Research Article

Archives of Public Affairs and Institutional Management

International Integration as a Lever for Vietnam's Double-Digit Economic Growth in the Period 2025–2030

Huynh Thanh Dien*

Nguyen Tat Thanh University, Vietnam

***Corresponding Author**
Huynh Thanh Dien, Nguyen Tat Thanh University, Vietnam.

Submitted: 2025, Dec 22; **Accepted:** 2026, Jan 15; **Published:** 2026, Jan 28

Citation: Dien, H. T. (2026). International Integration as a Lever for Vietnam's Double-Digit Economic Growth in the Period 2025–2030. *Arch of Pub Aff Inst Manag, 1*(1), 01-10.

Abstract

This paper analyzes the role of international integration as a lever for enabling Vietnam to achieve double-digit economic growth in the period 2025–2030. Building on endogenous growth theory, new institutional economics, and global value chain analysis, the study argues that next-generation integration not only expands markets but also exerts pressure on institutional reforms, data standardization, and firm upgrading. The research employs a mixed-methods approach, combining qualitative analysis of Vietnam's integration trajectory and policy reforms with quantitative assessment of macroeconomic indicators (TFP, DVA, logistics costs, and FDI) during 2010–2024, benchmarked against newly industrialized economies (NICs). Findings suggest that sustaining growth requires raising TFP by 3–4% annually, increasing domestic value-added above 55%, and enhancing market access through compliance with green and digital standards. An integrated analytical framework is proposed, comprising global context, foundational conditions, institutional and data coordination, operating mechanisms (domestic firms, FDI, external supply chains), and expected outcomes. The study concludes that international integration can only generate breakthrough growth when embedded within an integrated model that links external opportunities with internal reforms.

Keywords: International Integration, Economic Growth, TFP, DVA, Institutions, Vietnam

1. Introduction

After nearly four decades of Renovation, Vietnam has achieved remarkable socio-economic development. In 2024, the country's GDP reached USD 476.43 billion, ranking fourth in ASEAN and 34th globally, with per capita income exceeding USD 4,717. The poverty rate dropped to below 1.93%, while total trade surpassed USD 800 billion, making Vietnam one of the world's top 20 trading economies. The economic structure has shifted significantly: the share of agriculture has declined, while manufacturing, processing industries, and services have expanded rapidly. Emerging sectors such as the digital economy, e-commerce, and renewable energy have become key drivers of growth. Particularly, the private sector has increasingly asserted its role, contributing roughly half of GDP and becoming a leading force in innovation and job creation. Building on this foundation, the period 2025–2030 opens a new window of opportunity. The restructuring of global supply chains is positioning Vietnam as an attractive destination for high-tech FDI. The Fourth Industrial Revolution is expanding development space in areas such as artificial intelligence, big data, automation, and the digital economy. At the same time, the green and circular economy trends create opportunities for Vietnam to emerge as a sustainable manufacturing hub in the region. The country's international standing has also been strengthened through deeper engagement in next-generation free trade agreements (FTAs), providing stronger momentum for integration.

Nevertheless, the economy still faces persistent structural challenges. Total factor productivity (TFP) remains lower than that of newly industrialized economies, the share of domestic value-added (DVA) is limited, and logistics costs remain high, accounting for 16–20% of GDP [1]. These constraints hinder growth and weaken global competitiveness. In the context of a global shift toward green and digital transformation, international integration is not only an option but a matter of survival. It also represents an

institutional lever to drive domestic reforms, enhance productivity, increase local value-added, and expand access to international markets.

2. Theoretical Foundation and Analytical Framework

2.1. Theoretical Foundation

This study draws on a multi-disciplinary theoretical foundation to explain why international integration can serve as a lever enabling Vietnam to achieve double-digit economic growth in the coming period.

First, endogenous growth theory emphasizes the central role of knowledge, human capital, and technological innovation as long-term drivers of growth. argues that knowledge has the nature of a non-rival good; therefore, investment in research and development (R&D) and learning from external sources can generate superior growth effects [2]. Similarly, analyze the mechanism of "creative destruction," in which competition and international integration compel firms to continuously innovate to maintain their advantages [3]. This is particularly relevant to Vietnam, where deeper integration creates pressure to improve productivity and upgrade technology.

Second, new institutional economics highlights that the quality of institutions determines the efficiency of resource use and the sustainability of growth [4]. In Vietnam's case, institutional fragmentation and the lack of interoperable data increase transaction costs and limit policy coordination. Hence, integration can only become a true driver of growth if it is accompanied by institutional reform and a transparent national coordination mechanism.Third, global value chain (GVC) theory shows that most value added resides in design, R&D, branding, and services rather than in assembly [5]. This explains why, despite strong export growth, Vietnam's domestic value-added (DVA) ratio remains relatively low, and why integration needs to be coupled with strategies to upgrade the country's position within global value chains to achieve sustainable growth.

Fourth, the digital economy and data introduce the concept of the "productivity J-curve," which suggests that digitalization may initially cause productivity to stagnate but, in the long term, creates a leap once data infrastructure and institutions mature [6]. For Vietnam, next-generation integration linked to requirements for cross-border data transparency and compliance with ESG/CBAM standards will drive digital transformation at both national and enterprise levels. Fifth, green economy and climate finance perspectives affirm that ESG standards and monitoring–reporting–verification (MRV) mechanisms have become the "new rules of the game" in international trade [7,8]. As a result, green–digital integration is not only a prerequisite for maintaining trade advantages but also a key driver for Vietnam to access international finance, particularly through mechanisms such as the Just Energy Transition Partnership (JETP).

2.2. Analytical Framework of the Study

Between 2025 and 2030, Vietnam's economy will operate within a highly volatile international context. The global trends of de-risking and friend-shoring are reshaping trade and investment flows. At the same time, green–digital barriers such as the EU's Carbon Border Adjustment Mechanism (CBAM), cross-border data standards, and the rise of green finance are defining the "new rules" of next-generation globalization. In this context, integration is not merely about expanding markets but has become a necessary driver for restructuring the growth model.

To seize opportunities and mitigate challenges, Vietnam must rely on two groups of foundational conditions. On the one hand, domestic infrastructure and supporting systems (logistics, supporting industries, renewable energy) determine the capacity to absorb and distribute external capital and technology. On the other hand, geo-economic position and domestic resources (human capital, natural resources, strategic location) constitute core competitive advantages that enable Vietnam to become a prime destination in the global supply chain diversification strategy.

On this foundation, the role of institutions and data coordination emerges as the central connector. Instead of allocating resources based on inputs, the coordination mechanism needs to operate on result-based indicators such as TFP, domestic value-added ratios, or logistics costs. Interoperable data standards not only ensure transparency but also serve as prerequisites for Vietnam's deeper participation in next-generation global value chains, which demand traceability and ESG compliance.

Once institutions and data provide the enabling framework, the economy operates through three main mechanisms: (i) domestic enterprises, which absorb and diffuse technology spillovers; (ii) FDI attraction, which supplies capital, technology, and global management expertise; and (iii) external supporting supply chains, which link Vietnam to international production networks. The synergy among these mechanisms ensures that integration does not stop at serving as an "assembly hub" but becomes a driver for strengthening internal value creation.

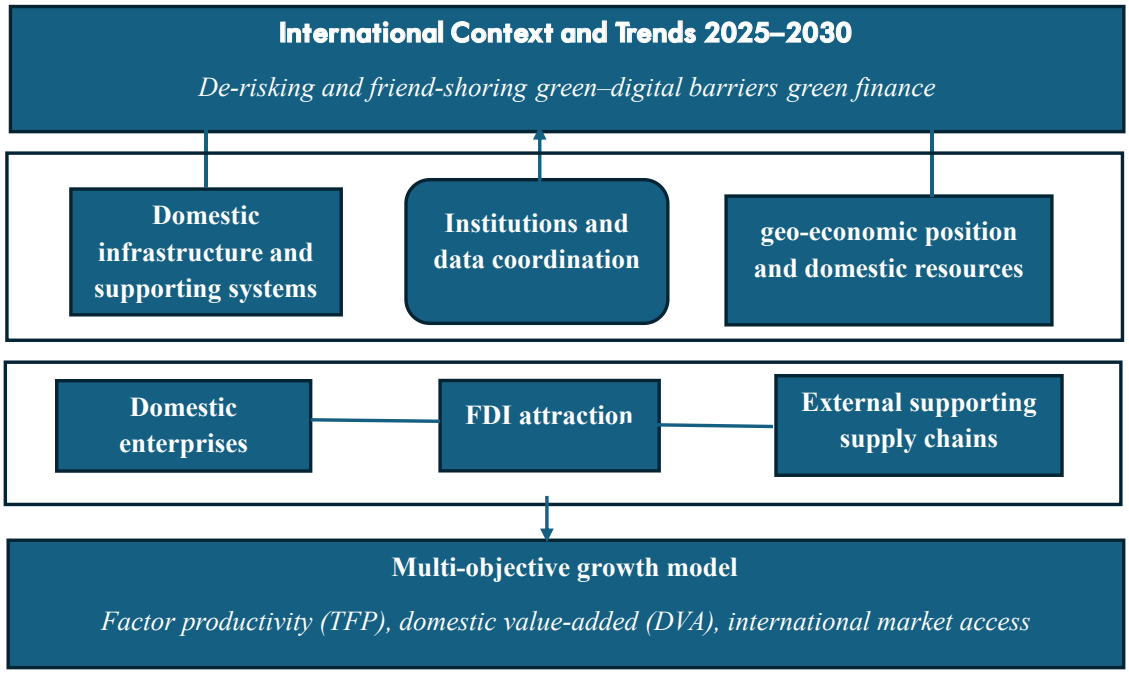

Figure 1: Analytical Framework of The Role of International Integration in Driving Vietnam's Double-Digit Economic Growth (*Source: Proposed by the author*)

The expected outcome is a multi-objective growth model, in which total factor productivity (TFP) is enhanced, domestic value-added (DVA) increases, and international market access is consolidated through compliance with green–digital standards. When these three pillars interact, they generate a positive feedback loop that opens up the possibility for Vietnam to achieve double-digit growth, while simultaneously reinforcing the foundation for sustainable long-term development.

3. Research Methodology

This study employs a mixed-methods approach, combining qualitative explanation with quantitative verification. On the qualitative side, the study analyzes secondary documents from official sources as well as theoretical works on growth and integration. In addition, Vietnam's integration trajectory across three phases—Đổi mới (Renovation), WTO accession, and next-generation FTAs—is reviewed to identify recurring patterns and conditional factors. On the quantitative side, the study draws on macroeconomic data for the period 2010–2024, focusing on four key indicators: total factor productivity (TFP), the domestic value-added ratio (DVA), logistics costs as a share of GDP, and net FDI inflows. These indicators are benchmarked against the experience of newly industrialized economies (NICs) such as South Korea, Taiwan, and Singapore to assess Vietnam's potential for achieving double-digit growth.

The qualitative and quantitative results are integrated within the proposed analytical framework, which emphasizes the roles of institutional coordination, interoperable data standards, and operating mechanisms (domestic enterprises, FDI, and supporting supply chains) in shaping three expected outcomes: higher TFP, greater DVA, and improved international market access.

4. International Context and Trends 2025–2030

4.1. International Context and Opportunities for Vietnam

The international context presents multiple challenges. The EU's Carbon Border Adjustment Mechanism (CBAM) took effect on October 1, 2023. During the transition phase (2023–2025), exporters are required to report product-level emissions; from 2026 onward, CBAM certificates will be levied on imports of steel, cement, fertilizers, aluminum, and electricity [9,10]. Many other economies are also tightening carbon standards and expanding carbon pricing schemes, thereby imposing stricter monitoring, reporting, and verification (MRV) requirements along global supply chains [8].

In addition, strategic competition among major powers has significantly altered global supply chains. Notably, during U.S. President Donald Trump's second term, the "America First" policy has resulted in a series of measures that raise trade barriers, directly impacting Vietnamese industries heavily reliant on the U.S. market such as electronics and textiles. Nevertheless, as of August 10, 2025, the U.S. countervailing tariff on Vietnamese goods is set at 20% for all products and 40% for goods transshipped from other countries. At this level, Vietnam maintains a relatively balanced competitive position compared to other Asia-Pacific economies (the U.S. imposes a 30% tariff on China, 50% on India, and around 19% on most ASEAN countries).

Country	Share of U.S. Imports in 2024	U.S. Countervailing Tariff (as of Aug 10, 2025)
China	13.4%	30%
India	2.7%	50%
Bangladesh	<1%	20%
Vietnam	4.2%	20%
Thailand	1.9%	19%
Malaysia	1.6%	19%
Singapore	1.3%	10%
Brunei	<1%	25%
Cambodia, Indonesia, Philippines	<1%	19%
Laos, Myanmar	<1%	40%
Source: White House Press Release; Import data from [11]		

Table 1: U.S. Countervailing Tariffs on Goods from Vietnam and Selected Countries

In this context, the trends of de-risking and friend-shoring have driven capital flows out of China and strongly into Vietnam. In 2024, registered FDI reached USD 26.14 billion, up 27.3% year-on-year; in the first eight months of 2025, registered FDI again totaled USD 26.14 billion, marking the same 27.3% increase compared to the same period [12]. However, new FDI typically comes with stringent requirements for localization and strict compliance with ESG standards. T

he electronics sector—particularly computers, mobile phones, and components—continues to serve as the backbone of Vietnam's exports. In the first eight months of 2025, electronics exports amounted to USD 106 billion, accounting for 37.5% of total export turnover (General Department of Customs, 2025). This outcome reinforces Vietnam's position as an "assembly hub" in global supply chains, especially in smartphones and consumer electronics.

Yet, this heavy dependence also exposes the economy to external shocks such as changes in technical standards, tariff hikes, and new requirements for emission traceability and environmental data transparency.

This reality underscores the urgent need for Vietnam to rapidly standardize its supply chain data systems, establish internationally compatible monitoring–reporting–verification (MRV) mechanisms for emissions, and ensure environmental information transparency. These are crucial conditions for sustaining and expanding Vietnam's share of the electronics export market amid intensifying competition and the rising dominance of green trade barriers as mandatory standards.

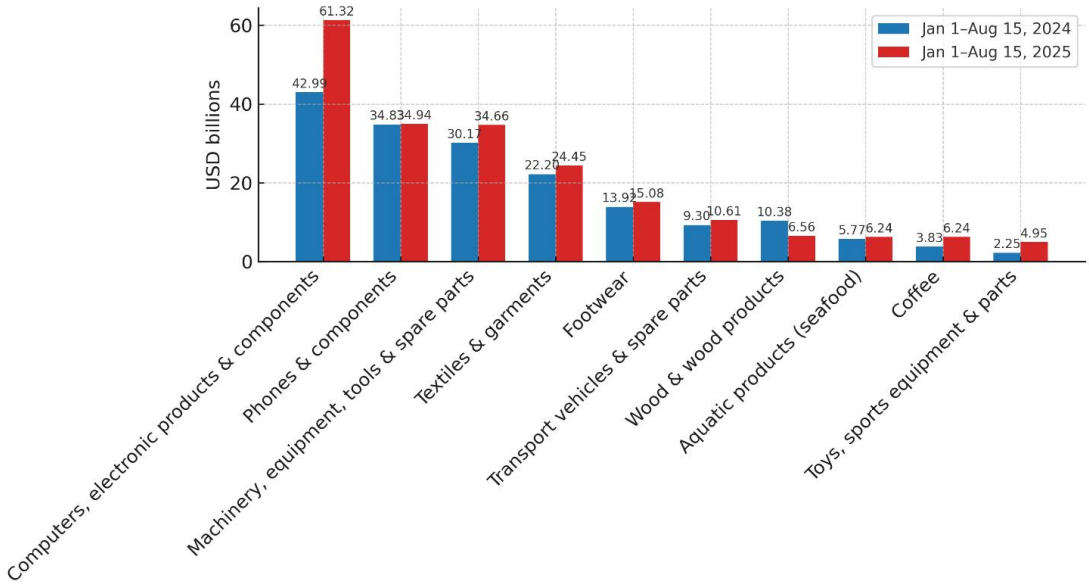

Figure 2: Cumulative Export Value of Major Product Groups from January 1 To August 15, 2025, Compared to The Same Period In 2024. *Source: General Department of Customs* (2025)

During the period 2025–2030, CBAM is expected to expand its scope, with procedures gradually being refined (such as recognition of carbon prices and simplified default coefficients), while the United States continues to tighten regulations on the origin of components, thereby increasing pressure for localization. FDI inflows into Vietnam are projected to remain strong but will increasingly come with conditions related to data transparency, ESG compliance, and delivery speed, with advantages concentrated in industrial zones that meet international standards [7]. This represents both an opportunity and a test for Vietnam's institutional capacity, infrastructure, and enterprises in the new stage of development.

4.2. De-risking and the Search for Trusted Partners

In the coming decade, the global economy is projected to continue experiencing geopolitical fragmentation and strategic competition among major powers. The United States, the European Union, and Japan are strengthening their de-risking and friend-shoring strategies, aiming to reduce dependence on key markets such as China while seeking trusted partners with stable production capacity and compliance with international standards [7]. This presents both challenges and opportunities for Vietnam. On the one hand, traditional supply chains face the risk of disruption; on the other hand, Vietnam could emerge as a strategic destination if it is able to meet institutional and infrastructural requirements.

4.3. Green–Digital Barriers

Alongside supply chain shifts, green and digital barriers are playing an increasingly decisive role in international trade. The European Union has rolled out the Carbon Border Adjustment Mechanism (CBAM) starting in 2026, requiring exports to be accompanied by transparent emissions reports. ESG (Environmental, Social, Governance) standards and cross-border data regulations are also becoming more stringent [8]. For Vietnam, these are not merely technical barriers but rather a "passport" to maintain and expand its market share in high-value markets such as the EU, the U.S., and Japan.

4.4. Green Finance and Global Capital Trends

Another prominent trend is the rise of green finance. According to the World Bank, the global scale of green bonds and sustainable lending surpassed USD 1 trillion in 2023 and is expected to grow strongly during 2025–2030 [13]. The Just Energy Transition Partnership (JETP) initiative offers Vietnam the opportunity to mobilize USD 15.5 billion to develop renewable energy and reduce emissions [13]. This constitutes a vital resource for Vietnam to simultaneously ensure growth objectives and fulfill its commitment to achieving carbon neutrality by 2050.

5. Foundational Conditions

5.1. Domestic Infrastructure and Supporting Systems

Domestic infrastructure and supporting systems constitute a prerequisite for Vietnam's deeper participation in global supply chains under the new wave of integration. At present, Vietnam's logistics costs account for 16–20% of GDP, significantly higher than the global average of around 10–12% [1]. This reduces the competitiveness of export-oriented enterprises, particularly in labor-intensive sectors such as textiles, footwear, and electronics. In addition, Vietnam's supporting industries remain underdeveloped, with the localization rate in manufacturing sectors reaching only about 40% [14].

Heavy dependence on imported components and raw materials limits the country's ability to fully utilize free trade agreements (FTAs) and constrains the spillover benefits of FDI to domestic firms. Therefore, upgrading logistics systems and developing supporting industries are considered critical foundations for reducing transaction costs, increasing domestic value-added (DVA), and strengthening the resilience of the economy.

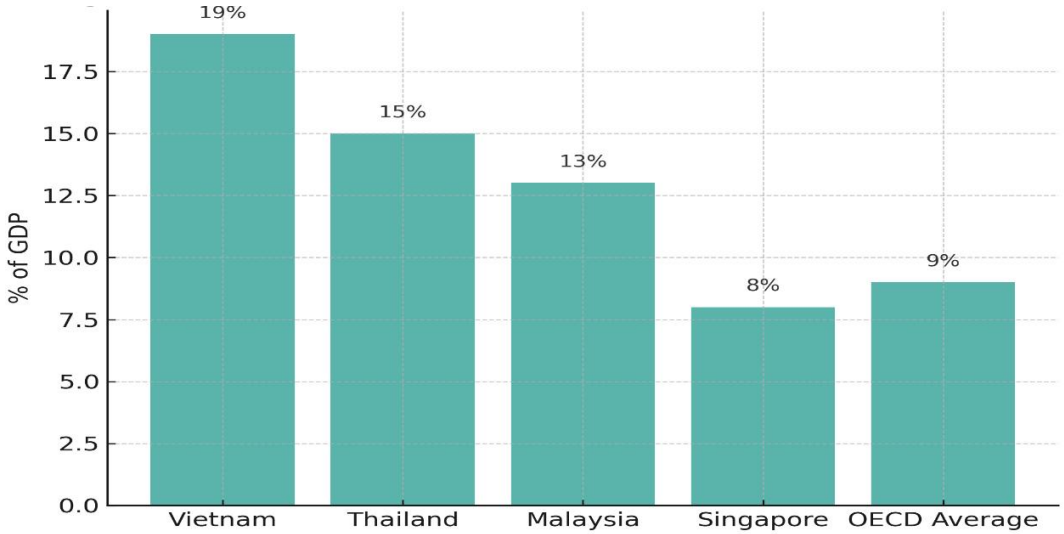

Figure 3: Comparison of Logistics Costs (% of GDP) *Source: World Bank (2023)*

In 2025, Vietnam has set a GDP growth target of 8.3–8.5%, as a foundation for breaking through to double-digit growth in the years ahead. To achieve this, the country must shift from extensive growth to intensive growth, based on productivity, quality, and innovation rather than cheap labor or capital expansion. The main driver is a strong infrastructure push: on August 19, a nationwide program simultaneously launched and inaugurated 250 projects with a total investment of VND 1.28 quadrillion, spanning transportation, industry, social housing, culture, education, and national defense. The capital structure reflects broad societal participation, with 37% from the state and 63% from the private and international sectors. This is not merely a short-term boost but also a foundation for sustainable and long-term spillover effects.

The pace and efficiency of public investment disbursement remain a key concern. In recent years, disbursement progress has been uneven, with fluctuations across different years. In 2023, disbursement reached a record 95% of the planned target, and the first half of 2025 recorded a 40% increase compared to the same period of the previous year. These are positive signs, reflecting efforts to streamline procedures, decentralize authority, and prioritize funding for strategic infrastructure projects. However, sustainability is still an issue: in the first eight months of 2025, only 39.9% of the annual target had been disbursed, putting pressure on the year-end period. This underscores the need to improve coordination mechanisms, capital allocation, and project management capacity to ensure long-term stability.

Between 2015 and 2024, Vietnam's average ICOR (Incremental Capital-Output Ratio) stood at about 6.0, nearly double that of Japan (2.8) and South Korea (3.0) during their high-growth periods. This indicates that although Vietnam's investment-to-GDP ratio (32–34%) is comparable, its capital efficiency is much lower due to scattered investment, waste, and slow technological upgrading. For sustainable growth, Vietnam needs to reduce ICOR to 3–4, by focusing on priority projects, enhancing governance, and promoting efficient investment, rather than merely emphasizing rapid disbursement.

Vietnam is moving in the right direction in terms of expanding public investment, but sustainability requires stronger attention to project quality, capital efficiency, and spillover effects into the private sector. Focusing solely on disbursement without ensuring efficiency will lead to growth that is not commensurate with resources. If expressways, beltways, seaports, and freight railways are implemented in a synchronized manner, logistics costs could be reduced by 2–3 percentage points of GDP [1]. At the same time, prioritizing clean energy, energy storage, and mobilizing funds through PPPs and green bonds will help close the financing gap for green and digital infrastructure [7].

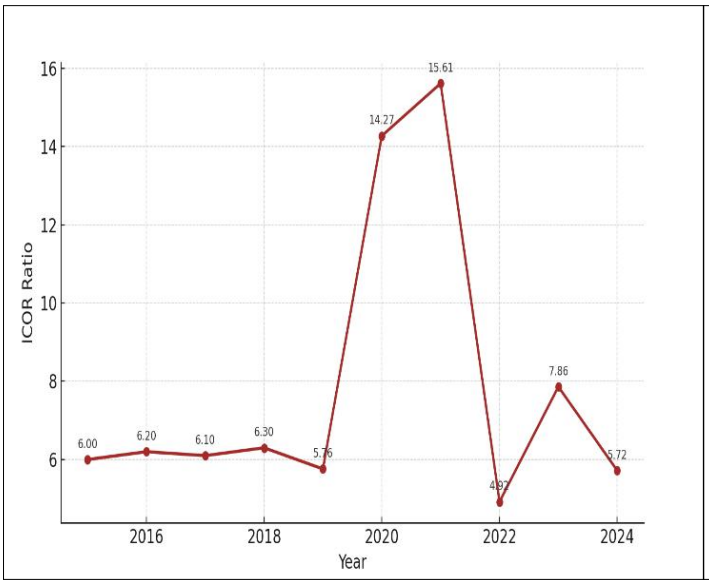

Figure 4: Vietnam's ICOR, 2015–2024
Source: General Statistics Offices of Vietnam (2025)

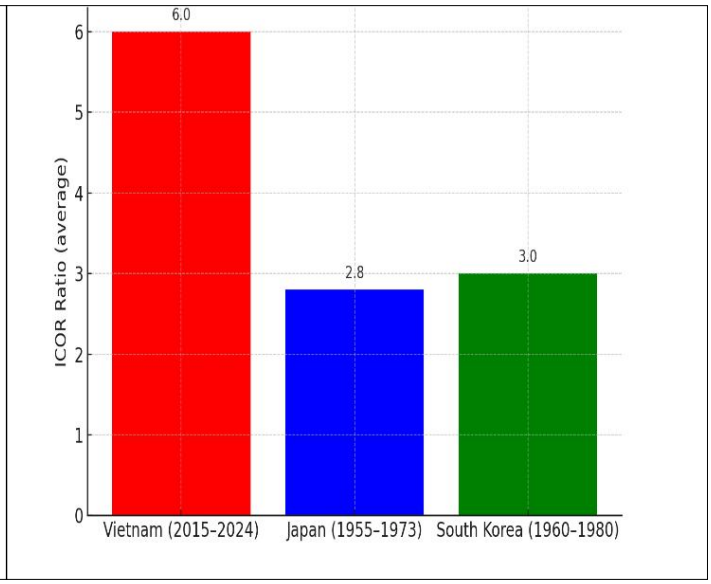

Figure 5: Comparison of Vietnam's ICOR with Japan and South Korea *Source: General Statistics Offices of Vietnam, Japan, and South Korea (2025)*

5.2. Geo-economic Position and Resources

Vietnam holds significant advantages in terms of geo-economic position, being located along international maritime routes that connect the Indian Ocean and the Pacific Ocean, while also serving as an active member of ASEAN. This enables Vietnam to emerge as a strategic transshipment hub in the context of friend-shoring, as multinational corporations seek to diversify their production locations [7]. Regarding human resources, Vietnam has a young labor force with approximately 51 million people participating in the labor market, of which nearly 40% are aged 15–34 [12]. However, major challenges remain in terms of digital skills and compliance with green standards. According to the World Economic

Forum (2023), only around 20% of Vietnam's workforce has been formally trained in digital skills, far below Singapore (56%) and Malaysia (38%).

In addition, Vietnam possesses considerable potential for renewable energy, particularly offshore wind with a technical capacity of 475 GW, many times higher than projected electricity demand for 2050 [1]. This constitutes a critical advantage not only for attracting FDI in green industries but also for fulfilling the country's commitment to achieving net-zero emissions by 2050.With its position on the Indo-Pacific maritime axis, Vietnam is adjacent to major industrial centers and owns a multimodal connectivity network, including seaports (Hai Phong, Da Nang, Cat Lai, Cai Mep–Thi Vai), international airports (Noi Bai, Da Nang, Tan Son Nhat, Long Thanh), cross-border road corridors (EWEC, Hanoi–Kunming, Hanoi–Shenzhen), and international railway links to Nanning, Kunming, and the Asia–Europe line.

Deep-water ports such as Cai Mep–Thi Vai and Lach Huyen are already capable of accommodating large vessels and ranked among the world's top-performing ports under the CPPI 2023, forming a basis for Vietnam's role as an international transshipment hub [13]. Nevertheless, multimodal logistics remain underdeveloped: Vietnam ranked 43rd out of 139 in the LPI 2023, with logistics costs accounting for 18–20% of GDP, heavy reliance on road transport, and unstable delivery times [1]. Moreover, the transmission grid and Power Purchase Agreement (PPA) mechanisms have not kept pace with renewable energy expansion, causing local grid congestion and electricity supply risks [15].

6. The Role of Institutions and Data Standards in Coordination

6.1. Institutions as the Coordination Hub

In the context of next-generation integration, institutional quality has become a prerequisite that determines both the extent to which opportunities can be seized and the resilience of the economy. New institutional economics emphasizes that strong institutions reduce transaction costs, encourage cooperation, and ensure efficient resource allocation [4]. For Vietnam, coordination institutions act as a "central hub", linking foundational conditions (infrastructure, geo-economic position, resources) with operating mechanisms (domestic enterprises, FDI, and external supply chains).

One persistent limitation in Vietnam is institutional fragmentation, where numerous ministries, agencies, and localities participate in governance but lack effective coordination. According to the World Bank, overlapping responsibilities in planning, public investment, and supply chain management increase costs, prolong procedures, and reduce implementation efficiency [1]. Therefore, there is an urgent need to establish a cross-sector coordination body with real authority, responsible for allocating resources based on result-oriented indicators rather than input-based targets.

6.2. Interoperable Data Standards as Soft Infrastructure

Alongside institutional reform, interoperable data standards have become essential soft infrastructure for next-generation integration. Green–digital trade barriers such as the EU's CBAM and ESG transparency requirements demand supply chains with verifiable and transparent data [8]. Without a common data standard, Vietnamese firms will find it difficult to meet international requirements, facing exclusion from high-value markets. Moreover, interoperable data helps reduce transaction costs and enhance coordination. According to the, standardizing logistics and trade data could reduce transport costs by 10–15% while improving forecasting and supply chain optimization [16]. For Vietnam, building a national data platform on logistics, emissions, and trade would enable enterprises to connect to global markets in line with green–digital standards.

6.3. Institutions and Data as Levers of Integration

The key point is that institutions and interoperable data are not just technical tools, but levers that transform integration into a growth driver. If institutions focus only on market access without transparent monitoring and resource allocation mechanisms, Vietnam risks falling into the "assembly trap" with low value-added and dependence on FDI. Conversely, when institutions and data function as the central axis, they can generate synergies: domestic firms receive targeted support, FDI links more closely with supporting industries, and external supply chains connect through transparent data platforms.

7. Operating Mechanisms

7.1. Domestic Enterprises

Domestic enterprises play a central role in absorbing, transforming, and diffusing value from the integration process. Studies on technology spillovers show that the success of FDI depends heavily on the absorptive capacity of local firms [17]. In Vietnam, SMEs account for over 97% of all enterprises, but most remain limited in terms of capital, technology, and management capabilities [12]. Therefore, for integration to become a growth lever, it is essential to strengthen the innovation capacity, digital skills, and supply chain participation of domestic enterprises.

7.2. Attracting FDI

FDI serves as a channel for capital, technology, and global management know-how. Between 2020 and 2023, FDI inflows into Vietnam remained stable at around USD 18–22 billion per year, concentrated in manufacturing, real estate, and renewable energy [7]. However, the biggest challenge is the prevalence of the "FDI enclave" phenomenon, where foreign-invested enterprises operate in isolation with limited spillovers to the domestic business sector [18]. To address this, Vietnam must shift from "FDI at any cost" to "selective FDI", prioritizing projects that enhance TFP, develop supporting industries, and comply with green–digital standards. At the same time, coordination mechanisms should link investment incentives to the degree of local linkages and technology transfer to domestic enterprises.

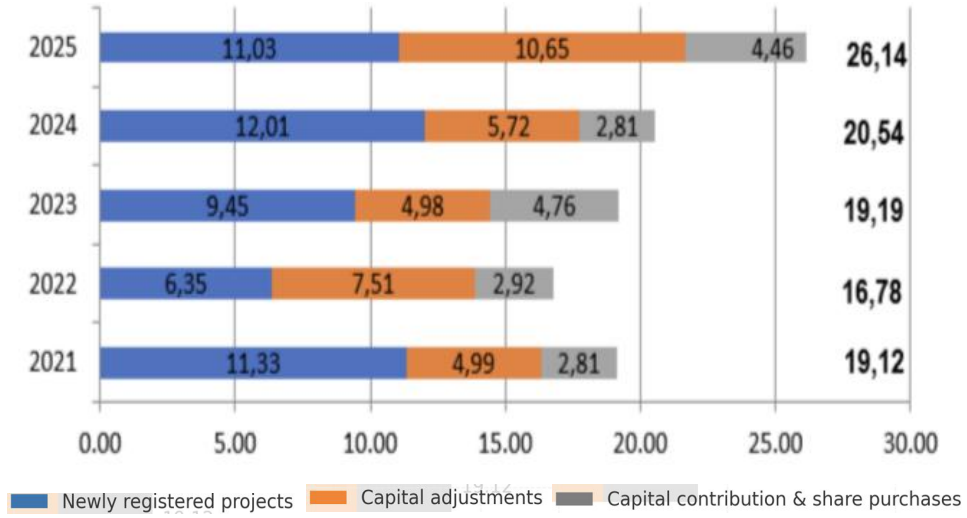

Figure 6: Registered FDI Inflows into Vietnam During the First Eight Months, 2021–2025 (USD billions)
Source: General Statistics Office of Vietnam (2025)

8. Expected Outcomes

8.1. Improving Total Factor Productivity (TFP)

Total factor productivity (TFP) is the most critical indicator of resource-use efficiency. During 2016–2020, TFP contributed about 45.5% to Vietnam's GDP growth, a level comparable to the ASEAN average but still lower than that of newly industrialized economies (NICs) such as South Korea and Taiwan during their take-off periods [19]. Next-generation integration—linked to transparent institutions and interoperable data standards—will create pressure for technological and managerial upgrading. As a result, the contribution of TFP could rise to 55–60% in 2025–2030. This implies an average annual labor productivity growth of 3–4%, the level necessary for Vietnam to achieve double-digit GDP growth.

8.2. Increasing the Domestic Value-Added (DVA) Ratio

A longstanding limitation for Vietnam is the low domestic value-added (DVA) ratio in exports, currently around 40%, compared to 60–70% in South Korea and China during their rapid-growth phases [5]. As domestic firms improve their capabilities, FDI integrates more closely with supporting industries, and external supporting supply chains become embedded, Vietnam's DVA ratio could rise above 55% by 2030. This would reduce import dependence, enhance the utilization of FTAs, and strengthen resilience against global shocks.

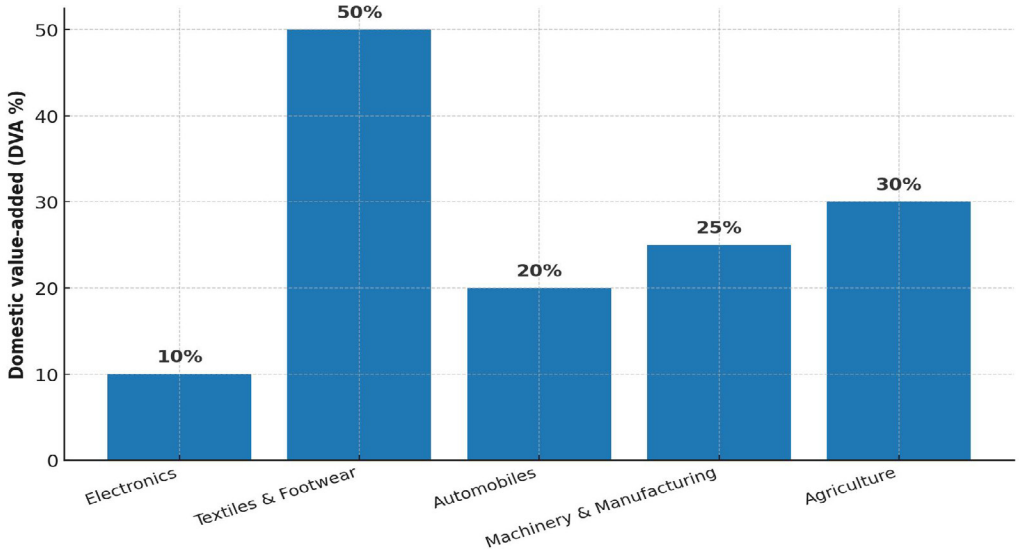

Figure 7: Localization Rates by Sector in Vietnam *Source: UNCTAD (2022); World Bank (2022); Vietnam Textile and Apparel Association [VITAS] (2023); Ministry of Industry and Trade (2020, 2023); ResearchGate (2023.*

8.3. Expanding International Market Access

Compliance with green–digital standards (CBAM, ESG, MRV) is not only a mandatory requirement but also a competitive advantage for Vietnam to sustain and expand its market share in high-value destinations such as the EU, the U.S., and Japan. According to, if Vietnam meets these green–digital standards, its exports to the EU could grow by an additional 10–12% annually during 2025–2030 [13]. Furthermore, participation in next-generation trade agreements such as CPTPP and RCEP will reinforce Vietnam's role in multilateral trade networks, creating opportunities to access larger and higher-quality markets.

8.4. Towards Double-Digit Growth

When the three core indicators: TFP, DVA, and international market access - improve simultaneously, the economy can generate a positive feedback loop. Productivity gains lead to higher localization, which in turn expands markets, enabling reinvestment and technological innovation. If Vietnam can sustain annual TFP growth of 3–4% and raise the localization rate above 55%, the country is fully capable of achieving GDP growth of 10–11% during 2025–2030. This serves as a critical foundation for realizing the long-term vision of becoming a high-income economy by 2045.

9. Conclusion and Policy Implications

9.1. Conclusion

This paper demonstrates that during 2025–2030, international integration is not limited to expanding markets but also functions as an institutional lever, helping Vietnam overcome the inherent constraints of its traditional growth model. Based on an integrated analytical framework, integration is conceptualized as a multi-dimensional mechanism: from the global context of de-risking, green–digital standards, and green finance; to foundational conditions such as infrastructure, geo-economic position, and resources; guided by institutions and interoperable data as the coordination hub; operating through domestic enterprises, FDI, and external supporting supply chains; and ultimately leading to expected outcomes reflected in TFP, DVA, and international market access.

When these layers operate in harmony, the economy can establish a virtuous cycle of growth, thereby moving towards double-digit expansion. This is not merely an economic goal but also a strategic foundation for realizing Vietnam's ambition of becoming a high-income developed country by 2045.

9.2. Policy Implications

First, strengthen coordination institutions and raise national data standards. Vietnam should establish a cross-sector coordination body with real authority, integrating policies on industry, trade, investment, and the environment. In parallel, a national interoperable data system on logistics, trade, and carbon emissions (MRV) should be developed to ensure compatibility with international standards. This is a prerequisite for enabling Vietnamese firms to participate more deeply in global value chains. Second, develop infrastructure and supporting industries to reduce transaction costs. Investment in multimodal logistics, deep-water seaports, and renewable energy can reduce logistics costs from the current 16–20% of GDP to below 12%. At the same time, policies encouraging SMEs to engage in supporting industries could raise the localization rate from the current 40% to over 55% by 2030.

Third, reform FDI policy toward selectivity and stronger linkages. Priority should be given to FDI projects with high spillover effects, aligned with the goals of green–digital transformation and domestic supporting industries. Investment incentives should be tied to criteria such as supply chain linkages, technology transfer, and support for domestic firms to participate in higher value-added segments.

Fourth, enhance the capacity of domestic enterprises and green–digital human resources. Integration only generates impact when local firms can absorb technology and participate deeply in supply chains. Thus, policies should support firms in strengthening R&D, digital transformation, and ESG management. Education and training reforms are also needed to increase the share of workers equipped with digital and green skills consistent with international standards.

Fifth, leverage international green finance flows. Vietnam should actively engage in global initiatives such as JETP, develop a domestic carbon credit market, and issue green bonds to mobilize investment for renewable energy, green infrastructure, and clean technology transition. These are crucial financial resources to support growth while meeting the commitment to achieve net-zero emissions by 2050.

9.3. Contributions of the Study

The paper contributes to theory by affirming that international integration is not merely an economic process, but also a mechanism for institutional reform and integration. In practice, the study provides an analytical framework that can serve as a policy reference tool, helping to identify the conditions, pillars, and operating mechanisms necessary for integration to truly become a lever for double-digit growth in Vietnam.

Reference

1. World Bank. (2023). *Offshore wind roadmap for Vietnam.* Washington, DC: World Bank Group.
2. Romer, P. M. (1990). Endogenous technological change. *Journal of Political Economy, 98*(5), S71–S102.
3. Aghion, P., & Howitt, P. (1992). *A model of growth through creative destruction*. Econometrica, 60(2), 323–351.
4. North, D. C. (1991). Institutions. *Journal of Economic Perspectives, 5*(1), 97–112.
5. Gereffi, G., & Fernandez-Stark, K. (2011). *Global value chain analysis: A primer*. Duke University, Center on Globalization, Governance & Competitiveness.
6. Brynjolfsson, E., Rock, D., & Syverson, C. (2021). The productivity J-curve: How intangibles complement general purpose technologies. *American Economic Journal: Macroeconomics, 13*(1), 333–372.

7. UNCTAD. (2024). *World investment report 2024: Investment in sustainable energy*. United Nations Conference on Trade and Development.
8. ICAP. (2024). *Emissions trading worldwide: Status report 2024*. Internati00onal Carbon Action Partnership.
9. European Union. (2023). *Regulation (EU) 2023/956 establishing a carbon border adjustment mechanism*. Official Journal of the European Union, L130.
10. Reuters. (2025, September 5). *EU's carbon cost rules are changing: How companies can prepare for CBAM*. Reuters.
11. U.S. Census Bureau. (2024). *U.S. trade in goods with Vietnam* (Foreign trade statistics).
12. General Statistics Office of Vietnam (GSO). (2023). *Statistical yearbook of Vietnam 2022*. Hà Nội: Statistical Publishing House.
13. World Bank. (2024). *Global economic prospects 2024: Green transition and investment flows*. Washington, DC: World Bank Group.
14. Japan International Cooperation Agency (JICA). (2022). *Vietnam's supporting industries report*. Tokyo: JICA
15. Institute for Energy Economics and Financial Analysis (IEEFA). (2025, June 17). *Boom to balance in Vietnam's clean energy transition.* IEEFA.
16. OECD. (2021). *Digital transformation in transport and logistics*. Paris: Organisation for Economic Co-operation and Development.
17. Blomström, M., & Kokko, A. (2003). *The economics of foreign direct investment incentives*. NBER Working Paper No. 9489
18. Nguyen, H., & Sun, S. L. (2021). Spillover effects of foreign direct investment: Evidence from Vietnam. *Journal of Asian Economics, 74*, 101302.
19. Nguyen, T., & Pham, H. (2022). Productivity, structural transformation and Vietnam's growth prospects. *Asian Economic Papers, 21*(2), 1–25.