Just like the previous two presenters, I’ll be discussing Typhoon Yagi, but focusing more on its potential long-term effects. We’ll see how disasters like this affect not only Vietnam but also its neighbours.

**What Happened?**

Typhoon Yagi was one of the most severe storms Vietnam has seen in 30 years, hitting the Red River Delta—an economic hub. The devastation was widespread with many houses, schools and infrastructure affected. Let’s assess the potential impact using the **PESTLE framework**.

**1. Economic Impact**

The most discussed about impact over the news would be the economic aftermath. The typhoon is expected to reduce Vietnam’s GDP by 0.15%. With 3rd parties predicting a 0.5% reduction – in case you can’t see it, this is just half of the pie chart, with the minimum impact in orange and maximum in cyan.

While this seems small, consider that the Red River Delta —the region most affected—contributes 38% of the country’s GDP and 55% of its export revenue. The damage to key infrastructure and businesses will have long-term economic effects.

The supply chain disruptions are significant. With 30-40% of industrial facilities damaged and 80-90% of businesses experiencing power and communication outages, economic recovery may be slow. This also affects global trade since many goods pass through Vietnamese ports.

The agricultural sector has been hit hardest, with 262,000 hectares of crops destroyed. Rice, which typically has a growing cycle of 100-120 days, will require half a year to recover. Farmers could lose multiple harvests, exacerbating food insecurity and driving up prices. The loss of crops, like rice and sugarcane, could further push rural poverty for farmers specifically.

**2. Political Impact**

The Vietnamese government faces heightened political pressure to provide immediate relief. Public scrutiny will focus on how well aid is distributed and whether reconstruction is handled efficiently. Corruption or inefficiency in this process could affect the publics’ trust further. Vietnam received $25 million in international aid, but this pales in comparison to the estimated $3 billion damage. Moving forward, the government may strengthen ties within ASEAN and out of ASEAN to better coordinate regional disaster responses. This disaster could be a catalyst for improved diplomatic relations with aid-donating countries.

**3. Socio-Cultural Impact**

The socio-cultural effects are most visible in rural areas, where thousands have been displaced. This disaster has the potential to widen social inequalities, as wealthier areas like Hanoi recover faster. This is not to the fault of the government prioritizing economic activity, but more like how it impacts the rural areas more as they receive aid slower. However, the Vietnamese government has revealed its plans to prioritize providing aid to the affected people before businesses.

**4. Environmental Impact**

Typhoon Yagi is a reminder of the increasing risks posed by climate change. The storm caused significant environmental degradation, including flooding, landslides, and deforestation, which could take years to recover. With extreme weather events becoming more frequent globally, including hurricanes like Milton in Florida, Vietnam must integrate climate adaptation into its infrastructure to mitigate future risks.

**Conclusion**

While some immediate impacts of Typhoon Yagi, like industrial losses, is stabilizing, the agricultural and environmental impacts will last longer. Though agriculture contributes around **11% of Vietnam’s GDP**, its impact on food security and rural livelihoods cannot be underestimated. Vietnam's recovery will depend on effective governance, international cooperation, and climate resilience. The typhoon underscores the need for long-term planning in disaster preparedness and regional cooperation.

<https://tradingeconomics.com/vietnam/gdp>

Q&A:

Impacts on Singapore?

* I think most people are concerned about our rice and other crops coming out of Vietnam
  + I was supposed to include this slide
* As tourists
  + Given that we are travelling in December and to urban areas such as Hanoi, impacts will be less felt
  + Policies are planned to be implemented until October, most are expected to recover by then
  + While this is not trying to downplay the effects on the Vietnamese citizens, the effect

PESTLE Legal and Technological

* Briefly covered in previous impacts
* Legal:
  + The government might introduce new legal frameworks to fast-track recovery and relief processes, such as simplifying administrative procedures for rebuilding efforts and ensuring transparency in the distribution of aid.
  + Policies and aid relief for citizens affected` by the Typhoon
* Technological:
  + Highlights gaps in Vietnams infrastructure for preparedness
  + More investments in technology, early warning and better measures to prevent damages for factories
  + This would allow aid to be given to more rural areas earlier as urban areas are generally more well protected

**The Impact of Typhoon Yagi on Vietnam**

Overview of Impact

* As of September 17, VND 40 trillion (approx. US$1.63 billion), 0.15 percentage point reduction in GDP
* Red River Delta, home to key economic hubs such as Hanoi and Hai Phong
  + Contribute to 38% of Vietnam’s GDP and 55% of export revenue
* Destroyed 257,000 houses, 1,300 schools, 305 dikes, and numerous other infrastructure

Specific Impacts

* Supply Chain
  + Flooding: Approximately 50-60 percent of factories experienced flooding during severe typhoons
  + Roof damage: Around 30-40 percent of industrial facilities suffered roof damage, particularly in high-wind regions
  + Structural collapse: Partial or complete building collapse affected 10-15 percent of factories, depending on construction quality and storm intensity
  + Power outages: Around 80-90 percent of businesses faced power and communication disruptions
  + Damaged inventory: Roughly 20-30 percent of companies experienced inventory damage, especially in sectors like electronics and wood products
  + Road erosion: Erosion disrupted logistics and transportation for 20-30 percent of businesses
* Agricultural
  + 262,000 hectares of rice, crops, and fruit trees were damaged or destroyed
  + 2,250 aquaculture farms were swept away
  + Nearly 2.3 million livestock and poultry died, approximately 0.42-0.46% of the total poultry population in the country
  + Close to 310,000 urban trees were uprooted
* Tourism
  + More than 20 tourist boats in Ha Long Bay, Quang Ninh province, were sunk during Typhoon Yagi’s attack
  + This may cause others to be
  + <https://en.vietnamplus.vn/ha-long-bay-welcomes-6000-visitors-after-typhoon-post296649.vnp>

Impact Insights

* Political
  + Vietnams’ strong economic and political ties prove to be significant with US$22 million global aid
  + Although this pales in comparison to the US$2 billion, it highlights the willingness of ASEAN companies
  + The typhoon may push Vietnam to strengthen cooperation with regional partners (e.g., ASEAN) for disaster relief and preparedness. Additionally, international aid could bolster diplomatic ties with donor countries.
* Economic
  + With the Red River Delta (contributing 38% of GDP) significantly impacted, the projected GDP reduction could range from 0.15 to 0.5 percentage points, affecting Vietnam’s overall economic trajectory.
  + Despite it affecting 0.15% in GDP, is this significant?
  + Supply chain effects may trickle down to other countries such as Singapore
  + Agriculture effect may be more longlasting, crops affected may cause farmers to lose harvests for that year for more seasonal crops
  + Long term effect on agriculture and logistics sectors
* Environmental Impact
  + Increased Risk from Climate Change: Typhoon Yagi, one of the strongest in 30 years, signals the growing threat of extreme weather due to climate change. The government will likely face pressure to integrate climate adaptation measures into future planning and infrastructure development.
    - Also evident in social media over other hurricanes such as Hurricane Milton in Florida
  + Environmental Degradation: Flooding, landslides, and deforestation in the aftermath of the typhoon will have long-term effects on the environment. Damaged ecosystems could take years to recover, particularly in rural and coastal areas.
  + Shared by Jesslyn, one of many landslides, 30 of which have covered railways
  + As much as the government can provide relief efforts to reduce the impact, there is a cascading effect which may harm farmers

Conclusion

Despite the typhoon being tragic with many lives lost, the government may dismiss such efforts. Although typhoons form throughout the year, they are far and few between. The Vietnam government has also proved to be able to recover quickly

Impacts on Singapore

<https://www.sfa.gov.sg/docs/default-source/publication/annual-report/sfa-ar-2023-2024.pdf?sfvrsn=f3ccc894_11>