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Vietnam's economy is forecast to grow strongly in 2024 despite external uncertainties

Vietnam's economy is forecast to grow strongly in 2024 despite external uncertainties and the impact of Typhoon Yagi. The Asian Development Bank (ADB) predicts GDP growth of 6% in 2024 and 6.2% in 2025, driven by robust industrial production and trade recovery. The services sector and agriculture also contribute to the rebound, while inflation is expected to stay moderate at 4%.

HSBC maintains its positive forecast of 6.5% GDP growth for both years, noting strong performance in the manufacturing sector. The Purchasing Managers' Index (PMI) has shown five months of expansion, with a resurgence in textiles and footwear production driving exports.

The Singapore-based United Overseas Bank (UOB) slightly lowered its 2024 GDP growth estimate to 5.9%, factoring in Typhoon Yagi's impact but remains optimistic about Vietnam's long-term prospects. UOB also raised its 2025 forecast to 6.6%.

However, risks remain, including weak external demand, geopolitical tensions, and the potential impact of U.S. Federal Reserve rate cuts on exports. Domestic demand is recovering slowly, but government measures are expected to provide support.

The ADB recommends Vietnam implement stronger fiscal stimulus and public investment to bolster demand. Coordinating monetary and fiscal policies will be key to maintaining stability and supporting growth, particularly in the face of natural disasters like Typhoon Yagi. VNA

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Vietnam's logistics is growing rapidly with a 15% annual growth rate

Vietnam's logistics sector, a crucial player in the country's socio-economic development, is undergoing significant changes as sustainability becomes a central focus. Valued at an estimated US\$40-42 billion annually, and home to over 40,000 firms, the sector is growing rapidly, with a 15% annual growth rate and a top-five ASEAN ranking in logistics performance. However, global sustainability trends are reshaping the landscape, urging Vietnamese logistics companies to adapt swiftly.

At a recent seminar by the Trade and Industry Review, Dang Hong Nhung from the Ministry of Industry and Trade's Agency of Foreign Trade emphasized the importance of this shift. With initiatives like the EU's Carbon Border Adjustment Mechanism (CBAM) set to impose carbon taxes on imports by 2026, logistics companies must adopt greener practices to maintain competitiveness in export markets. The sector's role in the supply chain makes it directly accountable for meeting these new environmental standards.

This green transition poses both challenges and opportunities. By optimizing logistics processes and reducing costs, Vietnamese firms can position themselves more competitively and explore new business avenues. Tran Thi Thu Huong, Head of the Logistics and Supply Chain Faculty at the University of Commerce, further highlighted that sustainable practices are not just a regulatory requirement but a necessity to stand out amid fierce competition, particularly from foreign competitors.

In an increasingly eco-conscious global market, the future of Vietnam's logistics industry will hinge on its ability to innovate and integrate sustainability into its core operations, marking a pivotal moment for the sector. VNA

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Vietnam and China to promote digital commerce

A conference focused on promoting digital commerce trade between Vietnam and China took place in Hangzhou, Zhejiang province, on September 26, during the third Global Digital Trade Expo (GDTE 2024). The event was co-organized by the Vietnam Trade Promotion Agency (Vietrade), Zhejiang's Department of Commerce, and Alibaba.com.

In his opening remarks, Hoang Minh Chien, Deputy Director of Vietrade, emphasized the conference as a vital opportunity for businesses from both nations to meet, exchange expertise, and explore new cooperation possibilities in digital commerce. The event aims to help Vietnamese businesses connect with Chinese counterparts and access China's expansive and growing market.

The conference also facilitates access to cutting-edge digital commerce technologies and solutions, including e-commerce, smart logistics, and online payments. By learning about emerging trends and innovations, Vietnamese businesses can boost their international competitiveness and stay ahead in the rapidly evolving digital economy.

This year, more than 80 Vietnamese companies participated, representing various sectors such as e-commerce products, mobile information technology, chips, artificial intelligence application software, and digital innovation. The conference is expected to strengthen trade ties between Vietnam and China, enhance business partnerships, and open up new growth opportunities in digital commerce. VNA



PetroVietnam to conduct pilot surveys for Offshore wind projects

Vietnam is making significant moves towards offshore wind (OSW) power development, with the government targeting 6,000MW of OSW capacity by 2030 under Power Development Plan VIII (PDP8). Despite the goal, no OSW project has yet been formally assigned for development. On October 1, Deputy Prime Minister Bui Thanh Son tasked the Ministry of Industry and Trade (MoIT) with initiating the necessary procedures to assign PetroVietnam to conduct pilot surveys for OSW projects.

The Vietnam Oil and Gas Group (PetroVietnam), with its extensive experience in offshore oil and gas, has been identified as a strong candidate for leading these OSW initiatives. This is due to the overlap in infrastructure and operational expertise between offshore oil and gas projects and OSW. The MoIT proposed several options for selecting investors for pilot OSW projects, including PetroVietnam, recognizing its potential in leveraging existing resources for renewable energy projects.

However, before PetroVietnam can undertake OSW development, its investment strategy and business focus must be reviewed and potentially adjusted. The group may need to undergo structural changes to meet the specific requirements of the OSW sector, which differs from traditional oil and gas operations.

DPM Son emphasized the urgency of early implementation of OSW to align with the country's ambitious energy goals, highlighting the importance of renewable energy sources like OSW and liquefied natural gas (LNG) to support Vietnam's growing electricity demand, which is projected to increase by 10-12% annually. These renewable sources are also crucial to meeting Vietnam's commitment to achieving net-zero emissions by 2050. The geographical distribution of OSW projects has been outlined, with northern Vietnam expected to develop 2,500MW, central Vietnam 500MW, south-central Vietnam 2,000MW, and southern Vietnam 1,000MW.

Globally, the OSW sector is led by major oil and gas players, and PetroVietnam may look to their counterparts like Equinor, Shell, and BP for strategic insights. Petronas, Malaysia's national oil company, has already ventured into the renewable energy sector, demonstrating the potential for national oil companies in the OSW space. PetroVietnam's entry into OSW could position Vietnam as a leader in offshore renewable energy within the region. [VIR](#)

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Vietnam's retail market is showing signs of recovery but challenges remain

Vietnam's retail market is showing signs of recovery, but challenges remain. In the first eight months of 2024, the retail sector grew by 7.3%, a modest improvement compared to the same period last year. However, this growth is still slower than in previous years (2022-2023), indicating the need for more robust measures to accelerate the recovery. Businesses in the sector are still grappling with competitive pressures, supply chain disruptions, and inflation, especially following the economic difficulties experienced in 2023.

Despite these challenges, the economic outlook for the second half of 2024 is more optimistic. Vietnam's GDP is growing steadily, inflation is under control, and the exchange rate is expected to stabilize. These positive factors, combined with a surge in tourism, are likely to provide a much-needed boost to retail sales, particularly during the year-end high-demand period. The return of tourists, especially air travelers, is expected to surpass pre-pandemic levels, benefiting duty-free and airport retail sectors.

To further support this recovery, the government has implemented various monetary and fiscal policies aimed at stimulating consumption. Easing these policies, alongside measures to increase consumer confidence, is expected to create favorable conditions for retail growth. Businesses are hopeful that these economic improvements will translate into stronger purchasing power, driving a more significant retail market rebound in the coming months, particularly as demand increases toward the end of the year.

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SpaceX to invest US\$1.5 billion in Vietnam to expand its satellite internet services

SpaceX has announced plans to invest US\$1.5 billion in Vietnam to expand its satellite internet services, particularly through the Starlink project. This investment highlights Vietnam's potential as a key market for satellite internet development, supporting the country's ongoing digital transformation and enhancing its disaster response capabilities.

During a meeting in the U.S. on September 25, Vietnam's Party General Secretary and President To Lam expressed appreciation to SpaceX for its assistance in the aftermath of typhoon Yagi and welcomed the company's proposed investment. He emphasized that Vietnam's focus on digital transformation aligns with SpaceX's goals, further strengthening bilateral cooperation.

Tim Hughes, SpaceX's senior vice president for Global Business and Government Affairs, confirmed the company's commitment and eagerness to collaborate with the Vietnamese Government and relevant partners. The Vietnamese Government is reviewing the proposal and has asked SpaceX to coordinate with local authorities to ensure a smooth investment process. This project is expected to significantly boost Vietnam's internet infrastructure and digital economy. [Thesaigontimes](#)



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