



Australia Vietnam
Policy Institute



4 September 2025

Australia–Vietnam Trade and Investment for Green Growth

Roundtable on advancing trade
and investment to foster green
growth and accelerate the
energy transition.



Australian Government
Department of Foreign Affairs and Trade

Key Takeaways

The Australia Vietnam Policy Institute (AVPI), together with the Vietnam Academy of Social Sciences (VASS) and the Institute of Vietnam and World Economy (IVAWE) co-hosted a roundtable on 4 September 2025 at the AVPI Front Door, RMIT University, Melbourne. The session was facilitated by Ms Louise Adams, Chief Executive Officer of Aurecon, Australia's Southeast Asia Business Champion for Vietnam, and a member of the AVPI's Advisory Board.

The roundtable brought together leaders from government, academia, and industry to consider how bilateral trade and investment can accelerate the energy transition and support green growth. Participants noted that bilateral trade and investment are gaining momentum; however, more substantial policy alignment and greater market certainty will be needed to ensure that sustainability objectives are effectively embedded in this growth. Across the dialogue, renewable energy, energy efficiency, clean technology, and waste-to-energy emerged as the sectors offering the most significant potential for collaboration, with Australian expertise well matched to Vietnam's priorities.

The dialogue was built on long-standing ties between RMIT University and VASS and was framed by opening reflections from RMIT's Interim Deputy Vice-Chancellor International and Engagement, Mr Layton Pike, and VASS Vice President, Dr Đặng Xuân Thanh. Both speakers emphasised the strategic alignment between national priorities and the opportunities for deeper institutional collaboration.

The signing of a Memorandum of Understanding between RMIT (on behalf of the AVPI) and the Institute of Vietnam and World Economy (IVAWE), which sits under VASS, provided a fitting close to the dialogue. It demonstrated that the institutional foundations are already being laid for the type of sustained cooperation the discussion called for: cooperation that is systemic rather than episodic, and practical rather than aspirational.

The Australia-Vietnam relationship has entered a decisive stage, marked by the elevation to a Comprehensive Strategic Partnership in 2024 and the growing importance of green growth and energy transition in both countries' policy agendas. These issues are central to Vietnam's economic development strategy and to Australia's ambition to position itself as a reliable partner in Southeast Asia's low-carbon future.



1. Bilateral flows are growing, but more substantial policy alignment and market certainty are needed to embed green growth objectives.
2. Renewable energy, energy efficiency, waste-to-energy, and clean technology offer the greatest potential for collaboration, with Australian expertise well-matched to Vietnam's priorities.
3. Achieving net-zero will require investment in storage, decentralised systems, digitalisation, and upskilling of the workforce.
4. Universities and policy institutes have a central role in driving innovation, skills development, and trusted bilateral engagement.
5. Both countries bring comparative advantages: Australia in technology, resources, and education, and Vietnam in growth momentum and manufacturing capacity, which can be harnessed to accelerate sustainable development.

Australia–Vietnam Trade and Investment in Green Growth Sectors

Australia and Vietnam’s economic ties have expanded rapidly in recent years, with both governments setting ambitious targets to elevate the relationship. This shared ambition to boost trade and investment is grounded in a commitment to sustainable, inclusive growth, aligning economic cooperation with climate and development goals.¹ Investment links are also deepening: by late 2024, Australian firms had undertaken 662 FDI projects in Vietnam worth A\$3.02 billion.² The elevation of the bilateral relationship to a Comprehensive Strategic Partnership (CSP) in 2024 provides a high-level platform to deepen collaboration in emerging areas such as climate-friendly infrastructure, clean energy, and digital transformation.³

Both countries are actively implementing strategies and establishing enabling frameworks that will shape the investment environment. Vietnam’s own policy landscape – including its net-zero emissions pledge by 2050 and the approval of the Power Development Plan VIII (PDP-8) signals a determination to pivot toward low-carbon growth, providing clearer market signals for investors in renewables, clean tech, and energy efficiency.⁴ Australia, in turn, has assigned a high priority to green economic engagement with Vietnam and Southeast Asia more broadly in its long-term Southeast Asia economic strategy. This strategy highlights the clean energy transition and sustainable infrastructure as key pillars for cooperation, noting that Australia can leverage its well-capitalised private sector and deep capital markets to meet Southeast Asia’s sustainability needs.⁵



“*Australian businesses can be averse to risk and then expect quick returns.*”
– Roundtable Participant



Despite this momentum, system-level challenges persist. Regulatory complexity, fragmented permitting processes, and evolving tariff regimes continue to raise the cost of doing business. Investors remain cautious, with many seeking short-term returns in a market where patient capital and sustained engagement are essential. Participants also pointed to persistent gaps in information flows and technical understanding, particularly around storage, micro-systems, and grid stabilisation, which can constrain effective decision-making. Without stronger frameworks for transparency and technical exchange, policy intent risks outpacing practical implementation.⁶

Mobilising the scale of finance required for Vietnam’s transition will depend on improving policy coherence, strengthening institutional capacity, and developing innovative blended finance mechanisms.

Initiatives such as the A\$23.5 billion Just Energy Transition Partnership (JETP) and Australia’s A\$2 billion Southeast Asia Investment Financing Facility point to the kinds of tools that can help unlock capital flows, but their success will rely on consistent implementation and trust in the regulatory environment.⁷ As highlighted during the roundtable, institutional partnerships – linking government, business, and academia – will also be critical in translating strategies into practice and building the confidence required for long-term investment.⁸

At this system level, the roundtable emphasised that trade and investment are already expanding, but embedding green growth objectives requires not just volume, but quality. The next stage of the bilateral relationship will depend on translating strategic commitments into enabling conditions that give investors confidence to move from pilot projects to scalable models.



Sectoral Collaboration for Green Growth

The roundtable highlighted renewable energy, energy efficiency, waste-to-energy, and clean technology as sectors in which bilateral collaboration could deliver the most immediate impact. These align directly with Vietnam's National Green Growth Strategy, which targets reducing greenhouse gas intensity by 15 per cent by 2030 and increasing the share of renewables in the supply to 20 per cent by 2030, rising to 30 per cent by 2050.⁹ Participants noted that while Vietnam has already added more than 17 gigawatts (GW) of solar capacity in just three years, this growth has outpaced the system's ability to integrate new supply, underscoring the need for grid stability, storage, and decentralised approaches.¹⁰

Australia's expertise is well matched to these challenges. Its track record in large-scale solar and wind, alongside research leadership in grid management and storage, creates opportunities for technology transfer and joint projects. Decentralised and community-based systems, including microgrids and distributed storage, were identified as particularly promising pathways, especially for regional and industrial zones. Drawing on Australian experience with battery deployment and demand management could help Vietnam adapt faster, while also creating commercial opportunities for Australian firms.¹¹

Beyond electricity generation, waste-to-energy was recognised as an area of growing importance. With rapid urbanisation intensifying pressures on municipal systems, Vietnam has made circular economy solutions a priority.¹² Australian companies bring capabilities in both waste processing technologies and governance models, positioning them as natural partners for pilot projects in major cities and industrial clusters. Similarly, collaboration in energy-efficient construction, agritech, and clean transport systems was noted as a way to reduce demand-side pressures while supporting Vietnam's broader sustainable development goals.

Universities and research institutes are central actors in enabling cooperation. Academic partnerships are not only sources of technology transfer, but also vehicles for workforce training and policy innovation.¹³ Programs such as Aus4Innovation and the Energy and Minerals Dialogue provide a framework for scaling these linkages.¹⁴ Embedding joint research, vocational training, and policy experimentation into sectoral collaboration will help accelerate adoption while ensuring that the benefits are widely shared.



The role of government was emphasised throughout the discussion. Industry can innovate quickly, but predictable rules and clear signals from regulators are essential to scale. Participants highlighted the importance of coordination among Vietnam's Ministry of Science and Technology, the State Bank of Vietnam, and Australia's Department of Foreign Affairs and Trade. Stronger engagement at this level was seen as critical to unlocking investment and reducing uncertainty for business.

Consumer protection was also highlighted as a priority. As digital trade expands, exposure to fraud, data breaches and compliance failures increases. Aligning safeguards between Australia and Vietnam will help ensure that growth is not achieved at the expense of security. Participants noted that Australia's experience in regulation and standards can complement Vietnam's rapidly evolving digital economy.

Bilateral reform was also linked to broader regional influence. By embedding aligned approaches into regional trade agreements and dialogues, Vietnam and Australia can help shape the emerging rules of digital trade across the Indo-Pacific. Greater consistency across jurisdictions would provide clarity for firms and reinforce both countries' roles as advocates for secure and inclusive digital flows.

Trade, in this sense, extends well beyond the exchange of goods and services. It encompasses the standards, safeguards and digital infrastructure that lower costs, reduce risks and build confidence. With sustained reform, digital trade can become the pathway to integration that fulfils the ambition of the Comprehensive Strategic Partnership and positions both countries as leaders in a rapidly evolving regional economy.

Participants emphasised that sectoral collaboration was creating a portfolio of joint efforts across renewables, efficiency, waste, and infrastructure. These opportunities, if scaled, can move the relationship beyond individual successes toward a more integrated partnership, driving green growth.

The distribution energy system can actually drive the future.

– Roundtable Participant



Pathways for Energy Transition

Delivering Vietnam's net-zero pledge will hinge on how quickly the power system can integrate variable renewables while maintaining reliability. Participants noted that Vietnam faces a strategic choice between continuing to prioritise centralised capacity additions and accelerating a complementary, more decentralised model, microgrids, distributed storage, and smarter demand management, so the grid can absorb new wind and solar without sacrificing stability. This gap was described as a "structural risk" for the transition, unless complemented by storage, digitalisation, and system flexibility.¹⁵

Skills and institutional capacity emerged as immediate enablers. Beyond engineers for generation assets, the transition requires grid planners, data and control specialists, market designers, and regulators who understand storage economics and the integration of distributed energy. The discussion highlighted joint curriculum development, vocational pathways, and applied research partnerships as effective ways to close capability gaps, with Australian institutions well-positioned to co-design programs in grid operations, power electronics, and energy market governance.¹⁶

Financing was framed not only as a question of volume, but also as a matter of fit-for-purpose instruments. Utility-scale renewables, storage, and grid upgrades carry different risk profiles, as do rooftop solar programs and energy-efficiency retrofits.¹⁷ Participants underscored the role of blended finance, guarantees, and concessional tranches in attracting private capital where revenue certainty is lower, alongside clearer offtake arrangements to enhance bankability. International platforms such as the Just Energy Transition Partnership (JETP) can help anchor policy reform and convene capital, while Australia's regional facilities (including the Southeast Asia Investment Financing Facility) and investment in regional initiatives such as the Singapore-led Financing Asia's Transition Partnership (FAST-P) can be targeted to storage and grid flexibility projects with high system value.¹⁸

It's not a particularly reliable energy source unless you can stabilise it through storage.

– Roundtable Participant

Building on these observations, the conversation highlighted the importance of learning from Australia's own experience with rapid renewable energy uptake. Lessons from grid stabilisation, large-scale battery deployment, and the orchestration of distributed energy resources were highlighted as practical avenues for cooperation.

Several contributions pointed to the importance of demand-side measures. Energy efficiency in buildings, industry, and transport was highlighted as a low-cost pathway to reduce pressure on the grid, while rooftop solar was debated as a complement to large-scale generation. Although Vietnam has experimented with rooftop solar schemes, participants noted that policy uncertainty has slowed uptake, suggesting a need for more consistent incentives and clearer integration with national plans.¹⁹

Across these pathways, information and standards are foundational. Gaps persist in the understanding of storage technologies, performance modelling, and system-level cost-benefit analysis, which impedes both public decision-making and private investment. Sharing operational lessons from Australia's battery deployments, inertia services, and orchestration of distributed energy resources was identified as a practical avenue for rapid learning and risk reduction. Common templates for interconnection, grid support services, and cyber-secure data exchange would accelerate replication and scale.²⁰

Ultimately, pathways converged on governance and trust as the decisive conditions. Vietnam signals intent, but investors and utilities require consistent implementation, including transparent permitting, bankable contracts, and predictable market rules throughout the asset's life. Coordinated work between Australian and Vietnamese agencies on standards alignment, investment facilitation, and transition finance can lower risk perceptions and help shift from pilots to repeatable, scalable project models that deliver system benefits at pace.²¹



Conclusion

The roundtable made clear that while opportunities for green growth between Australia and Vietnam are vast, the real challenge is focus. Participants observed that the conversation could have stretched for hours, covering every aspect from decentralisation to e-transport, but that real progress would depend on identifying a small number of areas where partnership could demonstrate tangible results. The idea of a “sandbox” approach, testing solutions in defined contexts before scaling them, was seen as a practical way to convert ambition into action.

Participants emphasised that future progress will depend on sequencing these elements together. Investment flows must be accompanied by clearer policy frameworks; sectoral opportunities must be matched with the skills and institutions to sustain them; and transition pathways must be underpinned by finance and governance mechanisms that reduce risk and build trust. Without this integration, projects will remain fragmented, and the potential of the partnership will remain unrealised.

By framing green growth as a systemic challenge that connects investment, technology, governance, and skills, the roundtable concluded that Australia and Vietnam have the opportunity to exchange ideas, co-develop and jointly implement scalable solutions that strengthen both countries’ regional leadership in green growth. As part of VASS, IVAWE will contribute directly to Vietnam’s policy formulation on green growth and international economic cooperation. The task ahead will be to take this breadth of ambition and channel it into practical, patient, and demonstrable outcomes that define the next chapter of the Comprehensive Strategic Partnership.



Recommendations



Recommendations for:

Australian Government

- Strengthen investment support and risk-sharing instruments to enable Australian firms to participate in Vietnam’s energy transition. Blended finance mechanisms and guarantees can lower perceived risks and encourage greater private sector involvement.
- Expand technical cooperation on storage, decentralisation, and grid stabilisation, building on Australia’s own experience of integrating large volumes of renewable energy. Knowledge transfer in these areas can help address bottlenecks that constrain Vietnam’s renewable expansion.
- Deepen education and vocational training partnerships to develop the workforce needed for Vietnam’s net-zero transition. Collaboration across universities, TAFEs, and industry can build long-term capacity in engineering, digital systems, and green technologies.
- Align Australia’s energy diplomacy with Vietnam’s green growth agenda, using bilateral and regional platforms to support policy reforms and strengthen trust among investors. Diplomatic engagement can reinforce market signals and create a more predictable environment for trade and investment.

Government of Vietnam

- Streamline regulatory and permitting processes to accelerate renewable energy and sustainable infrastructure projects. Clearer approval pathways and consistent implementation of PDP-8 will reduce costs and increase investor confidence.
- Improve technical standards and information flows for storage, rooftop solar, and distributed systems. Providing clarity on integration and system requirements will help unlock investment in decentralised solutions.
- Introduce stronger incentives for demand-side efficiency measures across buildings, transport, and industry. Lowering energy intensity will ease pressure on the grid while supporting sustainable economic growth.
- Establish a transparent framework for blended and transition finance, building on the momentum of the Just Energy Transition Partnership. Well-designed financial mechanisms can mobilise international capital at the scale required for Vietnam’s energy transition.

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RAPPORTEUR

Nicola Gibbs

Director, Pluri

