# COUNTRY OVERVIEW

## Key figures

- **World’s 15th largest country**
  - Population 96 million, 106 million by 2030
- **46% of population under 30**
- **65% of the population in rural areas, fast urbanisation**
- **GDP USD 224 billion**
  - Average GDP growth 6%/year
- **Human Development Index (0.693), ranking 118 out of 189 countries**
- **EU/VN trade growth 12%/year**
  - EU purchases 17% of Vietnam’s global exports
- **2018 ODA volume USD 2.3 bn, but decreasing as a lower MIC.**
- **World’s 10th largest receiver of overseas remittances (USD15.9bn)**

## Key policies

- **SEDS/SED: Maintaining stable high growth rates to continue poverty reduction**
- **SEDS/SED/Int Dev Str: Transition from rural agricultural economy to low-cost manufacturing**
- **SEDS/SED/Str for Int Integration: Internationally open, with free trade agreements at the core**
- **SDS/SDP: (i) Building market economy, (ii) high quality human resources, STEM, and (iii) innovation.**
- **NDCs: 8% GHG emission reduction by 2030, up to 25% with international support**
- **MTFF/SEDP: Investment in infrastructure balanced against limits with debt ceiling**
- **PDP8: Ensuring power generation capacity and distribution to keep pace with development**
- **CPV resolutions on development of national industry and restructuring of State Owned Enterprises**

## Vision

- **Avoiding Middle Income Trap and working towards more sustainable growth**
- **Preparing for Industrial Revolution 4.0 and moving up the global value chain**
- **Stronger role in ASEAN and multilateral fora**
- **Political stability in a socialist oriented market economy**
- **Sustainable financing**
- **7% average GDP growth>2025, GDP/capita USD 8000 by 2030, Total Factor Productivity up 45% by 2025**
- **Increasing awareness of environmental impact of carbon-based economy**
- **Key Vietnamese brands as world players**

## Challenges

- **Shared prosperity: Unequal poverty reduction, ethnic minorities left behind**
- **Vietnam in top 10 countries at risk of climate change impact**
- **Adequate implementation of FTA and IPA**
- **Corruption and vested interests**
- **Human rights and shrinking space for civil society (e.g. national security vs need for online space for innovation)**
- **Self-imposed debt ceiling and domestic resource mobilisation**
- **Environmental damage and Biodiversity loss**
- **Geopolitical threats in East Sea**
EU INTEREST
Geopolitical ally in Asia, ASEAN and multilateral fora. Sustained market access and increased investment opportunities for EU companies. Support to achieving SDGs as a more prosperous and free society. Key country in climate change mitigation and adaptation, environmental protection.

**Political**
- Human rights, inclusiveness
- Support for Multilateralism, regional dimension, ASEAN
- Security and Defence

**Financial/Private sector**
- Market access / EVFTA
- Labour rights
- Business environment/Data protection
- IPA
- CSR

**Social**
- Good Governance, Rule of Law, PFM
- Gender equality
- Civil society space
- Poverty / Inequality / Ethnic minorities
- Migration / Human trafficking

**Environmental**
- Sustainable Energy
- Green / Blue / Circular economy/SCP
- Climate change adaptation
- FLEGT VPA
- IUU fishing
- Biodiversity, wildlife, CITES

**Flagship initiatives**
- New Commission priorities
- Translation of new Commission priorities at regional level
- Translation of new Commission priorities at country level
- Cross cutting

**Proposed EU Response**

**Green Deals**
- Alliances for Sustainable Growth and Jobs
- Digital and Data Technologies

**Migration Partnerships**
- Governance, Peace and Security

**Green Growth, Climate Action and Environment**
- Regional Security, Peace and Rule of Law

**Sustainable Economic Integration**
- Safe and legal migration

**Connectivity:** Sustainable, comprehensive & rules based in transport, digital, energy and people to people contacts

- Implementation of the PCA, closer political dialogue on bilateral and regional issues
- Implementation of the FTA and IPA, CSR, labour rights, global value chains
- IUU Fishing, sustainable management of natural resources and biodiversity conservation (including CITES, and wildlife trafficking reduction)
- Implementation of the FLEGT VPA
- Circular economy, reduction of plastic and marine pollution
- Cleaner energy transition

**Democracy/HR**
- Support VN capacity building, share best practices to align its legal/regulatory framework on international norms and standards through a results-led approach (via technical assistance, peer-to-peer cooperation and/or study tours, UN bodies)

**Multilateralism**
- Promotion of multilateralism and international rules-based order, cooperation with traditional and non-traditional partners.

**Other external policy objectives (e.g. Human capital, demography, etc.)**
- Promote an increasing role for home-grown civil society to get engaged in public debate and reform to improve public service delivery.