



## Viet Nam's economic growth to reach 6.5% this year: OECD

Viet Nam's GDP growth is forecast at 6.5 percent this year and 6.6 percent in 2024, according to a report jointly prepared by the Organization for Economic Cooperation and Development (OECD) and the Asian Development Bank.

Doctor Vincent Koen from the OECD Department of Economics said that Viet Nam has made significant economic progress and sustained high growth over the past decades. The economy has also demonstrated a resilient capacity to shocks, including the COVID-19 pandemic. During the pandemic, the country's economic growth outperformed other Southeast Asian economies.

Meanwhile, according to the International Monetary Fund (IMF)'s world economic outlook report released in April 2023, Viet Nam's GDP is projected to become the second fastest-growing economy in Southeast Asia, only after the Philippines, and to exhibit the lowest public debt among the ASEAN Member States in 2023.



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**Viet Nam remains a magnet for FDI: The Banker**

In a recent article released by The Banker, an international financial affairs publication owned by The Financial Times, Viet Nam weathered the COVID-19 pandemic better than most south-east Asian economies.



According to a 2019 poll conducted by the Japan External Trade Organization, around 40 percent of the Japanese firms looking to shift their overseas production cited Viet Nam as their preferred choice. Even Chinese companies, especially those in the supply chain clusters for the electronics sector, have been shifting their production to Viet Nam.

Viet Nam is expected to remain a magnet for foreign direct investment (FDI) from sources seeking to diversify their production. The total FDI (foreign direct investment) into Viet Nam reached nearly US\$8.9 billion as of April 20, according to Foreign Investment Agency (FIA) under the Ministry of Planning and Investment (MPI). Notably, new investment capital inflows increased sharply again after a slight decrease in this year's first three months.

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***Hoi An Ancient Town***

Welcome to  
**Vietnam**

## **Trade surplus reaches over US\$6 bln in January-April**

Viet Nam's trade with the rest of the world totaled US\$210.79 billion in the first four months of this year. The processing and manufacturing sector took the lead in export structure with US\$96 billion, accounting for 88.5 percent of the Southeast Asian nation's total export turnover. Meanwhile, the country mainly imported production materials (US\$95.64 billion, accounting for 93.6 percent of the total import value). In the reviewed period, the U.S. remains the biggest importer of Viet Nam's goods with US\$28.4 billion followed by China (US\$33.3 billion).

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## **Vietnam's Provincial Competitiveness Index 2022: Key Takeaways (I)**

The PCI 2022 report reveals a number of interesting developments. Broadly, there have been improvements, though some provinces have improved much more than others.

- Quang Ninh maintains the top spot of PCI yet again in 2022. The report found that Quang Ninh has the highest quality of economic governance and that it was "exemplary in establishing and operating public service centers from provincial to district levels".
- Bac Giang jumped a huge 29 places. Known as an industrial hub, particularly for the manufacture of electronics, this relatively small province's score jumped a relatively big 8 points.

As part of collating the PCI 2022, 1,282 foreign-invested enterprises (FIEs) were surveyed. These surveys showed a number of key changes and developments in Vietnam's business environment.

- Foreign firms are recovering. The number of foreign firms reporting that they hired new staff in 2022 jumped five points in 2022 to 56 percent, up from 51 percent in 2021. There was also a jump in the number of firms reporting profits. It was 39 percent in 2022, up from 43 percent in 2021.
- Vietnamese businesses are becoming more important to FIE supply chains. In 2021, 52 percent of FIEs purchased intermediate goods and services from Vietnamese firms. In 2022, however, that number rose by over 10 percent to 63 percent.

*Vinh Trang Pagoda, Tien Giang*



## Viet Nam's e-commerce to reach US\$20 bln by this year's end

Viet Nam's e-commerce market is predicted to expand by 25 percent, with the market scale projected to increase to US\$20 billion by the end of this year, according to the Viet Nam E-Business Index (EBI) 2023 rankings. Boasting some 100 cross-border e-commerce platforms, Viet Nam has been ranked among the top five nations with regard to the sector's growth of 20 percent a year by eMarketer.

There were approximately 57-60 million Vietnamese people shopping online, with their spending averaging US\$260-285. Last year, the country's top four platforms – Shopee, Lazada, Tiki, and Sendo – generated VND135 trillion (US\$5.73 billion) in revenues. Meanwhile, the scale of the country's retail e-commerce market was estimated to reach US\$16.4 billion last year, accounting for 7.5 percent of the country's goods and service revenues.

Ho Chi Minh City - Viet Nam's economic locomotive, scoring 89.2 points, continues to top the rankings this year. With 85.7 points, the capital city of Ha Noi ranks second, followed by the central city of Da Nang with 39.5 points.

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## Vietnam's Provincial Competitiveness Index 2022: Key Takeaways (II)

This year also saw the Provincial Green Index. This new index looks at the performance of Vietnam's provinces in terms of their green credentials, showing that:

- Bac Ninh, Tra Vinh, and Lang Son took out the top three positions in the ability to provide infrastructure services in such a way that it makes it easier for firms to prepare for the challenges that climate change presents.

- Da Nang was found to be the clear leader in the ability to police environmental standards and hold polluters accountable.
- Hai Phong was found to be the most advanced, with Hai Duong, and Bac Kan following close behind in the ranking of leadership on environmental issues.

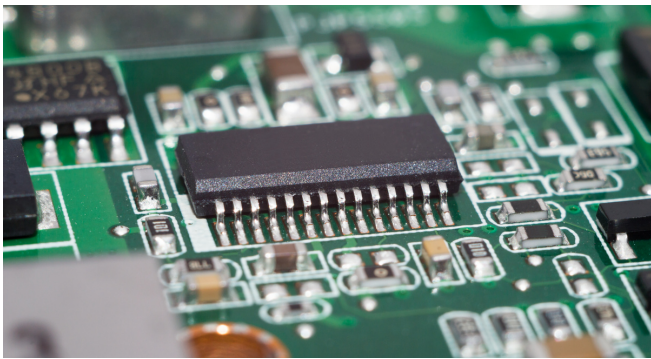
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Bat Cave, Moc Chau



## **Vietnam ranks 3rd Asia in exporting chips to the US**

Vietnam ranks third in Asia in revenue from exporting chips to the country, following Malaysia and Taiwan (China). Vietnam exported chips worth \$562.5 million to the US in February. In information and communications technology (ICT), Vietnam has accounted for more than 10 percent of US chip imports for seven straight months.



Vietnam's revenue from information and communications services reached VND1.13 quadrillion (\$47.6 billion) in the first four months of 2023, representing 27 percent of the annual target, figures from the Ministry of Information and Communications (MoIC) show. The sector posted a turnover of over VND313 trillion (\$13.2 billion) in April, up 6 percent against March but down 1 percent year-on-year.

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### *Vietnamese Floating Market*



## **Foreign and domestic businesses invest US\$ 9 billion in green sectors**

Vietnam's domestic and foreign-invested enterprises have poured around US\$9 billion into green growth-related projects, said Nguyen Anh Tuan, Deputy Director General of the Foreign Investment Agency (FIA).

The above amount of investment accounted for two percent of the nation's GDP but investment inflows in green growth increased by 10-13 percent over the past two years. This positive trend showed that the business community, including FDI enterprises, has helped to create behavioral changes in production and consumption, contributing to the realization of green growth goals.

Viet Nam is considered a successful model in attracting foreign direct investment (FDI) thanks to its increasingly improved institutions and investment environment; stable politics and a high potential for economic growth.



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## Biggest thermal power projects in northern Vietnam put into operation

Viet Nam put Thai Binh II, a two-turbine plant with a designed capacity of 1.200MW into operation on Thursday after 12 years of construction. This is among the biggest thermal power projects in the northern mainland.



The inauguration ceremony of the Thai Binh 2 thermal power plant (Photo: VGP)

The plant will add around 7.2 billion kWh to the national grid annually, contributing to ensuring power electricity security in the Red River Delta region. Viet Nam wants to nearly double its total installed power generation capacity to 146,000 MW by 2030, and prioritize the development of renewable resources, according to the latest draft of its power development plan.

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## Vietnamese gov't approves National Power Development Plan 8

Vietnam approved the National Power Development Plan for the 2021-2030 period (NPDP8), giving priority to the development of renewable energy on May 16, 2023. The plan targets to increase the share of renewable energy to 30.9-39.2 percent by 2030 and 67.5 – 71.5 percent by 2050.

Offshore wind power capacity is expected to reach at least 6.000 WM by the end of this decade and 70.000-91.500 WM by 2050. The Government estimates that the total capacity of offshore wind power for new energy production should reach about 15.000 MW by 2035 and around 240.000 MW by 2050.

From now to 2025, there is no limit to the capacity of rooftop solar power development provided that the prices are reasonable and the existing transmission network is not overloaded, particularly in the areas where power shortage is likely to occur.

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Danang Beach

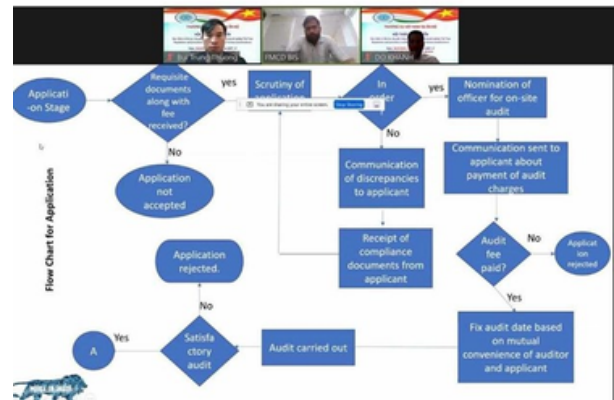


**Vietnamese enterprises offered insight into Indian standards certification**

The Vietnamese Trade Office in India and the Bureau of Indian Standards (BIS) on April 26 organised a webinar on BIS's regulations and certification procedures for foreign manufacturers, attracting the participation of more than 60 Vietnamese firms.

BIS certificates are necessary for both local and international producers to export goods to the Indian market, according to Vietnamese Trade Counselor Bui Trung Thuong. He added that the company's product range is growing to include numerous Vietnamese exports to India, including chemicals, toys, steel, shoes, tires, and synthetic fibers.

Speakers of the event, S. Venkatesh and P. Deshick from BIS's Foreign Manufacturers Certification Department said an important requirement for Vietnamese businesses is to have an authorized Indian representative (AIR), who must be Indian and represent only one manufacturing company.



At the webinar (Photo: moit.gov.vn)

The BIS certification will be valid for one or two years upon initial registration. After that, the business can apply for an extension of up to five years, based on the performance of the license.

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*Dragon Bridge, Danang*



## **Recovery of tourism leverages Viet Nam's economic growth: AmCham Chairman**

According to the Chairman of the American Chamber of Commerce in Viet Nam (AmCham) cum Chair of the AmCham Ha Noi Board of Governors John Rockhold, in the first three months of this year, tourism is a spotlight in the country's economic recovery, with 2.7 million foreign arrivals, 29.7 times higher than that of the same period last year.



Chairman of AmCham John Rockhold (photo: VGP)

Remarkably, the re-opening of China, Viet Nam's biggest source of foreign arrivals with 5.5 million arrivals in 2019, is expected to create a "strong push" for the Southeast Asian nation's tourism growth, in particular, and its economy, in general. Regarding the country's export orientations in the upcoming months of 2023 and beyond, John Rockhold said that farm product exports remain Viet Nam's advantages, particularly key export items such as seafood, shrimp and fruits.

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*Ho Chi Minh City Hall*

## **HCMC among fastest growing cities for super-wealthy: Henley&Partners**

Ho Chi Minh City, Viet Nam's economic engine, is among 10 major cities worldwide that have experienced especially strong wealth growth over the past decade (from 2012-2022). According to the leading international residence and citizenship by investment advisory firm Henley & Partners, the southern metropolis is emerging as Asia's next big millionaire hotspot.

Rapidly expanding sectors in the city include financial services, textiles, technology, electronics, telecoms, chemicals, and tourism, the firm highlighted. From 2010 to 2020, the city's economy grew 2.7 times and its GRDP doubled. Its GRDP expanded by 9.03 percent in 2022, announced the municipal Statistics Office.

All three main components of the city's economy reported a rise. Specifically, the agro-forestry-fishery sector improved by 3.74 percent, the industry-construction sector has surged by 12.92 percent and the service sector increased by 8.37 percent. These localities have average scores with 90 percent confidence intervals.

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## **Tra Vinh topped the Provincial Green Index rankings for 2022**

The Mekong Delta province of Tra Vinh topped the PGI rankings 2022, followed by Lang Son, Bac Ninh, Quang Ninh and Da Nang, according to the Provincial Green Index (PGI) released on April 11 by the Viet Nam Chamber of Commerce and Industry (VCCI) and the United States Agency for International Development (USAID).

PGI evaluates and ranks environmental quality in 63 provinces and cities from the perspective of enterprises, the application of environmentally friendly technology in enterprises, the environmental behavior of enterprises, and the level of willingness to invest in the environment in localities.

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*Tra Vinh, Vietnam*