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**VIETNAM REPOSITIONS ROLE
ON GLOBAL TRADE MAP**

**Safeguarding Macroeconomic Stability
amid Global Uncertainty**

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Cover photo: In the first two months of 2026, Vietnam's processed industrial exports reached US\$68.55 billion, accounting for 89.8% of total export value

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Nearly 73.5 million voters will cast ballots across Vietnam on March 15, 2026, for the National Assembly and local People's Councils

NATIONAL ASSEMBLY AND PEOPLE'S COUNCIL ELECTIONS FOR 2026-2031 TERM

Laying Foundation for Next Development Stage

On Sunday, March 15, 2026, voters nationwide will participate in the election of deputies to the 16th National Assembly and People's Councils at all levels for the 2026-2031 term.

QUYNH ANH

This is an occasion for every Vietnamese citizen to directly exercise the right to mastery, expressing their will and responsibility for the country's development.

According to Party General Secretary To Lam, this is a major political event for the nation, taking place shortly after the 14th National Party Congress. Since the first General Election in 1946, Vietnam has successfully organized 15 National Assembly elections. Each election has marked an important milestone, associated with different historical

periods and revolutionary missions, including resistance and nation-building, the struggle for independence and national reunification, and the current process of renewal, development, and national defense. Every ballot cast over the past eight decades has served as a vivid symbol of public trust, national unity, civic responsibility, and the people's determination to shape the country's future; affirming the democratic, progressive, and humane character of a system in which "All power belongs to the People; the State is of the People, by the People, and for the People."

The 16th election, held on the 80th anniversary of the first General Election, will continue the nation's democratic tradition and reinforce the strength of national unity as the country advances steadily into a new era of development. A successful election will provide an important starting point for building and consolidating the state apparatus for the new term, laying a firm political and social foundation for the effective implementation of the Resolution of the 14th National Party Congress.

"This is also an opportunity to affirm the Party's leadership capacity, the effectiveness of state management,

and the performance of the political system following the completion of organizational streamlining, administrative mergers, and the restructuring of local government under a two-tier model. Accordingly, this election has been identified as a central political task for 2026,” said General Secretary To Lam.

To ensure the successful election of deputies to the 16th National Assembly and People’s Councils at all levels for the 2026-2031 term, the General Secretary outlined several key priorities that must be fully implemented.

Foremost is strong leadership in personnel work, the most decisive element of the election process. The nomination of candidates must be conducted openly and transparently, with broad consultation at the grassroots level, while ensuring rigor and alignment with cadre planning, the outcomes of Party congresses at all levels, and the requirement to streamline the political system under the two-tier local government model; ensuring continuity, coordination, and renewal. The composition of deputies must reflect balanced representation across sectors, social groups, gender, age, and regions; with appropriate proportions of full-time deputies, women, young representatives, ethnic minority members, intellectuals, workers, farmers, entrepreneurs, artists, and religious dignitaries, so that the National Assembly and People’s Councils truly reflect the dynamic face of national unity.

“Deputies to the National Assembly and People’s Councils must truly serve as loyal representatives of the People, voicing public concerns, addressing public needs, and safeguarding the legitimate interests of citizens, particularly those in their constituencies. The selection and nomination process must identify individuals who are exemplary in both character and competence. They must possess firm political integrity, loyalty to the Fatherland and the People, strong moral standing, professional capability, meet all statutory standards, and have the necessary conditions to fulfill their duties as representatives of the People,” General Secretary To Lam said.

At the same time, nominated individuals must have adequate health and sufficient time to carry out and fulfill

their responsibilities if elected. The 2026-2031 term represents a pivotal phase in realizing the country’s two centennial strategic goals, with demanding expectations. Priority should therefore be given to individuals with innovative thinking and the courage to think, speak, act, and take responsibility, as well as those with vision and the capacity to contribute to policy formulation that drives local and national development in the new period.

In addition, General Secretary To Lam called for the effective organization of the consultative process for selecting and nominating candidates, ensuring that the People’s right to mastery is upheld throughout the election. The entire consultative procedure must be conducted democratically, objectively, openly, and transparently in strict accordance with the law; oversight and supervision must be strengthened, with firm measures to prevent negative practices such as improper campaigning, buying nominations, vote-buying, or group interests that distort the meaning of the election. Public communication and voter outreach should be intensified to foster a positive and unified social atmosphere and enhance civic awareness and responsibility. Political security, social order, and public safety must be ensured, with timely handling of election-related issues. Information technology applications should be strengthened, along with coordinated efforts among agencies and organizations across the political system to ensure a successful election.

According to Nguyen Huu Dong, Chairman of the National Assembly’s Committee for Deputy Affairs and Vice Chairman of the Central Organization Commission, preparations for the election have been carried out proactively and in a methodical manner, closely aligned with directives from the Politburo, the Secretariat, and the National Election Council. Guiding and instructional documents were issued early and in a coordinated way; the use of information technology and digital transformation in election work has been expanded, particularly in compiling, reviewing, and publicly posting voter lists. Personnel arrangements for consultative conferences were carefully prepared to ensure compliance with required structures, composition, and standards; election bodies were established on schedule, ensuring continuity and stability. Security, order, and social safety measures were deployed in a coordinated manner, with particular attention to protecting information technology systems and cyberspace.

With determined leadership from Party committees at all levels, close coordination among agencies and organizations across the political system, and the strong support and active participation of nearly 100 million voters nationwide, the election of deputies to the 16th National Assembly and People’s Councils at all levels for the 2026-2031 term will undoubtedly succeed, truly becoming a national day of unity where the Party’s direction aligns with the People’s will, continuing to inspire the aspiration to build a strong and prosperous Vietnam with freedom, well-being, and happiness for all. ■



Casting early ballots at the Ba Ke cluster off HCM City, conducted by Naval Region 2, March 1

Defining New Dimensions of State Economy

For the first time, the scope of the state economy has been fully and systematically defined in a thematic resolution, clarifying its role and expanding its reach.

At the recent national conference to study and implement Resolution 79-NQ/TW of the Politburo on developing the state economy and Resolution 80-NQ/TW on developing Vietnamese culture, Chairman of the Party Central Committee's Commission for Policies and Strategies Nguyen Thanh Nghi presented the key content and new breakthrough points of the resolutions as Vietnam enters a new stage of development.

New scope of the state economy

According to Nguyen Thanh Nghi, this marks the first time the scope of the state economy has been fully and systematically defined in a thematic resolution, clarifying its role and expanding its reach. The state economy is identified as a particularly important component of the socialist-oriented market economy.

It is defined as a unified whole that includes all resources owned, managed, and directed by the State to achieve socio-economic development goals, maintain macroeconomic stability, and ensure national defense and security. These resources include land; mineral and water resources; airspace and maritime areas; underground space; State-invested infrastructure systems; the state budget; national reserves; state financial funds outside the budget; state-owned enterprises;

state credit institutions; state capital invested in enterprises; and public service units.

Resolution 79 affirms that over 80 years of development, particularly during 40 years of Doi Moi (renovation), the state economy has consistently played a leading role. It has participated directly in production and business activities while serving as a key source of material resources and a strategic tool for the State to guide and regulate economic activities, promote growth, maintain macroeconomic stability, safeguard major economic balances, ensure national defense and security, strengthen autonomy and self-reliance, and advance rapid, sustainable socio-economic development in line with socialist orientation.

At the same time, Resolution 79 points to existing limitations, including the slow reform of policies and laws governing the state economy, which have not kept pace with practical developments.

State-owned enterprises (SOEs) have not operated as effectively as their position and resources would suggest. Their competitiveness remains limited, they have yet to play a leading role in innovation or in key sectors, and reform efforts have moved slowly.

Five breakthrough guiding perspectives

Amid a complex domestic and international environment, and with the goal of strengthening the role of the state economy in achieving the country's two centennial strategic objectives for 2030 and 2045, Resolution 79 sets out five overarching guiding perspectives for developing the state economy in the new era.

First, it calls for renewing, supplementing, and clarifying the leading role of the state economy within the socialist-oriented market economy.

Building on earlier resolutions, the document reaffirms the state economy's central function in maintaining macroeconomic stability and major economic balances, while further specifying its responsibilities in shaping strategic development orientation, safeguarding national defense and security, promoting cultural values, social progress, equity, and social welfare, and serving as an important resource base for timely State intervention in urgent or unforeseen circumstances.

Second, it defines a clear relationship of co-development between the state economy and other economic sectors, ensuring that each sector fully performs its respective functions.



A view of the Dung Quat Oil Refinery, operated by Binh Son Refining and Petrochemical JSC under Vietnam National Industry - Energy Group (PetroVietnam)



Vietnam's Military Industry-Telecoms Group (Viettel) at Mobile World Congress 2026 in Spain

Third, it focuses on improving the management, exploitation, and use of state economic resources. The Resolution introduces new mechanisms for allocating and managing these resources, including two major innovations. All state economic resources must be fully reviewed, inventoried, evaluated, and accounted for in accordance with market principles, with investment impacts assessed through social cost-benefit analysis aligned with international practice. At the same time, bottlenecks must be removed to unlock resources, prevent loss and waste, and ensure effective management and utilization. It also calls for clearly separating the use of state resources for public goods and political tasks from commercial production and business activities, while properly balancing the relationship among the State, the market, and society.

Fourth, it elevates the mission of the state economy in connection with the transformation of the growth model. The state economy must take the lead in promoting industrialization and modernization, restructuring the economy, and establishing a new growth model driven primarily by science and technology, innovation, and digital transformation.

Fifth, it calls for strengthening Party leadership and improving the capacity, effectiveness, and efficiency of state management over the state economy, particularly in guiding resource allocation and implementation.

Developing strong state corporations to lead key sectors

Nguyen Thanh Nghi said that to address existing shortcomings, the Resolution sets out seven groups of tasks and solutions across seven areas, including land, water and mineral resources, the marine economy, airspace, the outer space and low-altitude economy, underground space, digital

resources, and telecommunications resources. Several priority measures will be implemented.

In 2026, Vietnam will complete nationwide land measurement, inventory, digitization, and data cleansing, and connect land databases with other national data systems. Amendments to the Land Law and related guiding documents will be issued to remove management bottlenecks and unlock land resources.

Exceptional mechanisms and controlled sandbox frameworks will be introduced to promote the development of the space economy, low-altitude economy, and the aviation and aerospace industries. Legal frameworks governing digital and telecommunications resources will be refined to develop data markets, data exchanges, and the digital economy, turning national data into a strategic resource.

Regarding state financial funds outside the budget, Resolution 79 calls for streamlining the system, reducing focal points, increasing scale, avoiding unnecessary new funds, merging or dissolving ineffective funds, and expanding entrusted management through professional financial institutions to improve capital efficiency.

For SOEs, Resolution 79 sets out 17 groups of tasks under four main pillars: ensuring SOEs serve as a significant material force within the state economy; promoting investment in science and technology, innovation, digital transformation, and green transition for sustainable business performance; improving corporate governance; and restructuring state capital and reorganizing SOEs.

Resolution 79 clearly directs investment toward developing several large-scale state economic groups and strong SOEs capable of leading strategic sectors such as national defense and security, energy, transportation, logistics, finance and banking, science and technology, electronics and telecommunications, digital infrastructure, strategic minerals, chemicals, and construction. Policies will support increases in

☞ charter capital, ensure adequate funding, provide interest rate support, and secure sufficient credit for key national projects.

SOEs are encouraged to pioneer research and application of science and technology, invest in partnerships to master core and strategic technologies, promote innovation, digital and green transformation, develop the circular economy, and reduce greenhouse gas emissions. Mechanisms will allow the establishment of venture capital funds.

SOE performance will be evaluated based on assigned objectives and tasks, with full accounting of state advantages and resources in line with international practice, and a clear separation between commercial operations and political or non-profit missions.

“The new direction of Resolution 79 regarding equitization is to ensure that the State’s control in strategic sectors is not affected and that reputable national brands are preserved,” Nguyen Thanh Nghi said.

Regarding state divestment, the Resolution introduces a new approach: for enterprises in which the State does not need to retain controlling shares, appropriate mechanisms and roadmaps will allow mergers into other SOEs or transfer to state capital investment entities at the central or local level, ensuring transparency and efficiency under the principle that the State undertakes activities the private sector cannot or will not undertake, while performing more effectively in areas where the private sector is capable. Reputable national brands will continue to receive investment to enhance performance. The State Capital Investment Corporation will be restructured toward professional capital management, with the aim of forming a National Investment Fund.

The network of state-owned commercial banks will be reorganized, ensuring transparency and accountability. Increasing charter capital is regarded as an important solution to strengthen financial capacity, capital adequacy ratios, and operational efficiency.

The Resolution calls for shifting public service activities with strong potential for socialization to market mechanisms, expanding public-private partnerships, and encouraging non-state participation in public service provision. Public service units in suitable sectors will be converted into single-member limited liability companies. ■

RESOLUTION 80

Charting New Vision,

At the national conference convened to study, disseminate, and implement Resolution 79-NQ/TW dated January 6, 2026 on state economic development and Resolution 80-NQ/TW dated January 7, 2026 on the development of Vietnamese culture issued by the Politburo, Chairman of the Party Central Committee’s Commission for Information, Education and Mass Mobilization Trinh Van Quyet clarified the new vision and higher standards set out in Resolution 80, highlighting several core and new points that define the position, stature, and overall profile of Vietnamese culture.

Setting specific targets for key cultural sectors

According to Trinh Van Quyet, earlier Party documents on culture mainly outlined broad directions and general goals, while specific targets remained largely at the level of orientation. Resolution 80, by contrast, not only affirms overall objectives for each sector but also sets clear targets to be achieved. In other words, it links higher quality requirements with measurable benchmarks in selected cultural fields. This reflects a more scientific and practical approach, avoiding general directives that cannot be assessed at each stage.

As an example, he noted that the overall objective for cultural industries is to “accelerate development and build a startup ecosystem for cultural industries and creative arts.” Alongside this goal is a target for the sector to contribute 7% of GDP by 2030 and aim for 9% by 2045, while developing 5-10 national cultural brands. Similarly, in line with the view that “investment in culture is investment in national development and the future of the nation,” Resolution 80 sets a clear target to allocate at least 2% of total annual state budget expenditure to culture, with gradual increases based on practical needs.

Trinh Van Quyet said previous resolutions did not directly specify such targets but left them to the State. In recent years, the goal was to allocate 1.8% of total state budget spending to culture, yet this level was rarely reached, with the highest year slightly above 1.7%. Resolution 80’s requirement of a minimum of 2%, with the possibility of further increases in line with actual conditions, marks a new step in cultural investment.

“By affirming a strategic breakthrough policy, the Resolution links perspectives, objectives, tasks, and solutions for cultural development into a coherent system,” he said.

Placing human development at the core

Building people has consistently been the central and highest goal in Party resolutions on culture. Resolution 80 fully carries forward this principle, further clarifying and expanding its content while emphasizing

Higher Standards for Vietnamese Culture



VCCI promotes a modern, sustainable business culture among Vietnamese enterprises, emphasizing ethics, transparency, and social responsibility. In the photo: Announcement ceremony of the Cultural and Reputable Enterprises 2025, organized under the direction of VCCI

the close relationship between “developing culture to refine the socialist personality in the new era and building people in order to develop culture.”

Trinh Van Quyet said that although this view is not new, it has become more urgent. In recent years, there has been a tendency to separate these two tasks or to reduce culture to entertainment. A small minority has even denied its role in shaping people, treating culture, literature, and the arts simply as a “playground.”

A common expression of this view is to see culture as only a

set of professional activities, without sustained attention to the central goal of human development. As a result, culture in recent years has not had a strong enough impact in shaping character and fostering a healthy cultural environment, contributing to signs of decline, distortion, and the spread of harmful and false values that have raised public concern.

To build and strengthen the personality of Vietnamese people in the new period, the Resolution calls for the coordinated implementation of cultural values, national values, family values, and standards of Vietnamese character. Based on research conducted since the 13th National Party Congress in 2021, Resolution 80 clearly defines the specific components of these value systems.

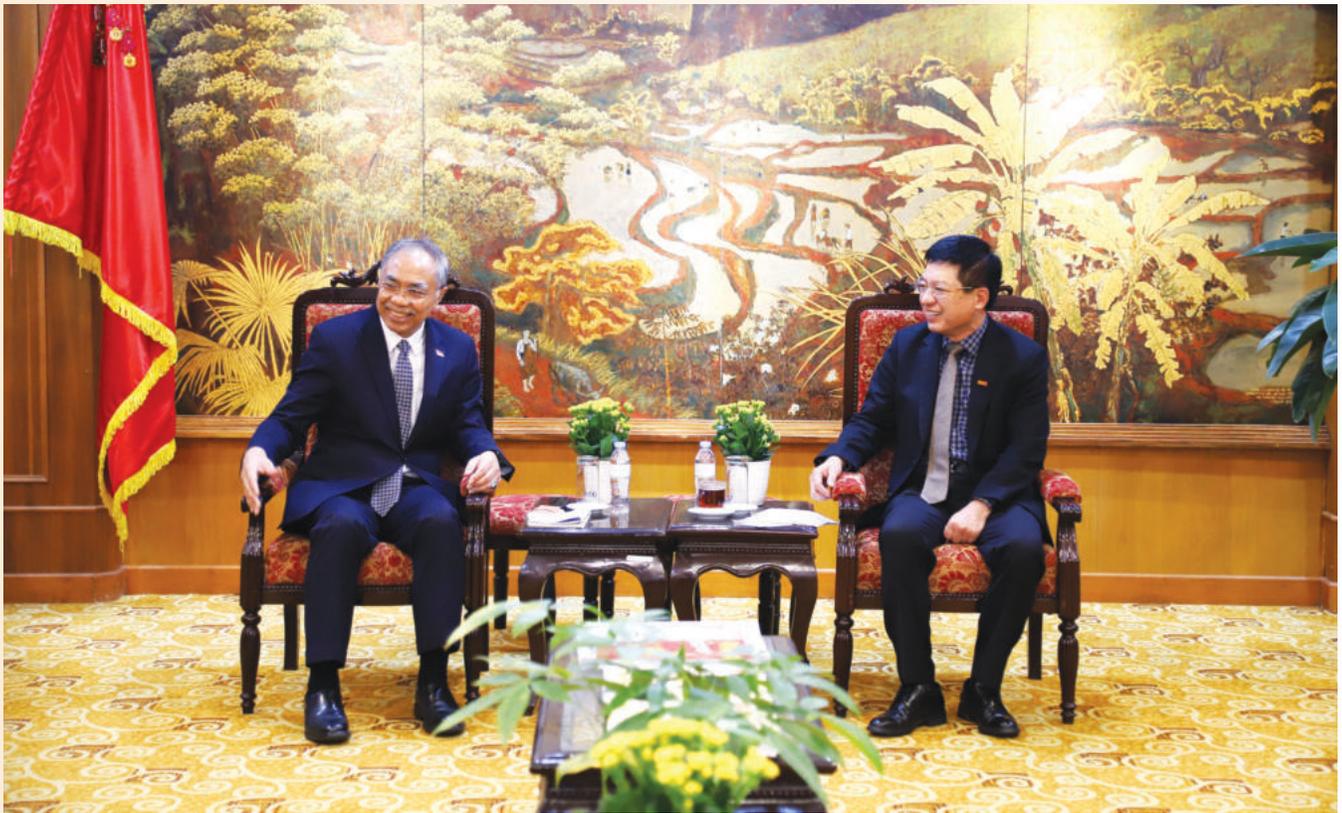
This marks an important step forward in both theory and practice, as these components will serve as benchmarks for society as a whole, for organizations and communities, and for individuals seeking self-improvement. Confusion and deviations from these standards will be addressed through culture and regulated by law.

Alongside the task of human development, the Resolution repeatedly emphasizes building a humane, healthy, and modern cultural environment. While continuing earlier thinking on improving living environments, Resolution 80 adds the requirement to “build a healthy digital information environment and cleanse the digital cultural environment” - a challenge that is both urgent and long term amid rapid and complex digital transformation. This approach reflects

(continued on P.15)



A site within the Yen Tu - Vinh Nghiem - Con Son - Kiep Bac Complex, recognized by UNESCO as a World Cultural Heritage site in July 2025



VCCI President Ho Sy Hung (R) and Indonesian Ambassador Adam Mulawarman Tugio

VIETNAM AND INDONESIA

Toward New Milestone in Economic Cooperation

Dr. Ho Sy Hung, President of the Vietnam Chamber of Commerce and Industry (VCCI), recently met in Hanoi with Indonesian Ambassador to Vietnam Adam Mulawarman Tugio and senior embassy officials. The talks focused on practical measures to strengthen bilateral economic ties and on preparations for the upcoming state visit of the Indonesian President to Vietnam.

HUONG LY

At the outset, Ambassador Mulawarman Tugio congratulated Dr. Ho Sy Hung on his leadership role at VCCI and expressed confidence that VCCI would continue to serve as an effective bridge in advancing the shared economic goals of both countries.

In reviewing trade ties, both sides welcomed the strong growth in bilateral turnover. With trade reaching nearly US\$17 billion last year, the goal of US\$18 billion by 2028 set by the two governments is moving closer to being achieved ahead of schedule. Looking ahead, they agreed to expand cooperation into promising areas such as renewable energy, the digital economy, food security, and manufacturing, creating greater added value for regional supply chains.

A key topic of the discussion was the potential of the global Halal industry. Ambassador Mulawarman Tugio described it as a broad ecosystem that goes beyond food to include fashion, cosmetics, tourism, and finance. With its strategic location and manufacturing strength, Vietnam has strong potential to participate more deeply in this supply chain, serving a market that represents 25% of the world's population. Paying greater attention to Halal standards could also help Vietnam's tourism sector attract more visitors from Indonesia and the Middle East, while meeting changing consumption trends among younger generations.

VCCI, PwC Seek to Expand Knowledge Cooperation for Sustainable Business

As businesses pay closer attention to corporate governance standards, social responsibility, and sustainable development, the Vietnam Chamber of Commerce and Industry (VCCI) and PricewaterhouseCoopers (PwC) Vietnam recently held a working session to discuss strategic directions for cooperation. The meeting focused on expanding knowledge sharing, professional resources, and surveys of business needs in the context of international integration.



VCCI Vice President Nguyen Quang Vinh at the working session with PwC's delegation

THU HUYEN

At the session held at VCCI headquarters, VCCI Vice President Nguyen Quang Vinh referred to the long-standing partnership between the two organizations, which have worked together on various initiatives related to governance standards, sustainable development, and global economic integration.

“PwC has contributed expertise during many phases of developing VCCI’s programs and initiatives. This provides a foundation for both sides to explore new areas of cooperation that are deeper and more substantive,” Vinh said.

From PwC’s side, Partner at PwC Vietnam Luong Thi Anh Tuyet said Vietnamese businesses are demanding higher-quality data, research, and governance knowledge aligned with international standards. PwC therefore aims to work with VCCI to provide research reports, surveys, and professional

From VCCI’s side, Dr. Ho Sy Hung said there is still substantial room to expand investment cooperation between the two countries. A new wave of Vietnamese businesses investing in Indonesia is gaining pace, while demand for production materials from the archipelagic country continues to increase. VCCI pledged to work closely with the Indonesian Chamber of Commerce and Industry (KADIN) and the Indonesian Embassy to organize practical business networking activities, creating favorable conditions for enterprises from both countries to build on shared strengths. Cultural and educational exchanges are also expected to support long-term bilateral ties.

Looking ahead to the expected state visit of the Indonesian President in late March or early April, both sides discussed plans for high-level dialogue activities. The focus will be a large Business Forum and in-depth meetings between government leaders and leading corporations from both countries. This is seen as an important opportunity for companies in key sectors to meet directly and sign major cooperation agreements.

At the close of the meeting, the two sides agreed to set up a direct communication channel to finalize preparations, aiming to ensure that the President’s visit marks a significant milestone and opens a new chapter in the Vietnam-Indonesia Comprehensive Strategic Partnership. ■

materials to help Vietnamese companies strengthen their competitiveness and better align with global standards.

“Knowledge and research sharing is at the core of PwC’s work. We look forward to partnering with VCCI to expand access to these resources across the business community, especially as governance and sustainability standards continue to evolve rapidly,” Tuyet said.

She also spoke about the role of communications in amplifying the value of joint initiatives. Any knowledge products or business assessment tools developed should have clear, transparent structures and be communicated effectively so that businesses can easily access and apply them.

During the session, several new cooperation ideas were raised, including a proposal to research and develop business assessment and ranking tools based on different pillars, including environmental, social, and governance (ESG) factors.

From VCCI’s side, Pham Thai Lai, Director of the Center for Economic Information and Communication under VCCI, said these ideas are still under discussion and further review. VCCI aims to develop initiatives with strong practical application that respond to the needs of businesses and the broader economic community. The discussions go beyond a single proposal and mark the first step in a consultation process to clarify direction, scope, and feasibility when conditions are suitable.

From a strategic perspective, Nguyen Quang Vinh pointed out that the market already has many awards and titles for businesses. If additional assessment or ranking tools are developed, the key requirement is to create meaningful differentiation and avoid overlap with existing programs.

“The issue is not about creating another ranking table, but about clarifying each party’s role and answering a fundamental question: what value does this tool bring to businesses, and how does it help them improve governance and pursue sustainable development?” Vinh said.

He added that concepts such as Corporate Social Responsibility (CSR), sustainable development, or ESG may evolve in terms of models or terminology over time, but fundamentally they all revolve around the role of businesses in creating economic value alongside social responsibility and environmental protection. This serves as the basis for VCCI and PwC to continue discussing future cooperation initiatives. ■

The renewed escalation of the U.S.-China trade war beginning in 2025 has led to record tariff barriers and triggered a broad shift of global capital. Amid this unprecedented wave of supply chain relocation, Vietnam is at a turning point, with the opportunity to move beyond its image as a low-cost assembly base and become a strategic link in the global trade network.

HUONG LY

New link in the “China +1” strategy

The year 2025 ended with major milestones in Vietnam’s foreign direct investment (FDI) and international trade. Total registered FDI exceeded US\$38 billion, while disbursed capital reached its highest level in five years. At the same time, total trade turnover approached US\$930 billion, highlighting strong growth in manufacturing and exports and the increasingly central role of the foreign-invested sector in Vietnam’s growth model and global integration.

The structure of capital inflows is also shifting. FDI, previously focused on labor-intensive industries, is now moving toward high technology, electronics, semiconductors, and clean energy. Samsung’s decision to set up an R&D center in Hanoi and Apple’s relocation of dozens of suppliers to Vietnam show the country’s growing role in global value chains, changing from an “assembly workshop” into a hub for research, design, and product development.

Vietnam’s advantage as a new link in global supply chains rests on three main pillars. First is its strategic location next to China, the world’s largest manufacturing hub, allowing multinational companies to diversify risk without disrupting existing supply networks. Second is its extensive integration framework, supported by 17 free trade agreements, including the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the EU-Vietnam Free Trade Agreement (EVFTA), which provide valuable tariff preferences for goods made in Vietnam. Third is growing investor confidence amid rapid global supply chain restructuring.

According to experts, Vietnam is emerging as a new manufacturing center attracting strong interest from major corporations as they adjust their global strategies. In practice, the alignment between the world’s readiness to take risks for innovation and domestic enterprises’ efforts to strengthen internal capacity is creating a favorable turning point. If institutional reforms continue, workforce quality improves, and infrastructure development progresses, Vietnam will be able to turn opportunity into long-term advantage in the next stage of development, a stage in which growth depends not only on scale but also on the quality and depth of value added.

Coordinated solutions to remove structural bottlenecks

A late-2025 report by the International Labor Organization (ILO) highlighted a paradox: Vietnam is one of the largest beneficiaries of global supply chains, yet also one of the most

Vietnam Repositions Role on Global Trade Map



In 2025, Vietnam's textile and garment industry recorded impressive exports of about US\$46 billion, reaching 138 countries and territories

vulnerable. More than 20 million jobs are linked to global supply chains, showing heavy reliance on external demand. Manufacturing remains the main driver of growth, but up to 82% of jobs in the sector depend on exports.

The most urgent challenges involve logistics infrastructure, transport costs, and the limited development of supporting industries. Localization rates in electronics are only about 5-10%, meaning Vietnam mainly operates at the lowest assembly stage. Dr. Mac Quoc Anh, Vice Chairman of the Hanoi Association of Small and Medium Enterprises, said the greatest risk for Vietnamese firms is the slow improvement of governance capacity. Most SMEs remain in low-value segments with thin margins and limited ability to withstand global shocks.

The risk of “growing old before growing rich” is increasing, as Vietnam's population is aging among the fastest worldwide. If the country does not fully use the next 10 to 15 years to raise labor productivity and technological capacity, it will find it difficult to overcome environmental measures such as the Carbon Border Adjustment Mechanism (CBAM) and strong competition from countries like India and Indonesia.

To address structural constraints and strengthen Vietnam's position in global production networks, the Ministry of Industry and Trade has outlined several key measures.

First, it calls for a new approach to foreign investment. Vietnam can no longer attract capital at any cost but must apply stricter selection criteria, with clear conditions. Incentives should be linked to advanced technology transfer and commitments to purchase goods and services from domestic firms. The Ministry of Industry and Trade will oversee this process to ensure new projects match global demand trends and national development priorities.

Second, the Ministry aims to strengthen linkages among domestic enterprises. Through support policies under decrees on supporting industries, the Government is helping Vietnamese companies upgrade their capabilities to become key component suppliers. The goal is to enable local firms to integrate more deeply into the

production networks of major corporations instead of remaining in simple, easily replaceable roles.

To reduce dependence on a few traditional markets, Vietnam needs to make full use of its 17 signed trade agreements to expand exports globally. At the same time, promoting cross-border e-commerce can help smaller businesses reach international customers more directly and rely less on costly intermediaries.

As the population ages, Vietnam can no longer depend on abundant low-cost manual labor. Vocational training must be fundamentally reformed, with education more closely linked to practical skills and market demand. Giving priority to areas such as semiconductor chips and automation will help workers improve productivity and earn higher incomes, while also reducing the risk of future labor shortages.

Finally, maintaining macroeconomic stability remains crucial. According to Chu Thanh Tuan, Deputy Head of Bachelor of Business at RMIT University Vietnam, despite global uncertainty, Vietnam must protect currency stability and keep inflation under control. Resources gained during periods of strong growth should be invested in infrastructure, including roads, ports, and clean energy, to build the resilience needed to handle unpredictable changes in global markets. ■

Safeguarding Macroeconomic Stability amid Global Uncertainty

Amid rapidly evolving, complex, and unpredictable global developments, particularly as the United States continues to introduce new tariff-related measures and military conflict in the Middle East expands, disrupting global maritime and air transport and affecting supply chains and fuel prices, Vietnam's economy has faced multidimensional pressures on exports, production costs, and macroeconomic stability.

ANH MAI

Stable growth, proactive risk management

According to official data, in the first two months of 2026, macroeconomic conditions remained stable, inflation was kept under control, and major economic balances were maintained. The average Consumer Price Index (CPI) for the two-month period rose an estimated 3%; the monetary market and exchange rates remained broadly stable. The industrial production index increased an estimated 10% over the same period. Agricultural production continued to grow steadily. Total import-export turnover reached an estimated US\$156 billion, up 22.2% (exports rose 18.3%, imports 26.3%); the trade deficit stood at US\$2.98 billion (mainly driven by imports of production materials totaling US\$74.7 billion, accounting for 94.1% of total imports).

Total retail sales of goods and consumer service revenue rose an estimated 8.0%. Vietnam welcomed 4.7 million international visitors, up 18%. Development investment continued to deliver positive results; public investment disbursement in the first two months reached an estimated 5.6% of the annual plan, an absolute increase of VND10.9 trillion (US\$436 million); newly registered foreign direct investment (FDI) rose 61.5%; implemented FDI reached US\$3.2 billion, up 8.8%. The number of enterprises entering the market increased sharply. In the two-month period, 64,500 enterprises were newly established or resumed operations, up 29.4% year-on-year.

Alongside these achievements, Vietnam continued to face difficulties, including significant pressure on macroeconomic management, inflation, exchange rates, and interest rates; sharp fluctuations in gold prices; and substantial capital requirements to support growth of 10% or more. At the same time, business activity in several sectors remained constrained, while smuggling, trade

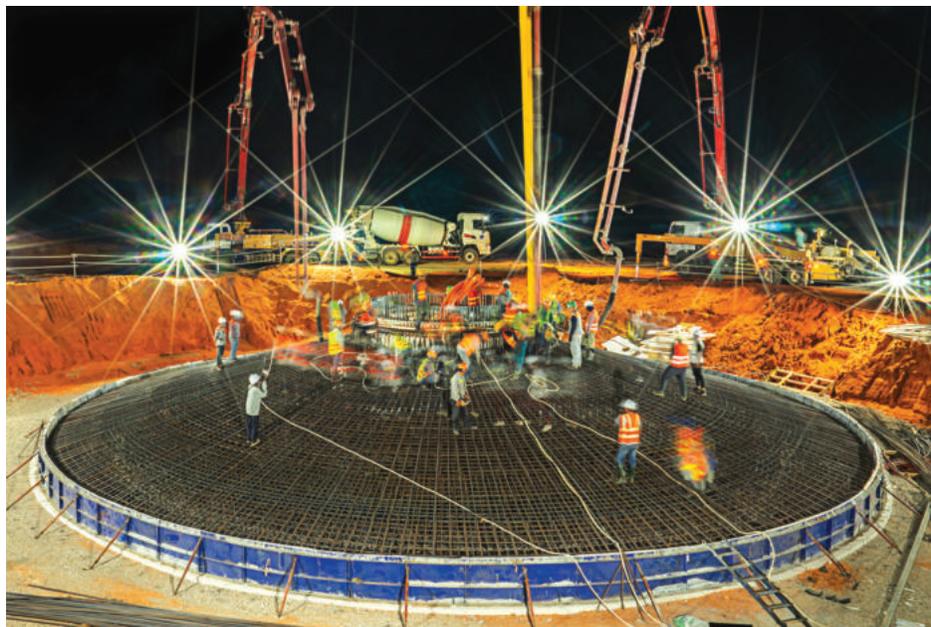
fraud, counterfeit goods, and intellectual property violations grew increasingly complex.

In particular, escalating tensions in the Middle East created serious instability, generating a high-risk environment for transportation, international trade, and global supply chains, with direct implications for Vietnam's economy.

According to the Ministry of Industry and Trade (MoIT), consumer goods prices, fuel costs, and global oil prices are projected to trend upward in the coming period, exerting indirect and multidimensional adverse effects on Vietnam's production and import-export activities in general, as well as trade with the Middle East in particular. For logistics services, higher fuel costs will continue to push up maritime and air freight rates, while affecting cargo routes serving Gulf countries.

In response, the Agency of Foreign Trade under the MoIT asked export-import and logistics associations to closely monitor developments and maintain regular communication with relevant authorities to provide timely updates to their members. This would enable businesses to proactively plan production, organize import-export activities, and arrange cargo transportation to prevent congestion and reduce adverse impacts arising from tensions involving Israel, the United States, and Iran, while strengthening flexibility and resilience amid disruptions in the international business environment affecting Vietnamese enterprises in the future.

At the same time, businesses were advised to diversify supply sources and explore alternative markets with similar demand to reduce risks if exports to Israel, Iran, and the Middle East face prolonged difficulties, while developing long-term contingency plans for similar disruptions.



Production and business activities continue to show positive progress



In the first two months of 2026, Vietnam's processed industrial exports reached US\$68.55 billion, accounting for 89.8% of total export value

Ensuring major economic balances

On the macroeconomic front, at the Government's regular meeting for February 2026, Prime Minister Pham Minh Chinh directed ministries, agencies, and localities to fully implement the Resolution of the 14th National Party Congress, particularly the Action Program and nine thematic resolutions of the Politburo. The overarching objective is to maintain macroeconomic stability, control inflation, secure major economic balances, and drive growth of 10% or higher.

Prime Minister Pham Minh Chinh emphasized that in the coming period, alongside preparations for the election of deputies to the 16th National Assembly and People's Councils for the 2026-2031 term, and preparations for the Second Plenum of the Central Committee and the First Session of the 16th National Assembly, ministries, agencies, and localities must focus on maintaining macroeconomic stability, controlling inflation, promoting growth, safeguarding major economic balances, promptly assessing the impact of the Middle East conflict on Vietnam, and developing timely and effective response scenarios and solutions. Close coordination must continue, with proactive, flexible, timely, and effective monetary policy implemented alongside reasonably expansionary and targeted fiscal policy.

Regarding monetary policy, credit growth ceilings are to be publicly announced and adjusted flexibly and promptly in line with actual conditions; interest rates, exchange rates, and credit are to be managed flexibly and in a coordinated manner; and measures strengthened to direct credit into production and business activities, priority sectors, and growth drivers.

Regarding fiscal policy, solutions are to be studied for issuing Government bonds, project bonds, and local government bonds; efforts intensified to develop capital markets in an efficient and sustainable manner, particularly

the stock market and corporate bond market; and international financial centers are to become operational promptly to attract high-quality investors.

At the same time, traditional growth drivers are to be renewed and new drivers strongly promoted. The allocation and disbursement of public investment capital are to be accelerated from the beginning of the year, particularly for key and nationally significant projects; in 2026, disbursement is targeted at 100% of the capital assigned by the Prime Minister; the international financial center in Vietnam is to operate effectively; construction of the National Single-Window Investment Portal is to be completed urgently; and a digital asset exchange is to be launched. Trade promotion is to be strengthened and export markets diversified; negotiations for new free trade agreements expedited. A "Vietnam Consumer Goods Week" is to be launched, with total retail sales of goods and services targeted to grow 13-15%.

In addition, according to the Prime Minister, Resolution 57 must be strongly implemented to advance the digital economy and digital society; artificial intelligence applications expanded; databases and data centers further developed; nationwide 5G coverage completed; green and circular transition promoted with low carbon emissions; institutional and legal frameworks improved; administrative reform accelerated; obstacles to production and business addressed; and resources mobilized and used effectively.

Amid global uncertainty, the positive results achieved at the beginning of the year provide an important foundation but do not yet create a sufficient buffer against unpredictable volatility. Flexible governance, close coordination between monetary and fiscal policies, and proactive risk-response planning will be key to maintaining macroeconomic stability, strengthening market confidence, and achieving Vietnam's 2026 growth objectives. ■

Vietnam, UK Work Collectively on Derivatives Commodity Market Development

As Vietnam moves toward establishing an International Financial Center (IFC), developing a derivatives commodity trading market is considered an important step to improve market transparency, help businesses manage price risks, and attract international investment capital.

HIEN QUYEN

To support the development of Vietnam's derivatives commodity trading market, the British

Embassy and the British Consulate General in Vietnam recently worked with Boston Consulting Group to organize a capacity-building session to strengthen UK-Vietnam cooperation.

Laying the groundwork for a derivatives commodity market

In his opening remarks at the event, Deputy Minister of Industry and Trade Nguyen Sinh Nhat Tan said Vietnam is moving toward building an IFC capable of connecting with regional and global markets. Within this orientation, the derivatives commodity trading market is considered an important instrument to improve market transparency, help businesses manage price risks, and attract international investment flows.

According to Deputy Minister Nguyen Sinh Nhat Tan, the Government has issued Decree 330/2025/ND-CP regulating the establishment and operation of commodity exchanges within the IFC in Vietnam. The decree creates a flexible legal framework aligned with international practices while providing for an independent clearing center model to strengthen system safety and improve risk management capacity.



UK Ambassador to Vietnam Iain Frew addresses the event

In practice, Vietnam's derivatives commodity trading market has gradually expanded. In 2025, total trading volume reached about 1.54 million contracts, an increase of more than 34% compared with the previous year, with total transaction value estimated at more than VND1,900 trillion (US\$76 billion). This result shows improving market liquidity while reflecting rising demand among businesses for derivatives instruments to hedge price fluctuations.

However, the link between derivatives trading and the domestic physical commodity market remains limited. Therefore, in the coming period, Vietnam plans to gradually pilot physical commodity trading through exchanges for several key commodities. The implementation of this model is expected to help establish domestic reference prices while strengthening Vietnam's role in price formation in international markets.

The event was designed with four thematic sessions focusing on key aspects of commodity and derivatives market development. During the discussions, experts analyzed the overall landscape of the global commodity market, shared experience from representative development models, and assessed Vietnam's position in the process of integrating with international financial markets.

Participants also discussed market structure design,

including exchange models, the operating mechanisms of clearing centers, the legal framework, and trading product portfolios suitable for Vietnam's practical conditions. Risk management and market supervision were also discussed, with international experience shared to strengthen governance capacity when implementing the derivatives market.

Advancing international cooperation to expand the commodity trading ecosystem

Within the Growth Gateway program, the UK Government, Vietnam's Ministry of Industry and Trade (MoIT), and Boston Consulting Group have carried out comparative research, professional training, and partnerships with leading UK exchanges, clearing centers, and technology providers.

The UK is home to internationally recognized financial institutions such as the London Metal Exchange, ICE Futures Europe, and GMEX Group. These organizations are widely regarded as leading models for exchange governance and the operation of clearing systems under global standards.

The UK side affirmed its readiness to share practical experience to support Vietnam in building a market framework suited to domestic conditions while aligning with international practices.

An important step in this process was the Vietnamese Government's issuance of Decree 330/2025/ND-CP, which establishes a legal framework for commodity exchanges operating within the IFC. The decree expands the list of trading products to include agricultural commodities, energy, metals (excluding gold), carbon credits, and certain digital assets, while clarifying the mechanisms for spot and derivatives contracts.

Under the development orientation, from 2026 Vietnam plans to pilot physical commodity trading for several key agricultural products, combining spot, forward, and derivatives contracts in a flexible manner. This model is expected to connect production regions with exporting enterprises, processing companies, logistics services, warehousing, banks, and investors, thereby forming a comprehensive market ecosystem centered on commodity exchanges.

Speaking at the event, UK Ambassador to Vietnam Iain Frew commended the role of the MoIT in studying international standards and promoting institutional reform to develop the derivatives commodity trading market.

According to him, Vietnam has strong advantages to become one of the region's attractive centers for commodity and derivatives trading. Ambassador Iain Frew also expressed hope that the UK will continue accompanying Vietnam in developing the IFC and building a modern, transparent commodity market closely connected with global markets. ■

(from P.7)

forward-looking and comprehensive thinking about the modern cultural environment.

To promote the values, strength, and identity of Vietnamese people and culture in the modern world, the Resolution calls for "proactive and active international integration in culture." The key idea is to integrate culture into all external relations at the highest and most effective level across political, economic, cultural, social, defense, and security fields - both participating in integration and selectively absorbing the best of global culture, which are essential to cultural development in the modern era.

Culture as a particularly delicate and distinctive field

According to Trinh Van Quyet, viewing culture as a particularly delicate and distinctive field has shaped the perspectives, objectives, tasks, and solutions set out in Resolution 80.

First, the Resolution calls for a harmonious and balanced handling of the "internal relationships of culture," especially the relationship between tradition and modernity, national identity and international integration, preservation and development. Party resolutions have consistently affirmed that Vietnam's culture moves toward modernity on the foundation of tradition. Continuing this approach, Resolution 80 highlights national character, roots, and unique identity while also recognizing the aspiration and path toward modernity, contributing to the broader progress of human civilization.

The word "modern" appears ten times in Resolution 80 in defining development directions for cultural industries, cultural environments, cultural products, literature and the arts, cultural institutions, and digital creative spaces. This reflects the development requirements for Vietnamese culture in the new era.

The Resolution's view of cultural distinctiveness is also reflected in its policy framework. It repeatedly refers to distinctive, breakthrough, and exceptional mechanisms aimed at unlocking creative potential and nurturing cultural talent.

Three key components for culture development

Resolution 80 identifies three key components as a central task for cultural development: building infrastructure, mobilizing and using resources effectively, and improving the quality of cultural human resources.

On infrastructure, the Resolution sets the objective to "focus on investing in and completing cultural infrastructure, prioritizing national-level cultural institutions that meet regional and international standards" - a requirement not previously stated in this way.

Regarding resources, the Resolution stresses the need to "ensure adequate funding for programs and projects, increase focused and prioritized public investment in culture, and attract the highest possible level of social investment."

A core pillar of breakthrough cultural development is the development of a human resource strategy, especially for high-quality personnel and strategic-level officials. This includes planning, training, and capacity-building for leaders, managers, civil servants, public employees, workers, and key local officials, as well as building networks of cultural experts at home and abroad.

The Resolution also calls for advanced and modern standards in education and research on Vietnamese culture and civilization, taking into account their specific characteristics. Under current conditions, each of these tasks presents a significant challenge and requires innovative thinking and a long-term, urgent, and determined implementation plan. ■

Non-Taxable Revenue Threshold Raised to VND500 Mln for Business Households

The Government has issued Decree 68/2026 on tax policy and tax management for household businesses and individual business operators. The decree takes effect on March 5, 2026 and introduces new provisions related to value-added tax (VAT), personal income tax (PIT), and other taxes, while clarifying tax administration mechanisms for the household and individual business sector, which is playing an increasingly important role in the economy.

HUONG HAU

Clarifying PIT calculation based on revenue scale

One notable provision of Decree 68 sets a specific revenue threshold used to determine tax obligations for household and individual businesses. Under the regulation, household and individual businesses with annual revenue from production and business activities of VND500 million or less are not subject to VAT and are not required to pay PIT.

By contrast, where annual revenue exceeds VND500 million, household and individual businesses must fulfill tax obligations in accordance with current legal provisions.

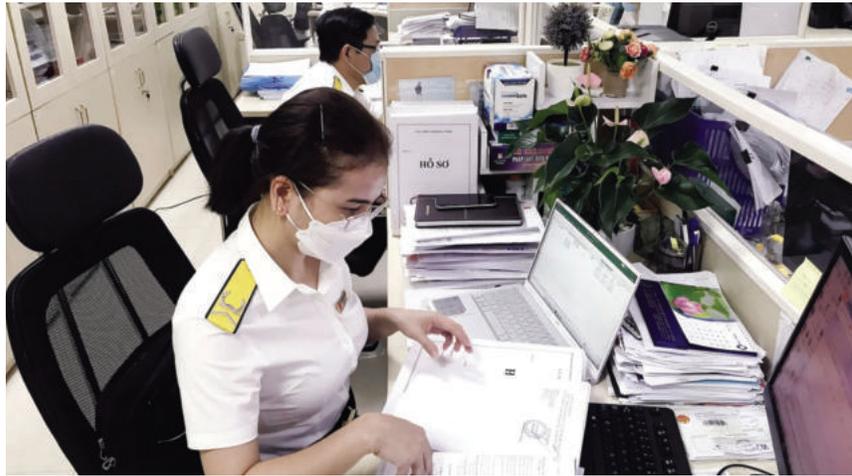
For VAT, business individuals whose revenue exceeds the threshold must pay tax using the direct method based on revenue, with percentage rates applied in accordance with the Law on VAT and related guiding documents.

The regulation clarifies the basis for determining tax obligations for household and individual businesses while providing a foundation for tax authorities to apply management measures suited to the characteristics of this type of business.

Alongside the revenue threshold provision, Decree 68 also clarifies how PIT obligations are determined for business individuals.

Under the regulation, business individuals with annual revenue above VND500 million must fulfill PIT obligations under the Law on Personal Income Tax. However, before calculating tax, individuals may deduct VND500 million in annual revenue.

Where an individual conducts business in several sectors or at several locations, this deduction may be allocated to one or more business activities in the manner most beneficial to the taxpayer. However, the total deduction within a year must not exceed VND500 million.



Under Decree 68, household and individual businesses with annual revenue of VND500 million or less are exempt from VAT and PIT

A similar provision applies to individuals leasing real estate. If an individual has several lease contracts during the year, they may choose one or more contracts to apply the VND500 million deduction before calculating tax. However, the total deduction applied to all lease contracts in a year must also not exceed the prescribed limit.

Decree 68 also classifies PIT calculation methods based on revenue scale to suit different groups of business individuals.

Specifically, business individuals with annual revenue above VND500 million and up to VND3 billion will apply the tax calculation method using the tax rate multiplied by taxable revenue.

Meanwhile, individuals with annual revenue exceeding VND3 billion must apply the tax calculation method based on taxable income, meaning revenue after deducting reasonable and valid expenses in accordance with regulations, then applying the tax rate to determine the tax payable.

For individuals with annual revenue from VND500 million to VND3 billion, in addition to the revenue-based method, taxpayers may choose to apply the taxable income method. However, once this method is selected, it must be maintained for at least two consecutive years.

The clear classification of tax calculation methods by revenue scale is expected to improve transparency in fulfilling tax obligations while aligning with the operational characteristics of different groups of business individuals.

Greater revenue transparency and responsibilities for digital platforms

Beyond provisions on revenue thresholds and tax calculation methods, Decree 68 also sets out how taxable

revenue for household and individual businesses is determined.

Accordingly, taxable revenue includes all proceeds from the sale of goods, service provision, bonuses, sales incentives, payment discounts, contract compensation, and other income related to business activities.

These revenues are included regardless of whether payment has been received, ensuring that taxable revenue reflects the full scale of an individual's business operations. For cases applying the taxable income method, Decree 68 also provides clear guidance on deductible expenses when determining taxable income.

Allowable deductions include costs of raw materials, employee wages, purchased services, depreciation of assets used for business activities, loan interest serving business operations, and other reasonable expenses with valid invoices and supporting documents in accordance with regulations.

By contrast, expenses unrelated to business activities, costs without valid documentation, personal expenses, or the business individual's own salary are not deductible when determining taxable income.

In addition to VAT and PIT, Decree 68 also provides that household and individual businesses operating in sectors subject to special consumption tax, natural resource tax, or environmental protection tax must continue fulfilling tax obligations in accordance with the relevant tax regulations.

Decree 68 also clarifies provisions related to tax declaration, tax calculation, tax payment, and tax finalization, as well as the handling of excess tax payments, late payment interest, and penalties.

Another notable provision concerns the responsibilities of e-commerce platforms and digital platforms in fulfilling tax obligations for household and individual businesses operating in the digital environment.

Accordingly, operators of e-commerce and digital platforms are responsible for withholding, declaring, and remitting the tax amounts withheld from household and individual businesses in accordance with regulations. In addition, Decree 68 sets out the responsibility of organizations to declare and pay tax on behalf of individuals in certain cases such as business cooperation arrangements or agency sales at fixed prices in sectors such as lottery distribution, insurance, and multi-level marketing.

Decree 68 also addresses the use of electronic invoices and the responsibilities of relevant organizations and individuals in the process of fulfilling tax obligations.

The issuance of Decree 68 is expected to further complete the legal framework for tax management of household and individual businesses while improving transparency in determining revenue and fulfilling tax obligations, particularly as business activities on digital platforms and e-commerce continue to expand. ■

PERSONAL INCOME TAX FINALIZATION FOR 2025

Current Family Deduction Levels Remain in Effect

The tax authority has issued Official Dispatch 1296/CT-NVT guiding personal income tax (PIT) finalization for income from salaries and wages, outlining key issues related to family circumstance deductions, the applicable tax schedule, and the responsibilities of taxpayers and income-paying organizations during the 2025 finalization period.

LE HIEN

According to the tax authority, during the 2025 tax finalization period, policies on family circumstance deductions and the progressive tax schedule will continue to apply under current regulations. Changes to deduction levels and the tax bracket structure will take effect starting from the 2026 tax period.

Existing family deduction levels continue to apply

Under Official Dispatch 1296/CT-NVT, the family circumstance deduction applicable to the 2025 tax finalization period is determined in line with Resolution 954/2020/UBTVQH14 of the National Assembly Standing Committee.

Specifically, the deduction for taxpayers is VND11 million per month, equivalent to VND132 million per year. For each dependent, the deduction is VND4.4 million per month.

Accordingly, when completing PIT finalization for 2025, individuals earning income from salaries and wages will continue to apply these deduction levels to determine taxable income.

The tax authority said these deduction levels apply to the entire 2025 tax period. Any adjustment to family circumstance deductions will take effect starting from the 2026 tax period under newly issued regulations.

Accordingly, from January 1, 2026, family circumstance deductions will be implemented under Resolution 110/2025/UBTVQH15 of the National Assembly Standing Committee, replacing the current provisions under Resolution 954/2020/UBTVQH14.

Under the new rules, the deduction for taxpayers will increase to VND15.5 million per month, equivalent to VND186 million





The tax sector has many programs to modernize tax administration and enhance transparency and convenience for taxpayers

per year. At the same time, the deduction for each dependent will also be adjusted to VND6.2 million per month.

The adjustment to family circumstance deductions is expected to raise the taxable income threshold, thereby easing the tax burden on taxpayers as living costs and average household incomes have changed.

At the same time, the new policy is expected to provide greater financial flexibility while aligning more closely with current living conditions and income levels across society.

Taxpayers should proactively review finalization obligations

Alongside the provisions on family circumstance deductions, the tax authority also drew attention to the application of the progressive tax schedule during the 2025 tax finalization period.

Under Personal Income Tax Law 04/2007/QH12, income from salaries and wages earned by resident individuals during the 2025 tax period will continue to be subject to a progressive tax schedule with seven tax brackets.

However, beginning with the 2026 tax period, under Personal Income Tax Law 109/2025/QH15, the progressive tax schedule will be adjusted to five tax brackets. This change aims to simplify tax calculation and make it easier for taxpayers during tax declaration and compliance.

Regarding tax finalization, the tax authority recommends that taxpayers proactively review income earned during the year to clearly determine their obligations. This includes cases requiring direct finalization with the tax authority, cases eligible to authorize finalization, and cases not subject to finalization under the regulations.

For organizations and individuals paying income from salaries and wages, the tax authority requires PIT finalization declarations regardless of whether tax withholding occurred. At the same time, these entities are responsible for completing tax finalization on behalf of individuals when employees provide authorization in accordance with the rules.

If an organization or individual paying income undergoes dissolution, bankruptcy, termination of operations, contract termination, or corporate restructuring, PIT finalization declarations must be submitted up to the time these events occur.

For individuals earning income from salaries and wages, the tax authority identified several cases requiring direct finalization with the tax authority. Specifically, resident individuals with income from two or more sources who do not meet the conditions for authorized finalization must directly submit tax finalization declarations to the tax authority if additional tax is payable or if excess tax has been paid and a refund or offset against the next tax period is requested.

In addition, resident individuals receiving salary or wage income from overseas or from international organizations, embassies, or consulates where tax has not been withheld during the year must also carry out tax finalization directly with the tax authority if additional tax arises or if excess tax has been paid and a refund or offset is requested.

For foreign individuals ending their employment contracts in Vietnam, the tax authority requires tax finalization with the tax authority before departure. If the individual has not completed the finalization procedures before leaving Vietnam, they may authorize the income-paying organization or another organization or individual to complete the finalization in accordance with regulations.

To support taxpayers during the finalization process, the tax authority recommends that individuals install and use the eTax Mobile application. Through the application, taxpayers can review income information that income-paying organizations have declared during the year and monitor their tax obligations.

Based on updated data, the system also helps determine whether an individual must directly complete PIT finalization, thereby reducing errors and making it easier for taxpayers to fulfill obligations to the government budget. ■

CENTRALIZED CUSTOMS CLEARANCE

Advancing Trade Procedure Reform

The customs authority is completing preparations to implement the centralized clearance project immediately after it receives approval from the Ministry of Finance. The model is expected to advance customs procedure reform, streamline dossier processing, improve government management efficiency, and support businesses' trade activities.

DUY HUNG

On March 4, a working delegation led by Nguyen Van Tho, Director General of the Department of Vietnam Customs, met with Regional Customs Sub-Department III to gather feedback and refine the centralized clearance project before submitting it to the Ministry of Finance for review and approval.

During the meeting, representatives from the Customs Supervision and Management Board and Regional Customs Sub-Department III reported on the progress of developing the project while clarifying key issues related to implementation plans. Discussions focused on information technology infrastructure, personnel arrangements, operational procedures, and coordination mechanisms among units during the rollout of the model.

According to the units responsible for developing the project, implementing centralized clearance requires synchronized preparation in organizational structure, operational procedures, and technical infrastructure. During the development process, the units conducted a comprehensive review of related operational stages to ensure the model can operate smoothly once implemented, limiting potential obstacles.

At the meeting, participants discussed and provided specific recommendations to complete the project's content. Key areas of discussion included methods for organizing dossier processing, mechanisms for assigning responsibilities among operational units, and anticipating situations that may arise during practical implementation.

The feedback also stressed the need to build closely coordinated procedures across operational stages to ensure administrative processing is carried out quickly and



Customs officers inspect export-import commodity codes

transparently while still meeting government management requirements in the customs sector.

Concluding the meeting, Director General Nguyen Van Tho requested that units fully incorporate the feedback and promptly finalize the project for submission to the Ministry of Finance for review and approval as soon as possible. Customs leadership also called for careful preparation of the necessary conditions to ensure implementation can begin immediately after the project receives approval.

Under the plan, the centralized clearance model will first be piloted at Regional Customs Sub-Department III. The pilot phase aims to assess the model's operational effectiveness while continuing to refine procedures and coordination mechanisms before considering expansion across the entire customs system.

As part of the working program, the delegation also conducted a field survey of the proposed location for the centralized clearance model while reviewing facility and technical infrastructure conditions to ensure readiness for operation as soon as the project is approved.

The implementation of the centralized clearance project is expected to mark an important step in the modernization of the customs sector. By concentrating procedural processing points, the model will help improve management efficiency while creating more favorable conditions for the business community in import-export activities, thereby facilitating goods circulation and supporting trade growth in the coming period. ■

VIETNAMESE ENTERPRISES

Challenge in Digitizing, Greening Supply Chains

Digital transformation combined with green transformation not only helps Vietnamese enterprises meet market requirements, but also supports the rise of a new generation of dual-transformation companies that are more modern, more transparent, and more sustainable.

ANH MAI

Dual transformation is becoming the new rule of the global marketplace, creating growing pressure on Vietnamese enterprises to change if they want to remain in export markets and supply chains.

In 2026, a series of European green economy laws, including the Corporate Sustainability Due Diligence Directive, the Carbon Border Adjustment Mechanism, and the Digital Product Passport, have moved from policy direction to enforcement. At the same time, green capital disbursement conditions set by international financial institutions are making green transformation a mandatory requirement. As a result, the entire supply chain, from foreign direct investment (FDI) enterprises and exporters to domestic small and medium-sized enterprises (SMEs), is being drawn into a new framework in which emissions data, energy transparency, and ESG (environmental - social - governance) accountability have become basic conditions for survival.

In Vietnam, this pressure aligns with national commitments on green growth and Net Zero, creating a dual wave that directly affects businesses. Exporters, firms involved in global supply chains, and energy-intensive sectors such as steel, cement, fertilizer, power, logistics, and agro-forestry-fisheries are facing the earliest and strongest pressure to adapt. For these sectors, dual transformation is no longer simply a cost issue but a requirement to maintain market access, secure funding, and protect their position in value chains.

In practice, large conglomerates and FDI enterprises are



TH Group invests heavily in sustainable high-tech agriculture

leading this shift, followed by SMEs which, although still adjusting, have begun to invest and pay closer attention. Micro-enterprises, cooperatives, and household businesses remain mostly at the awareness stage.

Many Vietnamese companies are actively pursuing digital transformation and sustainable development in their production and business operations to improve competitiveness. Vingroup has developed a technology ecosystem with digital governance and data solutions; Rang Dong Light Source and Vacuum Flask JSC has introduced energy-saving products and improved management efficiency; TH Group has invested in sustainable high-tech agriculture; and export-oriented textile and garment companies such as Garment 10 Corporation have stepped up the use of modern management software in manufacturing. Although their scale and approaches differ, digitizing operations, optimizing energy use, and improving resource efficiency are becoming common priorities among domestic enterprises.

A clear example of the dual transformation trend in Vietnam is the strategic partnership between FPT and Vingroup to promote green transformation based on digital technology. This goes beyond a commercial agreement and reflects the long-term vision of large corporations combining sustainable development goals with core technological



Dual transformation involves not only technology but also changes in operating models and corporate culture

strengths. Within Vingroup's ecosystem, VinFast plays a central role through its strategy to develop smart electric vehicles and green mobility solutions. The focus on software, automotive technology, and IT infrastructure provided by FPT shows that green transformation is being carried out alongside comprehensive and systematic digitalization.

FDI enterprises in Vietnam are creating growing spillover pressure on the country's dual transformation process. They bring not only capital but also higher standards in technology, ESG, and sustainable development. Major corporations such as Samsung, Honda, LEGO Group, Qualcomm, Intel, and HEINEKEN are incorporating digital and green transformation as parallel pillars in their investment and operations in Vietnam.

From increasing the use of renewable energy and applying circular economy models to digitizing production, supply chain management, and product traceability, green and digital standards are gradually becoming common practice within the FDI sector. This, in turn, pushes domestic enterprises to upgrade their capabilities and take part more deeply in global value chains.

Although the dual transformation trend is clear, implementation in Vietnam still faces significant barriers. The widest gap is between large enterprises and small and micro businesses. High initial investment costs and uncertainty about short-term returns are additional challenges. Many companies continue to see green transformation as a financial

burden rather than a strategic investment that can reduce risk, expand markets, and open access to new funding. Human resources and governance capacity also remain constraints. Dual transformation is not only a technology issue but a broad shift in operating models and corporate culture. Without clear leadership and strong commitment, technology alone is unlikely to deliver real results.

In this context, financial incentives, green credit, and public-private partnerships have become increasingly important. Many experts believe dual transformation is reshaping global supply chains and creating opportunities for those who act early and decisively. With strong renewable energy potential, fast growth in the digital economy, and a dynamic workforce, Vietnam is in a good position to use dual transformation to strengthen its role in global value chains.

From another perspective, Le Nguyen Duy Oanh, Deputy Director of the Ho Chi Minh City Center for Supporting Industries Development (CSID), said the main challenge for Vietnamese enterprises today is not only investment cost but the lack of a clear action framework for transformation. Businesses therefore need to actively study and gradually adopt new technologies, especially green and renewable energy, while building a workforce ready for dual transformation. These steps will help create a capable transformation ecosystem, allowing enterprises not only to adapt but also to measure clear economic benefits. ■

SMART LOGISTICS

Key to Supply Chain Restructuring

Logistics is a sector with strong growth prospects in Vietnam in the coming years. With advances in information technology and artificial intelligence, smart logistics systems are becoming more common and essential for optimizing transportation, warehousing, and goods management across supply chains.

QUYNH CHI

Strong growth potential

According to available data, Vietnam's logistics services sector has recorded strong growth, averaging 14-16% annually, more than double the global average. The market is valued at approximately US\$45-50 billion, accounting for about 10% of GDP and 5% of total import-export turnover.

In 2025, Vietnam ranked among the Top 10 emerging logistics markets, placed fourth regionally in the Logistics Opportunities Index, and stood in the Top 5 in ASEAN and Top 40 globally in the Logistics Performance Index (LPI).

Located along major international maritime and aviation

routes, with a coastline of more than 3,200 kilometers and a wide network of seaports, airports, and border gates, Vietnam has the conditions to become a major logistics hub in the region.

In recent years, Vietnam has taken coordinated and decisive steps to develop the logistics sector. These include synchronized investment in key logistics infrastructure and transport systems across all five modes: road, rail, air, sea, and inland waterways. At the same time, the country has introduced strong incentives for logistics businesses and investors, such as corporate income tax exemptions and reductions for new projects, preferential land lease rates and infrastructure support in industrial parks and economic zones, and support for research and technology application.

In adopting smart logistics, Vietnam's first major digital transformation milestone was the launch of the "Vinh Phuc ICD Logistics Center - SuperPort" project. The project is jointly invested by T&T Group (Vietnam) and YCH Holdings (Singapore) to build a modern smart logistics hub. It combines an inland container depot (ICD) with a high-tech, multimodal logistics center that is among the region's leading facilities.

Many Vietnamese enterprises have applied smart logistics and achieved clear benefits. After introducing its e-Port system and electronic delivery orders, together with advanced management and operating programs, Saigon Newport



Corporation reduced vessel time at port by 55%, cut cargo delivery time to three-quarters of its previous level, and lowered labor and traffic safety incidents. FPT Corporation, by using its Customer Insights Platform for data analysis, retained nearly 40,000 customers and increased monthly revenue by hundreds of billions of VND. BEST Express has also developed technologies to improve warehouse efficiency. Its two main systems, DWS (Dimensioning Weighing Scanning) and WCS (Warehouse Control System), integrate artificial intelligence to automatically manage cargo flows. As a result, BEST Express can process more than one million orders per day, shorten sorting time, and deliver goods to end users in less than 48 hours.

Accelerating the adoption of smart logistics

Under the Vietnam Logistics Services Development Strategy for 2025-2035, with a vision to 2050, the added value of logistics services is projected to account for 5-7% of GDP in the 2025-2035 period. The sector's average annual growth rate is targeted at 12-15%, and its Logistics Performance Index (LPI), published by the World Bank, is expected to rank among the top 40 countries and territories worldwide. The share of logistics service providers applying digital transformation solutions is projected to reach 80% of Vietnam's logistics enterprises.

By 2050, the added value of logistics services is expected to account for 7-9% of GDP, with an average annual growth rate of 10-12%. The proportion of logistics service providers applying digital transformation solutions is targeted to reach 100% of Vietnam's logistics enterprises.

To achieve these goals, promoting digital transformation and developing smart logistics has become a priority for Vietnam. Smart logistics applies advanced technologies such as artificial intelligence, big data, the Internet of Things (IoT), and cloud computing to improve transportation and supply chain management. The integration of robotics, augmented and virtual reality (AR/VR), automated guided vehicles (AGVs), robotic arms, and blockchain helps create a more efficient operating system. Smart logistics allows workers to focus on more creative tasks, reduces costs by saving time and improving productivity, and creates a more flexible and efficient working environment.

According to Yap Kwong Weng, General Director of Vietnam SuperPort (YCH Group), advances in automation, data

connectivity, and artificial intelligence not only improve operational efficiency but also support smarter and more sustainable cargo transport. AI and the IoT are increasingly applied in port management, data optimization, route planning, reducing waiting times, and cutting emissions. The shift toward green and scalable supply chains is becoming a key focus, especially in ASEAN, where innovation is accelerating with the growth of automated terminals and modern management systems.

According to data from the E-Commerce and Digital Economy Agency (Ministry of Industry and Trade), 61% of Vietnamese enterprises had applied digital technology in logistics operations by the end of 2024. These technologies reduced average logistics costs by 23% compared with traditional methods and shortened average order processing time by 35% through automation.

Demand for digital transformation in logistics is rising rapidly to keep pace with the growth of e-commerce and import-export activities. A clear trend is the development of connected smart supply chains, investment in real-time management systems, and the expansion of flexible warehousing models.

In the coming period, according to Viet Research, a market research and corporate strategy consulting firm, digital platforms will connect to form a logistics digital ecosystem, linking all stages from warehousing and transportation to delivery. This will provide enterprises with full supply chain visibility, enabling faster and more effective decisions. Experts advise businesses to apply advanced technologies such as AI, IoT, and blockchain in supply chain management to improve forecasting, optimize transport routes, and enhance transparency throughout the entire process. ■



Cargo throughput at Hai Phong port has maintained strong growth in recent years

Diversifying Export Markets for Stronger Resilience

The shift toward a multi-centered trade landscape is reshaping the global economy, pushing Vietnam to speed up its export market diversification strategy to reduce dependence and improve resilience against external shocks.

GIANG TU

Multipolar global trade and its impact on Vietnam's exports

Global trade in 2025-2026 continues to develop within a multi-centered structure, as major growth centers such as the United States (U.S.), the European Union (EU), China, and ASEAN expand their influence at the same time. Strategic competition, supply chain restructuring, selective protectionism, and new green standards are leading to a more fragmented trade environment than in the earlier phase of globalization.

This situation is reflected in international analysis. In early 2026, AP News reported that the European Union has been expanding and diversifying trade ties with Asian economies to reduce reliance on a small number of major partners, with Vietnam seen as an important destination in the EU's trade rebalancing strategy. This shows that "multipolarization" is no longer just an academic concept but a clear policy choice among major economic centers.

Against this backdrop, Vietnam faces both opportunities to expand its markets and pressure to adapt. Export turnover in 2025 reached approximately US\$475 billion, total trade turnover exceeded US\$930 billion, and the trade balance remained in surplus. This record performance reflects the strength of the manufacturing and export sectors.

The market structure is becoming more diversified, although a significant level of concentration remains. The U.S. is the largest export destination, followed by the EU, China, and ASEAN as other key partners. Data from the Ministry of Industry and Trade (MoIT) show that the U.S. still accounts for the largest share of total exports, while the proportion going to Asian and European markets has gradually increased.

Foreign-invested enterprises (FDI) continue to account for



Vietnam records strong export growth in electronics, computers, and components



Harvesting dragon fruit for export

a large share of total exports, particularly in electronics, computers, components, and mobile phones. This supports growth but also puts pressure on domestic firms to strengthen their capacity and move deeper into value chains.

Acting Minister of Industry and Trade Le Manh Hung said the industry and trade sector must adapt proactively to a more divided global trade environment, diversify markets and supply chains to reduce risk, and enhance the economy's self-reliance. This reflects a shift in policy thinking from expansion alone toward greater balance and sustainability.

Leveraging new-generation FTAs and expanding into new markets

Within a multipolar trade structure, new-generation free trade agreements such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Regional Comprehensive Economic Partnership (RCEP) remain key pillars of Vietnam's market expansion strategy. Deep tariff cuts, clear rules of origin, and trade facilitation measures enable Vietnamese goods to reach more markets at more competitive costs.

According to the MoIT, the use of tariff preferences under free trade agreements (FTA) has continued to rise, especially in CPTPP and RCEP member markets. The increased issuance of preferential certificates of origin (C/O) shows that businesses are becoming more active in taking advantage of integration benefits.

However, as market standards become stricter, particularly in environmental protection, emissions, and traceability, FTA opportunities can only be fully realized if enterprises strengthen their internal capacity. Requirements related to green transformation, the circular economy, and ESG standards have become market entry conditions in many developed economies.

In practice, strategies focused on niche and emerging markets are delivering results. Instead of competing directly in mass-market segments, many companies are moving toward higher value-added products such as processed agricultural goods, organic food, internationally certified seafood, and textiles that meet environmental standards. Exports to the Middle East, South Asia, and several African markets have grown thanks to rising consumer demand and lower competitive pressure. This shows that significant market potential remains for businesses with clear and well-prepared entry strategies.

At the same time, reducing reliance on a small number of major partners is also a way to manage risk. The increase in trade remedy investigations in recent years is a clear reminder of the risks that come with heavy concentration in a single market.

According to the Trade Remedies Authority under the MoIT, the number of investigations involving Vietnamese exports remained high in 2025.

In this context, market diversification means more than adding new destinations; it requires restructuring the overall export strategy to achieve better balance across regions. Enterprises need to invest in market research, develop their own brands, increase technological content, and strengthen quality control instead of relying mainly on contract manufacturing. In a multipolar trade environment, growth must go together with risk diversification, and integration must be matched with greater self-reliance.

Diversifying export markets, making effective use of new-generation FTAs, and actively entering niche and emerging markets will be three main pillars for improving economic resilience. When national policy and business strategy move in the same direction, Vietnam will be better positioned to strengthen its role in an increasingly multipolar and highly competitive global trade network. ■

DIGITAL TRADE TRANSFORMATION

From Requirement to Competitive Edge



Digital technology is transforming trade from paper-based processes to real-time data, smart analytics, and cross-border connectivity

Global trade is entering a phase defined by competition in data, processing speed, and supply chain transparency. For a highly open economy like Vietnam, where import-export turnover has long driven growth and made a substantial contribution to GDP, digital transformation has moved beyond administrative reform to become a requirement for maintaining and strengthening the country's position in international value chains.

GIANG TU

Vietnam's total trade turnover reached a record US\$930.05 billion in 2025, keeping the country among the world's leading trading economies. Behind this figure is intense pressure to process large volumes of data, manage risk, optimize logistics, and comply with increasingly strict international standards. In this environment, technologies such as artificial intelligence (AI), blockchain, and electronic customs systems have shifted from support tools to core infrastructure for import-export operations.

Digital technology reshaping supply chains and cross-border trade

In recent years, Vietnam's customs sector has been viewed as one of the leading areas of digital transformation in the public sector. According to the Department of Vietnam Customs, the entire core customs procedures system has been automated and implemented in electronic data form, linked to the National Single Window and other partners, making it easier for businesses to submit documents and clear goods.

The customs sector has also begun deploying advanced digital solutions to analyze risk and manage goods more effectively, strengthening oversight while facilitating trade. Average customs clearance times for export goods have fallen significantly compared with the period before comprehensive digitalization, helping companies lower storage costs and speed up capital turnover.

Alongside customs reform, the business community has gradually integrated technology into supply chain management. AI is being used to forecast market demand, optimize inventory, and plan transportation routes, while blockchain is being tested to trace agricultural and seafood products in response to transparency requirements from major markets. As the European Union has implemented the Carbon Border Adjustment Mechanism (CBAM), the digitalization of production and supply chain data has become more urgent to meet emissions reporting requirements.

Tran Thanh Hai, Deputy Director General of the Agency of Foreign Trade under the Ministry of Industry and Trade, said Vietnam's trade is shifting from growth in volume to improvement in quality, with compliance with technical standards, environmental requirements, and traceability requirements in major markets becoming mandatory to sustain long-term growth.

Digital technology is reshaping the nature of trade, moving from a model dependent on paper documentation and manual inspection to one built on real-time data, intelligent analytics, and cross-border connectivity.

Vietnamese enterprises: significant opportunities, yet gaps remain

Although digital transformation has gained momentum, Vietnam's business landscape remains uneven. Most companies have begun applying digital technology to varying

degrees, but comprehensive transformation in supply chain and import-export management is still limited, particularly among small and medium-sized enterprises.

Nguyen Quang Vinh, Vice President of the Vietnam Chamber of Commerce and Industry (VCCI), underscored the need to renew management thinking and adapt to digital transformation, viewing it as the pathway to moving up the global value chain.

In practice, foreign-invested enterprises and large corporations tend to invest systematically in Enterprise Resource Planning (ERP) systems, integrated supply chain management, and big data analytics. Many smaller firms, by contrast, have adopted only accounting software or basic electronic customs declaration systems. If this gap continues, it will reduce their ability to participate deeply in higher value-added supply chains.

High upfront investment costs, shortages of technology talent, and resistance to change remain common barriers. Connecting internal data systems with foreign partners' platforms requires standardized processes and strong data security, conditions that not all enterprises are ready to meet.

On the institutional side, business organizations such as VCCI have continued to call for improvements to the legal framework supporting enterprises in the digital economy, with attention to policy transparency and the flexibility to adapt to new business models in order to create a stable environment, attract investment, and strengthen competitiveness.

At the macro level, the Government has issued strategies on digital government and the digital economy, identifying e-commerce, smart logistics, and digital customs as key pillars. Telecommunications infrastructure, data centers, and the national electronic identification platform have been further developed, creating conditions for more effective use of trade data.

Over the long term, Vietnam's competitive advantage in import-export will depend not only on costs or tariff preferences from free trade agreements, but also on the ability to operate smart, transparent, and sustainable supply chains. Digital transformation is therefore a forward-looking strategy to upgrade the country's position within the global trade structure.

From the practical demands of a highly open economy, digital transformation is steadily shaping a new competitive advantage for Vietnam's import-export sector, an advantage built on processing speed, information transparency, and flexible adaptation in the digital economy era. ■

Middle East Tension Drives Up Logistics Costs, Disrupts Trade

Airstrikes involving the United States, Israel, and Iran in early March 2026 have pushed the Middle East into a period of unpredictable instability, sending shockwaves through global trade. With shipping routes through the Strait of Hormuz nearly at a standstill, Vietnam faces potential disruptions to its key export supply chains.

HUONG LY

Rising logistics cost pressures

Geopolitical tensions in the world's oil hub are creating negative effects on Vietnam's production and trade activities. As the Strait of Hormuz connecting the Persian Gulf with the Indian Ocean becomes blocked, shipping lines have had to reroute vessels around the Cape of Good Hope. This change not only extends transit times by an additional 7-14 days but also raises fuel expenses and war-risk surcharges, pushing logistics costs sharply higher.

The immediate result is rising prices for consumer goods and production inputs, placing dual pressure on inflation and the Consumer Price Index (CPI). In logistics services, the closure of airspace in several Middle Eastern countries has also strained air cargo capacity, driving freight rates higher. This forces Vietnamese exporters to confront a difficult choice: accept lower profit margins to absorb higher transport costs or risk losing orders because of delivery delays. In addition, there is a shortage of container equipment, particularly refrigerated containers, which already have slower turnover and strict technical requirements.

Petroleum and seafood exports face difficulties

Within this broader context, the energy sector is seeing the most direct and immediate effects. Data from 2025 show that Vietnam spent nearly US\$17 billion importing crude oil, refined petroleum products, and LPG. The Nghi Son refinery in particular depends heavily on crude oil supplies from Kuwait transported through the Strait of Hormuz. Although supply remains stable for now thanks to reserve inventories, pressure will increase if the conflict continues into the second quarter of 2026.

According to a representative of Binh Son Refining and Petrochemical Joint Stock Company (BSR), the Dung Quat refinery

(continued on P.38)

FROM ASSEMBLY TO MANUFACTURING

New Chapter for Vietnam Auto Industry

At a time when Vietnam's auto sector has been spending nearly US\$10 billion on imported components, export competitiveness remains limited and underdeveloped, and the global economy is reshaping supply chains, the industry stands at a major turning point with clear opportunities to move toward technological and manufacturing self-reliance.

For nearly three decades, Vietnam's auto industry has operated mainly under an assembly model, with record-low localization rates for passenger vehicles. This has created a macroeconomic "bottleneck." Low localization has resulted in trade imbalances,

limited domestic value creation, the lack of a strong local supply chain, and, in particular, the failure to build high-tech manufacturing capacity at home, placing heavy pressure on the balance of payments and foreign exchange reserves.

However, the 2024-2026 period has brought a clear shift. Leading domestic companies such as VinFast have raised localization rates to a new level. According to the company, the localization rate of its electric vehicles has surpassed 60%, covering key components such as body frames, motors, headliners, and shock absorbers. VinFast aims to increase localization to 84% in 2026.

Vietnam's supporting industries play an important role in the broader economy, particularly in manufacturing sectors such as automotive production. Yet the sector still faces major challenges. First, its scale remains fragmented, as most supporting firms are small and medium-sized enterprises with limited investment in technology and production capacity. Second, competitiveness remains modest. Products from domestic suppliers often struggle to meet international standards on quality and price. Third, supply chain linkages



At THACO, localization rates reach 70% for some models

are weak. Domestic firms lack strong connections with large enterprises and global supply chains.

Given this reality, to ensure the fast and sustainable development of Vietnam's automotive manufacturing sector and to bring "Made in Vietnam" vehicles to export markets, especially as the country enters a new era of prosperity and national advancement, the industry must prepare more carefully to achieve real breakthroughs and new leaps forward, starting with a meaningful increase in the localization rate of vehicles produced in Vietnam.

In response to these practical demands, alongside VinFast, major players such as Truong Hai Auto Corporation (THACO) of Truong Hai Group have proactively produced key components including wiring harnesses, seats, and body frames. At THACO, localization rates have reached 70% for certain models. The company's ecosystem includes an R&D center, a mechanical engineering center, and 17 component manufacturing plants. THACO has taken the lead in producing a wide range of auto components and parts, including seats, interior components, glass, wiring harnesses, leaf springs; molds; air-conditioning systems for passenger cars, trucks, and buses; plastic components; vehicle bodies, semi-trailers, bumpers, seat covers, seat frames, mechanical components, plastic-composite components, and other industrial equipment.

Most recently, Tran Ba Duong, Chairman of the Board of Truong Hai Group, announced plans to launch a passenger car brand (vehicles with fewer than nine seats) under its own name in 2027, creating what many described as a "shockwave" across Vietnam's auto industry. If carried out, the plan would represent not only a strategic move by a leading company but also a sign of broader transformation across the entire automotive sector.

The shift from "assembly" to "manufacturing" not only helps lower production costs but also reduces the economy's exposure to exchange rate shocks and global supply chain disruptions.

In the draft outline of the Strategy for the Development of the Automotive Industry to 2030, with a vision to 2045, prepared by the Ministry of Industry and Trade, the target for Vietnam's auto market by 2035 is total output of about 1,531,400 vehicles, including roughly 852,600 vehicles with up to nine seats, around 84,400 vehicles with 10 seats or more, about 587,900 trucks, and approximately 6,500 specialized vehicles.

The draft sets a target for domestically produced and assembled vehicles to account for about 78% of domestic demand. For supporting industries, the 2026-2035 period aims to meet more than 65% of domestic demand for components and spare parts used in vehicle production and assembly.

To reach these goals, the strategy outlines clear directions, including identifying and forming strategic partnerships; encouraging investment in projects large enough to create markets for supporting industries; promoting the production of environmentally friendly vehicles (fuel-efficient vehicles, hybrid vehicles, biofuel-powered vehicles, electric vehicles, etc.); and complying with emission standards under the roadmap approved by the Prime Minister.

According to a report by the National Statistics Office

under the Ministry of Finance, an estimated 76,186 new vehicles, including both domestically produced and imported units, were added to the Vietnamese market in December 2025. This marked an increase of 12.8% compared with November (67,550 vehicles).

Domestic vehicle production and assembly in December were estimated at 60,700 units, up 23.4% from November and 57.5% from December 2024. For the full year 2025, domestic automakers produced an estimated 484,500 vehicles, a 39.1% increase year-on-year. This marked the highest annual output ever recorded by Vietnam's auto industry.

Among the top 10 best-selling models in the Vietnamese market in 2025, seven were domestically produced and assembled vehicles. VinFast's electric models held the top four positions. The VinFast VF3 ranked first with 44,585 units sold, followed by the VinFast VF5 with 43,913 units, the VinFast Limo Green with 27,127 units, and the VinFast VF6 with 23,291 units.

Amid these market shifts and the growth of domestic auto companies, Dr. Bui Quang Tuan, Vice President of the Vietnam Economic Association and former Director General of the Vietnam Institute of Economics, praised the efforts and achievements of leading firms such as VinFast. These are encouraging signs for the industry. "VinFast will lead from the front, moving ahead while guiding the rest of the industry rather than advancing alone, with the entire sector developing in step with the new context," he said.

According to Dr. Nguyen Van Hoi, Director General of the Vietnam Institute of Strategy and Policy for Industry and Trade, the goal is not only to serve the domestic market but also to export components and integrate more deeply into global value chains. This requires companies to build real competitiveness in international markets. The forthcoming Law on the Development of Key Industries is expected to provide a strong enough legal framework to support these directions.

Despite strong prospects, the "new dawn" of Vietnam's auto industry still faces significant challenges, as market scale must expand further. Domestic consumption has increased but remains too small to optimize the costs of large-scale component production. In addition, intense competition from imported vehicles under the roadmap to cut ASEAN import tariffs to 0% and free trade agreements such as the EU-Vietnam Free Trade Agreement (EVFTA) and the UK-Vietnam Free Trade Agreement (UKVFTA) has placed domestic vehicles under heavy price pressure from markets including Thailand, Indonesia, and China.

Self-reliance in the auto sector therefore goes beyond producing a vehicle carrying a Vietnamese brand; it means building an independent automotive industry. In 2026, as electric and green vehicle markets expand rapidly, Vietnam faces a rare opportunity to leapfrog and reposition itself on the global automotive industry map. Achieving comprehensive transformation will require close coordination between long-term policy support from the government and the ambition and technological self-reliance of private sector conglomerates willing to think boldly and act decisively. ■



Phu Tho Provincial Administrative Center

Phu Tho Strengthens Momentum for Next Growth Stage

In 2025, Phu Tho delivered strong economic results with growth reaching 10.52%, placing it among the highest in the country. Budget revenue, investment attraction, exports, and social welfare indicators also produced positive outcomes, creating an important foundation for the locality to enter a new development phase aimed at rapid and sustainable growth.

LE HIEN

Budget revenue beats estimates, investment climate improves

According to the Phu Tho Provincial People's Committee, in 2025 the province carried out economic and social development tasks in a coordinated manner while ensuring national defense and security and expanding external relations. Amid both opportunities and challenges, strong engagement from the entire political system together with

support from residents and the business community produced important results.

The province's gross regional domestic product (GRDP) growth in 2025 reached 10.52%, ranking fourth nationwide and first in the Northern midland and mountainous region. The economy reached about VND412.4 trillion (US\$16.5 billion), ranking sixth among 34 provinces and cities following administrative unit restructuring.

Budget revenue management was strengthened, with efforts to prevent revenue losses and expand support for taxpayers. Total budget revenue in 2025 reached an estimated VND57.8 trillion (US\$2.31 billion), equal to 127.5% of the estimate assigned by the provincial People's Council and 136.6% of the 2024 figure. Local budget spending reached an estimated VND108.228 trillion (US\$4.33 billion), equal to 166% of the estimate assigned by the provincial People's Council, ensuring efficient and cost-effective use of state budget resources.

At the same time, public investment disbursement continued to accelerate, placing Phu Tho among the five leading localities nationwide in disbursement progress.

The province's investment and business climate continued to improve. Investment promotion and business development support were renewed with a more focused

approach, giving greater attention to expanding and tapping new and promising markets.

In 2025, the province attracted an estimated US\$1.2 billion in foreign direct investment (FDI), reaching 114.2% of the annual target and increasing 38.5% compared with 2024. Domestic investment (DDI) reached an estimated nearly VND220 trillion (US\$8.8 billion), 3.3 times higher than the previous year.

Business registration activities continued to grow. During the year, about 4,500 new enterprises were registered, up 44.2% year-on-year, with total registered capital exceeding VND40 trillion (US\$1.6 billion), an increase of 39.1%. In addition, about 1,000 enterprises resumed production and business operations, up 25% compared with 2024. The province currently has about 41,600 active enterprises, contributing significantly to economic growth and job creation.

Export activity also recorded a strong breakthrough, with export turnover reaching about US\$42 billion, placing Phu Tho among the five localities with the highest export value nationwide.

Alongside economic indicators, the cultural and social sectors continued to deliver positive results. Education and healthcare maintained positions among the country's leading performers. Social welfare policies were implemented in a coordinated manner, contributing to improved living standards. The poverty rate declined to 2.75%, while the program to eliminate temporary and dilapidated housing progressed on schedule.

In the field of social housing, the province launched construction on 12 projects and completed 2,913 housing units, surpassing the target assigned by the Prime Minister. Science and technology, innovation, and digital transformation also continued to advance decisively, gradually delivering practical results.

Laying the groundwork for growth in 2026-2030

The year 2026 carries particular significance as the first year of implementing the Resolution of the 14th National Party Congress and the socio-economic development plan for the 2026-2030 period, while also hosting the election of deputies to the National Assembly and People's Councils at all levels for the 2026-2031 term.

Against a backdrop of expected global and regional volatility, Phu Tho has set a target of about 11% economic growth in 2026, while aiming for budget revenue that exceeds the estimate assigned by the central government.

To achieve this goal, the province plans to continue renewing governance and administration methods toward greater modernization and transparency, strengthening accountability, promoting administrative reform, and assigning responsibilities based on clear personnel, clear tasks, clear deadlines, clear resources, and clear accountability.

Alongside efforts to unlock traditional growth drivers, the locality will focus on building a new growth model in which science and technology, innovation, and digital transformation serve as the main drivers in the coming period.

At the same time, the province will prioritize developing a synchronized and modern infrastructure system, particularly strategic transport networks, urban infrastructure, industrial zones, telecommunications, and digital infrastructure, while making effective use of new development spaces under the approved provincial master plan.

Public communication and information efforts will also continue to receive attention to build social consensus and strengthen the confidence of residents and businesses, contributing to the realization of the province's goal of rapid and sustainable development in the new phase. ■



Phu Tho will prioritize modern, synchronized infrastructure, including transport, urban areas and industrial zones

Clearing Land Bottlenecks for Key Power Projects

At a recent working session with Vietnam Electricity (EVN) to address obstacles in site clearance for power projects across Phu Tho Province, Chairman of the Phu Tho Provincial People's Committee Tran Duy Dong called for the completion of all clearance procedures to ensure the progress of key power projects and support local economic development.

THANH NAM

Removing land clearance bottlenecks

According to reports presented at the meeting, many power projects across the province have moved forward actively. However, compensation and land clearance at several locations remain slow, affecting construction progress.

The 220kV Viet Tri-Tam Duong-Ba Thien transmission line project in Phu Tho Province includes 154 tower foundation positions and 75 safety corridor anchor spans. Most positions have been handed over to the construction contractor, though several tower foundations and anchor spans in certain localities have yet to complete land clearance procedures.

For the 500kV transmission line connecting the 500kV Vinh Yen substation, several positions have already moved into independent construction. However, sections sharing towers with the 220kV Viet Tri-Tam Duong-Ba Thien line still face difficulties due to reliance on the land handover schedule of that project.

In the 500/220kV Nho Quan-Phu Ly-Thuong Tin transmission line project, all tower foundation positions in the province have been handed over. However, several corridor anchor spans still await clearance.

Meanwhile, the 500kV Lao Cai-Vinh Yen transmission line project has completed land handover and construction. The 110kV outgoing line from the 220kV Ba Thien substation, however, still has several corridor anchor spans that have not yet been handed over.

EVN leaders said current challenges mainly involve compensation, support, and land clearance procedures. Delays in land handover at certain positions could affect the timeline for project completion and grid connection. EVN therefore requested that the province continue directing local authorities to resolve outstanding issues, allowing project investors to move forward with construction.



Chairman of the Phu Tho Provincial People's Committee
Tran Duy Dong addresses the event

Pushing for completion in March

Concluding the meeting, Chairman Tran Duy Dong said the power projects underway in the province play an important role in strengthening the power system and meeting electricity demand for production, business activities, and daily life.

As electricity demand continues to rise, the early completion of transmission and connection projects will help ensure energy security while creating favorable conditions for attracting investment and supporting industrial development in the province.

To keep projects on schedule, the chairman asked relevant local authorities to strengthen responsibility and focus on compensation, support, and land clearance work, while improving coordination with provincial departments, agencies, and project investors to promptly address emerging difficulties.

For the 220kV Viet Tri-Tam Duong-Ba Thien transmission line, localities must complete approval of compensation plans before March 10, 2026, finalize construction protection documentation before March 15, 2026, and hand over all remaining land before March 25, 2026. Communes along the route must commit to the timeline and take responsibility if the schedule is not met.

For the 500kV transmission line connecting the 500kV Vinh Yen substation, land-related procedures must be completed before March 15, 2026, and land handover finalized before March 25, 2026. Compensation and support must follow existing regulations, with no additional support considered for structures built after the stipulated deadline.

For the 500/220kV Nho Quan-Phu Ly-Thuong Tin project, on-site resettlement work and land-related procedures must be completed in March, while all remaining land areas must be handed over in line with the project schedule.

Phu Tho Seeks Cooperation in Hi-Tech Industry

Chairman of the Phu Tho Provincial People's Committee Tran Duy Dong recently met with a delegation from Imarket Vietnam Co., Ltd., led by CEO Kim Hak Jae.

The meeting included representatives from several provincial departments, agencies, and related units to discuss directions for investment cooperation, particularly in developing industrial park infrastructure and attracting high-tech manufacturing projects in the province.

Toward a modern industrial park model

At the meeting, representatives of Imarket Vietnam Co., Ltd. introduced plans to study and propose several investment projects in Phu Tho. The company expressed interest in developing industrial parks under a modern model aimed at attracting industries producing components, materials, and high-tech products. Developing specialized industrial parks linked to supporting industry supply chains will provide a foundation for attracting investors in high-tech manufacturing, in line with Vietnam's industrial development orientation as well as the province's industrial development strategy in the coming period.

The two sides also discussed the possibility of signing a Memorandum of Understanding (MOU) to promote trade and investment activities and support the development of industrial park infrastructure. The cooperation is expected to focus on building mechanisms to support businesses in industrial parks and creating a transparent, favorable, and efficient investment environment for domestic and foreign investors.

Creating an attractive investment environment

Speaking at the meeting, Provincial People's Committee Chairman Tran Duy Dong expressed appreciation for the interest of Imarket Vietnam Co., Ltd. in the province's investment environment. He said the province consistently prioritizes attracting investment projects with high technological content, environmental friendliness, and strong value-added contributions to the local economy.

Phu Tho's investment attraction orientation in the coming



Chairman of the Provincial People's Committee Tran Duy Dong (R) and CEO Kim Hak Jae of Imarket Vietnam Co., Ltd

period will prioritize processing and manufacturing industries, supporting industries, and high-tech production sectors. Projects that meet criteria related to technology, economic efficiency, and environmental protection will receive favorable conditions for implementation.

He also asked departments, agencies, and related units to maintain close coordination and support businesses during research, surveys, and the completion of investment procedures in accordance with regulations.

Regarding the proposal to sign an MOU between the province and the company, Chairman Tran Duy Dong agreed in principle and requested relevant professional agencies to prepare the content and complete the necessary conditions for submission to competent authorities for review before signing in accordance with regulations.

Greater cooperation with international enterprises are expected to create opportunities to attract additional high-tech manufacturing projects, contributing to improved industrial growth quality, promoting economic restructuring, and creating new development momentum for the province in the coming period.

Huong Hau

For the 500kV Lao Cai-Vinh Yen transmission line, relevant agencies will continue reviewing and handling land-related matters to resolve remaining issues during March. Where necessary, construction protection plans will be implemented in accordance with regulations.

Regarding the 110kV outgoing line after the 220kV Ba Thien substation, local authorities must complete approval and payment of compensation so that all remaining land can be handed over before March 25, 2026.

Completing energy infrastructure for development

Chairman Tran Duy Dong also assigned specific responsibilities to departments and agencies to ensure coordinated implementation of the projects.

Accordingly, the Department of Agriculture and Environment will guide localities in resolving land-related issues; police forces will coordinate in developing construction protection plans when necessary; and the Department of Industry and Trade will monitor, compile, and report on implementation progress.

Reaffirming the requirement to meet the established milestones, the provincial chairman called on local authorities to mobilize the entire political system and strengthen public communication so residents understand the significance of the power projects for the province's development.

Completing the key power projects on schedule will not only ensure a stable electricity supply but also create an essential energy infrastructure foundation for investment attraction and economic growth in the province in the coming period. ■

SCG Reinforces Vietnam's Role as Regional Growth Hub



President and CEO Thammasak Sethaudom shares insights on SCG's 2025 business performance and its strategic direction for 2026

SCG recently announced its 2025 operating results at a press conference in Bangkok, highlighting disciplined financial management amid a challenging global and regional economic environment. The group reported revenue of US\$15.1 billion (VND398.9 trillion), down 3% year-on-year, and adjusted EBITDA (cash flow from core operations, excluding extraordinary items) of US\$1.7 billion (VND43.1 trillion), up 6% compared to 2024, while reducing debt by US\$428 million (VND11.3 trillion).

VAN LUONG

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ctual sales declined by 3%; however, because the Thai baht appreciated by around 7%, sales appeared higher when reported in USD.

These results reflect decisive actions taken throughout the year to streamline operations, exit underperforming businesses, and implement comprehensive cost-saving initiatives, delivering total annual savings of approximately US\$131 million (VND3.6 trillion).

Looking ahead, SCG introduced its 2026 strategic direction under the theme “Intensified - Strengthened - Reinforced - Resilient.” The focus will be on maintaining strong financial discipline, building organizational strength, and investing in products that deliver higher value and lower environmental impact, while positioning Vietnam as a key base for regional production and exports.

“2025 was a challenging year, marked by slower global growth, geopolitical uncertainty, and volatile energy prices, particularly for the petrochemical industry. Despite these pressures, SCG remained focused on cash flow management and operational efficiency, allowing us to stay healthy and reduce debt compared to the previous year.

As we move into 2026, we expect market conditions in the chemicals business to stabilize as new global supply slows. While challenges remain across many markets, Vietnam continues to show encouraging economic momentum. We see Vietnam not only as a growing domestic market, but also as a strategic operational base to support regional and global customers,” said Thammasak Sethaudom, CEO of SCG.

This approach reflects SCG's long-term commitment to Vietnam - supporting economic growth, strengthening industrial capability, and creating sustainable value for employees, partners, and communities, even in an uncertain global environment.

Vietnam business highlights

In Vietnam, SCG delivered stable performance in 2025, with total sales of US\$1.7 billion (VND43.1 trillion), up 0.8% year-on-year. A key milestone during the year was the Long Son Petrochemicals (LSP) complex resuming operations in August 2025, marking an important step in strengthening SCG's industrial base in Vietnam.

With 28 subsidiaries nationwide, SCG Vietnam contributed more than US\$31.5 million (VND788.8 billion) to the state budget in 2025, reaffirming its long-term commitment to supporting Vietnam's economic and industrial development.

“Our 2025 performance reflects SCG's ability to stay resilient in a challenging environment, while remaining firmly committed to Vietnam's sustainable growth. By focusing on ESG-driven operations and working closely with our partners, we are building a stronger foundation for long-term competitiveness - while creating real value for the economy, communities, and the environment,” said Kulachet Dharachandra, Country Director of SCG in Vietnam.

Strategic priorities in Vietnam for 2026

SCG has set four key strategic priorities for Vietnam in 2026.

First, it will intensify financial discipline by maintaining healthy cash flow and disciplined capital



SCG Vietnam and its member companies are recognized as Sustainable Development Enterprises 2025 for their consistent ESG strategy and proactive Net Zero initiatives

investment, while continuing to reduce costs through improved energy efficiency, automation, and the use of new technologies.

Second, it will strengthen organizational capabilities by advancing the Regional Optimization Strategy and leveraging synergies between Thai and Vietnamese operations, including shared markets, complementary product portfolios, and best practices. People development remains a priority, supported by the wider use of digital tools, robotics, and AI to raise productivity.

Third, it will reinforce long-term growth engines by capturing market potential driven by Vietnam's ambitious GDP growth targets. A key focus is the US\$500 million Ethane

Feedstock Enhancement (LSPE) Project at LSP, aimed at improving feedstock flexibility and cost competitiveness. The project is progressing as planned and is expected to be completed by the end of 2027.

Finally, SCG will stay resilient and ready by continuously assessing opportunities and risks to ensure rapid responses to changing business and economic conditions.

Commitment to ESG and sustainability

Alongside operational progress, SCG reinforced its sustainability leadership through active participation in industry forums and the sharing of best practices. These efforts were recognized in 2025, with SCG and 7 member companies, including Vina Kraft and 6 companies under Prime Group - honored among the Top 100 Sustainable Enterprises 2025.

In 2025, Duy Tan Plastics also received a hat-trick of sustainability awards, including Green Enterprise of Ho Chi Minh City by Sai Gon Giai Phong Newspaper, Vietnam ESG Awards - Enterprises Pioneering in Circular Economy by Dan Tri Newspaper, and National Green ESG Enterprise by the Institute for Sustainable Development Research. Binh Minh was also honored as a Green Enterprise of Ho Chi Minh City by Sai Gon Giai Phong Newspaper.

Beyond awards, SCG's ESG efforts delivered tangible benefits to people and communities. The company provided VND1.7 billion in scholarships to 160 students through the SCG and LSP Sharing the Dream programs, and offered vocational training to 50 students with disabilities through the SCG Learn to Earn project, in collaboration with DrD and HaliCare.

SCG remains committed to delivering sustainable returns to shareholders while strengthening long-term competitiveness and sustainability in every community where it operates. ■



The LSP Enhancement Project (LSPE) at the Long Son Petrochemical Complex is progressing as planned and is expected to be completed by the end of 2027, reinforcing SCG's long-term growth strategy

Improving Institutions to Advance Vietnam's Value Chains

Vietnam is entering a critical stage where reforming its growth model is no longer optional but urgently necessary. This phase focuses on a “revolution” in policy effectiveness and governance quality, where responsiveness and the ability to use data will determine national competitiveness.

HUONG LY

The consecutive issuance of key resolutions, including Resolution 57, Resolution 79, and Resolution 80, demonstrates Vietnam's determination to turn institutions and data into strategic strengths. As the global economy becomes more multipolar and highly competitive, this direction is considered essential for helping Vietnam move beyond the middle-income trap and build momentum for a new development cycle.

In modern economics, infrastructure now extends beyond “electricity, roads, schools, and clinics” to include data systems and enabling institutions. For the first time, Resolution 79-NQ/TW requires data to be treated as a strategic resource, equal to land and minerals, a change that reshapes the foundation of development.

At the same time, the Government's role is shifting from “management” and “licensing” to “service” and “commitment.” The use of Service Level Agreements (SLA) with businesses reflects this approach, with clear timelines for handling administrative procedures, land approvals, customs clearance, and tax refunds. Experts note that when institutions move slowly, opportunity costs reduce the effectiveness of investment. Cutting administrative procedures by just 10-15% could significantly improve the efficiency of social capital use, creating room for stronger growth.

The official launch of the National Data Center has laid the foundation for an interconnected system linking land, tax, and



Resolution 57-NQ/TW is viewed as the driver of new productive forces

customs data, helping reduce uncertainty costs for businesses. If physical infrastructure supports the movement of goods, digital infrastructure acts as an “information highway,” a key condition for restructuring national supply chains in an era when trade depends on data and algorithms.

Resolution 57-NQ/TW is viewed as the driver of new productive forces, as it formally identifies science, technology, and digital transformation as pillars of growth rather than supporting sectors. Unlike previous slogans, this resolution is supported by clear and coordinated governance mechanisms, addressing inconsistencies between central and local policy implementation.

After just one year of implementation, a series of directives and official dispatches were issued to remove bottlenecks, delivering measurable results: telecommunications infrastructure and internet speeds improved significantly, placing Vietnam among global leaders in fixed broadband. The digital economy's share in 2025 is estimated at 18.72% of GDP, close to the 20% target. Notably, Resolution 193/2025/QH15 allows the Government to use the budget as “seed capital,” sharing risks with enterprises in strategic sectors such as semiconductors and AI. Decree 180/2025/ND-CP on public-private partnerships in science and technology

has created a new policy framework, enabling domestic enterprises to move into higher value-added stages such as R&D and design, instead of remaining in assembly and processing.

To join global value chains, technology is necessary but not sufficient. Resolution 80-NQ/TW on cultural development adds another dimension to competitiveness. Building a generation of entrepreneurs grounded in Vietnamese business ethics, and developing cultural and digital content industries, is strengthening the country's "soft power."

Dr. Pham Anh Tuan, Deputy Director of the Institute of Vietnam and World Economy, suggests establishing a controlled regulatory sandbox for AI, blockchain, data, and digital finance, along with greater investment in training a high-tech workforce. At the same time, strategic capital should be mobilized from both the public and private sectors; innovation funds and a national semiconductor fund should be established; and Public-Private Partnership (PPP) models should be expanded for key projects. The development of innovation centers and high-tech parks in Hanoi, Ho Chi Minh City, Da Nang, and the southern key economic regions should be closely linked with deeper international cooperation in technology transfer, technology security, and national data standards.

In addition, the shift toward green growth under a circular economy model has become a requirement of international

markets. Financial support policies and preferential credit under Decision 29/2025/QĐ-TTg for STEM students and enterprises investing in green technology are helping domestic mechanical engineering firms adjust their operations.

Optimizing processes, reducing waste, and improving energy efficiency not only lower production costs but also serve as a "ticket" for Vietnamese enterprises to join the supply chains of multinational corporations with strict ESG (Environmental - Social - Governance) standards.

The Government has also strengthened the use of Key Performance Indicators (KPIs) in public administration, recognizing that without measuring the effectiveness of each policy and each ministry, resources cannot be used efficiently. The year 2026 has been defined as a shift from "launch" to "deep implementation," requiring the highest level of execution discipline from the central government to local authorities.

Achieving double-digit growth and restructuring national supply chains requires comprehensive solutions: modern institutions, synchronized digital infrastructure, and an innovative workforce. The new resolutions have set the strategic direction; what remains is effective implementation and alignment within the business community. When policy truly moves from paperwork to practice, Vietnam can emerge as a sustainable, self-reliant, and distinctive value hub in the global digital era. ■



A series of directives and dispatches are designed to remove bottlenecks and support business development

(from P.27)

currently uses about 30-35% imported crude oil. If the conflict lasts more than one month, global oil prices could rise, while transport surcharges and the possibility that some countries may restrict exports to prioritize domestic demand could directly affect the refinery's operating plans.

In response, BSR has launched an early import plan to raise crude oil reserves to 120% of operating capacity through the end of April. Even so, risks related to cash flow and long-term access to alternative supply sources remain challenges that require coordination with regulatory agencies.

For the seafood sector, the Middle East is a promising market, with export turnover reaching US\$401 million in 2025. Key products such as pangasius (US\$175.9 million) and shrimp (US\$54.5 million) had been recording double-digit growth before the conflict began. Seafood shipments require strict temperature control and precise delivery schedules; delays carry a high risk that entire consignments may spoil.

Le Hang, Deputy Secretary General of the Vietnam Association of Seafood Exporters and Producers (VASEP), said emergency surcharges ranging from US\$1,500 to US\$4,000 per container are directly raising production costs. When major insurers canceled war-risk coverage for Iranian waters starting March 5, many shipping routes were almost paralyzed. Companies now face not only higher expenses but also the risk of cargo spoilage if power connections for refrigerated containers at transshipment ports such as Jebel Ali become overloaded.

Switching from air transport for fresh products to sea freight for frozen goods is also difficult, as shipping lines such as Maersk and MSC have tightened acceptance of refrigerated containers on Gulf routes. This presents a real test of supply chain management for Vietnamese export companies.

Urgent solutions to weather the storm

Given the severity of the situation, the Agency of

Foreign Trade under the Ministry of Industry and Trade (MoIT) issued Document 229/XNK-TLH outlining an "escape roadmap" for Vietnamese import-export businesses through five core solution groups. These are considered urgent measures to protect the country's trade flows.

First, restructuring markets and supply sources. The MoIT advises companies to quickly seek alternative markets with similar demand to replace exports to Israel, Iran, and the Gulf if disruptions continue.

Second, strengthening legal and insurance safeguards. During contract negotiations, companies should prioritize logistics, transportation, and insurance provisions. Shipping contracts should include clauses covering force majeure, compensation, and cost-sharing if goods encounter risks.

Third, establishing a continuous information mechanism. Companies should work closely with ministries and agencies to update import-export data and geopolitical developments. This coordination allows the government to rely on real-world data when adjusting support policies related to logistics infrastructure, port costs, or preferential credit programs.

Fourth, companies should prepare contingency plans for possible supply chain disruptions.

Fifth, the MoIT has instructed its affiliated units and overseas trade offices to strengthen connections to help companies secure new orders in regions less affected by the conflict, allowing domestic production to maintain its pace.

Nguyen Thuy Hien, Deputy Director of the Domestic Markets Department under the MoIT, said the department is developing scenarios to submit to the government. These include options involving the use of the price stabilization fund, adjustments to taxes and fees, and coordinated efforts to shorten customs clearance procedures while ensuring foreign currency availability and credit access for importing companies during periods of volatility. ■



Container freight rates are projected to surge in the near term



Younger workers show greater optimism about using new technologies to advance their careers

VIETNAM'S LABOR MARKET

High AI Adoption, Yet Emerging Pressures

PwC Vietnam recently announced the launch of “the Global Workforce Hopes and Fears Survey 2025 - Vietnam highlights”, offering fresh insights into the rapidly evolving expectations and career aspirations of Vietnamese workers. As artificial intelligence (AI) drives transformative change worldwide, the survey provides a critical snapshot of how Vietnam’s workforce is adapting to today’s dynamic labor market, balancing optimism with growing demands for stability and fair compensation.

Drawing on responses from over 1,000 Vietnamese employees spanning from more than 7 industries, the survey reveals a workforce increasingly focus into job security, fair recognition and financial well-being. The survey also signals a valuable opportunity for leaders to realign talent strategies with these evolving needs, a decisive factor for driving employee engagement and sustainable growth amid the digital era.

AI adoption and dual impact on Vietnam’s workforce

In Vietnam, the workforce is embracing AI more rapidly than many of the global counterparts. According to the survey, 83% of Vietnamese workers currently use AI in their tasks, significantly higher than the global average of 69%. Notably, 38% of the Vietnamese workforce employs Generative AI daily, a figure that is more than twice the global average of 14%.

This impressive uptake reflects Vietnam’s accelerated digitization and readiness to leverage cutting-edge technologies across industries. It also signals a profound shift in workforce mindset, where AI is increasingly recognized not just as a productivity tool but as a catalyst for career development and innovation. This is underscored by 90% of AI respondents who report tangible improvements in both



productivity and output quality, coupled with high excitement and curiosity about new technological possibilities.

Overall job satisfaction among Vietnamese workers remains high, with 81% expressing satisfaction with their job at least once a week, surpassing the global average of 70%. This suggests that many employees find meaning and inspiration in their work despite the pressures of an evolving labor market.

However, this positive outlook is tempered by emerging challenges. The data reveals signs of strain, with 40% of respondents experiencing financial stress and 58% reporting fatigue - significantly higher than the Middle East's 45%. Younger workers, particularly Generation Z, remains more cautious about job stability. These indicators are not passing concern but represent ongoing priorities for employers to implement effective well-being initiatives - for a motivated and healthy workforce.

Treat security and pay as core motivators

Security, including job stability and financial well-being, is critical to motivation. 79% of the global workforce surveyed rank job security as a top priority when considering new roles, reflecting a cautious approach amid economic uncertainties.

In Vietnam, however, the outlook is more optimistic overall, with 77% of employees confident about their future. Financial security supports this sentiment, with over 60% reporting they are able to cover their expenses, well above the global average. Yet, Generation Z express greater caution about the predictability and durability of their career paths, highlighting the need for employers to address their concerns proactively.

Significantly, productivity improvements thanks to new technologies are already translating into tangible financial rewards in Vietnam. A notable 69% of Vietnamese workers reported receiving pay rises linked to enhanced productivity - markedly higher than the global average of 43%. This paves the way for rising expectations around recognition and rewards, as 51% of Vietnamese workers anticipate requesting salary increases within 2026. It indicates that compensation strategies must align with employee contributions to maintain motivation and talent.

Skills development and leadership in AI era

Globally, more than two-third of employees believe they have a large or moderate amount of control over the way technology will affect their work during the next three years. Younger workers demonstrate greater optimism about their ability to harness rapidly evolving technologies to advance their career goals.

Vietnam's workforce reflects this proactive attitude toward personal and professional development, since 60% of respondents expect AI to significantly transform their job soon. This foresight is matched by a strong demand for upskilling, with 75% of workers considering opportunities to develop new skills a fundamental part of a good job.

Continuous learning is seen as integral to career progression and job security, motivating employees to take charge of their skill development proactively. Most of respondents (74%) affirmed having access to learning and development resources at work. This emphasis on skill enhancement is vital in adapting to the ongoing technological disruptions and the evolving demands of AI-influenced roles.

The evolving business landscape demands that leaders urgently realign talent strategies to reflect their workforce's changing priorities. Prioritizing transparency, fostering trust, and committing to continuous learning are essential to driving meaningful employee engagement and empowerment.

The survey presents six key actions to fuel workforce motivation in the AI era. Keys among them are ensuring fair recognition, supporting mental well-being, and aligning skill development with AI advancements, organisations can secure sustained engagement and long-term growth. Forward-thinking leadership in these areas will be vital to staying competitive in the rapidly evolving digital landscape.

Mohammad Mudasser, Director, Deals - Transformation, PwC Vietnam, shared: "It's fascinating to see how quickly the Vietnamese workforce is embracing AI. It's driven by more than just curiosity; they are seeing tangible benefits to their work and careers. The opportunity for leaders is to build on this momentum. People & Cultural Transformation succeeds when it empowers people to shape the change, not just endure it." ■

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