

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 To Lam

Head of Govt.: Prime Minister Pham Minh Chinh

Currency: Dong (VND)

Major Languages: Vietnamese (official), English (increasingly favored as a second language), some French, Chinese, and Khmer; mountain area languages (Mon-Khmer and Malayo-Polynesian)

Primary Religions: Buddhist 7.9%, Catholic 6.6%, Hoa Hao 1.7%, Cao Dai 0.9%, Protestant 0.9%, Muslim 0.1%, none 81.8%

Calling Code: 84

Voltage: 127/220

Key Websites

Main Government Page: vietnam.gov.vn

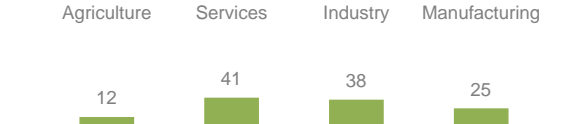
Export Promotion Agency: devex.com

Investment Promotion Agency: itpc.hochiminhcity.gov.vn
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)
Current account balance (BoP, current US\$):	-\$3.81 billion (2021)
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 %



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

Rankings

Index	Rank
Corruption Perceptions Index	86 / 178
EY Globalization Index	36 / 60
Global Competitiveness Index	67 / 141
Global Enabling Trade Index	73 / 136
Global Manufacturing Competitiveness Index (GMCI)	18 / 40
Global Services Location Index	5 / 60
Index of Economic Freedom	72 / 176
International Logistics Performance Index (LPI)	39 / 160
Inward FDI Potential Index	80 / 139
KOF Index of Globalization	89 / 185
Networked Readiness Index (NRI)	79 / 139
Open Budget Index	62 / 114

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

- One of the fastest growing economies of its region
- Beneficiary of the US-China trade war and of “de-risking” strategies
- Large labour pool and low labour costs
- Development strategy based upon production upscaling and diversification away from footwear, apparel, and furniture into electronics: manufacturing accounts for 25% of GDP
- Development of fish and crustacean production
- Robust tourism sector
- Strong agricultural potential
- Solidly endowed with natural resources, notably metals, rare earths, and energy
- Highly integrated into global trade (18 multilateral and bilateral FTAs)

Weaknesses

- Shortcomings in the business climate on back of concerns surrounding data transparency, corruption perception and a persistently heavy bureaucracy
- Dependent on China’s supply chains, notably for electronics
- Incomplete reforms of the public sector, with a high level of indebtedness amongst SOEs
- Skilled labour shortage
- Dependence on coal (45% of the energy consumed in 2022)
- Absence of large Vietnamese companies
- Inadequate infrastructure levels
- Increasing inequalities

- Fragile banking system
- Dependence on China's supply chains

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