



Market profile

Located in the heart of South East Asia, Vietnam is the world's 15th most populous country and one of the fastest growing economies globally.

The 21st century witnesses Vietnam being increasingly integrated into the global economy and becoming one of most attractive investment destinations in Asia. Vietnam is a signatory to 16 Free Trade Agreements, EVFTA, CPTPP, UKVFTA and RCEP. Vietnam is a member of the Asia-Pacific Economic Cooperation (APEC), the Association of Southeast Asian Nations (ASEAN) and the World Trade Organization (WTO).

Economy and business structure

Vietnam has emerged as one of the great success stories among Asian emerging economies during the last 25 years. Thanks to its market-oriented economic and political reforms, the country has transitioned from one of the world's poorest nations to a lower middle-income country with an annual average GDP per capita growth of 6.5%. Vietnam's strong GDP growth is led by the service and industrial sectors, as it is transitioning from agricultural-based economy toward manufacturing and services. Vietnam has relatively low inflation, stable currency, strong FDI inflows, and strong manufacturing sector. The majority of Vietnamese companies are SMEs.

Economic structure (% of GDP, 2023): Agriculture, forestry and fishery (11.96%), Industrial and construction (37.12%), Services (42.54%)

Main export markets (2023): U.S, China, EU, ASEAN, South Korea.

Top exports (2023): Phones and spare parts, Electronic goods/computers, machinery, textiles, footwear.

Main import markets (2023): China, South Korea, ASEAN, Japan, U.S.

Top imports (2023): computers, electrical products, spare-parts; machinery, equipment; phones; textile, leather, footwear materials.

Ease of Doing Business ranking: 70/190 - World Bank's Doing Business 2020 Report

Vietnam's GDP growth is estimated to be around 5.8% in 2024, compared to the global average growth of 2.9%, according to IMF.

FACTS 2024

- Capital: Hanoi
- Largest city & economic hub: Ho Chi Minh City
- Official language: Vietnamese
- Area: 331,699 sq km
- Population: 100.3 million
- Currency: Vietnam Dong (VND)
- Government: One-party socialist republic
- GDP (2023): \$430 billion
- 2023 GDP growth: 5.05%
- GDP per capita (2023): \$4,284
- Bilateral trade (2023): \$780 million
- Inflation rate (2023): 3.25%
- Urbanisation rate: 38%
- Median age: 33

Key industries and their trends

Key industries

Main industries: Electronics, machinery, steel, food processing, wood industry, textile, footwear, vehicle, rice, coffee, cashews, seafood, vegetable and tourism.

Vietnam has emerged as an attractive market for foreign investors in a number of industries, including textiles and garments, pharmaceuticals, automotives, coffee production as well as e-commerce. The country is also becoming a key destination for high-technology manufacturing and ICT (e.g. electronics, software outsourcing, fintech etc.), thus gradually transitioning from an agriculture-based economy towards a services and higher value added manufacturing driven country. In addition, real estate as well as tourism and related services and infrastructure construction continue to be big growth sectors in Vietnam.

Future focus

The government has identified four key priority industries for Vietnam by 2050, including: 1) Emerging technologies (AI, robotics and smart systems), 2) Education and training, 3) High-tech agriculture and food processing and 4) Green energy, environment, health and tourism. As a result, these are among business areas that enjoy various investment incentives, for instance in the form of lower tax rates, import duty exemptions and reduction or exemption of land rental.

Potential sectors for Finnish expertise

Digitalisation and IoT; Bio, Circular and Cleantech; Healthcare; Construction & Smart City; Consumer Business; Food & Beverages; Maritime & Offshore; Smart Mobility & Automotive.

Important things to consider when doing business in Vietnam

- Collaborate with a local partner to take advantage of local knowledge and networks. To succeed in the Vietnamese market, it is necessary to have market presence through networks and proactive sales.
- Build your networks as they are crucial in doing business in Vietnam – business is personal and done between people, not companies. As the Vietnamese government is often involved in business, building relationships also with the government authorities might be important.
- Arrange face-to-face meetings. After the first contact on the phone or via email, meeting the partner in person is necessary.
- Be prepared to use translation services or hire Vietnamese and English speaking staff.
- Be patient, business decisions often take a long time and sales cycles are long. Building a long lasting relationship with the partner is important before any decisions are made. Make sure that you have enough resources and commitment when entering the market.

Market data sources and other useful links

Vietnam Country Profile

- [World Bank](#)
- [IMF](#)
- [CIA – The World Factbook](#)

Vietnam Government Official Websites:

- [Vietnam Government](#)
- [General Statistics Office of Vietnam](#)
- [Invest in Vietnam](#)
- [Visit Vietnam](#)
- [Vietnam Chamber of Commerce & Industry](#)

Doing Business In Vietnam:

- [Doing Business in Vietnam 2024 guidebook by Dezan Shira & Associates](#)