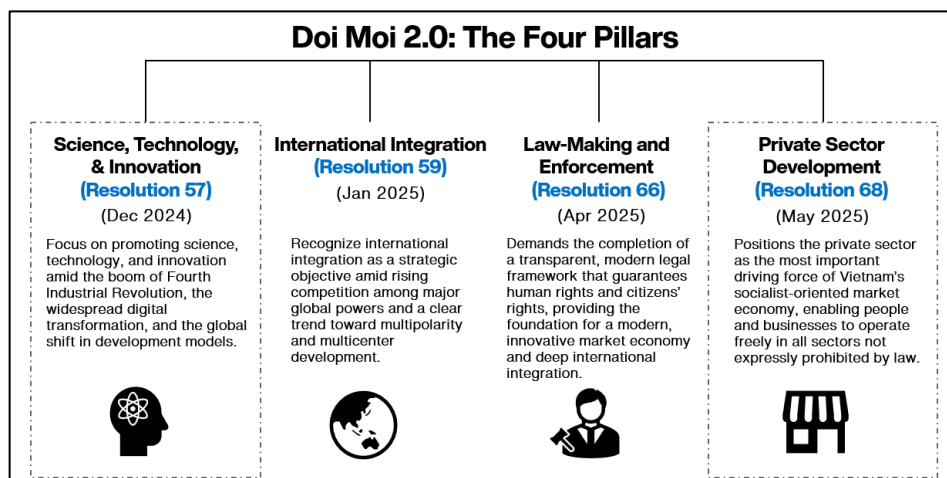


Michael Kokalari CFA, Chief Economist
 Thai Thi Viet Trinh, Senior Economics Analyst

Doi Moi 2.0: From Ambitious Announcements to Positive Outcomes

Vietnam is undergoing a major transformation—what many are calling “Doi Moi 2.0”—characterized by a major shift in how the Government sets priorities and delivers results. The most recent development in this reform trajectory happened on July 19th in a speech in which Secretary General To Lam expressed his view that the basic reform frameworks/building blocks have now been put in place and that going forward, the Government’s emphasis would be on “transitioning to action together.” In our own discussions with Government officials, we observe an urgent focus on growth and reforms and seizing the opportunity to accelerate economic growth before demographic headwinds start to emerge.



Source: VinaCapital

What began as high-level announcements in late 2024 are now being translated into laws and other concrete outcomes. More new laws were enacted during the 9th National Assembly session in June 2025 than in all of 2021-23 combined, addressing a wide range of issues including electricity, data regulation, dual-national rights, and land reform. Most of these initiatives can be classified under four key pillars:

- **Resolution 57** focuses on technological advancement, especially in certain prioritized sectors. The Government aims to boost R&D spending, attract foreign experts, and take other measures with the goal of further boosting Vietnam’s technology exports and creating five world-class digital technology firms by 2030.
- **Resolution 59** seeks to anchor Vietnamese firms in the highest value-added tiers of global supply chains while continuously developing and attracting more capital into Vietnam’s markets by attracting more international financial firms and experts to Vietnam, among other ways.
- **Resolution 66** mandates a system-wide legal framework overhaul that will eliminate overlapping and contradictory/inconsistent rules by end-2025 with the goal of enabling both the public and the private sector to achieve better outcomes, faster.
- **Resolution 68** elevates entrepreneurship as a pillar of national identity, with entrepreneurs now being seen as “new warriors on the economic front” with an explicit mandate to drive greater private sector growth. Under Resolution 68, the private sector is upgraded from a mere “component” to “the most important driving force of the economy.”

Resolution 68: Private Sector Policies Aimed at Supporting Growth

Resolution 68 is currently receiving the most attention for a variety of reasons, one of which is the recent surge in the stock prices of firms perceived to be the biggest beneficiaries of these policies. For example, the stock prices of Vingroup (VIC) and Vinhomes (VHM) surged by over 170% and 130% year-to-date respectively as of this writing. Other likely beneficiaries include local contractors and construction materials producers, which are seeing higher orders as the Government’s

infrastructure disbursements accelerate, and hopes are high that many more beneficiaries will emerge as the Government effectively implements its strategy to accelerate private sector growth in Vietnam.

The strategy to accelerate private sector growth is two-pronged: cultivating 20 national champions as well as the growth of smaller firms. The Government aims to double the number of SMEs in Vietnam from 1 million to 2 million by 2030 by fostering the growth of the SME sector and by converting informal household businesses into properly registered SMEs that are integrated into the formal tax system. Starting this month, VAT deductions claims will require proof for every invoice, pushing smaller firms onto e-payment platforms and formal documentation¹.

The Government's objective to develop 20 chaebol-style large firms by 2030 is reminiscent of the industrial policies South Korea used to boost its economy in the 1970s, such as the Heavy and Chemical Industry Drive². In Korea, select firms in state-prioritized sectors received preferential loans from state-owned banks, tax breaks, market protections from foreign competitors, and state-brokered access to key foreign partners. In Vietnam, the Government looks set to nurture select firms to help drive economic growth and build out the national infrastructure—albeit via less direct support mechanisms than those used in Korea in the 1970s. For example, there are anecdotes of firms from that selected cohort having their project proposals processed in months rather than years, as has typically been the case in Vietnam.

From Announcements to Outcomes

Starting in late 2024, there was a noticeable uptick in speeches and press releases by Government officials and offices pointing toward major shifts in Vietnam's public and private sectors. While efforts to streamline the Government date back to 2017—including plans to consolidate communes and restructure administrative units—the current reform wave is marked by greater urgency, broader scope, and more decisive execution. By early 2025, the conversation had shifted from announcements to tangible policy proposals. The “on the ground” view is that there has been a major mindset shift in policy makers and that the first tangible outcomes of this increased sense of urgency discussed above are now starting to appear.

For example, at the end of last year, the long-delayed Ho Chi Minh City metro line opened to the public, while this year, public investment surged by more than 40% (discussed [here](#)) and in June, Vietnam's National Assembly approved a major reorganization of the country's local Government structure that consolidated the number of provinces in Vietnam from 63 to 34. The sweeping consolidation – which was enacted on June 12th and came into effect on July 1st—underscores the Government's breakneck reform speed.

This month, Ho Chi Minh City launched a pilot policy³ exempting construction permits for over 55,000 residential building projects that meet certain criteria, requiring instead only a simple construction notice with local authorities. This policy, together with recently proposed changes to the Land Law⁴, aims to address the city's persistent housing shortage (where demand exceeds supply by 2:1) as well as other issues in the real estate market. In addition, in July 2025 a Technology Steering Committee was formed to advance technology development in key sectors such as renewable energy, biotechnology, and 6G networks, protecting intellectual property, and investing in R&D; a representative of VinaCapital has been selected to participate on this committee.

Finally, the measures discussed above are just a few examples from the reform push that started last year. Other initiatives include the North–South High-Speed Railway, a USD 67 billion project set to begin construction in 2027, and a government-led effort launched in July 2025 to restart work on approximately 2,900 delayed, large-scale infrastructure projects. Many other modestly important measures can also be highlighted, including the Government's new National Data Center, which centralized data from thousands of public entities and enabling the use of a national public service portal with digital signatures and e-authentication that are now being implemented across ministries and local authorities, reducing paperwork and improving efficiency. Other measures include aggressive tax incentives for R&D spending, and a new law to promote the use of digital assets in Vietnam, which will go into effect next year, among others.

Conclusion

Vietnam is undergoing Doi Moi 2.0, a rapid shift from announcements to outcomes, evidenced by 34 laws passed in June 2025 and sweeping administrative changes. The reforms are based on four pillars: Resolution 57 (science and technology), Resolution 59 (deeper insertion into high value-added global supply chains), Resolution 66 (scrap overlapping rules by end-2025 and digitize a transparent legal framework by 2030), and Resolution 68 (private sector upgraded to “the most

¹ From July 1, purchases under 20 million are not tax deductible if paid in cash, June 2025, Vietnam.Vn.

² The long-term effects of industrial policy, South Korea Heavy and Chemical Industry Drive, June 2025, Journal of Monetary Economics.

³ Ho Chi Minh City aims to pilot construction permit exemption for residents, July 2025, Vietnam.vn.

⁴ Officially collecting opinions on amending the Land Law 2024 after 1 year of implementation, why amended?, July 2025, Tuoi Tre News.

important driving force,” targeting 2 million firms and at least 20 national champions). In the months ahead, we expect faster infrastructure disbursement, especially in transportation and energy, as new mechanisms cut approval times and funding delays. Similarly, real estate is expected to continue benefiting from recent laws that unlock stalled projects.

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