



# Economic Bulletin

Embassy of the Socialist Republic of Viet Nam in India



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## Vietnam's economy registers strong growth in Q3

Vietnam's GDP grew by 13.7% year-on-year in the third quarter of 2022 and 8.9% over the first three quarters, according to a report from the World Bank on October 20. It predicts Vietnam's GDP could grow by 7.2% in 2022, the highest in East Asia and the Pacific region.

Industrial production and retail sales posted another month of high growth rates, 13.0% and 36.1% (y/y) respectively, which could be attributed both to strong economic activities and to the low-base effects.



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## Vietnam to become "new Asian tiger"

Based on the statistics from the WB East Asia and Pacific Economic Update, La Republica held that the new Asian tiger in 2022 will be Vietnam. The journal cited data showing that the region may record growth of 3.2% this year and 4.6% next year.

Analysts asserted that factors promoting the growth of Asia, except China, include the ending of restriction measures to prevent the COVID-19 pandemic, the reopening of borders, and the resumption of consumption and industrial production.

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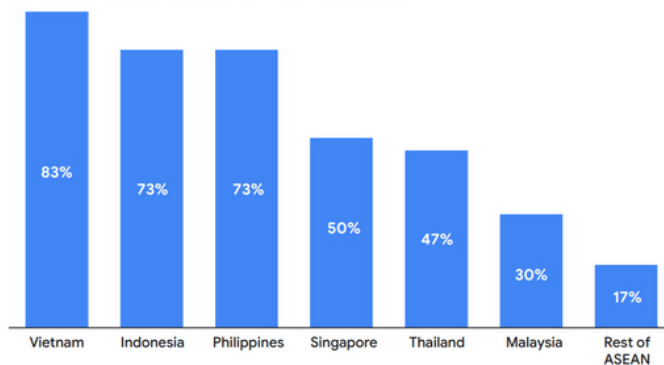
# With highest growth rate, Vietnam's digital economy on top of long-term growth market of investment funds in South East Asia

The [e-Conomy SEA 2022 report](#) reveals that Vietnam has led in the internet economy growth rate among 6 South East Asia countries, namely Indonesia, Malaysia, the Philippines, Singapore, Thailand. The report was conducted by Google, Temasek and Bain & Company on October 27. Key points are as follows:

- Vietnam's digital economy has had the fastest growth rate in Southeast Asia with the total value of goods expected to increase by 28%, from 18 billion USD in 2021 to 23 billion USD.
- The e-commerce sector has had the largest contribution with 14 billion USD among 23 billion USD in Vietnam's digital economy in 2022.
- The online travel sector has rebounded with a growth rate of up to 153% (reaching 2 billion USD) after a negative growth rate (-56%) from 2019 to 2021 due to the COVID-19 pandemic.
- Vietnam has led Southeast Asia in the long-term growth market of investment with 83% of venture capital funds in the next few years.

Q. How do you expect deal activity to change in the long-term (2025-2030) for the following countries?

Expected increase in deal activity in 2025-2030 vs today



Indonesia, Vietnam, and the Philippines are clear hot spots for growth and investments in the years ahead, driven by heightened digital savviness and affluence." – VC

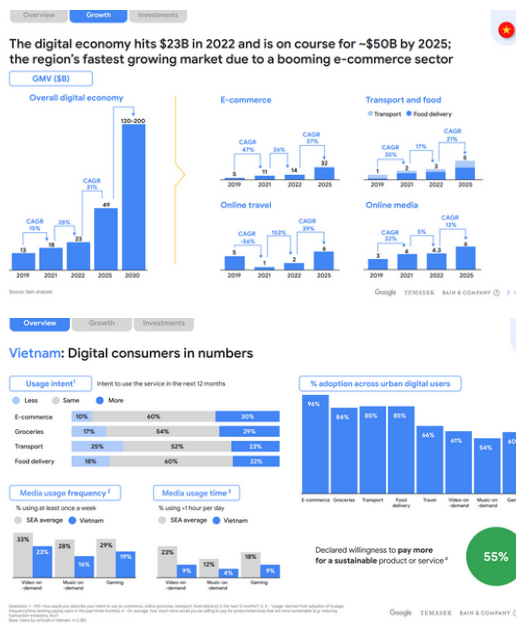
Singapore will continue to serve as a mature investment market, with a strong pipeline of attractive regional startups." – VC

It's still early days for investments in the rest of ASEAN, where enablers for growth are not yet in place." – VC

Source: Bain, SEA Venture Capital Investors Survey, Q3 2022

Google TEMASEK BAIN & COMPANY

Vietnam, Indonesia, and the Philippines are most likely to attract more investors over the longer-term



In addition, Vietnam still has a lot of potential for long-term growth:

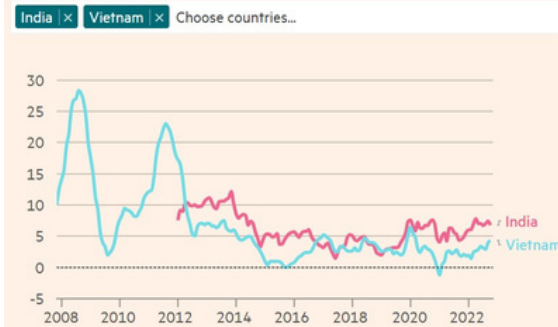
- 90% of digital consumers plan to maintain or even increase their use of e-commerce platforms within the next 12 months.
- The frequency of a Vietnamese person consuming digital content is lower than the regional average. Only 23% of survey respondents watched a video on demand at least once per week, followed by 19 % for online gaming and 16% for on-demand music.

## Vietnam's inflation rate lower than other countries in the region

Inflation is mounting in most economies due to the Russia-Ukraine dispute, but Vietnam was one of the few exceptions in Asia that have been relatively insulated from this universal slowing trend. Vietnam's October rate was still at a fairly low level, around 4.3%, according to a Financial Times report.

### Data explorer: consumer price inflation

Annual % change in consumer price index



FINANCIAL TIMES

Sources: Refinitiv; national statistics offices

Vietnamese consumers did not face dramatic food price increase thanks to ample domestic supplies. Health and education services costs also remained relatively low.

With such a positive situation, WB forecasted the country's inflation rate this year would be 3.8%, and this number from HSBC is 3.5%.

Although the weakening of the dollar and the drop in stock prices now may be a challenge for the low

inflation rate, the government emphasized its efforts, saying it would "stay vigilant (against risks), but not panic".

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## Vietnam wins a bunch of World's leading awards at World Travel Awards 2022

On November 11th 2022, Vietnam won impressively 16 categories at World Travel Awards held in Oman, surpassing many countries to claim the "World's Leading Heritage Destination" title for the third time since 2019.

Several popular Vietnamese tourist sites won prestigious titles including Hanoi, Phu Quoc, Moc Chau, Hoi An and Tam Dao. In addition, the list of winners consisted of some reputable Vietnamese tourism brands such as the national flag carrier of Vietnam Airlines, the leading tour operator of Vietravel and excellent brands and hotels invested by Sun Group. Especially, Golden Bridge at Sun World Ba Na Hills was crowned World's Leading Iconic Tourist Bridge 2022.

The World Travel Awards was heralded as "the Oscars of the



Photo: Hoi An by Hien Phung Thu, Shutterstock

tourism industry" by the Wall Street Journal. The excellent awards attests to the all-round optimism that the nation is being adored by international friends around the world as well as the attractiveness of Vietnam's destinations.

A beautiful and friendly Vietnam is waiting and always welcoming visitors around the world.

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## Da Nang selected as “ASIA’S LEADING FESTIVAL & EVENT DESTINATION 2022”



With impressive natural scenery, unique culture and cool atmosphere, the coastal city will definitely be a good place for vacations, especially long weekend getaways.

On September 7, 2022, at the World Travel Awards ceremony for Asia and Oceania in 2022, Da Nang was honored as “Asia’s Leading Festival and Event Destination 2022”. This is the second time Da Nang has received this reputable award. In this nomination, Da Nang has surpassed the top 8 destinations in Asia such as Bangkok – Thailand, Kuala Lumpur – Malaysia, Macau, Seoul – South Korea, Shanghai – China, and Singapore.

Recently, Budget carrier Vietjet Air has just launched new flight services linking the central city of Da Nang with India’s Mumbai and New Delhi with a ceremony at Da Nang International Airport on October 18. There will be three flights each week using Airbus A320 on the Mumbai – Da Nang route and four flights a week on the New Delhi-Da Nang route. So traveling between the two countries will be really convenient.

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## Vietnamese firms join trade fairs in New Delhi and Mumbai



Vietnamese Ambassador in India Nguyễn Thanh Hải (centre) visits a booth featuring products of the Khánh Hòa Sanest Soft Drink Joint Stock Company. — VNA/VNS Photo Ngọc Thuý

Viet Nam Trade Office in India supported and facilitated Vietnamese businesses attending the 41st India International Trade Fair (IITF) which began in New Delhi on November 14th, and the World Furniture Expo (WOFX), which kicked off at Bombay Exhibition Centre in India's Mumbai city on November 17th, 2022. After inaugurating Vietnamese booth at IITF, H.E. Ambassador Nguyen Thanh Hai affirmed that the Embassy always supported and accompanied Vietnamese enterprises to study and expand their business in the Indian market.

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