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Vietnam sees robust growth, abundant opportunities await: insiders

By Vietnam News

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Vietnam is expected to see robust growth in the next 5-10 years, opening more investment opportunities for foreign investors in all sectors, said insiders.

Attending an event themed "Economic Growth, AI and Innovation" in Hanoi on Saturday, Singapore Ambassador to Vietnam Jaya Ratnam highlighted the strong collaboration between the two countries across all sectors.

"We cooperate across almost every area, including trade, defence, security, culture, food and politics and of course have strong people-to-people relationships, so we are well represented here," he said.

"There is so much more we can do together. As both countries have progressed over the past few decades, our needs and aspirations have evolved. Hence, our preoccupation in recent years with deepening and widening the scope of cooperation in the digital and green arenas."



Speakers at a panel discussion at the event on June 22, 2024. Photo courtesy of the organiser.

At the conference, speakers were all positive about the growth potential of Vietnam.

<https://theinvestor.vn/vietnam-sees-robust-growth-abundant-opportunities-await-insiders-d10857.html>

Nguyen Duc Hung Linh, co-founder and chief advisor of Think Future Consultancy, said that Vietnam is going to experience strong development over the next 5-10 years as it has established itself as a major manufacturing hub, particularly for electronics.

“Samsung, which accounts for nearly 25% of Vietnam’s exports, continues to expand its operations, while the shift of manufacturing bases from China to Vietnam due to trade tensions further bolsters this sector,” Linh said.

The participation of Vietnam in multiple free trade agreements (FTAs) is also a significant growth driver, as these agreements reduce tariffs and open new markets for Vietnamese goods, he added.

“The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and Regional Comprehensive Economic Partnership (RCEP) are expected to boost Vietnam’s GDP by 1.32% and 4.9% by 2030, respectively. The European Union-Vietnam Free Trade Agreement (EVFTA) is projected to increase the country’s exports to the world’s largest trading bloc by 42.7% by 2025.”

Sharing the same thought, Pham Quoc Anh, CEO of Pacifico Energy Vietnam, said that Vietnam has a good foundation for growing businesses, such as a young population, the willingness to accept new ideas and a wide spread of the Internet.

Vietnam’s young population is a significant asset, with a median age of around 32 years and a labour force participation rate of 77%. A World Bank study suggests that Vietnam’s demographic transition could add 1.5% to annual GDP growth over the next decade.

These are also advantages for luring foreign investors into Vietnam in the future, Anh said, adding that green energy, manufacturing and logistics are industries attracting more interest as Vietnam is targeting the green growth.

Hung Linh of Think Future Consultancy said that huge opportunities are also seen in the tourism industry.

"The Government’s tourism strategy aims to make tourism a spearhead economic sector by 2030, contributing 12-14% of GDP. Efforts to develop sustainable tourism and diversify offerings will likely boost this sector."

Meanwhile, Chu Viet Cuong, board director of Vietjet Air, said he believed that the room in Vietnam’s aviation industry is still very large and investors can find opportunities through joint ventures.

However, Cuong also pointed out some weaknesses that the country needs to improve on quickly.

“We are no longer in the era of cheap labour costs and large land funds. Now we need more skilled workers for the new industries. On the other hand, we also need to create a clear and transparent environment for enterprises,” he said.