



By: *Elise Quevedo*

# Vietnam's innovation journey



When you hear the name Vietnam, what do you think of? Most think of natural beauty, rich culture, history, and world-renowned cuisine.

These are all true and should always remain part of Vietnam's identity. However, another side of Vietnam is emerging. It is Vietnam's technology and innovation.

With the recent **launch** of the Central Startup Hub (SIHUB) in Ho Chi Minh City, Vietnam is making some waves. This initiative is a new roadmap for the country to establish itself as a serious player in the global innovation economy.

Vietnam will always be admired for its stunning landscapes. But now, it is raising its hand and telling the world, "We are ready to innovate."

Vietnam is embracing digitalisation and positioning itself in the same conversations as Jakarta, Singapore, and other established Southeast Asian hubs.

## The Evolution of Vietnam's Tech Landscape

Over the past decade, the country has been working hard for a thriving innovation ecosystem. Internet penetration has risen, smartphone adoption is widespread, and digital literacy is improving with every new generation.

The government has played and continues to play a key role in policies that support startups and encourage foreign investment. For instance, Vietnam's National Digital Transformation Program, unveiled in 2020, established ambitious targets to create a digital economy, society, and government by 2030.

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The newest piece in this puzzle is the Central Startup Hub, which was **established** to provide entrepreneurs with the tools, resources, and guidance they need to grow.

Vietnam is focusing its innovation efforts on artificial intelligence, fintech, and green technology. They align with both global trends and domestic needs. AI has the power to modernise industries, fintech can help bring millions into the financial system, and green technology is critical for a country vulnerable to climate change.

## Beyond the Usual Tech Powerhouses

When conversations about global innovation hubs are on the table, the spotlight usually shines on the United States, China, or Europe. This focus has often overshadowed the incredible progress happening in other regions. Southeast Asia is a prime example.

Singapore is a well-known global financial and innovation hub. Even Kuala Lumpur in Malaysia has made headlines for supporting its tech entrepreneurs.

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Now, Vietnam is proving that it is ready to stand among these names. Its advantage lies in a young, dynamic population that is hungry for change and open to adopting new technologies.

Combine that with rising foreign investment, strong government backing, and a growing middle class, and you have the ingredients of a robust innovation ecosystem.

## Vietnam's Competitors in Southeast Asia

Let us take a closer look at the three main competitors Vietnam faces.

### Singapore

Singapore **remains** the crown jewel of Southeast Asia's tech scene. Its political stability, advanced infrastructure, and strong intellectual property protections make it highly attractive to investors.

Singapore is also home to global innovation hubs and research centres. However, its small population means that growth relies heavily on international expansion.

### Indonesia (Jakarta)

Indonesia is Southeast Asia's largest **economy**, and Jakarta is a bustling hub of activity. The city is home to several unicorns and continues to attract massive investment.

With a huge domestic market, Indonesia has the scale that others in the region often lack. Its challenge lies in infrastructure and governance, but it's not letting that stop them.

### (Kuala Lumpur) Malaysia

Malaysia has been fostering its digital economy, despite not being as well-known as Singapore or Jakarta. Kuala Lumpur's fintech and HealthTech businesses are gaining recognition as a result of government programmes that encourage entrepreneurship.

Strong cultural linkages throughout Asia and a bilingual workforce are advantages for Malaysia.

Vietnam is rising in this company, and while it does not yet have as many unicorns as Jakarta or the infrastructure sophistication of Singapore, it's here and we are all noticing.

## Predictions for Vietnam and the Region

If the Central Startup Hub delivers on its promise, Vietnam could position itself as the go-to destination for startups seeking both affordability and talent.

Firstly, Foreign Direct Investment is expected to increase as global companies seek alternatives to traditional manufacturing hubs and gain greater access to emerging markets.

Secondly, green technology is expected to grow as Vietnam doubles down on its commitment to sustainability. It could allow the country to lead in renewable energy solutions for the region.

**Vietnam could become a dynamic hub where new ideas and affordable talent converge**

Thirdly, artificial intelligence and digital finance will thrive as more young entrepreneurs focus on these sectors, supported by both government and private capital.

Singapore may continue to be the headquarters for global players, Indonesia will leverage its massive domestic market, and Vietnam could become a dynamic hub where new ideas and affordable talent converge.

## Opportunities and Challenges

Of course, opportunities do not come without challenges. It is part of any business equation. Trust in digital platforms remains a hurdle, regardless of which country you are in.



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Cybersecurity must be a top priority for Vietnam as it scales its digital economy. Startups require ongoing access to capital and mentorship networks to expand beyond the seed stage.

Additionally, it is worth noting that top Vietnamese talent is often recruited abroad. The challenge for Vietnam will be to retain this talent by creating attractive conditions at home.

The trust challenge is especially important when it comes to digital identities and financial technologies. Consumers and businesses alike need assurance that their data is safe and that regulations will protect them. (Catch up on that topic [here](#).)

## Where There Is a Will, There Is a Way

Ten years ago, many entrepreneurs could not imagine launching a startup from Hanoi or Ho Chi Minh City. Today, they are doing it. As one of my favourite sayings goes, "If you can dream it, you can do it."

Innovation is happening everywhere, reshaping our world in ways that are more diverse and inclusive than ever before. When one country takes bold steps, it encourages others to follow suit.

The launch of the Central Startup Hub is only

the beginning. How Vietnam nurtures its entrepreneurs, protects its digital economy, and scales innovation for the future will determine the real measure of its success.

If Vietnam can transform itself into a rising tech hub in less than a decade, what is stopping the rest of the world from accelerating its own innovation journey?