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HONORING 100 SUSTAINABLE COMPANIES

CSI Journey to Strengthen Business Capacity

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- 6 Providing legal advice and representing for filing and prosecuting international trademark applications under Madrid Protocol/Agreement and European Community trademarks (CTM)
- 7 Providing legal advice and representing for settlement of appeals, disputes of IPRs
- 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: On behalf of the Government, Deputy Prime Minister Ho Duc Phoc presents congratulatory flowers to VBCSD-VCCI and the CSI Program Steering Committee, recognizing VBCSD-VCCI's leadership in advancing corporate sustainability

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Party General Secretary To Lam and his spouse attend the ceremony marking the 50th National Day of the Lao People's Democratic Republic

VIETNAM - LAOS

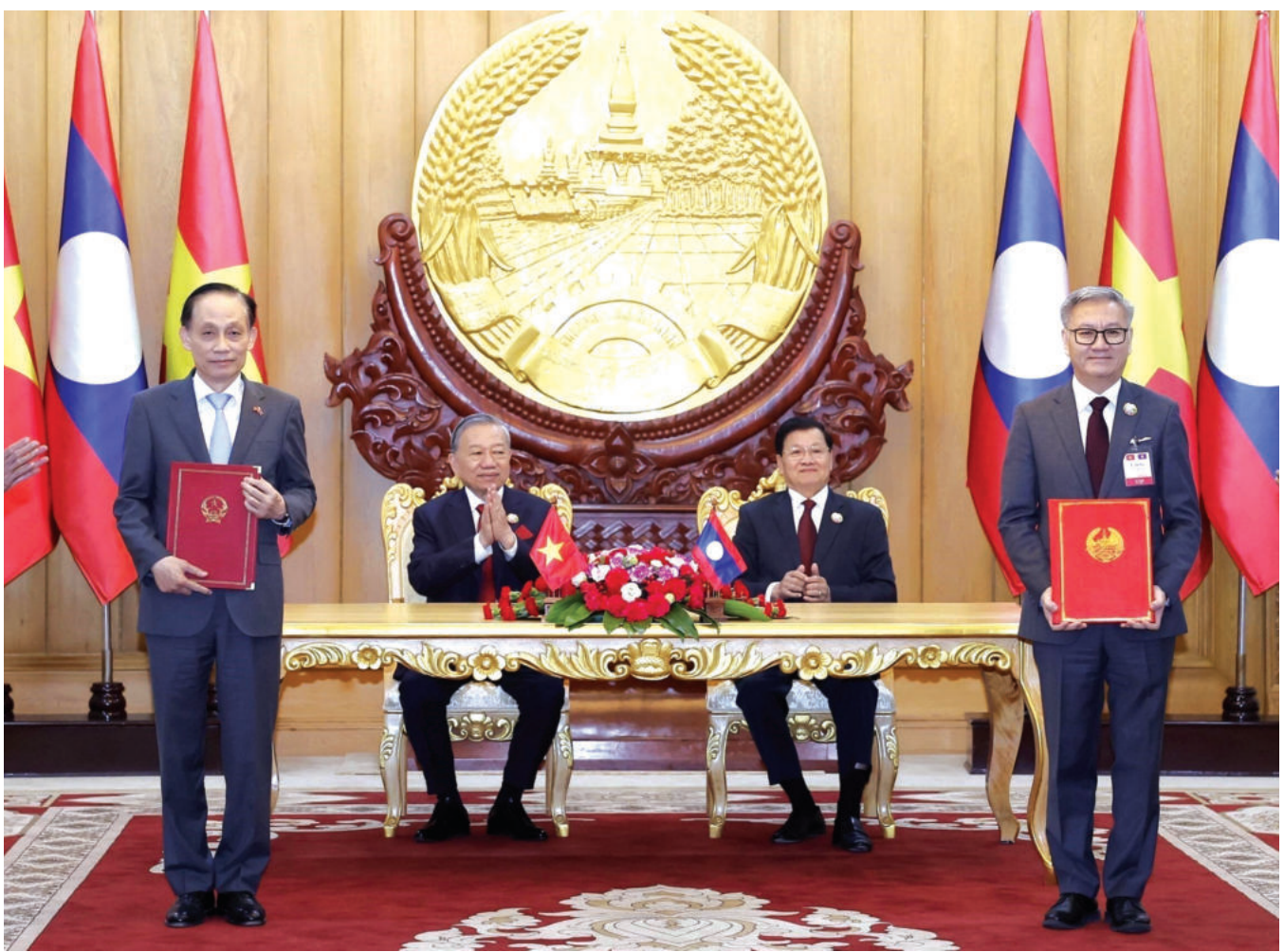
Aiming for US\$10 Bln in Trade

The State visit to Laos by Party General Secretary To Lam and the high-level Vietnamese delegation, marking the 50th anniversary of the Lao People's Democratic Republic, occurred at a time of rapidly expanding bilateral economic cooperation. The visit is especially significant, not only reinforcing the political foundation but also advancing practical cooperation mechanisms to raise Vietnam-Laos trade to an initial target of US\$5 billion and eventually toward US\$10 billion.

GIANG TU

At Pha That Luang Square, the center of the 50th anniversary celebration of the Lao People's Democratic Republic, the presence of top leaders from both countries highlighted a major diplomatic milestone and set a favorable stage for subsequent negotiations. Immediately after the ceremony, General Secretary To Lam met with General Secretary and President of Laos Thongloun Sisoulith, followed by discussions with Prime Minister Sonexay Siphandone and National Assembly President Saysomphone Phommvihane. These high-level engagements led to the signing of several key cooperation documents in trade, infrastructure, energy, law, education and training, and defense and security, establishing a new legal framework to accelerate bilateral economic integration.

General Secretary To Lam and General Secretary and President Thongloun Sisoulith acknowledged the special relationship between the two countries and highlighted that strengthening comprehensive cooperation, including in infrastructure, energy, and trade, is vital for Laos' socio-economic



General Secretary To Lam and Lao Party General Secretary and President Thongloun Sisoulith witness the exchange of a series of bilateral cooperation documents between Vietnam and Laos in Vientiane, December 1, 2025

development. General Secretary and President Thongloun Sisoulith expressed gratitude for “the consistent and timely support of the Party, State, and people of Vietnam” for Laos’ development, noting that regional connectivity projects and new cooperation mechanisms “will create new growth opportunities and help bilateral trade progress toward the agreed targets.”

According to the Asia-Africa Market Department of Vietnam’s Ministry of Industry and Trade, Vietnam-Laos trade in the first 11 months of 2025 reached approximately US\$2.6 billion, up 50.4% compared to the same period in 2024. Vietnam’s exports to Laos increased strongly in light industrial goods, construction materials, and processed agricultural products, while Laos continued expanding exports of electricity, agricultural goods, and minerals to Vietnam, supporting stable supply and directly benefiting Vietnam’s domestic industries.

In terms of investment, Vietnam’s total registered investment in Laos to date exceeds US\$6.21 billion. In the first 11 months of 2025 alone, Vietnam’s investment in Laos surpassed US\$590.3 million, up 7.5 times compared with the same period in 2024.

Leaders of both countries agreed to advance strategic infrastructure projects, including upgrading international border gates, expanding logistics centers along the border, and accelerating research and implementation of rail-road connectivity corridors along the East-West Economic Corridor. Both sides also agreed to prioritize digitization of cross-border trade procedures and expedite key transport projects to reduce logistics costs.

According to the Vientiane Times, Vietnam is emerging as a partner that can help Laos lead new supply chains through improved connectivity infrastructure and expanded access to

ASEAN markets, demonstrating that bilateral cooperation has progressed from traditional exchanges to deeper value-chain integration. This is particularly evident in renewable energy, agricultural processing, and supporting industries, where Vietnamese enterprises are accelerating their investments in Laos.

Speaking at the Vietnam-Laos Economic Cooperation Forum in Vientiane, General Secretary To Lam emphasized that Vietnam prioritizes creating a model of practical, effective, and sustainable economic cooperation that reflects the special Vietnam-Laos relationship and expands growth opportunities for businesses in both countries. This statement reinforced confidence among Vietnamese investors working on projects in energy, border trade, logistics, high-tech agriculture, and education and training.

On the Lao side, Party and State leaders affirmed their commitment to significantly improving the investment environment, standardizing the legal framework, reducing administrative costs, and ensuring security for long-term Vietnamese projects. Expanding border economic zone planning, increasing transparency in licensing, and accelerating digitalization of public services are expected to help businesses from both countries seize new opportunities as Laos advances its economic transformation.

The visit by General Secretary To Lam to Laos represented a strategic advance in Vietnam-Laos economic cooperation, reinforcing political trust and completing key implementation mechanisms. The US\$10 billion trade target is not only a quantitative milestone but also a symbol of the deepening integration between the two economies. The alignment of political will and market demand provides a strong foundation for expanding cooperation more sustainably and effectively in the coming years. ■

HONORING 100 SUSTAINABLE COMPANIES

CSI Journey to Strengthen Business Capacity

The Vietnam Chamber of Commerce and Industry (VCCI), in collaboration with the Vietnam Business Council for Sustainable Development (VBCSD), held the Announcing Ceremony of Sustainable Companies in Vietnam 2025 under the theme “A New Chapter in the Green Era,” marking ten years of the Corporate Sustainability Index (CSI) program, which recognizes and honors companies that practice responsible business.

HUONG LY

Dr. Ho Si Hung, President of VCCI and Head of the CSI 2025 Steering Committee, stated that the link between “development” and “responsibility” has never been stronger among businesses in Vietnam than it is today. He said that the first decade has laid the foundation for the program to enter a new phase and set higher goals. He emphasized that VCCI will not only evaluate companies but also support, encourage, guide, and connect them, enabling CSI to become an ecosystem that drives sustainable transformation nationwide. From a recognition program, he said, CSI aims to evolve into a source of new momentum where companies not only receive titles but also collaborate to shape the future of a green economy.

Appreciating the ten-year effort in developing the Corporate Sustainability Index and sustaining the CSI program, Deputy Prime Minister Ho Duc Phoc said that companies aiming to contribute to rapid and sustainable national development must extend a responsible mindset from leadership to every department, steadily building business models that create competitive advantage in international markets. He emphasized that stronger governance, transparency, and accountability through the CSI will help companies access green finance and seize opportunities arising from the growth of green markets and sustainable consumption.



On behalf of the Government, Deputy Prime Minister Ho Duc Phoc presents flowers in appreciation to the CSI Steering Committee

To mark the tenth anniversary, the “CSI Star” trophy was presented to 11 companies that have remained in the Top 10 Sustainable Companies for more than five consecutive years. These companies were recognized for their stable strategies and strong commitment to sustainable development.

The CSI program 2025 attracted more than 500 companies nationwide, with 147 applications selected for official evaluation. More than 20% were first-time participants and about 30% were listed companies, the highest rate so far. The participation of many units from major corporations, including state-owned enterprises, reflected the program’s growing influence across the business community.

This year, the CSI introduced a separate index for small and micro enterprises for the first time, alongside the version for medium and large companies. As a result, small and micro enterprises were recognized in the Top 100 for the first time, helping to extend the sustainable development model to the segment that represents the largest share of the economy. Another new feature was the integration of technology, particularly artificial intelligence, into the submission and evaluation software, making participation easier and more convenient. This approach also aligns with the spirit of Resolution 68 on private sector

Vietnam Business Council for Sustainable Development (VBCSD)



**Sustainable Business,
Prosperous Societies**

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The “CSI Star” trophy awarded to companies that have secured the Top 10 Sustainable Companies title for more than five consecutive years

economic development and Resolution 57 on promoting science, technology, and innovation.

This year’s ceremony honored the 100 most sustainable businesses in manufacturing and trade services. In both groups, domestic companies accounted for 60% and foreign-invested companies for 40%, reflecting the significant progress of local enterprises in adopting sustainable business practices that were previously more common among foreign-invested firms.

Beyond the main awards, pioneering companies were also honored in two thematic categories: circular economy and greenhouse gas emission reduction, and breakthrough corporate governance. These topics have become top priorities globally as companies advance toward sustainable business models.

According to Nguyen Quang Vinh, Vice President of VCCI, Chairman of VBCSD, and Deputy Head of the CSI 2025 Steering Committee, VCCI will continue to strengthen business support activities in line with national policies on private sector development, science and technology, and energy security. He said that the CSI program will be expanded as an important tool to reinforce internal capacity and generate greater added value for companies.

Ahead of the announcing ceremony, VBCSD-VCCI, in cooperation with Nestlé Vietnam and WWF Vietnam, organized a discussion on “Electrification in Production - Carbon Emission Reduction Solutions Toward Net Zero 2050,” which attracted strong interest from participating businesses. ■



Top 100 sustainable companies honored at the Announcing Ceremony of Sustainable Companies in Vietnam 2025

LIST OF TOP 100 SUSTAINABLE COMPANIES IN THE PROGRAM ON BENCHMARKING AND ANNOUNCING SUSTAINABLE COMPANIES IN VIETNAM 2025

(The list is arranged in random order)

TOP 10 SUSTAINABLE COMPANIES IN MANUFACTURING SECTOR

- | | |
|--|---|
| 1. VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY | 7. TH MILK FOOD JOINT STOCK COMPANY (THMF) |
| 2. TRAPHACO JOINT STOCK COMPANY | 8. PETROVIETNAM CA MAU FERTILIZER CORPORATION (PVCFC) |
| 3. EVERPIA JSC. | 9. SAIGON BEER-ALCOHOL-BEVERAGE CORPORATION (SABECO) |
| 4. DONG NAI RUBBER CORPORATION LIMITED | 10. LONGWELL COMPANY LTD |
| 5. VINA KRAFT PAPER CO., LTD. | |
| 6. A&A GREEN PHOENIX GROUP JOINT STOCK COMPANY | |

TOP 10 SUSTAINABLE COMPANIES IN TRADE & SERVICE SECTOR

- | | |
|--|--|
| 1. JOINT STOCK COMMERCIAL BANK FOR INVESTMENT AND DEVELOPMENT OF VIETNAM | 6. ORIENT COMMERCIAL JOINT STOCK BANK |
| 2. BAO VIET GROUP | 7. SAIGONTOURIST CABLE TELEVISION COMPANY LIMITED |
| 3. AEON VIETNAM LIMITED LIABILITY COMPANY | 8. DKSH VIETNAM COMPANY LIMITED |
| 4. TAN SON NHAT AIRPORT SERVICES JOINT STOCK COMPANY | 9. PETROVIETNAM DRILLING AND WELL SERVICES JOINT STOCK CORPORATION |
| 5. AMATA CITY BIENHOA JOINT STOCK COMPANY | 10. HOME CREDIT VIETNAM FINANCE COMPANY LIMITED |

TOP 100 SUSTAINABLE COMPANIES

- | | |
|---|--|
| 21 BAT – VINATABA TOBACCO JOINT VENTURE COMPANY | LIMITED |
| 22 VICOSTONE JOINT STOCK COMPANY | 32. PHUOC HOA RUBBER JOINT STOCK COMPANY |
| 23 DAU TIENG RUBBER ONE-MEMBER LIMITED LIABILITY COMPANY | 33. UN-AVAILABLE COMPANY LIMITED |
| 24 PUNGKOOK SAIGON II COMPANY LIMITED – PUNGKOOK SAIGON III FACTORY | 34. TNG INVESTMENT AND TRADING JOINT STOCK COMPANY |
| 25 TESSELLATION HOA BINH COMPANY LIMITED | 35. PRIME PHO YEN JOINT STOCK COMPANY |
| 26 URC VIETNAM COMPANY LIMITED | 36. THE PAN GROUP JOINT STOCK COMPANY |
| 27 DHG PHARMACEUTICAL JOINT STOCK COMPANY | 37. ACECOOK VIETNAM JOINT STOCK COMPANY |
| 28 PRIME YEN BINH JOINT STOCK COMPANY | 38. VRG PHURIENG RUBBER COMPANY LIMITED |
| 29 LOC NINH RUBBER ONE-MEMBER LIMITED LIABILITY COMPANY | 39. MONDELEZ KINH DO VIETNAM JOINT STOCK COMPANY |
| 30 THIEN LONG GROUP JOINT STOCK COMPANY | 40. FRIESLANDCAMPINA VIETNAM COMPANY LIMITED |
| 31. SIAM CITY CEMENT (VIETNAM) COMPANY | 41. MDF VRG KIEN GIANG JOINT STOCK COMPANY |
| | 42. PRIME DAI VIET JOINT STOCK COMPANY |

- | | |
|---|---|
| 43. MAVIN AUSTFEED JOINT STOCK COMPANY | 78. TBC-BALL BEVERAGE CAN VIETNAM LIMITED |
| 44. LEE & MAN PAPER VIETNAM COMPANY LIMITED | 79. PHU NHUAN JEWELRY JOINT STOCK COMPANY (PNJ) |
| 45. CHU PAH RUBBER ONE MEMBER COMPANY LIMITED | 80. BAO VIET SECURITIES JOINT STOCK COMPANY (BVSC) |
| 46. GENTHERM VIETNAM COMPANY LIMITED | 81. SPS VIETNAM CO., LTD. |
| 47. GREENFEED VIETNAM JOINT STOCK COMPANY | 82. MOBILE WORLD INVESTMENT CORPORATION (MWG) |
| 48. CENTRAL HYDROPOWER JOINT STOCK COMPANY | 83. KIM TIN GROUP CORPORATION |
| 49. AN LOI GARMENT COMPANY LIMITED | 84. KES GROUP CORPORATION |
| 50. BA RIA RUBBER JOINT STOCK COMPANY | 85. SAVVYCOM JOINT STOCK COMPANY |
| 51. PANASONIC APPLIANCES VIETNAM CO., LTD. | 86. RICONs CONSTRUCTION INVESTMENT JOINT STOCK COMPANY |
| 52. SAO TA FOODS JOINT STOCK COMPANY | 87. PETROVIETNAM GENERAL SERVICES CORPORATION (PETROSETCO) |
| 53. BINH TIEN CONSUMER GOODS ANUFACTURING LIMITED COMPANY | 88. PRUDENTIAL VIETNAM ASSURANCE PRIVATE LIMITED (PRUDENTIAL VIETNAM) |
| 54. PRIME ROOF TILE JOINT STOCK COMPANY | 89. DA NANG PORT JOINT STOCK COMPANY |
| 55. BOSCH VIETNAM COMPANY LIMITED | 90. HERBALIFE VIETNAM SINGLE MEMBER LIMITED LIABILITY COMPANY (HERBALIFE VIETNAM) |
| 56. TAN BIEN RUBBER JOINT STOCK COMPANY | 91. DIGIWORLD CORP |
| 57. AN CUONG WOOD WORKING JOINT STOCK COMPANY | 92. COTECCONS CONSTRUCTION JOINT STOCK COMPANY |
| 58. TESSELLATION BINH DUONG COMPANY LIMITED | 93. DINH VU INDUSTRIAL ZONE JOINT STOCK COMPANY (DVIZ) |
| 59. THUAN AN WOOD PROCESSING JOINT STOCK COMPANY | 94. BRG GROUP JOINT STOCK COMPANY |
| 60. FREETREND INDUSTRIAL VIETNAM CO., LTD | 95. VIETNAM LOTTERY ONE MEMBER COMPANY LIMITED |
| 70. CHENG LOONG BINH DUONG PAPER COMPANY LIMITED | 96. HO CHI MINH CITY DEVELOPMENT JOINT STOCK COMMERCIAL BANK (HDBANK) |
| 71. PETROVIETNAM POWER CORPORATION (PV POWER) | 97. CARLSBERG VIETNAM BREWERY LIMITED |
| 72. PRIME DAI LOC JOINT STOCK COMPANY | 98. HOP LUC JOINT STOCK CORPORATION |
| 73. DOMESCO MEDICAL IMPORT-EXPORT JOINT STOCK CORPORATION | 99. PETROVIETNAM TECHNICAL SERVICES CORPORATION (PTSC) |
| 74. CENTURY SYNTHETIC FIBER CORPORATION | 100. HONG DUC INDUSTRY JOINT STOCK COMPANY |
| 75. QUANG NGAI SUGAR JOINT STOCK COMPANY (QNS) | |
| 76. HO GUOM GROUP JOINT STOCK COMPANY | |
| 77. MACA DAI VIET TRADING SERVICE COMPANY LIMITED | |

TOP 5 COMPANIES PIONEERING IN CIRCULAR ECONOMY IMPLEMENTATION AND GHG REDUCTION

- | | |
|---------------------------------|--|
| 1. LONGWELL COMPANY LTD | 4. SIAM CITY CEMENT (VIETNAM) LIMITED |
| 2. DAU TIENG RUBBER CORPORATION | 5. ACECOOK VIETNAM JOINT STOCK COMPANY |
| 3. URC VIETNAM COMPANY LIMITED | |

TOP 5 COMPANIES WITH CORPORATE BREAKTHROUGH GOVERNANCE

- | | |
|--|---|
| 1. VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY (VINAMILK) | 3. PETROVIETNAM CA MAU FERTILIZER CORPORATION (PVCFC) |
| 2. DHG PHARMACEUTICAL JOINT STOCK COMPANY | 4. VICOSTONE JOINT STOCK COMPANY |
| | 5. THE PAN GROUP JOINT STOCK COMPANY |

Vietnam, Nepal Aim for Stronger Business Ties

A delegation of more than 50 Nepalese businesses, led by Chandra Prasad Dhakal, President of the Federation of Nepalese Chambers of Commerce and Industry (FNCCI), recently visited the Vietnam Chamber of Commerce and Industry (VCCI) in Hanoi as the two countries celebrated 50 years of diplomatic relations.

THU HUYEN

At the meeting, Nepalese Ambassador to Vietnam Dhan Bahadur Oli said that the largest-ever Nepalese business delegation to visit Vietnam - including companies active in key sectors such as energy, high-tech agriculture, medicinal herbs, handicrafts, tourism, education, healthcare, finance, and technology - demonstrates the strong interest of Nepal's private sector in expanding economic cooperation with Vietnam. He said this is an opportune time for both countries as they move into a new phase of collaboration with the private sector at the center. Ambassador Oli added that completing and signing a memorandum of understanding between the two business organizations would create an important foundation for future trade and investment promotion and for strengthening business ties.

VCCI Vice President Nguyen Quang Vinh affirmed that Vietnam sees Nepal as a promising partner in South Asia. He said that although economic and trade ties between the two countries are still modest, they have grown steadily, rising from US\$9.35 million in 2012 to US\$47 million in 2017 and reaching nearly US\$100 million in recent years. Vietnam primarily exports phones and components, processed agricultural products, pepper, plastics, and consumer goods. Nepal exports textiles, spices, handicrafts, and raw materials to Vietnam.

He also said that VCCI has completed the documents needed to seek approval to sign an MoU with FNCCI. However, because of time constraints, the review process could not be finished before the meeting. Even so, both VCCI and FNCCI agreed that the MoU is an important step to create a stable coordination channel, share market information, promote trade, help businesses find partners, and resolve procedural challenges.

VCCI Vice President Nguyen Quang Vinh suggested that both sides prioritize promising areas such as high-tech agriculture, agricultural processing, hydropower and



VCCI Vice President Nguyen Quang Vinh receives the Nepalese business delegation

renewable energy, information technology, e-commerce and the digital economy, tourism, logistics, and education and training. He also recommended maintaining regular delegation exchanges, organizing thematic workshops and B2B meetings, supporting businesses in joining trade fairs and exhibitions, and working together to resolve visa-related issues to make trade easier.

FNCCI President Dhakal said that economic ties between Nepal and Vietnam can grow even faster because the two economies complement each other well. Nepal has strengths in handicrafts, tea, coffee, herbs, medicinal plants, and natural products, while Vietnam has strong export capacity in agricultural goods, food, machinery, electronics, and competitively priced consumer products. "Once the MoU between FNCCI and VCCI is signed, it will be a key step in turning opportunities into real transactions and real projects," he added.

He also said that Nepal is carrying out important reforms to attract investment, including simplifying licensing procedures, improving foreign investment regulations, shortening customs and tax processing times, and developing an investment protection framework to give international investors greater confidence. These reforms are making Nepal's investment environment more transparent, predictable, and business-friendly.

The meeting raised expectations for a more substantive cooperation between the two business communities. The MoU between VCCI and FNCCI is expected to mark an important beginning for stronger business ties, greater trade and investment, and joint projects that support sustainable growth in both Vietnam and Nepal. ■

FROM GENDER EQUALITY TO RESPONSIBLE PROCUREMENT

Strengthening Women-Led Enterprises

For nearly four decades of reform, Vietnam's private sector has become a key driver of growth, contributing about 45% of GDP, 33% of state budget revenue, and accounting for 97% of all enterprises. Women-owned businesses make up 24%, but most still face challenges such as small scale, limited access to finance, weak market connections, and few opportunities to join major supply chains.

ANH MAI

At a workshop focused on improving the competitiveness of female-led businesses, organized by the Vietnam Women Entrepreneurs Council (VWEC) under the Vietnam Chamber of Commerce and Industry (VCCI) and the United Nations Entity for Gender Equality and the Empowerment of Women, Mai Thi Dieu Huyen, Vice Chairwoman in charge of VWEC, said that most women-owned enterprises still face barriers related to scale, capital, market connections, and access to high value supply chains.

According to Nguyen Thi Bich Thuy, Deputy Director of the Division of Enterprise and Household Business Support (Department of Private Enterprise and Collective Economy Development, Ministry of Finance), as of October 2025 Vietnam had more than 1 million active enterprises, including more than 20% owned by women and more than 50% with female participation in ownership structures.

The number of women owned enterprises has continued to rise in recent years, growing at least 2% a year, a rate higher than the overall business sector. Vietnam is also among the markets with one of the most dynamic groups of women entrepreneurs and one of the most effective networks of women led enterprises in ASEAN.

However, women owned enterprises face several key obstacles: small scale and limited networks; difficulty accessing finance; constraints in management skills and innovation; and the burden of social roles and gender bias.

According to Huyen, in this context the project “Enhancing women's economic empowerment in Asia Pacific through advancing gender responsive procurement” implemented by UN Women with support from the Government of Australia is creating new opportunities for enterprises to strengthen competitiveness and participate more deeply in sustainable value chains.

In particular, the Women's Empowerment Principles (WEPs) and gender responsive procurement, an initiative of UN Women, are becoming global trends. They help enterprises enhance



Overview of the workshop

sustainable competitiveness, expand markets, attract responsible investors, and generate positive social impact.

As of November 16, 2025, a total of 11,655 enterprises and organizations in more than 160 countries had signed on to the WEPs. In Vietnam, the number of participating enterprises rose from 67 in 2020 to about 239 in November 2025, reflecting growing momentum within the business community.

Huyen noted that in the current phase of development, enterprises, especially women-owned enterprises, need a transparent and inclusive ecosystem that enables women to participate equally in economic activity. Promoting the WEPs and GRP is one of the strategic solutions to build diverse and sustainable supply chains, strengthen market resilience, foster innovation, and expand opportunities for women to access, participate in, and benefit fairly from economic growth.

“Advancing gender equality is essential for enterprises to raise competitiveness standards in the new era. When enterprises respect differences, ensure equal opportunity, and practice gender responsive procurement, they also open the door to larger, more professional, and more sustainable supply chains. As the national organization representing women entrepreneurs and a strategic partner of UN Women, VWEC -VCCI is committed to continuing to work with UN Women and partners to implement the WEPs and GRP. We will support capacity building for women owned enterprises through training, advisory services, and knowledge sharing; strengthen market connections; and help women owned enterprises expand cooperation opportunities domestically and internationally,” Huyen emphasized.

According to Caroline T. Nyamayemombe, UN Women Country Representative in Vietnam, when government agencies, the private sector, and development partners work together, they advance gender equality and create momentum for broader economic and social development. “UN Women remains ready to support and help create more success stories of gender responsible enterprises in Vietnam,” Caroline T. Nyamayemombe said. ■



Overview of the forum on improving policies to attract next-generation FDI into industrial parks

ATTRACTING NEXT-GEN FDI

Raising Standards for Industrial Parks

Vietnam is no longer seen as a destination for easy capital. The country is repositioning itself as global investment shifts, and foreign investors are now expected to bring technology, expertise, and social responsibility, not just money. This was the key message at a recent forum in Hanoi held by Business Forum Magazine on improving policies to attract next-generation FDI into industrial parks.

HUONG LY

Not attracting foreign capital “at any cost”

Nearly four decades of openness have shaped Vietnam’s industrial landscape through a steady flow of foreign capital. The introduction of Resolution 50-NQ/TW in 2019, which focuses specifically on FDI, marked an important shift from passive attraction to equal cooperation.

According to Hoang Quang Phong, Vice President of the Vietnam Chamber of Commerce and Industry (VCCI), next-generation FDI now meets stricter standards. It is no longer about labor-intensive factories but centers on core technology, green

governance, and sustainable development commitments. The 2021-2030 foreign investment strategy implements this approach through “green lanes” and special incentives for semiconductor technology, a necessary step as the global economy restructures around green and digital priorities.

Although Vietnam has developed industrial parks for 29 years since the 1996 Foreign Investment Law created the first legal framework, the Net Zero 2050 target is pressuring the government and Ministry of Finance to review the entire incentive system. The concept of “incentives” is being redefined in draft decrees to recognize emissions reduction costs and industrial symbiosis models. This signals Vietnam’s readiness to reject billion-dollar projects that could harm the environment, creating room for truly high-quality investors. Looking at the actual numbers, Vietnam remains attractive. In the first ten months of 2025, total registered FDI reached US\$31.52 billion, up 15.6% year-on-year, with a record disbursement of US\$21.3 billion.

According to data from the Central Policy and Strategy Commission, while the absolute value of FDI has grown, its share of total social investment declined from a peak of 17.9% in 2018 to 16.5% in 2024, indicating a slowdown in growth contribution relative to the overall economy despite strong new registration figures.

Furthermore, the quality of this capital raises sustainability concerns. The localization rate of FDI enterprises is only 20-25%, significantly lower than in other East and Southeast Asian countries at a similar development stage, showing that Vietnam

remains focused on assembly rather than deeper integration into value chains.

Nguyen Ba Hai, Deputy Director of the Trade and Investment Promotion Center (Ministry of Industry and Trade), said that Vietnamese firms mainly engage in low value-added stages. Dependence on imported materials and assembly-based production limits knowledge transfer from FDI to domestic enterprises. Although FDI firms pay wages about 20% higher than the national average, their focus on hiring unskilled labor constrains the long-term development of specialized skills among Vietnamese workers.

In Hai Phong, Nguyen Thi Bich Dung, Deputy Director of the Hai Phong Economic Zone Authority, reported that the city has attracted nearly 1,740 projects with total capital exceeding US\$50.1 billion. Although high-tech investments have consistently represented 70-80% of inflows in recent years, local enterprises still struggle to meet the stringent requirements of multinational corporations, underscoring the need for targeted support policies and pilot cooperation models for wider replication.

Similarly, Truong Manh Hung, Director of the Quang Ninh Economic Zone Authority, offered a strategic view on this transition. With total FDI of US\$17 billion, Quang Ninh is restructuring to prioritize industrial services over industrial utilities. Hung emphasizes the focus on specialized economic zones, such as the Quang Yen Coastal Economic Park and Viet Hung Industrial Park, which are developing automotive supply chains. However, while local capital is growing strongly, FDI tends to decline, making it essential to select strategic investors with clean technology and modern management to reverse this trend.

Infrastructure and workforce bottlenecks

Interest from major markets is real and growing, but it comes with rising caution. Nguyen Xuan Thanh Tung, Vice Chairman of the Vietnam-China Business Council (VCBC), said that over 50% of surveyed Chinese companies plan to invest in Vietnam within the next 2-3 years. This wave brings expectations of forming clusters in high-tech sectors such as electric vehicles and robotics, with Chinese firms often bringing entire supply chain ecosystems. However, He highlighted a major workforce gap. Investors see that local labor cannot immediately meet the needs of high-tech factories, so they must either bring in foreign experts for direct training or work closely with universities. Both options require significant time and money.

Sharing similar concerns about infrastructure but from the energy and regulatory perspective, Seck Yee Chung, Vice

President of the Singapore Chamber of Commerce in Vietnam (SingCham), emphasized the importance of national grid capacity. As Vietnam develops energy-intensive high-tech manufacturing and data center projects, upgrading the power grid and completing the legal framework for public-private partnerships is crucial to optimize private investment in energy infrastructure.

SingCham also acknowledged recent legislative efforts, including Decree 19/2025/ND-CP on enhancing industrial park quality and Decision 232/QĐ-TTg on the carbon market. However, administrative procedures, particularly for permitting and land use, still require significant improvement to prevent bottlenecks at the regulatory entry point.

A clear national criteria set needed

Phan Huu Thang, former Director of the Foreign Investment Agency (Ministry of Finance) and Chairman of the Vietnam Industrial Park Financial Association, emphasized that next-generation FDI is closely tied to green investment and high technology. He urged the government to issue the 2025-2035 next-generation FDI strategy soon, with a key component being the establishment of a concrete “national criteria set” to act as an effective filter, aligning capital flows with the specific characteristics of each region rather than applying uniform nationwide policies.

Additionally, Nguyen Duc Hien, Vice Chairman of the Central Policy and Strategy Commission, recommended establishing sandbox mechanisms for pioneering sectors such as AI, digital technology, and green energy. Investment incentives should shift fundamentally: instead of focusing primarily on tax breaks, Vietnam should emphasize cost-based incentives (e.g., R&D, asset depreciation, workforce training) or output-based incentives. This modern approach, employed by developed economies, encourages investors to actively invest in research and develop intrinsic capabilities rather than merely exploiting tax benefits.

Importantly, as the Net Zero 2050 commitment approaches, experts emphasized a key provision in the new draft decree: recognizing the costs of emissions reduction activities and industrial symbiosis models. This is expected to give businesses strong financial incentives to adopt clean technology. Phan Huu Thang also recommended that the Ministry of Finance complete the legal framework for green and eco-industrial parks and introduce specific tax incentives for innovation. Only with a full legal framework can Vietnam turn environmental commitments into competitive advantages and attract high-tech investors looking for truly sustainable production bases.



**NGUYEN QUOC KHANH, CHAIRMAN OF DTJ GROUP,
G20 INDUSTRIAL ALLIANCE**

Vietnam has successfully attracted foreign investment and achieved significant results. However, to draw high-quality FDI into industrial parks, it is necessary to optimize land use and regional production planning to enhance supply chain efficiency. Currently, local enterprises are dispersed, leading to high costs and low productivity, while U.S. tariffs are prompting international investors to shift operations to Vietnam. Harmonizing regional planning, raw materials, labor, and surrounding ecosystems is therefore essential to improve productivity and reduce costs.

Provinces should designate separate recycling zones to optimize resources and capital for foreign investors. At the same time, regulations classifying enterprises within eco-industrial parks need standardization, land allocation for specific industries should be optimized, and unique industry codes established for each area, enabling local businesses to participate effectively in FDI supply chains.



NGUYEN PHUONG NGA, DEPUTY GENERAL DIRECTOR OF CNC TECH GROUP

Today, industrial infrastructure cannot be limited to providing clean land or standard factories. Next-generation FDI investors, particularly in high-tech sectors, require a comprehensive ecosystem: international-standard infrastructure, modern logistics, full support services, technology integration capabilities, and compliance with green standards and ESG principles.

Building on this approach, we have developed an integrated infrastructure model with more than 24 services, fully meeting investor needs from project preparation to factory operation, significantly shortening the time to bring factories online to 1-3 months. CNC Tech also focuses on constructing high-quality factory spaces tailored to investors in the electronic components sector.

To make FDI policies more effective, I propose three key points: First, accelerate digitalization of investment procedures, implementing consistent processes for licensing, company establishment, and fire safety inspections. Second, prioritize the development of high-quality human resources. Third, create support mechanisms for developers building eco-industrial parks, as these models require significant costs and resources. In addition to attracting high-tech companies, Vietnam should focus on attracting entire value chains, especially in the semiconductor sector, to ensure investors can access a complete production ecosystem.



TRUONG KHAC NGUYEN MINH, DEPUTY CEO OF PRODEZI LONG AN JOINT STOCK COMPANY



A major challenge today is the lack of consistency in the policy framework and interpretation across different management levels. Concepts such as “eco-industrial park” or “industrial symbiosis” have not yet been standardized, leading to inconsistent evaluation and certification processes. Without a clear national set of criteria and without widespread adoption of UNIDO’s international guidelines, investors face difficulties in making systematic investments in circular infrastructure.

In addition, the legal framework for trading scrap and recycled materials still has many barriers, making it difficult for symbiotic business models, where companies use each other’s by-products, to grow. The domestic service ecosystem also falls short of international standards, as logistics, maintenance, and materials in many localities do not meet ESG, Service Level Agreement, or ISO requirements. This increases the cost of certification and capability development.

Investing in intelligent monitoring systems (IoT/AI) to manage energy, water, and waste in real time requires significant resources, while the integration and sharing of operational data raise cybersecurity concerns, especially regarding sensitive production data.

First, it is essential to issue a national criteria set for eco-industrial parks soon, incorporating international standards to ensure uniformity. The government should also simplify procedures for scrap exchange while establishing mandatory data governance mechanisms aligned with cybersecurity standards to build investor confidence. Green financing packages with fast-track approval, competitive interest rates, and tax and land incentives for pioneering projects are necessary if Vietnam aims to attract high-quality FDI and offset conversion costs for businesses.

TRAN DAI NGHIA, INVESTMENT PROJECT LEGAL EXPERT, CEO OF FII VIETNAM INVESTMENT CONSULTING COMPANY

Vietnam is emerging as a key investment destination in the region thanks to strong infrastructure and a favorable geographic location. Through consulting FDI companies, we have observed that businesses pay close attention to investment incentive policies. Therefore, it is necessary to focus on the types of investment and sources of capital rather than just the “location” of investment. Attracting FDI requires not only eco-industrial and green industrial parks but also synchronized investment in supporting infrastructure to meet the living, entertainment, and recreational needs of experts, as well as housing for technology-sector workers.

From the very planning stage of industrial parks, land should be allocated for social housing. Currently, at the 10th session of the National Assembly, discussions are taking place on the amended Investment Law, which is expected to directly impact FDI attraction. Vietnam has already introduced special investment procedures for the high-tech sector, which should be applied more broadly given that investment-related regulations have become more open to businesses, helping shorten procedural timelines.



NGUYEN LE HANG, EXTERNAL RELATIONS DIRECTOR OF SLP VIETNAM

SLP, a developer and operator of modern industrial and logistics infrastructure, has adopted ESG as a core commitment. Meeting comprehensive ESG standards enables the company to effectively attract international investors, particularly corporations with high requirements for green supply chains and sustainable infrastructure. The long-term value lies in stronger customer connections, deeper participation in global supply chains, and enhanced competitiveness of industrial parks.

Vietnam has introduced many policies on sustainable development and has made strong commitments through 2050. However, gaps remain between policy and implementation, requiring more concrete actions to turn policies into practical support for businesses.

Recent climate change impacts have clearly affected production activities, such as rising water levels and flooding in certain areas, highlighting the need for close coordination between industrial park investors and local authorities to ensure safe operations and minimize risks within the ecosystem.

Compliance with ESG regulations in key localities is still uneven, particularly regarding procedures for fire safety, technical inspections, and other regulatory approvals, causing operational delays. Looking ahead, establishing regular dialogue mechanisms between businesses and regulatory agencies is expected to help resolve obstacles, improve the investment environment, and increase Vietnam's appeal to high-tech and green FDI.



HIROKI KAMIJO, DEPUTY CEO OF VIETNAM PROSPERITY JOINT STOCK COMMERCIAL BANK (VPBANK)

The financial and banking sector plays a key role in developing industrial parks and attracting next-generation FDI, focusing on two main areas:

First, green finance, through preferential credit packages for renewable energy, energy-efficient production, sustainable waste management, circular economy initiatives, and green buildings. These solutions are supported by international financial institutions and comply with ESG standards, enabling businesses to access capital more easily while meeting stringent sustainability requirements from Europe, the United States, and Japan.

Second, social finance, which supports SMEs, women-led businesses, and projects in workforce training, healthcare, education, affordable housing, and essential infrastructure.

These programs enhance the quality of industrial park development and align with Vietnam's Net Zero 2050 vision and the National Green Growth Strategy.

In 2025, VPBank raised US\$1.3 billion in sustainable finance, bringing total capital raised since 2022 to nearly US\$3 billion. This enables the bank to provide competitive two-step loans to eco-industrial parks, with international market funding costs. Moody's also rated VPBank at CIS-2, confirming its strong capacity to support industrial parks.



TRAN NHI HA, DEPUTY DIRECTOR OF CORPORATE BANKING, FORTUNE VIETNAM JOINT STOCK COMMERCIAL BANK (LPBANK)

FDI capital and the industrial park system are entering a new development cycle, requiring more synchronized infrastructure, international standards, and higher competitiveness. To seize this opportunity, a corporate banking model that is "deep enough, broad enough, and fast enough" is needed to provide financial products while creating value for investors and FDI enterprises.

LPBank has strategically shifted from offering traditional products to delivering end-to-end solutions, participating from the design and implementation phase to the operation and expansion of industrial parks. In addition, LPBank is committed to building a digital platform for cash flow management, integrating ERP systems, and optimizing warehouse, operations, and procurement management across the supply chain. This approach allows enterprises to enhance efficiency and reduce financial costs, positioning the bank not just as a capital provider but as a digital partner supporting smooth business operations.



Boosting Vietnam Export Competitiveness via Green, Digital Transformation

As major import markets tighten green standards at the same time, Vietnam's exports face a critical choice: adopt dual transformation, combining green transition and digital transformation, to meet the new rules or risk being pushed out of global supply chains.

HUONG LY

The economic picture in the first ten months of 2025 remained positive, with total trade estimated at US\$762 billion, up 17.4%, and a trade surplus nearing US\$20 billion. However, despite this growth, rising pressure from new green compliance requirements is affecting export orders. The phase of growth based on low costs, low skilled labor, and raw

materials is ending, making way for stricter environmental and sustainability standards.

Dual transformation is needed

The pressure is immediate, as January 1, 2026 marks the full implementation of the European Union Carbon Border Adjustment Mechanism (CBAM), which requires importers to pay for the carbon emissions in their products. This rule directly affects steel, cement, aluminum, and fertilizer. At the same time, the European Union Deforestation Regulation (EUDR) is adding pressure on major export sectors such as wood, coffee, and rubber by requiring proof that products are not tied to deforestation after December 31, 2020 and supported by GPS verified land plot data.

Traceability, Forest Stewardship Council (FSC) certification, Program for the Endorsement of Forest Certification (PEFC) certification, and supply chain control



As of November 15, Vietnam's exports reach US\$410.28 billion

are no longer competitive advantages but have become mandatory requirements for entering the European Union market. The strictness of these green standards applies to all businesses, from large corporations to small subcontracting factories. If companies cannot provide transparent carbon footprint data, they face a real risk of being excluded from global supply chains.

In practice, Vietnam's green transition still faces a major barrier: the absence of unified measurement standards. Nguyen Dinh Tung, Chairman of Vina T&T Group, said that although the company has implemented emissions monitoring, renewable energy use, and internal standards, proving emissions levels according to each market's requirements remains difficult. This makes the development of national carbon neutrality standards urgent.

Beyond carbon measurement, companies must also meet strict non-tariff barriers related to food safety. Hoang Thi Lien, Chairperson of the Vietnam Pepper and Spice Association, emphasized that the EU closely monitors pesticide residue. For crops that are vulnerable to pests, chemicals may be necessary, but the dosage must be strictly controlled according to each market's regulations to meet standards and increase product value.

In the competition to meet green standards, capability gaps among business segments are widening. Foreign invested enterprises benefit from stronger capital and technology, allowing faster transition, while small and medium enterprises face significant obstacles. According to Dinh Hong Ky, Vice Chairman of the Ho Chi Minh City Business Association, 65% of companies face financial challenges when implementing green projects, and only about 12% have staff knowledgeable about ESG, slowing the transition process.

According to Hoang Duong Tung, Chairman of the Vietnam Clean Air Network, one contributing factor is that banks lack clear criteria for assessing and financing green projects. Developing sector specific standards soon will help guide corporate investment and enable banks to support green projects more effectively.

Pressure to change mindsets and policies

As green barriers grow stricter, many Vietnamese businesses see dual transformation as a solution. Technology enables transparent data, optimized operations, and the shift of ESG requirements from burdens to competitive advantages.

However, transformation is not simply about spending money or purchasing equipment. According to Tran Thi Thu Trang, Chair of Hanel Production and Import-Export Joint



Major import markets tighten green standards, increasing pressure on Vietnam's export sectors such as wood, coffee, and rubber

Stock Company, the decisive factor is people and governance because ESG requires a comprehensive internal shift that demands consensus across the entire organization. The traditional mindset of "cost" must also shift to "investment", as emphasized by Nguyen Quoc Khanh, Executive Director of R&D at Vietnam Dairy Products JSC (Vinamilk): "Overcoming the green barriers of Europe or Japan will allow Vietnamese products to enter higher value segments."

On the government side, policy makers are accelerating the transition. Vietnam Trade Promotion Agency (VIETRADE) is finalizing the Go Global Program 2026-2035 to help businesses expand markets, lead value chains, and promote green transformation through a connected ecosystem involving the state, businesses, and localities.

Vietnam's long-term vision has become clearer as the carbon credit market is expected to begin pilot implementation at the end of 2026. The period 2025-2028 will focus on building technical infrastructure and a management framework, with full operation and emissions quota auctions starting in 2029. Companies that begin emissions measurement and reduction early will gain dual benefits: maintaining orders from demanding markets and generating carbon credits that can be sold.

The biggest challenges today are the lack of emissions data and high inventory costs, especially for small and medium enterprises, while only a few domestic institutions currently meet international inventory standards. As a result, many businesses must sell carbon credits through intermediaries, which increases costs and reduces incentives to invest.

Even so, the potential of Vietnam's carbon credit market is substantial. According to Vo Hoang Hai, Deputy CEO of Nam A Joint Stock Commercial Bank, sectors such as renewable energy, low emissions agriculture, and afforestation could all become major sources of carbon credits. If digital trading platforms linked to green products are developed, carbon credits could become a channel for attracting international capital while creating strong incentives for businesses to pursue sustainable transformation. ■

Flexible, Modern Legal Framework Needed for Digital Economy Breakthrough

The digital economy is not merely the use of technology in traditional business models. It represents a comprehensive transformation encompassing e-commerce, digital payments, smart logistics, digital services, data platforms, cloud computing, and artificial intelligence (AI). Vietnam now faces a significant opportunity to become one of the most dynamic digital economies in the region.

ANH MAI

Rapid growth

Vietnam has rapidly developed its digital infrastructure. Mobile internet speeds are among the fastest in the world. Fifth generation 5G mobile networks now cover approximately 90% of the population, and 45 data centers are currently in operation. Additionally, more than 80,000 digitally skilled graduates enter the workforce each year, providing a strong foundation to expand the digital economy.

Guided by the Party and the Government, particularly Politburo Resolution 57 on breakthroughs in science, technology, innovation, and national digital transformation, and Prime Minister Decision 411 approving the national strategy for the digital economy and digital society, Vietnam targets the digital economy to contribute 20% of GDP this year and 30% by 2030. Achieving these ambitious goals requires coordinated efforts across government agencies, industries, and the business community.

According to the Digital Economy Working Group of the Vietnam Business Forum (VBF), Vietnam's strategic direction on digital transformation, especially through Politburo Resolution 57, will enable the country to accelerate in the global technology race and secure a position on the world's high-tech map. Growth in recent years has been remarkable, and all indicators show that the potential of Vietnam's digital economy remains very large. A strong digital economy has also been shown to support sustainable development and green growth.

According to Nguyen Phu Tien, Deputy Director of Department of Digital Economy and Society under Ministry of Science and Technology, developing the digital economy is a national strategic goal aimed at creating a new growth model based on data and digital technology. To achieve this, Vietnam must implement a coordinated set of actions in



science, technology, and innovation to drive momentum for digital transformation. To reach the target of the digital economy contributing 30% of GDP by 2030, Vietnam must focus on completing policies and legal frameworks that enable the shift of economic and social activities to the digital environment. This includes promoting electronic transactions and implementing controlled sandbox mechanisms to test new business models and digital governance models.

"Developing the digital economy requires digital infrastructure to be built quickly, modern, and secure. At the same time, it is necessary to promote digital platforms owned by Vietnamese enterprises, turning them into spaces that support economic and social activities and address cross-sector and interregional development challenges. Currently, domestic technology companies already own many platforms under Vietnamese control. Based on this foundation, the digital economy can continue to expand and develop. Additionally, attention must be given to ensuring cybersecurity and safety, particularly by equipping citizens with the basic knowledge and tools to protect themselves in the digital environment," added Tien.

No unnecessary barriers

According to the Digital Economy Working Group - VBF, for the digital economy to achieve a real breakthrough, government agencies and ministries must ensure that new regulations align with the practical operations of businesses and the market. They should avoid creating unnecessary barriers to business activities or imposing cumbersome administrative procedures that add compliance burdens for companies.



The digital economy is becoming an important growth driver for Vietnam

“Research has shown that the more complex and restrictive a country’s regulations are, the lower its capacity for innovation. In a sector that evolves and changes extremely rapidly, such as ICT, authorities may feel compelled to add legal frameworks to manage new and unclear business models. However, the Vietnamese government needs to act cautiously, avoid issuing regulations beyond what is necessary, and refer to international experience to see how other advanced countries are exploring and applying solutions to these new challenges, implementing best practices in the most practical way for the Vietnamese market,” emphasized Seck Yee Chung, representative of Digital Economy Working Group.

In addition, Vietnam must continue efforts to reduce and simplify administrative procedures and business requirements, particularly for enterprises in the digital economy. Regulatory agencies need to balance state management objectives with business interests, avoiding the introduction of new administrative requirements when their purpose and effectiveness are not clearly defined.

Free data flow, unhindered by physical borders, is a fundamental and essential factor for a strong and secure digital economy. When this is ensured, domestic businesses can easily access advanced technologies worldwide, such as data analytics, cloud computing, and artificial intelligence, allowing them to extract greater value from their own data using global modern tools while reducing operational costs.

According to Investment and Trade Working Group - VBF, if Vietnam wants to become a regional digital hub, data transfer regulations need a feasible mechanism. Data Law and Decree 165 currently require impact assessments and approval from competent authorities before core data can be transferred abroad, overlapping with personal data protection regulations, which reduces the attractiveness for large data center investments. Therefore, a simple risk assessment

mechanism aligned with international standards while ensuring national security is necessary.

Additionally, requiring foreign e-commerce platform operators to establish a legal entity in Vietnam in certain cases is a major barrier. This rule may discourage foreign businesses from participating in the Vietnamese market, particularly startups and small and medium-sized enterprises (SMEs) that rely heavily on lean digital models. It may also reduce the diversity of services offered to Vietnamese consumers and hinder cross-border e-commerce development. A registration mechanism, representative office, or local contact point could replace this requirement.

According to the American Chamber of Commerce in Vietnam (AmCham), Vietnam should adopt a comprehensive approach aligned with global standards when developing laws and regulations related to the digital economy, such as the amended E-Commerce Law and Cybersecurity Law, recognizing the cross-border nature of digital services. Overlaps and inconsistencies between laws need to be addressed while avoiding the creation of unnecessary barriers. Legal requirements for e-commerce platforms should consider the diversity of business models, avoid duplication with other laws, and minimize unnecessary local representation obligations. Similarly, cybersecurity regulations and Decree 147/2024 should be based on international precedents and avoid domestic data storage requirements that could disrupt cross-border data flow, hinder investment, and slow digital economy development.

The digital economy is becoming an important growth driver for Vietnam, opening new development opportunities for businesses and the economy. Completing a flexible and modern legal system, together with infrastructure and digital talent, will determine Vietnam’s ability to achieve breakthroughs in the coming period.■

Innovation Opens New Pathways for Businesses in Digital Era

As the world enters the Fourth Industrial Revolution and the digital economy, innovation and digital transformation are becoming key drivers of economic growth, productivity, and national competitiveness. Businesses are not only benefiting from new technologies but also leading the way in changing business models, managing data, and reshaping value chains within the innovation ecosystem.

QUYNH CHI

Vietnam has affirmed that science, technology, and innovation are the foundation and key drivers of socioeconomic development. Resolution 57-NQ/TW, issued on June 10, 2024, on promoting science, technology, and innovation for industrialization and modernization through 2030 with a vision to 2045, together with Resolution 52-NQ/TW issued in 2019 on proactive participation in the Fourth Industrial Revolution, has created a consistent policy framework that supports innovation and digital transformation across the economy.

In practice, according to Nguyen Thanh Dong from Dai Nam University, from 2018 to 2024 many Vietnamese enterprises began building internal innovation capacity by investing in R&D infrastructure, public-private partnerships, and open innovation models across sectors such as smart manufacturing, e-commerce, digital finance, and high-tech agriculture.

Examples include Viettel Group establishing the Viettel Innovation Lab in 2023, which has supported more than 100 research teams testing AI and IoT solutions and co-developing products; FPT Corporation launching the FPT.AI Residency program and the akaBot platform to commercialize AI and robotic process automation; and VinFast under Vingroup expanding R&D in electric vehicles, batteries, and artificial intelligence while strengthening partnerships with universities inside and outside the country.

These models represent a growing trend in which enterprises become knowledge integrators that transform scientific knowledge into economic value and disseminate it across society.

According to the World Bank, enterprises that invest in innovation have labor productivity 1.7 to 2.2 times higher than those that do not. This shows that innovation is not only a development tool but also a long-term competitive strategy for businesses.

However, according to the Vietnam Enterprise Digital Transformation Report 2024, only about 30 % of small and medium-sized enterprises reach an above-average level in their digital transformation journey. Average R&D investment remains below 0.5 % of revenue, far lower than the ASEAN average of 2 to

3 %. This shows that although enterprises are expected to play a central role in the national innovation ecosystem, this potential has not yet been fully realized.

In addition, internal enterprise capacity in R&D and innovation management remains limited. Financial, tax, and investment mechanisms have not created sufficient incentives. Sustainable linkages among businesses, institutes, and universities are still weak. A wide gap between large enterprises and SMEs in resources, strategy, and readiness to innovate also constrains progress.

Large enterprises are transforming more quickly and proactively. About 85% of businesses with more than 300 employees have implemented ERP or CRM systems, while the rate for small enterprises with fewer than 50 employees is only 17%. Leading sectors in digital transformation include finance and banking, telecommunications, e-commerce, and digital education, while agriculture, logistics, and construction remain slow to adopt new technologies.

Shortages of technology talent, high investment costs, and a weak innovation culture remain major obstacles.

According to Dr. Nguyen Thi Thu Huong, Dean of the Faculty of Business Administration/Economics at Hanoi Open University, traditional growth models based on low-cost labor and natural resource exploitation are reaching their limits. For Vietnam to break through, the country must create a new development space built on knowledge, data, technology, and creativity. Only by developing strong internal technological capacity and robust innovation capabilities can Vietnam reduce its dependence on outsourced technologies and participate more effectively in global value chains.

Dr. Nguyen Thi Thu Huong emphasized that to escape the “technology outsourcing trap” and gradually build endogenous technological innovation capacity, Vietnam must significantly reform its policies on science and technology investment. The focus must shift from merely supporting technology application to creating the conditions for developing new technologies and core technologies. At the same time, Vietnam must identify breakthrough policy mechanisms to transition from a technology consuming economy to a technology creating economy. International experience shows that the model of a “facilitating State, enterprise at the center, and universities as knowledge drivers” is the essential foundation.

To strengthen the central role of businesses in the innovation and digital transformation ecosystem, Nguyen Thanh Dong said that Vietnam needed to improve financial and tax incentives for R&D, including cost deduction models similar to those in South Korea and Singapore. He added that public-private partnerships should be expanded through “research commissioning” projects linking enterprises with universities. He also emphasized that SMEs should receive support through inclusive digital transformation programs to narrow capacity gaps, train business leaders in innovation management, creative thinking, and data governance, strengthen intellectual property protection, and develop open data platforms to increase transparency across the innovation ecosystem. ■

DRAFT REVISED PERSONAL INCOME TAX LAW

Ensuring Fairness and Practicality

The draft revised Personal Income Tax (PIT) Law, now submitted to the National Assembly at the 10th Session of the 15th National Assembly, proposes major adjustments aimed at ensuring fairness, aligning with real-life conditions, supporting business operations, and significantly reducing the tax burden on individuals.

HUONG HAU

The revisions were prepared by the Ministry of Finance based on feedback from National Assembly delegates, experts, and scholars, while also fully assessing potential impacts before advising the Government for submission to the National Assembly. These changes are viewed as the most comprehensive in recent years, directly affecting tens of millions of taxpayers and millions of households and individual business operators.

Significant increase in the tax exemption threshold

One of the major adjustments for households and individual business operators is the government's proposal to raise the annual revenue threshold for tax exemption from VND200 million to VND500 million. This is considered a strong adjustment that reflects rising prices and input costs over multiple years. Importantly, the VND500 million threshold is deducted directly before calculating tax, which significantly reduces the tax liability compared to current regulations.

According to estimates from tax authorities, raising the exemption threshold and revising the tax calculation method could reduce total taxes for households and individual businesses by about VND11,800 billion per year, creating space to support the small business sector that accounts for a large share of the economy.

Along with this adjustment, the draft law introduces a tax calculation method based on actual income, meaning revenue minus expenses, to more accurately reflect the nature of income taxation. Households and individuals with annual revenue above VND500 million will apply the income-based method. For those with revenue between VND500 million and VND3 billion, taxpayers may choose either the income-based method or percentage of revenue method depending on their circumstances and ability to document expenses. In all cases, the first VND500 million of revenue will be deducted before calculating tax to ensure practical support.



The new tax law aims to support business operations, and significantly reduce the tax burden on individuals

In addition to changes under the Personal Income Tax Law, the Ministry of Finance also proposes corresponding adjustments in the draft amended Value Added Tax Law, raising the non-VATable revenue threshold for households and individual business operators to VND500 million per year. Aligning these two tax policies is intended to reduce policy inconsistencies and limit discrepancies in determining tax obligations.

Simplifying tax brackets and reducing rates

For employees earning income from salaries and wages, the draft revised Personal Income Tax Law focuses on adjusting the progressive tax table by streamlining brackets and reducing the overall tax burden.

The new tax table cuts the number of brackets from seven to five and widens the income ranges between brackets. Two key rates are reduced: the second bracket decreases from 15% to 10%, and the third bracket decreases from 25% to 20%. The revised brackets are as follows: Bracket 1, income up to VND10 million per month with a tax rate of 5%; Bracket 2, income above VND10 million to VND30 million per month with a tax rate of 10%; Bracket 3, income above VND30 million to VND60 million per month with a tax rate of 20%; Bracket 4, income above VND60 million to VND100 million per month with a tax rate of 30%; Bracket 5, income above VND100 million per month with a tax rate of 35%.

Under this structure, all individuals currently paying tax under the existing progressive system will experience reduced tax obligations, regardless of bracket. Expanding the income ranges between brackets also helps ease sudden bracket jumps, which often create challenges and do not accurately reflect real income growth.

The tax reduction effect is strengthened by adjusting personal and dependent deductions in line with Resolution 110/2025/UBTVQH15 of the National Assembly Standing Committee. Raising the personal deduction is expected to



👉 further reduce annual payroll related tax by VND21,000 billion. This adjustment is particularly important as workers' real incomes continue to face pressures from inflation, living costs, and rising essential service prices.

Flexible adjustment of personal deductions

A notable legislative improvement is that the draft law incorporates the personal deduction level directly into the law, ensuring alignment with the National Assembly's constitutional authority over key tax provisions. Previously, the deduction was set by a resolution of the National Assembly Standing Committee, which often delayed adjustments in response to economic changes.

The new draft introduces a more flexible mechanism in which the Government may propose adjustments to the personal deduction to the National Assembly Standing Committee based on price movements, income levels, and socioeconomic conditions. This approach allows tax policy to respond more promptly to changing conditions without frequent legislative amendments.

The Ministry of Finance has also clarified provisions related to other types of income, exemptions, and the definition of dependents. Notably, the category of other income as regulated by the Government has been removed to improve transparency, ensure clarity, and reduce the risk of disputes in practice.

Toward a fair and practical tax system

Overall, the adjustments in the draft revised Personal Income Tax Law reflect the Government's and Ministry of Finance's consistent approach to reducing the tax burden, ensuring fairness across income groups, and encouraging business activity. Raising the tax exemption threshold, adjusting tax brackets, lowering rates, and updating personal deductions in line with real economic conditions are expected to create a more favorable environment for citizens, business households, and small enterprises.

Amid ongoing macroeconomic challenges, these changes are not only technical tax adjustments but also measures to increase disposable income, stimulate consumption, and support economic recovery. The Ministry of Finance has stated that it will continue to consider feedback from National Assembly deputies to finalize the draft, ensuring its feasibility, transparency, and suitability before submission for approval. ■



Speaking at the conference, Deputy Director Mai Son said the tax sector is mobilizing all resources to complete the new operational framework and restructured IT architecture

In Quang Ninh, the conference on strengthening tax management and restructuring the tax information technology system, held on December 2-5, 2025, further clarified the roadmap for modernizing the tax administration model. The focus is on integrated management, risk-based approaches, and taxpayer-centered services. This initiative represents an important step toward aligning the tax sector with international standards, improving compliance, and reducing costs for businesses.

LE HIEN

Restructuring processes based on data, risk, and automation

Speaking at the conference, Deputy Director of the Department of Taxation Mai Son emphasized the core principle of the new model: risk management serves as the “brain,” and business processes form the “backbone.” All procedures will be redesigned to ensure a close connection between taxpayer management and risk management, ensuring consistency from registration, declaration, and payment to obligation management and inspection.

This approach aligns with Resolution 57 NQ/TW on the development of science and technology and national digital transformation, and Resolution 68 NQ/TW on private sector development. Accordingly, the tax sector aims to build a centralized, integrated, real time data system that uses data as the basis for risk assessment and compliance while maximizing the automation of business processes.

Experience from the IMF, World Bank, and countries such as the United States, United Kingdom, Estonia, China, and Thailand shows that tax management based on big data and risk stratification reduces costs for businesses, increases efficiency for tax authorities, and improves compliance. This is the direction the Department of Taxation is

Advancing Tax Management Toward Int'l Standards



Overview of the conference on strengthening tax management and restructuring the tax information technology system

committed to pursue in narrowing the gap with advanced countries.

During the conference, units reviewed process descriptions for all taxpayer groups, including enterprises, organizations, households, individuals, land-related obligations, and other tax categories. Supporting processes, compliance management, risk management, tax inspection, and data governance were carefully discussed to ensure consistency and optimization.

In managing business households and individuals by declaration, the tax authorities focus on identifying typical risk behaviors such as underreported revenue, revenue concealment, the use of third-party payment accounts, failure to issue invoices, the use of illegal invoices, and incorrect expense accounting. These complex risks require advanced data analysis tools to replace traditional manual methods.

Nguyen Thi Thu, Head of the Tax Operations Division, said that the new model is built on four principles: taxpayer centered services with reduced direct contact and improved convenience; risk and compliance management across all operations, from individual records to the entire system; data as the foundation, standardized, clean, and continuously updated; and maximum automation, from reception and processing to notifications and decisions.

According to Thu, processes will be standardized across the taxpayer lifecycle, ensuring consistency, seamlessness, and fewer errors.

Toward international standards and sustainable tax management

At the conference, experts from the World Bank emphasized the need to shift tax administration toward output-based results

rather than concentrating solely on revenue collection. Nguyen Viet Anh, Senior Specialist at the World Bank, said that in many countries, large enterprise tax offices contribute 50 to 80% of total revenue, while in Vietnam the figure is only 19.2%. This indicates that the current system has not kept pace with modern corporate structures and business ecosystems, resulting in information asymmetry.

He also emphasized that the sharp increase in data following the rollout of e invoicing requires stronger data analysis capacity, using advanced tools to process live, real-time data instead of relying on Excel.

Sharing the same view, Rick Fisher, Senior Tax Advisor at the World Bank, stressed that process redesign is not merely digitizing old procedures but involves a complete reengineering, with operations leading and IT as a supporting foundation. The ultimate goal is to increase compliance, reduce misreporting and late payments, and create the simplest, most user-friendly processes for both businesses and individuals.

Deputy Director Mai Son said that the tax sector is mobilizing maximum resources to complete the new operational process framework and the restructured IT architecture. Once finalized, the system will meet management requirements amid rapid taxpayer growth, large data volumes, and limited tax personnel. The goal is to enhance compliance, reduce business costs, and create a fair and transparent business environment.

This conference marks the next step in completing all content before nationwide implementation. With a modern approach centered on data, automation, and risk management, the tax sector is moving closer to international standards and building a modern, efficient, and sustainable tax administration model that better serves taxpayers and enterprises.■



A press conference on tax-related issues hosted by Department of Vietnam Customs

Customs Authority Supporting Enterprises in Tax Reform

Amid continued volatility in the global and domestic economy, the Government has issued multiple fiscal policies to support business recovery and growth, including Resolution 68-NQ/TW. Tax policy plays a crucial role in enhancing the business environment and promoting innovation.

LE HIEN

In line with Resolution 66-NQ/TW on reforming the development and enforcement of laws to meet national development needs in the new era, in 2025, the Department of Customs proposed multiple solutions to remove obstacles and improve tax policies. Notably, these include regulations on value-added tax, special consumption tax, and electronic transactions in the tax sector for exported, imported, and transited goods and vehicles.

Tax law innovations creating opportunities for businesses

Mai Thi Van Anh, Deputy Head of the Customs Tax Operations Division at the Department of Vietnam Customs, said that during the implementation of the Value-Added Tax Law, effective July 1, 2025, the customs sector identified four groups of new provisions that directly benefit both the customs authority and import-export enterprises.

Updates in value-added tax and special consumption tax target long-term objectives: reducing compliance costs, expanding preferential coverage, and stimulating domestic production. At the same time, standardizing electronic invoices and transaction data is a key step toward creating a transparent and modern business environment.

For manufacturing enterprises, the new policy provides clearer access to eligible preferential treatments, simpler deduction mechanisms, and streamlined documentation processes. These changes help businesses reduce goods transit times, lower capital costs, and improve cash flow.

For example, goods traded to serve production and consumption in border areas are included in the list of items eligible for duty exemption under export and import

tax laws (Clause d, Point 26, Article 5). This facilitates trade for border residents and aligns with export and import tax regulations.

Similarly, relics, antiques, and national treasures imported by competent authorities under cultural heritage law (Clause e, Point 26, Article 5) are streamlined, creating convenience for enterprises and government agencies importing items from abroad.

In import-export, special consumption tax is adjusted to clearly classify each product group, ensuring consistent application, reducing dispute risks, and enabling businesses to proactively plan operations. This serves as a crucial foundation for enhancing the competitiveness of Vietnamese goods in global supply chains.

Customs: Bridging policy and implementation

Customs authorities have actively contributed to proposing, developing, and refining tax policies for import-export activities. By proactively reviewing obstacles and gathering feedback from businesses and localities, they ensure that regulations reflect practical needs without creating additional procedural burdens.

A major highlight is the customs sector's contribution to Circular 51/2025/TT-BTC on electronic transactions in taxation for exported, imported, and transited goods. The circular establishes a complete legal framework for e-tax management, significantly reduces paper documents, shortens processing times, and limits direct contact. With end-to-end digitized data, reconciliation, inspection, and risk management become more accurate and transparent.

At many local customs departments, the "supporting businesses" model has been implemented through regular dialogue forums, policy advisory teams, and hotline support for tax procedures. This provides timely feedback, prevents cargo congestion at borders, builds trust among enterprises, and ensures the seamless implementation of new policies from day one.

New driver for the business environment

The combination of tax reform and the proactive involvement of the customs sector generates significant momentum for economic recovery. Businesses save time and costs, while the State enhances management efficiency, risk prevention, and revenue growth.

In an increasingly competitive global market, the customs sector's active role in tax policy formulation and implementation is not only a procedural reform but also a key factor in creating a modern, transparent, and business-friendly environment.

The new tax law, built on digital foundations and a development-supportive approach, is shaping a new operational phase for enterprises. In this process, the customs sector continues to act as a "conductor," connecting policy, resolving obstacles, and supporting the business community on its path to growth.■

Customs Region V Strengthens Business Support, Marking US\$200 Bln Trade Milestone

On December 4, the Customs Sub-Department of Region V held the Customs-Business Conference 2025, simultaneously announcing that the import-export value in Bac Ninh and Thai Nguyen provinces exceeded US\$200 billion for the first time.

This year's conference focused on disseminating, guiding, and supporting enterprises under the sub-department's 2025 legal awareness plan. Discussions addressed resolving obstacles in customs procedures, handling emerging issues, and identifying common errors made by businesses. Representatives said that frequent mistakes, such as inconsistent declarations, incomplete submissions, or misinterpretation of regulations, caused delays in many shipments. Early warnings and direct guidance help businesses reduce risks and compliance costs.

A key highlight of the conference was the introduction of a proposed centralized clearance model by the customs sector. Once implemented, the model is expected to reduce clearance times, limit direct contact, and improve transparency and control efficiency. Under the draft plan, the centralized clearance model will be piloted from March 1, 2026, at Customs Sub-Department Region III (Hai Phong) and Customs Sub-Department Region V.

As part of the program, Customs Region V also announced that the import-export value under its management exceeded US\$200 billion for the first time. Bac Ninh and Thai Nguyen, as centers for electronics, components, and high-tech manufacturing, contribute significantly to the nation's total trade value.

Data from the Customs Sub-Department of Region V show steady growth in import-export value and budget revenues. Revenues reached VND11 trillion in 2023, VND13 trillion in 2024, and VND14,711 billion over the first 11 months of 2025, all exceeding assigned targets.

According to the business community, support from Customs Region V in recent years has become increasingly practical, particularly in electronic submission processing, prompt resolution of issues, and coordinated physical inspections. Currently, more than 5,900 enterprises regularly complete procedures with the Customs Sub-Department of Region V.

Thanh Nam

VIETNAM CUSTOMS

Strengthening Legal Policy Framework to Support Businesses



Vietnam aims to establish digital and smart customs in the country's new development phase

As Vietnam accelerates institutional reform, digital transformation, and deep international economic integration, improving the effectiveness of customs legal policy development has become a key breakthrough in facilitating trade, supporting the business community, and enhancing the economy's competitiveness. Amendments to the Law on Customs, the issuance of Decree 167/2025/ND-CP, and related implementing guidance documents clearly reflect Vietnam Customs' commitment to strengthening the legal framework, removing bottlenecks, and supporting enterprises in a new stage of development.

LE HIEN

Improving policies with enterprises at the center

In the reform of administrative procedures and the modernization of state management, the development and improvement of customs legal policies plays a key role. In practice, a coherent, transparent, and stable legal system aligned with international standards not only enables customs authorities to perform their state management functions effectively, but also directly influences trade facilitation, compliance costs, and the confidence of the business community.

After more than 10 years of implementing Decree 08/2015/ND-CP and Decree 59/2018/ND-CP, customs legal provisions have made an important contribution to promoting administrative reform and creating a favorable environment for investment, production, and export-import activities. However, alongside the rapid development of the economy, significant changes in production and business models, and the emergence of new industries and fields such as the semiconductor industry, high technology, and cross-border e-commerce, many provisions have revealed limitations, become



A key highlight of the new customs policy is simplifying procedures with enterprises placed at the center of service delivery

outdated, or overlapped with newly issued legal documents.

In response to these requirements, the customs sector has proactively reviewed and comprehensively assessed the system of normative legal documents in the customs field, closely following the major guidelines and orientations of the Party and the State on institutional reform, science and technology development, innovation, and digital transformation. The National Assembly's passage of Law 90/2025/QH15 amending and supplementing a number of articles of the Law on Customs, and the Government's issuance of Decree 167/2025/ND-CP, has been regarded as an important step, clearly reflecting innovative thinking in the development of customs legal policies.

The consistent theme throughout this round of policy revision and improvement has been the mindset of "placing enterprises at the center." The new provisions have not only aimed to strengthen the effectiveness and efficiency of state management, but have also focused on removing difficulties, reducing compliance costs, and creating the most favorable conditions for enterprises engaged in export-import activities.

Decree 167/2025/ND-CP has amended and supplemented numerous provisions in the direction of simplifying customs dossier components, cutting documents that are no longer appropriate, and promoting the implementation of administrative procedures through electronic means. Many requirements for submitting original copies and paper dossiers have been abolished or replaced with electronic copies via the Customs Electronic Data Processing System and the National Single Window Portal. This has marked an important step forward, creating a legal foundation for the goal of fully digitizing 100% of documents in customs dossiers in the coming period.

In addition, regulations on the responsibilities of customs declarants in notifying processing and export production facilities have also been revised in a way that significantly reduces documentation burdens. Enterprises no longer have to present multiple types of documents as before, thereby reducing costs, shortening dossier preparation time, and limiting risks arising during customs clearance procedures.

It can be seen that the improvement of customs legal policies in the current period has not only involved technical amendments to regulations, but has also reflected a fundamental shift in the approach to institutional development: from "management" to "service," from pre-clearance control to post-clearance inspection, from manual processes to digitalization, and from rigidity to greater flexibility that is more closely aligned with the practical operations of enterprises.

Procedural reform, delivering effective facilitation

One of the contents that has attracted particular attention from the business community in this round of customs legal policy improvement is the new regulations related to the priority regime and on-the-spot export and import procedures.

The amended Law on Customs under Law 90/2025/QH15 and Decree 167/2025/ND-CP has supplemented and clarified provisions on the conditions for applying the priority regime to enterprises. Notably, the priority regime has been expanded to enterprises operating in the fields of the semiconductor industry, high technology, strategic technologies, and key digital technologies, in accordance with the list announced by the Ministry of Science and Technology.

Compared with ordinary enterprises, enterprises in this group are not required to meet conditions on export and import turnover or on compliance with customs and tax laws for two consecutive years. This provision has removed one of the largest barriers for high-technology enterprises, especially newly established enterprises from investment projects, enabling them to access the priority mechanism at an early stage, reduce costs, and shorten clearance time from the outset of their operations.

In addition to expanding the scope of beneficiaries, procedures for recognizing priority enterprises have also been significantly simplified. Dossiers requesting the application of the priority regime have been divided into groups, in which the group of enterprises under Resolution 57-NQ/TW has seen further reductions in required documentation compared with the past, thereby lowering compliance costs and enhancing feasibility in





Vietnam's customs authorities conduct patrols in the waters off Quang Ninh province

practical implementation. At the same time, assessment conditions for recognition have been adjusted in a more flexible manner, closer to the recommendations of the World Customs Organization, creating a foundation for Vietnam's Authorized Economic Operator program to gradually integrate with similar programs of other countries and territories.

Another particularly important new point is the amendment and supplementation of regulations on on-the-spot export and import goods. Accordingly, on-the-spot export and import goods are clearly defined as goods delivered and received in Vietnam under the designation of foreign traders pursuant to contracts of sale, processing, leasing, or borrowing, regardless of whether the foreign trader has a presence in Vietnam. The unification of this interpretation has removed a major bottleneck that had existed for many years, created clarity and stability in policy application, and has been highly appreciated by the business community.

In practice, on-the-spot export and import procedures have brought tangible benefits to enterprises by reducing clearance time, cutting intermediary costs, and optimizing domestic supply chains. Continuing to improve the legal framework for these activities has not only supported domestic enterprises but has also contributed to enhancing the attractiveness of the investment environment, promoting the development of supporting industries, and attracting large technology groups to invest in Vietnam.

In parallel, regulations on customs valuation, specialized inspection, and procedures for means of transport entering, exiting, and transiting have also been reviewed and amended in a clearer, more transparent manner and in closer alignment with practical conditions. Principles for determining customs value for export goods have been specified in detail, covering arising situations, helping enterprises declare correctly and

sufficiently, limiting the risk of tax arrears collection, and increasing predictability in law enforcement.

Notably, the amendment of regulations on specialized inspection in the direction of strengthening connectivity and information sharing on the National Single Window Portal has created an important premise for ending the requirement for enterprises to submit paper dossiers, in line with the objective of comprehensive digital transformation in the customs sector.

Overall, enhancing the effectiveness of customs legal policy development through the amendment of the Law on Customs, the issuance of Decree 167/2025/ND-CP, and implementing guidance documents has created a coherent and unified legal framework from laws to decrees and circulars. The new regulatory system has not only promptly addressed difficulties and shortcomings arising in practice but has also established an important legal foundation for the implementation of the digital customs and smart customs models in the coming period.

For the business community, these reforms have delivered tangible benefits in terms of time, costs, and the level of facilitation in carrying out customs procedures. For customs authorities, this has provided a basis to further promote administrative reform, apply information technology, enhance the effectiveness of state management, and at the same time strengthen discipline and order in law enforcement.

More importantly, the overarching message that the customs sector has conveyed to the business community is a spirit of partnership, support, and sharing. Improving the customs legal framework has not only been a professional task but also a political commitment to building a transparent and stable investment and business environment, contributing to export growth, sustainable development, and the realization of the goal of enabling Vietnam to rise strongly in the new era. ■



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Phu Tho Turns Dialogue into Action with Prompt Solutions for Businesses

Phu Tho Province recently held its Quarter IV 2025 dialogue conference on a large scale, directly identifying obstacles in investment and production and announcing a series of solutions to be implemented immediately within its authority, along with strong recommendations to the central government. Provincial leaders emphasized that the guiding principle is to match words with actions and to turn dialogue into concrete measures that expand opportunities for enterprise development.

DUY HUNG

Open dialogue and direct identification of obstacles

On November 26, the Phu Tho Provincial People's Committee held the Quarter IV 2025 dialogue conference with enterprises and investors, attended by more than 300 business representatives together with leaders of provincial departments and agencies. This was considered the most comprehensive dialogue of the year, focusing on core issues that are hindering investment progress and weakening enterprise competitiveness.

Chairing the conference, Chairman of the Provincial People's Committee Tran Duy Dong affirmed that the local government considers enterprises a driving force for growth and "citizens of Phu Tho." In a period of complex global economic developments, enterprises need even stronger support and partnership from the government. For this reason, the province prioritizes direct dialogue and resolves issues immediately at the conference to minimize intermediaries and delays.

The Center for Investment Promotion and Enterprise Support reported that it had received 58 groups of concerns from a wide range of enterprises, including processing industries, exporters, supporting industries, construction and infrastructure, trade and services, and FDI.

Most of the issues fall into four major categories:

The first is land clearance, which is considered a "longstanding bottleneck." Some projects face delays in compensation plan approval, resettlement progress is not synchronized, and many cases encounter obstacles related to relocation of graves or negotiations between enterprises and residents on land prices.



Chairman of the Provincial People's Committee Tran Duy Dong proposes solutions to support enterprises and investors

These issues have caused infrastructure and production projects to be delayed or incur significant cost increases.

The second is planning and land management, as many enterprises have encountered overlaps between sectoral planning and land use planning. Some applications must be revised or supplemented multiple times, prolonging the investment preparation process.

The third is administrative procedures, where cumbersome processes still exist in several areas. Enterprises reported that some procedures require working with multiple agencies on the same matter, increasing both cost and time.

The fourth is technical infrastructure and markets. Some industrial parks and clusters still lack synchronized systems for drainage, water supply, and transport connections. International market fluctuations, especially United States tax policies, have created challenges for textile, wood processing, and construction materials enterprises.

At the conference, many FDI enterprises proposed that the province consider additional incentives to strengthen competitiveness, while domestic enterprises sought faster procedures, streamlined processes, and greater transparency. These views were presented directly and openly to provincial leaders, clearly identifying each point of obstruction.

Right at the conference, leaders of relevant departments addressed each issue within their authority, provided specific timelines for resolution, and acknowledged responsibility for areas where progress has been slow. Issues beyond the province's authority were categorized for submission to central ministries and agencies.



Phu Tho provincial leaders chair a dialogue conference with enterprises and investors

Turning commitments into action

In his closing remarks, Chairman of the Phu Tho Provincial People's Committee Tran Duy Dong emphasized that dialogue must lead to action. He stated that meetings are not only for listening but for delivering results, and that every department must deliver final outcomes without leaving businesses waiting. The guiding principle is to resolve issues decisively, ensure transparency, and assign clear accountability.

For investment environment reform, the Department of Finance and the Center for Investment Promotion and Enterprise Support were tasked with proposing breakthrough administrative reforms and expanding the use of e-government tools. The province is moving toward a more flexible one-stop model that shortens processing times and raises service quality at every stage.

Phu Tho also encourages the development of special policies to strengthen its competitive edge within the region. This is viewed as a prime opportunity to capture incoming investment shifts from multinational corporations.

On investment and land procedures, the Department of Agriculture and Environment must review all processes, publicize each step, and shorten timelines. The goal is to eliminate stagnant applications and ensure that projects meet all legal requirements for the fastest possible implementation.

For industrial zones, the Management Board of Industrial Zones and the Department of Industry and Trade must work together to accelerate procedures related to investment, environment, and labor. The province considers industrial-zone enterprises a core force in its industrial base and major contributors to export performance.

Regarding credit, Tran Duy Dong requested that the State Bank of Vietnam Branch for Region IV study the expansion of preferential lending programs. Commercial banks are encouraged to simplify borrowing requirements for manufacturing and export enterprises. The Tax Department will coordinate the application of tax exemptions, reductions, and deferrals for firms affected by global market fluctuations.

Human resources development remains a high priority. The Department of Education and Training has been assigned to

upgrade training quality for technical workers, especially those serving the supporting-industry sector, manufacturing, and expanding FDI facilities.

At the grassroots level, Tran Duy Dong emphasized that commune, ward, and town authorities must strengthen their support for businesses. Local governments at both levels may not shift responsibility or leave enterprises to resolve issues on their own. Any matter beyond their authority must be immediately reported to the provincial government and relevant departments.

Enhancing enterprise competitiveness

This dialogue conference focused not only on listening but on an immediate-resolution mechanism that assigns clear responsibilities to each department and commits to firm timelines. This approach enables businesses to reduce compliance time and costs while strengthening confidence in long-term investment in Phu Tho.

With the strong commitment of provincial leaders and the determination of relevant agencies, Phu Tho's investment environment is expected to continue improving toward greater transparency, professionalism, and flexibility. This is especially important as FDI flows continue to shift and domestic enterprises seek locations with competitive costs, fast procedures, large clean-land reserves, and an abundant labor force.

For the business community, the province's shift from dialogue to action creates new opportunities to stabilize production, recover orders, upgrade technology, and expand markets. Strong engagement from the government is expected to generate significant momentum in 2026, particularly in key sectors such as manufacturing, supporting industries, export production, and logistics services.

Many enterprises expressed expectations that long-standing bottlenecks will be resolved following the conference, replacing the previous pattern of applications being circulated repeatedly between agencies. They also hope that open and public dialogue in this format will continue on a regular basis to maintain direct communication between the government and the business community. ■



Chairman of the Provincial People's Committee Tran Duy Dong visits Meiko Hoa Binh electronic printed circuit board manufacturing factory

Phu Tho Clears Obstacles for Investors

A series of investor proposals have been reviewed by the Phu Tho People's Committee and delegated to relevant departments and agencies for resolution. This demonstrates the province's determination to build a transparent, streamlined, and low-cost investment environment while supporting businesses in expanding production and operations.

HIEN HUNG

On November 28, 2025, the Phu Tho People's Committee issued Notice 424/TB-UBND outlining the conclusions of Chairman Tran Duy Dong at the dialogue conference addressing challenges faced by enterprises and investors. The conference, held on November 26, recorded 20 proposals from 11 companies, primarily concerning land, site clearance, investment procedures, infrastructure connectivity, and workforce recruitment. Chairman Tran Duy Dong praised the coordinated efforts of provincial departments and agencies in receiving and providing initial responses and emphasized that the province would fully consider business feedback to ensure a stable, practical, and secure investment environment.

A key topic at the conference was the proposal by Helen Viet Anh Joint Stock Company to expand its tile factory in Vinh Thanh commune. Chairman Tran Duy Dong assigned the Department of Finance to lead, in coordination with the Department of Science and Technology, in guiding the investor to complete the required documentation. At the same time, the Department of Agriculture and Environment, together with the Vinh Thanh Commune People's Committee, was tasked with finalizing the issuance of land use certificates for the expansion area in accordance with Land Law 2025.

Regarding site clearance issues faced by Vidaco Joint Stock Company, the Provincial People's Committee assigned the Vinh Hung Commune People's Committee to coordinate with the Department of Agriculture and Environment and the investor to review documentation and provide guidance in accordance with land law. The locality was also required to address all unauthorized constructions along the National Highway 2A corridor and submit a report by December 15, 2025.

Meanwhile, VALID Joint Stock Company requested an early connection point between its garment factory project and National Highway 2C. Chairman Tran Duy Dong assigned the Department of Construction to consult the Ministry of Construction on the service road along National Highway 2C, with completion expected by December 15, 2025.

For the Doan Hung Industrial Park project developed by Amata Vietnam, the provincial office was assigned to review documents for submission to the Party Committee in accordance with regulations, with completion planned for December 2025. Regarding the connecting road project between Khai Quang

Industrial Park and Son Loi Industrial Park proposed by Tam Son Investment Joint Stock Company, the Department of Construction was tasked to coordinate with the Vinh Phuc Project Authority to review and advise the provincial People's Committee promptly.

Issues concerning VAT refund procedures for Huu Nghi Production and Trading Joint Stock Company were assigned to the Tax Department to monitor the amendment of the VAT Law at the National Assembly session at the end of 2025 and to coordinate with the Ministry of Finance to resolve them. For requests to streamline construction acceptance procedures, the Department of Construction was tasked to review and propose guidance to the Ministry of Construction, with completion set for December 5, 2025.

Obstacles related to land use conversion and project adjustments for the Viet Han Garment Factory in Hop Kim commune were clearly assigned: the Department of Finance will work with the investor to guide procedures for approving investment adjustments, while the Department of Agriculture and Environment will coordinate with the Hop Kim Commune People's Committee to review documents and resolve the matter by December 5, 2025.

For the Nam Minh Phuong New Urban Area project by Licogi14 Joint Stock Company, the provincial People's Committee instructed the Viet Tri and Nong Trang Ward People's Committees to cooperate with the enterprise to accelerate compensation and site clearance for the remaining area and report by December 15, 2025. Similarly, for the Binh Xuyen II Industrial Park (Phase 2) project invested by Fuchuan Co., Ltd., the Binh Tuyen and Binh Nguyen localities were tasked to coordinate with the Vinh Phuc Land Development Center to finalize land pricing and implement compensation procedures.

The provincial People's Committee also assigned the Department of Home Affairs to study solutions to support recruitment and workforce training as proposed by Hanyang Digitech Vina Co., Ltd., with a particular focus on strengthening connections between businesses and training institutions. For Viet Thien Garment Co., Ltd. in the Dong Soc Industrial Cluster, the Department of Industry and Trade was assigned to guide the company in completing land lease procedures and report any obstacles to the competent authority.

In conclusion, Chairman Tran Duy Dong emphasized that departments, agencies, and localities must concentrate on resolving proposals on schedule, ensuring that the province's investment environment becomes increasingly transparent and attractive, thereby laying a strong foundation for mobilizing more resources to support socioeconomic development in the coming period. ■



Chairman of the Provincial People's Committee Tran Duy Dong instructs relevant agencies on preparations for key projects

Phu Tho to Launch Four Key Projects to Celebrate 14th National Party Congress

Recently, Chairman of the Phu Tho People's Committee Tran Duy Dong presided over a meeting to review preparation progress for projects scheduled to be launched in celebration of the Fourteenth National Congress of the Communist Party of Vietnam.

According to the Department of Construction, on December 19, 2025, Phu Tho will commence two projects within the province at the same time. These include the IC2 and IC5 interchanges on the Noi Bai to Lao Cai Expressway located in Phuc Yen ward and Tam Duong commune, and the Lynn Times Residences Tourism Apartments and Conference Center within the Wyndham Thanh Thuy complex in Thanh Thuy commune. These projects aim to strengthen infrastructure connectivity and develop high quality tourism services.

In addition, the province, in coordination with relevant ministries and agencies, will launch two other major projects. These are the Phu Tho Station on the Lao Cai to Hanoi to Hai Phong railway in Phong Chau ward and the expanded Hoa Binh Hydropower Plant in Hoa Binh ward, which hold strategic significance for regional energy supply and logistics development.

Tran Duy Dong commended the close coordination among investors, construction units, and provincial departments throughout the preparation process. He emphasized that these projects carry important economic and political value and that all work must be carried out with seriousness, ensuring progress, quality, and the ceremonial significance of the groundbreaking events.

To ensure the events take place on schedule, he instructed a comprehensive review of all documentation, procedures, and related conditions, together with the accelerated completion of organizational tasks to avoid errors. For projects that will be connected online with thirty-four national points, all units are required to prepare internal content carefully before broadcast to ensure full synchronization with the nationwide launch activities.

Huong Hau



Phu Tho is committed to addressing challenges faced by enterprises and investors

Accelerating Public Investment Disbursement, Driving Economic Growth

By the end of November 2025, Phu Tho had disbursed approximately VND34,000 billion in public investment, reaching 95% of its annual plan and equal to 1.82 times the allocation assigned by the Prime Minister. This result reflects the province's political commitment and administrative capacity while creating a foundation to drive economic growth, improve the investment environment, and attract both FDI and domestic investors.

THANH NAM

Public investment remains a key driver helping Phu Tho sustain growth amid rising infrastructure demand following the provincial merger. In 2025, the total public investment plan assigned to the province is VND35,940 billion, including VND5,630 billion carried over from the previous year. Allocations prioritized projects with strong spillover effects, infrastructure connectivity, ongoing works, and regional development tasks.

To achieve one of the highest disbursement rates in the country, the province has carried out coordinated measures that include establishing a steering committee for key projects, strengthening the disbursement task force, and assigning heads of localities and units direct responsibility for project progress. Land clearance efforts mobilized the entire political system, with many localities committing to deliver clean land to investors based on specific timelines.



Public investment remains a key driver helping Phu Tho sustain growth amid rising infrastructure demand

The province also regularly reviewed slow-moving projects and reallocated funds to those with higher disbursement potential to ensure efficient use of state resources. As a result, public investment flowed quickly into the economy, supporting infrastructure construction, creating jobs, and generating spillover effects across multiple production and business sectors.

Alongside disbursement, the province's investment promotion was carried out in a targeted and focused manner. Initiatives such as the Business Coffee program, a special task force supporting businesses, and a hotline for resolving obstacles proved effective, shortening administrative processing times and promptly addressing business challenges.

Indices such as the Provincial Competitiveness Index (PCI), Public Administration Reform Index (PAR), Satisfaction Survey on Public Administration Services (SIPAS), and the Provincial Governance and Public Administration Performance Index (PAPI) were assigned to specific agencies for quarterly monitoring and improvement. Clear accountability led to tangible progress in administrative reform and increased satisfaction among citizens and enterprises.

Thanks to a more transparent business environment, capital inflows into the province have surged. In 2025, Phu Tho has attracted US\$1.2 billion in FDI, achieving 114.2% of the plan and rising 38.5% over 2024. Domestic investment also increased sharply, estimated at VND220,000 billion, 3.3 times higher than the previous year. The province has simultaneously promoted its investment potential by sending promotional materials to Vietnamese embassies worldwide and expanding connections with European, American, and Australian markets.

Phu Tho has continued to prioritize support for enterprises and labor market development. In the first 11 months of 2025, 4,500 new businesses were established, reaching 128.6% of the target and increasing more than 44% compared to the same period in 2024. About 1,000 businesses resumed operations, reflecting strong market confidence.

Phu Tho's coordination of labor supply and demand has also made significant progress. In 2025, the province has facilitated employment for 59,100 people, achieving 115.8% of the target, with more than 6,800 workers sent abroad under contracts. Around 4,500 work permits for foreign employees were newly issued or renewed, supporting the expansion needs of many FDI enterprises.

High disbursement rates, increased investment attraction, and an improved business environment indicate that Phu Tho is entering a new development phase aimed at more sustainable growth. The province targets continued acceleration of key infrastructure projects, ongoing administrative reform, enhanced competitiveness, and full utilization of public investment as a leading driver of economic growth in 2026 and beyond. ■



The long term vision targets Phu Tho as a centrally governed city by 2050, with an urbanization rate of 50 to 60%

Improving Urban, Rural, and Tourism Development Planning

On December 8, 2025, Chairman of the Phu Tho Provincial People's Committee presided over a meeting where the Department of Construction and the Department of Culture, Sports and Tourism reported on sectoral planning proposals to be integrated into the Phu Tho Provincial Master Plan for the period 202-2030, with a vision to 2050.

Based on the Draft Resolution of the National Assembly Standing Committee on urban classification and the Resolution of the First Congress of the Phu Tho Provincial Party Committee for the 2025-2030 term, the Department of Construction proposed orientations for urban and rural development to 2030. Under this plan, Phu Tho will have one central urban area (the Van Lang Mega Urban Area, comprising the chain of former Viet Tri city, former Vinh Yen city, and the former Binh Xuyen district); five central urban areas of the economic region (Phu Tho, Phuc Yen, Thanh Thuy, Hoa Binh, Luong Son); 22 satellite urban areas; and eight newly upgraded urban areas.

Regarding golf course planning, after administrative consolidation, Phu Tho province will have fifty golf courses with a total area of approximately 9,638 ha. Seven courses are already in operation, while 43 courses or golf clusters are under construction, in the process of selecting investors, or undergoing procedures for investment attraction.

In his concluding remarks, Phu Tho Provincial People's Committee Chairman Tran Duy Dong requested that departments review the current status of the province's urban and rural areas; align planning with the Regional Plan approved by the central government; and strictly follow urban classification criteria such as natural land area and population size. He emphasized the need for planning solutions that meet established standards and allow for expansion toward interconnected ward and commune urban areas. The long-term vision targets Phu Tho becoming a centrally governed city by 2050, with an urbanization rate of 50 to 60%.

Agreeing with the golf course planning proposals, Tran Duy Dong underscored that golf is part of the province's service economy and sports industry, playing an important role in promoting socio economic development. However, he directed a thorough review and assessment of the plan; detailed surveys of each golf course; and the removal of any courses that could affect agricultural land or residential land. Golf course planning must be integrated with tourism development, regional linkages, urban development, and resort services to ensure landscape compatibility. ■

Phu Tho Advances Investment Facilitation for Korean Enterprises

On December 8, 2025, Chairman of the Phu Tho People's Committee Tran Duy Dong hosted a meeting with leaders of BHFlex Vina Co., Ltd. to discuss the company's ongoing project implementation in the province.

Leaders of BHFlex Vina reported that their investment in the province has continuously expanded. The company's original electronics components factory, established in 2013 in Khai Quang Industrial Park with a total investment of US\$140 million, created over 4,000 jobs. To date, the company has developed five additional factories in Phu Tho province, providing employment for more than 4,100 workers with an average income of approximately VND13 million per month per employee. BHFlex Vina expected to contribute over VND2,000 billion to the state budget in 2025. The company's leaders expressed their desire for continued provincial support to expand investment in the semiconductor sector at Khai Quang Industrial Park and assistance in sourcing skilled human resources to support the expansion of production and business operations.

Tran Duy Dong emphasized that the province is committed to providing the most favorable conditions for the development of the semiconductor components manufacturing project in Phu Tho, as this sector aligns with Vietnam's overall investment attraction strategy and Phu



Chairman of the Phu Tho People's Committee Tran Duy Dong (left) at the working session with BHFlex Vina Co., Ltd

Tho's provincial priorities. Regarding the proposal for cooperation in high-quality workforce training to support the project, he said that the province is committed to strengthening collaboration and developing training programs that meet the needs of the semiconductor industry. He requested that the company complete necessary procedures promptly and begin project expansion in the first quarter of 2026.

Le Oanh

Impressive Growth in Industry and Services

In 2025, Phu Tho province's GRDP growth is estimated at 10.52%, exceeding both the provincial plan and the target set by the government. The province retains the top position in the Northern Midland and Mountainous region and ranks among the four highest-growing provinces and cities nationwide.

The province's GRDP at current prices in 2025 is estimated at VND412,400 billion, up 15.56%, equivalent to an increase of VND55,500 billion compared to 2024, ranking sixth out of 34 provinces and cities nationwide. The economic structure continues to shift toward industrialization, with industry and construction accounting for 55.4%, services 32.1%, and agriculture declining to 12.5%.

The main driver of growth comes from the industrial sector, particularly processing and manufacturing, supported by the expansion of large-scale enterprises and notable



contributions from the FDI sector. The industrial production index (IIP) in 2025 is projected to rise 26.8%, with the fourth quarter alone expected to increase 27.6%, demonstrating strong recovery and resilience.

The province's electronic component manufacturing remains a key industry. In 2025, the province produced 34 million laptops and tablets, an increase of 74.87%, while revenue from electronic component manufacturing services reached VND314,500 billion, up 38.46%.

Beyond electronics, other major manufacturing sectors continued positive growth. In 2025, the province produced an estimated 40,600 passenger cars under 10 seats, achieving 95% of 2024 output, and 1.66 million motorcycles, reaching 97% of the previous year, despite market shifts toward electric vehicles.

Following the completion of administrative unit mergers, the actual population represents one of the largest domestic consumer markets in Northern Vietnam, forming a strong foundation for robust growth in commerce and services in 2025.

Phu Tho's total retail sales of goods and revenue from consumer services are estimated at over VND200,000 billion, up 14.8%. The modern trade network continues to expand, with 368 markets, nine shopping centers, 29 supermarkets, and a wide-reaching convenience store system contributing to market stabilization.

These achievements reflect significant efforts by provincial authorities, sectors, localities, and the business community, while also demonstrating the effectiveness of proactive, flexible, creative, and decisive leadership by the Provincial Party Committee, People's Council, and People's Committee.

Le Oanh

Aggressively Addressing Labor Challenges for FDI Enterprises

Recently, at Binh Xuyen Industrial Park, Vice Chairman of the Phu Tho People's Committee Nguyen Khac Hieu met with World Elite Electronics Vietnam Co., Ltd. to review production activities and promptly address labor challenges, particularly during the year-end peak order period.

World Elite Electronics Vietnam received its investment certificate on December 5, 2024, completed factory construction, and began operations in May 2025. The company specializes in producing electronic circuits for headphones and microphones, with an annual capacity of approximately 8 million headphones and 100,000 microphones.

However, after six months of operation, the company was able to recruit only 170 workers, while actual demand exceeds 600 employees to meet order schedules. Notably, the second-floor area designated for microphone production, although fully equipped with production lines, remains inactive due to shortages of both general labor and highly skilled technical personnel.

Company leaders requested provincial support for recruitment, particularly technical staff and management personnel, and facilitation of visa procedures for foreign experts.

During the meeting, representatives from the Department of Home Affairs addressed these requests and recommended that the company submit monthly recruitment reports to local employment service centers and comply with procedures for obtaining work permits and visas for foreign employees. Authorities also advised the company to strengthen dialogue with workers and enhance salary and bonus policies to retain



Vice Chairman of the Phu Tho People's Committee Nguyen Khac Hieu pays a working visit to World Elite Electronics Vietnam Co., Ltd

staff amid growing competition for labor among FDI enterprises.

Recognizing the company's investment efforts and rapid project implementation, Vice Chairman Nguyen Khac Hieu affirmed that Phu Tho is committed to supporting investors, including those from China, by creating a favorable business environment. Provincial leaders urged World Elite Electronics to actively coordinate with the employment service centers and labor suppliers to promptly secure the workforce needed to ensure production plans and delivery schedules.

Le Hien

Phu Tho Women Entrepreneurs Expand Market Connections

The First Congress of the Phu Tho Women Entrepreneurs Association for the 2025–2030 term took place on December 5, marking a new phase of development for the community of women business leaders. The congress set the direction for accelerating digital transformation, enhancing trade connections, and improving the competitiveness of women-led enterprises amid deep economic integration.

In recent years, the Phu Tho Women Entrepreneurs Association has gradually affirmed its role in the local business ecosystem. Its activities focus on management capacity training, legal updates, supporting members in digital transformation, market linkage, and fostering corporate culture. Many women-led businesses have created thousands of jobs and contributed significantly to economic growth and state budget revenues.

Beyond business operations, the association emphasizes social responsibility through a prominent program supporting 27 orphaned children until they reach 18 years old, with total funding of nearly VND 800 million. This initiative reflects a spirit of sharing and underscores the role of women entrepreneurs in sustainable development.

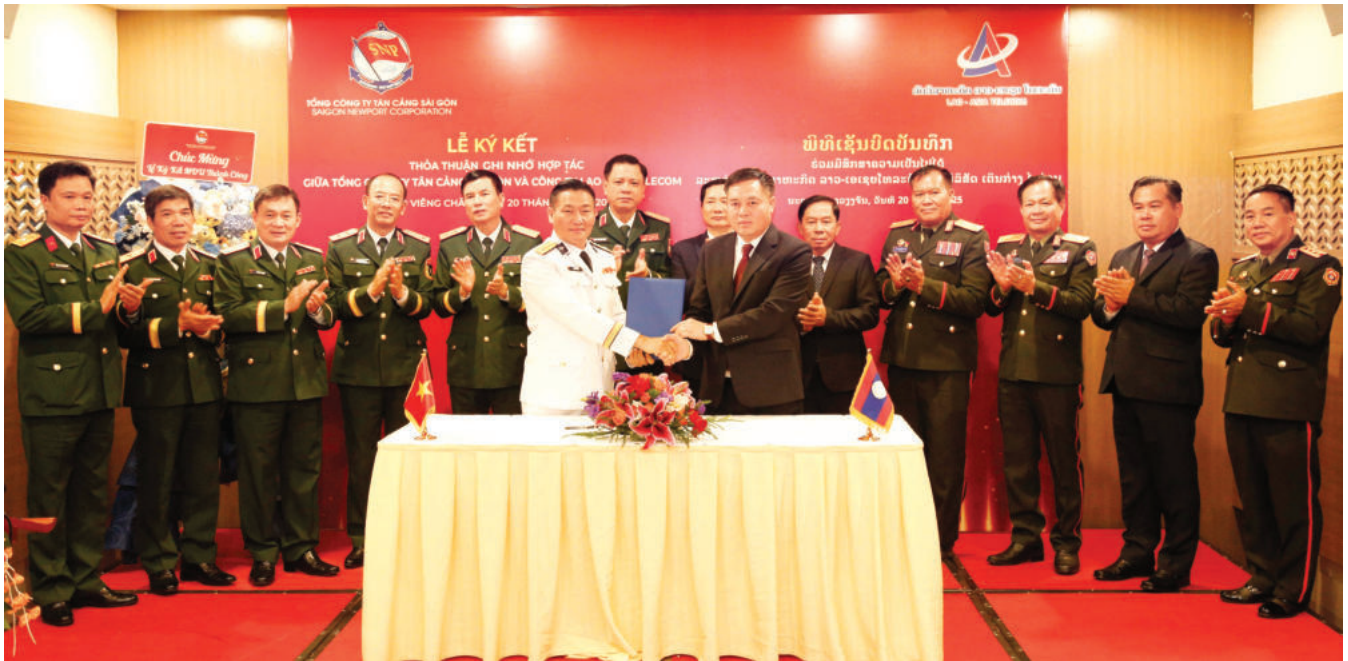
Entering the 2025–2030 term, the congress identified two major priorities: comprehensive digital transformation and expanded trade connectivity. Digital transformation is recognized as the foundation for enterprises to enhance management capacity, optimize costs, expand markets, and meet new competitive demands.

Regarding market connections, the association aims to strengthen linkages between enterprises within the province, the region, and internationally, creating opportunities for members to engage more deeply in supply chains. Trade promotion activities will prioritize sectors with high potential, such as supporting industries, high-tech agriculture, tourism and services, and logistics.

The congress also set specific targets: increase membership by at least 15%; ensure 80% of members are updated on legal knowledge and new regulations related to business operations; achieve 80–90% participation of members in charitable activities; and continue to sponsor 15–20 children with special circumstances.

The congress elected the first Executive Committee with 88 members, and Dinh Thi Thuc was appointed President of the association.

Huong Hau



Saigon Newport Corporation and Lao-Asia Telecom Company sign a cooperation agreement in the field of logistics

Expanding Vietnam-Laos Logistics Connectivity

On November 20 in Vientiane (Lao People's Democratic Republic), within the framework of the Vietnam-Laos Trade Connection and Business Promotion Fair 2025, Saigon Newport Corporation (SNP) - Corps 20 under Vietnam's Ministry of National Defense - and Lao-Asia Telecom under the Lao Ministry of National Defense held a ceremony to sign a Memorandum of Understanding (MoU) on strategic cooperation in the logistics sector.

CONG HOAN

This event contributes to promoting cross-border supply chains and further strengthens the great friendship, special solidarity, and comprehensive cooperation between Vietnam and Laos, which is "forever green and ever sustainable."

Mr. Nguyen Truong Thang, Deputy Minister of National Defense of Vietnam, and Mr. Saichay Kommasith, Deputy Minister of National Defense and Chief of the General Staff of the Lao People's Army, attended and witnessed the signing ceremony. Also attending were Mr. Ulaha Thongvantha, General Director of Lao-Asia Telecom Company, and Mr. Bui Van Quy, Deputy Commander of Corps 20 and Deputy General Director of Saigon Newport Corporation.

Vietnam and Laos are neighboring countries sharing a border of more than 2,000 km stretching from north to south and a long-standing, close traditional friendship, creating a favorable foundation for cross-border logistics cooperation. The cooperation between Saigon Newport Corporation, Vietnam's leading container terminal



Colonel Bui Van Quy, Deputy Commander of Corps 20, Deputy General Director of Saigon Newport Corporation, addresses the event



Senior Lieutenant General Nguyen Truong Thang and Senior Lieutenant General Vongsone Inpanphim visit the exhibition area of Saigon Newport Corporation

operator, and Lao-Asia Telecom, a key enterprise under the Lao Ministry of National Defense, marks an important step forward in bilateral economic cooperation.

With the objectives of improving the efficiency and quality of logistics services at the Lao-Vietnam International Port in Vung Ang and related facilities; optimizing logistics operations to reduce costs and enhance the competitiveness of enterprises along the East-West Economic Corridor, especially those using the port's services; and further strengthening the special Vietnam-Laos friendship in the new context, Saigon Newport Corporation and Lao-Asia Telecom signed a Memorandum of Understanding covering the following key areas of cooperation:

Training and human resource development: The two parties will cooperate in training and developing high-quality human resources to serve the logistics sector and port and terminal operations.

Port operation and terminal management consulting: The two parties will coordinate to provide and exchange professional consulting solutions on organizational design, management structure, and operating procedures for ports and inland container depots (ICDs). In addition, both sides will share practical experience in applying technology and international standards in port operation and management.

Coordinated development of regional logistics connectivity: The two parties will jointly study integrated logistics models to ensure effective connections between seaports, dry ports, distribution centers and domestic and international transport networks, especially along the East-West Economic Corridor.

Joint investment and project development: The two parties will examine the potential for establishing joint ventures or

other forms of investment cooperation to implement East-West logistics projects, providing international multimodal logistics services between Thailand, Laos and Vietnam. Priority will be given to connecting cargo flows for the Lao-Vietnam International Port with customers, as well as to logistics services for Lao-Asia Telecom and the Lao Ministry of National Defense.

Support for market access and development: The two parties will coordinate in conducting market research, trade promotion, customer engagement, and network development activities in key regions of the two countries. The aim is to expand the scale of logistics service provision, enhance competitiveness, and diversify the output markets for port and logistics services provided by both sides.

In addition to the signing ceremony, Saigon Newport Corporation actively participated in a series of activities within the framework of the Vietnam-Laos Trade Connection and Business Promotion Fair 2025, including operating an exhibition booth, delivering presentations at seminars, and engaging in social and community activities. At the exhibition, Saigon Newport Corporation showcased numerous achievements in business performance and digital transformation; in particular, the VR360 virtual tours of Tan Cang-Cat Lai Terminal and Tan Cang-Cai Mep International Terminal attracted significant attention from the Lao public and international visitors.

At the Vietnam-Laos Enterprise Investment Cooperation Seminar, the representative of Saigon Newport Corporation delivered a presentation on "Logistics solutions for Vietnam-Laos cargo, creating competitive advantages for the East-West Economic Corridor," which received great interest from many Lao enterprises. ■

DIGITAL GOVERNMENT DEVELOPMENT PROGRAM

Aiming for Comprehensive, Unified Service Ecosystem

The new Digital Government Development Program, approved by the Vietnamese government on December 1, 2025, is designed to develop inclusive, wide-reaching digital services based on the principle of placing citizens and businesses at the center as the primary stakeholders and co-creators of digital services. The program aims to establish a user-centric ecosystem of unified services in which no one is left behind.

ANH MAI

Delivering inclusive, smart digital services

The program sets a shared goal that by 2030, Vietnam will complete the development of a digital government and establish a smart government operating on big data and artificial intelligence, aiming for a proactive, predictive, and user-centric governance model. Core operations of state agencies will be conducted on centralized, unified, and interconnected digital platforms across sectors and administrative levels, creating a modern, synchronized digital ecosystem. Simultaneously, the program ensures cybersecurity, protection of personal data, and the safeguarding of national digital sovereignty. AI will serve as a key tool in public administration, delivering public services and supporting policy decision-making, enhancing operational efficiency and improving the experience for citizens and businesses.

Specifically, in the 2025-2027 period, 100% of eligible online public services will be fully implemented; 100% of information, documents, and materials related to administrative procedures for production and business activities will only need to be submitted once to state administrative agencies; and 95% of citizens and businesses are expected to be satisfied with online public services.

In the 2028-2030 period, 99% of citizens and businesses are expected to be satisfied with online public services; 50% of



AI will enhance public administration, policy-making, and service delivery

essential online public services will be implemented proactively, with AI providing personalized support, notifications, or action suggestions based on major life events; 100% of state agencies will provide open data according to standards; 100% of administrative procedure records and results will be digitized; and 80% of digitized information and data in administrative procedures and public services will be exploited and reused.

According to the Investment and Trade Working Group of the Vietnam Business Forum (VBF), Vietnam has demonstrated strong determination and effort in promoting e-Government. Technology, especially cloud computing, can become an effective tool to streamline administrative procedures, automate processes, and provide innovative self-service options. Cloud computing also facilitates better coordination and information exchange among government agencies.

However, although some procedures, such as business registration, can now be completed online, many processes related to foreign investment still require in-person submission and paper documents. These procedures include investment registration, M&A approvals, foreign loan registration, representative office establishment, and retail business licenses for foreign investors. In practice, foreign investors must prepare and submit multiple legalized copies of

VIETNAM 2030: SMART, AI-DRIVEN GOVERNMENT

PROACTIVE, PREDICTIVE, USER-CENTRIC GOVERNANCE



the same document for a single transaction. Moreover, local agencies apply varying validity periods for legalized and notarized documents, ranging from 3 to 6 months depending on interpretation, due to a lack of clear regulations. Preparing many legalized copies of one document is costly and time-consuming.

According to the Investment and Trade Working Group (VBF), these obstacles can be addressed by modernizing investment procedures through enhanced online portals and electronic submission: providing platforms where multiple administrative procedures and records can be completed online, making processes faster and more convenient.

“Implementing the proposed changes will help Vietnam build a more attractive and convenient legal framework for foreign investment, contributing to sustainable economic development and creating mutual benefits for both foreign investors and the Vietnamese economy,” the Investment and Trade Working Group emphasized.

Establishing at least three national data center clusters

To achieve its objectives, the Digital Government Development Program outlines nine key tasks and solutions: improving the legal framework; developing digital data; creating applications and digital platforms for the digital government; building digital government infrastructure; ensuring cybersecurity; developing digital human resources; promoting international cooperation; securing funding; and monitoring, supervising, and evaluating implementation.

Regarding digital data development, the program

emphasizes data digitization and reuse to reduce and simplify administrative procedures, focusing on justice, education, health, and land management. It targets 100% digitization of administrative procedure records and results, the completion, upgrading, and expansion of national and sector-specific databases, and the development and publication of plans for open data disclosure at the national level and within each ministry, sector, and locality.

In terms of digital government infrastructure, the program will build and develop digital infrastructure to support the digital government, including storage and computing infrastructure that meets international and green standards. Large-scale green-standard data center clusters will be developed, connected, and shared to form a network of clusters to promote the big data industry, including the establishment of at least three national data center clusters as required.

A national data center and a unified, high-performance cloud platform will be built to provide centralized computing, storage, and backup resources while ensuring cybersecurity, information confidentiality, and maximum data safety for the information systems of ministries, sectors, localities, and the entire political system. Network infrastructure will also be developed to meet the needs of digital government deployment across ministries, sectors, and localities.

Regarding digital human resource development, the program will create and provide learning materials to train and disseminate digital skills and guide citizens in using digital services of state agencies through community-based digital literacy platforms.■



Vietnam Robocon team at the ABU Asia-Pacific Robot Contest (ABU Robocon)

Investing in Tech Talent to Embrace Growth Opportunities

Vietnam has significant advantages for driving innovation and developing strategic technology sectors: a young, talented workforce; a strong macroeconomic foundation; a strategic location within Asia's growth corridor; and proven capacity for learning and adaptation. What is now required is a well-structured strategy, including breakthroughs in cultivating tech talent and promoting innovation.

ANH MAI

Investment exists but is not enough

According to the World Bank report "Forging Vietnam's Semiconductor Future: A Tech Talent and Innovation

Flywheel", the world is entering a semiconductor supercycle driven by artificial intelligence (AI), with demand for chips powering everything from generative AI to electric vehicles growing at unprecedented rates. Global semiconductor revenue is projected to double over this decade, surpassing US\$1 trillion by 2030. By the same year, this AI-driven supercycle could generate up to US\$15 trillion in economic value and 100 million jobs across sectors, provided technological infrastructure can keep pace.

The World Bank assessed that Vietnam occupies a central position within the global semiconductor cluster. International experience shows that companies locate research and development (R&D) operations where high-level talent, advanced research, and ready infrastructure converge. East Asia's five major economies namely China, South Korea, Japan, Singapore, and Taiwan, currently lead the world in both AI and semiconductor technology. These economies host the five largest global science and technology clusters, accounting for 35 of the top 100 clusters worldwide, with Malaysia contributing one cluster as of 2024. They have combined workforce development policies with long-term, substantial investment in mission-driven research and innovation,

transforming from assembly and manufacturing hubs into knowledge- and technology-driven economies.

Vietnam's tech workforce has shown notable progress in recent years. Enrollment in science and engineering programs has grown by about 9% annually. Leading Vietnamese higher education institutions are increasingly recognized regionally in science, technology, engineering, and mathematics (STEM) fields. Currently, the country has over 500,000 STEM-qualified professionals aged 22-35, with roughly 24,000 new entrants expected annually.

However, Vietnam's talent pool remains insufficient to realize ambitions for a higher position in the semiconductor industry. For example, in Vietnam's strength area of assembly and testing, only about 8% of workers in electronics manufacturing plants hold a university degree, while nearly 50% of current job openings in the sector require a bachelor's degree or higher. Expanding post-fabrication chip design operations will demand tens of thousands of additional engineers beyond the current supply.

In terms of quality and depth, moving into pre-fabrication chip design requires system computer architects, chip designers, and other professionals with postgraduate qualifications. Such talent is extremely scarce in Vietnam; only about 4% of the current semiconductor workforce holds a master's degree or higher, compared with approximately 30% in leading global centers. Advanced packaging operations face similar challenges, with increasing demand for expertise in materials science, chemistry, physics, and engineering reliability.

The reality is that Vietnam has limited time to invest in talent. The global semiconductor talent shortage, expected to reach tens or even hundreds of thousands of positions in leading economies by 2030, demonstrates that building factories or offering tax incentives alone will not be sufficient to sustain a strong ecosystem.

Igniting tech talent to drive innovation

To rapidly scale a high-quality workforce, the World Bank report proposed four interconnected pillars for Vietnam: igniting talent, which involves expanding and enhancing the quality of the skilled workforce while nurturing leading-edge tech talent; shared R&D and training infrastructure, enabling students and higher education institutions to access industry-standard tools, facilities, and infrastructure; promoting innovation between universities and businesses, transforming research into designs, products, and solutions with commercialization potential; and results-oriented governance and finance, ensuring clear accountability mechanisms and sustainable funding.

According to the World Bank, investing in tech talent can benefit the entire economy - not only creating tens of thousands of high-quality jobs but also accelerating development across other high-tech sectors. By 2035, Vietnam aims to be recognized as a global semiconductor talent hub, with a sustainably developed workforce, a strong domestic chip design industry, and sufficient credibility to attract the next wave of investment.

"The window to achieve these goals is gradually closing, but timely action is still possible. Regional countries such as Malaysia, Singapore, and China have rapidly increased investments in advanced semiconductor fields. Vietnam must urgently address its talent shortage to maintain competitiveness," the report emphasized.

No country has ever suffered from having "too much" high-quality talent, but many have missed opportunities due to having "too little." Decisive action now will determine whether Vietnam helps shape or merely observes the future of the high-tech industry in the region. ■



Electronics production at Viettel Manufacturing Corporation

Vietnam Leads Southeast Asia in AI Adoption



Contactless payment is becoming increasingly popular

Google's annual report shows that, alongside advances in e-commerce, digital finance, and video commerce, Vietnam now leads Southeast Asia in consumer AI adoption and user confidence.

THU HA

According to the 10th annual e-Conomy SEA 2025 report by Google, Temasek, and Bain & Company, Vietnam's digital economy is expected to reach US\$39 billion in gross merchandise value by the end of 2025. With a 17% increase compared to the previous year, Vietnam becomes the second fastest growing digital economy in Southeast Asia.

The report also said that Vietnam is witnessing a strong rise in Digital Financial Services (DFS), with the total value of digital payment transactions projected to reach US\$178 billion in 2025, reflecting the rapid nationwide shift toward cashless transactions.

Double-digit growth across key sectors

All key sectors of the digital economy are recording double digit growth. E-commerce continues to be the largest contributor to Vietnam's gross merchandise value (GMV), accounting for two thirds of the total digital economy and is projected to grow 17%, reaching US\$25 billion by the end of 2025.

The growth of the digital economy is not driven by e-commerce alone. Transportation and food delivery remain the fastest growing segments in Vietnam, with GMV expected to rise 20%, reaching US\$5 billion in 2025. Vietnam is also experiencing rapid adoption of electric vehicles (EVs), supported by government incentives and demand from transport platforms.

The online travel sector is projected to grow 16%, reaching US\$4 billion. Supported by favorable visa policies and international marketing strategies, this growth reflects both the recovery of international visitors, particularly from Asia and Europe, and the resilience of the domestic travel segment.

Vietnam has particularly established its leadership in Southeast Asia regarding AI readiness and user trust. This is reflected in three key metrics: 81% of users interact with AI tools and features daily; 83% participate in AI learning and upskilling activities; and 96% are willing to share data access with AI agents.

User interaction with AI is already producing commercial impact, with revenue from AI integrated applications increasing 78% over one year, as of mid-2025. Users turn to AI primarily for three reasons: saving time when searching and comparing information (44%); accessing 24/7 customer support (35%); and reducing costs through better offers and incentives (30%).

Vietnam currently hosts more than 40 active AI startups. The market recorded US\$123 million in private AI investment over the past year, representing 5% of total AI investment in the region during the same period. Additionally, 79% of investors expect funding into Vietnam to continue growing, particularly in software, services, AI, and deep tech sectors.

According to Marc Woo, Managing Director of Google Vietnam, Vietnam's digital economy is

demonstrating strong momentum, driven by users accessing and applying AI effectively in daily life and work. "With 81% of users interacting with AI tools daily, Vietnam's digital environment is increasingly dynamic and adaptable, keeping pace with modern trends. Vietnam has become and continues to be one of the most important markets in Southeast Asia's digital technology development, contributing to higher productivity and creating added value across multiple sectors," emphasized Marc Woo.

New drivers fueling comprehensive growth

According to Google's annual report, the DFS sector is becoming one of the key growth areas in Vietnam. The total transaction value through digital payment methods is projected to reach US\$178 billion in 2025, reflecting the growing adoption of digital platforms across the market.

Within DFS, online lending services are experiencing strong momentum, ranking as the second fastest growing financial segment in the region, with a compound annual growth rate of 22% from 2024 to 2025.

Vietnam currently has around 30 million active e-wallet accounts, supporting cashless payments and VietQR transactions, targeting 80% of e-commerce transactions to be cashless by 2030. The QR payment system is also compatible with Thailand and Cambodia, opening additional opportunities for trade and tourism between these countries.

Beyond digital finance, video commerce is emerging as another major driver of digital growth, with scale and growth rate ranking second in Southeast Asia. The number of transactions and participating sellers has increased 60% year-on-year, reflecting rapid consumer adoption of shopping via video and commerce content. This strong growth indicates that video commerce is becoming a significant development path in the digital economy, creating new business opportunities and expanding models for enterprises nationwide.

On Vietnam's outlook, Erik Pot, Partner at Bain & Company, said that Vietnam is emerging as one of the most dynamic markets. With the digital economy expected to reach US\$39 billion by 2025, Vietnam demonstrates how trust and technology can combine to drive large scale growth. He added that current opportunities truly lie in how businesses leverage AI as a tool to create value while carefully balancing the specific structure of the economy. ■



Hanoi Develops Sustainable Craft Villages

For the first time, Hanoi is developing a comprehensive strategy that links preferential support mechanisms with the goal of creating an innovation ecosystem, aiming to position craft villages as a new driver of cultural industries, tourism, and rural economic development in the coming decade.

MINH NGOC

Hanoi is developing the craft village economy by strengthening support policies, along with building One Commune One Product (OCOP) product brands and expanding cultural tourism in craft villages. The capital now has about 1,350 craft villages and villages with traditional crafts, contributing an estimated revenue of more than VND24,000 billion each year, playing an important role in rural economic restructuring and job creation.

Policy reform

On November 26, the Hanoi People's Council approved a resolution on support policies for preserving and developing craft villages and rural occupations in the city. The resolution takes effect on January 1, 2026 to implement Capital Law 2025 on supporting the preservation and development of craft villages and rural occupations. This is considered the most comprehensive and robust policy framework to date for the craft village sector.

The resolution sets support policies for artisans in handicrafts who have been conferred the titles of People's Artisan, Meritorious Artisan, and Hanoi Artisan.

The city provides a one-time support of VND40 million per person for People's Artisans; VND30 million per person for Meritorious Artisans; and VND20 million per person for Hanoi Artisans. People's Artisans who provide training receive VND500,000 per person per session; Meritorious Artisans and Hanoi Artisans receive VND300,000 per person per session.

The city covers 100% of travel expenses, accommodation allowances, meals, and lodging for organizations and



Bat Trang has long been regarded as the finest pottery and ceramics craft village of Hanoi

individuals participating in field trips to connect with raw material regions; and supports 50% of costs for rural production facilities to purchase new machinery, equipment, and production lines, capped at VND500 million per facility.

For the policy on relocating production facilities in residential areas or facilities in occupations not encouraged for development in rural craft villages, the Resolution provides support for dismantling and transporting machinery, equipment, and workshops at VND50,000 per square meter of workshop area, with a maximum of VND500 million per facility.

In addition, relocated facilities are exempted from land and water surface rent for 10 years and receive a 50% reduction for the remaining period; they are subject to a 5% corporate income tax rate, including four years of tax exemption and a 50% reduction for the following nine years.

It is worth noting that digital transformation is another important pillar in Hanoi's craft village development strategy. Experts emphasize that digital infrastructure must become a priority. Traceability systems, e-commerce platforms, product showcase platforms, and digital skills training programs for young workers are proposed as key solutions to help craft villages access larger markets and meet international standards. When digital technology is integrated with culture and tourism, craft village products will gain new vitality, reaching cross-border customers instead of being sold only within local communities.

Developing human resources for craft villages

At the 28th session of the Hanoi People's Council, Vu Manh Hai, Chairman of the Association of Artisans and Skilled Workers of the city, emphasized the special role of craft villages in the socio-economic structure of the capital. To improve effectiveness, craft villages must be regarded as unified economic, cultural, and tourism spaces. A craft village is no longer only a production site but a creative environment that reflects the spirit of the land, the artisans' craftsmanship, and the stories of history.

Craft villages are facing many new opportunities, but experts said that the biggest challenge is not technology or infrastructure, but human resources. Artisan Nguyen Van Tinh from Phu Nghia craft village noted that the gap between design and fine arts training and the practice of traditional crafts remains wide. Young people have modern knowledge but lack experiential environments, while traditional craftsmen are aging. Without mechanisms connecting artisans with universities and without cooperation models linking scientists, young artists, and skilled workers, traditional crafts risk fading even in their own environments.

Artisan Ha Thi Vinh, Director of Quang Vinh Ceramic Co., Ltd., proposed developing dedicated innovation centers for craft villages, where craftsmen can work with

modern equipment and young people can explore attractive career opportunities with incomes ranging from VND20 million to VND30 million per month. Regarding product display infrastructure, Nguyen Duy Truong, Chairman of the Phung Xa Weaving Craft Village Association, proposed establishing a shared center to present the stories of multiple craft villages. This not only saves public investment costs but also helps build a "living museum" of the capital's traditional crafts, creating a cultural and tourism landmark similar to models in other countries.

When visitors can understand the journey behind Bat Trang ceramics, Van Phuc silk, Phu Vinh bamboo and rattan, or Thuong Tin embroidery, the value of handicraft products lies not only in their appearance but also in the cultural heritage they represent.

Hanoi is shifting from the traditional craft village management model to building an integrated creative ecosystem that combines culture, technology, infrastructure, human resources, and markets. The city's goal is not only to preserve traditional crafts but also to integrate them into the cultural industry value chain, strengthening Thang Long's identity in the context of international integration while driving rural economic development in a green, sustainable, and modern direction. ■



Products displayed at Hanoi's craft village festival

Brilliant Flower and Ornamental Plant Craft Village

The craft village of Tich Giang is named after the Tich river that flows through the commune. The local economy is primarily agricultural, with 350 ha of production land inside and outside the Tich river dyke. In 2022, the flower and ornamental plant craft of Tich Giang was officially recognized as a Hanoi Craft Village.

BAO DAN

On December 6, the Opening Ceremony of the First Tich Giang Flower and Ornamental Plant Craft Village Festival 2025 officially took place in Phuc Tho commune. The event gathered hundreds of garden owners and thousands of varieties of traditional and artistic flowers and ornamental plants. More than a cultural festival, it was an opportunity for

the locality to reposition its brand, expand markets, attract investment, and create more stable jobs for residents. The event opened a vibrant, colorful space, honoring the commune's unique gardening tradition while creating important momentum for Tich Giang to affirm its position as the hub of flowers and ornamental plants.

Brand positioning

In a joyful and enthusiastic spirit, Nguyen Thi Thu, a flower grower from Tich Giang 2 hamlet, shared that her family is cultivating about one hectare with a variety of flowers, ornamental plants, and landscape plants, especially those for the year-end market such as marigold and four-season chrysanthemum. Preparing for Tet, her family grows tens of thousands of pots of each type to meet market demand. This year, input and labor costs have remained stable, so flower prices have not changed. In addition to household production, growers in the commune work with the Gardening Association and the Flower Growing Association to support one another and import additional varieties for more diverse displays.



The craft village of Tich Giang is a hub of flowers and ornamental plants

Amid the cheerful crowd, Duong Thi Thanh Thuy from Long Xuyen hamlet, Phuc Tho commune, said: “The scale of the festival is very large, the flower road is beautiful, and the decorative miniatures are eye-catching. I especially like the hanging flowers of Tich Giang because their colors last long, sometimes even until Tet. After visiting the booths, I bought several pots for my home.”

Nguyen The Tai (from Tung Thien ward) spent a lot of time selecting petunias: “This year the scale is much bigger, flower varieties are diverse, and the gardens are meticulously cared for. I picked four pots. The price is a bit higher, but the quality is excellent.” The festival not only offers shopping opportunities but also allows visitors to immerse themselves in the cultural space of the Tich riverside countryside, where the flower and ornamental plant craft has existed for decades and become a source of local pride.

The brilliant colors of the flowers, the excitement of residents and visitors, and the commune’s correct development direction are creating new momentum for Tich Giang. From their traditional craft, residents are gradually building a modern and sustainable agricultural economic model, contributing to local prosperity and the development of Hanoi’s agriculture.

Affirming the craft village brand

According to Phuc Tho Commune People’s Committee Chairman Kieu Trong Sy, Phuc Tho has long been known as an ancient land rich in revolutionary and cultural traditions. Among them, Tich Giang stands out as a distinctive craft region, described as a “living museum” of gardening art. Since the 1990s, the alluvial fields along the Tich River have been filled with the sounds of pruning scissors, pinching buds, and the conversations of artisans. Many recall Do Xuan, the first person to successfully hybridize the Tich Giang mandarin variety, as a symbol of creative labor. The fragrant, sweet mandarin helped many households escape poverty and provided a new economic direction for the locality.

Veteran artisans such as Nguyen Van Uoc and Nguyen Tien Cat laid the foundation for Tich Giang to become the cradle of flower growing, bonsai, and artistic ornamental plants. Today, younger generations continue to expand the craft, with hundreds of hectares of flowers covering the fields and many businesses and cooperatives rising to assert their brands. Outstanding names such as Ngoc Trang Company led by Khuat Van Hong along with artisans Ha Dat Uy, Nguyen Tien Quang, and Kieu Binh Thanh have helped bring Tich Giang flowers and ornamental plants to major fairs and exhibitions within and beyond the city, becoming a source of pride for Phuc Tho.

Kieu Trong Sy affirmed that this festival marks an



Tich Giang is an attractive tourism destination

important milestone in the craft village’s development strategy. For many years, the commune has focused on zoning production areas, investing in infrastructure, encouraging farmers to apply science and technology, and innovating farming methods. As a result, former purely agricultural fields have transformed into ecological flower and ornamental plant zones with high incomes.

The festival targets three strategic goals: honoring artisans and farmers who have devoted generations to the craft, those who “breathed life” into the land to create today’s Tich Giang brand; creating a space for trade between growers, businesses, and visitors; and bringing OCOP products and Phuc Tho’s key agricultural products to wider markets. The event also aims to build a green, clean, sustainable agricultural model, combining craft village tourism, preserving local culture, and creating added value for residents, Kieu Trong Sy emphasized.

Deputy Director of Hanoi Department of Agriculture and Environment Nguyen Dinh Hoa assessed that Phuc Tho’s development orientation aligns well with Hanoi’s trend of building ecological agriculture linked with tourism and urban development. The city has issued many support policies for craft villages, including training skilled workers, supporting artisans, connecting raw material areas, and promoting trade. Tich Giang is rapidly completing its concentrated production zone, developing a flower and ornamental plant value chain, and becoming an attractive destination on Hanoi’s tourism map.

The first year of the festival is not only a cultural rendezvous but also a strong affirmation that Tich Giang, the peaceful land along the Tich River, continues to shine as the “capital of flowers and ornamental plants” of Hanoi on its new journey. ■



Tourism Growth Driven by Digital Platforms

In recent years, Vietnam's tourism sector has experienced a remarkable increase in international arrivals. By the end of November 2025, the country received more than 19.1 million international visitors, up 20.9% compared to the same period in 2024, marking a full recovery and surpassing expectations. This impressive growth is driven not only by the rising appeal of destinations but also by a coordinated digital transformation across the industry.

GIANG TU

Ha Van Sieu, Deputy Director of the Vietnam National Authority of Tourism (VNAT), noted that digital transformation and smart tourism development are becoming key priorities for the sector. The agency is finalizing the national tourism database and expanding technology applications in

destination management and visitor flow analysis. These measures enhance competitiveness and help enterprises access markets more effectively. Combined with business agility, they enable Vietnam to better leverage its tourism potential and improve service quality.

Digital platforms: from transactions to ecosystem connections

In a highly digitalized environment, booking apps, ticketing platforms, digital maps, e-payments, e-visa systems, and destination information platforms have transformed how travelers explore and experience Vietnam. The introduction of e-visa for citizens of hundreds of countries and territories has increased access, making entry faster, more transparent, and convenient. Data from these platforms supports policy planning, predicts trends, monitors visitor flows, and tracks real-time consumption behaviors, a capability that was previously unavailable in traditional tourism management.

For businesses, digital platforms have created an entirely new competitive landscape. Geoffrey Nguyen, CEO of Viet Orient Hospitality Co., Ltd., said that online travel agencies (OTAs), social media, and digital payment gateways have become "marketing highways" for the industry. Small and medium-sized enterprises, previously constrained by traditional distribution channels, can now reach global customers and receive direct feedback to adjust services flexibly. Data collected from digital

platforms helps companies design streamlined packages tailored to each target market, particularly high-spending segments.

Development focus: new products, personalization, and sustainability

Digital transformation has enabled the development of new products, from personalized experience packages based on behavior analysis to health tourism, pre-scheduled cultural experiences, and AI-integrated digital tour guides. These offerings not only improve experience quality but also encourage longer visitor stays. Pham Tien Dung, Vice President of the UNESCO Hanoi Travel Club, emphasized that the future of tourism depends not on increasing visitor numbers but on the value created for each trip. Digital platforms help destinations measure this value, guiding product strategies toward higher quality and sustainability.

From a public management perspective, digital transformation offers advantages in resource allocation and operational coordination at destinations. When data is shared between local and central authorities, managers can identify congestion, monitor visitor flows, and provide timely guidance to businesses. In Quang Ninh, the use of data analytics at Ha Long Bay has enabled authorities to manage visitor numbers by time slot and recommend suitable tour arrangements to protect the environment and enhance safety.

For tech companies, digital tourism platforms remain a promising market. Geoffrey Nguyen noted that

online consumer behavior has become the norm, particularly among travelers from Northeast Asia and Europe, the two markets with the highest growth in 2025. Competition to develop new features, such as smart itinerary suggestions, real-time interaction, and AI-based personalization, is creating opportunities for Vietnamese enterprises to gain regional prominence.

More broadly, digital tourism enhances national competitiveness. With international arrivals exceeding 19.1 million in the first 11 months of 2025 and the government targeting 25 million, the challenge is not only attracting visitors but also retaining them. Destinations that combine cultural and natural value with digital platforms can increase average spending, improve visitor satisfaction, and contribute sustainably to the local economy.■



Vietnam's tourism growth is fueled by both popular destinations and industry-wide digital transformation

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