



Viet Nam Economic Bulletin

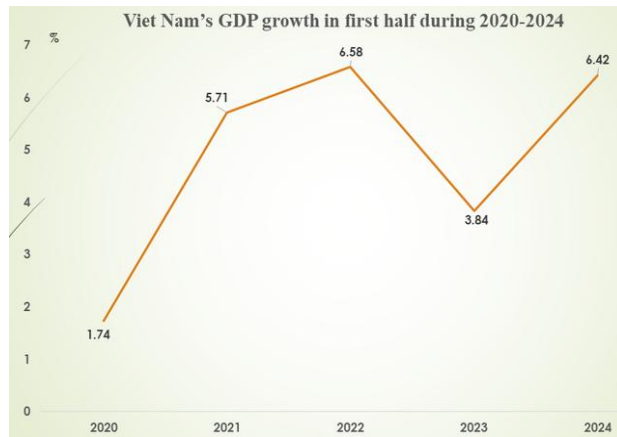
Embassy of the Socialist Republic of Viet Nam in India

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Viet Nam's GDP growth accelerates to 6.42% in January-June



- According to the General Statistics Office (GSO), Viet Nam's GDP expanded by 6.42% year-on-year in the first half of this year. In comparison with the figures recorded in the same period during the 2020-2024 period, the above growth pace is only lower than the first half of 2022. Viet Nam's GDP growth accelerated to 6.93% in the second quarter (April-June 2024) from 5.66% in the previous quarter (January-March 2024).

- Specifically, the agro-forestry-fishery sector grew by 3.38%, contributing 5.96% of the country's GDP; industry and construction up 7.51%, accounting for 44.28%; and service sector up 6.64%, making up 49.76%.

- Regarding the structure of the economy during the first half of the year, agriculture, forestry and fishery made up 11.55%; industry and construction accounted for 36.44%; and the service sector represented 43.35%.

- In terms of GDP use during this period, the final consumption rose by 5.78% against the same period last year; accumulated assets grew by 6.72%; goods export and service up 16.89%; and goods import and service up 16.95%.

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ADB maintains Viet Nam's economic growth at 6% this year

- The Asian Development Bank (ADB) maintains Viet Nam's GDP growth projections at 6% in 2024 and 6.2% in 2025.

- ADB Country Director for Viet Nam Shantanu Chakraborty said, the first half of 2024 was quite impressive, mainly driven by strong trade recovery, where export grew by 14.5% and import by 17% over last year. However, the domestic segment remained sluggish, with final consumption growing by only 5.8%.



13. Three Vietnamese resorts among Southeast Asia's best resorts

- According to the ADB Country Director, Viet Nam can maintain its growth momentum in 2024 through sustained trade recovery in export-led manufacturing and positive inflows of foreign direct investment (FDI) and remittances, while making more efforts for growth restoration in services, stable agriculture production, and domestic consumption recovery.

- Inflation is also expected to remain benign at 4 percent in both these years, despite persistent pressure from geopolitical tensions and disruptions in global supply chains.

- Though the economy is expected to post a solid growth this year and growth at a slightly higher pace next year, several external downside risks could slow down Viet Nam's momentum. The risks include softened global demand caused by slow economic recovery among its trading partners and continued geopolitical tensions, both of which would slow down the recovery of Viet Nam's export-led growth; and lower pace of normalization of interest rates in the U.S. and other advanced economies, which would continue to put pressure on the exchange rate.

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Budget revenue increases by over 15% despite tax deferrals in January-June

- According to the General Department of Taxation State, budget revenue saw a year-on-year increase of 15.3% in the first six months and was estimated to reach over VND 865 trillion in spite of nearly VND 40 trillion of tax deferrals. -



- In the January-June period, budget revenue outstripped 59.2% of the annual forecast. Tax revenue for the first six months of this year was substantial, with 12 out of 21 revenue categories and 30 out of 63 localities surpassing 55 percent of their targets. According to the Ministry of Finance, budget revenue in 2024 is estimated at VND 1,700.99 trillion.

- Specifically, revenue from crude oil was estimated at VND 29.7 trillion, meeting 64.5% of the target and representing 95.2% of the same period last year. Domestic revenue was estimated at VND 835.6 trillion, reaching 58% of the target and 116.2% year-on-year. Domestic taxes and fees increased by 12.1% compared to the same period last year.

- In 2024, total tax deferrals and land rent deferrals, including VAT, corporate income tax, personal income tax, and special consumption tax on domestically produced or assembled cars, are projected to reach approximately VND 92.5 trillion.

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Trade value reaches over US\$ 368 billion in first half



- Viet Nam's trade with the rest of the world hit US\$ 368.53 billion in the first half of this year, with trade surplus reaching US\$11.63 billion.

- June's exports were estimated at US\$ 33.09 billion, up 10.5% over the same period last year, pushing the total export value in the first half of this year to US\$ 190.08 billion, a year-on-year rise of

14.5%.

- In June, Viet Nam imported US\$ 30.15 billion worth of products, a rise of 13.1% year on year, raising the total import turnover in the January-June period to US\$ 178.45 billion, up 17% over the same period last year.
- Production materials were the major imports in the six-month period with a value of US\$167.73 billion, accounting for 94 percent of the total imports.
- During the reviewed period, the U.S. remained the biggest export market of Viet Nam with US\$ 54.3 billion while China continued to be the nation's largest import market with estimated revenue of US\$ 67 billion.

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Export value of agro-forestry-aquatic products up 19% in first half



- Viet Nam earned US\$29.2 billion from exporting agro-forestry-aquatic products during the January-June period, a year-on-year increase of 19%, and is expected to hit US\$ 54-55 billion for the whole year.
- According to the Ministry of Agriculture and Rural Development, the sector's trade surplus during the six-month span surged 62.4% against the same time last year to around US\$ 8.28 billion.
- Seven products and groups of products posting an export turnover of over US\$ 1 billion each included coffee, rubber, rice, fruits and vegetables, cashew nuts, shrimp, wood and wooden products.
- During the reviewed period, most of Vietnamese agro-forestry-aquatic exports were destined to Asia (US\$ 13.9 billion), America (US\$ 6.6 billion) Europe (US\$ 3.7 billion), Africa (US\$ 565 million), and Oceania (US\$ 405 million), with the U.S., China and Japan being the largest purchasers.

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Viet Nam is fastest-growing e-commerce market in Southeast Asia in 2023



- Viet Nam was the fastest-growing e-commerce market in Southeast Asia in 2023, with the total gross merchandise value (GMV) worth US\$ 13.8 billion, an increase of 52.9% year-on-year.

- According to Momentum Works "E-commerce in Southeast Asia 2024" report released on Monday, Viet Nam also overtook the Philippines

as the third largest e-commerce market in the region.

- Total GMV of Southeast Asia's 8 leading e-commerce platforms rose to US\$ 114.6 billion in 2023, up 15% from 2022. Indonesia remained the largest e-

commerce market, contributing 46.9% of the region's GMV. Its growth rate of 3.7% was the most modest in the region.

- The report also showed Shopee achieved US\$ 55.1 billion GMV in 2023, retaining its 48% market share. Lazada and Tokopedia clocked US\$ 18.8 billion and US\$ 16.3 billion respectively. TikTok Shop nearly quadrupled its annual GMV to US\$ 16.3 billion. After taking over Tokopedia, TikTok Shop has become the second largest e-commerce platform in Southeast Asia.

- The report also identified four key trends in Southeast Asia's e-commerce industry, including live commerce which is leading live selling key opinion leaders (KOLs) in Viet Nam, Thailand and Indonesia have achieved multi-million dollar sales in single live sessions.

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Viet Nam likely to become world's new semiconductor hub

- Viet Nam's semiconductor industry is forecast to see the compound annual growth rate (CAGR) of 11.6% between 2023 and 2027, reaching US\$ 31.28 billion by 2027, according to Statista Market Insights. Integrated Circuit dominates the semiconductor market with a projected market volume of US\$ 16.44 billion in 2024.

- Viet Nam is home to nearly 30 data centers, accounting for less than 1% of world's total number.

- The Southeast Asian nation targets to train 50,000 engineers between now and 2030 to embed itself further into the global chip supply chain.

- The country was well-positioned to play a role in all three stages and gains the interest of foreign investors by offering more incentives related to power supply, land, and manpower.

- Last September, Viet Nam and the U.S. signed a Memorandum of Understanding on cooperation in semiconductor supply chain and human resources training.

- Many leading semiconductor groups of the U.S. have committed to investing in the semiconductor industry of Viet Nam, including Intel, Amkor, Marvell and GlobalFoundries. Ten years ago, Intel opened its over-one-billion-dollar assembly and testing plant in HCM City. Now, Amkor Technology follows suit with another plant in Bac Ninh Province, which began operation last month. Samsung also plans to begin making semiconductor parts in Viet Nam. The production of its flip-chip ball grid array, a surface-mount packaging technology used for integrated circuits, is expected to kickstart later this year.

- It is worth noting that Viet Nam is rich in rare earth metals (REM), which play a vital role in chip manufacturing.

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Viet Nam potential to become a major logistics hub



- Viet Nam has enormous potential to emerge as a global and regional logistics hub, said President of International Federation of Freight Forwarders Associations (FIATA) Turgut Erkeskin during his meeting with Vietnamese Prime Minister Pham Minh Chinh in Ha Noi on July 9th, 2024.

- Prime Minister Pham Minh Chinh praised FIATA's ongoing support for the Viet Nam Logistics Business Association

(VLA) in hosting the FIATA World Congress 2025 in Ha Noi; briefed the FIATA President about Viet Nam's robust logistics sector performance, citing an average annual growth rate of 14-16%. Specifically, Viet Nam's trade with the rest of the world reached nearly US\$ 700 billion in 2023; and spoke highly of FIATA's role in narrowing down the gaps between the Viet Nam Logistics Association and the global logistics community.

- President of FIATA expressed his belief that the Vietnamese Government, ministries and agencies will actively contribute to the success of the FIATA World Congress 2025, and highly spoke of Viet Nam's logistics development strategy for the 2025-2035 period with a vision to 2045, especially its focus on digital transformation, green transition, and achieving net-zero emissions by 2050.

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Viet Nam remains important investment destination in medium, long terms



- Viet Nam remains an important investment destination in the medium and long terms amid the ongoing global supply chain restructuring, according to the Ministry of Planning and Investment (MPI).

- Since the beginning of this year, Viet Nam attracted nearly US\$ 15.2 billion in foreign direct investment (FDI), representing a year-on-year increase of 13.1%. Both new investments and capital investment adjustment saw a year-on-year increase of 46.9% and 35%, respectively. Meanwhile, the amount of FDI disbursement hit US\$10.84 billion, representing a year-on-year increase of 8.2 percent.

- The quality of investment projects has improved considerably as seen in the new investments in and expansion of large-scale projects in the fields of semiconductor, energy, electronics, and products with high added value.

- Investment capital was mostly channeled into the localities with such advantages as good infrastructure, stable human resources, improvements in administrative reforms, and dynamic investment promotion. These localities include Bac Ninh, Ba Ria - Vung Tau, Quang Ninh, Ha Noi, Hai Phong, Ho Chi Minh City, and Dong Nai.

- The majority of investment came from traditional Asian partners like Singapore, Japan, Hong Kong, South Korea, and China.

- The ministry pointed out three factors for Viet Nam to sustain a positive pace of FDI attraction. Firstly, Viet Nam is playing an important and increasingly reinforced role in the supply chain diversification strategy of multinational companies. Secondly, the economy recovered more positively this year as evidenced by quarterly GDP growth rates. Thirdly, domestic and foreign financial institutions affirmed that Viet Nam has advantages in keeping steady macroeconomic growth.

- Besides, Viet Nam also holds potential for investing in many pioneering industries. The renewable energy sector is grabbing investors' interest, with a focus on clean energy sources such as solar and wind power to enhance the electricity supply sustainability, according to the MPI.

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Number of millionaires almost doubles in decade

- Viet Nam experienced the fastest growth in millionaires globally between 2013 and 2023, with a 98% increase in the number of individuals with a net worth of over US\$ 1 million.



- Emerging economies like Viet Nam, China, and India have seen the fastest growth rates, according to a recent report by global wealth intelligence firm New World Wealth and Swiss investment consultancy Henley & Partners.

- As of the end of last year, Viet Nam had 19,400 millionaires, marking a 98% increase over the past decade. The Southeast Asia country has 58 centi-millionaires or those who have at least US\$100 million, and six billionaires.

- Viet Nam's economy has shown impressive growth during the evaluated period, except 2020 and 2021 due to the impacts of the COVID-19 pandemic. As the pandemic was brought under control in 2022, the economy rebounded with a GDP growth of over 8% - the highest expansion in over a decade, noted the report. Average income nearly doubled during the same 10 years, from US\$1,960 in 2013 to US\$4,284 in 2023, reflecting the dynamic nature of the economy.

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Vietnamese and Indian businesses promote trade connections

- A conference was held in Ho Chi Minh City on July 18 to promote the trade connection between Indian and Vietnamese firms in mechanics, electricity, electronics, digital technology, and energy. The event, was held by the Consulate General of India in Ho Chi Minh City, the Confederation of Indian Industry (CII), the Ho Chi Minh City Investment & Trade Promotion Centre, and the City Association of Mechanical-Electrical Enterprises (HAMEE).

- At the conference, the delegates noted that the comprehensive strategic partnership between Viet Nam and India has achieved impressive results in several areas, especially in trade.

- According to statistics, trade exchanges between the two countries have increased more than 60 times, from 200 million USD in 2000 to over 14.3 trillion in 2023, making India Vietnam's 8th largest trading partner. The bilateral import-export turnover in the first six months of 2024 was estimated to reach 7.18 billion USD.

- The mechanics, electricity, electronics, digital technology, and energy sectors are among the largest import-export industries between the two countries. Both Vietnam and India are focusing on developing these industries.

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Hoi An named among 25 best destinations worldwide: Travel+Leisure

- Hoi An City in the central province of Quang Nam was ranked fourth in the list of the 25 best destinations worldwide by the renowned travel magazine Travel+Leisure.

- Hoi An is the only city in Viet Nam to make the list, achieving an impressive

score of 90.67 points. Experts have praised this ancient town as a paradise for food enthusiasts, particularly known for its "banh mi" and "cao lau". It is also a haven for history lovers, boasting remarkable ancient architecture.

- Recognized by UNESCO as a World Cultural Heritage site, Hoi An is celebrated as one of the most bustling and prosperous trading ports from centuries past. The town's picturesque streets are adorned with yellow and brown ancient houses and illuminated by vibrant lanterns.



Hoi An is also famed for its unique Japanese Covered Bridge and various historical temples and shrines, such as Ong Pagoda, Ong Dia Shrine, Son Pho Temple, and Ngu Hanh Hy Hoa Shrine.

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Three Vietnamese resorts among Southeast Asia's best resorts

- Three Vietnamese resorts were listed among the best resorts in Southeast Asia in the annual "World's Best Awards" survey for 2024 by U.S. travel magazine Travel+Leisure.



- They are Alma Resort (1st) in Cam Ranh of the central province of Khanh Hoa, New World Phu Quoc Resort (4th) in Phu Quoc Island of the southern province of Kien Giang and Hyatt Regency Da Nang Resort & Spa (5th) in the central city of Da Nang.

- A 30-hectare stunner on Cam Ranh Peninsula, Alma Resort not only holds the title of best hotel in Southeast Asia, but also one of the best in Asia and the world, noted Travel+Leisure.

- Alma Resort was ranked second in the list of the 25 best resorts in Asia and 9th in the list of the world's most favorite resorts.

- Viet Nam welcomed more than 8.8 million international visitors in the first half of 2024, a year-on-year increase of 58.4% and up 4.1% compared to the same period in 2019.

- At present, Viet Nam unilaterally waives visa requirements for citizens from 13 countries: Germany, France, Italy, Spain, the UK, Russia, Japan, South Korea, Denmark, Sweden, Norway, Finland, and Belarus. They can stay up to 45 days from the date of entry, regardless of passport types and entry purposes.

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