



Viet Nam Economic Bulletin

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Fitch Ratings optimistic about Vietnam's economic growth



- The credit ratings agency Fitch Ratings has forecasted Vietnam's GDP growth to accelerate to 6.3% in 2024 and 7.0% in 2025.
- Experts from the International Monetary Fund (IMF) also expressed their optimism about the medium-term prospects, with the national GDP growth predicted to reach 5.8% in 2024 and 6.9% in 2025.
- The 15th National Assembly (NA) on November 9 adopted a resolution on the socio-economic development plan for 2024, which sets a target of 6.0 - 6.5% growth in GDP for the year, as part of its ongoing sixth sitting.

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Vietnam sees 54% increase in FDI capital in 10 months

- Vietnam has licensed 2,608 new FDI projects in the first 10 months of this year, up 66.1% over the same period last year, with a total registered capital of over USD 15.2 billion, a sharp rise of 54% over the corresponding period in 2023.
- According to the Foreign Investment Agency under the Ministry of Planning and Investment, the total newly registered capital, supplemented capital, and foreign investors' capital contributions and share purchases reached over USD 25.76 billion in January-October, up 14.7% over the same period last year.
- FDI enterprises have invested in 18 out of 21 sectors with 73.1% of total FDI capital poured into the manufacturing and processing industry, equivalent to USD 18.84 billion. Real estate came in second, with a total investment capital of nearly USD 2.14 billion, accounting for 8.3% of total registered capital.

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Ha Noi ranks third in FDI attraction in ten months

- Ha Noi attracted over USD 2.6 billion in foreign direct investment (FDI) in the first ten months of this year, which made it the third largest destination of FDI in the country during the period. The city expects to attract about USD 484.8 million in the two remaining months of this year.
- The city will strive to get about USD 3.15 billion in FDI next year and about USD 2.7 billion in 2025.



- As the country is entering a period of deeper economic integration, Ha Noi considers the business community in general and FDI businesses in particular a key driver of the city's economic growth and integration.

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Viet Nam is among five economic 'connectors' in fragmenting world



- Viet Nam, along with Poland, Mexico, Morocco and Indonesia are five economic "connectors" in a fragmenting world, noted Bloomberg in an article. All of these five nations are benefiting from the reshuffling of supply chains in response to U.S.-China tensions. They are strategically positioned to capitalize on the shifting dynamics within global supply chains.

- These countries accounted for 4 percent of global GDP, but they have attracted more than 10 percent of so-called "green sector" investment since 2017, equivalent to US\$550 billion.

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Vietnam's digital economy grows fastest in Southeast Asia

- Vietnam will remain the region's fastest growing digital economy between 2023-2025, according to the 8th edition of the e-Economy SEA Report published on November 7 by Google, Temasek and Bain & Company.

- It will grow at 20% in two years, the same level as the Philippines, and followed by Thailand (17%), Indonesia (15%), Malaysia (14%), and Singapore (13%).



- The main contributors to Vietnam's digital economy include e-commerce which will grow 22% to reach 24 billion USD in 2025, online tourism (up 21% to 7 billion USD) and online media (up 15% to 7 billion USD).

- The country also records the fastest growth for digital financial services (DFS) in the region, the report said. Digital payments continue to grow in the country, driven by strong support from the Government, investment from commercial banks, and the popularity of QR codes.

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Maintaining the supply and quality of exported rice



- Vietnam exported about 7.1 million tonnes of rice in the first 10 months of 2023, equivalent to nearly USD 4 billion, up 17% in volume and 35% in value, compared to the same period in 2022, according to the Ministry of Agriculture and Rural Development. The Ministry of Industry and Trade forecasts that Vietnam will export about 8 million tonnes of rice in 2023, with a turnover of about 4.5 billion USD, the highest figure ever.

- It is forecast that export rice prices will continue to rise until the end of this year, due to economic, political and social fluctuations in the world, leading to the need to increase food reserves in many countries. Even traditional rice markets such as the Philippines, Indonesia and China continue to raise the amount of imported rice.

- Meanwhile, India's rice export ban may continue to persist because the country's 2023-2024 crop output is predicted to fall by 3% compared to the previous crop, equivalent to about 4 million tonnes of rice. This will be an opportunity for Vietnam to swell rice exports in the last months of 2023 and early 2024.

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Viet Nam becomes biggest cinnamon exporter



- As of late October, Viet Nam shipped 74,744 tons of cinnamon abroad, becoming the leading exporter of cinnamon globally, official data shows.

- The export volume rose 19.2 percent in comparison with the same period last year and brought home US\$220.3 million, down by 1.3 percent year-on-year.

- The top importers of Vietnamese cinnamon included India with 32,795 tons, up 4.7 percent, followed by the U.S. with 8,379 tons, up 11.2 percent, Bangladesh with 4,780 tons, up 25.7 percent, Brazil with 2,538 tons, up 30.6 percent, and Indonesia with 2,202 tons, up 75.7 percent.

- Viet Nam is the world's biggest cinnamon producer with around 180,000 hectares.

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Da Nang ranked most searched destination by Indian tourists

- The central city of Da Nang leads the top 10 searched destinations by Indian tourists with the strongest increase in total searches in recent years, up 1,141%, double that of the second-placed city, Almaty (Kazakhstan).

- According to the Da Nang City Department of Tourism, more than 95,000 Indian visitors travelled to Da Nang in the first nine months of 2023, accounting for nearly 50% of the total Indian visitors to Vietnam.



- According to Skyscanner's Travel Trends Report in India, Da Nang leads the top 10 destinations for Indian tourists with the strongest increase in total searches in recent years, up 1,141%, double that of the second-ranked city, Almaty (Kazakhstan).

- Indian tourists are highly interested in destinations with short distances and beaches to enjoy the sun and relax. Famous for its beautiful beaches, Da Nang tops the search list of Indian tourists, followed by Krabi (Thailand) and Mahe (Seychelles). The three factors that greatly influence Indian tourists' choice of destination for their 2024 vacation are food (71%), weather (65%), and cultural experiences (65%).

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Vietnam honoured as Asia's Best Spa Destination 2023 for the second time



- Vietnam has been honoured as Asia's Best Spa Destination 2023, by the World Spa Awards for the second time. Vietnam has surpassed many other candidates such as China, India, Thailand, Malaysia and Indonesia, to receive the title of Asia's Best Spa Destination 2023.

- This year, Spa Lagoon Villas at InterContinental Danang Sun Peninsula Resort (Da Nang City) won the World's Best Private Spa Villas 2023.

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