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Vietnam emerges as a new engine of global economic growth

Vietnam is increasingly drawing global attention as one of Asia's fastest-growing economies, supported by strong manufacturing performance, rising investment and deeper integration into global supply chains. Recent research from the Harvard Growth Lab at Harvard University suggests Vietnam could rank among the world's leading economies in per-capita GDP growth over the next decade. The study highlights countries with diversified and technologically sophisticated production structures as likely drivers of the next phase of global growth.

A key measure in the research is the Economic Complexity Index (ECI), which evaluates the diversity and technological sophistication of a country's exports. Vietnam's ECI score is significantly higher than its current income level, indicating strong potential to move into more advanced industries and higher value-added production. According to Ricardo Hausmann, director of the Harvard Growth Lab, economies capable of expanding into sophisticated manufacturing sectors will gain a competitive edge as global supply chains continue to shift amid geopolitical tensions and trade realignments.

Recent data also show sustained momentum in Vietnam's manufacturing sector. The Purchasing Managers' Index compiled by S&P Global reached 54.3 in February, marking the eighth consecutive month of improving business conditions as both factory output and new export orders increased. Vietnam's financial markets have also expanded rapidly. According to FTSE Russell, the market capitalisation of the FTSE Frontier Vietnam Index grew from about \$11 billion in 2015 to nearly \$59 billion in 2025. The country is widely expected to be upgraded to secondary emerging market status in 2026, a move that could attract additional capital from global institutional investors.

Analysts say Vietnam's long-term growth prospects are also supported by structural advantages, including a young workforce, expanding education quality and a long-standing policy of economic openness. Since joining the Association of Southeast Asian Nations in 1995 and the World Trade Organization in 2007, Vietnam has steadily deepened trade liberalisation and positioned itself as one of the region's most open economies.

As global supply chains continue to evolve, economists believe Vietnam's adaptability, manufacturing capacity and continued economic reforms could strengthen its role as an emerging engine of global growth. VOV

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Vietnam's Cai Mep–Thi Vai port strengthens role as global shipping gateway

Vietnam's largest deep-sea port complex, Cai Mep–Thi Vai Port, has started 2026 with robust growth, reflecting stronger global shipping connectivity and improving transport infrastructure around the southern logistics hub.

Container throughput on mainline routes reached 711,429 TEUs in January, up 9% year-on-year, according to the Vietnam Seaports Association. Growth was led by several major terminals, notably Gemalink International Port, which handled nearly 199,000 TEUs, a 24% increase from a year earlier. Other facilities including Cai Mep International Terminal and SP-SSA International Terminal also reported strong double-digit expansion.

Stretching roughly 20 kilometers along the Thi Vai River, the port cluster hosts around 35 terminals operated by about 20 logistics and shipping companies, handling container, general cargo and specialized shipments. The complex has emerged as Vietnam's primary deep-water gateway for international trade.

Global shipping lines including Maersk, MSC (Mediterranean Shipping Company), CMA CGM, Hapag-Lloyd, Ocean Network Express and ZIM Integrated Shipping Services operate 48 international container routes per week at the port. More than 20 of these services directly connect Vietnam with Europe and the east and west coasts of the United States, allowing exporters to bypass regional transshipment hubs.

A key competitive advantage lies in the port's deep-water channel, which ranges from 14 to 15.5 meters, enabling it to receive container vessels exceeding 200,000 deadweight tons. Facilities such as Gemalink can accommodate some of the world's largest container ships with capacities of up to 24,000 TEUs.

Infrastructure upgrades are expected to further boost the port's role in regional supply chains. Projects such as the Phuoc An Bridge and the Bien Hoa–Vung Tau Expressway will significantly improve connections between the port, industrial zones and the Mekong Delta. Once completed, these corridors are expected to shorten cargo transport times and lower logistics costs, reinforcing Vietnam's position as a key manufacturing and export hub in Asia. VOV

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Vietnam's e-commerce sector is expected to become more selective as competition intensifies and operating costs rise

Vietnam's e-commerce sector is set to expand further in 2026, though the pace of growth is expected to become more selective as competition intensifies and operating costs rise. Industry estimates suggest the market could reach between \$37 billion and \$50 billion in total value in 2026, representing annual growth of roughly 20–25%. Online retail is projected to account for about 12–15% of total retail sales, reinforcing Vietnam's position as one of Southeast Asia's fastest-growing digital commerce markets. Total online retail revenue was estimated at around \$32 billion in 2025 and could climb to \$50–70 billion by 2030.

The market is also entering a period of consolidation. Rising platform fees and tighter regulatory oversight are likely to push smaller merchants out, while larger brands and authorized distributors capture a bigger share of online transactions.

At the same time, consumer behavior is shifting away from pure price competition toward what industry observers describe as "trust commerce". Shoppers are increasingly prioritizing authenticity, traceability and product quality, creating advantages for official brand stores and certified goods.

New retail formats will continue to reshape the market. Livestream selling, short-video shopping and influencer-driven campaigns are expected to remain key growth engines, particularly on platforms such as TikTok Shop and Shopee.

Meanwhile, platforms are investing heavily in artificial intelligence to refine search, advertising and recommendation systems, enabling sellers to target consumers more precisely and improve conversion rates.

As the sector matures, analysts say the next stage of Vietnam's e-commerce development will focus less on aggressive discounting and more on profitability, brand credibility and integrated omnichannel strategies. Businesses combining strong branding, efficient logistics and data-driven marketing are likely to dominate the next phase of growth.



GE Vernova plans to invest about \$200 million in a new manufacturing facility in Hai Phong to produce large power transformers

U.S.-based energy technology group GE Vernova plans to invest about \$200 million in a new manufacturing facility in Hai Phong, expanding its footprint in Viet Nam as global demand for power transmission infrastructure accelerates.

The planned plant will produce large power transformers for High-Voltage Direct Current (HVDC) projects, a technology increasingly used to transmit electricity efficiently over long distances and support the integration of renewable energy into power systems. The new facility will complement GE Vernova's existing HVDC transformer plants in the UK and India.

Developed in phases and expected to reach full operations by 2028, the Hai Phong site aims to supply critical equipment for the company's global project pipeline while serving growing regional demand.

At the same event in Ha Noi, GE Vernova signed a non-binding memorandum of understanding with Vietnam Electricity to explore the application of HVDC technology in expanding the country's transmission network under Power Development Plan VIII.

The company said its technologies currently help generate up to 30% of Viet Nam's electricity. GE Vernova employs more than 1,100 staff across nine locations in the country and operates facilities including a repair center in Phu My and an HRSG manufacturing plant in Dung Quat.

Chief executive Scott Strazik said Viet Nam's rapidly growing economy and evolving power system present strong opportunities for long-term investment, adding that the new facility would strengthen supply chains, develop local technical skills and support electrification across Asia. VIR



Vietnam's consumer market maintained steady momentum at the start of 2026

Vietnam's consumer market maintained steady momentum at the start of 2026, supported by strong Lunar New Year spending and rising demand for travel and services. Retail sales of goods and consumer services reached nearly \$47.3 billion in the first two months of the year, up 7.9% from the same period in 2025, according to data released by the National Statistics Office of Vietnam.

Trade and service activities remained robust in February, when the Tet holiday boosted shopping and leisure spending. Total retail revenue in the month alone was estimated at \$23.4 billion, increasing 8.5% year on year.

Garments recorded the fastest growth among retail categories, with sales rising 14.3%. Household appliances and equipment expanded 9.6%, while food and foodstuff sales climbed 9%.

Retail sales of goods accounted for the largest share of the market, representing 76.4% of total revenue during the January–February period, equivalent to \$36 billion. Within this segment, garment sales increased 10.4% and household goods rose 8.6%.

Service sectors linked to tourism also showed strong performance. Revenue from accommodation and food services grew 9.1% year on year to about \$5.7 billion, accounting for 12.1% of total retail and service turnover. Travel service revenue rose 12.2% to roughly \$572 million, reflecting stronger domestic and international tourism demand.

Among major cities, Hai Phong recorded retail growth of 8.5%, followed by Da Nang at 7.9% and Hanoi at 7.7%.

Overall, the data suggests that domestic consumption remains a key pillar of Vietnam's economic growth, with holiday spending, tourism recovery and rising household demand continuing to support the retail sector in early 2026. The Saigon times



Vietnam's FDI disbursement showed steady momentum at the start of the year

Vietnam's foreign direct investment (FDI) disbursement showed steady momentum at the start of the year, underscoring the country's continued appeal as a manufacturing base in Southeast Asia.

According to the Statistics Office, disbursed FDI in the first two months reached \$3.21 billion, up 8.8 percent year-on-year and the highest level for the period in five years. The rise suggests that previously committed projects are moving ahead despite global economic uncertainties.

Manufacturing and processing remained the dominant destination for foreign capital, receiving \$2.65 billion, or 82.7 percent of total disbursement. Real estate followed with \$223.5 million, while the energy supply sector—including electricity, gas and steam—attracted \$119.2 million.

In contrast, newly registered FDI declined 12.6 percent on year to \$6.03 billion, reflecting slower large-scale commitments. However, the number of new projects continued to increase, with 620 newly licensed investments totaling \$3.54 billion, up 20.2 percent in project count and 61.5 percent in registered capital.

South Korea emerged as the largest source of newly registered capital at \$1.34 billion, accounting for nearly 38 percent of the total. Singapore ranked second with \$1.1 billion, followed by China and Japan.

At the provincial level, Thai Nguyen stood out as the leading FDI destination with nearly \$1.7 billion, marking an exceptional 1,354 percent surge from a year earlier. The northern province overtook traditional investment hubs such as Ho Chi Minh City and Bac Ninh, signaling a potential shift in foreign investment flows toward emerging industrial locations.

Overall, the early-year data highlights Vietnam's resilience in attracting manufacturing investment, even as global capital flows remain cautious. VIR

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