Vietnam – Singapore Comprehensive Strategic Partnership (CSP)

What it means for businesses

March 2025

Vietnam-Singapore economic cooperation: Key milestones

The Vietnam-Singapore Comprehensive Strategic Partnership (CSP) aims to strengthen economic ties by promoting trade liberalization, reducing tariffs, and creating a better business environment. This will likely lead to increased trade, investment, and collaboration in various sectors.

2001

Vietnam – Singapore Training Centre

Established as part of Singapore's commitment to the ASEAN Integration Initiative.

2006

Connectivity Framework Agreement (CFA)

Created a framework for cooperation in six areas: education, finance, investments, IT, trade, and transportation.

2013

Strategic Partnership Agreement

Underpinning Vietnam and Singapore's excellent bilateral relations.

2019

Singapore Cooperation Centre

Upgraded from the Vietnam–Singapore Training Centre to boost economic integration and the adoption of technology in the region.

2023

Green-Digital Economic Partnership

The CFA aims to strengthen ties and promote sustainable development in the ASEAN region, expanding to include cooperation in energy, sustainability, and innovation.

March 2025

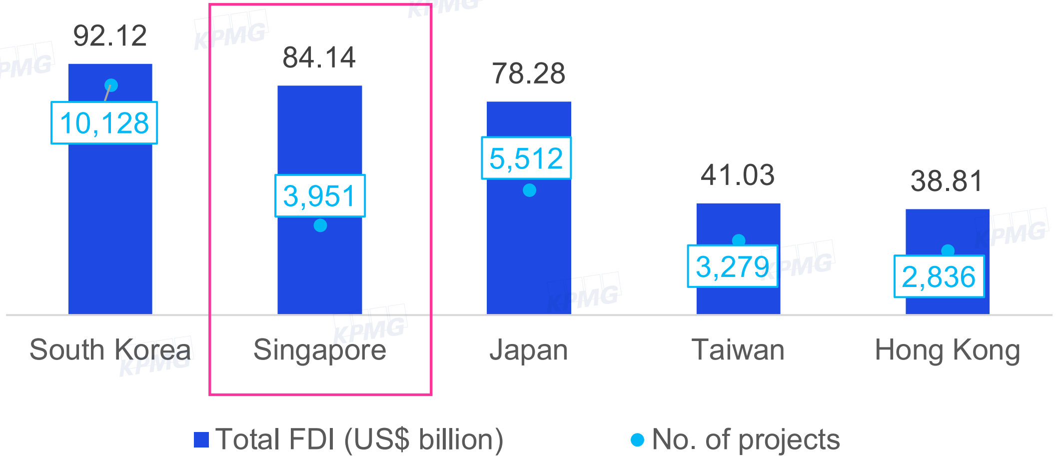
Comprehensive Strategic Partnership (CSP)

This means stronger diplomatic ties and more cooperation in trade, investment, and technology. It shows both countries are committed to boosting regional stability and economic growth.

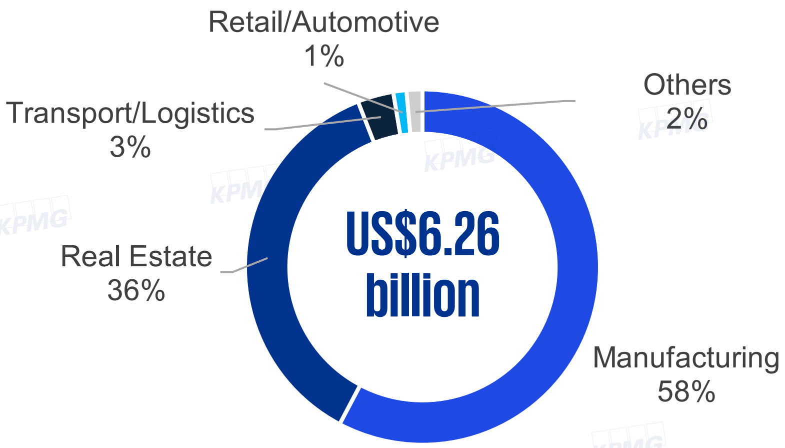
Sources: Singapore's Ministry of Foreign Affairs

Singapore – a major source of FDI into Vietnam

Vietnam's accumulative FDI from 1988 to Jan-2025
(valid projects until 31st Jan 2025)



Singapore's FDI in Vietnam by sector (2024)



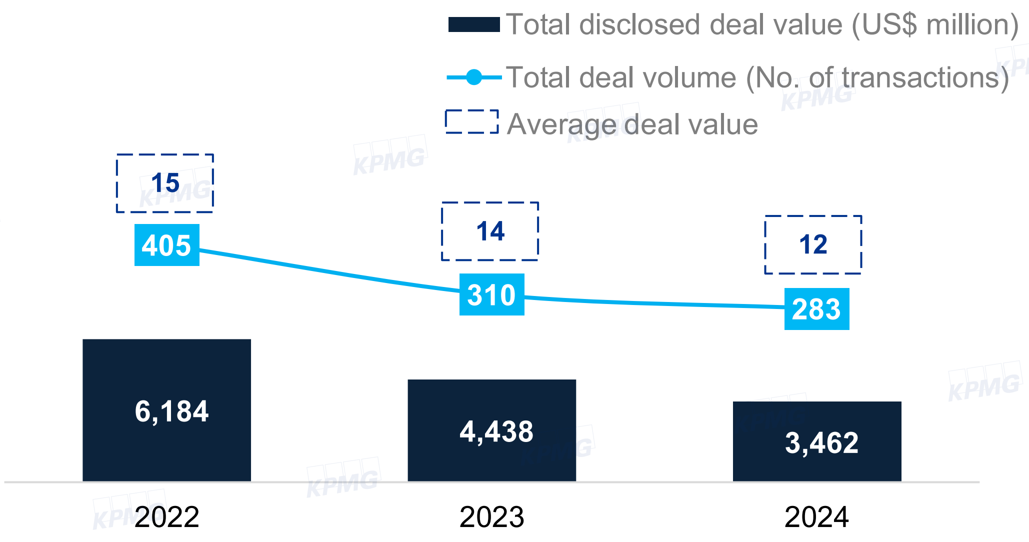
- Singapore has been Vietnam's second-largest foreign investor for over 20 years, investing over US$84 billion in finance, manufacturing, real estate, and retail.
- Major Singaporean companies investing in Vietnam include Keppel, CapitaLand, Grab Holdings, United Overseas Bank, Kingsmen, and Mega Textile Singapore.
- The CSP aims to leverage their strengths for new growth opportunities, especially in semiconductor manufacturing, clean energy, green logistics, data center development, carbon credit markets, and green finance.

Sources: Ministry of Planning and Investment, GSO, Vietnam Briefing

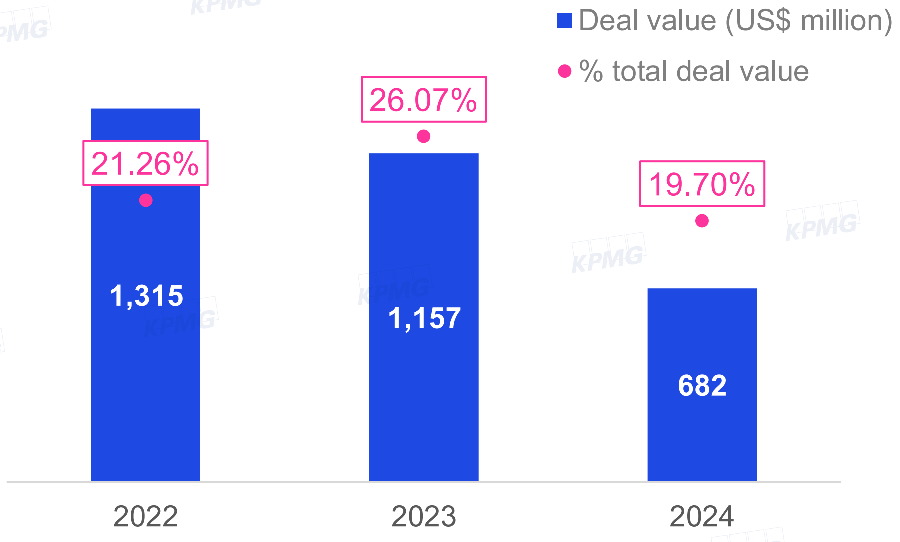
Singapore emerges as a significant source of deals

Singapore has been a major investor in Vietnam's M&A market, ranking 2nd in deal value for three years, just behind domestic investors. Singapore is a key source of foreign investment into Southeast Asia, including Vietnam, due to its strong financial sector and legal framework. Singaporean investors focus on real estate and energy in Vietnam.

Total deal value and volume, 2022 – 2024



Deal value from Singapore investors (US$ million)

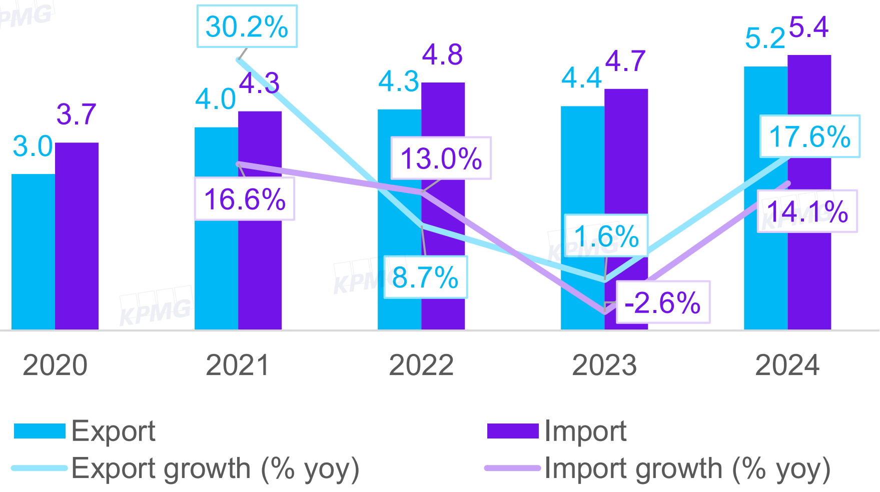


Ranking by total deal value	2022	2023	2024
	2nd	2nd	2nd

Sources: Ministry of Planning and Investment, GSO, KPMG

Growing trade relationship between Vietnam and Singapore, driven by diverse and high-value products

Vietnam's trade turnover with Singapore (US$ billion)



Key imports from Singapore in 2024

▲19.2% yoy
Petroleum and petroleum products

▼1.9% yoy
Machinery, equipment, mobile phones, components and spare parts of all kinds

▼1.3% yoy
Reactors, boilers, machine tools and equipment and spare parts of the above machines

Imports with strong growth in 2024

▲120% yoy
Zinc and zinc products

▲93.1% yoy
Pharmaceuticals

▲80.8% yoy
Pearls, gemstones, and jewelry products

- Vietnam was Singapore's 10th largest export market and 18th largest import market in 2024.
- Vietnam had a trade deficit with Singapore due to goods from third countries passing through Singapore, making up nearly 70% of Vietnam's total imports from Singapore, worth 16.1 billion SGD (or US$12 billion).
- However, considering only goods originating from Singapore and Vietnam, Vietnam had a trade surplus of about 1.59 billion SGD (or US$1.2 billion).
- Vietnam's key imports from Singapore include petroleum, machinery, mobile phones, and reactors. Vietnam's exports to Singapore include electronic equipment, machinery, glass, and agricultural products like rice and seafood.

Sources: GSO, Ministry of Industry and Trade

Vietnam's evolving regulations create investment opportunities (1/2)

Regulatory landscape

Hi-tech Manufacturing

- In November 2023, the National Assembly passed Resolution 110/2023/QH15, introducing the Global Minimum Tax (GMT), effective from January 1, 2024. This requires Vietnam to reassess its investment attraction policies.
- In September 2024, the Prime Minister signed Decision 1018/QD-TTg, outlining a strategy for Vietnam's semiconductor industry development until 2050. The strategy includes three phases: focusing on FDI and workforce development by 2030, becoming a global hub by 2040, and leading in R&D by 2050.
- To develop the digital technology industry, including the semiconductor industry, the National Assembly plans to finalize the new Law on Digital Technology Industry by May 2025.

Data Centers

- The National Assembly of Vietnam passed a law in November 2024 to manage digital data.
- The law, effective from July 2025, sets rules for data use and security. It also requires the creation of a National Data Center and an integrated National Database to improve state management and transparency.

Opportunities / Implications for Singapore business

Hi-tech Manufacturing

- Sembcorp Industries manages the Vietnam-Singapore Industrial Parks (VSIPs), which have attracted around US$22 billion in investment and created over 300,000 jobs. With VSIP 2.0, they aim to transform industrial parks into low-carbon, hi-tech manufacturing hubs, appealing to eco-conscious investors.
- Foxconn Singapore, a key player in electronics manufacturing, is expanding its operations with significant investments. In 2024, they received approval for three projects in Vietnam, with a total registered capital of over US$934 million.

Data Centers

In March 2025, Saigon Asset Management (SAM) launched an exciting US$1.5 billion data center project in Binh Duong. SAM is working together with VSIP to bring this project to life, called the SAM DigitalHub.

Sources: thuvienphapluat, Sembcorp, Vietnam Briefing, Vietnamnet, Theinvestor

Vietnam's evolving regulations create investment opportunities (2/2)

Regulatory landscape

Green Energy

- Vietnam's Power Development Plan 8 (PDP8) was approved by the Prime Minister in May 2023, under Decision 500QĐ/TTg.
- PDP8 aligns directly with Vietnam's net-zero pledges made at COP26. In July 2024, the Vietnamese government issued Decree 80/2024/ND-CP on Direct Power Purchase Agreements (DPPA), creating exciting opportunities for both direct line and grid-connected renewable energy.
- Starting 01 February 2025, Vietnam's new Electricity Law will tackle the current challenges in the energy sector, especially by establishing a robust legal framework to support clean energy development.

Financial Services

- The Politburo decided in November 2024 to create International Financial Centers (IFCs) in Ho Chi Minh City and Da Nang. The Government aims to have these financial centers up and running by 2025.
- These IFCs will help Vietnam connect better with the global financial market, attract foreign financial institutions, and take advantage of international investment opportunities.

Opportunities / Implications for Singapore business

Green Energy

Singapore and Vietnam share the same goal of achieving net-zero emissions by 2050. Singapore considers Vietnam a crucial partner in ASEAN's energy network, acknowledging its significant potential in renewable energy.

- In 2023, PetroVietnam Technical Services Corporation and Sembcorp Utilities signed an agreement to export offshore renewable energy from Vietnam to Singapore. As a result, Singapore will import 1.2GW of low-carbon energy from Vietnam starting in 2033.
- In 2024, Levanta Renewables acquired one of the largest single-site rooftop solar installations in Vietnam.
- In 2024, Clime Capital invested US$10 million to support the expansion of Nami Distributed Energy's clean energy model in Vietnam.

Financial Services

Singapore can make a big difference in helping Vietnam create vibrant IFCs by sharing its own experience as a top financial hub in Asia.

- KPMG, Makara Capital, Portcullis Group, and CGS International Securities shared expertise with the Da Nang People's Committee during their recent visit to Singapore at the beginning of March 2025.
- They focused on technical and legal frameworks, human resources, and international connections to support the development of the IFC.

Sources: thuvienphapluat, Vietnam Briefing, Vietnamnews, Theinvestor, Bao Da Nang

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