INSTITUTE FOR STRATEGIC POLICY
สถาบันนโยบายยุทธศาสตร์

Rise of a "New Era" Vietnam

Occasional Paper
No. 2/2026

By Kavi Chongkittavorn*
Institute for Strategic Policy (ISP)
March 2026

After the 14th National Party Congress, Vietnam has moved to a new plateau with its motto of "say less, do more, and follow through to the end." Secretary-General To Lam of the Communist Party of Vietnam wants to accelerate economic development in the coming years.

Lam was unanimously elected, receiving 180 of 180 votes. He made his presence felt through a high-profile crackdown on corruption prior to his ascension. He has also made it clear that the future of Vietnam will depend on economic growth and innovation.

During the Congress, he declared confidently that his country is expected to achieve an annual gross domestic product (GDP) growth rate of 10 percent or more, equivalent to an annual per capita income of US$8,500 by 2030. This would mean that Vietnam will become an upper-middle-income country by 2030 and a high-income country by 2045.

To maintain the post-Congress momentum, Vietnam's first Law on Artificial Intelligence officially took effect on March 1. It became the first country in ASEAN with a comprehensive AI regulatory framework. The law adopts a risk-based approach, focusing on security, human oversight, and alignment with international standards. Currently, Vietnam is positioning AI and data as core pillars of its 2026 economic strategy. The government has already increased the budget to promote innovation and digital transformation.

Within the next five years, the country aims to become a regional AI hub for research and development. The new law also aligns with the country's rapid shift from a software outsourcing hub to a key player in the AI value chain. Furthermore, to pave the way for future generations in an AI-driven Vietnam, a pilot program in Ho Chi Minh City has introduced AI education in approximately 170 schools.

The most notable outcome of the Congress was Hanoi's intention to advance comprehensive diplomacy amid a polarized global geopolitical landscape. Lam has advocated foreign policy as a vital task for national development and as one of the country's top priorities. As such, the long-practiced "bamboo diplomacy" will become more robust and multi-aligned, increasing its influence in the Indo-Pacific region and beyond. In a recent speech, he also described Vietnam's recent participation on the Board of Peace in Washington as a founding member as an example of the country's proactive diplomacy.

After three decades of ASEAN membership, Vietnam has become a regional player and driving force, having integrated well into both the regional and global economies. It is also promoting measures to bridge the gap between the older and newer ASEAN members.

Prospects for Thailand

This year, Thailand and Vietnam are commemorating the 50th anniversary of their diplomatic relations. Last year, the two countries elevated their ties to a Comprehensive Strategic Partnership, the highest level of bilateral relations. Vietnam currently maintains Comprehensive Strategic Partnerships (CSP) with 15 countries, including Malaysia, Indonesia, and Singapore. Within the region, Vietnam has already concluded 17 free trade agreements, including Comprehensive and Progressive Trans-Pacific Partnership and EU-Vietnam Free Trade Agreement.

Thailand is Vietnam's second-largest trading partner in ASEAN, after Malaysia, and its sixth largest globally. More than 700 Thai companies invested US$14.385 billion across 757 projects in 2024, including construction, agriculture and food processing, energy, automotive parts, retail, and industrial estates.

Vietnam's pursuit of rapid economic growth and structural transformation can promote and diversify bilateral economic connectivity, including supply chains. Thailand is well positioned to benefit from Vietnam's higher growth trajectory. Importantly, both countries can also focus on high-value industries.

For the Anutin II government, it is imperative to further strengthen its CSP with Vietnam by emphasizing concrete actions and enhanced follow-through mechanisms. Both countries can further utilize the Joint Cabinet Meeting framework. As an immediate goal, they need to finalize and adopt action plans under the CSP for 2026–2030.

Thailand and Vietnam have already agreed to increase bilateral trade to US$25 billion by 2030. To fulfill this objective, both countries need to promote new areas of cooperation in the digital economy, green energy, and smart agriculture.

---

* Kavi Chongkittavorn is a member of the Board of Advisors, Institute for Strategic Policy

Contact:
Mr. Pana Janviroj
Executive Director
Institute for Strategic Policy
Bangkok, Thailand.
Jpana88@gmail.com