Vietnam economy expands 6.4 percent in first half of year

AFP- Vietnam's economy grew by more than six percent in the first half of 2024, government figures showed Saturday, as analysts said more reforms are needed to further boost the economy.
The global manufacturing hub saw an expansion of 6.4 percent in January-June, compared to 3.7 percent over the same period of 2023, the General Statistics Office (GSO) said in a statement.

The upswing was the result of "several measures" taken to improve supply chains, the foreign exchange market and public investment, the GSO said.

Industrial production was up 7.5 percent, while foreign investment increased by 8.2 percent compared to the same period last year, the new figures showed.

To maintain and promote growth, the government needs to focus on the key sectors of manufacturing and processing, logistics and hospitality, VPBank Securities analyst Duong Thien Chi said.

Policymakers should also take into account "unmeasurable variables" such as the US Federal Reserve's moves on interest rate reduction, Duong told AFP.

The United States was Vietnam's largest export market in the first six months of 2024.

The Southeast Asian nation earned $190 billion from exports over that period, up by 14.5 percent year on year.

Despite such improvement, an International Monetary Fund analyst said Vietnam "needs a new wave of reforms" following a visit to the country late June.

“Increasing productivity, further investing in human and physical capital, and incentivising private investment in renewable energy is key,” said the IMF’s Paulo Medas.

Vietnam is targeting growth of between six and 6.5 percent this year, up on the 5.05 percent seen in 2023.

AFP