

Vietnam

An overview on economy and business environment



Vietnam is located in the center of Southeast Asia. It is bordered by China to the north, Laos and Cambodia to the west, and the East Sea to the east. Vietnam is in an excellent position for the development of the economy in general, and especially for trade and tourism.

Vietnam's development over the past 30 years has been impressive. Economic and political reforms launched in 1986, have boosted rapid economic growth, transforming what was then one of the world's poorest nations into a lower middle-income country.



Between 2002 and 2018, GDP per capita increased by 2.7 times and more than 45 million people were lifted out of poverty. Poverty rates declined sharply from over 70 percent to below 6 percent. In 2019, Vietnam's economy continued to show fundamental strength and resilience, supported by robust domestic demand and export-oriented manufacturing. Real GDP grew by an estimated 7 percent in 2019, similar to 2018, one of the fastest growth rates in the region.

Vietnam is one of the fastest growing countries in the world and its economy has shown resilience to trade wars and slower growth rates in neighbouring China.

This accelerated economic pace is due to labour shifting from agriculture to manufacturing and services, private investment, a strong tourist sector, higher wages, and accelerating urbanization. Exports constitute an increasingly significant contribution to Vietnam's GDP and certain sectors, such as industrial production, textile, electronics and seafood production have been growing rapidly.

However, given its deep integration with the global economy, the Vietnamese economy has been hit hard by the ongoing COVID-19 pandemic, but has shown remarkable resilience.

The initial health impact of the outbreak had not been as severe in Vietnam as in other countries due to proactive measures at the national and subnational levels.

Vietnam

An overview on economy and business environment



The macro-economic and fiscal framework remains resilient with an estimated GDP growth rate of 1.8 percent in the first half of 2020, projected to reach 2.8 percent for the year. Vietnam is one of the few countries in the world not to expect a recession and the Vietnamese economy appears to be by far the most resilient in the ASEAN region.

Vietnam is one of the most open economies to international trade in Asia. The Vietnamese economic model remains heavily dependent on foreign investment and exports, especially to the United States and Europe.

In recent years, Vietnam has demonstrated strong commitment to trade liberalization. It joined the WTO in 2007 and signed Free Trade Agreements (FTAs) with the ASEAN countries and the United States.

Vietnam also enjoys a cooperation agreement with the EU. A free trade agreement between both parties was ratified by the European Parliament in February 2020 and is expected to enter into force soon.



Vietnam managed to increase its steel exports to the U.S. despite tariffs, an exception among Asian steelmakers (S&P Global). Vietnam has also been identified as a potential winner of China-U.S. trade tensions (DW).

Vietnamese trade is characterized by strong geographic inequality: the country shows a trade surplus with Western countries, but a growing deficit with its Asian neighbours. To achieve further progress, the country must continue to increase the value of exports and achieve product diversification. Moreover, Vietnam is a net importer of services.

Top export destinations are China, United States, Japan, Korea, Germany, Hong Kong, United Arab Emirates, India, United Kingdom and Thailand, while the top export products are Broadcasting Equipment and Accessories, Telephones, Integrated Circuits, Textile and leather footwear and apparel.

Vietnam

An overview on economy and business environment



The top import countries are China, South Korea, Japan, Singapore, Thailand, Singapore, Hong Kong, Malaysia, Taiwan, United States, India, Germany and Indonesia.

The most imported goods are Integrated Circuits, Telephones, Refined Petroleum, Light Rubberized Knitted Fabric, Electrical Parts.

Despite the impact of the Covid 19 pandemic, Vietnam is still a promising country from a macroeconomic and business opportunities perspective. Especially today, when the economic scenario changes quickly, in order to establish safe and profitable business relationships it is necessary to count on local expert business information providers.

On SkyMinder we are able to support you with the leading local providers of business information on all Vietnamese companies.

Thanks to the expertise and deep knowledge of its analysts, SkyMinder offers the most complete and updated credit reports on any Vietnamese company.



In Vietnam there are more than 313.255 active companies. The main sources of information are the Department of Planning and Investment and the Local Tax Authority, but local providers can also access many other local sources.

With regard to financial accounts, only public companies listed on the stock exchange are obliged to disclose. However, providers always try to contact the company and ask for financial accounts.

Vietnam

An overview on economy and business environment



Here below please find the type of information that SkyMinder local providers' expert and skilled analysts are able to collect:

- Company identification details
- Registration data and activity status
- Company changes
- Capital and shareholding structure
- Management
- Activity codes and description
- Employees
- Import and export information, customers and suppliers
- Payment terms
- Negative data
- Banking Information
- Financial accounts
- Credit rating and credit limit



Of course availability of each piece of information strictly depends on the type of company and on its cooperation in disclosing data, however SkyMinder providers assure the best efforts to deliver the maximum available amount of information and can boast the highest success levels in collecting information.

Sources: <https://www.nordeatrade.com/>,
<https://oec.world/>; <https://taxsummaries.pwc.com/>

<https://www.focus-economics.com/>;