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Vietnam boosts innovation and startup ecosystem

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The government held opening ceremonies for the National Innovation Center (NIC) and the International Innovation Expo 2021-VIIE 2021



Vietnam has launched the construction of National Innovation Centre (NIC), worth 740 billion VND ($32 million), spread across the area of 35 hectares in Hoa Lac hi-tech park on the outskirts of Hanoi.

The construction of the NIC and organization of the Expo manifested the Government's commitments to joining with enterprises and individuals in accelerating innovation. The center aims to develop start-up and innovation eco-system, contributing to growth model transformation based on science and technology development. It plans to boost domestic and international innovative businesses, laboratories, offices of large corporations, as well as a working place of leading experts and scientists.

As part of the strategy to turn the country into a developed and high-income nation by 2045, Prime Minister Nguyen Xuan Phuc said Vietnam must rely on knowledge, science, and technology, especially innovation, all of which can be considered important factors for growth.

Speaking at the events, the PM said that Viet Nam's spending for science and technology in both State and private sectors only accounts for 0.44% of the nation's GDP, much lower than the average proportion of the world (2.23%). He urged ministries, policy-making agencies and the NIC to propose policies and institutions to encourage and promote innovation in business sector, particularly start-ups.

Highlighting the importance of socio-economic development strategies, PM said that Vietnam has an annual GDP growth rate of 6.3 percent over the past decade. Vietnam was ranked one of the 16 most successful emerging economies to successfully achieve the dual goal of epidemic prevention and economic recovery. He stressed the need to promote the role of universities and institutes in strengthening human capital foundation for innovation and attaching research activities to the demands of enterprises and the economy.

Minister of Planning and Investment Nguyen Chi Dung said that the NIC aims to host domestic and foreign technology firms and provide the optimal infrastructure system for the research and development of technological and startup ideas. He added that the centre will support the connection and promote investment, speeding up the commercialization of technological products.

According to the project's draft plan drawn up by the MPI's Central Institute for Economic Management (CIEM), the NIC will be developed with total investment of VND 1.9 trillion ($82.6 million), including VND1.7 trillion ($73.9 million) for the physical construction and VND200 billion ($8.7 million) for operating capital.

The NIC is expected to lure 40 big technology companies, 150 startups and small- and medium-sized enterprises, and 15 venture investment funds, thereby creating more than 5,000 jobs.

Meanwhile, the Viet Nam International Innovation Expo 2021-VIIE 2021 has attracted the participation of 156 stalls from 113 enterprises nationwide, 22 Foreign Direct Investment (FDI) firms and 21 institutes and schools.

The NIC is part of the Government's efforts to join the 4th Industrial Revolution and the Government will expand this model if the NIC is successful.