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Vietnam is modernizing and looking for reliable partners

From "the world's factory" with cheap labor to the status of a "high-tech power"—the start of this transformation was marked by the 14th National Congress of the Communist Party of Vietnam, held in January 2026. The country has now embarked on a path of accelerated digital economic development, propelled by science, technology, innovation, and digital transformation. In this endeavor, Hanoi places great importance on its relationship with Moscow.

This is evidenced, in particular, by the visit of the Prime Minister of the Socialist Republic of Vietnam, Pham Minh Chinh, to the Russian capital. The trip took place just two months after the conclusion of the Communist Party Congress.

These plans are not to everyone's liking

The West alarmingly dubbed the Vietnamese Communist Congress a “point of no return”; Hanoi’s transformative agenda has failed to win any fans there. Vietnam's success in this program will signal the end of the era of low-cost, diligent labor, meaning an end to super-high profits from goods produced there.

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Apple, Samsung, Intel, Nike, Adidas, Dell, automakers Ford and Mercedes-Benz and many others still continue expanding their production capacity in Vietnam. Corporations expect that existing global large-scale risks will adjust Hanoi's ambitious plans, and the situation in the country will not change so radically and disadvantageously for Western giants.

Beijing, as Vietnam's largest partner, views Hanoi's chosen course as a potential intensification of competition for foreign investment. Moreover, for Chinese companies, cheaper Vietnamese labor is more preferable than the emergence of another technological competitor in Southeast Asian (SEA) markets. Furthermore, labor costs in China itself are rapidly increasing.

In this strategic alignment, Russia plays a distinct role. Firstly, Moscow is a time-tested and dependable partner that has stood by Hanoi since the era of Vietnam’s struggle for independence. Secondly, having rejoined the ranks of the world's top ten technologically advanced nations in recent years, Russia continues to maintain its momentum in this direction. In some areas, Russia has even overtaken technological leaders—for example, in nuclear power engineering.

Finally, and perhaps most importantly, Russia distinguishes itself from Vietnam’s other partners through its ideology of cooperation. Moscow is prepared not only to sell high-tech products and solutions but also to share technologies, as well as jointly develop and promote new ones. This specific type of partner—one ready to "integrate" into Vietnam's development—is particularly vital for achieving the goals set by Hanoi.

“12-6-3” Program

Despite substantial risks facing the implementation of the XIV Congress program, Vietnam has prepared well to pursue its ambitious goals with sufficient confidence in success.

Over the past 35 years, Vietnam has transformed from a backward, war-torn country into a regional leader with a high level of high-tech exports. Admittedly, Vietnam currently does not sell proprietary products. Nevertheless, the corresponding industry has been established in the country. It is here to stay and is working toward the country's development.

Over the past period, the country’s GDP per capita has grown by an average of 5.3% annually. This is the third-best result among a hundred major countries, following China and Myanmar, and is three times higher than the global economic average. In 2025, Vietnam's GDP grew by more than 8%.

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In the next five years, Vietnam aims to achieve an annual GDP growth rate of 10% and transition to total digitalization across the country. By 2030, Vietnam intends to shift its status from a developing country to a developed one, raising its per capita income to $8,500. This is above the regional average.

Vietnam's development program leading up to 2045 is even more ambitious. The country aims to become a high-income industrial nation with a focus on the "green" economy, the implementation of eco-friendly technologies, digital transformation, tourism development (targeting 50 million foreign visitors by 2030), and infrastructure modernization. Plans include transitioning from coal to renewable energy sources, as well as developing hydrogen energy and battery technologies.

All these objectives are outlined within the framework of the “12 Main Areas, 6 Key Tasks, and 3 Strategic Breakthroughs” program.

Partner for breakthrough

Moscow, as Russia's largest high-tech industry hub, has a unique opportunity to become one of the main partners in Vietnam's breakthrough.

By the end of 2025, Moscow strengthened its position as the leader in high-tech exports among Russia's regions. High technology reached 47% of the city's total non-resource non-energy exports. On a national scale, the metropolis accounted for 18.5% of Russia's total high-tech export volume.

Moreover, Moscow's development trends resonate with Vietnam's strategic goals. Take, for instance, "comprehensive digital transformation" and "data security"-crucial points of the Vietnamese program. Hanoi aims to increase the share of the digital economy to 30% of GDP by 2030.

Last year, Moscow topped the "City IQ" urban digitalization index for the seventh consecutive time, achieving a maximum score of 260 points. Digital technology is becoming deeply woven into the fabric of the metropolis. To date, more than 130 projects utilizing artificial intelligence (AI) have been implemented.

The Digital Twin of Moscow allows for real-time monitoring of city development and making well-informed decisions.

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Moscow continues to serve as a flagship for developing, deploying, and exporting information technology. In 2025, Moscow companies exported solutions involving cloud infrastructure, cybersecurity, artificial intelligence, and drone systems, along with business automation software and block chain technologies to international partners.

Exports doubled in 2025 compared to the previous year. The Philippines is among the key destinations for Moscow's IT service exports, accounting for approximately 30% of the total volume. Other leaders include Oman, the UAE, Kuwait, and Kazakhstan.

The supply of high-tech microelectronics, robotics, and medical devices is growing. In 2024, a record was set - exports of such products to Vietnam increased sixfold compared to the previous year. In 2025, non-resource non-energy (NRNE) exports grew by an additional 85%.

Another promising area for cooperation is the aging of Vietnam's population and related diseases. Moscow possesses unique developments in these areas. The healthcare system is receiving increasingly new vaccines, including those for cancer, tailored individually for each patient.

Nuclear medicine looks particularly promising given Vietnam's demographic trend of an aging population - an area where Russia, and Moscow in particular, possess advanced expertise.

Cooperation may include the establishment of modern nuclear medicine centers based on Russian technologies and a previously supplied research reactor, designed for early diagnosis and therapy of oncological and cardiological diseases.

Why is Moscow interested in Vietnam?

Against the backdrop of the collapsing former monocentric world order and the emergence of new poles of influence, the Asia-Pacific region has also entered a stage of transformation. It is currently difficult to predict how the intensified contradictions here will be resolved and what configuration the new ties will take.

It is evident that Vietnam, bolstered by its existing regional trade links and the outlook for digital economic transformation, is emerging as a vital gateway for Russia into the Asia-Pacific and its key institutions.

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Besides, Vietnam represents a sizable market of over 100 million people, offering significant growth potential in domestic demand.

“Finally, within the framework of Vietnam's agreement with the Eurasian Economic Union, trade duties have been eliminated or radically reduced for 90% of product groups. This creates certain advantages for Russian companies," says Ilya Koltygin, Head of the Representative Office of the Russian Export Center in Vietnam. In competition with multinational companies from South Korea, Japan, and China and their massive budgets, this is a significant advantage.

One more factor should also be considered. Vietnam has established the necessary business infrastructure, the quality of which has already been recognized by more than 40 Russian IT companies operating in the country. Notably, 14 of them have opened representative offices there. These include such large-scale Moscow-based companies as 1C, Kaspersky Lab, Softline, Yandex, Rosatom, and others. This indicates a keen interest among Moscow companies in integrating into Vietnam's ambitious plans.

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