

Export to Vietnam



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1. General information

Political landscape

- **System of government & head of state:** Single-party socialist republic, President Tô Lâm
- **Head of government:** Prime Minister Phạm Minh Chính
- **Composition of current government:** Communist Party of Vietnam (CPV)
- **Key figures:** The 16-person Communist Party Politburo, elected by the 175-person party central committee at the national party congress, acts as the de facto highest decision-making body and comprises the top leadership of the CPV. Its most important members are Acting Party General Secretary & President Tô Lâm, Prime Minister Phạm Minh Chính, and National Assembly Chairperson Trần Thanh Mẫn..
- **Ongoing disputes:** Together with the Philippines, Vietnam is on the front line of maritime disputes with China, as China's maritime claims (Nine-Dash Line) are illegal - a fact recognized by the United States and most of the international community.
- **Short-Term Political Risk Index score:** 81.7
- **Long-Term Political Risk Index score:** 63.0

Economics

- **Vietnam's economy** expanded 5.05% in 2023 lower than the growth target of 6.5% and that of 2022 of 8.02%. In a relatively early stage of development, the country remains one of the fastest-growing markets in Asia.
- Despite facing headwinds, Vietnam has maintained macroeconomic stability, and effective fiscal and monetary policies have helped control inflation within safe levels, with the CPI increasing by 3.25% for the entire year.
- Vietnam has been pushing for greater **international economic integration** through participation in free trade agreements, and exports are well diversified both geographically and product-wise. Vietnam has pursued bamboo diplomacy for several decades that proves effective in keeping the country steadfast and resilient amid global headwinds and raising its profile in the international arena. High-profile figures visited the country, including the President of the United States and his counterpart from the People's Republic of China.
- In 2023, the **trade balance** of goods was at a trade surplus of US\$ 28 billion (the previous year's trade surplus was US\$ 12.1 billion). However, the country relies heavily on imported inputs for its export and manufacturing sectors. This could undermine its export competitiveness and make the economy more vulnerable to currency volatility.
- In terms of **bilateral economic relations between Belgium and Vietnam**, Vietnam ranks 35th among Belgium's non-EU trading partners as a customer and 25th as a supplier, being the second partner of Belgium in ASEAN. Belgium is the 4th largest export market for Vietnam within the European Union. Trade between the two countries reached a record level of \$4.8 billion in 2022. This volume has been increasing annually, although a significant decrease was recorded in 2023 due to the effects of Covid-19 and global economic downturn. According to statistics from the General Statistics Office of Vietnam, in 2023, Belgium's exports to the Vietnamese market reached \$615 million, down 18.5% compared to 2022. Imports from Vietnam also decreased at a similar rate compared to 2022, reaching \$3.2 billion in 2023.



Belgium's main exports to Vietnam include chemicals (76.6%), machinery and equipment (2.7%), and precious stones and metals (9.2%).

- The European Union-Vietnam Free Trade Agreement (**EVFTA**) has yielded positive results since coming into effect on August 1, 2020. Despite challenges posed by the COVID-19 pandemic, logistics and supply chain disruptions, and geopolitical fluctuations, Vietnam's two-way trade turnover achieved impressive growth. In the first year, bilateral trade turnover reached \$54.9 billion, making a year-on-year increase of 12.1%. In the second year, bilateral trade turnover increased by 11.9% to \$1.4 billion, with exports reaching \$45 billion.
- Regarding **import tariffs**, Vietnam eliminates 48.5% of tariff lines immediately upon the Agreement's entry into force, equivalent to 64.5% of imports from the EU, and after 10 years, about 99% of tariff lines, equivalent to 99.8% of imports from the EU. For the remaining tariff lines, Vietnam will follow a 10-year roadmap or provide EU preferential treatment based on WTO tariff quota limits.
- The trade agreement removes tariffs on a range of **key EU export products**:
 - most machinery and appliances no longer have to pay Vietnamese import duties of up to 35% – the rest will no longer do so by August 2025
 - motorcycles with engines larger than 150 cc will see Vietnamese import duties of 75% gradually fully removed by August 2027
 - most cars will see Vietnamese import duties of 78% gradually removed by August 2030
 - car parts will see Vietnamese import duties of up to 32% gradually removed by August 2027
 - about half of EU pharmaceuticals no longer have to pay Vietnamese import duties of up to 8% – the rest will no longer do so by August 2027
 - EU textile exports no longer have to pay Vietnamese import duties of 12%
 - nearly 70% of EU chemicals exports no longer have to pay Vietnamese import duties of up to 5% – the rest will be able to enter free of tariffs of up to 25% after three, five or seven years.
- **FDI capital** realized in Vietnam in 2023 is estimated to reach US\$ 23.18 billion, an increase of 3.5% compared to the previous year. This is the highest amount of realized FDI capital in the past five years, emphasizing the confidence of investors in Vietnam's economic environment. By end of 2023, Belgium has 95 investment projects in Vietnam, with a total registered capital of US\$1.1 billion, ranking 23rd among 131 countries investing in Vietnam. Belgian companies in Vietnam are discovering more and more opportunities in sectors such as waste management, water sanitation, and medical equipment and applications. Belgian companies hereby support Vietnam's further development through an exchange of knowledge and skills. The Belgian Government supports these initiatives with concessional ODA and other forms of financing.
- Low productivity, quality, efficiency, and competitiveness remain the **weak points** of the country and one of the economic risks is the government's persistent fiscal deficit, as well as the growing overall debt load in the economy, which implies a buildup of financial risks. Long-term accumulated shortcomings in the land, real estate, and corporate bond markets have been paid attention to but it takes time to totally resolve. Industrial production keeps coping with difficulties.

Environment

- Accelerating urbanization;
- Rising energy demand;
- Increasing environmental degradation (air pollution, soil and water pollution, plastic pollution, food lost and food waste);



- Climate change impact;
- Government supports on renewable energy and sustainable growth.

Legal

- Policy instability: frequent changes in regulations and policies create uncertainty for foreign firms.
- Bureaucracy: lengthy and complex administrative procedures hamper operations.
- Lack of transparency: unclear regulations and lack of information make it difficult for firms to navigate the business environment.
- Cultural differences: of a far country can also be counted as one of the market challenges.



2. Additional indicators

Economic indicators

Find the main socio-economic indicators for this country, as well as its trade with Brussels and Belgium, in the publication "[Brussels and the world – Country statistics](#)" on [analytics.brussels](#), [hub.brussels](#)' online data library.

The "[Brussels and the world - General statistics](#)" publication also provides data on trade between the Brussels-Capital Region and the rest of the world, by continent and by major world region. The same type of data is also available for the various regions of Belgium, as well as for Belgium as a whole.

Social and environmental indicators

If you'd like to know where your country stands in terms of social, environmental and economic issues, access a series of [composite indicators from the European Commission](#), structured according to the 17 United Nations Sustainable Development Goals¹ and the European Commission's 6 priority policy areas².

Free trade agreements

European agreements have a major impact on market accessibility and trade with certain countries. The links below, published by the European Commission, will provide you with all the information you need on free trade agreements and trade barriers. Existing agreements, those that have not yet been ratified and those that are expected to be ratified, can be consulted here:

- [Free trade agreements](#)
- [Trade barriers](#)

¹No poverty, Zero hunger, Good health and well-being, Quality education, Gender equality, Clean water and sanitation, Clean and affordable energy, Decent work and economic growth, Industry, innovation and infrastructure, Reduced inequalities, Sustainable cities and communities, Sustainable consumption and production, Measures to combat climate change, Water life, Land life, Peace, justice and effective institutions, Partnerships to achieve the goals.

² A green pact for Europe, An economy serving people, A Europe fit for the digital age, A stronger Europe on the world stage, Promoting our European way of life, A new impetus for European democracy.



3. On-site: a step-by-step guide

First contacts

Market research: Detailed market research is a key component for successful market entry in Vietnam. Vietnam is uniquely positioned with its economy moving at an astonishing pace, and its middle class growing along with it. The Vietnamese economy went from a severe recession in the 1980s to a full market opening in the 1990s, to what is now one of the fastest-growing economies in the world with an average GDP growth rate of 6.65% during 2012-2022 ([World Bank](#)). These significant milestones come with an unpredictable consumer base, therefore a minimum understanding of market (population demographics, customer preferences, behavior, purchasing power, competitive landscape, regulatory requirements, and legal frameworks, etc.) is essential for successful in the new market.

Partnership: This evaluation helps you determine the most effective channels to enter the Vietnamese market, whether it's through direct sales, importers, distributors or retailers. In Vietnam, the commercial agent is still a very important element in introducing your products and solutions to the market. Especially for the consumer goods sector, the importer/distributor can be an alternative method of introduction to the market.

Financial considerations: It is strongly recommended to check the financial state and situation of Vietnamese partners before concluding any agreement (the [National Business Registration Portal](#) is recommended), Consider factors such as investment requirements, pricing strategies, and currency fluctuations is also important to mitigate financial risks.

Exporting

Payments

- In Vietnam, electronic invoicing has been mandatory for all businesses since July 2022, making it one of the pioneering countries in the Asia Pacific region. Invoices printed by the taxpayers, pre-printed invoices, and invoices purchased from the tax authority are no longer valid in Vietnam. To issue e-invoices, taxpayers must first register on the website of the General Department of Taxation (GDT) and receive approval.
- Guidelines for the development of e-invoicing in Vietnam are set out in circular 78/2021/TT-BTC issued by the Ministry of Finance, which concerns the development of e-invoicing implementation under Regulation 123/2020/ND-CP as well as several other regulations, including technical and infrastructural ones.
- A common form of payment in Vietnam is through a letter of credit - L/C (a documentary credit). With an L/C, the bank of the company you are trading with guarantees the payment.

Company types

A foreign investor may choose to establish an enterprise in Vietnam in the form of:

- Representative Office;
- Limited Liability Company;
- Joint-Stock Company;
- Branch Office;
- Joint Venture;
- Public Private Partnership (PPP).

Further detailed information is available [here](#).



Before establishing a business organization, the foreign investor must have an investment project, apply for a Certificate of investment registration, and satisfy certain conditions under Law on investment.

Support and subsidies

Discover all subsidies for Brussels businesses on the Brussels Economy and Employment website.

Markets for a first export

Greentech

Vietnam's greentech sector is undergoing a transformative shift towards sustainability and environmental responsibility, spurred by ambitious policy initiatives and strategic partnerships. With the government's commitment to achieving Net Zero emissions by 2050, the country is prioritizing investments in greentech sectors such as renewable energy, energy efficiency, waste management, and sustainable transportation.

Key policy milestones, including the approval of Power Development Plan VIII and the National Energy Master Plan, outline a clear trajectory toward a cleaner energy future. These plans project a significant increase in renewable energy's share of the energy mix, aiming for it to reach 62% by 2050. Additionally, collaborations like the MOU between Singapore and Vietnam are driving the implementation of offshore wind projects, further solidifying Vietnam's position as a leading clean energy hub in Southeast Asia.

Vietnam is also taking decisive steps towards waste management and circular economy initiatives, with strategies to manage hazardous solid waste and reduce plastic pollution. The roadmap towards sustainable transportation underscores the country's commitment to electrification, aiming to phase out fossil fuel vehicles by 2040 and transition to 100% green energy usage by 2050. Overall, Vietnam's greentech sector is poised for sustainable growth, contributing not only to environmental protection but also to economic development and improved quality of life for its citizens.

Infrastructure

Vietnam's infrastructure sector is experiencing rapid growth, attracting investments from leading global companies due to sustained urbanization, industrialization, and government commitment.

The residential and non-residential building sectors are particularly appealing to foreign investors, thanks to recent measures reducing restrictions on foreign property ownership. The country is making strides in developing green buildings, with around 300 buildings certified by green standards like Lotus, Edge, LEED, and Green Mark. This reflects Vietnam's commitment to sustainable development and environmental conservation.

Urban infrastructure projects are in high demand, particularly in transport and sanitation, driven by urbanization. Plans for extensive metro and monorail lines in cities like Hanoi and Ho Chi Minh City demonstrate the government's focus on addressing urban transport needs.

Vietnam is also gearing up to invest over US\$70 billion in a high-speed railway system spanning the entire country, with a steering committee overseeing the investment policy and implementation of national rail projects. Moreover, there are increasing opportunities for public-private partnerships (PPPs) as private participation in the infrastructure sector grows, signaling a collaborative approach to address infrastructure needs and drive economic development.

Healthcare



Vietnam's healthcare and pharmaceutical market is experiencing rapid growth, reflecting the country's dynamic economic development, and increasing demand for healthcare services. Currently valued at approximately US\$21 billion, total spending on health is projected to reach US\$23.3 billion by 2025 and US\$33.8 billion by 2030. This growth is driven by various factors, including rising incomes, heightened awareness of healthcare issues, environmental pollution concerns, food safety issues, and an aging population.

The pharmaceutical market in Vietnam has witnessed significant expansion, with its value doubling from US\$5 billion in 2015 to \$10 billion in 2020. Projections indicate further growth, with the market expected to reach \$16.1 billion by 2026, boasting a compound annual growth rate of approximately 6.72% between 2022 and 2026. Notably, about 30% of the 1,000 pharmaceutical firms operating in Vietnam are foreign-funded, underlining the sector's attractiveness to international investors.

Moreover, the healthcare industry in Vietnam presents significant growth potential in digital health solutions. Telemedicine, electronic health records, smart hospitals, big data analytics, and connected devices and apps are identified as areas with moderate to high growth outlooks. As the country continues to invest in healthcare infrastructure and technology, it is poised to meet the evolving healthcare needs of its population and emerge as a regional healthcare hub.

Technology

Vietnam's technology sector is poised for rapid expansion, driven by the country's high potential for digital economic development and digital transformation trends across all industries. The sector has been experiencing the fastest growth rate in Southeast Asia for two consecutive years. The gross merchandise value (GMV) within the digital environment is expected to grow from US\$30 billion to nearly US\$45 billion by 2025, primarily driven by e-commerce, which is projected to reach US\$20.5 billion by the end of 2023.

Furthermore, under the national strategy on AI, Vietnam aims to position itself as an innovation and AI hub in ASEAN and the world, with plans to establish three major national data and high-performance computing centers by 2030. Additionally, the country's semiconductor ecosystem is rapidly evolving, with projections estimating a value of US\$20-30 billion by 2030, requiring a substantial increase in semiconductor engineers.

However, despite the emphasis on digital transformation, businesses in Vietnam face challenges in finding suitable solutions, with nearly half reporting dissatisfaction and a significant portion experiencing unsuccessful transformations. To address these issues, Vietnam seeks expertise from abroad to bolster its digital capabilities.

With these strategic initiatives and trends, Vietnam is poised to elevate its position in the global technology landscape and emerge as a key player in digital innovation and commerce.

Calendar of all trade show

https://www.eventseye.com/fairs/c1_trade-shows_vietnam.html



4. Business culture

Communication

Greet people with a slight bow and a friendly smile. A handshake is also common, but it's often not as firm as in Western cultures. When exchanging **business cards**, do so with both hands and take a moment to read the card before putting it away.

How to prepare a visit

The **Vietnamese name** is normally written in the format: family name —middle name — first name. As many people can share the same family name, it is important to use Mr. and Ms. along with the first name.

Seniority and hierarchy are important in Vietnam. For example, showing the eldest person respect by giving them your business card first is appropriate. Hierarchy also plays an important role within companies as important decisions are mostly made by senior managers.

Maintaining one's **dignity** and reputation, as well as not causing embarrassment to others, is very important in Asian culture. Avoid openly criticizing or correcting someone in public. It's better to offer constructive feedback privately.

Negotiating

For a **first presentation** of the company or product, it is advisable to first make a phone call. A follow-up call is also necessary to follow up on the request. Patience and a polite approach are advisable in this regard.

Punctuality is appreciated, although flexibility in scheduling is common. Meetings often start with small talk to establish rapport.

While not mandatory, giving small **gifts** can help build relationships. Offer gifts with both hands and show appreciation if you receive a gift. Avoid giving handkerchiefs, or items in black or white, as they may carry negative connotations.

What are the public holidays?

The **Vietnamese workweek** is 40 hours with flexible hours. A normal working day in Vietnam starts from 7am to 8.30am and finish between 4pm to 6pm, from Monday to Friday. Lunch is taken very seriously and virtually between noon and 1.30pm. Government officers tend to take longer breaks, so figure on getting nothing done between 11.30am and 2pm.

The Lunar New Year (Tet) is generally considered the most important **holiday in Vietnam**. It is a five-day holiday during which it is customary for workers to return to their hometowns. In this light, local businesses are widely known to close during this time. Other official public holidays in Vietnam includes Hung Kings Commemoration Day in the lunar calendar's third month, Victory Day on April 30th, International Labor Day on May 1st, and National Day on September 2nd.



5. What can we do for you?

Local contact points

The General Delegates and Local Representatives employed by hub.brussels are official representatives of the Brussels Government abroad, they support Brussels companies that want to export, and search and prospect for new investors.

They have the information, expertise and in-depth knowledge about the specifics of different foreign markets. Based on that knowledge, they help to refine and fine-tune your export plans, with advice on regulations, competition, market entry conditions, permits, etc. Furthermore, they can support you with your questions regarding exports, certain sectors within the jurisdiction, contacts with intermediaries, business culture, and much more.

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Useful websites to delve into

- Vietnamese Laws and Regulations - www.thuvienphapluat.vn/en
- General Statistics Office of Vietnam - www.gso.gov.vn/en
- Ministry of Planning and Investment (MPI) - www.mpi.gov.vn/en
- Ministry of Industry and Trade (MOIT) - <https://moit.gov.vn/en>
- National Business Registration Portal - www.dangkykinhdoanh.gov.vn/en
- Vietnam Chamber of Commerce and Industry (VCCI) - <https://en.vcci.com.vn>
- Belgian - Luxembourg Chamber of Commerce in Vietnam (BeluxCham) - www.beluxcham.com
- Database of Vietnamese listed companies - <https://finance.vietstock.vn/doanh-nghiep-a-z?languageid=2>

