Vietnam

Introduction

Vietnam is a country located in Southeastern Asia bordering the Gulf of Thailand, the Gulf of Tonkin, and the South China Sea. Neighboring countries include Cambodia, China, and Laos. The geography consists of hills and densely forested mountains in the northwest. The government system is a communist state; the chief of state is the president, and the head of government is the prime minister. Vietnam has a mixed economy in which there is limited private freedom, but the economy remains highly controlled by the government. Vietnam is a member of the Asia-Pacific Economic Cooperation (APEC), the Association of Southeast Asian Nations (ASEAN), and the Trans-Pacific Partnership (TPP).

Location: South-Eastern Asia
Capital City: Hanoi (+7 GMT)
Chief of State: President Vo Van Thuong
Head of Govt.: Prime Pham Minh Chinh
Currency: Dong (VND)
Major Languages: <p>Vietnamese (official), English (increasingly favored as a second language), some French, Chinese, and Khmer; mountain area languages (Mon-Khmer and Malayo-Polynesian)</p>
Primary Religions: <p>Buddhist 7.9%, Catholic 6.6%, Hoa Hao 1.7%, Cao Dai 0.9%, Protestant 0.9%, Muslim 0.1%, none 81.8%</p>
Calling Code: 84
Voltage: 127/220

Key Websites
Main Government Page: vietnam.gov.vn
Export Promotion Agency: devex.com
Investment Promotion Agency: fia.mpi.gov.vn

Key Economic Facts

Income Level (by per capita GNI): Lower Middle Income
Level of Development: Developing
GDP, PPP (current international $): $1,321.26 billion (2022)
GDP growth (annual %): 8.02% (2022)
GDP per capita, PPP (current international $): $13,456.55 (2022)
External debt stocks, total (DOD, current US$): $136,213,184,768.10 (2021)
Manufacturing, value added (% of GDP): 24.76% (2022)
Inflation, consumer prices (annual %): 3.16% (2022)
Labor force, total: 55,951,059 (2022)
Unemployment, total (% of total labor force) (modeled ILO estimate): 1.92% (2022)
Imports of goods and services (current US$): $341.15 billion (2021)
Exports of goods and services (current US$): $341.58 billion (2021)

GDP Composition %

<table>
<thead>
<tr>
<th>Sector</th>
<th>Composition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>12</td>
</tr>
<tr>
<td>Services</td>
<td>41</td>
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<tr>
<td>Industry</td>
<td>38</td>
</tr>
<tr>
<td>Manufacturing</td>
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</table>

*Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

<table>
<thead>
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<th>Index</th>
<th>Rank</th>
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</thead>
<tbody>
<tr>
<td>Corruption Perceptions Index</td>
<td>86 / 178</td>
</tr>
<tr>
<td>EY Globalization Index</td>
<td>36 / 60</td>
</tr>
<tr>
<td>Global Competitiveness Index</td>
<td>67 / 141</td>
</tr>
<tr>
<td>Global Enabling Trade Index</td>
<td>73 / 136</td>
</tr>
<tr>
<td>Global MANUFACTURING Competitiveness Index (GMCI)</td>
<td>18 / 40</td>
</tr>
<tr>
<td>Global Services Location Index</td>
<td>5 / 60</td>
</tr>
<tr>
<td>Index of Economic Freedom</td>
<td>127 / 179</td>
</tr>
<tr>
<td>International Logistics Performance Index (LPI)</td>
<td>39 / 160</td>
</tr>
<tr>
<td>Inward FDI Potential Index</td>
<td>80 / 139</td>
</tr>
<tr>
<td>KOF Index of Globalization</td>
<td>89 / 185</td>
</tr>
<tr>
<td>Networked Readiness Index (NRI)</td>
<td>79 / 139</td>
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<tr>
<td>Open Budget Index</td>
<td>74 / 117</td>
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Risk Assessment (Provided by Coface)

Country rating: B - Political and economic uncertainties and an occasionally difficult business environment can affect corporate payment behavior. Corporate default probability is appreciable.

Business Climate rating: B - The business environment is mediocre. The availability and the reliability of corporate financial information vary widely. Debt collection can sometimes be difficult. The institutional framework has a few troublesome weaknesses. Intercompany transactions run appreciable risks in the unstable, largely inefficient environments rated B.

Strengths

- Dynamic economy featuring one of the fastest growth rates in the region
- Development strategy based upon production upscaling and diversification from footwear, apparel, and furniture into electronics: manufacturing accounts for 17% of GDP
- Development of fish and crustacean production
- Large labor pool and low labor costs
- Strong agricultural potential and good endowment of natural resources
- Beneficiary of the U.S.-China trade war

Weaknesses

- Shortcomings in the business climate, led by concerns surrounding data transparency and corruption perceptions
- Incomplete reforms of the public sector, with a high level of indebtedness amongst SOEs and diminishing ROAs.
- Inadequate infrastructure levels
- Increasing inequalities
- Fragile banking system
- Dependent on China’s supply chains

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