

**Refereed article**

## **Die Rolle des Staates in Aufwertungsprozessen der Öl- und Gasindustrie – der Fall Vietnam**

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### **Summary**

Starting with the *doi moi* reforms, Vietnam has gradually been integrated into the global production network (GPN) of the oil and gas industry. However the mere integration into these global production processes does not guarantee regional economic outcomes; this depends, rather, on the exact position within the GPN. In these industries especially, states can play an influential role in the endeavours to enhance and capture value from GPN participation. This article aims to reveal whether, and if so how, the Vietnamese state has contributed to the inducement of such an upgrading process. Based on interviews with public and private actors of the oil and gas industries in Vietnam, as well as relevant secondary data, we portray the development of the Vietnamese oil and gas industries since the country's global integration. By these means we reveal the changing position of Vietnam in the oil and gas GPN and highlight the role of the state therein. Our empirical findings suggest a process of enhancement in Vietnam's oil and gas industries driven by the national corporate network Vietnam Oil and Gas Group. The development of domestic refining capacities, the increasing Vietnamese share in upstream projects and the outgoing investments of domestic companies reflect these shifting dynamics. Yet, in order to change the integration into the GPN substantially, crucial challenges still need to be addressed – namely the lack of efficiency of refinery projects and the low competitiveness of the downstream sector. Against the background of a currently low global oil price, striking a balance between the attracting of foreign capital while also maximizing value capture is of key importance.

**Keywords:** global production networks, Vietnam, upgrading, multinational enterprises, oil & gas industry, Doi Moi, national oil company, value capture

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