



# Vietnam Economic Bulletin

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## INDEX

1. WB forecasts Vietnam's 2023 growth at 6.3%
2. Norway eyes cooperation with Vietnam in offshore wind power
3. Viet Nam among 5 real estate investment destinations of Singapore's super-rich
4. LG establishes new R&D subsidiary in Viet Nam
5. Science, technology, innovation promoted to support national development
6. Domestic ICT firms well-positioned to reach out to the world
7. Vietnam well-positioned to benefit from AI
8. International visitors to Vietnam in February increases 7.1%

## WB forecasts Vietnam's 2023 growth at 6.3%

The World Bank projects Vietnam's economic growth to ease to 6.3% in 2023 from a robust 8% last year. Under the pressure of higher prices and interest rates, the service sector will grow moderately, mostly driven by domestic demand.

WB specialists suggested a combination of fiscal and monetary policies for inflation control. To support the service sector's growth, priority should be given to effectively implementing public investments, removing trade and foreign investment barriers, and launching reforms to improve competition and access to finances for domestic firms.



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## Norway eyes cooperation with Vietnam in offshore wind power

Norway is willing to share experiences and cooperate with Vietnam in the field of offshore wind power, said State Secretary of the Norwegian Ministry of Foreign Affairs at a meeting with Vietnam's Deputy Minister of Industry and Trade on March 1.



Sharing the view with Vietnam on the strong cooperative ties across myriad sectors and similarities (geographical coastline advantages and the strength in the fisheries industry), the Norwegian official took the occasion to discuss the prospects of Norway's investment in renewable energy in Vietnam. Both sides agreed that the government, businesses, and investment fund of Norway should consider support for Vietnam to continue with its policy on investing in research and implementation of green energy projects such as those in offshore wind power and hydrogen production, thus facilitating cooperation between Vietnam and Norway's firms.

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9. Vietnam Airlines to increase Vietnam-India flights by 30%

10. Conference promotes cooperation between India and Vietnam's southcentral region

11. Vietnam, India boost trade in farm produce, processed food

12. Vietnam, Indian state seek cooperation opportunities

13. Vietnam attends 28th Partnership Summit in India

## Viet Nam among 5 real estate investment destinations of Singapore's super-rich

The Wealth Report 2023 puts Vietnam in the top 5 destinations chosen by Singapore's super-rich for real estate investment, along with Australia, India, Hong Kong and China. Among major cities, Ho Chi Minh City ranks third in affordable luxury apartments. With a million dollars, you can buy up to 162m2 of luxury real estate in Ho Chi Minh City compared to 35m2 in Singapore.

The high level of interest from foreign investors in the commercial real estate market in Vietnam, most of which comes from private capital, will continue in 2023.

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## LG establishes new R&D subsidiary in Viet Nam

Responding to the rapid growth of electric vehicle (EV) parts, Korean company LG has opened a new entity in Hanoi to further nurture its existing auto parts-focused R&D center. The company expects the new subsidiary to strengthen LG's



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R&D infrastructure and competitiveness in Viet Nam, and said it will increase the number of developers there by more than 30 percent to 1,000 by next year.

In 2020, LG also opened a R&D office for auto parts in the central city of Da Nang to enhance its EV-related business & nurture talent.

## Vietnam well-positioned to benefit from AI

Vietnam is well-positioned to reap the benefits of Artificial intelligence (AI) and emerge a leader – both development and application, highlighted in an article run at intelligent global legal research platform Lexology.com. According to the article, the Vietnamese government is supporting AI development by investing in R&D, providing tax incentives for companies that adopt AI technology, and supporting the growth of the startup ecosystem.



One example is the Vietnam AI Grand Challenge, a programme launched in 2019, which provides funding and resources to AI startups and researchers, helping them develop and commercialise their AI solutions. Vietnam has also set up several AI Centres of Excellence in universities and research institutions, which provide support and resources to researchers, and collaborate with industry partners to develop AI solutions for various sectors.

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## Science, technology, innovation promoted to support national development

Various measures will be rolled out from now to 2025 to fine tune science and technology organizations and perfect the legal foundation for state management of science, technology and innovation. The aim is to boost development to support the country's socio-economic growth, Vietnam's Minister of Science and Technology Huynh Thanh Dat said.

The minister said that resources will be focused on stepping up science and technology research, transfer and application to serve socio-economic development and security-defense protection, to speed up digital transformation, green transition and circular economic development.



Vietnam's Minister of Science and Technology Huynh Thanh Dat

The sector will design solutions to mobilise resources from society, especially the science-tech development funds of enterprises for science research and innovation activities, adding that synchronous measures will be applied to expand the science-tech market, and start-up and innovation ecosystems. It will also propose new mechanisms, policies and laws related to public investment and procurement and tax, while promoting public-private cooperation in the field. He said that the ministry will connect with stakeholders while building breakthrough mechanisms at key economic regions to support socio-economic development. Simultaneously, it will make a plan for Vietnam's ecosystem, linking science and technology organisations and businesses, said the official.

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## Domestic ICT firms well-positioned to reach out to the world

Vietnam's information and communication technology (ICT) companies are well-positioned to make strong breakthroughs, on the back of widespread Internet access, abundant workforce and support from authorities at all levels. Pavel Poskakukhin, Co-Chairman of the European Chamber of Commerce in Vietnam's Digital Sector Committee, said thanks to the young and tech-savvy population, Vietnamese ICT companies have lots of opportunities in Europe, especially providing business solutions in e-commerce.

Vietnam now ranks 12th in the world regarding the number of Internet users, with roughly 45,000 ICT firms and more than 1 million employees. The country also leads Southeast Asia with 25 software enterprises obtaining Capability Maturity Model Integration (CMMI) certification, surpassing Singapore & Malaysia.



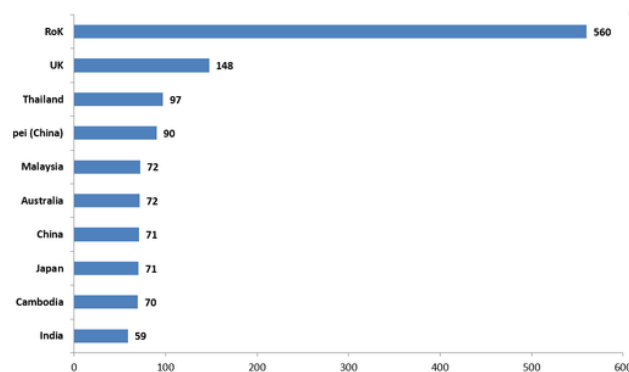
Last year, Viettel Military Industry and Telecoms Group (Viettel) earned 3 billion USD in revenue from foreign markets while FPT Group raked in 1 billion USD. [READ MORE](#)



## International visitors to Vietnam in February increases 7.1%

According to the General Statistics Office, in February 2023, Vietnam lured 933,000 international visitor arrivals, increasing 7.1% to last month. In the first two months of 2023, there were 1.8 million visitor arrivals to Vietnam.

Top largest source markets in the first 2 months of 2023 are South Korea (560,000), the UK (148,000), Taiwan (90,000), Malaysia and Australia (72,000), China and Japan (71,000), Cambodia (70,000) and India (59,000). Particularly, Cambodia and India are two source markets witnessing the most significant growth compared to January, 201% and 129% respectively.



Top source markets in the first two months of 2023 (thousand arrivals) - Source: Compiled from the GSO's data

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## Vietnam Airlines to increase Vietnam-India flights by 30%



From March 26, Vietnam Airlines will operate one flight per day between Vietnam and India, raising the number of its flights between the two countries by 30%. The flight increase aims to meet the growing demand in bilateral passenger and cargo transportation.

The carrier will operate four weekly Hanoi-New Delhi flights on Mondays, Wednesdays, Fridays and Sundays, and three weekly HCM City-New Delhi on Tuesdays, Thursdays, and Saturdays. The minimum price of a round-trip ticket (taxes and fees included) is 302 USD if bought directly from Vietnam Airlines, and 292 USD if bought via the firm's ticket offices and agents in India.

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## Vietnam, India boost trade in farm produce, processed food

The Vietnam Trade Office in India, in collaboration with the National Investment Promotion and Facilitation Agency of India (Invest India) and the Federation of Indian Export Organisations (FIEO) held a teleconference on February 22 to step up business cooperation opportunities in farm produce & processed food.

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## Conference promotes cooperation between India and Vietnam's southcentral region

On March 1, Khanh Hoa province and the Indian Embassy in Vietnam held a conference in Nha Trang city to promote cooperation between India and Vietnam's southcentral region, with 300 attendants from the two countries.



The event was meant to carry out the Vietnam-India Joint Vision Statement for Peace, Prosperity, and People, which was adopted by the two Prime Ministers on February 2020. It also served as a forum for both parties to discuss potential areas of cooperation such as trade, investment, health care, education, tourism, and IT. Mr Le Ho, a committee from Phu Yen (Vietnam), expressed his wish to welcome more Indian investors to explore cooperation opportunities in fields of India's strength.

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## Vietnam, Indian state seek cooperation opportunities

The Trade Office of the Vietnamese Embassy in India in coordination with the Federation of Indian Chambers of Commerce and Industry (FICCI) and authorities of India's Kerala state organised a trade exchange programme on March 9.



Vietnamese Ambassador Nguyen Thanh Hai

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## Vietnam attends 28th Partnership Summit in India

A delegation from the Vietnamese Ministry of Industry and Trade is attending the 28th Partnership Summit in New Delhi from March 13-15. A total of 35 sessions are scheduled for the event, including seven standalone sessions with Indian ministers and national-level sessions for Indonesia and Cuba. It is attended by 145 speakers, including 65 international speakers from 24 countries and nearly 400 delegates from 67 countries.



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