



Australian Embassy

Vietnam



Ho Chi Minh National Academy of Politics

CÁC XU HƯỚNG TOÀN CẦU VÀ HÀM Ý CHÍNH SÁCH CHO VIỆT NAM

Global megatrends and implications to Vietnam

Hanoi, 21 March 2024



TRUNG TÂM VIỆT – ÚC
VIETNAM AUSTRALIA CENTRE

1. The world situation in a turbulent period

The world is going through a period of turbulence:

- The COVID-19 pandemic;
- Wars and conflicts in many countries in the world.

The global economic landscape:

- The emergence of economies, including China, India, Brazil and South Korea;
- The wave of strength and power is shifting from the “central” region to the “periphery” one:
 - Emerging economies are making efforts to establish new mechanisms, new rules of the game, increase pressure and have stronger responses to the US and the West in terms of commercial, monetary and financial matters;
 - Middle powers have been putting efforts on redefining global agendas.

Forecasted GDP scale of several economies in 2030

ECONOMY	GDP (PPP) IN 2030 (trillion billion)
China	43,879
United States	28,708
India	17,948
Japan	6,337
Indonesia	5,951
Russia	4,973
South Korea	3,282
Pakistan	2,159
Vietnam	2,045
Bangladesh	1,954

Source: Asia Power Index 2023, Lowy Institute. GDP Forecast 2030

Intense strategic competition between China and the United States

China:

- Proposing a range of initiatives such as BRI, GSI, GDI and GCI;
- Establishing AIIB to compete with ADB;
- Lending to other countries at levels beyond their ability to repay, China is said to have created 'debt traps' that will then turn into financial leverage as advantages and unequal diplomatic relationships.

The US:

- Initiating Indo-Pacific Economic Framework (IPEF) to counter BRI;
- Implementing "Friend - Shoring" strategy.

2. Mega-trends in the global development landscape

2.1. Technological development:

- Economic growth based on technology and innovation instead of utilizing resources, capital and environment;
- Artificial intelligence (AI): Providing emerging economies with advantages to take 'shortcuts to embrace new opportunities' but removing their advantage of cheap labor;
- Value chains move to central countries instead of periphery countries.

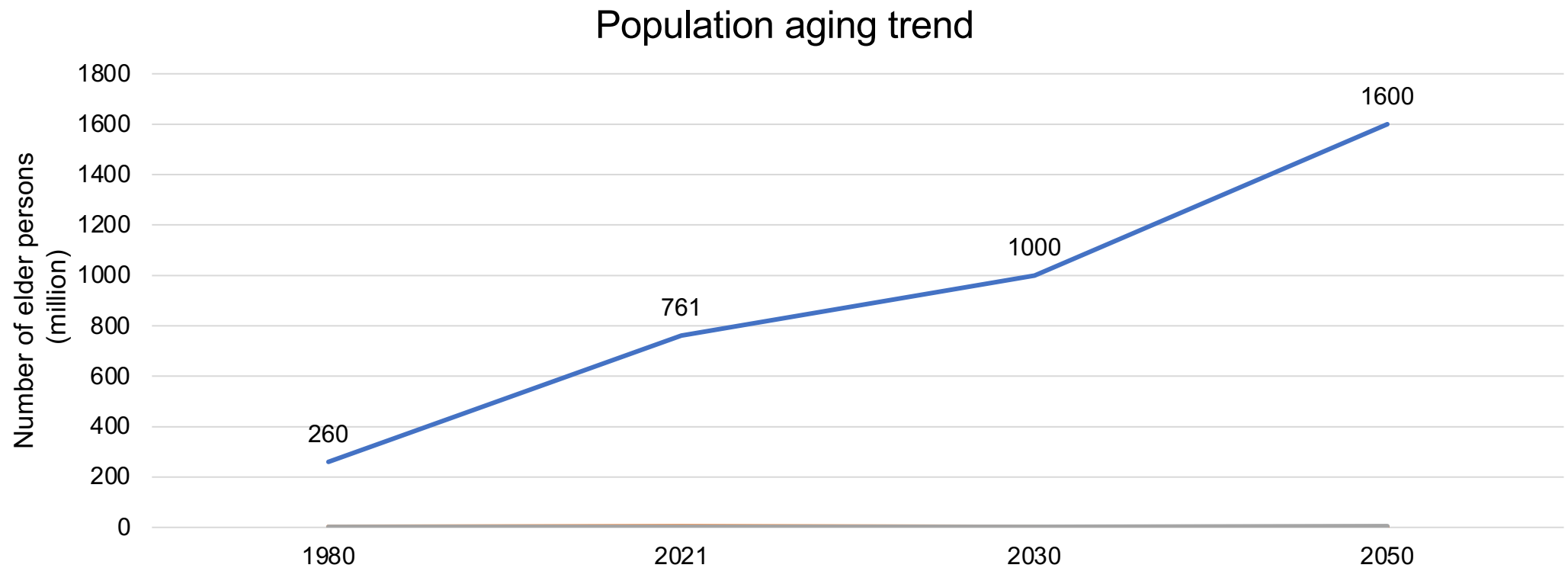
2. Mega-trends in the global development landscape

2.2. Global climate change:

- The contradiction between economic development and energy, population and environmental issues becomes increasingly apparent;
- The transition to a green economy is promoted;
- Governments should be aware of policy coordination on a global scale.

2. Mega-trends in the global development landscape

2.3. Population aging:



2. Mega-trends in the global development landscape

2.4. New globalization trend - Globalization 4.0

- Multilateralism no longer dominates the global economy and is replaced with multipartnerism;
- Awareness of countries of global environmental issues has been raised;
- Machines could replace humans faster than the pace at which human society can adapt to the changes created by machines.

3. Opportunities and challenges for Vietnam and some policy recommendations

3.1. Opportunities and challenges for Vietnam

Opportunities:

- Obtaining awareness of industrialization, modernization, growth model and socialist-oriented market economy;
- Establishing connected industries and digital infrastructure;
- Enjoying advantages from the geostrategic location: being a “bridge”, “buffer zone”, “balancing point” in international and regional political and economic relations.

Challenges:

- New generation FTA could be come an “integration trap”;
- Cheap labor could no longer be an advantage due to the automation process of manufacturing;
- Pressure from the major countries require flexible and smart diplomatic policies to maintain balanced relations with them.

3. Opportunities and challenges for Vietnam and some policy recommendations

3.2. Policy recommendations

- Effectively implementing the comprehensive strategic partnership with 7 countries; promoting the relations with middle powers.
- Promoting close linkage of national defense, security and foreign affairs;
- Boosting the comprehensive international integration and participating in the new globalization process;
- Implementing the green transition and joining in the global green space in a proactive manner;
- Participating in the global digital space;
- Responding to and preparing well for the population aging trend.

THANK YOU!

TRÂN TRỌNG CẢM ƠN!

