**Discussion Question 1: Pros and Cons of Relocating Production from China to Vietnam for Apple**

**Pros of Investing in Vietnam**

1. **Lower Labor Costs: Vietnam offers more affordable labor compared to China, enabling significant reductions in manufacturing expenses.**
2. **Strategic Location: Vietnam’s location in Southeast Asia provides access to key ASEAN markets and facilitates exports through proximity to major maritime routes.**
3. **Political Stability: Vietnam offers a relatively stable political environment, promoting long-term investment and operational planning.**
4. **Growing Economy: Vietnam's steadily expanding economy creates a robust investment climate and increases potential consumer demand.**
5. **Government Incentives: The Vietnamese government provides various incentives for foreign investors, such as tax breaks and subsidies, particularly in high-tech and economic zones.**

**Cons of Investing in Vietnam**

1. **Infrastructure and Supply Chain Constraints: While improving, Vietnam's infrastructure and supply chains are not as developed as China's, potentially causing logistical bottlenecks and higher operational costs.**
2. **Skilled Labor Shortage: Although Vietnam has a large labor pool, there may be shortages of highly skilled workers necessary for advanced manufacturing processes.**
3. **Smaller Domestic Market: Vietnam’s domestic market is considerably smaller than China’s, limiting sales potential if local consumption is a key factor.**
4. **Regulatory Challenges: Vietnam's regulatory framework can be less transparent, with frequent changes in laws that may create risks for foreign businesses.**

**Pros of Continuing to Invest in China**

1. **Mature Supply Chains: China offers highly developed supply chains and advanced infrastructure capable of supporting large-scale production efficiently.**
2. **Skilled Workforce Availability: China has a vast pool of skilled workers with experience in diverse manufacturing technologies.**
3. **Massive Domestic Market: China’s enormous consumer market allows companies to scale production and achieve high sales volumes locally.**
4. **Technological Advancements: China continues to invest heavily in manufacturing technologies and digital innovation, maintaining its competitive edge.**

**Cons of Continuing to Invest in China**

1. **Geopolitical Risks: Trade tensions between China and Western countries can result in tariffs, sanctions, or trade restrictions, disrupting operations.**
2. **Rising Labor Costs: Increasing wages in China are eroding its cost advantage for manufacturing.**
3. **Regulatory Uncertainty: Sudden regulatory changes and heightened government scrutiny can pose challenges to foreign businesses.**
4. **Intellectual Property Risks: Despite some progress, concerns about IP protection remain a challenge for companies operating in China.**

**Discussion Question 2: Impact and Limitations of FDI in Vietnam**

**Benefits of FDI Flows to Vietnam**

1. **Economic Growth: FDI has been instrumental in driving Vietnam's economic growth, contributing to GDP increases and job creation.**
2. **Technology Transfer: Foreign investors introduce new technologies and expertise, fostering the modernization of local industries.**
3. **Infrastructure Development: FDI in manufacturing and other sectors has led to improvements in infrastructure, including roads, ports, and power systems.**
4. **Export Expansion: FDI has significantly boosted Vietnam's export capacity, particularly in electronics and garments, integrating the country into global supply chains.**

**Limitations in Benefits Maximization from FDI**

1. **Dependence on Low-Skilled Industries: Much of the FDI targets low-value sectors like garment manufacturing, limiting the development of higher-value industries.**
2. **Weak Linkages with Domestic Firms: There is often minimal collaboration between foreign and local enterprises, reducing opportunities for technology transfer and knowledge sharing.**
3. **Regulatory Hurdles: Complex and opaque regulatory processes can discourage investment and hinder the growth of FDI-backed companies.**
4. **Environmental Challenges: Rapid industrialization driven by FDI has contributed to environmental degradation, raising sustainability concerns for the future.**