

## Key Messages:

- Blue economy development may help contribute to realising Viet Nam's aspiration to become a modern high-income country by 2045, and commitments towards sustainable development, including net zero emissions, by 2050.
- At the policy level, Viet Nam has no formal definition of the marine economy or the blue economy. However, a survey of the literature in Viet Nam shows that the concept of the 'marine economy' has evolved, including more consideration of the sustainability dimension. Viet Nam has also improved policy documents across various sectors related to blue economy development.
- Blue economy development is already under way in Viet Nam. The latest statistics and reports show the progress in various sectors, such as fisheries, oil and gas extraction, and marine transport.
- Viet Nam requires further policy efforts for blue economy development. It should have a stronger policy focus on developing key economic sectors related to the blue economy. Such a focus must balance economic and environmental considerations. A reasonable approach would be to promote innovative models related to blue economy development, including via the circular economy approach.

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## Development of the Blue Economy in Viet Nam

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*Viet Nam is exploring various models to promote long-term economic growth and sustainable development, including the blue economy. Viet Nam's policy documents have no formal definition of the marine economy or the newer concept of the blue economy. However, the policy documents have increasingly captured the essence of the blue economy, especially related to sustainable development. While lacking frequent updates and sufficient scope, the available statistics show the importance of the marine economy in the country. Viet Nam has various advantages for blue economy development, including high levels of sea traffic, a large sea area, a long coastline, and abundant marine resources. New opportunities for blue economy development can arise from consumers' attention to sustainable development, improvement of the related legal framework, and cooperation with partners and foreign investors. However, Viet Nam needs to improve the awareness of local authorities and people, strengthen institutions for blue economy development, and upgrade the capacity to forecast and warn of natural disasters and climate change at sea, including via international cooperation.*

As Viet Nam aspires to become a modern high-income country by 2045, the country needs to explore innovative models to promote gross domestic product (GDP) growth. Realising the opportunities from marine-related sectors, through more and higher value-added economic activities, would be instrumental. Since it is highly open to trade, Viet Nam acknowledges the need for more efficient marine transport. Another consideration would be to deliver on its commitments towards sustainable development, including net zero emissions by 2050. Viet Nam may thus find the promotion of blue economy development imperative.

### No Formal Definition of the Marine or Blue Economies at the Policy Level

Viet Nam's policies offer no formal definition of the marine economy or the blue economy. A survey of the literature in Viet Nam shows that the concept of the marine economy has evolved in two major directions. First, the concept is no longer confined to the marine area itself. Instead, it has started to build cohesion with coastal areas where marine-related activities are conducted. Second, the concept has an increasingly wide

scope, with a more detailed list of activities. This could be attributed to the more diverse activities that have been conducted with connection to the sea and/or coastal areas.

The blue economy is still a relatively new concept in Viet Nam. International forums and organisations have provided various definitions of the blue economy, which share the key feature of sustainable development of the marine economy. The United Nations Development Programme (UNDP) and Viet Nam Administration of Seas and Islands (2022) provided the first formal definition of the blue economy in Viet Nam, which is ‘the alignment of marine economy with improvement of people’s livelihood and social equity, while minimizing environmental risks and ecological scarcity.’

### **Essence of the Blue Economy Increasingly Captured in Policy Documents**

Viet Nam has implemented policies related to the blue economy for decades. The fourth plenum of the 10th Party Central Committee passed Resolution No. 09-NQ/TW dated 9 February 2007 on Viet Nam’s Maritime Strategy up to 2020. In 2018, following a review of the implementation of Resolution 09-NQ/TW, the Communist Party of Viet Nam issued Resolution 36-NQ/TW dated 22 October 2018 on Sustainable Development of Marine Economy in Viet Nam till 2030, Vision to 2045. Resolution 36-NQ/TW did not use or make an explicit reference to this relatively new concept. Instead, it uses the concept of the marine economy, reflecting a continuation and update of Resolution 09-NQ/TW. Still, the viewpoints of Resolution 36-NQ/TW incorporate the substance of sustainable development within the marine economy, which effectively captures the essence of the blue economy.

In 2020, the Government of Viet Nam issued Resolution No. 26/NQ-CP dated 5 March 2020 on the Issuance of the Master Plan and the Government’s five-year plan to implement Resolution No. 36-NQ/TW. The resolution set out the tasks related to (i) marine and coastal zone management; (ii) marine and coastal economy development; (iii) improvement of living conditions, and fostering of ocean culture and an ocean-friendly society; (iv) development of marine human resources, science, and technology; (v) environment, response to natural disasters, climate change, and sea level rise; and (vi) national defence and security, foreign affairs, and international cooperation. In 2021, the National Congress of the Communist Party of Viet Nam approved the Socio-Economic Development Strategy for 2021–2030, which emphasised the need to promote

marine economy development. In addition, Viet Nam had other policy documents related to blue economy development, especially in the subsectors of energy, fisheries, and tourism.

The legal system on the marine economy in Viet Nam has increasingly improved in such areas as the Law on Petroleum (2008), Law on the Sea of Viet Nam (2012), Law on Natural Resources and Environment of Sea and Islands (2015), Law on Fisheries (2017), and Law on Environmental Protection (2020). This offers an important legal basis for effectively exploiting all the potential and strengths of the sea and developing marine economic sectors – effectively serving the cause of industrialisation and modernisation of the country.

Viet Nam also promotes international cooperation related to blue economy development. It signed the United Nations Convention on the Law of the Sea in 1982. Leaders of Viet Nam and other Association of Southeast Asian Nations (ASEAN) Member States issued the Declaration on the Blue Economy in 2021. Under Agenda 21 for Sustainable Development, Viet Nam made commitments to net zero emissions by 2050 at the 2021 United Nations Climate Change Conference (COP26), which has important implications for the energy transition, including under the blue economy approach.

### **Blue Economy Development Under Way**

There has been no effort to estimate the size of the marine economy in Viet Nam. However, the available statistics show the relative importance of the marine economy in Viet Nam. Most reports reference the estimate by the National Center for Socio-Economic Information and Forecast (NCIF, 2007) which shows that the marine economy may contribute 47%–48% of Viet Nam’s GDP. More recent statistics have shown that coastal provinces and cities have become important hubs for foreign direct investment for the whole country.

UNDP and Viet Nam Administration of Seas and Islands (2022) investigated selected sectors of the blue economy in Viet Nam.

In terms of seafood exploitation and cultivation, the total catch and aquaculture production quadrupled during 2009–2019. The exploitation of marine fish went up continuously over time, from almost 1.1 million tons in 2000 to 1.7 million tons in 2010 and more than 2.9 million tons in 2021. The number of ships with a capacity of at least 90 covers (CV) for seafood exploitation rose from 19,244 in 2010 to 35,099 in 2021.

In terms of oil and gas, by the end of 2020, nearly 700 million cubic meters of oil equivalent had been extracted in Viet Nam. Oil and gas activities are mainly concentrated in the southeast and southwest. Thus, Viet Nam's oil and gas reserve/production is larger than the average value of the Asia-Pacific and the world.

In terms of renewable energy from the sea, by the end of 2019, Viet Nam had two offshore wind power projects launched and put into operation, with a total installed capacity of 105 megawatts. The scale of these two projects only accounted for 0.02% of the total global offshore wind capacity of 640 gigawatts in 2019. Still, foreign investors have recently demonstrated greater interest in the development of offshore wind power projects in Viet Nam.

Tourism is becoming increasingly important for the socio-economic development of the country. Marine tourism plays a key role, accounting for about two-thirds of the total sector's value added.

In terms of marine transport, in 2019 nearly 493 million tons of goods were transported by sea, accounting for 23.2% of the total volume of transportation of all modes. However, about 90% of the international transport market share (import and export freight) of Viet Nam is assumed by foreign shipping lines, especially for long-distance container transport.

In terms of seaports, Viet Nam's seaport system has achieved remarkable development in terms of both quality and quantity over the past two decades. The port system has helped the development of coastal economic, industrial, and urban zones. The average growth of cargo through ports during 2000–2019 was 10%–12% per year.

### **Mixed Opportunities and Challenges for Future Blue Economy Development**

Viet Nam has various advantages for blue economy development, including high levels of sea traffic, a convenient location, a large sea area, a long coastline, and abundant marine resources. Viet Nam should also recognise the consumers' increasing demand for sustainable goods and services.

Along with the potential to develop the blue economy, policy changes have opened up other opportunities for Viet Nam. First, Viet Nam has issued and updated various strategies and policies to promote the transition from the 'brown economy' to the 'green economy'. Second, Viet Nam has approved several laws and plans to implement green growth-related tasks. Third, resources to support building a fast,

efficient, and sustainable marine economy in Viet Nam are diverse and substantial. Fourth, Viet Nam is determined to reform and restructure its economy, in which the marine economy continues to be a key pillar. Fifth, Viet Nam has increasingly appealed to foreign investors, including for projects related to the blue economy. Sixth, Viet Nam could benefit from increasing international cooperation related to blue economy development.

The development of the blue economy in Viet Nam also faces various difficulties and challenges. First, some committees, authorities, and relevant agencies are not fully aware of the sustainable development of the marine economy. Second, there is a lack of a system of highways running along the coast to connect urban areas, economic zones, industrial parks, seaports, airports, etc. Third, the scale of the blue economy is still small, accounting for a relatively low share of the Vietnamese economy. Fourth, the marine environment continues to deteriorate. Fifth, the coastal provinces are often directly affected by natural disasters, storms, and floods. Sixth, Viet Nam is yet to develop diverse marine-related goods and services that can be marketable for high value added.

### **Policy Recommendations**

With a view to promoting blue economy development, Viet Nam should consider several policy directions. First, Viet Nam should raise the awareness of the authorities and people about the need for sustainable development of the blue economy. Second, Viet Nam should establish, improve, manage, and operate marine, coastal, and island conservation zones to preserve the ecological functions of the sea – 'natural capital' for sustainable development. Third, Viet Nam should constantly improve the institutions for sustainable development of the blue economy. Fourth, Viet Nam should have a stronger policy focus on developing key economic sectors related to the blue economy. Such a focus must balance economic and environmental considerations. A reasonable approach would be to promote innovative models related to blue economy development, including via the circular economy approach. Fifth, Viet Nam should improve the capacity of forecasting and warning of natural disasters, climate change, and sea level rise based on the application of advanced scientific and technological achievements. Sixth, Viet Nam should deepen international cooperation on economic and institutional issues related to blue economy development.



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