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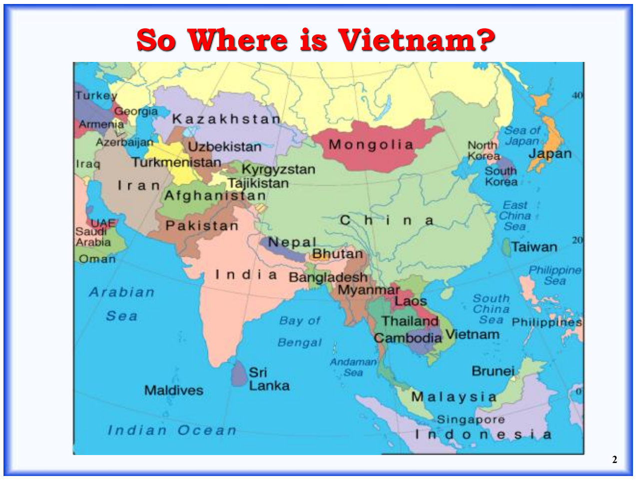

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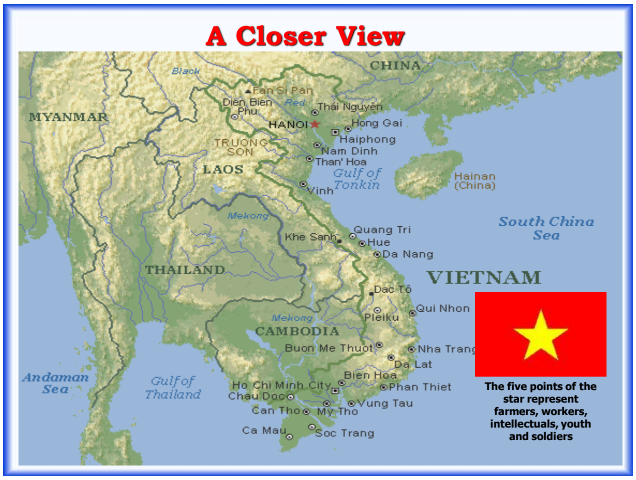

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Socialist Republic of Viet Nam

Independence, Freedom and Happiness

- **Total Area: 329,560 sq km (about 27 times the size of Qatar)**
- **Type of Government: Communist**
- **President of Vietnam: Lương Cường (October 2024)**
- **Prime Minister of Vietnam: Phạm Minh Chính (April 2021)**
- **General Secretary of Communist Party: Tô Lâm (January 2011)**
- **Capital City: Hanoi**
- **The current population of Vietnam (or Viet Nam) is 101.6 million**
- **The population density in Vietnam is 314 per Km^2**
- **The total land area is 310,070 Km^2 (119,719 sq. miles)**
- **40.4 % of the population is urban (2024)**
- **The median age in Vietnam is 33.5 years (2025)**

https://www.worldometers.info/demographics/vietnam-demographics/
https://www.populationpyramid.net/viet-nam/2021/

https://www.indexmundi.com/vietnam/demographics_profile.html

https://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS?locations=VN

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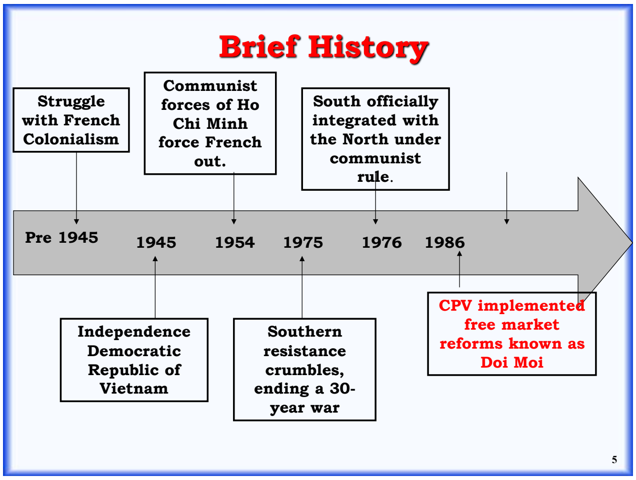

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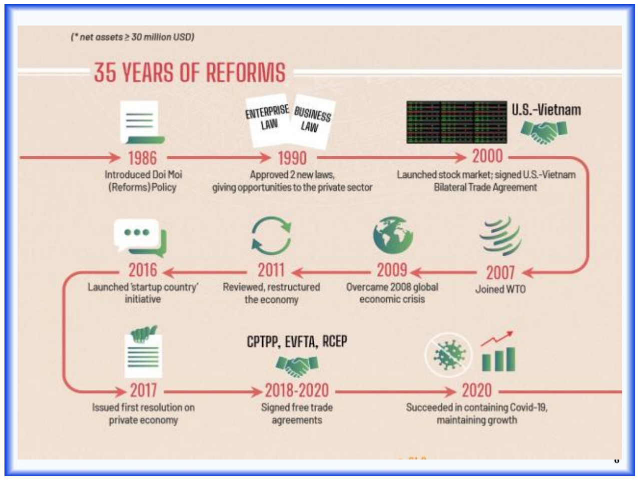

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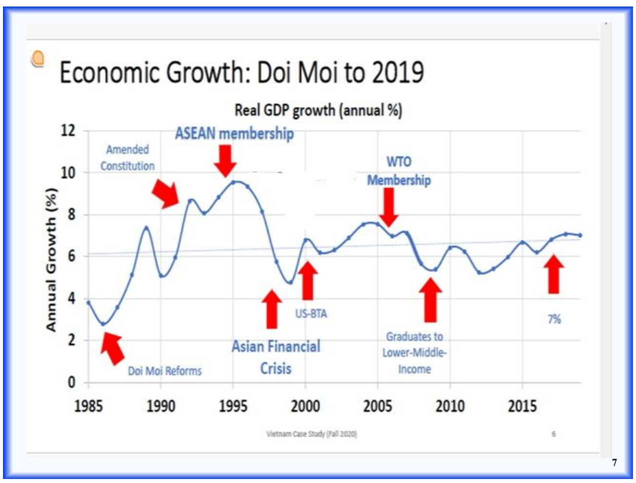

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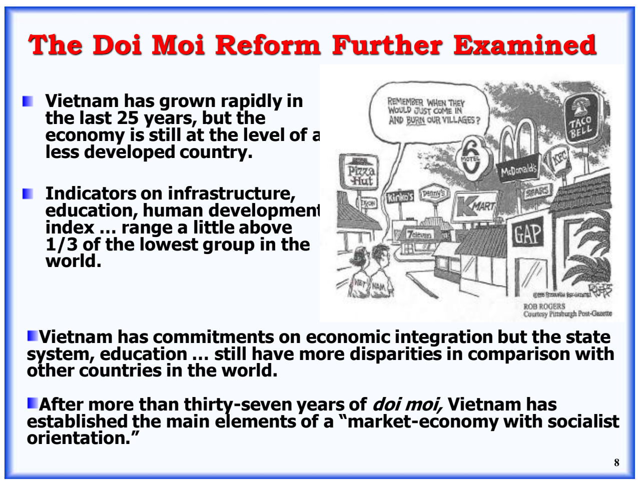

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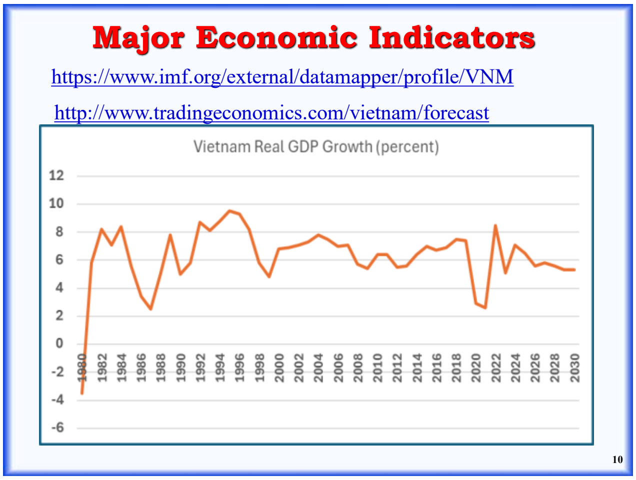

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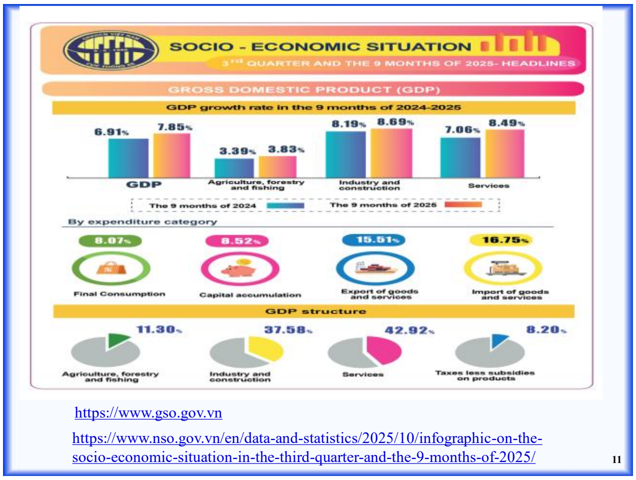

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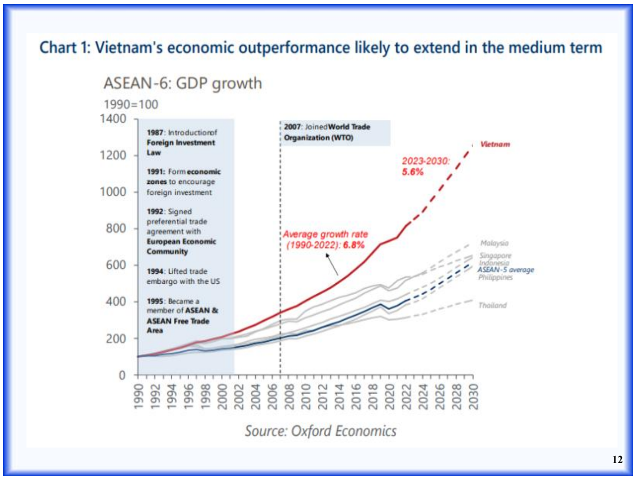

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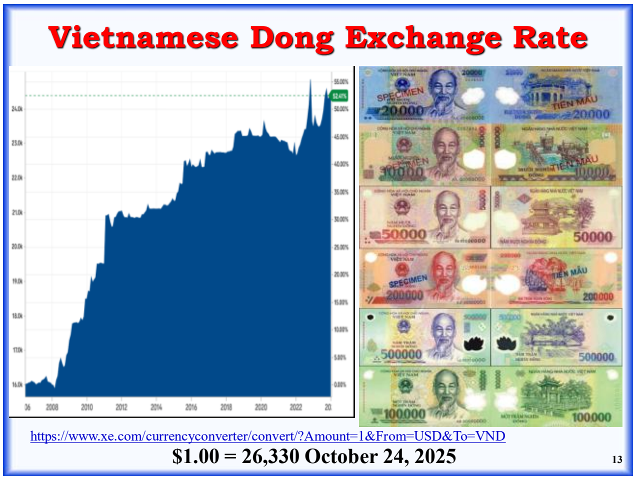

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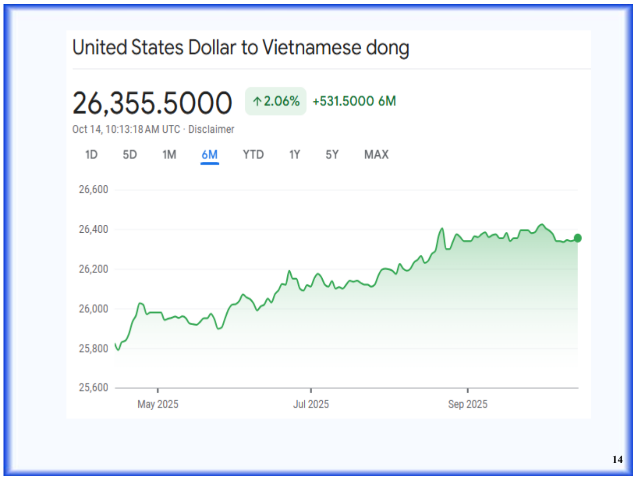

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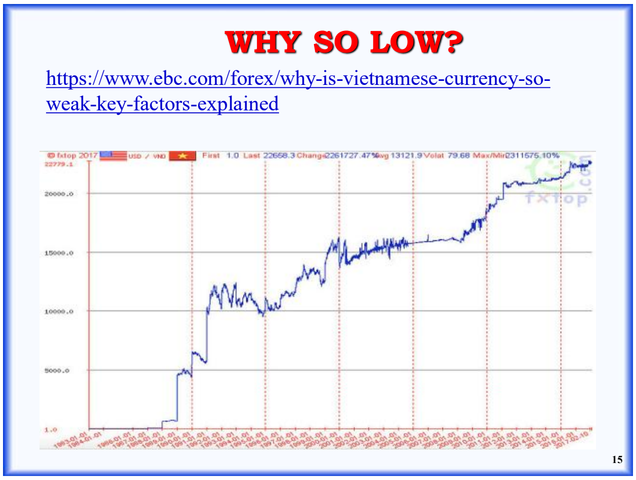

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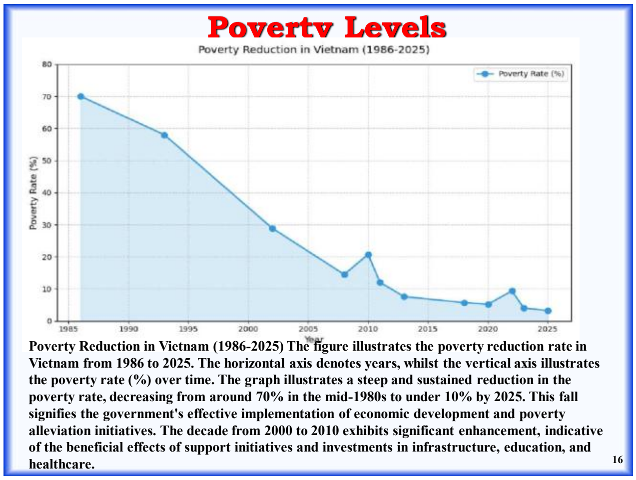

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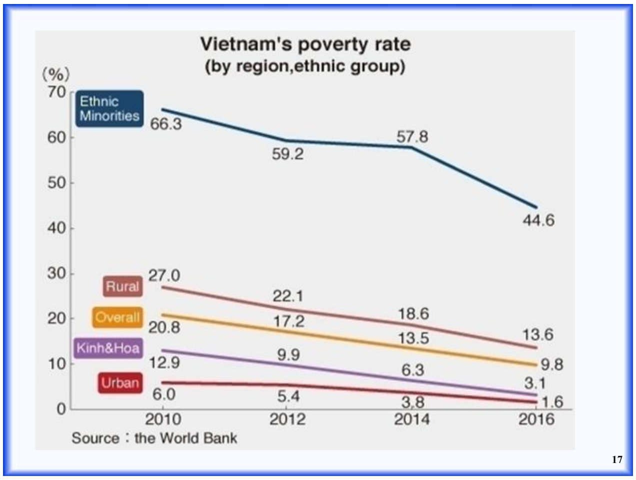

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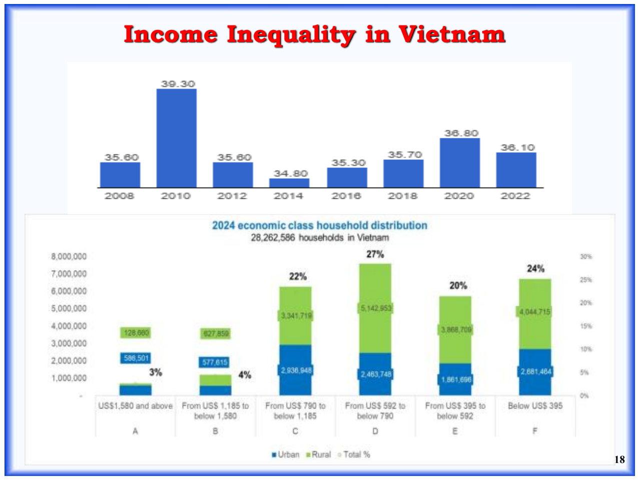

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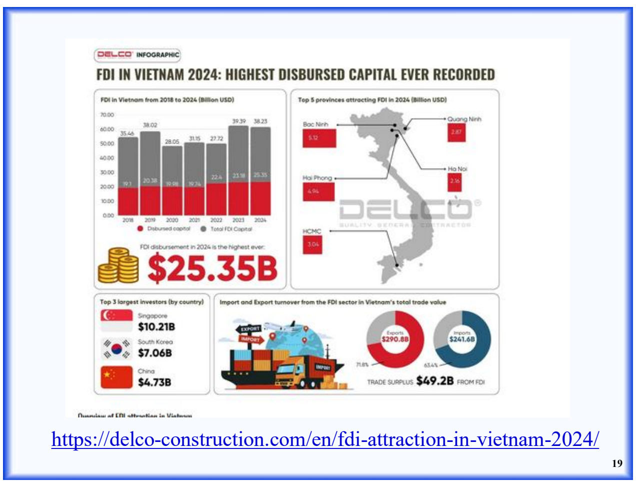

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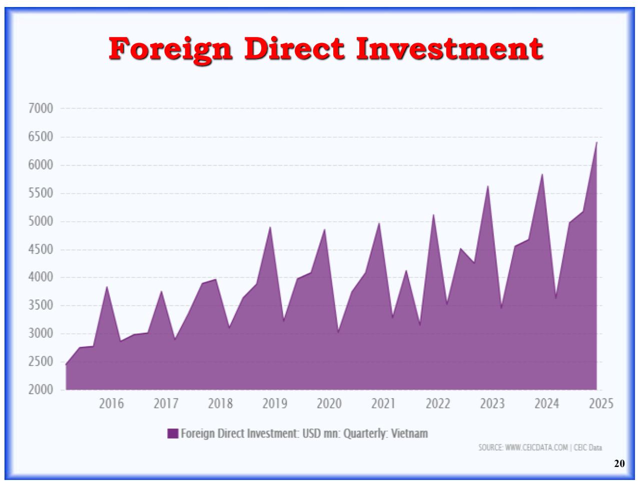

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2024 Data

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Vietnam's Exports

- US is Vietnam' s largest export market.
- Textiles and garments, Marine products and footwear.
- Vietnam is now the world's second largest exporter of rice (volume) and coffee.
- Crude oil is also exported.
- Vietnam also generates substantial foreign exchange earnings from foreign tourists and labor exports in which Vietnamese workers work overseas

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Đặc Biệt Cho Sáng Tạo

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https://www.vietnamexportdata.com/blogs/vietnam-trade-balance-2024-25-latest-import-export-data

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Vietnam's Exports

- Exports
  - In the last years, Vietnam's exports have doubled as competitive minimum wage and low costs of utilities boosted foreign direct investment in the manufacturing sector. Vietnam main exports are: telephones, mobile phones and parts thereof (21 percent of total shipments) and textiles (12 percent). Others include: computers and electrical products (12 percent); shoes and footwear (7 percent) and machinery, instruments and accessories (6 percent).
  - Main export partners are: the United States (19 percent of the total exports), China (16 percent) and Japan (8 percent). Others include: South Korea (7 percent), Hong Kong (4 percent) and Netherlands (3 percent)

Millions of US$

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Vietnam's Imports

- Imports
- Vietnam main imports are computers, electrical products and parts (18 percent of total imports) and machine, instruments and accessories (16 percent). Others include: telephones, mobile phones and parts thereof (8 percent); textile fabrics (5 percent) and iron and steel (4 percent). Main import partners are China (28 percent of the total imports) and South Korea (22 percent). Others include: Japan (8 percent), Taiwan (6 percent), Thailand (5 percent) and the United States (4 percent).

Millions of US$

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Vietnam's Main Competitive Strengths and Weakness

- Strengths
  - Low –cost labor
  - Hard-working labor force
  - High productivity in some sectors
  - Relatively educated labor force
  - Political Stability
  - Abundant natural resources
  - Overseas Vietnamese 4.5 million population (bringing inward remittances to the country)
- Weaknesses
  - Corruption
  - Pace of reform
  - Income disparity
  - Education
  - Health and Environment: H1NI, previously SARS, Bird Flu
  - Indistinct principle and regulation
  - Obsolete infrastructure
  - Fluctuation of money market and exchange rate
  - Lack of upstream industry

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Commonly-known Strengths

- An important domestic market of over 100 million inhabitants
- Young and increasingly well-trained population (70% of the population age between 15 and 64) having potential for high value added jobs
- Perfect location as a hub for South East Asia
- One of the most dynamic economies among the Emerging Asia nations

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Stable Socio-political Environment

- **Since the "Doi Moi" reform policy, the social, political and economic context has rapidly changed. It is mainly characterized by**
  - **A higher openness of the economy and a gradual move towards regional global integration through a number of bilateral and multilateral trade agreements**
  - **A multi-dimensional and multi-partner model that enables the country to develop the export-based economy**
  - **A higher participation of most socio-economic agents/institutions (governmental vs. non-governmental) in the planning, implementation and monitoring of economic policies**
  - **An encouragement of foreign investment as part of the country's development strategy**

http://www.theglobaleconomy.com/rankings/wb_political_stability/

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Ongoing Structural Reforms

- **Numerous regulatory reforms to enhance international economic cooperation and to attract external financing**
  - **Focus on foreign investors: return, risks, legal barriers, Investor protection**
  - **Prior to joining the WTO, Vietnam has substantially reformed its legal system through revising a number of Laws and Codes:**
    - **Labor Code, Land Law, Civil Code, Law on Securities, Law on Competition, Enterprise Law, and Investment Law**
    - **Objective: making the investment environment more stable and transparent as well as to strengthen the enforcement of Laws**
  - **The presence of foreign investors also helped the Vietnam's legal environment more conform to international standards**

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Ongoing Structural Reforms

- **Since 1986, Vietnam has embarked a vast program of structural reforms with objectives of turning a centralized economy into a market-based economy with socialist orientation**
  - **Abolishing agricultural collectives**
  - **Removing price controls on almost all traded goods and services**
  - **Encouraging the establishment of private businesses**
  - **Opening up the domestic market to foreign investment, including foreign-owned enterprises**
  - **Liberalizing gradually the banking sector so that interest rates are determined according to market conditions**
  - **Developing and improving the efficiency of the domestic markets for goods/services and for capital (stock/bond markets)**

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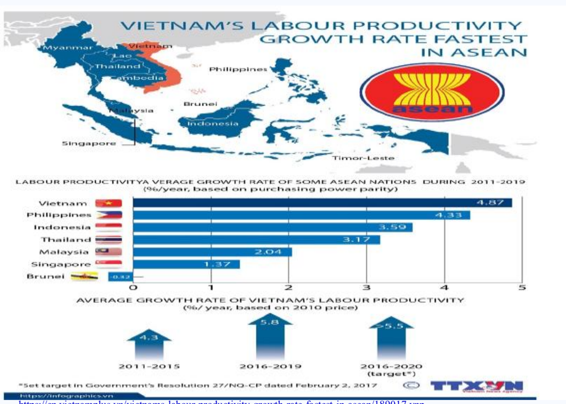
Labor Productivity Growth and Skills



https://en.vietnamplus.vn/vietnams-labour-productivity-growth-rate-fastest-in-asean/189017.vnp

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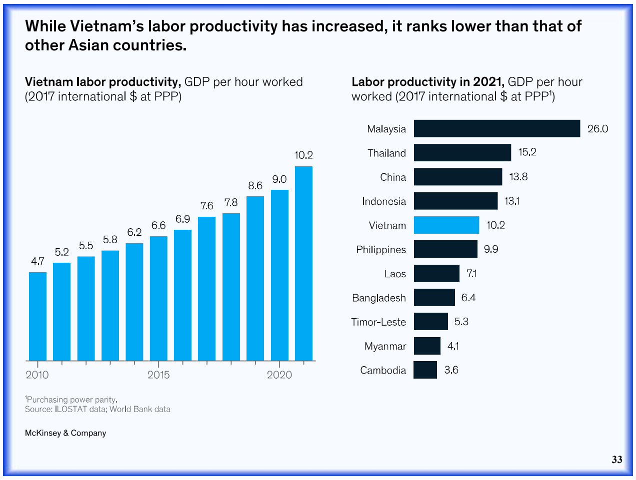

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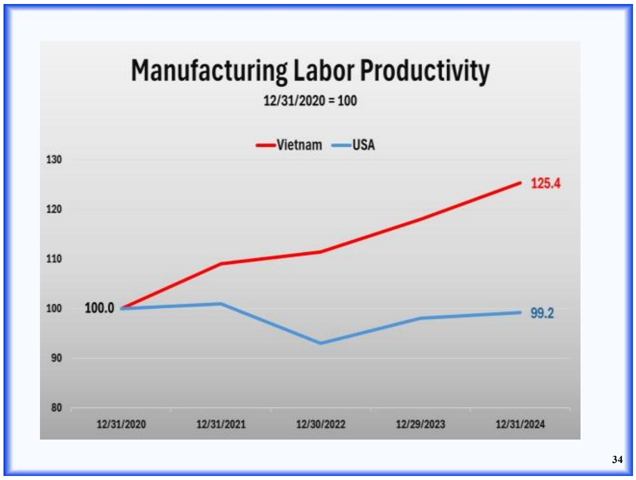

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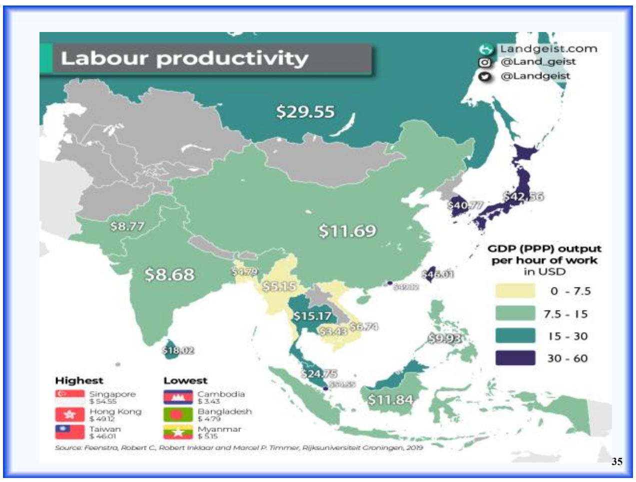

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Environmental Problems

- Vietnam is at the beginning of the industrialization process, but environmental damage is already severe:
  - deforestation and erosion of soil – leads to flooding etc.
  - water pollution due to rapid increase of aquaculture
  - abuse of fertilizers, insecticides and herbicides, uncollected solid waste
  - industrial pollution in urban regions, increased dust, and alarming increases of toxic gases are widespread.
- Air quality in the cities is poor.

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Good Thing it is Not Rush Hour!

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Health Care System

- Before 1975, Vietnam succeeded in establishing a three-tier (commune, local, and central) health care system

- Health care was generally free in all public health care centers, but depending on one's position in the political system, the quality of health care was drastically different.

- Given the low GDP per capita, the performance of Vietnam's health care system, measured by childhood mortality and life expectancy, has and is relatively good.

- Between 2000 and 2023, the infant mortality rate declined from 19.1 per thousand to 14 per thousand.

https://data.worldbank.org/indicator/SP.DYN.IMRT.IN?locations=VN

- Accordingly, life expectancy at birth increased from just over 60 (1975) to almost 75 today.
http://countryeconomy.com/demography/life-expectancy/vietnam

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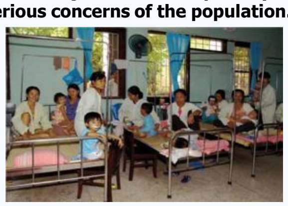
Health Care System

- Public hospitals, especially well-known central clinics, are desperately over-crowded; two patients (or even more for children) must share a hospital bed, and family members must take care of the patients and must fight for reasonable service.

- This imbalance between demand and supply provides fertile soil for bribery and abuse of power by the hospital staff.

- Illness in Vietnam is one of the major causes of poverty or misery and is one of the most serious concerns of the population.



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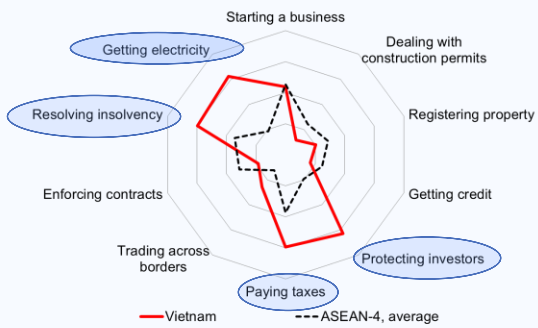
Longer-term Growth: Getting the Business Climate Right

https://www.state.gov/wp-content/uploads/2025/09/638719_2025-Vietnam-Investment-Climate-Statement.pdf



Adapted from World Bank Presentation

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Long – Term Growth: Getting SOE Reforms Right

- As of late 2024, Vietnam had 671 state-owned enterprises (SOEs), and government plans suggest that the number will continue to decrease in 2025 due to ongoing restructuring
- **Key developments in Vietnam's SOE sector in 2025:**
  - Continued reduction: Government policy emphasizes equitization and divestment of state capital from non-strategic businesses. This restructuring aims to increase quality and efficiency rather than simply shrinking the sector.
  - Transfer of control: In early 2025, 18 of the largest and most strategic SOEs—including PetroVietnam, Vietnam Airlines, and EVN—were moved under the direct management of the Ministry of Finance.
  - New management law: A new Law on Management of State Capital took effect in July 2025, giving SOE managers more autonomy and business flexibility.
  - Focus on strategic sectors: Despite the overall reduction, SOEs will continue to be a major force in key economic sectors such as energy, telecommunications, and finance.

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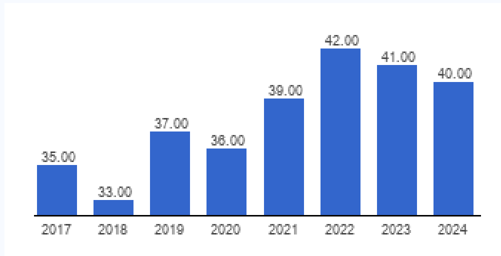
Corruption and Growth

- **Corruption long seen as a serious problem**
- **A few troubling cross-country comparisons**

https://www.transparency.org/country/#VNM

40/100 88/180 in 2025



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Poverty and Inequality

- **Poverty remains concentrated among ethnic minorities. HOWEVER,**
- **Even ethnic minority poverty has improved significantly**
- **The situations of the 53 ethnic minority groups are diverse**
- **Observed pathways out of poverty for ethnic minorities are similar to rest of population**

Adapted from World Bank Presentation

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A Synthesis of Overall Performance

- **Vietnam has been recognized as one of Asia's great success stories in terms of economic and social development over the last 20 years**
  - **Vietnam economy has a robust and steady growth since 1990 (average growth rate of over 6% since 2000). China is the only Asian country that performed better**
  - **The growth is relatively balanced, with industry and services sectors contributing about 40% each to GDP**
  - **Trade openness and integration with the region and world has substantially increased (163.67% of GDP)**
  - **Vietnam is among the most attractive countries in terms of external financing (FDI and portfolio equity)**
  - **There is a certain level of resilience as extreme shocks (recent crises have not caused serious effects on economic and investment activity (good management of economic and financial openness)**

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Prospects

We will refer to World Bank (2023) Recent Developments and Prospects

- Regardless of impressive achievements in economic growth and poverty reduction, Vietnam still has a long way to achiever its growth targets.
- Question as to whether Vietnam can overcome the "middle-income trap" and reach the level of high-income economy.
- The state in Vietnam is not immune to corruption, conflict of interests and abuse of power.
- Transparency, openness, inclusive development have to be implemented.
- If Vietnam continues its reform efforts, build-ups the right policies and appropriate institutions, Vietnam can overcome these obstacles and achieve the long desired targets.

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Economic Integration is Not Without Risk

- Advantages
  - A greater market for goods and services
  - Companies will have better access to international capital markets for external financing
  - Reduced cost of capital and international risk sharing
  - Technology transfer (cleaner technology for a sustainable development)
- Risks
  - Vietnam companies may not be ready for dealing with challenges
    - Vietnam has a low competitiveness level (labor-intensive economy), while main trading partners are productivity-driven economy (Chile, Mexico), or innovation-based economy (US, Canada, Japan, Singapore, Malaysia, Australia, New Zealand)
    - Exports of low value added products

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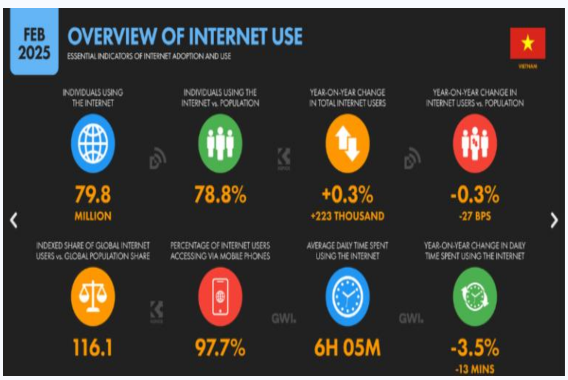

https://globalcio.com/longread/Digital-Strategies-of-Vietnam0/

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VIETNAM IS A COUNTRY, NOT A WAR

- Vietnam has made remarkable progress over the past two decades in its transition to a market economy
- Vietnam is a nation at peace concerned with improving the living standard of its people.
- Discussion of Vietnam should focus on the positive developments of the last twenty years as it is an important study of economic development, transition economics and institutional change.

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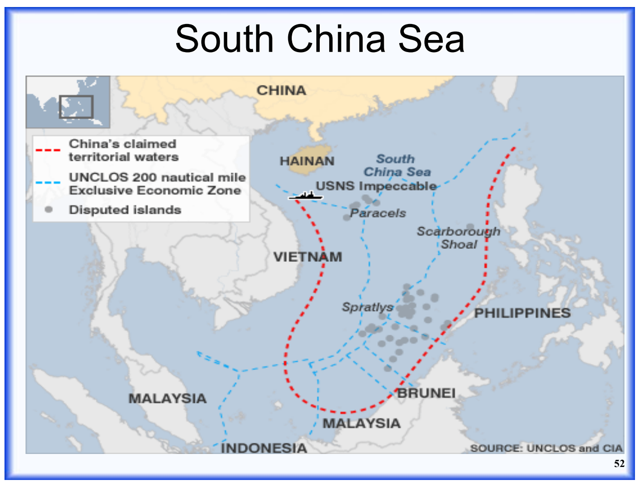

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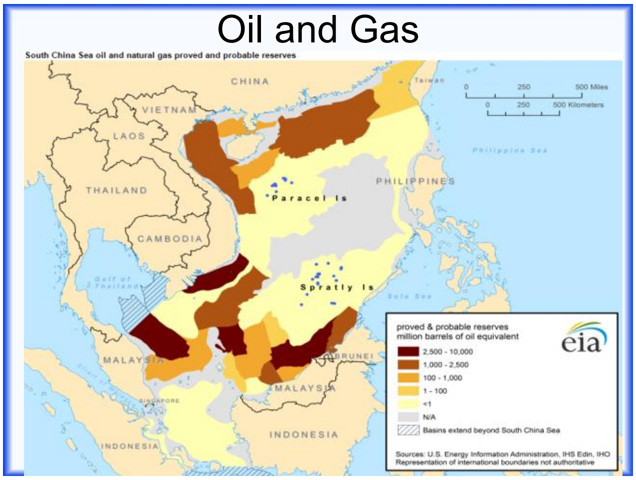

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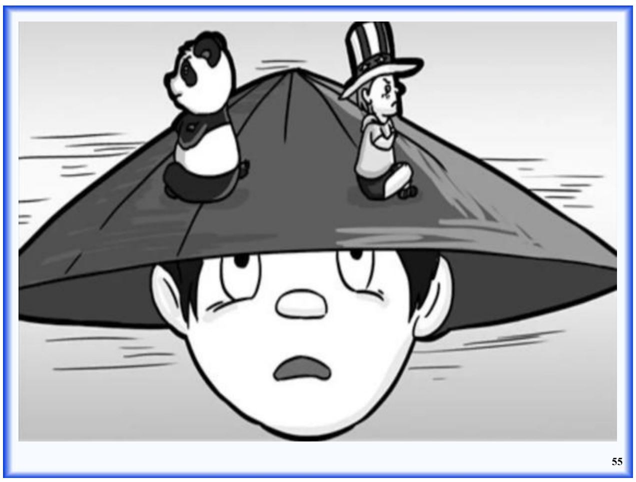

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