

Canberra backs vietnam's science, skills and climate agenda with new aid package

01 July 2026 | News

The new development assistance package for fiscal year 2026-27 will focus on science and technology, human capital development and climate resilience, underscoring the growing strategic partnership between Australia and Vietnam



Australia has committed AUD 100 million in development assistance to Vietnam for the 2026-27 fiscal year, reinforcing the rapidly expanding Comprehensive Strategic Partnership between the two countries and supporting Vietnam's ambitions in innovation, skills development and climate resilience.

The funding commitment was announced during a meeting between Vietnamese Prime Minister Le Minh Hung and Australian Ambassador to Vietnam Gillian Bird at the Government Office in Hanoi, where both sides reaffirmed their intention to deepen cooperation across trade, investment and sustainable development.

The new assistance package will prioritize three key areas: advancing science and technology capabilities, strengthening skills and human resource development, and supporting initiatives aimed at addressing climate change and enhancing resilience.

The announcement comes as Vietnam and Australia continue to accelerate the implementation of their 2024-2027 Action Plan under the Comprehensive Strategic Partnership framework. Bilateral cooperation has expanded significantly in recent years, spanning trade, investment, energy transition, education, agriculture and regional development.

Both countries are also seeking to unlock greater economic opportunities by pursuing an ambitious target of increasing bilateral trade to USD 20 billion and doubling two-way investment over the coming years.

Vietnam has called for greater market access for its exports, particularly agricultural, forestry and fishery products, while also encouraging Australia to reduce trade barriers and facilitate investment flows between the two economies.

The Vietnamese government reiterated its commitment to creating a stable and attractive environment for foreign investors, including Australian companies, through continued regulatory reforms and improvements to the legal and institutional framework governing foreign investment.

Australia, for its part, has signaled its intention to encourage greater business engagement in Vietnam, aligning with its broader Southeast Asia Economic Strategy to 2040, which identifies Vietnam as one of the region's most dynamic and strategically important economies.

Beyond economic cooperation, the two countries are also strengthening collaboration in capacity building, training and governance support, with Australia continuing to provide technical assistance and human capital development initiatives for Vietnamese officials and institutions.

The two sides also discussed preparations for future high-level exchanges and reaffirmed their commitment to strengthening political trust and maintaining regular bilateral cooperation mechanisms across a broad range of sectors.

Australia further reiterated its support for Vietnam's preparations to host the Asia-Pacific Economic Cooperation (APEC) Leaders' Meeting in 2027, a major diplomatic event expected to reinforce Vietnam's growing role in regional economic and political affairs.

The latest development assistance package highlights Australia's long-term commitment to supporting Vietnam's economic transformation and sustainable development agenda while further cementing a strategic partnership that has become increasingly important to both countries amid shifting regional and global dynamics.