

News Recap

February 2024



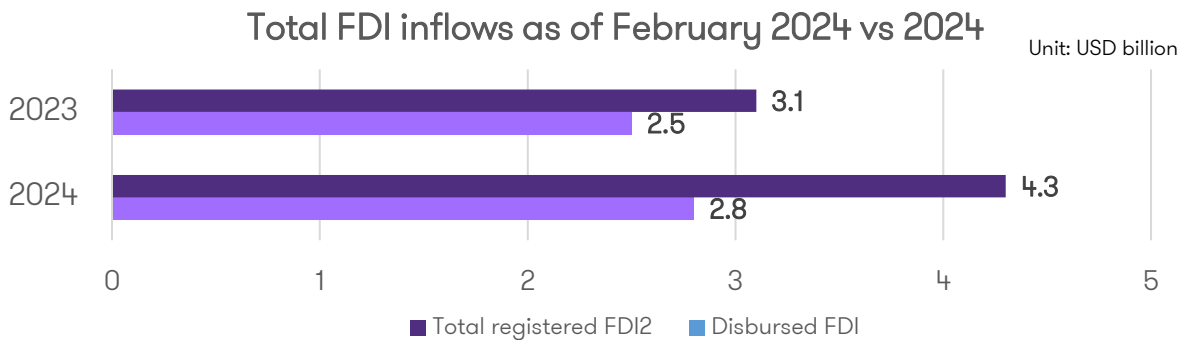
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1. FDI ATTRACTION SUSTAINS POSITIVE GROWTH MOMENTUM

According to the data of the Ministry of Planning and Investment, as of February 20, 2024, total FDI inflows reached more than USD4.29 billion, an increase of 38.6% over the same period last year. In addition, disbursed capital is reported to grow by 9.8% over the same period in 2023, reaching about USD2.8 billion. The positive trend in FDI attraction in the first two months of the year is an encouraging signal for Vietnam, particularly given the prevailing uncertainties in the global economic landscape.

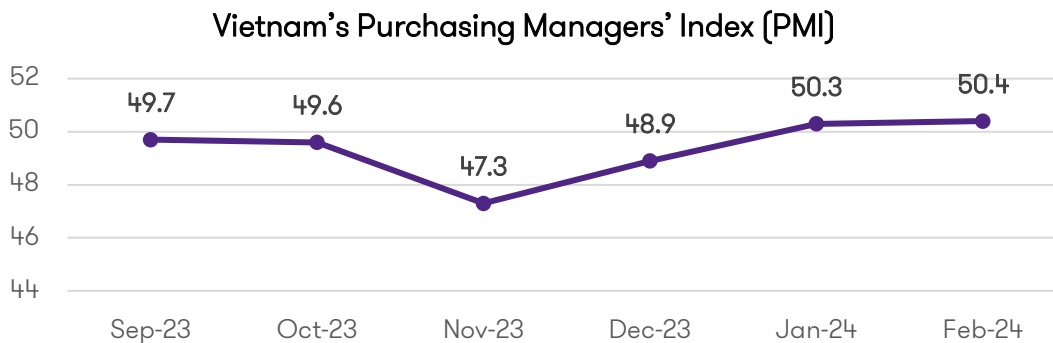


(Source: Vietnam Investment Review)



2. THE MANUFACTURING SECTOR CONTINUES TO SEE BETTER CONDITIONS

As reported by S&P Global, Vietnam's PMI remains above the 50-point no-change threshold in February, increasing slightly by 0.1 point to 50.4 from January's figure of 50.3. The report indicates that both production output and the volume of new orders saw an increase during February. A consistent recovery has led to an improvement in employment and business confidence. Nevertheless, companies continued to reduce purchasing activities, opting instead to utilize existing inventory to meet demand.



(Source: S&P Global)



3. IMPROVEMENT SEEN IN EXPORTS AND IMPORTS POST FIRST TWO MONTHS OF 2024

Vietnam's import and export activities have shown promising signs recently, emerging as a highlight of the economy in the first two months of 2024. According to the General Statistics Office, total export and import turnover reached USD113.96 billion, marking an 18.6% increase over the same period last year. This growth contrasts with a 13.3% decline seen in the previous year. Specifically, exports recorded a turnover of USD59.3 billion, growing by 19.2% while imports reached USD54.6 billion, up 18% over the same period in 2023. Additionally, Vietnam maintains a trade surplus of USD4.7 billion, up USD1.2 billion from last year.

Import-export situation in the first 2 months of 2024

Exports (▲19% YoY)
USD59.3 billion

Imports (▲18% YoY)
USD54.6 billion



TRADE SURPLUS
USD4.7 billion

[Source: Vietnamnews]



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4. OPTIMISM RETURNS IN EXPORTS AS KEY SECTORS SEE RECOVERY

In the first 2 months of 2024, the export turnover of several key export products, notably electronics, garments, footwear, and wood products, experienced high growth rates, signifying a recovery in the manufacturing sector. Products in the agricultural, forestry, and fisheries sector also sustain their positive momentum in 2023.

Export turnover of manufacturing products (Jan – Feb 2024)

	Turnover (USD billion)	Growth rate (% YoY)
Electronics, computers, and parts	9.55	33.9
Garment	5.23	15.0
Footwear	3.27	18.3
Wood and wooden products	2.42	43.8
Vehicles and spare parts	2.23	15.7
Iron and steel	1.50	45.4
Cameras and parts	1.42	65.0

[Source: General Statistics Office]



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5. GROWTH WITNESSED IN THE NUMBER OF NEW BUSINESSES

According to the Business Registration Management Agency under the Ministry of Planning and Investment, the count of newly-established enterprises surged to almost 22,130 in the initial two months of this year, a 12.4% rise compared to the same period in 2023. Various sectors witnessed an uptick in new business formations during the stated period. Notably, the mining industry saw a significant 29% increase, while warehouse transportation, other service activities, and agro, forestry, and fisheries sectors also experienced substantial rises of 27%, 22%, and 20%, respectively. Moreover, the review period indicated a resumption of operations for nearly 18,970 enterprises, marking a 4.4% upswing compared to the same period last year. The figures resulted in a cumulative count of 41,097 newly-established businesses and firms resuming operations, an 8.5% year-on-year increase.

[Source: Vietnamnews]



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6. VIETNAM'S ECONOMY EXPECTED TO STAND OUT IN THE REGION IN 2024

As per the Asia House Annual Outlook 2024 report, Vietnam's economy is expected to outperform regional peers throughout 2024. The organisation forecast Vietnam's economy to expand by around 6% this year, achieving the country's growth target. The manufacturing and export sectors are anticipated to attract considerable foreign investment due to the economy's openness and strong foundational elements. The report commended Vietnam for its efforts in digital transformation, commenting that Vietnam has a thriving tech startup environment and is a leader in crypto-currency adoption and blockchain projects. Aside from Vietnam, the report includes comprehensive outlooks for China, India, Japan, Indonesia, Malaysia, Thailand, and the Philippines, as well as provides insights into Asia's economic prospects for 2024.

[Source: VietnamPlus]



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7. STABLE DEMAND FORECAST IN VIETNAM'S INDUSTRIAL REAL ESTATE MARKET

According to SSI Research, the prospect for Vietnam's industrial real estate market is optimistic. SSI forecasts a stable demand for industrial land rental, particularly in northern provinces, driven by the relocation of manufacturing bases from China to Vietnam, notably in the electronics and semiconductor industries. In the southern part, recovery is also expected, especially in the textile, garment, woodwork, footwear, and food and beverage industries. SSI reports numerous IZ developers signing MOUs on industrial land with new clients in the latter half of 2023.

As reported by many organisations, Vietnam's industrial property market is witnessing substantial investments from key partners like the US and China. This underscores Vietnam's strategic position in the global supply chain.



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[Source: VietNamNet]

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