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# India-Vietnam march together in progress

India and Vietnam are regarded as bright spots in the global economic growth landscape. The International Monetary Fund has observed that India is contributing about 15 per cent of global growth, while Vietnam is widely recognised for its steady economic growth and integration with the world.

Both countries have set ambitious targets: India aims to be fully developed by 2047, while Vietnam aspires to become a high-income, developed country by 2045. These goals are backed by determined governments, dynamic entrepreneurs, and ambitious citizens in both nations.

These national trends and directions have attracted growing attention from authorities and businesses in India and Vietnam, leading to efforts to capitalise on opportunities and synergies between them. This was evident at a joint ministerial commission on economic, trade, and sci-tech cooperation in October 2023 in Hanoi, the participation of Vietnam's deputy prime minister at the Vibrant Gujarat Global Summit in January 2024 in India, and numerous other ongoing business-to-business engagements.

Economic growth and development in both nations are driven by strong infrastructural efforts, expanding power generation and distribution projects, the use of re-

newable energy, forward-looking industrialisation, foreign trade, investment plans, emerging technologies, innovation and startups, and supportive human resources and skills. These domains also guide efforts to strengthen economic relations between both nations.

The current bilateral trade volume of around \$15 billion per year has significant growth potential, particularly for Indian exports in areas such as engineering goods (especially vehicle components), power equipment, pharmaceuticals, chemicals, agricultural products, textiles, ICT and other services, refined petroleum products, jewellery, and electronics. While Vietnamese trade experts are better positioned to judge, data suggests that Vietnam's growing exports to India are competitive and could expand in areas such as mobile phones and accessories, electronic items and parts, machinery and equipment, and other industrial goods.

The ongoing review of the ASEAN-India Trade in Goods Agreement of 2009, set to be completed in 2025, should result in a more user-friendly, simplified, and trade-facilitative regime with Vietnam and other ASEAN countries. Both governments are also addressing technical issues in certain areas to facilitate and enhance trade between India and Vietnam. Mutual recognition of each other's standards for manufactured goods would be mutually beneficial.

Sectoral discussions between the two governments in areas such as agriculture, healthcare, digital appli-

cations, energy, defence, and banking will also promote trade and economic ties. Connectivity, logistics, and transport have been identified as areas for further cooperation. The two countries will develop a framework for cross-border real-time digital payments that will benefit businesses, travellers, and residents.

Beyond government-level efforts, increased business-to-business contacts, participation in trade expos, collaboration on projects, supply chain links, and promotional initiatives will contribute to higher trade between the two countries.

Meanwhile, opportunities for greater investment between India and Vietnam are on the rise, with increasing interest among businesses from both sides. Indian investors in Vietnam are expanding their presence in vehicle components, food processing, consumer goods, energy, miscellaneous manufacturing, and IT services. Prime Minister Pham Minh Chinh's direct engagement with Indian businesses at the bilateral business forum in Delhi in July, and meetings with leaders of many

Indian corporations, have been particularly fruitful.

Earlier this year, VinFast announced investments in e-vehicle production in India, while FPT is also deepening its presence there. Further investments from Vietnam in agriculture, agro-processing, aquaculture, wood processing, urban development and infrastructure, production of bamboo and forestry products, hospitality and tourism, digital technology, e-vehicles, healthcare, and services are also encouraged.

Investment flows involve informing businesses about opportunities, understanding the legal and business environment, discussions between businesses and host governments, and business-to-business partnerships. Efforts are underway at all these levels, involving numerous firms in both nations, and it is hoped that the current investment value of \$2 billion will grow in the coming years. High technology and emerging fields will play an increasingly important role in future economies. Beyond digital applications, areas

of interest for cooperation between India and Vietnam include telecommunications, fintech, semiconductors, AI, biotechnology, defence industries, the use of space and satellite data, and rare earths. Both sides intend to pursue these future-oriented areas with greater focus.

Human resource development is another priority. Indian institutions such as CDAC and Aptech have made significant contributions in this area, and plans by these and other ICT enterprises and technical training institutions to expand further in Vietnam appear promising. The recently established Centre of Excellence for Software Development and Training at the Post and Telecommunications Institute of Technology in Ho Chi Minh City will further support education, training, and skill development.

The Indian government's educational degree and short-term training programmes for over 200 Vietnamese students and experts each year could also be refined to better meet Vietnamese priorities and interests.

Finally, tourism is a fast-growing area between India and Vietnam. Last year saw healthy growth in two-way travel involving tourists, pilgrims, businesses, students, and others. Travel operators in both countries are developing new travel packages for tourists, covering new destinations. Direct flights have played an important role, and further discussions are planned to expand these connections.

The prospects and opportunities for stronger trade, investments, business partnerships, and technological collaboration between India and Vietnam have and will continue to be bright. It is hoped that efforts at the level of governments, businesses, and organisations to seize these opportunities will result in a higher comprehensive strategic partnership between the two countries. ■



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