



Vietnam Economic Bulletin

Embassy of the Socialist Republic of Viet Nam in India

JULY 2023

INDEX

1. Viet Nam remains ideal destination for global giants

2. Viet Nam jumped 12 places in the Economist Intelligence Unit (EIU)'s latest business environment rankings

3. Foxconn invests \$246 million in two new projects in Viet Nam

4. Viet Nam's economic growth to recover in H2

5. Electronic payment continues to flourish in Viet Nam

6. Means of transportation, parts, accessories export to \$13.7B this year

7. Viet Nam to approve extending tourist e-visas from 30 to 90 days

Viet Nam remains ideal destination for global giants

Despite a decline in global investment flows, Viet Nam remained an attractive destination for foreign companies, especially large-scale ones, experts have said.



Over the past five months of this year, foreign investment registered in the country reached nearly \$10.86 billion, up 10.6% month-on-month, according to the Ministry of Planning and Investment's Foreign Investment Agency (FIA).

Of the sum, more than \$5.26 billion was injected into 962 new projects, representing year-on-year increases of 27.8% in the value and 66.4% in the number, the agency said. Most notably, several leading Korean business groups, including Samsung, LG, and Posco, had initiated projects worth billions of dollars in Viet Nam.

[READ MORE](#)

Viet Nam jumped 12 places in the Economist Intelligence Unit (EIU)'s latest business environment rankings

Viet Nam jumped 12 places in the Economist Intelligence Unit (EIU)'s latest business environment rankings which measure the attractiveness of doing business in 82 countries with 91 crucial indicators. The report highlights that Viet Nam, along with Thailand and India, is considered the Asian country that has made the most progress in terms of business environment development.

In the first four months of 2023, FDI channeled into Viet Nam neared \$8.9 billion, with new capital surging after a slight decrease in the first three months. According to the Ministry of Planning and Investment's Foreign Investment Agency (FIA), there were 750 new projects granted with investment licenses worth over \$4.1 billion, up 65.2% and 11.1% annually, respectively.

A total of 386 projects had their capital added for a total of \$1.66 billion, a 19.5% increase in quantity and a 68.6% reduction in value against the same period last year. The growth, despite the associated decrease, reflected investors' confidence in Viet Nam's business climate and decisions to expand their existing projects.



[READ MORE](#)

8. Removing barriers, activating trade connection between Viet Nam and India

9. Viet Nam, Kerala to promote ties in tourism, trade

Foxconn invests \$246 million in two new projects in Viet Nam

Quang Ninh Province in Viet Nam recently approved two Foxconn projects totalling more than \$246 million in investment.



Foxconn Singapore Pte Ltd will carry out two projects, namely the Foxconn Quang Ninh FMMV factory and the FECV Foxconn Quảng Ninh factory. Both factories will be located in the Sông Khoai Industrial Park in the coastal economic zone Quảng Yên, Quảng Ninh.

The FECV Foxconn Quang Ninh plant project spans 6.3 hectares and has a total investment capital of more than VNĐ 4.7 trillion (\$197.8 million). The project aims to establish a factory specializing in the production and assembly of electrical accessories for electric vehicles. Meanwhile, the FMMV Foxconn Quảng Ninh plant project covers 4.1 hectares and has a total investment of roughly VNĐ 1.1 trillion (\$46.3 million). The factory is built to produce IT and communication products.

The recent announcement means Foxconn Group's total investment in Quảng Ninh province now spans to three projects, worth more than \$300 million.

[READ MORE](#)

Viet Nam's economic growth to recover in H2

According to Division Chief of the International Monetary Fund (IMF)'s Fiscal Affairs Department Paulo Medas, Viet Nam can return to high growth rates over the medium term, as structural reforms are implemented. Medas led an IMF team to Viet Nam from June 14-29 to hold discussions for the 2023 Article IV consultation with the country.

In an interview granted to the Viet NamPlus e-newspaper under the Viet Nam News Agency (VNA), he said that Viet Nam's economic growth is projected to recover in the second half of 2023, reaching around 4.7% for the year, supported by a rebound in exports and expansionary domestic policies. Inflation is expected to remain contained below the State Bank of Viet Nam's 4.5% ceiling.

According to him, the measures taken by the central bank and the government such as interest rate cuts, tax reduction, and public investment and spending expansion have helped soften the impact of external and domestic headwinds.



[READ MORE](#)

Electronic payment continues to flourish in Viet Nam



The trend of electronic and non-cash payments in the Vietnamese economy in 2023 continued to record growth of 52.35% in volume over the same period last year.

Data released in the beginning of July by the State Bank of Viet Nam (SBV) showed payment transactions via QR code are increasingly popular in Viet Nam while ATM transactions are decreasing in both quantity and value.

Accordingly, transactions via Internet channels in the first five months of 2023 increased by 75.54% in quantity and 1.77% in value and the rise for transactions via mobile channels rose by 64.26% in quantity and 7.65% in value. Notably, transactions via QR code surged by 151.14% and 30.41% in volume and value, while transactions via POS also increased by 30.35% and 27.27% in volume and value, respectively.

To promote the trend of electronic and non-cash payment, the SBV has continued to streamline the legal framework for payment activities and bank digital transformation. At commercial banks, investment activities for digital transformation and digital payment have been also increasingly promoted with updated applications of new versions. According to the SBV, some commercial banks have so far provided loans electronically and approved online lending documents.

[READ MORE](#)

Means of transportation, parts, accessories export to \$13.7B this year

Viet Nam is striving to earn \$13.7 billion from its export of means of transportation, auto parts, and accessories this year from last year's \$11.98 billion. The expectation for the record is based on the continuing growth of the export in the last 12 years with a relatively high yearly rate of 18.4% and the size of the export value in the first months of this year.

Vietnamese means of transportation, auto parts, and accessories have entered 43 markets all over the world thanks to their low prices, cheap labor, safety, and suitability to different needs.

Of the 43 export markets, there are 12 with export revenues exceeding \$100 million including Japan, the U.S., the Republic of Korea, Thailand, Canada, Indonesia, Italia, Singapore, Netherlands, China, Brazil, and Mexico. As many as 28 markets saw positive growth, particularly six posted increases of over \$50 million each, namely South Korea (up by \$152 million), Japan (\$95 million), Indonesia (\$82 million), Thailand (\$75 million), Brazil (\$62 million), and Canada (\$58 million).

In the first 5 months of 2023, the revenue from the export neared \$5.5 billion. From the beginning to June 15 of this year, means of transportation, parts, and accessories are among the few items that saw quite high export growth (up 14%) while the total export revenue of Viet Nam and 37 out of the 45 products have dropped.



[READ MORE](#)

Viet Nam to approve extending tourist e-visas from 30 to 90 days



In a related development, the National Assembly on June 24 approved extending tourist e-visas from 30 to 90 days, starting from August 15, 2023.

Upon being granted an e-visa, a foreigner can enter and exit an unlimited number of times within 90 days, without having to go through procedures for obtaining a new visa.

Citizens of countries that are unilaterally exempted from visas by Viet Nam will be granted visa-free entry for 45 days (up from 15 days) and can be considered for visa issuance and temporary residence extension according to regulations.

Such new policies are expected to help Viet Nam attract international visitors, especially during the peak season from September, and the country will likely surpass the goal of receiving eight million international tourists this year.

[READ MORE](#)

Removing barriers, activating trade connection between Viet Nam - India

Minister of Agriculture and Rural Development of Viet Nam Le Minh Hoan leads a delegation to India and attends the G20 Agriculture Ministerial Meeting on June 14 - 17. The purpose of this working trip is to emphasize efforts to maintain the growth rate of agriculture, forestry, and fisheries exports and diversify markets in the context of a slumping global market.

During a meeting with Minister of Commerce and Industry Piyush Goyal, the two parties discussed the challenges and barriers in bilateral agro-forestry-fisheries trade, trade relationship between India and ASEAN, the open market for agro-forestry-fisheries products, and the desire for Viet Nam to host the World Pepper Organization (IPC) Secretariat's headquarter from Jakarta, Indonesia to Ho Chi Minh City, Viet Nam.

Next, the delegation in collaboration with the Vietnamese Embassy in India and the Federation of Indian Chambers of Commerce & Industry (FICCI) co-held the Viet Nam – India Agribusiness Connection Forum. Minister Le Minh Hoan, speaking at the forum, urged enterprises of the two countries to connect to promote trade and investment in the field of agro-forestry-fisheries. The Minister also stated at the forum that Viet Nam wants to connect with and learn from Indian businesses in the application of science-technology and digital technology to develop Viet Nam's green, ecological, and sustainable agriculture.



[READ MORE](#)

Viet Nam, Kerala to promote ties in tourism, trade



Viet Nameese Ambassador to India Nguyen Thanh Hai said on July 04 that a new flight service linking Kerala with Viet Nam would commence on August 12, 2023. The Ambassador during talks with Chief Minister Pinarayi Vijayan also stated that the new service would prove beneficial for Viet Nam and Kerala in various spheres including trade, tourism, and people-to-people exchanges.