



## Top News

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## Vietnam among Asia's top 15 economies by 2025

Vietnam is solidifying its position as a key economic player in Asia, according to Seasia Stats, which ranked the country among the top 15 economies in the region. By 2025, Vietnam's economic output is projected to reach \$506 billion, driven by rapid manufacturing growth and robust foreign investment.

Ranked 12th in Asia, Vietnam stands out as one of the fastest-growing economies, with a remarkable 7% growth rate forecasted for 2024. This positions the country as a rising force in Southeast Asia, second only to Indonesia in economic size within the region.

Indonesia leads Southeast Asia, with an expected GDP of \$1.5 trillion in 2025, fueled by its natural resources and a growing middle class. Singapore, ranked ninth, owes its projected \$562 billion economy to its financial services and strategic location. Thailand and the Philippines follow closely, with respective economic outputs of \$545 billion and \$508 billion, driven by diverse sectors like tourism and manufacturing.

Vietnam also outpaces regional peers such as Malaysia, Bangladesh, and Iran, showcasing its strong potential to attract investment and sustain growth. This trajectory underlines the country's critical role in shaping Southeast Asia's economic landscape in the coming years. VNE

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## Vietnam accelerates plans for key railway connecting Lao Cai, Hanoi, and Haiphong

Vietnam is advancing preparations for a 417-kilometer railway connecting Lao Cai, Hanoi, and Haiphong, with construction targeted to begin in 2025. Estimated at \$8.37 billion, this ambitious infrastructure project is expected to enhance connectivity and drive economic growth in the northern region.

According to Lưu Quang Thìn, Deputy Head of the Ministry of Transport's Planning and Investment Department, relevant agencies are working to finalize the necessary paperwork. Despite the typical three-to-four-year preparation period for such large-scale projects, the Government has underscored the urgency of fast-tracking this initiative.

The railway will traverse nine provinces and cities, including Hanoi, linking with China's railway network in Lao Cai Province and terminating at Lach Huyen Port in Haiphong City. This strategic route aims to boost regional trade and strengthen Vietnam's position as a logistics hub.

To meet the challenging timeline, the project management board is tasked with submitting a pre-feasibility study by the end of December 2024, followed by a feasibility study by February 2025. Parliamentary approval is expected to be sought by May 2025.

This railway is poised to play a vital role in enhancing transport infrastructure, fostering economic integration, and accelerating development in Vietnam's northern corridor. VNS

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## **Vietnam's B2C e-commerce export value is estimated at US\$ 5.8 billion by 2028**

Vietnam's e-commerce industry is poised for significant growth, as highlighted during a seminar co-hosted by the Vietnam E-Commerce Association (VECOM) and Access Partnership in Hanoi on December 16. Megan Lim, Director of Economic Strategy at Access Partnership, reported that the country's B2C e-commerce export value reached \$3.58 billion USD in 2023.

Micro, small, and medium enterprises (MSMEs) play a pivotal role in this growth, with 93% depending on platforms like Amazon Global Selling, Alibaba, or eBay for exports. Among these firms, 65% derive more than half of their sales from foreign markets, and 50% expect retail sales to grow by over 20% in the next five years.

Despite the promising outlook, challenges remain. High logistics costs, talent shortages, and limited knowledge of international markets hinder MSMEs from fully capitalizing on e-commerce opportunities. VECOM Secretary General Tran Van Trong emphasized the importance of initiatives like cross-border e-commerce forums and the Online Export Support Alliance in fostering a supportive ecosystem.

To ensure sustainable development, the Ministry of Industry and Trade is drafting a master plan for national e-commerce development from 2026 to 2030, with online export as a key focus. In 2023, Vietnam's e-commerce sector grew by over 25%, contributing \$25 billion USD to the economy, including \$17.3 billion USD from online retail.

Environmental concerns are also gaining traction. A survey revealed that 79% of online shoppers advocate for stricter environmental regulations, while 71% call for businesses to offer eco-friendly choices. As Vietnam's e-commerce sector advances, balancing growth with sustainability will be vital. NDO



## Proposals for offshore wind power projects

The Ministry of Industry and Trade is drafting a new Government decree to operationalize the Electricity Law, aiming to accelerate renewable energy growth, particularly in offshore wind power. The draft outlines various incentives designed to attract domestic and foreign investors to solar and wind energy projects.

Key measures include prioritizing projects integrated with energy storage systems for national grid connections. These initiatives will benefit from reduced taxes, lower investment costs, and streamlined administrative procedures. Additionally, the decree promotes research and development in renewable energy technology, targeting advancements in solar panels, wind turbines, and energy conversion systems.

Projects pioneering the use of green hydrogen or green ammonia will enjoy further benefits, such as exemptions from sea area usage fees during construction and operational discounts for nine years. Developers of these first-of-their-kind projects in Vietnam will also secure guaranteed purchase agreements for at least 80% of their electricity output.

Foreign investors may own up to 65% of projects in collaboration with domestic partners, provided they demonstrate relevant expertise, financial strength, and secure approvals from ministries, including Defense and Public Security.

Offshore wind power projects will be allocated through a bidding process with electricity prices capped by the Government. Successful bidders will negotiate power purchase agreements with the national grid operator based on their winning bids.

This decree reflects Vietnam's commitment to advancing renewable energy and achieving its net-zero emissions target by 2050, signaling a favorable environment for innovation and investment in sustainable energy solutions. The Saigontimes





## Japanese firms see Vietnam as Top expansion destination in Southeast Asia for retail

Vietnam continues to attract strong interest from Japanese businesses, with over 56% of Japanese firms operating in the country planning to expand within the next one to two years. This makes Vietnam the leading Southeast Asian market for Japanese investment, according to a recent survey by the Japan Trade Promotion Organization (JETRO). Although this figure marks a slight 0.6-percentage-point dip compared to last year, Vietnam has overtaken Laos as the top destination for expansion.

Retail and food service companies in Vietnam are particularly optimistic, with all surveyed firms planning to grow their operations. Additionally, 48% of manufacturing firms and 63% of non-manufacturing companies share similar expansion plans. The appeal lies in Vietnam's burgeoning domestic demand and robust export potential.

Japanese firms are also reporting positive financial expectations. Nearly half of them anticipate better performance in 2024 compared to 2023, marking a 16.8-percentage-point increase—the highest among ASEAN countries. Moreover, the percentage of companies expecting profitability in 2024 has risen to 64.1%, surpassing 60% for the first time in five years.

Salaries in Vietnam are expected to grow by 5.4% this year, reflecting the country's competitive but rapidly rising labor costs. While Vietnam's wages remain average for the region, the growth rate is among the highest in Southeast Asia.

Japan remains a key foreign investor in Vietnam, ranking fifth among 110 countries and territories, with \$3.61 billion invested in the first 11 months of 2024, according to the Ministry of Planning and Investment. This accounts for 11.5% of Vietnam's total foreign direct investment, underscoring Japan's confidence in the country's economic potential. VNE

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## Vietnam's sustained economic growth continues to position it as a top destination for Chinese investors

Vietnam's sustained economic growth continues to position it as a top destination for Chinese investors, as highlighted at an investment and trade forum held in Ho Chi Minh City (HCMC) on December 17. The event, focused on fostering ties between HCMC and the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), showcased Vietnam's growing importance in the regional economy.

Vice Chairman of HCMC's People's Committee Vo Van Hoan emphasized the robust partnership between Vietnam and China, particularly the GBA, across sectors like trade, investment, and tourism. Vietnam is China's largest trading partner in ASEAN and fourth globally, while China leads as Vietnam's top exporter and second-largest importer. In the first seven months of 2024, Chinese investors initiated 540 new projects in Vietnam, representing 29.7% of all new investments and totaling \$1.22 billion.

HCMC, with its projected GDP growth of 7.17% in 2024 and a population nearing 10 million, is a focal point for Chinese investments, hosting 731 projects to date. The city, along with surrounding provinces like Dong Nai and Binh Duong, boasts strategic advantages, including a skilled workforce, advanced infrastructure, and proximity to key markets, attracting investments in industrial manufacturing, high technology, logistics, and renewable energy.

Jonathan Choi, Chairman of the GBA Entrepreneurs Alliance, urged both sides to harness the GBA's technological expertise and Vietnam's dynamic workforce for collaborations in artificial intelligence, advanced manufacturing, and green technology. Jesse Choi, representing the GBA Alliance in Vietnam, added that the alliance is also helping Vietnamese firms expand into the Chinese market, promoting mutual growth and long-term partnerships.

Vietnam's strategic location, economic dynamism, and strong ties with the GBA solidify its status as a preferred destination for forward-looking investments in Asia. NDO

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