

1. Industrial strategy (including objectives/goals)

The country's primary focus is on achieving agricultural and rural industrialization and modernization, based on high-quality human resources and advanced technologies; Viet Nam also focuses on promoting competition as a basis for development.¹ The industrial strategy revolves around developing the private sector and attracting foreign investment, while also leveraging Vietnam's integration in world industrial production value chains. Additionally, the strategy discusses the development of the industrial defence base by encouraging the development of dual-purpose industries to serve national defence and security interests.

Green growth, sustainable development, and environmental protection represent fundamental objectives in the process of adopting and implementing industrial policies. More generally, Viet Nam seeks to modernise its industrial base and reinforce its export-oriented economy. Workforce qualification also represents a goal of Hanoi's industrial policy. Long-term (by 2035), Viet Nam seeks to raise its competitiveness to global levels (e.g., product quality at international standards). Energy efficiency and workforce specialisation represent overarching goals to meet by 2035.

In its external relations, Viet Nam self-classified as a developing country in the discussions leading up to the 2021 WTO trade policy review concerning it.² In regard to GATS commitments, of particular interest is the limitation on national treatment which allows Vietnam to limit the disbursement of subsidies to Vietnamese service suppliers.³

2. Digital (development) strategy⁴

The country's digital development strategy contains specific, measurable goals, when it comes to digital development. For instance, 50% of banking operations should be done by customers fully online by 2025. National databases (including land and business registration records) should be accessible online and connected by 2025. In terms of labour production, digitalisation should lead to an increase in such metrics by 7% by 2025, respectively 8% by 2030. Viet Nam also seeks the development of broadband infrastructure that can deliver high-speed internet throughout the territory (e.g., by incentivising investments in international telecommunications cable lines).

3. Main constitutional provisions⁵

¹ Decision No. 879/QĐ-TTg to approve the Industrial Development Strategy through 2025, vision toward 2035.

² Trade Policy Review. Viet Nam. Minutes of the Meeting, WT/TPR/M/410, para. 2.4.

³ WTO, "Viet Nam. Schedule of Specific Commitments", GATS/SC/142 (19 March 2007), 2.

⁴ Decision No. 749/QĐ-TTg to approve the national digital transformation program through 2025, with orientations towards 2030; Decision No. 36/QĐ-TTg to approve the information and communication infrastructure master plan for the period 2021-2030, with a vision to 2050.

Article 50 of the Vietnamese Constitution establishes industrial development as one of the economic goals of the state. Article 68, in particular, focuses on the defense industrial strategy of the country.

4. Main regulatory provisions and policy developments

Examples of regulatory developments that have an impact on industrial development include:

- Law no. 67/2014/QH13 on investment (e.g., tax incentives given to high-tech activities or to the production of digital content);
- Law no. 24/2018/QH14 on cybersecurity;
- Law no. 20/2023/QH15 on e-transactions.

Otherwise, Viet Nam does not have a generally applicable framework that governs the disbursement of subsidies. As such, subsidy policy needs to be assessed on a case-by-case basis, with no overarching legal framework establishing limits to the granting of subsidies. It seems to be the case that Hanoi disburses subsidies according to needs/policy priorities. For instance, Law 04/2017/QH on support for small- and medium-sized enterprises provides for the disbursement of subsidies to investors in industrial parks and other industrial cluster infrastructure to ensure rental support to SMEs to cluster in such zones.⁶ Furthermore, Viet Nam's investment law contains a general framework reinforcing what is known the granting of "incentives and support for investment".⁷ Otherwise, the Law on Foreign Trade Management regulates the imposition of trade remedies, including countervailing measures against subsidised imported products/services.⁸ Such legislative instruments are often operationalised and implemented through subsequent regulation, such as circulars, decrees, or ordinances.⁹

Relevant examples of policy developments that seek to raise the industrial base and also pursue digitalisation include: Ho Chi Min Smart City (e.g., developing blockchain technology);¹⁰ the initiative for the Start-Up Ecosystem in Vietnam (e.g., establishing funds to invest in start-ups; technology transfer.¹¹

⁵ The Constitution of the Socialist Republic of Vietnam (2013).

⁶ Law 04/2017/QH14 on support for small- and medium-sized enterprises, Art. 11(3).

⁷ Law 67/2014/QH13 on investment, Chapter III.

⁸ Law 05/2017/QH14 on foreign trade management, especially Chapter IV on Trade Remedies and Section III of this chapter on countervailing duties.

⁹ Trade Policy Review, Viet Nam, WT/TPR/S/410, 66.

¹⁰ Ho Chi Min Smart City < <https://oecd.ai/en/dashboards/policy-initiatives/http:%2F%2Faipo.oecd.org%2F2021-data-policyInitiatives-26957>> accessed 4 September 2024.

¹¹ Ministry of Science and Technology of Viet Nam, "Initiative for Startup Ecosystem in Vietnam" <<http://en.dean844.most.gov.vn/>> accessed 04 September 2024.

5. *(Regional) economic treaties to which the state is a signatory*

For instance, Viet Nam is a party to the Regional Comprehensive Economic Partnership (e.g., Art. 2.13 - elimination of export subsidies for agricultural goods – although language here seems to be hortatory; Art. 8.2(3) - exempting the subsidisation of service providers from the chapter on trade in services). Viet Nam is also a party to the CPTPP, which includes various chapters that can affect the country's industrial policies, including the provisions on state-owned enterprises and subsidies. Hanoi has also signed bilateral trade agreements/economic partnerships with (country) groupings such as South Korea or Japan.

6. *Plurilaterals*

For instance, Viet Nam has formal observer status to the [Government Procurement Agreement](#).

7. *Proceedings initiated against the state, or by it, before international fora for the adoption/implementation of industrial policy measures (e.g., before WTO panels, the WTO's AB)*

Viet Nam initiated WTO DS proceedings, together with Chinese Taipei, against Indonesia for the latter's imposition of metal duties (Indonesia – Safeguard on Certain Iron and Steel Products (DS490 and DS496)). Ultimately, both the Panel and the Appellate Body in that dispute ruled that the imposition of the duties itself was *not* contrary to applicable WTO treaties (particularly the GATT and the Agreement on Safeguards). It was, nonetheless, contrary to the GATT's most-favoured-nation provision, as it did not apply to all GATT parties equally.