTERPRISES TO LIST ON VIETNAM STOCK EXCHANGE FOR THE PERIOD TO 2030

4.1. Context and prospect of CM development in Vietnam in the period up to 2030

4.1.1. Context and factors affecting FC of the CM in Vietnam in the period to 2030

4.1.1.1. International context

The fourth industrial revolution (Industry 4.0) and the development of the digital economy will require a huge amount of investment capital that the international CM must meet, which will make capital sources more scarce. International economic integration,

the continued rise of nationalism, protectionism and trade wars, faster capital flows and reversals, thereby affecting the CM of Vietnam, especially are on the supply side and on the COC. The Covid-19 pandemic may continue to be complicated, the world economy may have a recession and a prolonged crisis, the global CM will shrink due to the scarcity of capital goods, creating a effect of shrinking the size of the CM in Vietnam from the supply and demand side as the COC may increase.

* Domestic context: In the period of 2021 - 2030, the average GDP growth rate is about 7%/year, in the condition that the ICOR coefficient has not improved much, increasing demand pressure on the domestic CM; Developing green economy, digital economy, requires huge development investment capital, creating pressure to promote rapid development of CM. In the coming period, the number of newly established enterprises, especially innovative startups in the private economic region, will increase rapidly, but still small and micro-sized enterprises often suffer from internal FC, enterprises will have to raise capital on CM.

4.1.2. Development prospect of CM in Vietnam until 2030

In order to achieve the target of average GDP growth of 7%/year in the period 2021-2030, the total investment capital demand of the whole society at current prices (inflation is expected to be below 5%/year) is expected in about 33-34 million billion VND (equivalent to 1,500-1.6 trillion USD); in which the period 2021-2025 is expected to be about 14-15 million billion VND (1.5 times higher than the period 2016-2020) and the period 2026-2030 is expected to be about 18-19 million billion VND (nearly 2 times higher than the period of 2016-2020). 2016-2020).

It is forecasted that the main trend in the development of Vietnam's CM in the 2021-2030 period is towards and maintaining a balanced development between the medium and long-term credit market and the stock market. In which, the growth rate of the medium and long-term credit debt market is forecasted at an average rate of 14-16%/year; The growth rate of market capitalization on the stock market is reported at an average rate of 26-28%/year. The average interest rate on the CM will tend to decrease, narrowing the gap with ASEAN4 countries and will equal the average interest rate of ASEAN4 in the years 2026-2030.

4.2. Perspectives and development orientation of the CM in order to minimize FC and stimulate investment decisions of non-financial enterprises listed on the Vietnamese stock exchange in the period to 2030.

4.2.1. Development perspective of Vietnam's CM until 2030

Developing rapidly, synchronously and firmly the CM of Vietnam, in which the stock market plays a leading role; gradually bring CM into an important component of the financial market, ensuring stability, soundness and balance between CM and money market..

Must ensure market principles for the operation of Vietnam's CM and fully implement international integration commitments related to Vietnam's CM; At the same time, overcoming FC and stimulating the investment of non-financial enterprises and innovative start-ups is the self-fulfilling goal of the CM development process..

Enterprise is in the central position, deciding the development of CM in Vietnam; The State must play the role of creating, directing, promoting and managing the CM development process in order to

achieve the goals of balanced, efficient, safe and sustainable CM development..

Improve the quality of capital goods on the CM and reduce the COC in the medium and long term, thereby contributing to minimizing FC and stimulating investment decisions of listed non-financial enterprises..

It is necessary to create an institutional environment for the CM to fully play its role of mobilizing capital, regulating and leading investment and business development activities of enterprises..

Capital market development must aim to form a reasonable interest rate, reduce capital costs, increase cash flows of enterprises to improve financial potential, stimulate investment of listed non-financial enterprises, and at the same time must create opportunities for favorable access to capital sources for enterprises, especially SMEs, innovative enterprises; create equality in credit access and interest rate between SOEs and private enterprises, between large enterprises and SMEs.

The development of CM in Vietnam follows the trend of deeper integration into the international financial market, must protect the domestic CM and improve the adaptability of the domestic CM to the fluctuations of the international CM.

It is necessary to actively participate and take advantage of the achievements of the 4.0 industrial revolution in the development of the CM in Vietnam, promote digitization and increase the application of information technology in state management of the CM..

4.2.2. Orientation for development of CM in Vietnam in the period to 2030

- Developing Vietnam's CM in the direction of balance, efficiency, safety and sustainability on the basis of taking capital needs as the driving factor, the borrower as the center. Develop a CM to balance the medium and long-term credit market with the stock market, between the government bond market and the corporate bond market. Market efficiency and performance is a top priority in CM development. Safety is the basic principle of the operation of the CM system in Vietnam. Ensure the rationality between development in breadth and development in depth to improve the quality and sustainability of the CM in Vietnam.

- Synchronously develop the elements of CM. Expand and develop the CM audience through sustainable development of capital goods resources, diversification of financial products that are capital goods provided to the domestic CM. Rapidly increasing the number of market actors on both the supply side and the demand side in the CM, rapidly increasing the group of professional investors participating in the CM, encouraging institutional investors, professional investment institutions (securities, insurance, investment funds ...) participate in investment on the CM in Vietnam. Market intermediaries must be supported and encouraged to develop in a diversified, rational and synchronous manner.

- Continue to complete the CM structure, gradually restructure the CM in association with the financial market restructuring, gradually narrow the free market, consolidate and perfect the UPCoM market, venture capital CM, reduce strengthen dependence on the

commercial banking system, promote participation and enhance the role of non-banking institutions in the CM.

4.3. Solutions to develop Vietnam's CM to reduce FC and stimulate investment decisions of listed non-financial enterprises

4.3.1. Solutions to reduce the average COC of listed non-financial enterprises

- Reducing the cost of accessing credit and reducing the lending interest rate of commercial banks in association with promoting the restructuring of loan capital sources of commercial banks..

- Promote equitization of SOEs and listing when conditions are met, increasing the transparency of capital goods on the CM.

- Develop and perfect mechanisms and policies for fair and transparent credit access among all types of enterprises (SOEs, private enterprises, large enterprises, SMEs) in the economy to encourage investment of the private sector.

4.3.2. Solutions to promote and regulate the CM to minimize FC and stimulate investment decisions of listed non-financial enterprises

- Continue to increase the quantity and quality of shares listed on the centralized stock market, and strengthen the discipline of the centralized stock market

- Continue to improve the government bond market: increase the liquidity of the Government bond market. Issued bonds need to be standardized on interest rates to increase attractiveness to investors..

- Corporate bonds issued to the public must have an independent credit rating to improve publicity and transparency.

- Keep the interest rate stable and gradually reduce the average interest rate on the CM in the coming time, especially the interest rate in the medium and long-term credit market..

- Attention should be paid to the granting of credit to the group of private enterprises. Commercial banks should have priority policies for innovative start-ups in the private sector. There are policies to encourage financial institutions to participate in the development of derivatives market

- Improve corporate governance capacity in participating in CM. Improving the national governance capacity of Vietnam's CM.

4.3.3. The perfect institutional solution for the synchronous and full operation of the CM in Vietnam

- Continue to improve the legal framework guiding the implementation of the Securities Law 2019 (effective from January 1, 2021). Building the Law on Venture Investment

- Completing the legal framework and stepping up the inspection and supervision of the CM's activities, ensuring that the CM operates in accordance with the principles of a transparent and predictable market to contribute to minimizing FC.

- Continue administrative reform and improve Vietnam's credit index to support CM development.

4.3.4. Develop new products on CM, promote research and development, strengthen information disclosure about CM

- Accelerate feasibility studies and launch new products across all component markets of the CM, including digital financial products.

- Research and evaluate the scale of capital goods resources in the economy, especially held by the private sector (especially

households) to have a coordinated policy to mobilize capital for development investment through CM.

4.3.5. Completing the legal framework and policies for indirect foreign investment in Vietnam's CM

- Supplementing and perfecting the legal framework and policies on foreign indirect investment on the Vietnamese CM.

- Reviewing and supplementing and perfecting policies related to establishing the openness of the stock market, establishing the structure of foreign investors in the CM.

CONCLUSIONS AND RECOMMENDATIONS FOR FURTHER RESEARCH

** The thesis has achieved the following results and major new contributions:*

- Systematized and better explained the theoretical basis of CM and the participation of non-financial enterprises, investment of enterprises and FC on the impact of CM on investment decisions of listed non-financial enterprises in the context of FC.

- Selecting a quantitative model, explaining the variables in the model and providing a method to use the quantitative model to assess the impact of CM on investment decisions of listed non-financial enterprises..

- Combining analysis, qualitative and quantitative assessment of the current state of the CM and the impact of the CM on investment decisions of listed non-financial enterprises, detecting deviations in FC of the CM.

- Determining the context, proposing views, orientations and 5 groups of solutions to develop Vietnam's CM by 2030 in order to

minimize FC and stimulate investment of non-financial enterprises listed on the Vietnamese stock exchange.

** Limitations of the thesis and recommendations for further research directions after the thesis*

Firstly, the COC used by the thesis is calculated according to a relatively simple formula. Further studies may incorporate GDP deflator, Capital Goods Price Deflator, Depreciation Rate of each industry, and other indexes. *Secondly*, the research thesis is based on the hypothesis of maximizing enterprise value without taking into account the social responsibility of enterprises. *Third*, the thesis only focuses on researching non-financial enterprises listed on HOSE and HNX. Further research can be extended to unlisted public enterprises or to the whole economy.

**DANH MỤC CÔNG TRÌNH CÔNG BỐ KẾT QUẢ NGHIÊN
CỨU LUẬN ÁN CỦA TÁC GIẢ**

1. Nguyễn Hoàng Tùng (2019), “Chi phí vốn của các doanh nghiệp phi tài chính đã niêm yết trên sàn chứng khoán Việt Nam”, Tạp chí Kinh tế và Dự báo, tháng 11/2019 (số 33), pp 119-122.
2. Nguyễn Hoàng Tùng (2020), “Tác động của thị trường vốn đến đầu tư của doanh nghiệp đã niêm yết trên sàn chứng khoán Việt Nam”, Tạp chí Kinh tế và Dự báo, tháng 12/2019 (số 36), pp 119-121.