



# Viet Nam Economic Bulletin

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## Politburo issues resolution on private economic sector development



- On May 4, 2025, Party General Secretary To Lam signed Resolution No. 68, outlining Vietnam's strategy to strengthen the private economic sector. The resolution highlights the sector's vital role, noting it currently comprises over 940,000

businesses, contributes around 50% of GDP, and employs 82% of the national workforce.

- Despite this progress, challenges remain, including small business scale, low innovation, and limited resource access. By 2030, Vietnam aims to grow the sector to 2 million enterprises, contribute 55–58% of GDP, and rank among the top three in ASEAN for innovation.

- Looking ahead to 2045, the goal is for the private sector to contribute over 60% of GDP and compete globally. The resolution sets out reforms and support measures to realize these ambitions.

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## Government unveils action plan to boost private sector development



- On May 20, 2025, the Government of Vietnam issued Resolution No. 138/NQ-CP, announcing its action plan to implement Politburo Resolution No. 68-NQ/TW on boosting private sector development.

- The plan mandates ministries, localities, and business associations to carry out extensive communication campaigns and set clear targets for private sector support. It aims to foster a transparent, fair, and

- economy enhanced
10. Viet Nam joins meeting on negotiations for upgrading ASEAN Trade in Goods Agreement

business-friendly environment through policy reform, streamlined procedures, and digital transformation.

- A new "Go Global" programme will help Vietnamese companies expand internationally through support in branding, market access, logistics, and legal services. The overall strategy signals the Government's strong commitment to making the private sector a vital engine of growth in the coming years.

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## PM orders overhaul to improve business environment



- Prime Minister Pham Minh Chinh has issued Directive No. 63/CD-TTg to improve Vietnam's business environment by strengthening administrative discipline, addressing barriers to enterprise growth, and enhancing public service delivery.

- Ministries and local authorities are asked to act on findings from the 2024 PCI Report, support domestic firms, improve workforce skills, and strengthen links with foreign-invested companies.

- The Ministry of Finance and VCCI will develop policy proposals to boost competitiveness, while VCCI is also tasked with identifying business challenges and advising the government on reforms.

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## Viet Nam boosts agri-forestry-fishery exports amid global trade uncertainty



- Facing rising global trade uncertainties, Prime Minister Pham Minh Chinh has issued Directive No. 59/CD-TTg to enhance the production and export of agricultural, forestry, and fishery products.

The directive aims to sustain export growth and protect farmer livelihoods, as changes in international tariff policies pose new challenges.

- In 2024, Vietnam's agri-forestry-fishery exports reached a record USD 62.5 billion, but upcoming trade disruptions highlight the need for greater diversification and sustainability.

- The directive reflects Vietnam's broader goal of building a resilient, high-value agricultural sector that thrives in a shifting global trade landscape.

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## Macroeconomic stability to boost growth



- The World Bank has lowered its global growth forecast for 2025 from 5% to 4%, and Vietnam's projection from 6.8% to 5.8%. Despite this, Vietnam remains committed to an ambitious 8% growth target, aiming to pave

the way for double-digit expansion from 2026.

- The government emphasizes maintaining macroeconomic stability, boosting public investment (with a record 875 trillion VND budget), and revitalizing traditional growth drivers.

- Experts highlight the need to rely more on fiscal policy over monetary stimulus to avoid inflation, while calling for urgent institutional reforms to remove legal bottlenecks, support the private sector, and promote new growth engines such as the digital and green economy.

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## Viet Nam to become second-largest economy in Southeast Asia by 2036: CEBR



- According to the Centre for Economic and Business Research (CEBR), Vietnam is projected to become the second-largest economy in Southeast Asia (after Indonesia) and the

20th-largest globally by 2036, as stated in its "World Economic League Table 2022."

- Vietnam's rapid transformation—driven by *doi moi* reforms and favorable global conditions—has lifted it from poverty to lower-middle-income status. With a 2021 GDP per capita (PPP) of \$11,608, the country now aims to achieve high-income status by 2045.

- To reach this goal, it must sustain average per capita growth of 5% annually, while addressing key challenges such as declining global trade, an aging population, and the impacts of automation and climate change.

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## Viet Nam's industrial production grows 8.4% in first four months of 2025



- Viet Nam's industrial production grew 8.4% year-on-year in the first four months of 2025, driven mainly by the manufacturing and processing sector, which rose 10.1%, according to the General Statistics

Office.

- FDI in manufacturing reached 8.37 billion USD, accounting for nearly 70% of total FDI in the period. Foreign investors also added over 554 million USD through share purchases.

- Employment in manufacturing rose 5.5% year-on-year. Key growth industries include textiles, footwear, machinery, electronics, and supporting sectors. The manufacturing sector continues to be a key driver of GDP growth, exports, and industrialisation in Viet Nam.

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## Viet Nam posts trade surplus of 3.79 billion USD in four months



- In the first four months of 2025, Viet Nam achieved a trade surplus of USD 3.79 billion, as export earnings rose by 13% year-on-year to USD 140.34 billion, while imports increased by 18.6% to USD 136.55 billion. The country's total import-

export turnover reached USD 267.89 billion, up 15.7% from the same period in 2024.

- The foreign-invested sector contributed USD 99.6 billion in exports (up 11%), while the domestic sector reached USD 40.74 billion (up 18.1%). Processed industrial goods continued to dominate exports, making up 88.2% of total export value.

- To sustain growth, the Ministry of Industry and Trade urged exporters to make full use of 17 FTAs and diversify markets, recommended support for enterprises in meeting market standards, tackling trade barriers, and accessing high-tech solutions and finance to enhance export quality and competitiveness.

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## Linkages between FDI sector and domestic economy enhanced



- Viet Nam is working to better integrate domestic businesses into the supply chains of foreign-invested enterprises (FDIs), as outlined in Politburo Resolution No. 68. Despite attracting over USD 38 billion in FDI in 2024, local firms still

face barriers such as limited access to capital and challenges in meeting global standards.

- Japanese investor Nichias Hai Phong has successfully localized 36% of its inputs, showing the benefits of such collaboration. Experts suggest establishing a National Credit Guarantee Fund for SMEs to ease financing and help domestic firms upgrade technology and join FDI value chains.

- To move from passive FDI attraction to strategic partnership, Viet Nam must focus on infrastructure, energy, and regulatory reforms. Closer cooperation between government and business is key to sustainable and inclusive growth.

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## Viet Nam joins meeting on negotiations for upgrading ASEAN Trade in Goods Agreement



- On May 9, 2025, Minister of Industry and Trade Nguyen Hong Dien led the Vietnamese delegation to attend the second Special ASEAN Economic Ministers' Meeting on the ATIGA upgrade negotiations, held in an online format. The meeting

brought together ASEAN economic ministers to discuss the final stages of the negotiation process for updating the ASEAN Trade in Goods Agreement (ATIGA).

- Emphasizing Viet Nam's commitment to regional economic integration, Minister Dien called for greater intra-ASEAN solidarity and cooperation to resolve the remaining differences. He also underscored the importance of reaching a feasible, balanced, and sustainable upgraded agreement that benefits all member states.

- According to the TNC's report, ASEAN member states have completed nearly 98% of the negotiation process after 14 formal rounds. However, key unresolved issues remain, particularly in areas such as rules of origin, refurbished goods, transparency, further tariff liberalisation, and the effective implementation timeline of the upgraded ATIGA.

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