

# NEWSLETTER

## GROWTH & INFLATION: A LOOK BACK AT VIETNAM

The past decade has been volatile, yet it clearly showcases Vietnam's resilience and economic momentum. Overall, the country has maintained an impressive growth rate while keeping inflation relatively stable and under control.

**2015–2019 (High Growth, Stable Inflation)**, This was a “golden period” where GDP growth consistently remained high, peaking above 7% in 2018–2019. Vietnam benefited significantly from its position as a global manufacturing hub, attracting strong FDI inflows. Inflation stayed well-managed at around 3–4 %, providing a stable macroeconomic foundation.

**2020–2021 (Impact of COVID-19)** GDP growth slowed sharply, falling to the lowest level (under 3%) in decades due to lockdown measures and supply chain disruptions.

*Based on macroeconomic analyses, maintaining a high economic growth rate for Vietnam post-2025 is a feasible yet challenging objective, and the relationship between growth and inflation will be the core issue requiring prudent management.* Feasibility stems from solid foundations: Vietnam's position in the global supply chain continues to strengthen, FDI inflows maintain a positive trend, especially in high-tech sectors, coupled with the power of the domestic market and its rapidly expanding middle class.

*However, maintaining growth above the 6% threshold will become increasingly difficult as the economy scales, and growth drivers based on cheap labor and capital intensity gradually diminish in effectiveness.*

The sustainability of long-term growth will depend on Vietnam's ability to successfully implement deep structural reforms, particularly by enhancing labor productivity, fostering innovation, and transitioning to a green economy and digital economy model.



**The 2022 Period (Explosive Recovery):** The economy rebounded dramatically with GDP growth exceeding **8%**, the highest in the region. This strong recovery resulted from the reopening, government economic stimulus packages, and the return of export orders.

**The 2023-2025 Period (Adaptation and Re-acceleration):** GDP growth in 2023 slowed down slightly due to challenges in the global export market and domestic issues within the real estate and bond markets. Nevertheless, since 2024, the economy has regained momentum and is projected to continue its high growth trajectory in 2025. Inflation remains within the National Assembly's target threshold (**below 4.5%**), demonstrating the Government's flexible management of macroeconomic policy.

## GROWTH AND POLICY INTERVENTIONS

### **"What is "Helicopter Money"?"**

"Helicopter Money" is an economic term coined by the renowned economist Milton Friedman. It describes an unconventional and aggressive monetary policy where the central bank or government directly "throws money" into the economy by distributing cash to individuals or businesses. The main objectives of this policy are:

*Although the Vietnamese Government's 100,000 VND digital gift shares a superficial resemblance to "Helicopter Money," its essence and purpose are fundamentally different. The initiative is rooted in social welfare, a gesture of support and encouragement for citizens rather than a monetary policy instrument designed to address major macroeconomic challenges.*

Even so, it remains a meaningful policy that reflects the Government's attention to citizens' well-being and helps stimulate small-scale economic activity within the community.





# HOT GROWTH & THE DIGITAL INFRASTRUCTURE LESSON: FROM VNEID TO SMES

The "lucky money" giveaway on National Day, with a gift of **100,000 VND** via **VNeID** at the end of August, exposed a **"bottleneck"** when demand surged and the infrastructure was unprepared to cope. Immediately afterward, banks were mobilized to guide VNeID linking and support payments, which helped **distribute the load and multi-channel the process**. This is a direct example of **"hot growth"** in digital transformation: demand outpacing service capacity.

*The VNeID event demonstrated that when user volume suddenly spikes, core processes (login, identity verification, payment) become **"bottleneck points"**. For **SMEs** in fintech, e-commerce, and digital services, the question is not "Have we digitally transformed?" but rather, **"Can the system handle the load?"** and "Do we have an operational scenario for peak times?"*

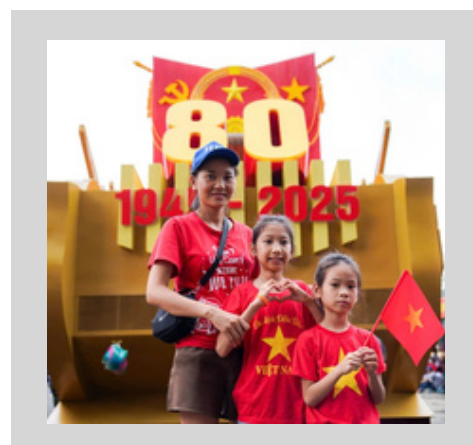
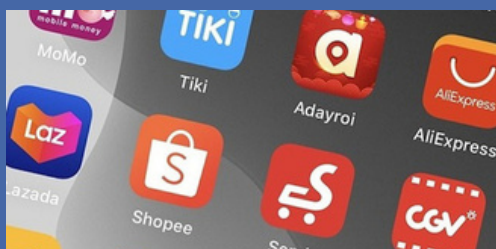


Image: Tuổi Trẻ Online



## A SIMILAR SCENARIO FOR VIETNAMESE ENTERPRISES

- A domestic e-commerce platform once experienced a "shopping cart crash" during a Flash Sale on 11/11: just minutes after opening, the website could not handle hundreds of thousands of simultaneous accesses, leading to customer churn and revenue loss.
- On the other hand, several commercial banks have successfully processed millions of transactions daily thanks to **flexible, scalable system architecture, channel-based load distribution**, and **real-time operational monitoring**. This is clear evidence of the philosophy **"prepare before you grow."**

# THE LONG-TERM VISION FOR BUSINESS

Based on these practical examples, business owners should view technology not as a passing "wave," but as the **operational foundation** during rapid growth phases. To avoid overload when business performance explodes, three sustainable pillars must be built:

- **Robust Infrastructure:** Design digital channels with load distribution and multi-channel scaling plans to prevent pressure from concentrating at a single point.
- **Standardized Processes & Data:** Lean and clear processing flows, measured in real-time, and compliant with security standards.
- **Operational Team:** Quick response capabilities, with experience to handle incidents, minimizing disruption risks.

***This is no longer a passing trend but a sustainable foundation that enables businesses to fully leverage digital transformation. With the right preparation, companies avoid being "overwhelmed" when their performance suddenly accelerates.***



*Digital transformation is not just about "having a system"; it is about having a system that can withstand demand surges, one that keeps selling, keeps collecting, and keeps customers coming back even at peak load.*

## TECHNOLOGY SOLUTIONS IN THE "HIGH-GROWTH" PHASE

Understanding these critical points, Orthian is proud to be chosen by SMEs for our comprehensive and sustainable digital ecosystem. Our **core solutions** include:

- **Custom Software:** Tailored systems built around each business's operational priorities and digital infrastructure, ensuring every feature serves a clear commercial goal.
- **Website Maintenance:** A structured maintenance service that keeps digital infrastructure secure, updated and consistently high-performing.
- **UI/UX Design:** User-centered research and design built on clear processes and intuitive interfaces that enhance usability and conversion.
- **App Studio:** Business-model-driven app development with essential product features built in from the start, enabling seamless scalability across channels.

***Q3 and Q4 are the appropriate periods for Business to solidify its system before the year-end peak season. As a potential technology partner, Orthian consistently accompanies the Enterprise in realizing clear and effective business goals.***