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## **Vietnam stands to gain significantly from digitalization and green transformation initiatives**

The International Monetary Fund (IMF) anticipates that Vietnam stands to gain significantly from digitalization and green transformation initiatives, according to Krishna Srinivasan, Director of the IMF's Asia and Pacific Department.

Speaking at a press conference in Washington D.C on April 18, Srinivasan highlighted Vietnam's potential for economic growth, projecting an expansion of around 6.5%. This optimistic outlook is fueled by various factors, including substantial foreign direct investment, ongoing efforts to enhance the business environment, and infrastructure development.

In the second half of 2023, Vietnam, along with other emerging Asian economies like Malaysia, the Philippines, and notably India, experienced stronger-than-expected growth, primarily driven by robust domestic demand.

The region as a whole saw growth of 5.0% in 2023, surpassing the IMF's previous projection of 3.9% in 2022. Looking ahead, the IMF expects Asia to contribute approximately 60% of global growth, with a forecasted growth rate of 4.5% in 2024.

Srinivasan emphasized the importance of tailored growth strategies for individual countries. In China and India, investment is expected to play a significant role in driving growth, while in emerging Asian economies outside these two giants, robust private consumption will remain the key growth driver.

Regarding monetary policy, Srinivasan advised governments to prioritize fiscal consolidation to control the rise in public debt and rebuild fiscal buffers. This approach is crucial for maintaining economic stability and sustainability amidst evolving global economic conditions. VNA

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## Binh Duong aims to become logistics hub in southern region

As a pivotal industrial center accounting for approximately 10% of Vietnam's total export value, Binh Duong Province in the south aims to ascend as a prominent logistics hub for the region.

Assoc. Prof. Dr. Ho Thi Thu Hoa, President of the Vietnam Logistics Research Institute, underscores Binh Duong's inherent advantages, citing its robust infrastructure and array of industrial parks as propellants towards regional logistics prominence.

Director of World Trade Centre (WTC) Binh Duong, Huynh Dinh Thai Linh, echoes this sentiment, highlighting the emergence of a comprehensive logistics ecosystem within the province, marked by expansive logistics centers, river ports, and storage facilities catering to import-export activities.

Vice Chairman of the provincial People's Committee, Nguyen Van Danh, emphasizes Binh Duong's strategic position as the southern gateway to Ho Chi Minh City, coupled with its industrial prowess and well-planned urban infrastructure. These factors converge to position Binh Duong as a nucleus for industrial support services, scientific advancements, and economic vitality across the southern region.

Binh Duong has already laid the groundwork for its logistics aspirations, boasting a network of 15 large-scale logistics centers, complemented by river ports, warehouses, and bonded facilities. This infrastructure buttresses industrial activities within the province while facilitating seamless distribution to neighboring regions.

Looking ahead, Binh Duong envisions Song Than international intermodal station in Di An city as a linchpin in its logistics ambitions. Chairman Vo Van Minh has urged the government to inject capital into transforming this station into the preeminent freight hub in the South, envisioning it as a pivotal node connecting provinces and cities in the southeastern region.

Once completed, Song Than station is poised to handle a staggering 3.5 million tonnes of goods annually by 2025-2030, cementing its status as the cornerstone of Vietnam's railway logistics network. VNA

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## Encouraging sustainable practices in Vietnam's E-commerce sector

As Vietnam's e-commerce industry experiences rapid growth, urgent action is needed to address its environmental impact, particularly concerning plastic waste. A recent report by the Vietnam E-Commerce Association highlights the detrimental effects of e-commerce's plastic packaging on the environment, driven by the sector's staggering 25% annual growth rate.

In 2023 alone, an estimated 332,000 tonnes of packaging were consumed in e-commerce, with plastic accounting for a significant portion. If left unchecked, plastic waste from e-commerce is projected to soar to 800,000 tonnes by 2030, exacerbating environmental concerns.

Popular packaging materials like carton boxes and plastic bags dominate the sector, with plastic packaging particularly prevalent in the clothing, fashion, and accessories industry. The affordability and lightweight nature of plastic make it a favored choice for sellers, despite its adverse environmental impact. Compounding the issue is the lack of regulations on environmental standards for e-commerce packaging and low rates of recycling.

To foster a transition towards a circular economy in e-commerce, concerted efforts are needed from state agencies, consumers, businesses, and logistics providers. Nguyen Huu Tuan from the Vietnam E-Commerce and Digital Economy Agency emphasizes the importance of developing policies to promote green e-commerce practices and prioritize the use of recycled materials in packaging. Furthermore, incentivizing sellers to adopt eco-friendly solutions and raising awareness among stakeholders are crucial steps in mitigating the environmental footprint of e-commerce.

By implementing comprehensive policies and fostering collaboration across the e-commerce ecosystem, Vietnam can pave the way for a more sustainable and environmentally responsible future for its burgeoning online retail sector. VNS





## Vietnam to adopt of rooftop solar power systems in industrial parks

The Vietnamese government is accelerating the adoption of rooftop solar power systems in industrial parks (IPs) to enhance competitiveness and drive sustainable development. Deputy Prime Minister Tran Hong Ha has tasked the Ministry of Industry and Trade (MoIT) with developing policies and decrees to encourage rooftop solar development in homes, offices, and IPs, emphasizing transparency and openness in implementation.

Major corporations like Foxconn, Samsung, and LG are leading the charge by installing rooftop solar systems for their factories, aligning with global commitments to net-zero emissions. CME Solar, a key player in the rooftop solar market, is facilitating the transition for various domestic and foreign-invested groups, including those in the electronics, textile, and garment industries.

The push for rooftop solar aligns with Vietnam's goal for 80% of factories to adopt such systems by 2050. Despite progress, only 8% of industrial and commercial roof areas are currently utilized for solar energy production, highlighting untapped potential.

The transition to renewable energy is crucial for IPs to remain competitive and sustainable, especially given international market demands and commitments to sustainable development. With green energy becoming a key factor in Vietnam's economic landscape, incentives and regulations are needed to accelerate rooftop solar adoption and ensure environmental responsibility in the process. VIR

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## The consumer price index in April inched up 0.07%

According to the General Statistics Office (GSO), April witnessed a marginal uptick in the Consumer Price Index (CPI), rising by 0.07% compared to the previous month and marking a 4.4% increase year-on-year. The escalation was primarily driven by a surge in petroleum prices.

Of the 11 main categories of consumer goods and services, eight experienced price hikes, with transportation costs notably expanding by 1.95% due to a 4.78% increase in domestic petrol prices and a 2.01% rise in diesel prices. Aviation transportation costs surged by 10.42% amid heightened travel demand during the five-day holiday period beginning April 27.

Additionally, the prices of drugs and medical services edged up by 0.92% due to seasonal variations and the emergence of disease-causing viruses.

Other commodities and services that experienced price increases include beverages and tobacco, garments, housing and building materials, household appliances, culture-entertainment-tourism services, and other goods and services.

Conversely, the prices of food and catering services, postal and telecommunications services, and education witnessed declines.

The domestic gold price index saw fluctuations in line with global gold prices, with April recording a 6.95% increase compared to the previous month and a notable 28.62% rise over the same period last year.

Core inflation in April surged by 0.17% compared to the previous month and by 2.79% year-on-year. The average core inflation for January-April stood at 2.81%, lower than the CPI average of 3.93% for the same period, as reported by the GSO. VNS

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## FDI disbursed in Vietnam reached US\$ 6.28 billion during the first four months

Foreign direct investment (FDI) disbursed in Vietnam during the first four months of this year has surged to an estimated \$6.28 billion, marking a notable increase of 7.4% compared to the same period last year, according to the General Statistics Office (GSO). This figure represents the highest FDI disbursement recorded in the past five years.

The processing-manufacturing sector dominated FDI disbursement, accounting for 78.5% of the total, with a significant amount of \$4.93 billion. Following closely was the real estate business, attracting \$607.6 million, and the production and distribution of utilities such as electricity, gas, and air conditioning, which garnered \$259.8 million.

As of April 20, total FDI inflows into Vietnam reached nearly \$9.27 billion, showing a year-on-year increase of 4.5%. Of this total, \$7.11 billion was invested in 966 new projects, representing a notable surge of 28.8% in the number of projects and a remarkable 73.2% increase in capital amount.

Singapore emerged as the leading investor among 50 countries and territories with newly-licensed projects, injecting \$2.59 billion, accounting for 36.4% of the total. Hong Kong (China) and Japan followed closely, with investments of \$898.6 million and \$814.1 million, respectively.

Additionally, \$1.23 billion was added to 345 ongoing projects, while foreign investors channeled \$929.6 million into 902 capital contribution and share purchase deals during the January-April period.

In parallel, Vietnamese investors ventured abroad, investing \$98.3 million in 36 new projects, representing a decrease of 29.8% year-on-year. The Netherlands received the highest Vietnamese investment capital among 14 countries and territories, attracting \$54.6 million. VNA

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