Scientific Research Publishing

Modern Economy, 2026, 17(8), 991-1010
https://www.scirp.org/journal/me
ISSN Online: 2152-7261
ISSN Print: 2152-7245

Breakthrough Strategies for Vietnam's Economic Development during the 2026-2030 Period

Nguyen Van Cuong

University Council, Hoa Sen University (HSU), Ho Chi Minh, Vietnam
Email: nvcuong167@yahoo.com

How to cite this paper: Cuong, N. V. (2026). Breakthrough Strategies for Vietnam's Economic Development during the 2026-2030 Period. *Modern Economy, 17,* 991-1010.
https://doi.org/10.4236/me.2026.178049

Received: April 15, 2026
Accepted: August 15, 2026
Published: August 18, 2026

Abstract

The Resolution of the 14th National Congress of the Party has set the goal of breakthrough development with an average GDP growth rate of 10% or more per year, GDP per capita reaching approximately 8500 USD by 2030, the digital economy accounting for about 30% of GDP, the manufacturing industry accounting for about 28% of GDP, and contributing over 55% to total factor productivity. To achieve this, the Resolution emphasizes three strategic breakthroughs: (1) Breakthrough in institutions, perfecting the socialist-oriented market economy institutions, removing bottlenecks, creating a transparent investment environment, and unlocking resources; (2) Breakthrough in high-quality human resources, reforming education and training, attracting talent and developing science and technology, innovation, and digital transformation as the main driving force; (3) Breakthrough in synchronous and modern infrastructure. Key priorities include innovating the growth model, restructuring the economy, developing the private and state-owned sectors as driving forces, promoting a green and circular economy, deep international integration, and ensuring macroeconomic stability. The decisive implementation of these solutions will lay the foundation for Vietnam to become a developing country with a modern industrial base and a high-middle-income status by 2030, aiming for high-income status by 2045.

Keywords

Economy, Economic Development, Breakthrough Development, Vietnam

1. Introduction

Against the backdrop of profound changes in the global economy driven by geo-

political competition, restructuring of global supply chains, the Fourth Industrial Revolution, artificial intelligence (AI), digital transformation, green transformation, and the demands of sustainable development, countries are increasingly required to innovate their growth models to enhance productivity, resilience, and national competitiveness (IMF, 2024; OECD, 2024; UNCTAD, 2024a). For developing economies like Vietnam, these changes present both significant opportunities for breakthroughs and numerous challenges in maintaining high growth rates, ensuring macroeconomic stability, and realizing long-term development goals.

In this context, the period 2026-2030 is identified as a particularly important period for Vietnam's development process, creating a foundation to achieve the goal of becoming a developing country with modern industry and upper-middle income by 2030 and aiming to become a developed country with high income by 2045 (Central Committee of the Communist Party of Vietnam, 2025a). To realize this goal, the Resolution of the 14th National Congress of the Communist Party of Vietnam set forth many development targets for the period 2026-2030, including an average annual GDP growth rate of 10% or more, GDP per capita of approximately US$8500 by 2030, the proportion of processing and manufacturing industries reaching approximately 28% of GDP, the digital economy contributing approximately 30% of GDP, and total factor productivity (TFP) contributing over 55% to economic growth (Communist Party of Vietnam, 2026). At the same time, the 14th Congress reaffirmed the three strategic breakthroughs: perfecting development institutions, developing high-quality human resources, and building a synchronous and modern infrastructure system as core driving forces to create a breakthrough in development in the new period.

Modern economic growth theories all agree that long-term growth depends not only on capital and labor accumulation but also on technological progress, innovation, institutional quality, and human capital. Solow's (1956) neoclassical growth model lays the foundation for analyzing the role of technological progress and TFP, while Romer's (1986) and Aghion & Howitt's (1992) endogenous growth theories emphasize the role of knowledge, research and development (R&D), and innovation as endogenous drivers of long-term growth. Simultaneously, studies by Mankiw et al. (1992) and Hall & Jones (1999) also affirm that human capital is a decisive factor in productivity and economic convergence among nations. More recently, Acemoglu & Robinson (2012) and Rodrik et al. (2004) argued that institutional quality is the foundation for sustainable prosperity, because effective institutions create a favorable environment for investment, innovation, and efficient resource allocation.

Based on these theories, numerous empirical studies have examined the drivers of Vietnam's economic growth. Reports from the World Bank, IMF, and OECD all acknowledge Vietnam as one of the fastest-growing economies in the Asia-Pacific region, maintaining macroeconomic stability, expanding international trade, and attracting significant foreign direct investment (FDI) over the past several years (OECD, 2020; OECD, 2022; IMF, 2025a; World Bank, 2025a). However, these or-

ganizations also warn that the growth model, primarily based on investment expansion and cheap labor, is gradually revealing its limitations. In contrast, labor productivity and total factor productivity remain low compared to many economies in the region. Young (1995) and Krugman (1994) also noted that growth based on the accumulation of inputs will soon decline if it is not replaced by growth driven by productivity and innovation.

In the context of the Fourth Industrial Revolution, digital transformation and artificial intelligence are reshaping the global economy's development model. Many recent studies continue to emphasize the role of science, technology, and innovation as new drivers of growth. McKinsey & Company (2023), IMF (2025b), and Acemoglu (2025) all recognize that AI can create a leap forward in labor productivity while mitigating the adverse impacts of population aging. However, to effectively exploit this potential, countries need to build a synchronized digital infrastructure, a high-quality workforce, and a suitable legal framework (OECD, 2024; ITU, 2024). For Vietnam, many studies show that domestic innovation activities are closely related to economic growth (Minh, 2020), but the digital transformation process of the business sector, especially small and medium-sized enterprises, still faces many barriers in terms of capital, technology, and human resource quality (OECD & ERIA, 2018; Minh et al., 2024). This indicates that enhancing innovation capacity and improving Vietnam's position in the global innovation ranking (WIPO, 2024) will remain an important requirement in the coming period.

Besides science, technology, and innovation, many studies also emphasize that institutional quality, human resource development, infrastructure modernization, and green transformation are fundamental conditions for maintaining sustainable growth. Bon (2019) shows that institutional quality directly affects the efficiency of public investment and economic growth in Vietnam, while the Central Committee of the Communist Party of Vietnam (2025b) identifies organizational reform and institutional improvement as key tasks to enhance national governance effectiveness. The OECD (2020, 2022) also recommends that Vietnam continue to improve the business environment, enhance transparency, and promote the private sector as a key driver of the economy. At the same time, the World Bank (2014), IMF (2025a), and World Bank (2025a) all emphasize that improving the quality of human resources, developing STEM skills, and promoting innovation in education and vocational training will play a decisive role in enhancing labor productivity and meeting the needs of high-tech industries.

Simultaneously, the transition to a green growth and sustainable development model is increasingly essential for developing economies. The World Bank (2022) proposed that Vietnam implement a development roadmap based on the GRID (Green, Resilient and Inclusive Development) model to aim for net emissions of "zero" by 2050, while UNEP (2011), Ngoc & Anh (2016), and UNCTAD (2024b) all argue that a green economy not only contributes to mitigating the impacts of climate change but also creates opportunities to enhance Vietnam's position in

global value chains. Furthermore, economic development must also be linked to ensuring national defense and security, expanding foreign relations, and strengthening social welfare to enhance the economy's resilience to external shocks (Central Committee of the Communist Party of Vietnam, 2025a; 2025b; 2025c; OECD, 2024; WEF, 2025; Trong, 2022). These orientations are also consistent with Lin (2012) view on the new economic structure and Porter (1990) view on national competitive advantage, according to which long-term growth can only be achieved when countries build a comprehensive development policy system, effectively leverage competitive advantages, and adapt flexibly to changes in the international economic environment.

Although numerous domestic and international studies have analyzed the determinants of Vietnam's economic growth, most current research focuses primarily on individual aspects such as TFP, foreign direct investment (FDI), international trade, institutional quality, innovation, digital transformation, or human resource development. Reports from the World Bank (2025a; 2025b), IMF (2025a), and OECD (2025) provide important assessments of Vietnam's macroeconomic outlook, productivity, institutional reforms, and growth drivers. However, these studies mainly analyze separate areas or focus on short-term issues. At the same time, there is a lack of comprehensive studies to holistically evaluate Vietnam's economic development outcomes throughout the 2021-2025 period.

This period is particularly important as it marks both the recovery from the COVID-19 pandemic and the initial phase of implementing the Socio-Economic Development Strategy 2021-2030 and the Socio-Economic Development Plan 2021-2025, while also laying the groundwork for strategic planning in the next phase. Furthermore, in the context of a rapidly changing global economy, although many reports have analyzed the impact of trends, there is still a lack of research to build a comprehensive strategic framework to guide breakthrough development for Vietnam in the 2026-2030 period, based on a combination of the new international context and domestic development conditions (IMF, 2024; OECD, 2024; UNCTAD, 2024a).

According to the Resolution of the 13th National Congress of the Party (2021) and the Socio-Economic Development Strategy 2021-2030, with a vision to 2045, the breakthrough development (breakthrough strategy or breakthrough growth) refers to key areas that create breakthroughs to remove bottlenecks, unlock resources, improve productivity, quality, efficiency, and competitiveness of the economy, contributing to the goal of Vietnam becoming a developing country with modern industry and high middle income by 2030; and a developed country with high income by 2045.

Based on the aforementioned research gaps, this paper conducts a comprehensive assessment of Vietnam's economic development during the 2021-2025 period by analyzing economic growth indicators, structural shifts in industries, and the role of total factor productivity in growth. On this basis, the study identifies the achievements, limitations, and bottlenecks of the economy in the new development context, and proposes a comprehensive strategic solution system to promote

breakthrough economic development in Vietnam during the 2026-2030 period.

The remainder of this paper is organized as follows. Section 2 describes the research methodology. Section 3 evaluates Vietnam's economic performance during the 2021-2025 period, including overall economic growth, sectoral contributions, and the role of Total Factor Productivity. Section 4 discusses the major challenges and structural constraints facing Vietnam's economy. Section 5 proposes strategic measures for achieving breakthrough economic development during the 2026-2030 period. Finally, Section 6 concludes the study and highlights key policy implications.

2. Methodology

This study employs a qualitative policy analysis approach combined with descriptive statistical analysis to evaluate Vietnam's economic performance during the 2021-2025 period and to formulate strategic policy recommendations for the 2026-2030 period.

The analysis is primarily based on secondary data from official, internationally recognized sources. Data are obtained from the General Statistics Office of Vietnam (GSO), Statista, and the International Monetary Fund (IMF). Policy reports are collected from the IMF, the World Bank (WB), the Organization for Economic Co-operation and Development (OECD), the UN Trade and Development (UNCTAD), and other reputable international organizations. These sources provide reliable and comparable information on macroeconomic indicators, sectoral performance, productivity, investment, trade, and sustainable development.

Descriptive statistical analysis is employed to examine key indicators of Vietnam's economic performance during the 2021-2025 period, including GDP growth, GDP per capita, sectoral contributions to gross domestic product, and the contribution of TFP to economic growth. Tables and comparative statistics are used to summarize major trends and structural changes, thereby providing an overall assessment of the country's economic achievements and remaining limitations.

In addition, comparative analysis is conducted to examine changes in Vietnam's economic structure over time and to evaluate the evolving contribution of different growth factors. The study also reviews relevant theoretical and empirical literature on economic growth, productivity, institutional reform, digital transformation, green growth, and sustainable development to establish the analytical foundation for the policy discussion. By synthesizing evidence from previous studies together with recent macroeconomic developments, the research identifies the key structural constraints affecting Vietnam's long-term development prospects.

The proposed policy measures are developed by integrating Vietnam's development objectives with international experiences and global development trends, including digital transformation, green transition, innovation-driven growth, institutional modernization, and deeper international economic integration. This

integrated methodological approach enables the study to offer comprehensive, practical policy recommendations that support sustainable, breakthrough economic development in Vietnam.

3. Evaluation of Vietnam's Economic Performance for the Period 2021-2025

Based on the research methodology framework presented, Part 3 will assess Vietnam's economic performance during the 2021-2025 period through descriptive statistical analysis of key macroeconomic indicators (GDP growth, GDP per capita, sectoral contribution, and TFP). Data were extracted from the GSO, IMF, and Statista for the period 2021-2025. Overlapping data series between sources were handled by prioritizing official data from the GSO and adjusting to ensure comparability.

3.1. Overall Evaluation

The 2021-2025 period, corresponding to the implementation tenure of the Resolution of the 13th National Congress of the Communist Party of Vietnam, unfolded amidst an exceptionally challenging global landscape: the severe outbreak of the COVID-19 pandemic in 2021, global supply chain disruptions, geopolitical volatility, surging global inflation, and the intensifying impacts of climate change. Despite these adverse headwinds, Vietnam's economy demonstrated remarkable resilience, a rapid recovery, and significant achievements, thereby establishing a solid foundation for pursuing the country's breakthrough development objectives for the 2026-2030 period, as outlined in the Resolution of the 14th National Congress.

During the 2021-2025 period, the average annual growth rate reached approximately 6.3%. The nominal GDP expanded from roughly $370 billion in 2021 to $514 billion in 2025, an absolute increase of nearly $144 billion. Consequently, Vietnam officially entered the group of upper-middle-income economies by 2025 (Table 1).

Table 1. GDP growth rate and Nominal GDP for the 2021-2025 period.

Year	GDP growth rate (%)	GDP (Bi. USD)	GDP per capita USD
2021	2.55	370	3,757
2022	8.54	411	4,101
2023	5.05	433	4,316
2024	7.09	476	4,700
2025	8.02	514	5,026

Source: GSO (2026).

3.2. Evaluation of the Contribution of Sectors to Economic Growth

According to data published by the General Statistics Office of Vietnam (GSO) and official reports from Statista, the contributions of the major economic sectors

to Vietnam's GDP during the 2021-2025 period are presented as follows.

The agriculture, forestry, and fisheries sector accounted for an average of 12.0% of Vietnam's GDP during the 2021-2025 period. Its share declined gradually from 12.60% in 2021 to 11.64% in 2025. While this decline reflects the ongoing structural transformation of the Vietnamese economy, the sector remains vital to food security, export revenues, and rural employment. Although its growth rate remained relatively stable, it was consistently lower than the overall economic growth rate, typically hovering between 3% and 4% annually. In 2025, the agriculture, forestry, and fisheries sector recorded a growth rate of 3.78%, contributing 5.30% to overall gross value added (GVA) growth. Within the sector, agriculture expanded by 3.48%, contributing 3.59% to total GVA growth; forestry grew by 5.70%, contributing 0.38%; while fisheries increased by 4.41%, accounting for 1.33% of total GVA growth.

The industry and construction sector accounted for an average of 37.70% of Vietnam's GDP during the 2021-2025 period, maintaining a relatively stable share throughout. Its contribution increased modestly from 37.39% in 2021 to 38.48% in 2022 before declining slightly to 37.65% in 2025. In 2025 alone, the sector recorded a growth rate of 8.95% and accounted for 37.65% of GDP. Growth in this sector was driven primarily by the manufacturing and processing industries, particularly electronics, textiles and garments, footwear, automobiles, and machinery production. This performance was largely driven by foreign direct investment (FDI) enterprises (such as Samsung, Intel, and Foxconn), which significantly boosted exports of smartphones, computers, and electronic components amid a global supply chain recovery. Concurrently, the construction sub-sector expanded substantially, leveraged by public investment in infrastructure, such as expressways, airports, and energy projects, as well as a sharp influx of FDI, deeper integration into global value chains, and the creation of high-quality employment. In the time to come, the industry and construction sector is expected to remain a key driver of Vietnam's economic growth, shifting its trajectory toward Industry 4.0 technologies and the development of the semiconductor industry.

The services sector accounted for the largest share of Vietnam's GDP during the 2021-2025 period, averaging 42.22%. Its contribution exhibited a slight upward trend, increasing from 42.00% in 2021 to 42.75% in 2025. Several key subsectors drove this performance. Wholesale and retail trade recorded strong growth, supported by robust domestic consumption and the rapid expansion of e-commerce. The transportation and warehousing sector experienced a strong post-pandemic recovery, facilitating export and import activities. Tourism, accommodation, and food services experienced exponential growth, driven by the resurgence of international tourist arrivals, which contributed to economic growth in 2024 and 2025. Meanwhile, the financial, banking, and insurance sectors continued to provide stable contributions and sustained credit support to the broader economy. Furthermore, the information and communication sector has achieved rapid growth, driven by nationwide digitalization initiatives. Overall, the

service sector is the largest contributor to Vietnam's economic growth, creating numerous job opportunities and stimulating domestic consumption. If the service sector's contribution to all sectors is considered, it indirectly accounts for approximately 65% to 70% of GDP (GSO, 2025). Service-related activities are estimated to significantly support the national GDP through their extensive linkages with other sectors of the economy. In the future, the service sector is expected to continue to be a major driver of economic growth, driven by the development of modern service industries, high-end tourism, and continuous digital transformation (GSO, 2025) (**Table 2**).

Table 2. Sectoral contribution to Vietnam's GDP during the 2021-2025 period. Unit: (%).

Year	Agriculture, Forestry, and Fisheries	Industry and Construction	Service	Taxes Less Subsidies on Products
2021	12.60	37.39	42.00	8.01
2022	11.88	38.48	41.60	8.04
2023	11.94	37.39	42.38	8.29
2024	11.95	37.58	42.35	8.12
2025	11.64	37.65	42.75	7.96
Average	**12.00**	**37.70**	**42.22**	**8.08**

Source: Compiled from GSO (2022; 2023; 2024; 2025; 2026) and Statista (2026).

3.3. Evaluation of Total Factor Productivity

TFP reflects the efficiency with which production inputs are utilized through technological progress, innovation, improvements in management practices, institutional quality, resource allocation, and other intangible factors. As a comprehensive measure of productivity, TFP is widely recognized as a key indicator for assessing the quality of economic growth and the economy's capacity to shift from an input-driven (extensive) growth model to a productivity-driven (intensive) growth model.

Official reports from the General Statistics Office of Vietnam (GSO) and IMF for the 2021-2025 period indicate that TFP's contribution to Vietnam's economic growth improved markedly compared to the previous period. Specifically, during the 2016-2020 period, the average contribution of TFP to economic growth hovered between 40% and 45%, while capital and labor inputs accounted for 45%-50% and approximately 8%, respectively. In contrast, during the 2021-2025 period, TFP's contribution to economic growth rose to approximately 46% - 47%, whereas capital's contribution remained relatively stable at around 45% - 47%, and labor's contribution ranged between 5% and 8% (GSO, 2022, 2023, 2024, 2025, 2026; IMF, 2024, 2025a, 2025b). This performance exceeded the approximately 45% target outlined in the Socio-Economic Development Plan for 2021-2025.

TFP growth rebounded during the 2021-2025 period following the economic shock caused by the COVID-19 pandemic in 2021, driven by strong manufacturing growth, digital transformation, export expansion, and deeper international integration. However, according to the IMF, firm-level total factor productivity growth in Vietnam continued to decline during the 2015-2022 period. This divergence suggests that resource allocation efficiency and intrinsic technological capabilities within many firms remain limited. The improvement in TFP during 2021-2025 was largely attributable to enhancements in the quality of economic growth. In particular, the manufacturing sector and the services sector-especially wholesale and retail trade, tourism, and logistics-made substantial contributions to productivity growth. In 2025, economy-wide labor productivity increased by approximately 6.83% at constant prices (GSO, 2025), reaching about VND 245 million per worker. Furthermore, during the 2021-2025 period, Vietnam attracted higher-quality FDI inflows, which facilitated technology transfer and deeper integration into global value chains, thereby enhancing aggregate TFP. While digital and green transformations remain in their nascent stages, strategic policies designed to promote the digital economy (targeting 30% of GDP by 2030) and the green economy have begun to generate initial growth momentum (**Table 3**).

Table 3. Contributions of factors to GDP growth during the 2021-2025 Period. Unit (%).

Factor	2016-2020 (estimated)	2021-2025 (estimated)	2026-2030 (Projected)
Capital	45 - 50	45 - 47	42 - 45
Labor	8	5 - 8	5 - 6
TFP	**40 - 45**	**46 - 47**	**49 - 52**

Source: Compiled from data of GSO (2022; 2023; 2024; 2025; 2026).

4. Challenges and Constraints

The 2021-2025 period was characterized by unprecedented volatility and complexity, posing significantly greater challenges than the preceding period. Although Vietnam's economy demonstrated remarkable resilience and achieved an average annual GDP growth rate of approximately 6.3%, severe intrinsic and extrinsic barriers persisted, hindering sustainable expansion and impeding the transition of the economic growth model.

The *external challenges* defining this period began with the COVID-19 pandemic and global supply chain disruptions in 2021, which caused economic growth to decelerate sharply to just 2.55% due to the severe disease burden. Throughout the entire phase, the economy remained under the protracted influence of global logistical bottlenecks. This vulnerability was further compounded by geopolitical volatility and global economic uncertainties, including the Russia-Ukraine conflict, US-China tensions, rising trade protectionism, surging global inflation, and a contraction in export demand from major trading partners such as the EU,

China, and Japan. Additionally, natural disasters and climate change emerged as significant headwinds to economic development. Severe storms, flooding, and saltwater intrusion heavily impacted the agricultural sector and specific regional economies, thereby exposing the economy's limited resilience to climate-related risks.

In addition to external challenges, Vietnam's economic growth during the 2021-2025 period also exposed several *weaknesses and intrinsic constraints*. First, institutional bottlenecks emerged as a critical impediment to economic development. Although institutional reforms have made notable progress, their implementation has remained sluggish; numerous infrastructure and renewable energy projects have been delayed due to legal and regulatory constraints. Businesses have also faced rising production costs, including logistics expenses, electricity prices, fuel costs, labor costs, and administrative procedures burdens. Second, while capital deepening raised aggregate labor productivity, firm-level total factor productivity declined during the 2015-2022 period. Correcting existing resource misallocations could unlock TFP growth exceeding 50%. At the same time, many domestic enterprises remain heavily concentrated in low-value-added segments, characterized by weak intrinsic technological capabilities. Third, surging electricity demand necessitated substantial capital investments. However, slow and asynchronous infrastructure development posed a direct threat to sustained industrial expansion. Fourth, the labor market was characterized by a high proportion of informal employment and a pervasive shortage of technical skills. Although the percentage of trained workers increased, the economy continues to face a mismatch between workforce skills and the demands of high-technology industries and digital transformation. Furthermore, the business sector and the overall economic structure continue to exhibit an over-reliance on foreign direct investment (FDI), which accounted for the vast majority of export revenues yet maintained weak backward linkages with the domestic sector. During this period, a substantial number of domestic enterprises faced temporary suspensions or dissolutions, largely due to declining orders, rising production costs, and the growing pressure from green and digital transformations. Finally, macroeconomic stability faced underlying risks from inflationary pressures, exchange rate volatility, debt management, environmental pressures resulting from rapid industrialization, and regional and ethnic disparities.

Overall, the challenges and constraints encountered during the 2021-2025 period stemmed primarily from the combined effects of unprecedented external shocks and longstanding intrinsic weaknesses associated with a growth model that has relied heavily on capital accumulation and labor inputs. Although Vietnam successfully navigated these headwinds to achieve pivotal outcomes, failure to resolutely dismantle these lingering barriers will pose a substantial obstacle to attaining the ambitious targets outlined in the Resolution of the 14th National Congress, including an average annual GDP growth rate of 10% and a contribution of TFP exceeding 55%.

5. Strategic Measures for the Breakthrough Development of Vietnam's Economy in the 2026-2030 Period

Although Vietnam's economy achieved notable accomplishments during the 2021-2025 period, several persistent challenges and structural constraints remain. These limitations, if not addressed promptly, could hinder the country's ability to achieve higher growth targets. Therefore, identifying and overcoming these obstacles is essential to formulating breakthrough strategies for the 2026-2030 period.

The Resolution of the 14th National Congress of the Communist Party of Vietnam places economic growth at the center of the country's development agenda for the coming years. Achieving the ambitious development targets outlined in the Resolution—including an average annual GDP growth rate of at least 10%, GDP per capita of approximately USD 8500 by 2030, a digital economy accounting for around 30% of GDP, a manufacturing sector contributing approximately 28% of GDP, and TFP accounting for more than 55% of economic growth—will require the comprehensive and synchronous implementation of the following strategic policy measures.

5.1. Institutional Reform

Institutional reform is identified as the foremost strategic breakthrough and the cornerstone for mobilizing development resources, liberating productive forces, and generating a breakthrough impetus for the economy. The Resolution of the 14th National Congress of the Party emphasizes the necessity of constructing a synchronous institutional framework for rapid and sustainable development, with economic institutions serving as the core. This entails the timely dismantling of existing bottlenecks, a decisive pivot from ex-ante (pre-approval) to ex-post (post-auditing) oversight, and the creation of a transparent, competitive business environment. To institutionalize this transformation, the policy formulations of the State, ministries, and sectoral agencies must clearly reflect the following principles and objectives: The legal and regulatory framework should be comprehensive, modern, internationally integrated, and sufficiently stable to enhance policy predictability. The institutional design should stay one step ahead to simultaneously serve state management and stimulate economic expansion, thereby fostering a paradigm of an "Enabling State - Pioneering Enterprises - Public-Private Partnerships." Priority should also be given to further improving the socialist-oriented market economy, while reinforcing the leading role of the state sector and recognizing the private sector as a key engine of economic growth. At the same time, greater decentralization and authority delegation should be promoted to enhance local autonomy, accountability, and policy responsiveness. Furthermore, the institutional framework should be expanded to support emerging economic models, including the digital economy, green economy, circular economy, sharing economy, night-time economy, financial technology (FinTech), and artificial intelligence (AI) applications.

The detailed and priority policy measures are proposed as follows:

Legal and regulatory reform should begin with a comprehensive review and revision of legislation governing land administration, investment, construction, trade, mineral resources, intellectual property, bankruptcy, and related areas. At the same time, redundant administrative procedures and overlapping business conditions should be eliminated to the greatest extent possible to reduce regulatory compliance costs, in line to position Vietnam among the top three ASEAN countries in terms of the business environment by 2028.

Public administration and governance reform should implement a decisive transition from ex-ante to ex-post oversight. Efforts should focus on strengthening transparency and intensifying anti-corruption measures. Additionally, consolidating state management focal points is essential. The bottlenecks in public investment disbursement and in accelerating land clearance shall be eliminated.

The development of market types should be accelerated through policies that improve the efficiency and depth of financial markets, including the stock, corporate bond, gold, and real estate markets. Priority should also be given to developing international financial centers and free trade zones to efficiently mobilize idle capital and achieve market status upgrade.

Institutional frameworks for the new economy should be established by introducing regulatory sandboxes for financial technology (FinTech), artificial intelligence (AI), energy transition, and digital, green, and circular economy initiatives. This includes supporting novel business models and high-tech agricultural economics.

Decentralization and local empowerment should be realized through laws and policies that enhance local autonomy, the implementation of specialized mechanisms for key economic zones, fostering subnational innovation, and strengthening interregional coordination.

Institutional support for enterprise development should focus on refining policies to foster the private sector as a critical growth engine while optimizing the strategic role of the state economy. Efforts must focus on strengthening backward and forward linkages between foreign direct investment (FDI) enterprises and domestic firms, thereby increasing the localization rate within export products.

Ultimately, institutional reform is not merely an exercise in statutory amendment; it represents a fundamental revolution in the relations of production and national governance. It serves as the decisive foundation underpinning subsequent breakthroughs in human capital and infrastructure, acting as the key to Vietnam realizing its aspiration to become a modern, industrialized, upper-middle-income nation by 2030 and a high-income, developed economy by 2045.

5.2. Synchronous Infrastructure Development and Investment

The development of synchronous, modern infrastructure is one of the three strategic breakthroughs outlined in the Resolution of the 14th National Congress of the Communist Party of Vietnam, which was designed as the "spatial framework

and driving force" for breakthrough economic growth. Infrastructure development must be proactive, laying the groundwork for digital transformation, green transition, energy transformation, deeper international integration, and enhanced national competitiveness. Future investment paradigms and objectives for synchronous infrastructure development must clearly reflect the following principles: Achieving Systemic and Breakthrough Progress in Socio-Economic Infrastructure; Prioritizing multimodal transport infrastructure, digital networks, energy systems, green transitions, and climate change adaptation; Attaining at least 5,000 kilometers of operational expressways, completing major sections of high-speed railway systems, and modernizing international gateway seaports and major airport hubs; Developing Modern Digital Infrastructure to support digital governance and the digital economy to contribute 30% to GDP, and Striving to finalize the Lao Cai-Hanoi-Hai Phong railway line before 2030.

Investing in synchronous infrastructure development is a pivotal lever to realize Vietnam's breakthrough development aspirations. The specific and focal solutions are structured as follows:

Intensive capital allocation for multimodal transportation should be significantly expanded. Priority should be given to the development of the North-South, East-West, and coastal expressway corridors, high-speed railways, international transshipment seaports, major airport hubs, and urban railway systems in Hanoi and Ho Chi Minh City. These efforts should aim to expand the national expressway network to at least 5000 kilometers while completing several strategically important railway networks.

Investment in energy infrastructure and the green transition should be substantially strengthened to ensure a stable and reliable electricity supply through the expansion of renewable energy sources, the development of small modular nuclear reactors (SMRs), and the upgrading and expansion of smart grids and energy transition infrastructure. These initiatives are essential for safeguarding national energy security capable of sustaining an average annual economic growth rate exceeding 10%.

Investment in digital infrastructure and digital technologies should be significantly expanded to establish a synchronous digital infrastructure framework, including hyper-scale data centers, integrated national digital platforms, and 5G/6G telecommunication networks with universal interoperability. This will directly catalyze the digital economy to contribute at least 30% to GDP and facilitate the transition toward a comprehensive digital government.

Investment in green infrastructure and climate change adaptation should remain a strategic priority. Greater investment is needed to upgrade flood control systems, strengthen coastal protection infrastructure, improve waste-processing facilities, and promote the development of green-smart urban areas in order to enhance the country's resilience and adaptive capacity to climate change.

The investment in social infrastructure should also be expanded to education, healthcare, culture, and sports facilities, while continuing to improve rural infra-

structure under the New Rural Development Program to comprehensively elevate the quality of life nationwide.

5.3. Strategies for Developing High-Quality Human Resources

In alignment with the Resolution of the 14th National Congress of the Communist Party of Vietnam (2026-2030), developing high-quality human capital integrated with science, technology, innovation, and digital transformation represents a cornerstone among the three strategic breakthroughs. The Resolution explicitly emphasizes: "Concentrating on structural transition and quality elevation of human resources; advancing high-quality and highly qualified human capital; and intensifying the attraction and utilization of talented individuals." To achieve these objectives, the following strategic measures are proposed.

Fundamental reform of education and training should continue through the modernization of curricula and pedagogical methodologies in accordance with international standards. Greater emphasis should be placed on practical training, digital literacy, and creativity, while ensuring multi-level academic articulation to establish a modern educational system on par with the region's leading economies.

Demand-driven human resource development should be strengthened. Universities and research institutes must design enterprise-tailored training programs with strategic priority given to core industrial sectors such as semiconductors, artificial intelligence (AI), and energy transition technology. In addition, public–private partnerships (PPPs) in education and workforce training should be expanded to meet the growing demand for highly skilled labor required to support industrial breakthroughs.

Talent attraction and retention mechanisms require the establishment of more competitive and flexible policies: The State and domestic enterprises must formulate specialized frameworks governing compensation and bonuses, ensuring favorable working conditions through dedicated housing policies, and streamlining visa processes. Special mechanisms must be put in place to attract overseas Vietnamese professionals and internationally recognized experts, alongside targeted policies to nurture a premier cadre of domestic scientists and senior specialists.

Promoting lifelong learning and workforce upskilling is essential in the context of the Fourth Industrial Revolution, where a vast segment of the workforce needs reskilling. Consequently, the State and training institutions must expand short-term certification courses and re-training initiatives. This includes developing a national online learning platform and aligning with international certification standards to elevate the proportion of certified workers to 35% - 40%.

Financial and institutional subsidies for human capital are equally important. The government should increase state budgetary allocations and establish a dedicated talent development fund; implement digital-platform-based competency evaluation criteria for public officials, coupled with legal frameworks that protect institutional innovators, thereby generating a powerful impetus for the workforce

and leadership cadres.

5.4. Strategies for Transforming the Growth Model

Transforming Vietnam's growth model constitutes a central strategic priority under the Resolution of the 14th National Congress of the Communist Party of Vietnam. The Resolution calls for establishing a new growth paradigm by shifting from an extensive growth model, which relies primarily on capital accumulation, labor, and natural resources, to an intensive model based on productivity, quality, efficiency, value added, and enhanced competitiveness. In this transition, science, technology, innovation, and digital transformation are identified as the primary engines of growth, complemented by the green transition, energy transition, the circular economy, and the development of a highly skilled workforce. To facilitate this transformation, the following strategic measures are proposed.

Economic restructuring should prioritize the development of advanced manufacturing and high-technology industries while reducing dependence on low-value-added agricultural production. At the same time, greater emphasis should be placed on expanding high-value service industries in order to achieve the target of increasing the manufacturing sector's contribution to approximately 28% of GDP by 2030.

The national digital transformation should accelerate the construction of digital government, the digital economy, and digital society, while investing in robust digital infrastructure, big data, artificial intelligence (AI), and semiconductor technologies to realize the target of the digital economy accounting for roughly 30% of GDP.

Green transition and circular production should be promoted, which requires comprehensive policies to catalyze green and circular economies, accelerate renewable energy transitions, and enforce emission-reduction strategies. These measures aim to significantly lower energy intensity and secure sustainable long-term development.

Strengthening innovation and science and technology should focus on fostering the domestic startup ecosystem, enhancing the operational capacity of the National Innovation Center, increasing investment in research and development (R&D), and attracting high-tech FDI. These efforts should contribute to achieving TFP exceeding 55% and an annual labor productivity growth rate of 8.5%.

Optimizing multi-sectoral economic roles is aligned with the prompt implementation of Party resolutions on economic development by leveraging the state economy as the strategic guide, while positioning the private sector as the primary growth engine. At the same time, efforts must focus on strengthening backward and forward linkages between FDI enterprises and domestic firms to elevate domestic value-added in export products.

Deepening international economic integration should focus on maximizing the benefits of Vietnam's network of free trade agreements (FTAs), expanding participation in global value chains (GVCs), and attracting high-quality foreign direct

investment. These measures will enhance the market positioning and international competitiveness of Vietnamese enterprises.

5.5. Strategies for Strengthening National Defense and Security in the New Context

Strengthening national defense and security constitutes a pivotal, continuous mission for the entire Party, the people, and the armed forces, on par with socio-economic development. It serves as the cornerstone for demonstrating the nation's ambition for breakthrough development while maintaining a peaceful, stable environment and fostering favorable conditions for national industrialization and modernization in the new era.

Modernizing the armed forces is reflected in the development of a revolutionary, regular, elite, and modernized military and public police force. This involves cultivating an autonomous, dual-use defense and security industry to enhance combat capabilities and maintain operational readiness under all contingencies.

Strengthening the national defense and security system should focus on enhancing the country's comprehensive defense posture through closer coordination among national defense, public security, and civil institutions. Priority should also be given to the construction of resilient defense zones to protect the country at an early stage, from afar, and at the grassroots level.

Building a comprehensive security framework requires safeguarding political stability, economic security, cybersecurity, data security, and human security. Protecting political, economic, cyber, data, and human security. This entails preemptively identifying and mitigating domestic and external destabilizing factors, while maintaining high readiness to respond effectively to both traditional and non-traditional security threats.

Integrating defense policy with international integration should remain an important component of Vietnam's development strategy. The country should expand defense diplomacy and comprehensive international cooperation while still adhering to its "Four No's" defense policy, diversify strategic partnerships, preserve regional peace, and elevate its international standing.

Strengthening institutional capacity and strategic resources is equally important. A comprehensive legal framework governing national defense and security should continue to be refined, accompanied by adequate public investment in advanced defense technologies and national security strategic autonomy.

5.6. Strategies for Foreign Affairs and International Economic Integration

Foreign affairs and international economic integration serve as fundamental catalysts for cultivating an optimal environment conducive to breakthrough economic development. The specific strategic solutions are structured as follows:

Multilateralization and diversification of strategic relations are reflected in the continuous consolidation of relations with strategic and comprehensive partners.

This involves strengthening diplomatic and economic relations with major powers, global economic leaders, neighboring nations, and emerging developing economies to build a broad, balanced, and resilient partnership network, thereby mitigating risks of geopolitical and economic dependency.

Active engagement in multilateral governance mechanisms is demonstrated by Vietnam's proactive contributions to major multilateral forums, including the United Nations (UN), ASEAN, APEC, G20, CPTPP, EVFTA, and RCEP…Vietnam must independently propose strategic initiatives to amplify its international voice and leadership standing.

Promoting deeper international economic integration requires maximizing the benefits of existing free trade agreements (FTAs), attracting high-quality FDI into high-tech and green industries and supply chains, and supporting sustainable export growth. These efforts should facilitate greater integration into global value chains, increase the digital economy's contribution to approximately 30% of GDP, and raise the manufacturing sector's share to approximately 28% of GDP by 2030.

Economic and cultural diplomacy is demonstrated by the State's promotion of economic, cultural, and tourism diplomacy, and its support for the internal expansion of domestic enterprises through outward investment and export promotion, thereby enhancing the global competitiveness and brand equity of Vietnamese enterprises.

Safeguarding national interests in the context of international integration requires seamless alignment between foreign policy and the national defense and security apparatus; a resolute stance to protect the country's sovereignty and legitimate economic and commercial interests; and the strengthening of economic security and resilience in an increasingly interconnected global economy.

5.7. Strategies for Ensuring Political Stability and Social Welfare

Political and social stability constitute the bedrock on which Vietnam's breakthrough economic development in the 2026-2030 period will succeed or fail. Any institutional uncertainty carries the risk of eroding investor confidence and disrupting economic expansion.

Consolidating political stability and national security is evidenced by continued efforts to build a transparent and robust political system, combined with aggressive administrative reforms and resolute anti-corruption initiatives. This entails maintaining absolute political security and social order while placing strategic emphasis on economic, cyber, and supply chain security. Concurrently, fostering democratic practices and extensive dialogue with citizens and the business community is essential to cultivating a broad social consensus.

Constructing a multi-tiered, universal social welfare system is essential, in which the State should refine the social, health, and unemployment insurance frameworks toward universal coverage, with particular emphasis on informal workers, remote communities, and vulnerable cohorts. Concurrently, the State must effectively implement sustainable poverty-reduction programs and subnational development

initiatives in ethnic minority regions. This includes escalating investments in public education, grassroots healthcare networks, social housing projects, and dedicated support systems for the elderly and individuals with disabilities.

Core implementation measures include the increase of both public expenditure and private-sector participation in financing the social welfare funds; the application of digital transformation, the establishment of an integrated national demographic and social welfare database for a consequent, timely, and transparent policy framework; and a seamless integration between economic growth and social equity, adhering to the principle of not sacrificing social welfare for pure economic expansion.

6. Conclusion

The synchronous and resolute implementation of these breakthrough development strategies during the 2026-2030 period constitutes the decisive factor for Vietnam to escape the middle-income trap, realize its objective of becoming a modernized, industrialized, upper-middle-income developing nation, and be positioned within the world's top 30 largest economies. To attain an ambitious target of an average annual GDP growth rate of 10% or higher and a per capita GDP of approximately $8500 by 2030, primary focus must be aggressively directed toward institutional breakthroughs, high-quality human capital development, advanced science and technology, national digital transformation, and synchronous infrastructure expansion, while concurrently safeguarding socio-political stability and sustainable social welfare. Ultimately, the success of this pivotal transitional phase demands the unified leadership of the Party, the efficient administration of the State, the innovative dynamism of enterprises, and the collective solidarity of the entire nation. Only by fully mobilizing the nation's aggregate synergy, cultivating an intrinsic development aspiration, and executing decisive policy actions can Vietnam engineer a monumental evolutionary leap, steadfastly advancing toward the overarching vision of a prosperous, strong, democratic, equitable, and civilized nation by 2045.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

References

Acemoglu, D. (2025). The Simple Macroeconomics of AI. *Economic Policy*, *40*, 13-58. https://doi.org/10.1093/epolic/eiae042

Acemoglu, D., & Robinson, J. A. (2012). *Why Nations Fail: The Origins of Power, Prosperity and Poverty*. Crown Business.

Aghion, P., & Howitt, P. (1992). A Model of Growth through Creative Destruction. *Econometrica*, *60*, 323-351. https://doi.org/10.2307/2951599

Bon, N. V. (2019). Institutional Quality and the Public Investment-Growth Relationship in Vietnam. *Theoretical Economics Letters*, *9*, 691-708. https://doi.org/10.4236/tel.2019.94046

Central Committee of the Communist Party of Vietnam (2025a). *Political Report of the 13th Central Committee of the Communist Party of Vietnam at the 14th National Congress of the Communist Party of Vietnam*.

Central Committee of the Communist Party of Vietnam (2025b). *Report Summarizing Theoretical and Practical Issues on the Socialist-Oriented Reform Process in Vietnam over the Past 40 Years*.

Central Committee of the Communist Party of Vietnam (2025c). *Five-Year Socio-Economic Development Strategy, 2026-2030*.

Communist Party of Vietnam (2026). *Resolution of the 14th National Congress of the Communist Party of Vietnam*.

GSO (2022). *Statistical Yearbook of Vietnam 2021*.

GSO (2023). *Statistical Yearbook of Vietnam 2022*.

GSO (2024). *Statistical Yearbook of Vietnam 2023*.

GSO (2025). *Statistical Yearbook of Vietnam 2024*.

GSO (2026). *Report on the Socio-Economic Situation in the Fourth Quarter and the Year 2025*.

Hall, R. E., & Jones, C. I. (1999). Why Do Some Countries Produce So Much More Output per Worker than Others? *The Quarterly Journal of Economics*, *114*, 83-116. https://doi.org/10.1162/003355399555954

IMF (2024). *World Economic Outlook: Steady but Slow: Resilience Amid Divergence*. https://www.imf.org/en/publications/weo/issues/2024/04/16/world-economic-outlook-april-2024

IMF (2025a). *Vietnam: Boosting Productivity and Medium-Term Growth* (IMF Country Report No. 25/284).

IMF (2025b). *World Economic Outlook: A Critical Juncture Amid Policy Shifts*. https://www.imf.org/en/publications/weo/issues/2025/04/22/world-economic-outlook-april-2025

ITU (2024). *Measuring Digital Development: Facts and Figures 2024*.

Krugman, P. (1994). The Myth of Asia's Miracle. *Foreign Affairs*, *73*, 62-78. https://doi.org/10.2307/20046929

Lin, J. Y. (2012). *New Structural Economics: A Framework for Rethinking Development and Policy*. The World Bank. https://doi.org/10.1596/978-0-8213-8955-3

Mankiw, N. G., Romer, D., & Weil, D. N. (1992). A Contribution to the Empirics of Economic Growth. *The Quarterly Journal of Economics*, *107*, 407-437. https://doi.org/10.2307/2118477

McKinsey & Company (2023). *The Economic Potential of Generative AI: The Next Productivity Frontier*.

Minh, L. N., Tan, N. N., Toan, D. V., Thao, T. D., Huyen, N. T., & Hoài, N. T. (2024). Digital Transformation in Vietnam: A Case Study of Hanoi SMEs. *International Journal of Advanced and Applied Sciences*, *11*, 207-215. https://doi.org/10.21833/ijaas.2024.04.022

Minh, N. H. (2020). Domestic Innovation Activities and Economic Development in Vietnam. *Science & Technology Development Journal-Economics, Law and Management*, *4*, 1069-1080. https://doi.org/10.32508/stdjelm.v4i4.629

Ngoc, N. T., & Anh, N. T. (2016). Green Economy Development in Vietnam and the Involvement of Enterprises. *Low Carbon Economy*, *7*, 36-46. https://doi.org/10.4236/lce.2016.71004

OECD (2020). *Multi-Dimensional Review of Viet Nam: Towards an Integrated, Transparent and Sustainable Economy*. OECD Publishing.

OECD (2022). *Government at a Glance: Southeast Asia 2022*. OECD Publishing.

OECD (2024). *OECD Economic Outlook* (Vol. 2024, Issue 1). https://www.oecd.org/en/publications/oecd-economic-outlook/volume-2024/issue-1_69a0c310-en.html

OECD (2025). *OECD Economic Surveys: Viet Nam 2025*. https://www.oecd.org/en/publications/oecd-economic-surveys-viet-nam-2025_fb37254b-en.html

OECD, & ERIA (2018). *SME Policy Index: ASEAN 2018*. OECD Publishing.

Porter, M. E. (1990). *The Competitive Advantage of Nations*. Free Press.

Rodrik, D., Subramanian, A., & Trebbi, F. (2004). Institutions Rule: The Primacy of Institutions over Geography and Integration in Economic Development. *Journal of Economic Growth*, *9*, 131-165. https://doi.org/10.1023/b:joeg.0000031425.72248.85

Romer, P. M. (1986). Increasing Returns and Long-Run Growth. *Journal of Political Economy*, *94*, 1002-1037. https://doi.org/10.1086/261420

Solow, R. M. (1956). A Contribution to the Theory of Economic Growth. *The Quarterly Journal of Economics*, *70*, 65-94. https://doi.org/10.2307/1884513

Statista (2026). *Vietnam: Statistics & Facts*. https://www.statista.com/topics/4598/vietnam/

Trong, N. P. (2022). *Some Theoretical and Practical Issues on Socialism and the Path to Socialism in Vietnam*. National Political Publishing House.

UNCTAD (2024a). *Trade and Development Report 2024: Rethinking Development in the Age of Discontent*. https://unctad.org/publication/trade-and-development-report-2024

UNCTAD (2024b). *World Investment Report 2024*. United Nations.

UNEP (2011). *Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication*.

WEF (2025). *Global Economic Futures: Competitiveness in 2030*.

WIPO (2024). *Global Innovation Index 2024*.

World Bank (2014). *Vietnam Development Report 2014: Skilling Up Vietnam*.

World Bank (2022). *Vietnam Country Climate and Development Report*.

World Bank (2025a). *Taking Stock, March 2025: Electrifying Journeys-E-Mobility Transition in Viet Nam*.

World Bank (2025b). *Taking Stock, September 2025: Viet Nam Economic Update*. https://documents1.worldbank.org/curated/en/099133509042513941/pdf/IDU-0d5c6542-bd71-4685-afd7-f02b835bc36c.pdf

Young, A. (1995). The Tyranny of Numbers: Confronting the Statistical Realities of the East Asian Growth Experience. *The Quarterly Journal of Economics*, *110*, 641-680. https://doi.org/10.2307/2946695