



Viet Nam Economic Bulletin

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Standard Chartered forecasts Viet Nam's GDP in the second Quarter to moderate to 5.3%



- Standard Chartered Bank forecasted Viet Nam's Quarter II (April-June) GDP growth to moderate to a still-strong 5.3% year-on-year, slowing from 5.7 in Quarter I.

- In the bank's latest macro-economic updates about Viet Nam, Standard Chartered economists expects retail sales growth to ease to 8.2% year-on-year in June from 9.5% in May. The bank predicted that export growth to ease to 14.2% year-on-year in June from 15.8% in May, and electronics exports to continue their year-to-date improvement. Imports and industrial production are likely to grow 26% year-on-year and 5.2% in June, respectively, slowing from 29.9% and 8.9% in May.

- Inflation may rise to 4.5% year-on-year in June from 4.4% in May, marking a third straight month above 4 percent. Education, housing and construction materials, health care and food have driven inflation recently. This trend may continue in the coming months, the economists added.

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GDP per capita likely to reach US\$4,500 by end of 2024



- The US' S&P Global Ratings forecasted Viet Nam's GDP per capita at about US\$4,500 at the end of 2024 and the nation's economic growth will pick up to 5.8 percent this year.

- In its report released on June 20, the agency predicted that over the next three to four years, Viet Nam's real GDP growth rate

will return to its long-term trend of 6.5-7 percent.

- The stable outlook reflects the agency's expectation that Viet Nam's economy will accelerate over the next 12 months as global demand picks up and the country gradually resolves its domestic challenges. The country has also emerged as a top destination for diversification for global firms operating in the region.

- Viet Nam has actively enhanced market access via bilateral and multilateral free trade initiatives, including the Comprehensive and Progressive Agreement

raise tourism GDP share to around 14% by 2030

13. Viet Nam enters Asian travelers' top places to beat heat

for Trans-Pacific Partnership, European Union-Viet Nam Free Trade Agreement, and Regional Comprehensive Economic Partnership.

- Viet Nam's GDP size was estimated at US\$433.3 billion in 2023, ranking fifth in Southeast Asia, according to the latest figures released by the International Monetary Fund (IMF). Last year, the nation's economy expanded 5.05 percent and GDP per capita reached US\$4,284, US\$174 higher than in 2022.

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Trade value exceeds US\$303 billion in first five months



- Viet Nam's trade with the rest of the world reached US\$303.94 billion in January-May period, up 16% year on year, according to the General Department of Viet Nam Customs.

- The above figure included US\$156.28 billion in export turnover, up 14.9% or US\$20.23 billion from the same period last year.

- Exports of the FDI sector rose 22% in the second half of May to US\$12.66 billion, raising the sector's total export volume in the first five months to US\$111.93 billion, an increase of 13.1% (or US\$12.95 billion).

- Viet Nam's import value was estimated at US\$15.18 billion in the second half of May, down 12.1% or US\$2.09 billion against the first 15 days of May.

- In the first five months, the total imports reached US\$147.67 billion, up by 17.3%, or US\$ 21.77 billion, from the same period last year.

- The Southeast Asian country ran a trade surplus of US\$2.38 billion in the second half of May and US\$8.61 billion in January-May period.

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Government targets to keep inflation below 4.5% this year

- The Government has reassured its resolve to keep inflation rate at around 4-4.5 percent this year, according to Resolution 93/NQ-CP issued on June 18, 2024. The move was made as the consumer price index in the first five months increased 4.03 percent from the same period last year. The Government also remains steadfast with the GDP growth goal of 6-6.5 percent capped by the National Assembly.

- To realize the above goals, the Government tasked ministries and agencies to renew the traditional growth drivers (investment, export and consumption), while promoting new growth engines such as regional connectivity, digital economy, green economy, circular economy, and innovation, along with emerging industries such as semiconductors and Artificial Intelligence (AI).

- They were also tasked to promptly submit decrees guiding the implementation of new laws on land, housing, real estate business, and credit organizations.

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Rice export turnover increases by 38% in January-May

- In the first five months of 2024, Viet Nam exported nearly 4.2 million tons of rice, worth nearly US\$2.7 billion, up almost 15% in volume and over 38% in value compared to the same period last year, according to the Ministry of Agriculture and Rural Development (MARD).



- The Viet Nam Food Association (VFA) said that Viet Nam's rice exports have continuously increased sharply recently because of increased food demand in many countries worldwide after India (the world's leading rice exporter) banned the export of regular rice.

- Main markets such as the Philippines, Indonesia, China, and Ghana increased their Vietnamese rice purchases. Especially in the Philippines, Vietnamese rice currently accounts for more than 80% of the import market share of this product. Viet Nam's rice export to this country has reached one million tons and is likely to exceed four million tons this year.

- In 2024, Viet Nam aims to gain US\$5 billion from exporting rice, US\$300 million higher than in 2023. With a result of US\$2.7 billion in the first five months of the year, rice exports for the whole year will undoubtedly exceed the set target.

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Export of mobile phone and spare parts surges in May



- Overseas shipment of mobile phone and spare parts earned over US\$4.4 billion in May, representing a year-on-year increase of 50.6%, according to the General Statistics Office (GSO).

- In the first five months, export turnover of mobile phones and spare parts exceeded US\$22.5 billion, up 11.6 % against the same period last year.

- As of late April, the U.S. was the biggest buyer of mobile phones and spare parts produced in Viet Nam with total turnover of over US\$3.8 billion, up 21% against the same period last year.

- The other main importers include China with over US\$3.4 billion, South Korea with US\$1.1 billion.

- According to market research firm Statista, Viet Nam's mobile phone and spare part market was projected to reach US\$ 4 billion this year with a compound annual growth rate of 1.45 percent from 2024 to 2028.

- In 2024, smartphone sales in the country is forecast to reach 21.4 million units.

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Aquaculture export turnover may hit US\$4.4 billion in the first half of 2024

- Aquatic export turnover is expected to reached US\$4.4 billion in the first six months this year, a year-on-year increase of 6%, according to the Viet Nam Association of Seafood Exporters and Producers (VASEP).



- In the first five months, aquaculture exports earned nearly US\$3.6 billion, up 6% against the same period last year. Specifically, key exports including squids, octopus and fish declined by 1% and 3% respectively. Meanwhile, shrimps and catfish saw slight increases of 7% and 4%. Crab export turnover posted the highest growth rate of 84%.

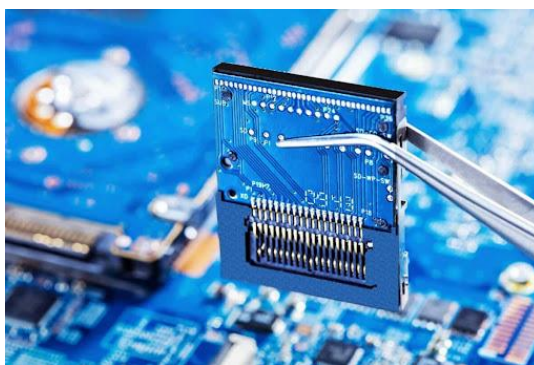
- Of the top 4 export markets, only the U.S. market grew 7%. The rest including China, Japan, and the EU were stable. Shipment to South Korea grew slightly at 2%.

- So far, the aquaculture sector is coping with anti-dumping measures on shrimps, catfish share shrinks amid stiff competition in the global market and the IUU yellow card warning.

- VASEP forecast that aquaculture export would bounce back in the third quarter as demands will go up at year end. The Ministry of Agriculture and Rural Development (MARD) lowered its target for seafood export value for 2024 to US\$9.5 billion from its previous projection of US\$10 billion.

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Viet Nam seeks greater role in multi-billion semiconductor market



- Viet Nam accounted for 10% of semiconductor chip exports to the U.S. in the 12 months ending this February, ranking third after Malaysia and Taiwan.

- The chip industry's revenue from the U.S. market rose by 74.9% during the period, from \$321.7 million in February 2022 to \$562.5 million this February, according to a report by the Ministry of Information and Communications.

- Viet Nam is also among the countries with the highest growth rate of chip exports to the U.S., alongside Thailand, India and Cambodia, said the ministry.

- Viet Nam has attracted roughly 40 international companies in the semiconductor chip industry from the U.S., Korea, Japan, Taiwan, and the Netherlands.

- Alongside this influx, domestic players like Viettel and FPT have begun

operations, building a well-rounded foundation for the sector.

- The Government set target to train 50.000 engineers for the industry by 2030 and it has called on major global tech giants like Samsung and Intel to join this process. The Ministry of Science and Technology supports programs that foster international technology transfer and train domestic experts in advanced microchip hardware design and manufacturing, ensuring Viet Nam develops the necessary human capital to sustain its ambitions.

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Viet Nam jumps two spots in global startup ecosystem rankings



- According to "Global Startup Ecosystem Index 2024", Viet Nam's startup ecosystem index has regained positive growth, jumping two spots, from 58th to 56th, in the global startup ecosystem index 2024, according a report published by StartupBlink.

- Viet Nam's startup ecosystem continues to hold the 5th position in Southeast Asia and is ranked 12th in the Asia-Pacific region. Meanwhile, the Southeast Asian nation stands 31st globally in terms of the number of startups.

- Viet Nam's startup ecosystem in the first months of 2024 has achieved significant successes, attracting a lot of capital in various areas including e-commerce, financial technology, food technology, business solutions and information technology services.

- The central city of Da Nang joined the top 1.000 cities with the highest startup ecosystem index globally for the first time, ranking 896th, along with Ho Chi Minh City (111th) and Ha Noi (157th).

- In Southeast Asia, Ho Chi Minh City and Ha Noi maintain their positions at 6th and 7th respectively, while Da Nang ranks 22nd. Besides, Ho Chi Minh City and Ha Noi are also ranked 2nd and 7th in Southeast Asia and both are in top 100 globally in terms of the startup ecosystem index.

- The free trade agreements with the EU, the UK, and many Asia-Pacific countries also enhance Viet Nam's appeal to foreign investors. Viet Nam can leverage these advantages to become a regional and global manufacturing hub.

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Binh Dinh promotes investment, trade cooperation with India

- Viet Nam's south central coastal province of Binh Dinh held a conference on June 25, 2024 to promote investment, trade and tourism with Indian partners. Speaking at the event, Binh Dinh Party Secretary Ho Quoc Dung said the province is striving to become an important centre for science-technology, innovation and artificial intelligence in Viet Nam.



- He noted the influence of Indian culture on Champa relics in Binh Dinh as an

attractive point for Indian investors and visitors which is expected to deepen the cooperation between the Vietnamese locality and Indian partners.

- According to Deputy Minister of Planning and Investment Do Thanh Trung, Binh Dinh Province has recorded many improvements in its investment climate. He stated that the ministry is willing to support Binh Dinh to translate its ideas and its determination for development into reality. Trung also pledged to create all favourable conditions for Indian businesses to make successful long-term investments in Binh Dinh Province.

- For his part, the Indian Consul General in Ho Chi Minh City highlighted the strong growth of India - Viet Nam bilateral trade as well as Viet Nam's advantages, which include the country's close proximity to China and its participation in many free trade agreements.

- India currently ranks 25 among 146 countries and territories investing in Viet Nam, with total registered capital of 1.02 billion USD.

- Concluding the conference, Binh Dinh Party Secretary Ho Quoc Dung expressed his hope that Indian investors will soon carry out their investment projects in the province.

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VinFast named among world's 100 most influential companies in 2024



- Electric vehicle maker VinFast became the first Vietnamese company to be listed in the "TIME100 most influential companies 2024, alongside Google, Microsoft, and Amazon.



- The U.S.-based TIME Magazine said Vinfast has made a global impact in the EV industry due to the lightning pace of construction of its factory in just 21 months. According to TIME, VinFast has bold plans ahead as it strives to triple vehicle delivery in 2024 to 100,000. The company is headed by Viet Nam's richest man, Pham Nhat Vuong who is one of six Vietnamese billionaires

on Forbes 2024 list.

- VinFast is also in the process of opening factories in North Carolina, Indonesia, and India. Established in 2017, VinFast is the first Vietnamese car brand to expand into global markets as well as the first to expand into producing electric vehicles (EV) such as electric cars and electric scooters.

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Government targets to raise tourism GDP share to around 14% by 2030

- The Government targets to lure 25-28 million foreign arrivals by 2025 and 35 million by 2030, according to its latest master plan on tourism system for 2021-2030, vision to 2050. The first five months of 2024 saw 7.6 million foreigners visit Viet Nam, up 64.9% year on year. In 2024, the nation's tourism aims to welcome 18 million international visitors, and 110 million domestic tourists. The Government set the target to turn Viet Nam in to an attractive tourist destination by 2025. By 2030, tourism is expected to become a truly spearhead economic sector towards green growth.

- Tourism is projected to directly contribute 8-9% and 13-14% to the country's gross domestic product (GDP) by 2025 and 2030, respectively. The sector will create about 6.3 million jobs, including 2.1 million direct jobs by 2025 and 10.5 million jobs, including 3.5 million direct ones by 2030. Remarkably, by 2030, 100% of tourist areas and destinations, tourist accommodation establishments and other coastal service businesses will not use single-use plastic products and non-biodegradable plastic bags.



- Viet Nam expects to attract 70 million international arrivals and to increase tourism sector's GDP share to 17-18 percent by 2045.

- In 2023, Viet Nam continued to win many awards from the World Tourism Organization, including the World's Leading Heritage Destination title for the fourth time and the World's Leading Heritage Destination for the fifth time.

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Viet Nam enters Asian travelers' top places to beat heat



- Viet Nam was named in the list of Asian travelers' top places to beat heat, according to Japanese daily Nikkei Asia.

- Nikkei Asia shared that many Asian people, especially those who have smaller budgets, are focusing on cool spots within the continent such as Sa Pa in northern Viet Nam, which is a premier trekking hot spot that offers lush greenery and the chance to meet people from the country's hill tribe minorities.

- Top 10 destinations to beat the summer heat in Viet Nam are Sa Pa, Y Ty, Mau Son, Hoang Su Phi, Tam Dao, Pu Luong, Mooc Stream, Ba Na Hills, Bach Ma National Park, and Da Lat.

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