

Welcome from Samantha Pileggi – Director of Commercial Operations, Institute of Export & International Trade



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The 'Doing Business with Vietnam Guide' introduces one of the world's fastest-growing economies and a market with an abundance of opportunities for UK traders. Unified since 1975, Vietnam neighbours Cambodia, China and Laos and is a member of the Asia Pacific Economic Cooperation (APEC), the Association of Southeast Asian

Nations (ASEAN) and, most recently, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

The country's development in recent decades, since economic and political reforms launched in the late 80s, has been truly remarkable, with 45 million people lifted out of poverty between 2002 and 2018, according to the World Bank. The future continues to look bright, though there are signs of growth moderating slightly due to weaker external demand and a tightening of credit and fiscal policies. However, projected GDP growth of 6.5% for 2020 and 2021 suggests an economy in rude health.

Further, rapid demographic and social change makes for an increasingly young and middle-class population. The population has grown from around 60 million in 1986 to 97 million in 2018 and is expected to reach 120 million by around 2050. 70% of the population is under 35 years of age and a life expectancy of 76 years is the highest among countries in the region with similar income levels.

Vietnam is the 21st largest export economy, according to the Economic Complexity Index (ECI). In 2017, it exported US \$220 billion and imported US \$204 billion. Broadcasting equipment, telephones, integrated circuits, textile footwear and leather footwear are among its top exports, while integrated circuits, telephones, refined petroleum, electrical parts and light rubberised knitted fabric are among its top imports. Vietnam's top export destinations are the USA, China, Japan, South Korea and Germany and it imports most from China, South Korea, Japan, Singapore and Hong Kong.

There is plenty of headway for the UK to increase its exports to Vietnam, though. The UK's current top exports to Vietnam include packaged medicaments, gas turbines, recovered paper and broadcasting equipment, though <http://www.ukvietnamtrade.com/> says there are opportunities for UK businesses selling apparel and fashion, health supplements, household goods, electronics and cosmetics and personal care – reflective of the country's growing middle class.

Businesses looking to Vietnam should note that it has a complex history and cultural identity which you'll need to learn and embrace. English is gaining in popularity, though Vietnamese remains the dominant language and potential partners will appreciate you trying to learn some basic phrases. When meeting people out there, a handshake and slight bow is expected, and you will need to attend a lot of meetings before a successful deal is completed. Personal contact is necessary and be prepared to visit the country a few times as Vietnamese people value being able to show their hospitality. Silence is also common and can be a sign that your partner is thinking deeply about your proposition, so try not to interrupt this time of reflection.

As ever, we at the Institute are here to help through our training, qualifications, technical helpline and membership benefits, including access to our template international terms and conditions which are often particularly useful when selling into

emerging markets. So if you're looking to increase your trade with Vietnam, please feel free to get in touch.

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