

NEWSLETTER

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GLOBAL GROWTH FORECAST & INFLATION TRENDS OVERVIEW

The International Monetary Fund (IMF) has just revised its global economic growth forecast for 2025 **upwards to 3.0%, 0.2% points** higher than the April forecast, while expecting 3.1% in 2026. Although the increase is modest, this adjustment reflects the world economy's gradual recovery prospects, despite significant geopolitical instability and tight monetary policies in major economies.

For Vietnam, a nation with high trade openness and strong export dependence, this global economic improvement signals a positive outlook. The external demand environment, while not showing sudden growth spikes, is exhibiting greater stability compared to earlier fears of a sharp decline.

Even the **"fragile"** recovery of major markets is sufficient to support key export sectors, thereby contributing to the sustained momentum of Vietnam's overall economic growth in 2025.

This foundational element helps Vietnam consolidate its export-oriented growth model amidst ongoing global volatility.



GDP GROWTH FORECASTS AND GOVERNMENT TARGETS

International organizations provide varied forecasts for Vietnam's 2025 GDP growth, reflecting caution amid a volatile global economic environment. The IMF estimates Vietnam's GDP growth at **5.2%**, while the ADB has revised its forecast down to **6.3%** for 2025 and **6.0%** for 2026 due to tariff pressures. Conversely, AMRO and UOB have raised their forecasts to **7%** and **6.9%** respectively, indicating stronger recovery expectations driven by domestic factors.

Meanwhile, the Government of Vietnam has set a minimum growth target of **8%**, with the Ministry of Finance even proposing a range of **8.3–8.5%** to establish a foundation for the breakthrough phase post-2025. In the first half of the year, GDP grew by **7.52%**, the highest in a decade, providing positive momentum.

If this momentum is maintained, Vietnam's full-year growth could approach the optimistic forecasts, narrowing the gap with the Government's target and affirming the effectiveness of traditional growth pillars (investment, consumption, exports).



ANALYSIS



Vietnam possesses numerous favorable factors to sustain strong growth momentum in 2025. The Golden Population Structure (young workforce), competitive production costs, and a rapidly expanding middle class are boosting domestic consumption, creating significant impetus for the economy. Simultaneously, e-commerce and modern retail systems continue to expand, indicating that Digital Transformation (DX) is becoming a crucial catalyst for consumption growth. Foreign Direct Investment (FDI) remains a key pillar, with strongly increasing disbursed and adjusted capital, reflecting investor confidence in the stable business environment. Vietnam is strategically shifting towards high-tech industries such as semiconductors and artificial intelligence, strongly supported by investment attraction policies. This helps the country reposition its role in the restructuring global supply chain.

Furthermore, programs related to Digital Transformation for businesses are considered essential to enhance internal capabilities in operational optimization, improve competitiveness, and, critically, create a new labor force: Labor 4.0.



2025 AND THE DIGITAL TRANSFORMATION TURNING POINT: THREE SECTORS, ONE VISION

As mentioned in the June 2025 newsletter, Orthian and GHC emphasized the importance of the Digital Technology Industry Law, as well as the opportunities for breakthrough development through digital transformation for small and medium enterprises (SMEs). In this issue, we will delve deeper into the DX narrative, focusing on three sectors currently leading technology application in Vietnam: Education Technology (EdTech), Health Technology (HealthTech), and Smart Agriculture Technology (AgriTech).



1. High Technology: Short-Term Trend or Sustainable Growth Pillar?

In 2025, EdTech, HealthTech, and AgriTech stand out as bright spots in Vietnam's Digital Transformation journey. But is this just a momentary trend, or is it gradually becoming a long-term growth pillar?

According to the Ministry of Industry and Trade, the digital economy contributed nearly **20% of GDP** in Q1/2025, a clear testament to the essential role of technology. The reality indicates that this breakthrough is not merely a consequence of a fleeting trend but results from supportive policies, increasing market demand, and the maturation of digital infrastructure. This forms the basis for a sustainable development process, not a temporary phenomenon.

2. Drivers for Technology Adoption: From Practical Needs to a Supportive Ecosystem:

- **Competitive Pressure and Social Demand:** EdTech expands access to education; HealthTech enables remote healthcare; AgriTech elevates agricultural product standards for the export market.
- **Innovation Support Policies:** Sandbox mechanisms and tax incentives facilitate favorable conditions for enterprises, especially SMEs, to test new technologies.

- **Investment Resources and Multi-Dimensional Collaboration:** The participation of entities like Techcoop, EdTech startups, or collaborative models between hospitals and technology units such as VinAI, FPT... demonstrates the potential from domestic cooperation combined with international partners.
- **High-quality human resources** are rapidly developing, coupled with the boom of technology startups.

3. Key Technologies and Integration Capability: Reshaping Industry Operations

Key technologies are contributing to the restructuring of operations and competition:

- **EdTech: Generative AI** and **VR/AR** personalize learning experiences. Systems like Azota support over 1 million teachers in grading assignments and tracking students (ViewSonic, 04/2025).
- **HealthTech: Blockchain** secures medical data, **AI** assists in diagnostic imaging with accuracy around **95%** (VinAI, 06/2025), and **IoT** enables remote patient monitoring.
- **AgriTech:** Drone systems integrated with **AI & IoT** provide data on moisture, pests, and soil quality, helping save **40% of water** and increase **yields by 25-30%** in the Mekong Delta.

Although these three sectors have distinct characteristics, the main intersection is the need for a **flexible, scalable technology platform that adheres to legal compliance and possesses continuous integration capabilities**. It is the effective adaptation and connection between technological solutions that will determine the ability to sustain performance and create long-term, sustainable value.



Technology is a Lever, Not a Magic Bullet.

Technology is a growth tool, but achieving **20% digitized GDP** requires parallel efforts in establishing a transparent legal framework, high-quality human resource training, and stable infrastructure. If **EdTech**, **HealthTech**, and **AgriTech** continue on the right trajectory, Vietnam will not only record growth figures but also enhance living standards and global competitive standing.

Orthian's Commitment to Partnership: *from strategic consulting and selecting key technology to implementing secure solutions, helping SMEs lead in the digital era.*