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## Attracting Green Investment through Sustainable Governance

VIETNAM SEMICONDUCTOR INDUSTRY  
ADVANCES IN VALUE CHAIN



BILINGUAL



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- 8 Providing legal advice and representing for settlement of IPRs infringement and anti-counterfeits in Vietnam and foreign countries
- 9 Providing legal services and representing for Recordal of license/assignment of IPRs and technology transfer



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*Cover photo: Viettel is possessing many advantages in participating in the semiconductor industry*

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# Attracting Green Investment through Sustainable Governance

As the world faces growing challenges such as climate change, resource shortages, social inequality, and declining trust in traditional institutions, sustainable development is no longer optional but has become a necessary requirement for the business community.

## HUONG LY

ESG (environmental, social, governance) practices have become a key criterion for evaluating operational efficiency and long-term profitability, aiming at sustainable enterprise development and also serving as an important foundation for investors and stakeholders in decision-making. In Vietnam, the Program on Benchmarking and Announcing Sustainable Companies in Vietnam (CSI Program), initiated and implemented by the Vietnam Business Council for Sustainable Development (VBCSD) - the Vietnam Chamber of Commerce and Industry (VCCI), with a focus on the Corporate Sustainability Index (CSI), is playing a leading role in encouraging the business community to gradually adopt and apply ESG in a systematic and practical way.

### ESG - New standards for global enterprises

According to PwC's Global Investor ESG Survey in 2024, 79% of global institutional investors said that they consider ESG factors in their investment decisions, a significant rise from 64% in 2021. Investment funds applying ESG criteria have mobilized over US\$30 trillion globally, representing nearly 40% of total professionally managed assets, according to Global Sustainable Investment Alliance - GSIA, 2024. ESG is gradually becoming a common language among global businesses, not only in the financial sector but also as a key criterion in supply chains, public procurement, and business credit assessments.

In Vietnam, ESG is gaining increasing attention from the business community. The UOB Business Outlook Study 2023 showed that 94% of surveyed businesses recognize the importance



Mr. Nguyen Quang Vinh, Vice President of VCCI and Chairman of VBCSD, delivers remarks at the kick-off ceremony of the 2025 CSI Program

of sustainable development, with 51% having officially implemented ESG practices. A PwC Vietnam's report also indicated that 80% of businesses have either committed or plan to commit to ESG within the next two to four years.

### CSI - Key to sustainable governance and productive ESG application for Vietnamese enterprises

First developed in 2016 and updated annually, the CSI is a scientific and advanced governance tool that aligns closely with international sustainable development commitments and Vietnam's legal framework. The 2025 edition of the CSI includes 145 indicators, guiding enterprises not only to self-assess their level of sustainable development but also to shape their governance strategies in a comprehensive and standardized way.

Moreover, the CSI can be applied in various ways, from supporting enterprises in developing sustainable development reports and integrating ESG into internal governance to preparing documents for attracting capital from international investors. Practical implementation over the past decade has shown that many businesses using the CSI have significantly improved their operational efficiency, strengthening the confidence of investors, employees, and the wider community.



VIETNAM BUSINESS COUNCIL FOR SUSTAINABLE DEVELOPMENT (VBCSD)

Sustainable Business,  
Prosperous Societies

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# TOP 10 DOANH NGHIỆP BỀN VỮNG TRONG LĨNH VỰC THƯƠNG MẠI - DỊCH VỤ

## TOP 10 SUSTAINABLE COMPANIES IN THE TRADE-SERVICE SECTOR

Hà Nội, 29/11/2024



Top 10 sustainable businesses in the trade and services sector are honored at the 2024 CSI Award Ceremony

“

The CSI is the first index in Vietnam designed to assess the sustainability of enterprises. It is built and developed based on four key pillars: Economy (E), Environment (E), Society (S), and Governance (G), with reference to international standard frameworks such as the Global Reporting Initiative (GRI), the International Sustainability Standards Board (ISSB), the Task Force on Climate-related Financial Disclosures (TCFD), Corporate Social Responsibility (CSR), and the United Nations Guiding Principles on Business and Human Rights (UNGPs), and is adapted to align with the practical context in Vietnam.

The CSI 2025 has two versions: one for medium and large enterprises with 145 indicators, and another for small and micro enterprises with 87 indicators. Participating enterprises can select either version appropriate to their scale.

The evaluation and appraisal process is conducted strictly and scientifically in three main stages: scoring across three rounds of document assessment based on the CSI; appraisal by competent agencies; and final approval by the Steering Committee based on the Evaluation Council's proposal. All information provided by enterprises is kept strictly confidential, ensuring transparency and professionalism throughout the program. These factors have established the true value of the CSI Program, attracting the business community to participate for nearly a decade.

### More than just a title

The CSI program to evaluate and recognize sustainable enterprises in Vietnam is an annual initiative organized by VCCI in coordination with relevant ministries and sectors, with an independent evaluation council made up of leading experts in economics, environment, labor, and governance. In 2025, the program will involve the participation of the Central Commission for Policies and Strategies, the Ministry of Home Affairs, the Ministry of Agriculture and Environment, the Ministry of Finance, and the Vietnam General Confederation of Labor.

Being recognized as a “sustainable enterprise” within the framework of the program not only carries the value of a title

acknowledged by the Government and relevant ministries and agencies, but also reflects the enterprise's capacity for transparent governance, accountability, and long-term social commitment, making it easier for enterprises to gain recognition from international partners and investors.

Over the past nine years, the program has attracted more than 4,000 enterprises to directly participate, while over 10,000 enterprises have used the CSI as a self-assessment tool and a guide for developing sustainable production and business strategies.

### A call to action for the business community

In its 10th edition, the CSI 2025 Program remains an important milestone in advancing the sustainable development of Vietnamese enterprises. Building on its successful foundations, the CSI 2025 edition has been updated to align with new regulations under the Law on Environmental Protection, the revised Labor Code, and international standard frameworks such as the Global Reporting Initiative (GRI), International Financial Reporting Standards Sustainability Disclosure Standards (IFRS S1 and IFRS S2), and the European Union's Corporate Sustainability Reporting Directive (CSRD).

This is the right time for businesses, especially those oriented toward sustainable development, to register for participation in the CSI 2025 Program. Applying the CSI not only helps businesses strengthen their internal capacity but also enhances their adaptability in a volatile world, while actively contributing to national sustainable development goals by 2030 and beyond.

Proactive participation in the CSI Program not only reflects a business's commitment to society and the environment but also serves as a smart strategy to increase value, improve competitiveness, and affirm its market position. This presents an opportunity for businesses to reflect and improve, while taking a solid step forward on the path toward harmonious, prosperous, and sustainable development for both enterprises and society.

The Top 100 Sustainable Businesses in Vietnam, selected through the CSI Program, will be honored at the award ceremony, scheduled to take place in December 2025 in Hanoi. Participation in the program is free of charge, and applications can be submitted online at <https://vbcscd.vn/> until August 15, 2025.■

# Working Collaboratively to Drive



Prime Minister Pham Minh Chinh chairs the first meeting of the National Steering Committee for implementing the Politburo's Resolution 68-NQ/TW

Fostering a movement and trend to "Make the Entire Nation One Army" in private economic development was the directive of Prime Minister Pham Minh Chinh, Head of the National Steering Committee for implementing the Politburo's Resolution 68-NQ/TW on private economic development, at the recently held first meeting of the committee.

## DUY ANH

**R**eports and opinions at the meeting assessed that Resolution 68-NQ/TW on private economic development is one of four "pillar" resolutions of the Politburo, which hold significance for the country's development in the coming time.

Resolutions of the Politburo, the National Assembly, and the Government are consistent, comprehensive, and

implemented in a drastic, methodical, scientific manner and garnered special attention and strong support from society, Vietnamese associations and businesses, and international opinions.

Less than two weeks after General Secretary To Lam signed and issued Resolution 68-NQ/TW dated May 16, 2025, the Government swiftly directed the construction and promulgation of Resolution 138/NQ-CP on the Government's Action Plan for implementation of Resolution 68.

The Government reported to the National Assembly for the adoption of Resolution 198/2025/QH15 on special mechanisms and policies for private economic development at its 9th plenary meeting, which focused on institutionalizing urgent and clearly defined solutions. At the same time, the Government issued Resolution 139 on the Action Plan for the implementation of the National Assembly's Resolution 198.

On May 18, 2025, the Politburo and the Party Central Secretariat summoned an online national conference to thoroughly understand and implement this resolution (along with Resolution 66-NQ/TW on renovation in lawmaking and enforcement) at all levels of Party committees.

On May 30, 2025, the Prime Minister issued a decision on establishment of the National Steering Committee for the



# Private Economic Development

implementation of Resolution 68. On May 31, 2025, he chaired a direct dialogue with businesses, cooperatives, and business households to seek the effective enforcement of Resolution 68.

## Record-breaking milestones in business formations

At the meeting, the Ministry of Finance - the standing body of the Steering Committee - reported on how Resolution 68 has been implemented. Delegates reviewed the performance of tasks and solutions regarding action plans of the Government and relevant central and local agencies. They also discussed the achieved results, remaining limitations, and their causes.

Delegates also delved into assessing the level of trust among businesses and society in enacting the resolution. They figured out institutional and legal barriers that need to be removed, reviewed administrative procedure reform, improved the business investment environment, and decentralized power in addition to allocating resources and strengthening inspection and supervision. They proposed solutions to meet practical demands and identified key tasks for the last six months of 2025.

According to the reports and opinions at the meeting, as of the end of July, 34 out of 63 provinces and cities before their administrative mergers (accounting for nearly 54%) and 16 out of 34 provinces and cities after administrative mergers (over 47%), along with 21 ministries, ministerial-level agencies, and government agencies, had launched action plans for the implementation of the resolution.

According to the draft proposed plan, ministries are expected to reduce or simplify 2,762 out of 4,888 administrative procedures (about 56.5%) and remove 1,773 out of 7,806 business conditions (about 22.7%). As of June 30, 2025, as many as 872 administrative procedures and 118 business conditions had been abolished or streamlined.

Most notably, the Ministry of Finance assessed that the most significant impact after the three-month enforcement of the resolution was an extremely positive shift and remarkable change in the mindset and perception of the entire society regarding private economic development.

Many industry associations and businesses believed that Resolution 68-NQ/TW has truly inspired the entrepreneurial spirit, providing businesses with a sense of support and recognition. The spirit of entrepreneurship is at an all-time high, with the number of newly established businesses and business households and those resuming operations reaching record levels. A strong wave of startups is emerging.

In June 2025, a historic milestone was reached as the number of new business formations exceeded 24,400, an increase of 60.5% compared to the same period in 2024 and double the average for the 2021-2024 period. In July 2025, the country saw more than 16,500 new businesses registered, bringing the total for the first seven months of the year to

107,700, an increase of 10.6%. The additional capital of active businesses was over VND2.4 quadrillion, an increase of over 186% compared to the corresponding period in 2024.

In July 2025, as many as 61,460 new business households were established with a registered capital of VND12.4 trillion, bringing the total number of new business households to nearly 536,200 in the first seven months, up 165% year on year.

In the first six months of 2025, nearly 13,700 business households that paid flat-rate taxes switched to the declaration method, and nearly 1,480 business households converted into corporate entities.

The January-July period also saw over 66,300 businesses resuming operations, an increase of nearly 50% from the same period of last year. In July alone, nearly 15,000 companies resumed operations, representing a year-on-year growth of over 78%.

As of the end of July 2025, nearly 56,700 business households had registered to use electronic invoices generated from cash registers, exceeding the plan by more than 150%.

## The ultimate measure is the contributory effect of businesses

Prime Minister Pham Minh Chinh highlighted outstanding points and positive results in the implementation of Resolution 68: More innovative thinking and more determined actions; diffused trust; more institutional and policy frameworks issued to focus on resolving hardships against businesses; more new businesses formed; and large national projects boldly proposed by giant firms, including railways, nuclear power, expressways, airports, and seaports.

In addition, three strategic breakthroughs (institutions, infrastructure, and human resources) have been accelerated in support of business development. The three levels of government (central, provincial, and local) are reducing administrative procedures and compliance costs, making things more convenient for people and businesses. Public-private partnerships (PPP) have been promoted with the amended Law on PPP Investment. Ministries and central agencies are coordinating more closely to tackle business problems.

However, Prime Minister Chinh also acknowledged that overall progress remains slower than required, particularly in mechanisms and policies that support stronger, faster, and more efficient business development. Administrative procedures and decentralization remain entangled at both central and local levels. Support resources in terms of policy, mechanisms, and finances are still limited.

Looking ahead, he requested that the goals set out in the resolutions of the Politburo, the National Assembly, and the Government be steadfastly adhered to, adapted to specific circumstances and conditions, and meet the demands of





businesses. The overall goal is to make the private sector the most important driving force of the economy.

Citing 15 specific groups of tasks and solutions, he directed continued strengthening of awareness, changing of mindset, and more determined and vigorous action to motivate, inspire, and foster a movement and a trend for private economic development in the new context. This would diffuse trust among the people, businesses, and international friends.

Ministries and central agencies will continue to promote the settlement of institutional bottlenecks; review, amend, and supplement laws, decrees, and circulars relating to taxes, fees, land access, resources, minerals, interest rate support, human resource training, administrative penalties for competition, science and technology, and digital transformation among others. The goal is to turn institutions into a competitive advantage.

The Office of the Government will develop a roadmap for removing administrative procedures and reducing the time and cost of their implementation while also accelerating decentralization to localities in handling administrative procedures.

Localities will supplement and finalize plans for developing new projects, and publicly call for investors to have equal, open, and transparent access.

The Prime Minister requested a stronger push for the

three strategic breakthroughs: Institutions must be more open to slash compliance costs, infrastructure must be seamless to reduce input costs and create new development spaces and added value, and human resources must be trained to meet companies' transformation requirements. There must be a mechanism to mobilize preferential capital for private businesses, especially for the development of science and technology, innovation, and digital transformation in accordance with Resolution 57 of the Politburo.

The Ministry of Finance is tasked with building a group of policies to support small and medium-sized businesses and business households regarding taxes and tax processes, connecting taxes, and encouraging business households to become businesses, SMEs to become large businesses, and large businesses to become global and multinational corporations. The ministry is also assigned to construct an infrastructure support mechanism (with respect to electricity, land rent, fees, and charges).

Prime Minister Chinh also requested the construction of public and business satisfaction assessment criteria as well as public and business service measuring and reporting criteria. The Ministry of Home Affairs will provide guidance and propose emulations and commendations on the occasion of the 80th anniversary of National Day and Vietnamese Entrepreneurs' Day (October 13).



Vietnamese private enterprises are gradually strengthening their position in both regional and global markets





**Many administrative procedures and business conditions are being significantly streamlined to facilitate the development of private enterprises**

He directed that 18 out of 34 provinces and cities that have not yet developed action plans for the implementation of the resolution must do so. At the same time, the Private Economic Development Research Board under the Advisory Council for Administrative Procedure Reform will continue to monitor and assess the implementation of the resolution, ensuring the accuracy of information and saying no to sugarcoating or distortion.

Emphasizing the heavy workload for the remainder of the year, he urged all ministries, central agencies, and localities to uphold responsibility, intensify inspection and supervision, and ensure that each level resolves its own tasks.

At the same time, it is necessary to boost dialogues and listen to the opinions of each other and to the engagement of businesses, business households, and the people in building institutional frameworks and policies. A supervisory mechanism will be established, and the oversight of the Vietnam Fatherland Front and other political and social organizations will be enhanced. A plan to supervise localities will also be launched.

Assigning the Ministry of Finance to build an implementation plan from now until the end of the year, Prime Minister Chinh urged all stakeholders and members of the Steering Committee to uphold responsibility, solidarity, and unity, working together so

that the entire country acts as one cohesive force, advancing toward the goal with urgency and determination, where every effort leads to success, and every success is assured, while meeting both immediate and long-term development needs. He called for a more urgent, comprehensive, and effective implementation of the tasks and solutions set out in the resolutions, aiming to "turn nothing into something, transform challenges into opportunities, and make the impossible possible." He emphasized, "Resources come from mindset, motivation comes from innovation and creativity, and strength comes from the people and businesses."

The Prime Minister stressed the need for a substantive and decisive implementation. "What has been said must be done, what has been committed must be fulfilled, and what has been done must produce results." Implementation should be organized in the spirit of "six clears": clear on the person, clear on the task, clear on the responsibility, clear on the time, clear on the product, and clear on the supervision. This approach aims to bring the resolution to life and foster a movement and trend where the ultimate goal is the contribution of the private sector to socioeconomic development, making a greater and higher contribution to GDP, obtaining breakthroughs in science, technology, innovation, and labor productivity growth, to advance into a new era with the entire nation. ■



# Import-Export Remains Bright Spot Amid Global Trade Volatility

Against a backdrop of complex geopolitics, increasing trade conflicts, and the growing application of non-tariff barriers and stricter environmental standards by many nations, Vietnam's import-export sector has shown remarkable resilience, maintaining their role as a key pillar of economic growth.

The Agency of Foreign Trade (AFT) under the Ministry of Industry and Trade recently held a trade event in Hanoi on Vietnam's import-export sector, aiming to recognize the contributions of importers and exporters and to provide strategic direction for development amid deepening international integration.

## A vital driver of the economy

Information shared at the event highlighted that in 2024, against a more favorable macroeconomic backdrop than in 2023, along with the active effort of the Government, ministries, and agencies as well as the determination of businesses, Vietnam's import-export sector made a strong recovery and positively contributed to overall economic growth and macroeconomic stability.

Specifically, the import and export value totaled US\$786.9 billion in 2024, representing a year-on-year growth of 15.5%. Exports accounted for US\$405.9 billion (up 14.4%) while imports totaled US\$381.0 billion (up 16.7%).

The positive momentum for imports and exports continued into 2025 despite numerous challenges. According to data released by the Ministry of Industry and Trade, the import and export value grew 16.1% year on year to US\$432.1 billion in the first six months of 2025, of which exports accounted for US\$219.9 billion, up 14.5%, and imports valued US\$212.2 billion, up 17.9%.

Speaking at the event, Minister of Industry and Trade Nguyen Hong Dien noted that Vietnam has faced significant difficulties and challenges in recent years. Strategic competition and trade conflicts among major economies have intensified, leading to fractures and disruptions in global production and supply chains. The rising trend of trade protectionism in many economies, along with the introduction of more stringent technical standards on climate and environment, which are essentially non-tariff barriers, has produced a direct and adverse impact on most countries, especially those with high economic openness like Vietnam.

In response, the Ministry of Industry and Trade, under the direct and constant guidance of the government and the Prime Minister, has proactively collaborated with relevant ministries and local authorities to closely monitor both international and domestic situations to work out timely and appropriate policy responses and carry out various effective measures to support



Vietnamese exporters must leverage new FTAs and adapt to changing conditions



businesses and industry associations in developing their manufacturing, trading, and exporting activities.

Specifically, the ministry has launched many supply-demand connection events for Vietnamese producers and foreign suppliers through trade promotion channels and the network of Vietnamese trade offices abroad. It has also enhanced support by providing information on individual export markets and focused on removing barriers to help businesses maintain traditional markets while entering and exploring new ones.

Furthermore, the ministry has hosted various programs to link producers with markets. Notably, several events chaired by the Prime Minister were held to work with Vietnam's overseas representative agencies, international organizations, industry associations, and major businesses to address difficulties, boost domestic production and consumption, and expand export markets.

Minister Dien affirmed: "With the correct, consistent, and decisive leadership of the Party and the State, the timely and effective engagement of ministries and local authorities, and the extraordinary effort of the business community and the people, Vietnam's socioeconomic landscape has continued to thrive, achieving significant, positive, and relatively comprehensive results across all sectors. A notable highlight is the strong growth in import and export value, which has continuously set new records and served as a vital driver of the country's economic growth".

### Three solutions for breakthrough import-export growth

To overcome difficulties, tackle challenges, and further boost imports and exports to achieve the economic growth target of 8.3-8.5% in 2025 and double-digit growth in the years to come, while ensuring that exports remain a key engine of economic growth, Minister Dien emphasized three strategic approaches that need to be implemented simultaneously.

First, the functional units under the ministry must continue to improve the quality of advice and proposals to perfect mechanisms and policies, especially the decrees and circulars that internalize Vietnam's commitments in the free trade agreements (FTAs) to which it is a member.

They must also continue to innovate and enhance the performance of trade promotion, advance the development of e-commerce, especially cross-border e-commerce, and promote the development of supply chains and goods circulation.

Additionally, it is important to improve trade defense capabilities, strengthen early warning mechanisms for the risk of lawsuits in foreign markets, and guide businesses and industry associations on how to respond promptly and effectively to trade disputes to protect the legitimate interests of Vietnamese businesses in international trade.

Second, ministries, sectors and localities must continue to provide support and coordinate efforts to remove bottlenecks and facilitate production and export activities of enterprises. They must actively push negotiations to open more export markets for Vietnamese goods, especially for agricultural and aquatic products. At the same time, they should focus on implementing measures and policies that channel credit into



**Enterprises should track trends and adapt to market demands for effective planning**

business production, prioritizing the import-export sector, and making it easier for businesses to access credit for production and export purposes.

Third, importers, exporters, industry associations, and sectors must track market trends and respond flexibly to market demands to organize production and import-export plans effectively. They must also boost official exports in tandem with building product brands. They should actively coordinate with relevant ministries and sectors to receive timely information on the demand, regulations, and new policies of foreign markets for their member businesses.

Concurrently, they must organize more training courses on skills for penetrating target markets. They should also actively participate in policy discussions and provide feedback to relevant ministries and sectors on the development of import-export mechanisms and policies and on FTA negotiations.

### Launch of the Vietnam Import-Export Report 2024

As part of the event, the Agency of Foreign Trade hosted the official launch ceremony for the Vietnam Import-Export Report 2024.

This report is the official document of the Ministry of Industry and Trade on import and export situations for each group of goods and market and on insights into the utilization of opportunities from FTAs and the management of import and export activities. Over the years, the report has provided transparent and systematic information, gaining the attention, trust, and high regard of regulatory agencies, businesses, associations, research institutions, and training organizations.

The 2024 edition, released in a more positive macroeconomic context than in 2023, illustrates the significant efforts of the Government, ministries, and the business community to drive a strong recovery in export and import, contributing positively to overall economic growth and macroeconomic stability.

After eight years of publication, the Vietnam Import-Export Report 2024 compiled a comprehensive overview of not only import-export activities but also the management efforts of agencies under the Ministry of Industry and Trade and other ministries. ■



Vietnam remains an attractive destination for foreign investment

# FDI Disbursement Hits 5-Year High

Vietnam continues to prove its appeal to foreign investment flows, exemplified by the strong growth in both registered capital and disbursed capital in the first seven months.

A recent report released by the National Statistics Office (NSO) under the Ministry of Finance showed that the registered foreign investment in Vietnam totaled US\$24.09 billion in the first seven months of 2025, representing a year-on-year growth of 27.3%. Amid global economic volatility, the foreign investment flow in the reporting period is a prominent bright spot.

The amount of US\$24.09 billion came from three main components: newly registered capital, adjusted capital, and capital contribution and share purchases by foreign investors.

A deeper analysis showed that although the newly

registered capital slightly decreased, the number of new projects increased significantly. Specifically, a total of 2,254 new projects were licensed with a total registered capital of US\$10.03 billion, up 15.2% in projects but down 11.1% in value. This proved that new investors continued entering Vietnam despite smaller project sizes.

The processing and manufacturing sector continued to be the biggest recipient, accounting for 55.9% (US\$5.61 billion) of the total new FDI fund, followed by real estate business with 23.5% (US\$2.36 billion).

By partner, Singapore led among 74 countries and territories with newly licensed projects in Vietnam, with a total registered capital of US\$2.84 billion, accounting for 28.3%. The next positions belonged to China (US\$2.27 billion), Sweden (US\$1 billion), and traditional investors such as Japan, Taiwan (China), and Hong Kong (China).

A particularly impressive and meaningful highlight in the January-July FDI picture was the sharp rise in revised capital. 920 existing projects registered to hike their investment fund, totaling US\$9.99 billion, a dramatic 95.3% growth from the same period last year.



This demonstrates that investors in Vietnam have strong confidence in the country’s business environment and economic outlook. At the same time, major corporations have committed significant capital to expand production and upgrade technology, indicating both effective operations and a belief in Vietnam’s sustainable development potential.

Including both fresh and additional foreign investment, the processing and manufacturing sector reaffirmed its leadership with US\$12.12 billion, accounting for 60.6% of the total. Real estate ranked second with US\$4.95 billion or 24.7%.

Likewise, foreign capital contributions and share purchases also impressively grew. With 1,982 registered capital contribution and share purchase deals, the total value of capital contributions reached US\$4.07 billion, up 61% year on year. This capital was mainly channeled into the processing and manufacturing sector (39.3%) and professional, scientific, and technological activities (20.3%), showing that foreign investors were not only interested in building factories but also sought to participate more deeply in knowledge-intensive sectors.

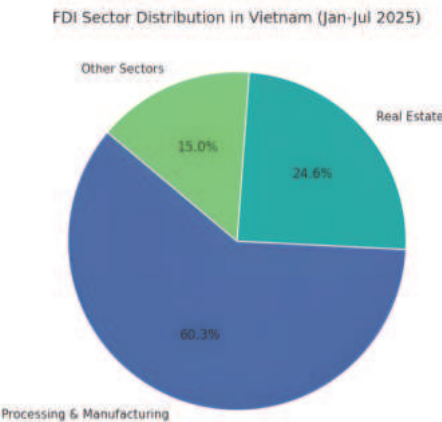
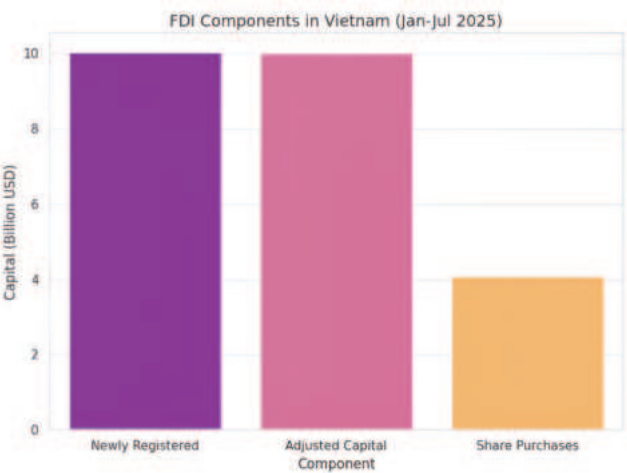
Another important indicator is FDI disbursement. From January to July, foreign investors disbursed about US\$13.6 billion, up 8.4% year on year and highest in the January-July period in five years. This proved that investment commitments were quickly being translated into real business operations, creating jobs and contributing to economic growth.

While strongly drawing external capital, Vietnamese businesses are also becoming more confident in making inroads into the global market. In the first seven months of 2025, the registered outbound investment capital jumped more than 200% year on year to US\$398.9 million.

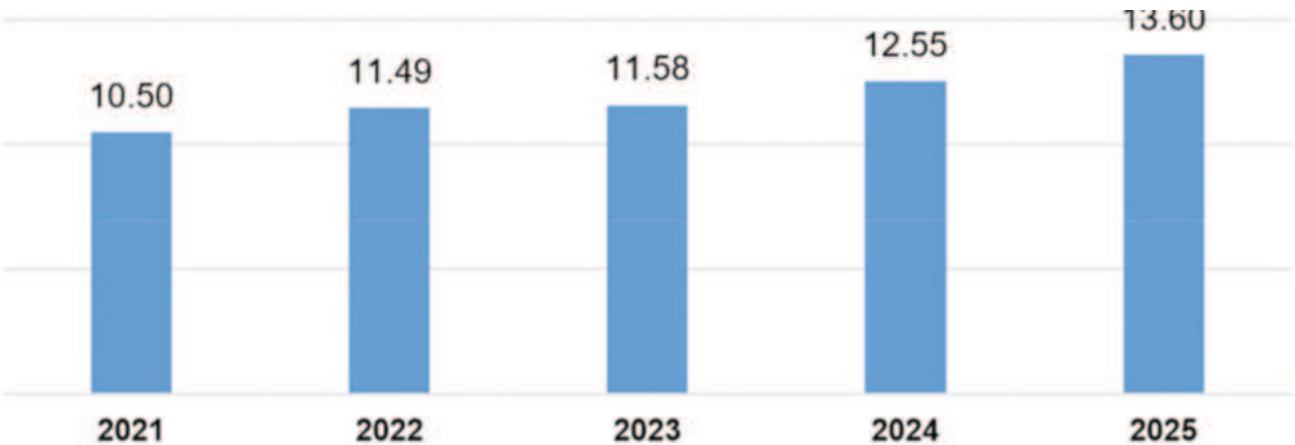
Vietnam's outbound investment, including both fresh and adjusted capital, totaled US\$528.5 million, 3.5 times higher than the same period of 2024.

The main investment fields of Vietnamese businesses included electricity and gas production and distribution (21%), transportation and warehousing (20.6%), and wholesaling and retailing (14.8%).

By destination, Laos continued to be the biggest



destination, attracting US\$150.3 million (accounting for 28.4%) of Vietnam's total outbound investment. Other Southeast Asian countries like the Philippines and Indonesia were also attractive destinations in the region.■



*Disbursed FDI capital in January-July in 2021-2025 (billion USD). Source: National Statistics Office*



For the second half of 2025, credit institutions expect stronger improvements in overall consumer credit demand

## Enhancing Risk Management Quality to Ensure Credit Safety

As inflation is controlled in line with the targets set by the National Assembly and the Government, following the directives of the Government and the Prime Minister on appropriate, timely and effective credit growth management to meet the capital needs of the economy, on July 31, 2025, the State Bank of Vietnam (SBV) announced a revision to the 2025 credit growth targets for credit institutions based on specific principles, transparency and public disclosure.

QUYNH ANH

**T**his additional credit limit is an active measure by the SBV, meaning that credit institutions do not need to request it. Previously, the SBV set a credit growth target of 16% for 2025.

### Credit risk may increase slightly

The SBV Forecasting, Statistics – Monetary and Financial Stabilization Department stated that, according to credit institutions,



overall customer credit demand continued to grow in the first six months of 2025 but remained significantly lower than the expected level recorded in the previous survey period. For the second half of 2025, credit institutions expect stronger improvements in overall consumer credit demand, with a focus on “corporate customers” and in sectors such as “industrial processing and manufacturing investment” and “import-export business”.

Compared to the December 2024 survey, credit institutions have lowered their expectations for increased credit demand across all surveyed sectors. Among the six main surveyed sectors, “commercial and service loans” are forecast to see the highest growth in demand, followed by “industrial and construction development loans,” “green credit,” “personal and consumer loans,” “agriculture-forestry-fisheries development loans,” and “high-tech investment loans.” Additionally, in 2025, many credit institutions forecast that corporate borrowing demand will rise more than individual borrowing. Demand for short-term loans is projected to expand more than medium- and long-term loans, and demand for VND-denominated loans is estimated to grow more than foreign currency loans.

Like in 2024, “economic growth trends,” “interest rate movements,” “changes in lending rates of credit institutions,” and “changes in investment demand for production and business” are forecast by credit institutions to exert positive effect on the increase in corporate credit demand in the last six months and throughout 2025. In addition to these factors, the “improvements of loan products of credit institutions” factor is expected to have a significant impact on the rise in personal borrowing demand in the last six months and throughout 2025.

Notably, the four economic sectors identified by many credit institutions as major drivers of credit growth in 2025 and expectedly in 2026 include “construction,” “processing and manufacturing industry,” “wholesale and retail,” and “food and beverage manufacturing.”

### **Focus on effective risk management**

Nguyen Quoc Hung, Vice Chairman and General Secretary of the Vietnam Banks Association, said: Given a volatile economy, ensuring credit safety and enhancing risk management efficiency are becoming a critical factor for credit institutions, especially commercial banks. At the same time, the strong development of technology, particularly artificial intelligence (AI), machine learning, and big data analytics, presents new opportunities to optimize credit scoring processes, improve the accuracy of risk assessments, and enhance the quality of credit portfolios.

The SBV’s credit survey results show that credit risk of loans was assessed to have “slightly decreased” in the first half of 2025 but may slightly increase in the second half. However, the expansion is insignificant and remains much lower than in 2023 and 2024. Among 16 surveyed sectors, five are expected to experience a slight development in credit risk: “Real estate investment and trading,” “import-

export business,” “securities investment and trading,” “financial, banking, and insurance business,” and “credit card loans.” Of these, the two sectors seen as having the highest potential risks are “real estate investment and trading” and “import-export business.”

The banking sector has made significant progress in applying advanced risk management tools, from building internal credit rating systems to implementing Basel II and Basel III standards, he noted. The SBV has also issued several important regulations regarding internal credit rating systems, requiring credit institutions to develop such systems to assess customers, serve as a basis for credit approval, manage credit quality, and formulate risk provisioning policies appropriate to their operational scope. To date, large credit institutions have established their own internal credit rating systems.

However, the current rating systems are revealing certain shortcomings. For example, the financial data of many customers is not publicly transparent and clear (except for public companies) while there are not many interconnected information data systems for direct verification. Important data such as tax data, social security data, customs data and telecommunications data have not been utilized, leading to incomplete and inaccurate scoring and rating outcomes. Internal credit rating systems of some credit institutions only use traditional data rather than non-traditional data for customer rating.

To carry out corporate credit rating models at banks, Mr. Trinh Van Duy, Director of the Risk Modeling Center, Risk Management Division, Military Commercial Joint Stock Bank (MB), suggested that the National Credit Information Center of Vietnam (CIC) should build separate scoring models for each customer segment. Notably, it is essential to integrate cross-sectoral data including tax, social insurance, securities, e-invoices, brand reputation, market reports, and even non-financial data. He also emphasized the need to strengthen data sharing cooperation among credit institutions through modern channels such as APIs or host-to-host connections to enhance real-time data access and support more accurate credit decision-making.

Mr. Ha Hoang Dung, Director of the Risk Management and Compliance Division, Vietnam International Commercial Joint Stock Bank (VIB), proposed the early introduction of guiding documents for the implementation of the Personal Data Protection Law. He also suggested establishing a leading body to represent the banking industry to aggregate data-sharing needs and direct the implementation of deidentified data sharing initiatives to support the construction of internal credit rating models at commercial banks.

Credit institutions plan to launch a large-scale risk management reporting system consisting of 160 to 200 reports, integrating AI and industry data from 2026. This system aims to enable them to develop strategic plans and control risks more systematically, modernly, and effectively. ■





**TH pioneers a green circular economy with a fully integrated dairy farm from crops to milk production**

## CIRCULAR AGRICULTURE

# From Policy to Action

Circular economy is a closed-loop economic development model that uses resources efficiently, minimizes waste and maximizes recycling and reuse. Applying the circular economy to agriculture not only helps improve the productivity and quality of agricultural products, but also reduces input costs, protects the environment and increases added value.

### QUYNH ANH

**O**n June 19, 2024, the Prime Minister issued Decision 540/QĐ-TTg approving the project on scientific development and technology transfer to promote the circular economy in agriculture by 2030. Accordingly, the specific goal by 2030 is for at least 20% of scientific tasks in the agricultural sector to be researched, applied and transferred to support the development of the circular economy in agriculture.

### **Great benefits but many difficulties remain**

According to Mr. Ha Van Thang, Chairman of the Vietnam Agricultural Business Council (VCAC), in recent times, several businesses and farmers have applied the circular economy in agriculture to optimize production processes, such as using microbial products to produce organic fertilizers from straw and livestock waste, and growing organic vegetables and rice. These practices have helped reduce fertilizer costs, create clean and safe organic rice product lines, and increase economic efficiency compared to mass production. A notable example is the use of mechanical services to collect straw as raw material for producing mushrooms, animal feed and organic fertilizers in some midland areas, the Northern Delta and parts of the Southwest. These applications have helped raise income from rice production by about 15% compared to the linear production model.

In addition, there are models of circular buffalo and beef cattle farming linked with product consumption chains implemented in localities such as Phu Tho, Hung Yen, Lao Cai, Tuyen Quang and Hanoi. These models use biological methods to treat manure and utilize agricultural by-products like corn stalks, cassava, beans, peanuts and straw, which are processed and preserved using the silage method. This helps reduce feed costs and increase economic efficiency by 10%-15%. Livestock



waste is composted with biological preparations to produce organic microbial fertilizers for crops, creating a circular cycle for agricultural production.

Despite its great potential, the implementation of the circular economy in agriculture still faces many challenges. Circular economy requires systemic thinking and innovation in both management and production, and it is an inevitable path, not just a choice, for modern and sustainable agriculture. However, circular agricultural production continues to face obstacles due to the incomplete policy framework for circular economic development and the lack of specific policies for the circular economy model in agriculture. Value chain-based production linkages remain limited, and many cooperative models are not operating effectively, making it difficult to invest in and apply technologies and processes to production, especially circular models. The dissemination of circular agricultural practices in many areas is still limited, with no tailored solutions for each region, product group, farm size or enterprise.

A large portion of agricultural producers continue to follow linear thinking, concentrating all resources and relying heavily on measures such as herbicides, chemical fertilizers, pesticides and growth stimulants to maximize profit and productivity at all costs - an approach that may yield short-term benefits but results in long-term environmental damage.

Additionally, the number of applied researchers and experts in waste and by-product treatment technologies in agriculture is still limited and insufficient due to the lack of appropriate policies for this group. The application of science, technology and digital innovations continues to face many barriers due to existing regulations, which unintentionally hinder innovation and discourage the adoption of new methods and solutions in circular agricultural production.

### **Focus on policy reform and implementation**


To promote the circular economy in agriculture and enhance competitiveness, Mr. Ha Van Thang emphasized the need to focus on six groups of policy solutions. These include financial support policies and green credit, such as preferential

credit for businesses investing in circular agricultural models like by-product treatment, waste recycling and bioenergy. Another solution is the establishment of a fund to support innovation and the transfer of circular technologies. Additionally, tax and land incentives should be offered, including reductions in corporate income tax for clean and circular production activities, and priority in land allocation and leasing for businesses implementing integrated circular models combining livestock, cultivation and energy.

“It is necessary to complete the legal framework and standards, and issue a national set of criteria for the circular economy in agriculture; standardize processes, eco-labels and traceability of circular origins to enhance export capacity, while supporting training, communication and market development to promote the supply-demand connection for recycled and circular agricultural products,” Mr. Ha Van Thang shared.

According to him, the government should support programs for market development of products applying circular economy in agriculture, and organize promotion and trade activities for products that adopt scientific advances and circular production solutions. It is also essential to build institutional policies that support certification of circular agricultural products according to both international and domestic export standards. Policies should encourage pilot models and innovation within the household economy sector, with a strong focus on grassroots agricultural extension programs and the transfer of circular development technologies such as recycling technologies and the effective use of by-products from rice production like straw and husks to create value-added products including organic microbial fertilizers, animal feed, mushroom substrates and biological bedding.

The circular economy is an inevitable direction to enhance competitiveness and create sustainable added value for Vietnamese agriculture. To realize this goal, Mr. Thang emphasized the need for a comprehensive policy ecosystem and close coordination among the State, enterprises, farmers, scientists and investors. ■



**Applying the circular economy in agriculture boosts productivity and product quality**



High-quality human resources are crucial to the development of Vietnam's semiconductor industry

## Vietnam Semiconductor Industry Advances in Value Chain

Vietnam's semiconductor industry is gradually getting more involved in high value-added stages of the global supply chain. This is marked by the impending inauguration of Viettel's first chip manufacturing plant and the clearer presence of major global tech corporations in the country.

According to a report from the U.S. Semiconductor Industry Association (SIA), semiconductor revenue expanded about 20% year on year in 2024 and projected to grow by 12% to nearly US\$700 billion in 2025. The growth is primarily driven by the explosive demand from artificial intelligence, data centers, electric vehicles, and 5G devices.

In recent years, the Vietnamese government has issued numerous strategic policies and guidelines and has created favorable conditions for investment in semiconductor development.

Notable examples include Resolutions 57 and 68 of the Politburo, Resolutions 193 and 198 of the National Assembly, the Law on Digital Technology Industry, the Law on Science, Technology and Innovation, the announcement of a list of 11 strategic technology sectors, including semiconductors, and Program 1017 on semiconductor human resource development.

At the second meeting of the National Steering Committee for Semiconductor Industry Development, Deputy Minister of Finance Nguyen Duc Tam reported that Vietnam is starting to participate in higher value-added stages such as the manufacturing of semiconductor equipment, materials, and components, as well as chip packaging and testing.

Notably, Vietnam is preparing for the inauguration of Viettel's first chip manufacturing plant. The country is gradually gaining global recognition as a promising destination for the semiconductor industry and has been selected to host exhibitions in the world's largest semiconductor exhibition series organized by the Global Semiconductor Alliance.



The strategic decisions by two tech giants, Nvidia and Qualcomm, to choose Vietnam as a hub for AI and semiconductor research, development and manufacturing are regarded as major milestones in Vietnam's deeper integration into the global semiconductor value chain.

This has led to a major relocation of high-value supply chains to Vietnam and represented a leap forward in the country's position on the global semiconductor and technology map.

Reporting on the implementation of the Program on semiconductor human resource development to 2030, with a vision to 2050 (Program 1017), Deputy Minister Tam stated that nine of the 34 tasks have been completed, and 25 are progressing on schedule.

In terms of the current workforce, there are about 7,000 engineers working at chip design companies and around 6,000 engineers and 10,000 technicians working at chip packaging, testing, and semiconductor material and equipment manufacturing companies.

The semiconductor innovation network has brought together more than 100 Vietnamese experts from around the world.

In human resource training and development, 320 lecturers have participated in in-depth training courses, and approximately 6,300 undergraduate students are studying semiconductors. More than 12,000 students are enrolled in related fields that can be converted into semiconductor competencies after supplemental training.

Roughly 600 master's students and nearly 120 PhD candidates are currently undergoing semiconductor training while over 1,600 learners have completed short-term training courses.

In terms of training system, 166 universities offer

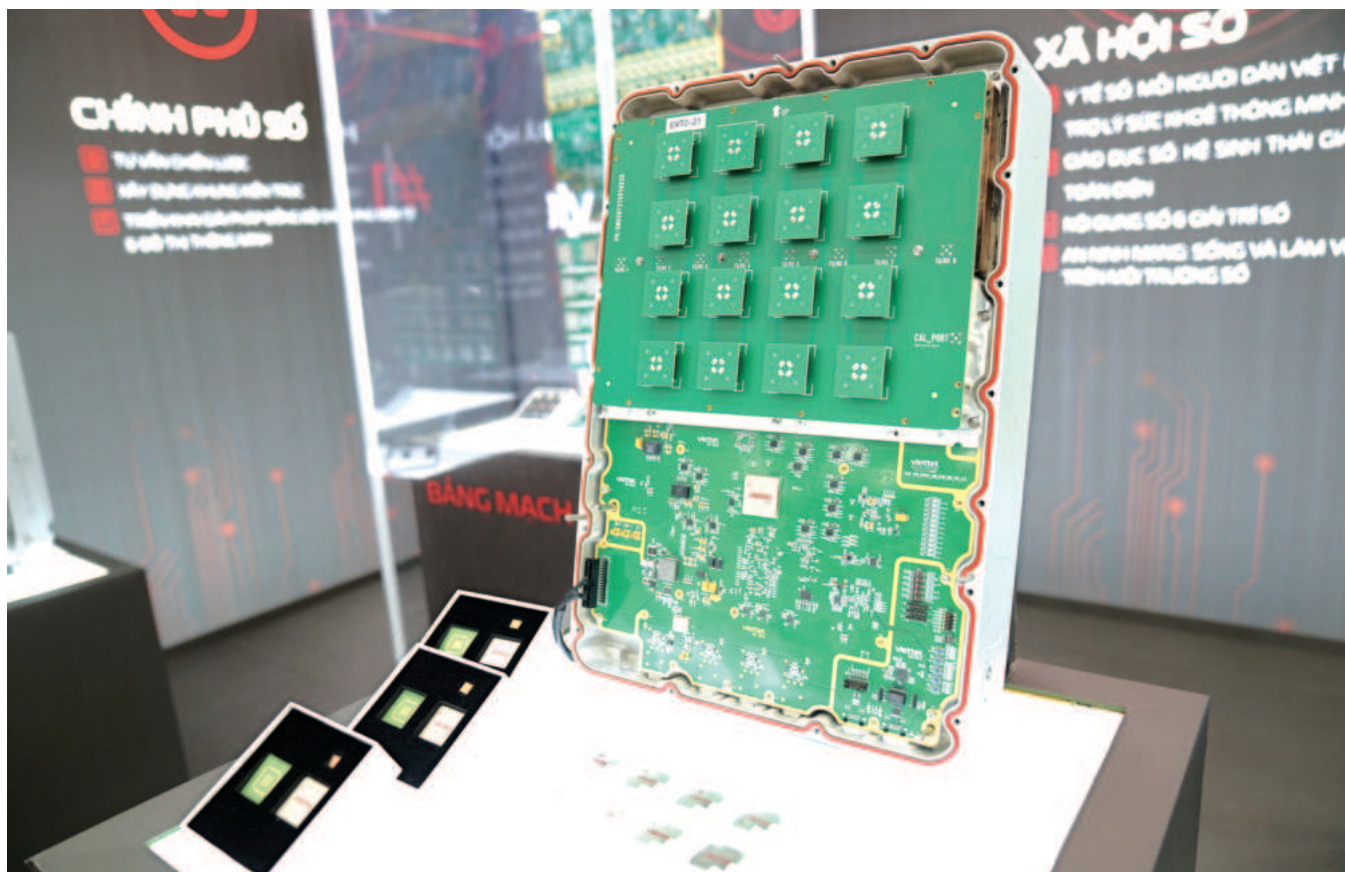
semiconductor-related programs, and about 10 small-scale semiconductor labs have been built for training purposes. The 'Triple Helix' model in semiconductor training is being vigorously implemented. The Ministry of Finance also brought Vietnam's first Semiconductor Incubation and Development Center into operation.

To diversify resources for semiconductor workforce development, the Ministry of Finance has secured 1,000 chip design and semiconductor technology licenses, worth tens of millions of USD, from global corporations such as Cadence, Siemens, ARM, and Lam Research to support training in over 30 universities. Japan, Taiwan (China), and European countries have also agreed to provide around 1,000 scholarships annually.

International cooperation has been prioritized and actively promoted. Government leaders consistently provide close direction, spend much time on meeting and working with many leaders and experts in the semiconductor field, integrate semiconductor cooperation into international agendas and foreign affairs.

Vietnamese universities and businesses have also taken strong action. Several major firms like Coherent, Marvell, Viettel, FPT, and Phenikaa have actively participated in semiconductor training at universities.

To further develop the semiconductor industry in the coming time, the Ministry of Finance proposed selectively attracting FDI fund, establishing 100 chip design firms, a small-scale chip fabrication plant, and 10 packaging, testing, and semiconductor facilities. It also plans to provide in-depth semiconductor training for 1,300 lecturers and build four national shared semiconductor laboratories, along with other labs at the institutional level to support implementation. ■



**Viettel is possessing many advantages in participating in the semiconductor industry**

# Textile Industry Attracts Investment in Raw Material Production

With new tariff policies, synthetic fiber products currently require proof of origin. Therefore, to boost export revenue, the only way for the Vietnamese textile industry is to enhance automation and raise the localization rate.

## LE HIEN

**D**r. Le Tien Truong, Chairman of the Board of Directors of the Vietnam National Textile and Garment Group (Vinatex), said that in recent years, the trend of producing synthetic fiber products has been rising, with polyester staple fiber (PSF) being a key raw material for chief value cotton (CVC) and polyester (PE) products. While the demand for PSF was about 100,000 tons per year in 2020, it is expected to reach 550,000 tons by 2025.

Recently, to build sustainability in the chemical fiber textile supply chain and aim for proactive domestic sourcing, higher added value, and greater competitiveness in the global market, Vietnam National Textile and Garment Group (Vinatex) and the Vietnam National Industry–Energy Group (Petrovietnam) have cooperated based on a product consumption agreement between PetroVietnam Petrochemical and Textile Fiber Joint Stock Company (VNPoly) and Vinatex's member units.

According to Mr. Tran Huy Thu, General Director of VNPoly, based on each party's existing capacity and experience, they agreed to sign a principle contract for the consumption of PSF products produced by VNPoly. VNPoly cooperated with Vinatex to select 1–2 post-sewing factories to test spinning, weaving, and dyeing VNPoly products to evaluate their quality before supplying to PSF fiber customers, with a commitment to offer preferential policies to support testing in line with market prices.

Research data shows that Vietnam's demand for PSF products is about 492,000 tons per year, most of which must be imported. Meanwhile, textile products exported to the U.S. account for 20% of the country's total textile export output. Therefore, localizing raw materials for Vietnam's textile industry has become urgent, especially in light of U.S. tariff policies on imported textile products. The cooperation between VNPoly and Vinatex's subsidiaries aims to enhance the competitiveness of all parties in both domestic and international markets.

Mr. Le Tien Truong affirmed that 12 Vinatex enterprises attended the signing ceremony for practical benefits and long-term, substantive cooperation. He noted that the actual demand for PSF fiber in Vietnam has grown significantly, along with a rising trend in the use of PSF blended yarn. Vinatex enterprises have a strong need for VNPoly's PSF supply to meet origin requirements in major markets such as the United States and Europe.

"Since 2022, fiber enterprises have had to shift from producing 100% cotton products to manufacturing CVC and PE products.



**Vietnam's textile industry must automate and increase localization rate to boost exports**

Therefore, the demand for PSF products is a practical need for Vinatex's fiber manufacturers. In addition, under new tariff policies, synthetic fiber products must now prove their origin. Since Vietnam cannot produce cotton, it must ensure over 50% domestic content to meet technical requirements of fabric producers. As a result, the only way to increase export revenue is to boost automation and expand the domestic raw material supply," Mr. Truong said.

Although demand is high, the implementation still faces challenges as Vinatex cannot purchase fiber at prices higher than the market, while Chinese fiber remains relatively competitive. Currently, 70% of Vinatex's yarn output must meet "dyeing guarantee" commitments, ensuring consistent yarn quality during the fabric dyeing process. Therefore, close coordination is essential between fiber suppliers and yarn manufacturers to meet strict requirements on the post-sale dyeing structure of the yarn.

Faced with strict requirements on the origin of raw materials for textile production, Vinatex leaders suggested that businesses should classify and clearly identify fabric types that can be sourced domestically to reduce reliance on imports. They emphasized the need to fully utilize local material sources to prioritize the use of imported fabrics more strategically. At the same time, enterprises are encouraged to collaborate with customers to diversify imported raw material sources and accelerate the adoption of digital solutions for product origin traceability.

Speaking at the recent conference between the Prime Minister and heads of Vietnam's overseas diplomatic missions, Mr. Truong Van Cam, Vice President and General Secretary of the Vietnam Textile and Apparel Association (VITAS), emphasized the need to strengthen the internal capacity of the textile and garment industry, including human resource training.

In the first six months of 2025, the industry's total export turnover is estimated at US\$21.8 billion, up 10.6%; import turnover is estimated at US\$12.7 billion, up 9.3%, resulting in a trade surplus of US\$9.1 billion. For the whole year, export turnover is forecast to reach US\$46–47 billion. ■





Companies need workers that are skilled in mechanics, electronics, automation, CNC operation, and 3D design

# Finding Quality Human Resources for Vietnam's Supporting Industry

The supporting industry in Vietnam is becoming increasingly important in the global supply chain, especially in areas such as electronics, precision engineering, automobiles and textiles. However, one of the main challenges the industry currently faces is the lack of high-quality human resources.

LAN ANH

## Growing demand for skilled human resources

As Vietnam promotes the development of its supporting industry to increase localization and integrate more deeply into the global supply chain, the demand for high-quality human resources in this sector is becoming increasingly urgent. Enterprises in the supporting industry, particularly those in electronic component manufacturing, precision engineering, material technology, molds and auto parts, have expressed a strong need for engineers, technicians and skilled workers capable of meeting the strict technical standards and

production processes of multinational corporations. According to the Vietnam Association of Supporting Industries (VASI), there are about 2,000 supporting industry enterprises nationwide, with more than 300 involved in multinational supply chains, yet most struggle to recruit qualified human resources with high-tech expertise, practical skills and modern production thinking. Companies require not only workers with a solid foundation in mechanics, electronics and automation, but also the ability to operate CNC machines, use 3D design software, control product quality and follow standard processes such as ISO, IATF 16949 or Six Sigma.

A typical example is Truong Hai Group Corporation (THACO), which has around 60,000 employees, with approximately 32% holding university and postgraduate degrees, 18% from technical colleges, and 50% being technical workers. From 2022 to 2025, the company's demand for human resources is estimated to grow by about 15% per year, in line with its digital transformation strategy and goals for sustainable development. Since 2010, THACO has operated a vocational college with a training capacity of 2,000 students per year, but this still falls short of meeting its needs. As a result, THACO also collaborates with universities, institutes and training centers, and employs experts from Japan and







**Vietnam's supporting industry faces a challenge in lacking high-quality human resources**

👉 Korea to provide training in technology, engineering and the electronics industry.

In addition, many FDI enterprises with factories in Vietnam are expanding production and require a workforce that can communicate in English or Japanese, understand international corporate culture and quickly adapt to a modern working environment. The demand is not only concentrated in major cities such as Hanoi, Ho Chi Minh City and Da Nang, but also extends to industrial provinces like Bac Ninh, Hai Phong and Dong Nai, where many industrial parks and supporting manufacturing factories are located. However, the current supply of high-quality human resources remains insufficient in both quantity and quality. The shortage of design engineers, high-tech operating technicians and specialized production managers has become a significant barrier to attracting investment and increasing added value for the domestic supporting industry.

### **Strengthening cooperation between the state, enterprises and training institutions**

To meet current demands, Vietnam has many specialized and multidisciplinary training institutions that supply human resources for the supporting industry, including sectors such as electronics, mechanics, automobiles, component manufacturing and logistics. Many universities and vocational schools are proactively partnering with businesses to offer practical training that responds quickly to market needs.

VNU University of Engineering and Technology (VNU-UET), under Vietnam National University Hanoi (VNU Hanoi), is one of Vietnam's leading technical institutions, with faculties including Electronics & Telecommunications, Mechatronics, Engineering Physics & Nanotechnology, Mechatronics & Automation. The university has many laboratories and research centers, along with international cooperation programs to enhance the training of engineers for supporting industries. Ho Chi Minh City University of Technology (HCMUT) offers programs in Mechanical Engineering; Electrical and Electronics Engineering, Materials

Technology and Industrial Management. The university is equipped with modern workshops and laboratories and maintains strong links with domestic and international enterprises, enabling students to gain exposure to real-world production environments and supporting industrial engineering.

In addition, Nha Trang University (NTU), with faculties such as Mechanical Engineering, Electrical & Electronic Engineering, Food Technology, and Transportation Engineering, offers multidisciplinary and applied training programs. NTU educates engineers who can participate in component production, machinery manufacturing, seaport logistics

and food processing in the supporting industry, contributing to its ongoing development.

Ho Chi Minh City University of Transport (UT HCMC), a member institution in the logistics and transportation sector, provides training in majors such as Electrical & Electronic Engineering, Shipbuilding, Logistics Management and Information Technology. These programs are well-suited to supporting industrial enterprises involved in the manufacturing of port equipment, ships and transport accessories.

In addition, there are colleges and vocational schools that emphasize practical training in partnership with enterprises. Hanoi Industrial Vocational College (HNIVC) provides students with 70% hands-on training in modern workshops equipped with Industry 4.0 technology from Japan, Korea and Germany. Vietnam College of Industry and Commerce (VCI) applies a "3 in 1" model that connects students, schools and businesses, ensuring 100% job placement for graduates. It offers training in fields aligned with the supporting industry, such as industrial electronics, automotive technology, computer programming and network administration, along with international internship programs in Japan, Korea, Germany and New Zealand.

FPT Polytechnic College adopts the Project-Based Learning method to train students in automation, mechanical-electrical automation, information technology and more. The school guarantees extensive hands-on practice and maintains close cooperation with over 500 enterprises, providing students with internship and job opportunities during their studies.

Faced with the growing demand from enterprises, enhancing skills, expertise and technological adaptability for the workforce has become an urgent task. Close coordination between the state, enterprises and training institutions is essential to developing a workforce that meets the requirements of modernized production, helping improve competitiveness and promote the sustainable development of supporting industries. ■



# VME & SIE 2025 Connecting Vietnam's Manufacturers with Global Value Chains



The opening ceremony of VME & SIE 2025

On August 6, two major industrial exhibitions in Vietnam - the Vietnam Manufacturing Expo (VME) and the Vietnam-Japan Supporting Industries Exhibition (SIE) - officially opened at the Hanoi International Center of Exhibition (I.C.E. Hanoi).

## BUI LIEN

The event brought together nearly 200 international brands such as Sinfonia, Lkm, Ametek, Tecomaco, Tanco, Hurco, Dyncast and Castor & Wheels. The exhibitors showcased solutions for smart factories, industrial robots, applied AI, and new energy-saving technologies.

At VME & SIE 2025, in addition to an expanded international scale in both brand participation and technical expertise, the exhibitions were designed as a comprehensive platform integrated with a series of specialized activities to deliver the highest value for participating businesses.

This year's exhibitions were coupled with a series of specialized seminars, co-organized by the Vietnam Association of Supporting Industries (VASI), the Vietnam Electronics Industries Association (VEIA), and many other reputable international organizations. These seminars gathered leading domestic and international experts.

Moreover, a dedicated B2B on-site business matching area



Delegates explore the latest innovations, technologies, and solutions in manufacturing and supporting industries at VME & SIE 2025

allowed businesses to actively schedule direct meetings with potential partners during the exhibition. The Sourcing Area welcomed major buyers operating in key sectors such as precision engineering, aluminum casting, plastic injection molding, and mold manufacturing.

As part of the key activities of SIE 2025, a business matching program organized by JETRO included six in-depth presentations aimed at enhancing substantive cooperation between Vietnamese suppliers and leading Japanese manufacturers. Simultaneously, the networking area at SIE 2025 hosted numerous major corporations, including Toyota, Denso, Enshu Sanko, Hoshimoto, Y.H Seiko, Pegasus, and Hirota, all of which are expanding their supply chains in Vietnam. ■

# Most Glorious Era in Vietnamese History

Exactly 80 years ago, the Declaration of Independence on September 2, 1945, proclaimed the birth of the Democratic Republic of Vietnam. This was a glorious milestone in history, ushering in the new Ho Chi Minh era, the most brilliant period in the nation's thousands of years of history, embodying a truly grand stature that elevated the Vietnamese people from tradition to modernity.

Dr. DOAN DUY KHUONG

**F**ollowing that momentous point of time, Vietnam spent 30 years building a democratic republic and engaging in a heroic resistance war to defend the country, ultimately achieving national reunification on April 30, 1975.

However, border wars in the Southwest and the North, as well as economic embargoes imposed by Western countries over the next 10 years, meant that Vietnam was only truly able to begin its national construction about four decades ago. After nearly 40 years of Doi Moi (renovation), the country has made comprehensive and meaningful achievements, significantly contributing to socioeconomic development and elevating Vietnam's global standing to unprecedented levels. Currently,

Vietnam's GDP exceeds US\$475 billion, ranking 33rd globally in terms of GDP size and standing among the top five countries with the highest economic growth. Furthermore, during this process, Vietnam has shifted from being a passive participant to playing an increasingly active role in global security, as demonstrated by its two terms holding the rotating presidency of the United Nations Security Council.

Regarding the socioeconomic development strategy, some people still hold the view that Vietnam's important geostrategic position, wartime devastation, frequent natural disasters, and difficult conditions have affected socioeconomic development, national defense, and security. At the same time, they do not fully recognize the nation's socioeconomic development resources, a decisive factor in creating strength. However, there is a growing consensus today on a quantitative model of five resources. This model represents a creative application of the lesson that building the nation must go hand in hand with defending it. To achieve sustainable development and move toward a prosperous society, it is necessary to quantitatively manage, mobilize, effectively use, and most importantly, increase all five basic forms of capital: financial capital, social capital, manufactured capital, human capital, and natural capital, which are often depleted by economic production. In other words, it is essential to actively use and manage the nation's resources wisely.

According to economists, to attain this ultimate goal, a comprehensive socioeconomic development strategy is needed, one that includes four fundamental components:

First, sustainable economic governance: Effective resource management requires building and implementing good planning to enhance the five forms of capital assets rather than depleting them. These should be core components of the plan, strategy, and vision



**Vietnam has achieved remarkable progress, boosting socioeconomic growth and elevating the global standing**



of the Government's master planning at all levels, from the central government to local authorities and even the business community, to consistently and actively realize socioeconomic development goals. This approach aims to avoid negative phenomena such as waste, corruption, and bureaucracy, and, most importantly, to achieve economies of scale.

Second, proactively promoting resources: In the five-capital pattern, only two, human capital and social capital, are inherently capable of driving all other capitals for socioeconomic development and renovation. Good governance of these two resources is the greatest differentiator that determines whether a country is developed or developing. Human capital, in particular, is considered the most important asset of any nation.

Regarding human capital, it is essential to focus on developing the private economy and the entrepreneurial class to successfully implement Resolution 68-NQ/TW of the Politburo dated May 4, 2025. This resolution aims to perfect the market economy and unleash the infinite and powerful innate human desire for forward progress because "demand" will drive "supply," leading to remarkable and disruptive development of a commodity-based society. Additionally, it is necessary to build and train a team of entrepreneurs with ethics, business integrity, social responsibility, and a strong sense of national identity, while also embracing the best of global business culture and harboring the aspiration to build a powerful, prosperous nation. Business ethics and business culture must be the core and respect for the law must be upheld.

With respect to social capital, it is a powerful resource that determines the civilization and quality of a society's development through unity, institutional innovation, and effective coordination of political and social forces. This is widely recognized today in the world as the 2024 Nobel Prize in Economics was awarded to three economists - Daron Acemoglu, Simon Johnson, and James A. Robinson - for their contributions to research on the role of institutions in national prosperity.

In Vietnam, the greatest lesson from social capital during the first period of Doi Moi was the institutional change from an egalitarian mechanism to an equal one, which transformed our agriculture from a crisis of scarcity to a state of surplus and global export leadership of agricultural products. This was also the beginning of the transition from a centrally planned economy to a market economy. Therefore, it is necessary to accelerate law-making and enforcement reforms in the spirit of Resolution 66-NQ/TW to meet national development requirements in the new era by streamlining and reorganizing institutions and government from the central to provincial levels, ensuring the effective use of social resources.

Third, international economic integration: Upgrading, opening, and deepening international relations through bilateral economic institutions with comprehensive strategic partners is not only a condition for expanding markets but



**Vietnam's GDP ranks 33rd worldwide**

also a foundation for Vietnam to transition to a higher quality of integration and solidify its position in the global value chain. This is a "dual leverage" that simultaneously drives breakthrough economic development and risk diversification, while also positioning Vietnam as a reliable, attractive, and responsible partner in the international economic community to strongly execute Resolution 59-NQ/TW dated January 24, 2025 of the Politburo on international integration in the new setting.

Fourth, science and technology: In the modern era, managing the nation's economy must achieve two main goals: increasing labor productivity and improving the quality of life for the people, through good management of socioeconomic development resources. The 4.0 and 5.0 revolutions, with their core focus on artificial intelligence (AI)-driven technological competition based on standards and processes with efficient product supply chains, aim to create high-tech manufactured resources (including dual-use products for both economic and national defense purposes). Product standards not only enhance economic competitiveness but can also positively impact social capital by fostering trust, cooperation, and knowledge sharing among stakeholders. When products meet established standards, consumers are more likely to trust the product and brand, leading to stronger social connections and a sense of collective well-being. This can translate into increased social capital within communities and even globally.

Science and technology can now truly present an opportunity to rapidly increase productivity and the quality of life for all people. Therefore, it is necessary to build and develop a society with a progressive, free, equal and democratic environment as a foundation for a breakthrough in scientific and technological development, innovation, and national digital transformation, as set out in the Politburo's Resolution 57-NQ/TW dated December 22, 2024.

By effectively implementing these strategies, we will undoubtedly carry out President Ho Chi Minh's testament: "The Hung Kings founded our nation; we must all strive to defend it." Most importantly, we will lead the nation, as it approaches its 100th anniversary, into the most brilliant and glorious era in the history of Vietnam. ■

# Key Public Investment Driving Sustainable Growth in Vietnam



The construction site of Long Thanh International Airport, one of the country's largest public investment projects

In the first seven months of 2025, public investment in Vietnam improved significantly, as the disbursement rate rose from nearly 9% in the first quarter to almost 44% by the end of July, much higher than during the same period last year. The Government has identified public investment as the primary tool to drive growth while exports and consumption face numerous risks.

## QUYNH CHI

### **Many major projects are being prioritized for implementation**

In reality, public investment continues to play a crucial role in Vietnam's strategy for economic recovery and growth, especially in major national infrastructure projects and strategic economic

areas such as the Central region, the Mekong Delta and the Southern key economic zone. With strong political will, the Government has closely directed efforts to prioritize capital allocation and speed up disbursement progress for key projects, aiming to create spillover effects and improve national competitiveness.

One of the key projects is the North-South Expressway (East) for the 2021-2025 period, comprising 12 component subprojects with a total length of nearly 729 km, running through several provinces from Ha Tinh to Ca Mau. This is a vital transportation route, strategically important for inter-regional connectivity and lowering logistics costs. Several sections, including Nghi Son-Dien Chau, Dien Chau-Bai Vot, and Vinh Hao-Phan Thiet, have recorded construction progress surpassing planned targets. Projects such as Bai Vot-Ham Nghi and Ham Nghi-Vung Ang have relatively high disbursement rates - 74% and 85% of the 2024 plan respectively - and are expected to maintain strong disbursement momentum in 2025.

In the Central and Central Highlands regions, projects such as the Khanh Hoa-Buon Ma Thuot Expressway and Chu Lai International Airport are seeing accelerated disbursement, aiming to transform the regional economic structure and promote the development of industry, logistics, and seaport services.

The Mekong Delta, which is heavily impacted by climate



change, is also seeing a major wave of public investment in disaster response infrastructure, transport development, and agricultural transformation. The region is implementing 9 key transport projects with a total capital of about VND106,000 billion. Among them, 6 out of 9 projects - including major highways and bridges such as the Chau Doc-Can Tho-Soc Trang Expressway, Dai Ngai Bridge, and Cao Lanh-An Huu - are scheduled to begin operation in the 2026-2027 period. For the Chau Doc-Can Tho-Soc Trang Expressway, local authorities are tasked with resolving site clearance and material supply issues to deploy three shifts with four construction teams, aiming for completion in 2025.

In the Southern key economic region, Long Thanh International Airport - one of the largest public investment projects in the country - is being built on schedule, with many major components such as the T3 passenger terminal, runway system, and traffic connections beginning to accelerate. The project is expected to help Ho Chi Minh City and the Southeast region ease pressure on aviation infrastructure while promoting tourism and logistics.

However, despite increased implementation efforts, many projects remain behind schedule. The Khanh Hoa-Buon Ma Thuot Expressway, with a total length of approximately 117 km divided into many packages, is expected to be completed by 2027. As of now, site clearance has reached about 96%, with the remaining 4% mainly involving natural forest areas and technical infrastructure that needs to be relocated. Nevertheless, construction progress remains slow due to unfavorable weather, material shortages, and delays in site handover in certain areas. By July 2025, the project had only reached about 58% of the contract value, falling 27% behind schedule.

Similarly, the Chu Lai International Airport project, with a total investment of about VND2,006.56 billion, aims to raise its capacity to 30 million passengers per year by 2030. The Prime Minister has requested the project be completed within two years from February 2025. However, progress remains sluggish. Local authorities are working urgently with relevant ministries and agencies to address issues related to site clearance, land-use conversion, and completion of investment procedures.

In many provinces such as Phu Tho, Thanh Hoa, and Ha Giang, the disbursement rate has been rapid, driven by strong political will and innovative implementation. However, in major cities like Ho Chi Minh City and Hanoi, slow progress in site clearance, planning adjustments, and inter-agency coordination has resulted in disbursement rates falling below the national average. The Government has directed these localities to commit to specific timelines, publicly disclose leadership accountability, and reallocate capital from underperforming areas to those with better implementation capacity to ensure efficient resource utilization.

## **No disruption to the implementation and disbursement of public investment capital**

In recent times, the Government has implemented a series of synchronized solutions, including the establishment of monitoring mechanisms, special administrative task forces, and flexible adjustments to the capital plan. If this momentum is sustained and existing bottlenecks are effectively addressed, achieving 100% disbursement of the 2025 public investment capital plan is entirely feasible. This would make a significant

contribution to supporting Vietnam's goal of attaining a GDP growth rate of over 8%.

According to the World Bank's assessment, to enhance the effectiveness of public investment, Vietnam not only needs to increase its investment scale but, more importantly, must improve the quality and efficiency of investment management to drive sustainable development. Specifically, improving both the allocative efficiency and operational efficiency of public investment is essential. As noted in the World Bank's Public Investment for a High Performing Economy (July 2025) report, persistent issues include unclear project prioritization, overlapping procedures, and limited flexibility in the use of ODA resources. Therefore, the World Bank recommended that Vietnam review and restructure the list of priority public investment projects in alignment with national development goals; adopt consistent evaluation criteria and standardized project templates to ensure quality from the planning stage. It is necessary to strengthen ex-post evaluation to gauge socio-economic effectiveness; simplify procedures for regional, inter-sectoral, or inter-provincial projects, and reduce redundant approval layers.

To address persistent weaknesses that hinder public investment programs, the World Bank recommended that Vietnam strengthen institutional capacity and processes alongside legal reforms. This includes improving project preparation before inclusion in the Medium-Term Public Investment Plan (MTIP) and establishing mechanisms to eliminate low-quality projects. Project delays could be reduced by integrating resettlement plans earlier in the project cycle and advancing decentralization. Reducing uncertainty for businesses by providing clear information about future public investment locations would help them plan more effectively.

To ensure that the disbursement rate of public investment capital in 2025 reaches 100% of the Prime Minister's assigned plan and supports an annual growth rate of 8% or more, the Ministry of Finance has urged ministries, and central and local agencies to implement a series of key measures. These include ensuring no disruption during the reorganization of administrative units at all levels; expediting project investment procedures within their authority; proactively reviewing and cutting funds from slow-disbursing projects; reallocating capital to projects with strong disbursement capacity and urgent needs, especially strategic infrastructure works; and resolving ongoing site clearance challenges.

For important national and key transport projects, it is essential to accelerate implementation, strengthen inspection and supervision, assign responsibilities clearly, and ensure close coordination across all levels and sectors for scientific and efficient execution. The goal is to complete 3,000 km of expressways and over 1,000 km of coastal roads by 2025. It is urgent to adjust the 2025 state budget investment plan for projects already approved under the 2021-2025 medium-term investment plan, to allocate additional capital for the Lao Cai-Hanoi-Hai Phong railway project. Priority should be given to the implementation and disbursement of capital for key national projects, including the Ninh Binh-Hai Phong Expressway, Hanoi Ring Road 4, Gia Nghia-Chon Thanh Expressway, Tan Phu-Bao Loc Expressway, Bao Loc-Lien Khuong Expressway, Ho Chi Minh City Ring Road 3, and Ho Chi Minh City-Moc Bai Expressway. ■

# HCM City's Green Mobility Shift

With over 14 million residents and 11 million registered vehicles, Ho Chi Minh City faces a unique urban mobility challenge. To meet Vietnam's net-zero emission goals by 2050, adopting green transport in the country's biggest metropolis is a necessity.

NGUYEN MAI

## A city and a nation in transition

Vietnam is taking bold steps toward a greener urban future. Hanoi is accelerating its plans to ban fossil-fuel motorbikes from the inner city, and HCM City is now also exploring how to transform its mobility landscape.

The city has recently proposed major plans to advance green mobility, from phasing out petrol-powered two-wheelers used in ride-hailing and delivery services, to developing a citywide electric vehicle charging network and converting all public buses to green energy.

Dr. Daisy Kanagasapathy, Associate Program Manager in Tourism and Hospitality Management at RMIT Vietnam and a long-term resident of HCM City, said: "If done right, HCM City can become a vital partner in realizing the nation's green urban transport vision – one that complements Hanoi's leadership and ensures national coherence with local relevance." Momentum is building for sustainable mobility across Vietnam's largest cities. Citizens are more aware of air pollution and congestion impacts. Yet many also voice legitimate concerns about affordability, public transport readiness, and the impact on livelihoods, especially for



Ho Chi Minh City faces a distinct urban mobility challenge



# Must Be Strategic and Inclusive

those working in informal or service sectors. “These concerns must be acknowledged, not dismissed. HCM City’s role, therefore, is not just to follow policy, but to help design models of transition that are workable, inclusive, and scalable,” Dr. Kanagasapapathy said.

## The case of the electric motorbike

Electric motorbikes are central to HCM City’s strategy. For a start, the city aims to replace 400,000 fossil-fuel motorbikes with electric bikes by 2029 through a four-phase transition process.

According to Prof. Jago Dodson, Director of RMIT’s Urban Futures Enabling Impact Platform and Co-lead of the RMIT Vietnam Smart & Sustainable Cities Research & Engagement Hub, the benefits of switching to electric motorbikes include reduced air pollution from exhaust, brake and tire wear, and reduced noise from internal combustion engine vehicles.

“Depending on the cost of electricity, there may also be savings for users,” he added. “And manufacturers of electric motorbikes will benefit from new demand.”

However, he cautioned that the transition comes with challenges. “Drivers will face upfront costs for new vehicles.

Disposing old petrol vehicles has environmental and resource impact. And cheaper travel could cause a rebound effect, resulting in more and longer trips and higher traffic volumes.”

As electric motorbikes are relatively small in electricity demand, many of them will likely be charged at home. “This could result in very informal approaches, with cables being run out of houses into the street that cause a hazard. There will need to be neighborhood-level charging solutions, including good design that doesn’t disrupt existing streetscapes,” Prof. Dodson said.

For delivery drivers and frequent users, public charging stations will be essential. “These should offer fast charging and consistent standards citywide. Battery-swapping models, used in other countries, would be very viable in HCM City given the scale of motorbike use.”

## The wider infrastructure issue

According to Prof. Dodson, the transition from fossil-fuel transport to green transport needs to be done within the context of wider transport network planning goals and actions.

“HCM City’s current traffic infrastructure favors private motor vehicles. A key challenge for the city will be to balance travel more evenly across modes, particularly public transport,” he explained.

Pedestrian infrastructure in the city is widespread but often narrow, uneven, and disconnected. There is almost no dedicated cycling infrastructure, and public transport consists mainly of buses with limited rail options.

“If planners and engineers can set a good metropolitan transport strategy, then residents should also have more choices as to how they travel – from easier local walking trips on improved footpaths, to more convenient and seamless travel across the city thanks to fast, frequent, and integrated bus and metro networks,” he said.

He pointed out that those who want to own private cars may choose to do so but will likely need to pay more for the impacts that this travel mode imposes.

“Limiting the growth of private cars is essential, as these are the least efficient means of travel within large, dense cities. Electric cars still take up the same space as conventional cars, and still produce adverse emissions such as brake and tire particulates,” he said.

“Limiting the number of private passenger cars means more of the existing road space is available for freight and commercial vehicles that are directly contributing to city productivity and economic development, though these vehicles also need to contribute to the cost of using roads.”

Commenting on the big picture, Dr. Kanagasapapathy suggested that HCM City should lead the transition with flexible, community-led models. It can serve as a testing ground for policies that blend environmental goals with economic realities, particularly for low-income and informal workers.

“If Vietnam is to meet its climate commitments, the biggest cities must move in tandem. HCM City’s scale and complexity show how a megacity can go green without leaving anyone behind,” she said. “The transition won’t be easy, but the cost of inaction is far greater.” ■



# Hanoi OCOP Program Aims to Build Sustainable Value Chain

Hanoi is leading the country in the number of One Commune One Product (OCOP) products. Hanoi has been implementing many solutions for the sustainable development of OCOP products.

**MINH NGOC**

According to the Hanoi Coordination Office of the New Rural Development Program, the city has many advantages in carrying out the assessment and classification of OCOP products, with about 1,350 craft villages, 159 production and consumption chains, 164 high-tech agricultural production models, and more than 11,000 agricultural and food products with QR code origin traceability. From 2019 to the present, Hanoi has assessed and classified 3,317 OCOP products, accounting for 21.3% of the country's OCOP products. Among these, there are 9 5-star OCOP products, 19 potential 5-star products, 1,571 4-star OCOP products, and 1,718 3-star OCOP products. Hanoi's OCOP products are diverse in design and type; at the same time, their quality is increasingly high to meet market demand.

In addition to OCOP participants who are individual households, Hanoi also has many participants who are business owners, cooperative directors, and farm owners. Of the 1,336 operating cooperatives, 134 are agricultural cooperatives with 448 products recognized as OCOP products. Among the 1,574 farms, 23 have received OCOP product certification, including fresh agricultural products produced according to VietGAP standards, as well as organic or processed products.

Many craft villages have seen growth in revenue, production value, and export value over the years. About 100 craft villages earn from VND10 billion to VND20 billion per year, nearly 70 earn from VND20 billion to VND50 billion per year, and around 20 have revenue exceeding VND50 billion per year, contributing significantly to the local budget. Some craft villages have particularly high annual revenue, such as Son Dong craft village, with over VND1,000 billion and



**Traditional incense stick making in suburban Hanoi**

regular jobs for more than 2,800 workers, and La Phu craft village, with over VND1,300 billion. These villages are also major sources of 3-star, 4-star, and 5-star OCOP products.

After certifying OCOP products, Hanoi has consistently focused on organizing promotional activities, connecting trade, and enhancing the visibility of OCOP products. In particular, bringing these products onto digital platforms is seen as an essential step that helps open new markets, increase customer reach, and bring significant economic benefits to localities. The Hanoi Coordination Office of the New Rural Development Program has also signed an agreement with TikTok Vietnam to promote strategic cooperation in improving digital capacity and promoting Hanoi's OCOP products. In addition, to expand the consumption market and leverage local advantages, the city's departments and branches have organized various events, fairs, and seminars to promote trade and display OCOP products, helping entities introduce them to consumers. As a result, OCOP products have gained wider recognition and acceptance in the market.

By the end of June 2025, the Hanoi Department of Agriculture and Environment had continuously organized various weeks and events to introduce OCOP products, such as OCOP Week, Craft Villages, and Safe Agricultural Products of Hanoi in 2025 (held from May 9 to May 13 at Lac Long Quan Flower Garden Park, Tay Ho, Hanoi); and the event introducing OCOP products associated with the culture of the northern mountainous provinces (held from May 15 to May 19





**Visitors explore Hanoi's OCOP products**

at the Culture, Information and Sports Center of Son Tay Town). These events attracted the participation of hundreds of establishments and enterprises, showcasing thousands of OCOP products, key agricultural products, and specialty items from Hanoi and many other provinces and cities across the country.

According to Mr. Nguyen Dinh Hoa, Deputy Director of the Hanoi Department of Agriculture and Environment, the OCOP program is an important solution for Hanoi to develop the rural economy by enhancing internal resources and increasing value. Hanoi's OCOP products have made significant contributions to transforming the rural economy, creating jobs and income for rural workers, and gradually realizing the goal of building and developing agriculture and rural areas in a more sustainable way. The city's OCOP products have quickly affirmed their position and been positively received by the market thanks to the involvement of Party committees, authorities, ministries, and departments, as well as the dynamism, creativity, determination, and strategic thinking of businesses, organizations, and individuals.

However, the development of OCOP products still faces many difficulties and challenges. Many types of plant varieties and input materials remain dependent on imports; raw material areas are not concentrated and still rely heavily on linkages with regions across the country; production scale remains small; post-harvest processing and preservation technology is underdeveloped; the consumption market is unstable; product quality requirements are increasingly high; and international standards are becoming more stringent.



**OCOP ceramic products of Hanoi**

The city also aims to develop agriculture based on high-value, sustainable, and food safety-oriented chains by 2030, striving for an average GRDP growth rate of 2.5-3% per year. It focuses on developing modern agricultural production models, applying high technology, and promoting smart, green, and organic agriculture that is environmentally friendly and adaptable to climate change, in connection with eco-tourism and experiential tourism. Hanoi also seeks to build and develop the capital into a regional center for high-quality seed production; cooperate with provinces and cities nationwide to supply agricultural products that meet the capital's consumption needs; and evaluate and classify 2,000 or more OCOP products. ■





Hanoi's OCOP products are showcased at an international handicraft fair

## Hanoi Strengthens Market Promotion for OCOP Products

In the context of an increasingly competitive market, enhancing quality, improving packaging, developing distribution networks and expanding consumption channels are essential requirements for products under the One Commune One Product (OCOP) program. With over 3,400 products evaluated and classified, Hanoi has clearly demonstrated its role as a "locomotive" in helping other provinces and cities promote and distribute regional OCOP products.

BAO DAN

According to the Hanoi Coordination Office of the New Rural Development Program, the city currently has 3,463 OCOP products rated from 3 to 5 stars. OCOP producers are increasingly focusing on the market by investing in machinery, standardizing production processes, developing geographical indications, registering trademarks, and designing packaging that meets modern consumer needs. After certification, OCOP products also receive support from the city and local authorities in packaging design, labeling, and the provision of OCOP stamps with QR codes. As a result, Hanoi's OCOP products have become well-recognized brands among domestic consumers. Several 4-star and 5-star products have also been exported to various countries worldwide.

In Phu Nghia commune, one of the leading centers of rattan and bamboo weaving in the capital, businesses and production facilities are continuously improving designs and applying environmentally friendly coating technologies to suit modern consumer preferences. According to Meritorious



Artisan Nguyen Van Trung, Chairman of the Phu Vinh Rattan and Bamboo Enterprises Association, his family has 23 OCOP-certified products. Craftsmen must not only create items they consider beautiful but also carefully study market demand and work with distribution partners. Today, Phu Vinh rattan and bamboo products are available in Hanoi's OCOP store system, on several e-commerce platforms, and are exported to many countries worldwide.

Bat Trang commune has over 50 ceramic products rated from 3 to 5 stars under the OCOP program. In addition to holding a strong position in the domestic market, Bat Trang ceramics are also exported to many countries across Asia, Europe, and America. Signature products such as tableware, teapots, flower vases, and lucky pots are often chosen as gifts for conferences, major holidays, and important local events. According to Pham Huy Khoi, Chairman of the Commune People's Committee, Bat Trang welcomes around 100,000 visitors annually, including many international tourists. The commune's ceramic production and trade now generate over VND2,000 billion per year, with the average income reaching more than VND90 million per person annually.

To support OCOP products in accessing the market, Hanoi has recently promoted the organization of fairs, seminars, and product weeks, contributing to the recovery and development of trade services, strengthening trade connections, boosting promotion, and stimulating consumption of OCOP products. According to the Hanoi Coordination Office of the New Rural Development Program, the city has established 110 points for introducing and selling OCOP products, helping consumers in the capital identify and purchase these goods. Additionally, the Hanoi Department of Agriculture and Rural Development organizes events to showcase OCOP products in connection with regional cultures, such as those of the Northern mountainous areas, the Red River Delta, the Central and Central Highlands, and the Southern region, alongside many consulting weeks to introduce and promote the consumption of OCOP products, traditional crafts, agricultural produce, and food.

Hanoi has also signed cooperation agreements with major retail

corporations such as Central Retail Vietnam, AEON, WinMart, and Hapro to bring OCOP products into modern distribution systems. In addition, producers receive training in sales skills and in building digital stores on e-commerce platforms such as Postmart, Voso, Tiki, Lazada, and Shopee. However, in practice, many OCOP products remain small-scale, manually produced, with simple packaging, incomplete product information, and unclear origin, making it difficult to access large distribution systems and meet international market standards. Furthermore, many OCOP producers are individual households or small cooperatives with limited management capacity and a lack of professional personnel in marketing, design, and communication, making it hard for even high-quality products to reach larger markets.

According to Mr. Ngo Van Ngon, Deputy Chief of the Hanoi Coordination Office of New Rural Development Program, the city will continue to implement a range of coordinated solutions, such as strengthening the capacity of OCOP entities through in-depth training on product development, market research, branding, and digital transformation; and promoting regional linkages and value chains between production households, cooperatives, businesses, and distributors. These efforts aim to establish stable raw material areas and organize production based on market orders.

Hanoi will also continue to expand its distribution network, increase the number of OCOP sales points in urban areas, prioritize product displays at tourist destinations, support logistics costs, and promote sales on e-commerce platforms. In addition, the city will develop policies to support packaging upgrades, quality inspection, traceability, and certification of quality standards to ensure OCOP products are competitive in the market.

Hanoi's OCOP products have moved beyond the "quantity" stage and now need to shift strongly toward "quality," placing consumers at the center and the market as the guiding principle. When OCOP products are not only attractive and high-quality but also meet consumer tastes and are distributed through the right channels, they will create sustainable value, not only in the domestic market but also internationally. ■



Booths at an OCOP products fair held in AEON MALL Long Bien

# Creating Livable Countryside



A kindergarten in a commune in suburban Hanoi

With all 382 communes meeting new rural standards, 63 communes meeting advanced new rural standards, and 15 communes recognized as meeting model new rural standards, Hanoi has been recognized by the Government as the national leader in new rural development. The achievement of advanced new rural criteria in many communes has helped transform Hanoi's suburban areas into livable rural communities. The rural landscape has improved noticeably, becoming more modern and civilized, while traditional cultural values continue to be preserved and promoted.

## BAO NGOC

**W**ith strong political determination, flexible organization, and creative implementation, Hanoi has become a leading locality in the country for building new-style rural areas. Recently, Prime Minister Pham Minh Chinh signed a decision recognizing Hanoi for successfully completing its new rural development program. This marks an important milestone in Hanoi's journey of more than a decade of continuous effort and also opens a new stage of development in building a modern and sustainable countryside.

Since implementing the National Target Program on New Rural Development in 2010, Hanoi has faced many challenges

due to its large area, high population, and numerous remote communes with difficulties in infrastructure, production, and living conditions. After more than a decade of continuous efforts, Hanoi's rural areas have seen significant improvements, not only in their appearance but also in the material and spiritual lives of the people.

Over the past 10 years, Hanoi has concentrated its resources on major investments in transport infrastructure, irrigation systems, electricity, schools, medical stations, and cultural institutions. Policies supporting production development and improving rural incomes have been effectively implemented. Notably, the movement "All people unite to build new rural areas and civilized urban areas" has emphasized the role of the people as the central force,



fostering internal strength and broad social consensus.

Impressive figures on new rural development vividly reflect these efforts. Currently, 93.5% of rural households in Hanoi have access to domestic water from centralized clean water plants, with a target of reaching 100% by the third quarter of 2025. All communes in the city have now been recognized as meeting new rural standards. As of 2024, the average per capita income in rural areas was nearly VND75 million per year, and there are no longer any poor households. Hanoi continues to lead the country in building new rural areas.

Ngo Van Ngan, Deputy Chief of the Hanoi Coordination Office of the New Rural Development Program said that, from the outset, the Hanoi Party Committee identified new rural development as a key political task sustained over many terms. The two programs, 02-CT/TU and 04-CT/TU, launched by the Party Committee at different stages, laid a solid foundation for the entire implementation process. Hanoi also established a city-level Steering Committee, initially led by the Standing Deputy Secretary of the Hanoi Party Committee and later by the Chairman of the Hanoi People's Committee, clearly demonstrating strong leadership from the highest level.

The management of the program has been carried out methodically, with regular meetings, close supervision, and especially the clear assignment of responsibilities to each department, sector, and locality. During the 2010-2020 period, the Steering Committee conducted over 55 field inspections to promptly address and resolve obstacles. In the 2021-2025 period, annual plans have been developed with clear targets and allocated resources, enabling each district and commune to take the initiative in implementation.

One of Hanoi's most notable successes has been effectively mobilizing the strength of the people. Rather than relying on subsidies, the city focused on communication to help people clearly understand their role as the central driving force. Shifting from the perception that rural development was solely the State's responsibility, residents gradually became proactive contributors in various forms, such as cash, land donations,

goods, and labor, collectively valued at over VND20 trillion.

Hanoi not only excels in macro-level management but also places strong emphasis on training and capacity-building for grassroots cadres. The principle of leading by example and hands-on guidance is strictly followed. Each year, the city organizes hundreds of training courses for officials involved in new rural development to enhance their management, operational, and implementation skills. Hanoi has also introduced several notable pilot models, including the Women's Association for New Rural Development linked with microfinance, the model of farmers leading rural development efforts, and successful examples in land consolidation and rural infrastructure improvement.

Hanoi and the entire country are entering a new stage of development, aiming for rapid and sustainable progress in the new era of national growth. In the coming period, the city will continue to prioritize sustainable rural economic development, focusing on effectively leveraging the potential and strengths of traditional craft villages. It will also work to preserve and promote cultural heritage while linking new rural development with the growth of eco-tourism, craft village tourism, experiential tourism, and spiritual tourism. Hanoi will also continue to invest resources in building a brighter, greener, cleaner, more beautiful and modern rural infrastructure system to enhance the material and spiritual well-being of its people.

In particular, the city will continue to promote communication about exemplary models, successful experiences, and creative approaches in new rural development. It will also promptly identify and address limitations and weaknesses in localities that remain passive or ineffective. Building on the city-level successes in rural development, Hanoi will expand effective models and innovative methods, aiming for higher goals and creating modern, green, clean, and beautiful rural areas. These efforts are expected to drive balanced and harmonious development between urban and rural areas in the future, Mr. Ngo Van Ngan added. ■



**Thanks to the advanced new rural development program, Hanoi has made significant improvements in rural socio-economic infrastructure**

# Fostering Productive and Sustainable New Countryside

Achieving significant criteria in the New Rural Development Program in the mountainous commune of Yen Bai holds tremendous importance for local socioeconomic development.

**DINH BAO**

**Y**en Bai is gradually undergoing a strong transformation through the adoption of new economic models that bring long-term values to its residents. Among the most prominent is the cultivation, care, and supply of green plants, flowers, and landscaping plants. Many households have not only prospered from this profession but also created stable jobs for local workers, hence contributing to fulfilling environmental criteria in new rural development and beautifying the rural landscape with bright, green, clean, and beautiful surroundings.

This success is thanks to the timely support from Hanoi authorities and, above all, the unity and dedication of local residents. Building on this foundation, Yen Bai is leveraging its natural and social strengths to contribute significantly to its sustainable development.

Enhancing cultural and social life, improving people's livelihoods, and implementing social security policies are among the immediate goals the commune is striving to achieve. Additionally, Yen Bai is concentrating all available resources on economic restructuring, strengthening national defense and security, and promoting the grassroots movement "All people unite to build a cultured life in residential areas."

Xuan Hoa village (Yen Bai commune) is one of the outstanding examples of rural economic development aligned with the cultivation of ornamental flowers and landscaping



**Yen Bai is gradually transforming, with achievements in building a new countryside**

trees. Its tree-lined roads and lush gardens vividly reflect the remarkable local transformation. For example, Hoang Quoc Dat, owner of Hong Lan Nguyen Ba Vi Flower Garden, has painstakingly nurtured and developed a well-branded flower garden covering nearly 5,000 square meters after nearly 10 years in business. In addition to roses, orchids, and camellias, the garden grows various fruit trees and rare ornamental plants. Thanks to his market acumen and hard work, Dat earns a stable annual income of VND120-150 million from this profession. "I always put myself in the shoes of a flower enthusiast to stay updated on new plant varieties and market trends. Besides selling plants, I also share knowledge and support others who are passionate about starting their business," he said.

Impressively combining shade trees, landscaping plants, and valuable medicinal herbs, Nguyen Manh Hung has utilized available land, invested systematically in finding and propagating high-quality green plants. Currently, his garden grows a wide variety of unique ornamental plants and seasonal fruit trees, especially about 1,000 golden camellia trees - a precious medicinal plant highly valued in health benefits. Every year, he earns billions of Vietnamese dong in profit and provides stable jobs for 10 residents. For him,



planting trees is not just for sale but also to preserve and develop green cultural values sustainably for the future.

Nguyen Van Tung, Chairman of the People's Committee of Yen Bai Commune, said that growing flowers, shade trees, and landscaping plants has played a crucial role in restructuring the commune's agricultural economy. He noted that this is not simply ornamental or commercial planting, but the development of a sustainable trade well-suited to local natural conditions and current market demands. Therefore, in the coming time, Yen Bai will continue to plan specialized planting zones, support residents with new plant varieties and tending techniques, and connect with businesses and distributors to expand market access.

Ngo Van Ngon, Deputy Chief of the Hanoi Coordination Office of the New Rural Development Program, said: The Hanoi Party Committee (17th term) issued Program 04-CTr/TU on "Promoting the effective implementation of the National Target Program on New Rural Development associated with agricultural restructuring and rural economic development, material and spiritual life improvement for farmers in the 2021-2025 period." This program features many new aspects aimed at further promoting agriculture, farmers and rural areas. By 2025, the city will complete its new rural development tasks. 100% of communes will meet new rural development standards; 40% of communes will fulfill

advanced new rural development standards; and 20% of communes will be certified to accomplish model new rural development standards. The acreage of flowers and ornamental plants will increase from 8,500 ha to 9,000 ha. The roadside tree-growing movement will be accelerated to reach 8-10 square meters per person. Yen Bai will plan the development and preservation of cottage industries and craft villages to boost the traditional cultural values of localities and facilitate craft villages to develop production, business, and trade promotion. Well-developed craft villages will be linked with rural tourism and experiential tourism.

Developing green plant and landscaping plant models, tailored to local soil conditions, also helps expand the coverage of forests and urban trees, improves the environment, and enhances the quality of life in the area. The impact of these models in Yen Bai goes beyond income figures, but it also lies in building green models that utilize local labor effectively. Moreover, green plants and ornamental flowers help enhance the beauty of the living space and beautify the rural landscape.

From this movement, many other households in the commune have begun to switch from low-yield crops to ornamental plants and shade trees, gradually forming a green tree value chain in the locality. The tree and landscaping plant cultivation model in Yen Bai is paving the way for a promising and sustainable path for local farmers. ■



The landscape of the new countryside has improved significantly





A vermicelli brand owned by local resident Phi Dinh Hue earns an OCOP certificate for high-quality agricultural products trusted and favored by consumers

## Blend of Traditional and Modern Identity

So arrowroot vermicelli is made from 100% pure arrowroot starch, renowned for its fragrant and chewy texture. What sets it apart from others is its exclusive use of arrowroot tubers grown abundantly along the banks of the Day River. Additionally, the use of fresh water that seeps through layers of laterite rock enhances its characteristic whiteness and clarity.

### NGOC MINH

The arrowroot vermicelli made by So Village has been officially registered with barcodes, brand names, trademarks, food safety certifications, and nationwide product quality declarations, earning trust and support from customers near and far. In

2020, the Hanoi People's Committee officially recognized So arrowroot vermicelli as a 4-star OCOP product. In recent years, the product has been a regular feature at major trade fairs and exhibitions launched by the agricultural sector and the industrial and trade sector. It is now widely available across Vietnam and well received in Asian markets such as Japan and South Korea as well as in Europe, including Germany.

Duong Dinh Khoi, Director of Duong Kien Trading Production and Import Export Co., Ltd, said: The arrowroot used to make So arrowroot vermicelli is cultivated in Moc Chau (Son La), an unpolluted region free of impurities. Only high-quality arrowroot varieties are selected, and no chemical fertilizers but organic fertilizers are used during cultivation. He said, the entire production process follows a strict closed-loop system that adheres to three key principles: no artificial coloring, no chemicals, and no preservatives. Furthermore, throughout the cultivation and tending process, the company requires farmers to use only organic fertilizers, and this process is inspected and supervised by the company's technical staff. Both raw materials and finished products are regularly tested to ensure they meet food safety standards not only for export markets but also for domestic consumers.





**The local vermicelli products serve as a bridge between past and present, tradition and innovation**

Since its recognition as a 4-star OCOP product, So arrowroot vermicelli has seen a steady increase in demand, with production output growing by an average of 30% annually. Large orders from provinces and cities continuously pour in, keeping the production facilities operating at full capacity to meet demand.

Phi Dinh Hue, owner of the “Mien Dong Xua” brand, said: Currently, most vermicelli producers in So Village now use machinery to replace traditional manual labor for stages such as kneading dough, stirring, steaming, drying, and cutting. However, the drying stage still relies on natural weather conditions, as the best flavor comes from vermicelli dried in the sun and wind, which preserves its natural aroma. Hence, to maintain hygiene, the vermicelli drying fields in the village prohibit motorized vehicles to prevent the spread of road dust, and clean water canals are dug around the drying areas to create a clean environment and absorb airborne dust.

With such a meticulous vermicelli-making process at every stage to ensure food hygiene and safety, the selling price of his vermicelli products is 2-3 times higher than similar products on the market. By adhering to traditional vermicelli-making methods and guaranteeing food safety, his brand has attracted the interest of many customers seeking authentic “old-time” products, and his business sells tens of tons of vermicelli each year. Notably, the uniquely designed packaging helps “Mien Dong Xua” become a preferred gift choice for those living far from home or during the Lunar New Year. With dedication and effort, Hue’s family has produced “Mien Dong Xua” products that have achieved 4-star OCOP status and supplied the market with high-quality agricultural products that are trusted and favored by consumers.

So Village is not only famous for its arrowroot vermicelli but also for its ancient communal house - So Communal

House, a special national relic. This communal house was designated a special national relic in 2018 by the Prime Minister. The combination of historical relics and culinary specialties creates an attractive destination for tourists. Local authorities have recognized tourism potential and endeavored to develop tourism in conjunction with preserving cultural heritages. Activities such as the annual traditional festival in the second lunar month not only entices tourists but also help widely promote the special arrowroot vermicelli.

In addition to preserving cultural heritages and developing tourism, residents of So Village are also applying modern ecological agricultural models to enhance the added value of agricultural products in general, and especially for the vermicelli-making industry.

Xu Doai Agricultural Cooperative has adopted an earthworm raising model to convert arrowroot waste into fertilizers for grapes and lotus. This not only helps improve the environment but also creates a clean raw material source for arrowroot vermicelli production. Furthermore, the cooperative is also developing a lotus model linked to ecological tourism in a chain across an 8.5-ha area. This model combines growing lotus for edible roots (an important ingredient in vermicelli production) with developing ecotourism, hence creating a sustainable ecosystem.

So Village is demonstrating that preserving traditional cultural identity can go hand in hand with modern development. The simple arrowroot vermicelli has become a bridge between the past and present, between tradition and innovation. With the combination of cultural heritage preservation (So Communal House), specialty development (arrowroot vermicelli), and the application of modern ecological agricultural models, So Village is on its way to becoming an attractive cultural, tourism, and sustainable agricultural destination in Hanoi. ■

# PHUC SON'S JOURNEY TOWARD MODERN RURAL LIVING

Phuc Son is endowed with rich natural resources. The Day River adds to the commune's scenic beauty, while Tuy Lai Lake and other large lakes in Thuong Lam hold great potential for eco-tourism and aquaculture. The low hills offer opportunities for integrated agro-forestry development. Most notably, the fertile rice fields spanning all villages have long served as a stable and sustainable livelihood for generations of local residents.

## NGOC DAN

### Promoting commercialized economic development

Phuc Son commune was officially established by merging five communes, namely My Xuyen, Phuc Lam, Dong Tam, Thuong Lam, and Tuy Lai (previously under the old My Duc district), and began operations on July 1, 2025. The commune has strong advantages in agriculture, with expansive farming areas, fertile soil, and a long-standing tradition of cultivation. Rice, vegetable, and livestock farming are the main economic sectors, which people are actively transforming towards commercially oriented and bio-secure production. Many households have adopted new models such as VietGAP-standard fruit cultivation and closed-loop livestock farming, gradually increasing their income value.

From a purely agricultural countryside where people mainly cultivated rice and vegetables using traditional methods, many households are now boldly applying science and technology and investing in large-scale production. For example, local resident Ngo Duc Manh cultivates nearly 6 ha of farmland following VietGAP standards. His farm, growing chili, sayur manis, and muskmelon, is equipped with a drip irrigation system, water pH control, and electronic farming logs to ensure food safety and traceability. This model currently provides stable employment for over 20 locals with



Civil officials in Phuc Son commune enthusiastically guides a resident in completing administrative procedures

monthly incomes ranging from VND7-10 million each, making his family one of the bright spots in rural economic development in Phuc Son commune.

In addition, local agricultural cooperatives have actively linked with businesses in premium rice production, initially forming stable raw material areas aligned with clean standards and traceability requirements. Previously abandoned or fragmented land plots have now been consolidated and reorganized into concentrated production areas with synchronized mechanization.

Beyond agriculture, Phuc Son also has great potential for eco-tourism and craft village tourism, such as Tuy Lai lake, Mo hill, Tri village and Noi village (part of former Thuong Lam commune) with embroidery, sewing, and fine-art handicraft production. These are the foundations for the commune to build unique tourism products to woo tourists to a land rich in identity.

For instance, seizing opportunities from craft village tourism development, Nguyen Thi Oanh, a villager in Thuong village, opened a traditional hand embroidery workshop and introduced traditional hand embroideries to visitors. Her model not only generates stable income, particularly women, but also helps preserve and promote local identity.

In Phuc Son, many production facilities, garment workshops, small mechanical workshops, and commercial services have been established to meet local needs. The dynamism and adaptability of local people in developing services, especially commercial business services, are contributing to accelerating labor restructuring and increasing people's income.



## Boosting advanced new rural development

Believing that new rural development is a long journey, Chairman of the People's Committee of Phuc Son Commune Tran Xuan Hai, said: "We are integrating, reviewing, and reassessing each criterion of advanced new rural development applied to a commune. On that basis, Phuc Son will develop a specific plan and assign tasks to each unit and village to complete them in a comprehensive manner. According to its goals set for the 2025-2030 period, Phuc Son will become an advanced new rural commune and maintain its status as a comprehensively developed rural area."

With a synchronously invested social infrastructure system, all villages now have cultural houses for community activities. Schools at all levels, from preschool to junior high school, have been newly built and upgraded to be spacious, with full functional classrooms, playgrounds, and modern teaching equipment. The medical clinic was invested with over VND11 billion to meet national standards for grassroots healthcare, with separate examination rooms and functional areas, and qualified medical workers. These positive infrastructure changes have helped improve the quality of life and create a foundation for socioeconomic development.

Concurrently, labor shift in Phuc Son is strong. In addition to agriculture, many local residents are stably employed by local businesses like Lichi Garment Company, My Duc Embroidery and Garment Company, and Vinh Lac Woodworking Workshop. These businesses not only provide stable income (VND6-9 million each a month) for thousands of local residents but also facilitate changes in production practices and boost the development of local handicraft, trade,



**Tuy Lai commune is known for its potential in eco-tourism and resort development**

and service industries. Many households have invested in opening stores selling agricultural materials, groceries, and mechanical repair services, thus further enriching the picture of the rural economy.

In the coming time, Phuc Son commune plans to focus on developing commercial agriculture linked with agricultural processing and consumption, sustainable services and tourism, as well as improving the investment environment and attracting resources for local development. The unity, willpower, and consensus of officials, party members, and people across the commune are creating a new momentum for Phuc Son. With a clear vision and decisive engagement from the outset, the commune is laying the first solid bricks on its journey to form a prosperous, beautiful, and modern new rural area, said Chairman Hai. ■



**The landscape of the new rural areas has improved significantly, reflecting advancements in overall living conditions for local residents**



HDBank is honored for the third consecutive time in the Top 50 Corporate Sustainability Awards

# HDBank Honored with Three Top Awards



Recently, Ho Chi Minh City Development Joint Stock Commercial Bank (HDBank) was honored for the third consecutive time in the Top 50 Corporate Sustainability Awards 2025.

## PHUONG LE

The award recognizes HDBank's efforts in integrating Environmental (E), Social (S), and Governance (G) factors into its operational strategy, with a long-term, effective, and sustainable development orientation.

Over the past years, HDBank has implemented specific action programs, expanding its green credit portfolio and prioritizing the fields of renewable energy, sustainable agriculture, and high technology. From 2019 to the present, the bank has disbursed more than VND31,000 billion for green projects, accompanying Vietnam's transition to a green economy.

In addition, HDBank is one of the first banks to apply a comprehensive Environmental and Social Risk Management System (ESMS) in its credit granting activities. All corporate loans classified as having environmental impacts are reviewed, categorized according to international standards, and provided with guidance to ensure transparent and responsible use of capital.

Affirming its pioneering role, HDBank is also among the first banks in Vietnam to issue a sustainability report aligned with

international standards, while establishing an ESG Committee under the Board of Directors to strengthen the direction and oversight of sustainable development strategies across the entire system.

This award continues to affirm HDBank's position as a modern bank and a pioneer in ESG, with a long-term vision and a strong commitment to supporting the prosperous development of the community and the Vietnamese economy.

On this occasion, HDBank was also honored by the UK-based magazine The Global Economics with two prestigious awards: "Best Corporate Foreign Exchange Bank" and "Best Bank for Advanced International Transfer Programs."

These awards represent international recognition of HDBank's strong digital transformation efforts and its ongoing enhancement of service quality to deliver modern financial solutions aligned with global standards, effectively supporting domestic enterprises and international customers with cross-border operations.

In particular, the award "Best Corporate Foreign Exchange Bank" highlights HDBank's outstanding capacity in developing specialized, effective, and flexible foreign exchange trading solutions for customers, especially corporate clients.

In the field of international payments, the award "Best Bank for Advanced International Transfer Programs" reflects HDBank's strong commitment to providing fast, safe, and efficient cross-border solutions. By applying SWIFT GPI technology, customers can track transaction status in real time, significantly reducing transfer times from several days to just a few minutes or hours. Transactions are supported in multiple currencies and can be conveniently performed through various channels including counters, Internet Banking, and digital banking applications. ■



# HDBank Posts Record H1 Profit, Accelerates Digital Growth

Ho Chi Minh City Development Joint Stock Commercial Bank (HDBank) has announced its business results for the second quarter and the first six months of 2025, reporting a profit of over VND10,068 billion, up 23.3% compared to the same period last year. Its efficiency and operational safety indicators remain among the top in the industry.



**HDBank is actively implementing major programs in line with the Government and the State Bank's direction**

## LE PHUONG

Accordingly, in the second quarter of 2025, HDBank recorded over VND4,713 billion in pre-tax profit, bringing the total for the first six months of the year to VND10,068 billion, marking its highest semi-annual profit to date and surpassing the VND10,000 billion mark.

### Positive credit growth, effective risk management

In the first six months of 2025, HDBank's net interest income reached VND17,227 billion, up 15.8% compared to the same period last year. Non-interest income from payment services, digital banking, foreign exchange trading, and other sources rose by more than 210%, contributing to a 30% increase in total operating income, which reached VND20,840 billion. The impact of digital transformation was evident through optimized operating costs, helping the cost-to-income ratio (CIR) improve significantly to an impressive 25.5%.

With these results, HDBank continues to lead the industry in operating efficiency, with a return on equity (ROE) of 26.5% and a strong return on total assets (ROA) of 2.2%. The bad debt ratio, in accordance with the State Bank of Vietnam's regulations, remains well-controlled at a low level of 1.94%. The capital adequacy ratio (CAR), based on Basel II standards, stands at over 13%. Other safety indicators are also maintained at a solid level compared to industry standards.

As of June 30, 2025, HDBank's total assets exceeded VND784 trillion, up 12.4% compared to the beginning of the year. Mobilized capital reached VND664 trillion, up 7%. Outstanding loans surpassed VND517 trillion, up 18.2% from the beginning of the year and nearly doubling the industry average growth of 9.9%, with a focus on priority sectors such as infrastructure, production, and consumption - key drivers of low-risk economic growth. The bank is actively implementing major programs in line with the Government and the State Bank's direction, including loans for social housing development and young homebuyers, credit

packages for infrastructure and digital technology, value chains, rural areas, high-tech agriculture, and green credit.

At Vikki Digital Bank, following a comprehensive transformation from Dong A Bank into a new-generation digital bank, the dynamic and youthful brand has recorded over 1 million app downloads and opened more than 600,000 new accounts within just five months of operation, demonstrating strong market acceptance.

### Digital breakthrough and leadership in governance standards

In the second quarter, its digital business programs continued to be actively implemented, delivering positive results, with 75% of new customers acquired through digital channels. The number of transactions on digital platforms rose by 51%, and transactions by individual customers conducted via digital channels accounted for 94% of total transactions. Digital solutions for corporate clients were also continuously launched and improved, helping to increase both customer numbers and business efficiency.

Major technology projects, including the application of AI and machine learning in management, training, and operational automation, also accelerated. HDBank is pioneering the adoption of advanced core banking systems and next-generation digital banking super apps. These innovations not only enhance the user experience but also provide a foundation for developing comprehensive, personalized digital financial models and expanding digital ecosystem integration.

Along with its strong business performance, HDBank has received many prestigious awards from leading domestic and international organizations, including recognition as the Best Domestic Retail Bank, the Best Corporate Foreign Exchange Bank, and the Best Bank for Advanced International Transfer Programs. It was also named one of the Top 50 Best Listed Companies by Forbes and is one of five Vietnamese representatives selected for honor at the ASEAN Corporate Governance Awards 2025 in Malaysia.

The results achieved by HDBank in the second quarter and the first six months of the year have surpassed the expectations of shareholders and investors relative to the targets set for the 2025 fiscal year. ■



LS ELECTRIC's booth is a highlight at ELECS Vietnam 2025

# Delivering Future Energy Solutions at ELECS Vietnam

LS ELECTRIC, a leading electrical technology group from Korea, affirmed its pioneering position at International Exhibition on Electricity and Energy 2025 (ELECS Vietnam 2025) by operating the largest booth at the exhibition. Held at the Saigon Exhibition and Convention Center (SECC) in Ho Chi Minh City, the event featured the participation of hundreds of major domestic and international enterprises. With the theme "LS ELECTRIC's Future Energy Vision in Vietnam", the company showcased its ambition to lead the electricity market in Vietnam and the broader ASEAN region.

NGUYEN BACH

## Smart, sustainable, and digital energy technologies on display

With a total area of up to 144m<sup>2</sup> (16 booths), the largest of the entire exhibition, LS ELECTRIC's display space was designed around four strategic themes, reflecting its focus on smart and sustainable energy development, including: Smart electricity management; Carbon neutrality (RE100); Digital transformation (DX); Smart factory

By combining presentations, solutions, products, technologies with product displays, models, and real-life simulations, LS ELECTRIC's booth not only attracted a large number of visitors but also became a highlight at ELECS Vietnam 2025.

Here, LS ELECTRIC introduced a new generation of electricity management systems integrating many advanced technologies, such as smart electricity distribution solutions, smart ultra-high voltage transformers, and especially the energy storage system (ESS) - a product specifically designed to meet the increasing demand in the Vietnamese and regional markets. This is a testament to the company's world-leading technological capabilities and comprehensive supply capacity in the field of electrical solutions.

One of the highlights of this exhibition was the new-generation ESS platform developed by LS ELECTRIC, based on core technological advantages in industrial inverter manufacturing - a technology that demands high precision and performance in energy management, monitoring, and control.

Notably, the Power Electronic Building Block (PEBB) module was designed with a capacity of 200kW, enabling independent,



intelligent operation and easy scalability to suit the needs of each business. This ESS solution promises high efficiency in grid stabilization, electricity storage from renewable sources, and cost optimization for factories, industrial parks, and data centers.

### Comprehensive digital platforms for smart factories

LS ELECTRIC also brings many smart software platforms to serve the digital factory model and comprehensive digital transformation, including: SMI (Smart Management Insight) - Smart factory platform using digital model; AMS - Asset management system; GridSol CUBE - Energy efficiency management platform; GridSol CARE - Integrated electrical equipment management platform.

These platforms combine IoT technology, sensors and AI to optimize operations, save energy, reduce emissions and enhance competitiveness for manufacturing enterprises in the era of industry 4.0.

Also at the event, LS ELECTRIC introduced for the first time in Vietnam the smart safety management platform "LS SHE with AI" - an integrated artificial intelligence (AI) solution for manufacturing plants. This system is capable of collecting and analyzing real-time data from safety equipment and CCTV systems, helping to improve the efficiency of safety, health and environment (SHE) management.

The application of AI in safety monitoring not only helps to reduce occupational accidents but also improves the efficiency of factory operation management - an urgent requirement in the context of increasingly strict environmental and occupational safety standards.

### Strategic growth in ASEAN and the data center boom

Since the mid-1990s, LS ELECTRIC has been the first Korean enterprise to enter the Vietnamese electricity market. After nearly three decades of presence, the group has built a wide network of partners, with its products present in most key industrial zones across the country. In particular, from 2013 to the present, LS ELECTRIC has continuously maintained the No. 1 position in Vietnam in the field of low-voltage electrical equipment, with a market share of over 40%.

In 2023, LS ELECTRIC completed the relocation of its production facility in Vietnam to a new, larger-scale factory in Yen Phong Industrial Park (Bac Ninh), increasing its capacity from 25 million to 40 million products per year. This move not only enhanced on-site production capacity but also positioned Vietnam as the group's strategic hub for manufacturing and exporting electrical equipment in the region.

At the same time, the acquisition of Symphos Electric in Indonesia, specializing in ultra-high voltage gas-insulated circuit breakers (GIS), marks an important step in LS ELECTRIC's strategy to expand its business model across the entire value chain of the electrical systems industry in Southeast Asia.

The Asian market is experiencing a sharp increase in electricity demand due to the shift of manufacturing and data center investments from developed economies to countries in the region. Major technology corporations such as Amazon Web Services (AWS), Google, and Microsoft have announced plans to invest over US\$10 billion in data centers in ASEAN from 2024 to 2030. This trend is a key driver of demand for smart power



Visitors explore LS ELECTRIC's products

infrastructure, energy storage solutions, and efficient power dispatch capabilities, areas where LS ELECTRIC holds significant strengths.

In particular, in Vietnam, the Power Development Plan VIII (PDP8), revised in April 2025, reflects the Vietnam's government's clear commitment to promoting renewable energy, offshore wind power, and the development of smart grids. These factors are creating a "golden opportunity" for comprehensive power solution providers like LS ELECTRIC to accelerate their expansion and contribute to the country's energy transition.

An LS ELECTRIC representative shared at the exhibition: "We aim to strengthen our position as a leading enterprise in Vietnam - one of the three key strategic markets of the Korean electric industry (K-power Big Three). At the same time, we will demonstrate our comprehensive capabilities to customers across the ASEAN region. With strong investments in local power systems and high-end strategic products such as transformers and ESS, LS ELECTRIC will accelerate its expansion in ASEAN - a region emerging as a global data center hub."

With a long-term vision, advanced technology, and a solid manufacturing foundation, participating in the ELECS Vietnam 2025 is not only an opportunity for LS ELECTRIC to affirm its technological capabilities but also a strategic step in promoting the energy transition and digitalization of the electricity industry in Vietnam in particular and the ASEAN region in general. At the same time, it marks continued progress toward the goal of becoming the leading energy solutions group in the region, contributing to a sustainable energy future for Vietnam and ASEAN. ■

# SCG Vietnam Advances Sustainability Goals

SCG Vietnam has reached a key milestone by obtaining international Environmental Product Declaration (EPD) certification for all 19 key cement products in Vietnam.

Van Luong

This certification not only strengthens SCG's competitive edge but also affirms the company's compliance with rigorous international standards, including BSEN (certified by the British Standards Institution) and ASTM (certified by the American Society for Testing and Materials).

It paves the way for expanded access to high-demand markets such as the United States, Canada, and Australia. This achievement is a testament to SCG's unwavering pursuit of its Inclusive Green Growth Strategy, which focuses on technological optimization, carbon reduction, and product lifecycle transparency to drive the green transformation of the building materials sector.

Mr. Burin Udomsub, General Director of SCG Vietnam Cement - Building Materials Co., Ltd., stated: "As Vietnam prepares to implement energy labeling for construction materials, SCG is taking the lead by expanding its portfolio of green products, with cement remaining a strategic focus. Sustainability is at the core of SCG's strategy, and adopting international green standards such as the EPD plays a vital role in making our environmental information transparent. With 19 core EPD-certified cement products now, customers can make informed choices for eco-friendly materials, while our brand reputation is further strengthened in both domestic and international markets. This marks a crucial step in realizing SCG's Inclusive Green Growth Strategy and promoting sustainable transformation within Vietnam's building materials industry."

As urbanization accelerates and Vietnam targets net-zero carbon emissions by 2050, the demand for eco-friendly and energy-efficient building materials has become more pressing than ever. In this context, the international EPD serves as a critical tool for disclosing the environmental impact of products. Based on the Life Cycle Assessment (LCA) methodology, EPD evaluates a product's environmental footprint throughout its lifecycle - from raw material extraction and production to transportation, use, and disposal. This information is independently verified by a third party,



SCG Vietnam's core cement portfolio receive international EPD certification



With full EPD certification, SCG's core cement products are driving innovation across the construction value chain

ensuring transparency and reliability. Within the construction sector, EPD certifications are key for developers, partners, and markets to identify sustainable materials suitable for international green building standards such as LEED, BREEAM, and LOTUS.

Recognizing the growing demand for sustainable building materials, SCG has proactively integrated green criteria into its cement production value chain in Vietnam. A clear example of this effort is the EPD certification across all core cement products - reinforcing SCG's transparency and commitment to supporting the construction industry's journey toward net-zero emissions.

To meet high standards of EPD certification, SCG has implemented a comprehensive range of environmental protection and carbon reduction measures across its operations. Its cement plants have been equipped with advanced technology to optimize operational efficiency and lower environmental footprints. Notably, one of key initiatives





**Superior product quality and sustainability are the cornerstones of SCG's market leadership**

is the Waste Heat Recovery system, in place since 2014, which captures approximately 30% of the heat generated during production and converts it into electricity. This system helps save around 60 million kWh of electricity annually - equivalent to a reduction of 33,807 tons of CO<sub>2</sub> compared to using conventional power sources. In addition, SCG's plants have increased the use of biomass to replace coal in the clinker firing process, achieving a 30% substitution rate. This helps reduce the consumption of about 90,000 tons of coal per year, translating to an emission cut of approximately 157,715 tons of CO<sub>2</sub>. The adoption of high-quality clinker materials combined with advanced blending technologies also enhances production efficiency and further lowers CO<sub>2</sub> emissions by an estimated 141,575 tons per year. These innovations reduce carbon emissions by up to 20% compared to conventional cement products. In fact, each ton of cement produced can reduce CO<sub>2</sub> emissions equivalent to the annual absorption of 12 fully grown trees.

SCG's cement ecosystem has been developed to flexibly meet a wide range of market needs - from residential construction to large-scale infrastructure. Leading the

portfolio is SCG Low Carbon Cement, offering superior durability and workability - better than conventional products. Its compressive strength after three days is about 7% higher than standard Portland cement and 45% higher than the national standard TCVN 6260:2020. For projects requiring fast turnaround and high stability, SCG's industrial cement provides exceptional performance and consistency. For infrastructure projects demanding durability and high load-bearing capacity, Song Gianh Cement, with two decades on the market, remains a trusted choice. For residential and housing applications, STARMAX Cement stands out for its smooth consistency, ease of application, and superior surface finish across Vietnam's diverse climate conditions. The SCG cement portfolio also includes specialized options like SCG PCB50 - Bulk, SCG PCB40 CLC - Bulk, and SCG Hydraulic (PCC) EXP, catering to specific construction needs.

The full EPD certification across SCG's core cement products is not only a strong declaration of environmental responsibility but also reaffirms the company's leadership in sustainable materials, contributing to the construction of a greener future. ■

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