

Special Alert

Indochinecounsel.com | May 2025

Vietnam's Resolution 68 and the Future of Doing Business

On 4 May 2025, the Politburo of the Communist Party of Vietnam issued Resolution No. 68-NQ/TW (“**Resolution 68**”) on developing the private economic sector. Nearly 40 years after the Đổi Mới reforms, this Resolution 68 marks a turning point: the private sector is no longer seen as a supporting actor - it is now positioned as a core driver of Vietnam's socialist-oriented market economy.

Key Takeaways

- Vietnam is backing its private sector like never before. Resolution 68 marks a major shift, treating private businesses as a driving force of the economy.
- Big goals, bold direction. The country is aiming for 2 million active businesses by 2030, over 60% private sector contribution to GDP by 2045, and a stronger presence in global value chains.
- Real reforms are on the table. Expect clearer laws, faster procedures, tax changes, and better access to land, credit, and contracts. If it slows business down, it is likely getting reviewed.
- Fairer rules, fewer risks. The government is calling for civil, not criminal - approaches to most business infractions. That means more confidence to innovate, take risks, and grow.
- Execution is everything. The direction is right. Now all eyes are on how quickly, and how thoroughly, the promises are turned into action.

Core Strategic Orientations

Shifting the Mindset

Resolution 68 calls for a fundamental change in mindset. Authorities at all levels are directed to actively respect and promote entrepreneurship, support start-ups, and treat private businesses as essential partners in national development. Long-standing bias or unequal treatment toward the private sector must be dismantled, both in policy and practice.

Rights and Protections for Private Enterprises

Resolution 68 reaffirms that private businesses have the right to operate in all areas not expressly prohibited by law.

Any limitations must be based on clear legal grounds related to national defense, public order, or public health. It also emphasizes the protection of key business rights, including ownership, freedom of contract, and fair access to land, capital, technology, and human resources, on an equal footing with state-owned and foreign-invested enterprises.

Innovation and Green Growth

The private sector is expected to lead Vietnam's innovation and digital transformation efforts. Resolution 68 encourages businesses to invest in research and development, adopt advanced technologies, and pursue sustainable practices. In return, the State is tasked with introducing breakthrough policies to attract private investment in high-tech sectors, digital infrastructure, green energy, and creative industries.

From Resolution to Reality

As a high-level Party directive, Resolution 68 does not directly change laws. Instead, it sets the political course for Vietnam's government and legislature to follow, paving the way for significant legal and institutional reforms in support of the private sector.

Key Targets and Policy Commitments

- (a) By 2025, the government targets to cut at least 30% of the time, cost, and procedures in regulatory compliance.
- (b) Enterprise development by 2030:
 - 2 million enterprises, or ~20 per 1,000 people;
 - At least 20 large private companies competitive in global value chains;
 - Private sector GDP share: targeted to reach 55–58%;
 - State budget contribution: to rise to 35–40%;
 - Employment share: projected to be 84–85%;

- Productivity growth: expected at 8.5–9.5% per year; and
- Innovation leadership: tech and R&D capacity on par with the top 3 ASEAN countries and top 5 in Asia.

(c) Vision 2045:

- At least 3 million enterprises;
- Private sector to contribute over 60% of GDP; and
- Vietnamese firms to be fully integrated into global value chains and recognized as regional and global players.

Legal and Institutional Reform Directions

At the heart of these reforms is a clearer commitment to a permissive, business-friendly legal framework. The principle that “*everything not explicitly prohibited is allowed*” is expected to be codified more firmly in laws such as the Enterprise Law and the Investment Law. While subtle, this marks a fundamental shift from Vietnam’s traditionally cautious legal drafting, which often left room for interpretation, and bureaucratic discretion. Resolution 68 stresses that any restrictions on business activity must be narrowly defined and grounded in clear legal justification.

Administrative reform will be a key focus. The Resolution 68 instructs the government to cut at least 30% of the time, cost, and procedures required for doing business by 2025 - a measurable and ambitious target. In practice, this could lead to simplified licensing, reduced compliance burdens, and expanded use of digital and automated processes to increase transparency and efficiency.

Tax reform is also on the agenda, especially for small businesses. One of the most direct mandates is the abolition of the lump-sum tax regime for household businesses by 2026 - a major step toward encouraging formalization. In its place, a more tailored or streamlined tax scheme is expected, helping millions of household businesses transition into fully registered enterprises. Additionally, new tax incentives for startups, innovative projects, and high-tech sectors are likely to follow, possibly including tax holidays, R&D credits, or preferential financing.

While the Resolution 68 clearly supports the private sector, it also points to the need for a level playing field. The emphasis on equal access to land, credit, and procurement opportunities could lead to meaningful competition reforms. Although not spelled out, the resolution’s direction suggests greater antitrust enforcement, clearer land allocation rules, and procurement reforms that reduce barriers for private bidders in state-dominated sectors. In particular, qualified private firms may gain new opportunities to participate in strategic projects, including infrastructure and public services, through updated PPP frameworks or direct partnerships.

Perhaps the most consequential change lies in legal enforcement. Businesses in Vietnam have long expressed concerns about the “criminalization” of commercial infractions, where economic or civil disputes are sometimes escalated into criminal charges. Resolution 68 addresses this head-on,

calling for regulators and enforcement agencies to prioritize civil and administrative remedies. Criminal prosecution is to be reserved for clear-cut violations. In uncertain or borderline cases, the presumption should be in favor of protecting lawful business activity.

Implementation Mechanism

The Resolution 68 is a directive from the Party's highest decision-making body, meaning it is politically binding. The Party leadership at all levels is tasked with treating private sector development as a central mission. Immediately, the Government (executive branch) will formulate action plans to carry out the resolution's goals. Ministries and provincial authorities will also integrate these private sector promotion measures into their socio-economic plans.

Integration with Other Policies

Implementation will not happen in isolation. The Resolution 68 explicitly ties into other national initiatives, such as Politburo Resolution 57-NQ-TW dated 22 December 2024 on science, technology, and innovation (mentioned as context for private sector's role in innovation).

It will also complement Vietnam's ongoing efforts to attract quality foreign investment (Resolution 50-NQ/TW dated 20 August 2019 on foreign investment) and to reform state enterprises (Resolution 12-NQ/TW dated 3 June 2017 on state-owned enterprise restructuring).

Impacts on Domestic and Foreign Businesses

Domestic Businesses

Vietnamese private firms can expect a more favorable policy environment, i.e., less bureaucracy, clearer legal protections, and greater access to markets and resources. The resolution's focus on reducing red tape and protecting property rights should help lower business costs and risks, making it easier to expand, innovate, and enter new sectors. Small and medium-sized enterprises stand to benefit the most: with simpler registration, better access to credit and land, and targeted support programs, these businesses will find it easier to scale.

Importantly, the Resolution 68 sends a strong message to enforcement agencies: civil business issues should not be criminalized. For entrepreneurs, this offers peace of mind that good-faith business mistakes are less likely to result in harsh legal consequences if they can be corrected. It may also embolden more risk-taking and innovation across the domestic economy.

For larger Vietnamese corporations, the opportunity is even greater. Resolution 68 explicitly encourages capable private firms to participate in national-scale projects, from infrastructure to high-tech and even defense. This opens new doors that were previously reserved for state-owned enterprises, potentially creating the next generation of national champions.

Foreign Businesses and Investors

A stronger domestic private sector means a deeper and more reliable market, with better local suppliers and partners. Vietnam's emphasis on developing innovative, internationally competitive private firms could significantly enhance the capabilities of its domestic supply base, especially in manufacturing, services, and technology. This is welcome news for multinationals looking to deepen their supply chains or localize production in Vietnam.

Foreign-invested enterprises already operating in Vietnam may also gain from a more level playing field. The resolution's push for equal access to resources suggests that foreign and domestic private firms will both enjoy fairer access to land, credit, and public procurement. Moreover, government efforts to promote linkages between foreign-invested enterprises and local companies could support higher localization rates and improve supply chain efficiency, especially in sectors like electronics, textiles, and renewable energy.

In addition, foreign investors stand to benefit from a more transparent and rules-based business environment. The Resolution 68 reinforces commitments to legal clarity, fair competition, and streamlined procedures - all conditions that global investors actively seek. If Vietnam succeeds in reducing regulatory burdens and improving enforcement of contracts, it will strengthen its investment climate and boost its standing in international rankings such as the World Bank's Doing Business index.

A Turning Point for Business in Vietnam

Resolution 68 is a strong signal that Vietnam is serious about building a fairer, more dynamic business environment. For both domestic and foreign companies, this could mean fewer barriers, more opportunities, and a clearer path to long-term growth. The real impact will depend on how well the government follows through, but if done right, this could be a game-changer for doing business in Vietnam.

About Indochine Counsel

Established in October 2006, Indochine Counsel is a leading commercial law firm in Vietnam. Our firm is ideally positioned to assist international investors and foreign firms to navigate the legal landscape in one of Asia's most dynamic and challenging countries. We also take pride in our services offered to domestic clients in searching for opportunities abroad. With over 45 lawyers many of whom have been trained abroad and staffs in two offices, Ho Chi Minh City and Hanoi, Indochine Counsel offers expertise in a dozen practice areas and provides assistance throughout the entire life cycle of your business.

Indochine Counsel represents and advises clients on all legal aspects in the following major areas of expertise:

- Anti-trust & Competition
- Banking & Finance
- Corporate & Commercial
- Energy, Natural Resources & Infrastructure
- Intellectual Property
- Inward Investment
- Labour & Employment
- Litigation & Dispute Resolution
- Mergers & Acquisitions
- Real Estate & Construction
- Securities & Capital Markets
- Technology, Media & Telecommunications

A full list of partners, associates and other professionals is available on our website. |

Contact Us

For further information or assistance, please contact the following Indochine professionals:



Dang The Duc

Managing Partner

E duc.dang@indochinecounsel.com



Pham Hoang Vu

Associate | Deputy Head of Projects & Infrastructure

E vu.pham@indochinecounsel.com

Ho Chi Minh City

Unit 305, 3rd Floor, Centec Tower
72-74 Nguyen Thi Minh Khai, District 3
Ho Chi Minh City, Vietnam

T +84 28 3823 9640

F +84 28 3823 9641

E info@indochinecounsel.com

Hanoi

Unit 705, 7th Floor, CMC Tower
Duy Tan Street, Cau Giay District
Hanoi, Vietnam

T +84 24 3795 5261

F +84 24 3795 5262

E hanoi@indochinecounsel.com

www.indochinecounsel.com

This Special Alert is designed to provide our clients and contacts with general information of the relevant topic for reference only, without the assumption of a duty of care by Indochine Counsel. The information provided is not intended to be nor should it be relied upon as a substitute for legal or other professional advice.

© 2025 Indochine Counsel | All Rights Reserved.