Export Opportunities in Vietnam

In 2017, Vietnam ranked 32nd among U.S. export destinations and 30th among Virginia export destinations. Some of the top opportunities for U.S. exporters in Vietnam include:

- Architecture Construction and Engineering
- Education and Training
- Aviation
- Pollution Control
- Health Care and Medical Equipment
- Information Technology
- Oil and Gas Machinery
- Telecommunications Equipment

Top Virginia Exports to Vietnam

<table>
<thead>
<tr>
<th>Export Category</th>
<th>2017 Value</th>
<th>Change 2017/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Commodity Chapters</td>
<td>$119.2</td>
<td>9%</td>
</tr>
<tr>
<td>Wood Products</td>
<td>$38.4</td>
<td>27%</td>
</tr>
<tr>
<td>Wadding, Nonwovens</td>
<td>$14.2</td>
<td>12%</td>
</tr>
<tr>
<td>Tobacco</td>
<td>$9.7</td>
<td>13%</td>
</tr>
<tr>
<td>Industrial Machinery</td>
<td>$8.7</td>
<td>24%</td>
</tr>
<tr>
<td>Plastics</td>
<td>$8.1</td>
<td>79%</td>
</tr>
<tr>
<td>Cotton</td>
<td>$6.0</td>
<td>-4%</td>
</tr>
<tr>
<td>Meat</td>
<td>$5.7</td>
<td>-39%</td>
</tr>
<tr>
<td>Electrical Machinery</td>
<td>$4.2</td>
<td>-5%</td>
</tr>
<tr>
<td>Food Residues</td>
<td>$3.6</td>
<td>-45%</td>
</tr>
<tr>
<td>Paper &amp; Paperboard</td>
<td>$3.3</td>
<td>22%</td>
</tr>
</tbody>
</table>

(U.S. Central Intelligence Agency)

Map of Vietnam

(U.S. Central Intelligence Agency)

U.S. Exports to Vietnam

In US$ Billions

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$7.1</td>
</tr>
<tr>
<td>2016</td>
<td>$10.1</td>
</tr>
<tr>
<td>2017</td>
<td>$8.1</td>
</tr>
</tbody>
</table>
### FAST FACTS

**Vietnam**

## Opportunities in Vietnam for Exporters

### Aviation

Aviation is critical to Vietnam's economic growth, especially in tourism and trade. According to agency records, annual passenger growth rate averaged 16% from 2010 to 2017, with 14% average growth in cargo in the same period. Vietnam's airlines are buying new aircraft to restructure their fleet with goals for 220 aircraft by 2020 and 400 by 2030.

Top opportunities for U.S. exporters include:
- Air fleet development
- Airport development and air traffic management
- Maintenance, Repair, and Overhaul (MRO) services

### Information Technology

The IT hardware and software market in Vietnam is driven by rising incomes, business modernization and government procurement, and is projected to grow 2.5% in 2018, after 8.1% growth in 2016 and 2017. The value of the Vietnamese IT market is $6.5 billion. Vietnam imports most of its IT hardware and software, as Vietnamese manufacturers are still relatively new.

Top opportunities for U.S. exporters include:
- Cybersecurity
- Internet of Things (IoT)
- Mobile Phone Networks

### Oil and Gas Machinery

Vietnam has large oil and gas reserves (ranked third in Southeast Asia) making hydrocarbons a priority sector to meet the soaring energy demands of a growing population and bolster self-sufficiency. The oil and gas industry is the country's biggest foreign currency earner and demands imported technology, services, and equipment.

Top opportunities for U.S. exporters include:
- Offshore exploration equipment
- Petrochemical technologies & equipment

### Pollution Control

Vietnam is facing an increasing number of environmental pollution challenges including air, water, and solid waste pollution. Major factors contributing to these problems include high population growth rate, rapid urbanization, accelerating industrialization, and weak enforcement of the laws on environmental protection and development. Only 4% of sewage is treated.

Top prospects include:
- Municipal waste water solutions
- Industrial waste water solutions
- Solid waste solutions
FAST FACTS

Economic Overview

Vietnam is a densely populated developing country that has been transitioning from the rigidities of a centrally planned economy since 1986. State-owned enterprises now account for only about 40% of GDP.

Vietnamese authorities have reaffirmed their commitment to economic modernization and a more open economy. Vietnam joined the World Trade Organization in January 2007, which has promoted more competitive, export-driven industries. Vietnam successfully chaired the Asia-Pacific Economic Cooperation Conference in 2017 and signed the revised Transpacific Partnership in 2018. Vietnam is trying to reform its economy by restructuring public investment, state-owned enterprises, and the banking sector.

(CIA World Factbook)

GDP Growth Rate

Vietnam vs. United States

Cultural Guide

- Appointments for business meetings are required and should be made several weeks in advance. The best means of doing so is through a local representative who can act as a reference and also translator/interpreter.
- Handshakes are used upon meeting and departing. Handshakes usually take place between members of the same sex. Some Vietnamese use a two-handed shake, with the left hand on top of the right wrist. Always wait for a woman to extend her hand. If she does not, bow your head slightly.
- Relationships are critical to successful business partnerships. Always invest time in building a good relationship based on both personal and business lines. Any initial meeting should be solely used as a “getting to know you” meeting.
- Business gift giving is fairly common at the end of a meeting or during a meal in honor of your business associates. Gifts should be small but not expensive. Something with your company logo or something typical from your country both make excellent gifts.
- Business cards are exchanged on initial meetings and should be presented with both hands. When receiving business cards ensure you show proper respect to it and do not simply glance at it and put it on the table.

Loud voices or excessive hand gestures may be perceived as rude.

(Kwintessential)
Virginia Economic Development Partnership - International Trade offers a number of export-related services to Virginia businesses, including trade missions and market research by our Global Network of in-country consultants. These services are available to all Virginia exporters.

For more information, please visit our website: ExportVirginia.org

Additional Resources

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<th>Vietnam Country Commercial Guide</th>
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<td>U.S. Commercial Service</td>
</tr>
<tr>
<td>Export Information: Vietnam</td>
<td>Exporting to Vietnam</td>
</tr>
<tr>
<td>Export.gov</td>
<td>United Kingdom Trade &amp; Investment</td>
</tr>
<tr>
<td>Kwintessential Vietnam</td>
<td>Ease of Doing Business Report</td>
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<td>World Bank</td>
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