



T.C. TİCARET
BAKANLIĞI



VIETNAM COUNTRY REPORT

*TURKISH EMBASSY IN HANOI,
OFFICE OF THE COMMERCIAL COUNSELLOR*

Trabzon Chamber of Commerce and Industry,

11 September 2023, Monday



General Information about Vietnam

- B.C. 111-AD 905 Chinese influence
- 1858-1945 French colonial period
- 1940 Japanese invasion
- 1955-1975 War period
- 1976 North and South Vietnam unification
- 1978 Establishment of diplomatic relations with Türkiye
- 2014 Agreement on Mutual Promotion and Protection of Investments and Agreement on Avoiding Double Taxation and Preventing Tax Evasion



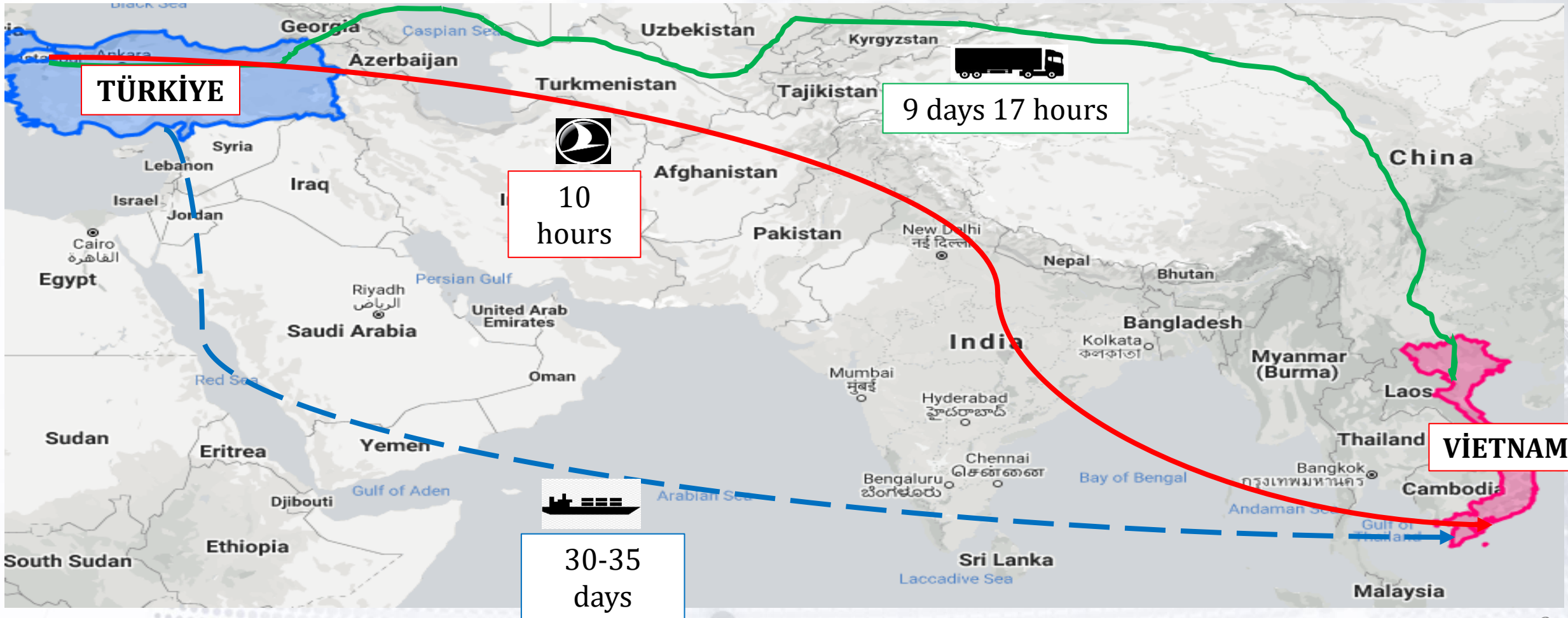


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Geographic and Demographic Information Vietnam

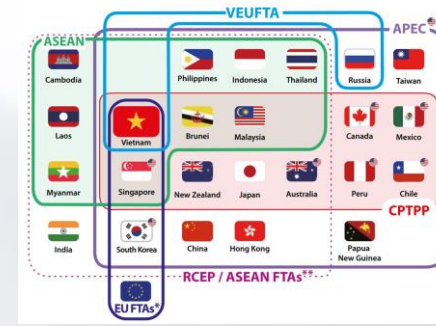


- 331 thousand km² area, population density is 314 people per km²
- 100 million population, 35% in cities, 60% under 30 years old





Economic Development of Vietnam



- 1986 The Renovation (Đổi Mới) approach
- 1993 Establishment of relations with the World Bank and IMF, normalization of trade relations with the USA
- 1995-98 ASEAN and APEC membership, FTAs signed with Japan, Chile, South Korea and the Eurasian Economic Union
- 2007 WTO membership
- 2010 Entering the lower middle income countries
- 2018 Comprehensive and Innovative Agreement for Trans-Pacific Partnership (CPTPP)
- 2020 EVFTA, UKVFTA and Regional Comprehensive Economic Partnership (RCEP)
- 2023 FTA signed with Israel, negotiations with EFTA and UAE, a total of 16 FTAs



Macro Economic Data of Vietnam 2022

- GDP: 413,8 billion \$
- Growth Rate: % 8,02
- GDP Per Person: 4.160 \$
- Foreign Trade Volume: 730,2 billion \$
- Foreign Direct Investment: 27,7 billion \$
- Inflation: % 3,15
- Workforce: 51,7 million
- Unemployment: % 2,32
- Minimum Wage: 140-200 \$





Trade Figures of Vietnam 2022

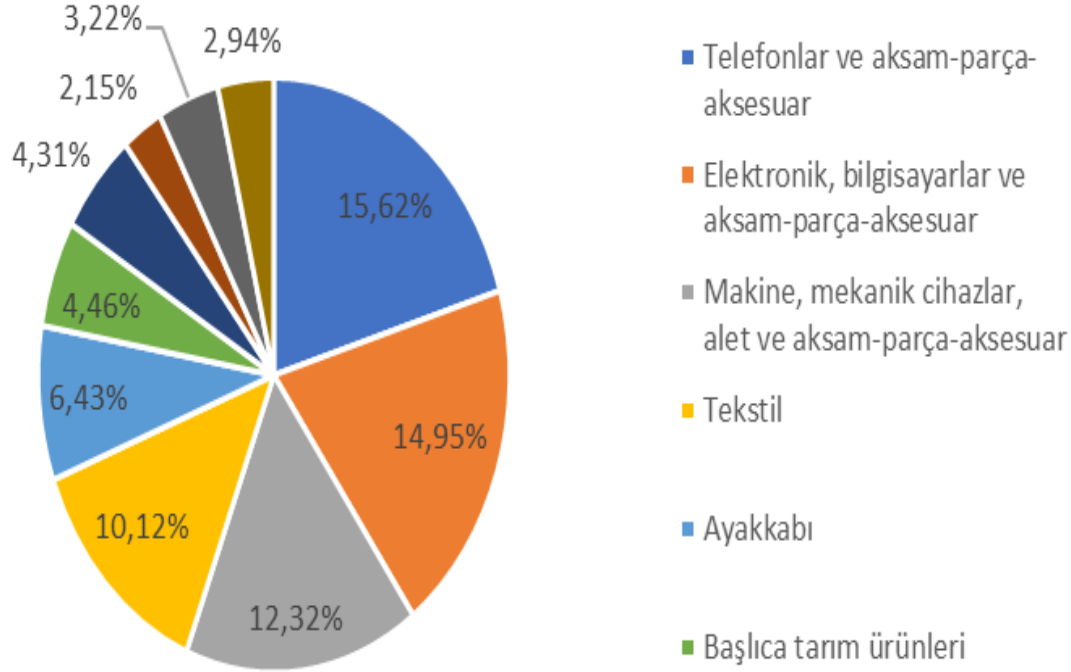


- export: % 10 increase, 371,3 billion \$
- import: % 8 increase, 358,9 billion \$
- 12,4 billion \$ trade surplus
- **Import portfolio**: export-supporting, raw material/intermediate goods and machinery product groups
- **Share of FDI's in foreign trade**: %75 (*Samsung alone %25*)

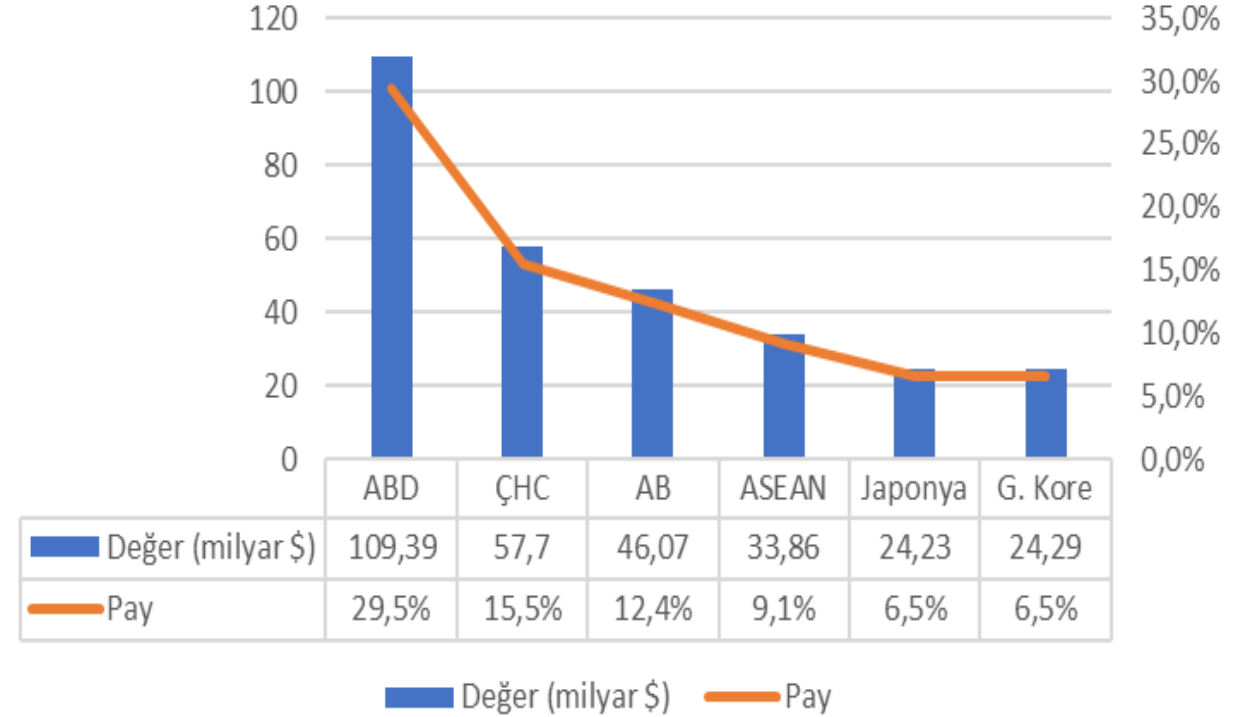


Main Export Items and Markets of Vietnam

2022 İhracat (% pay)



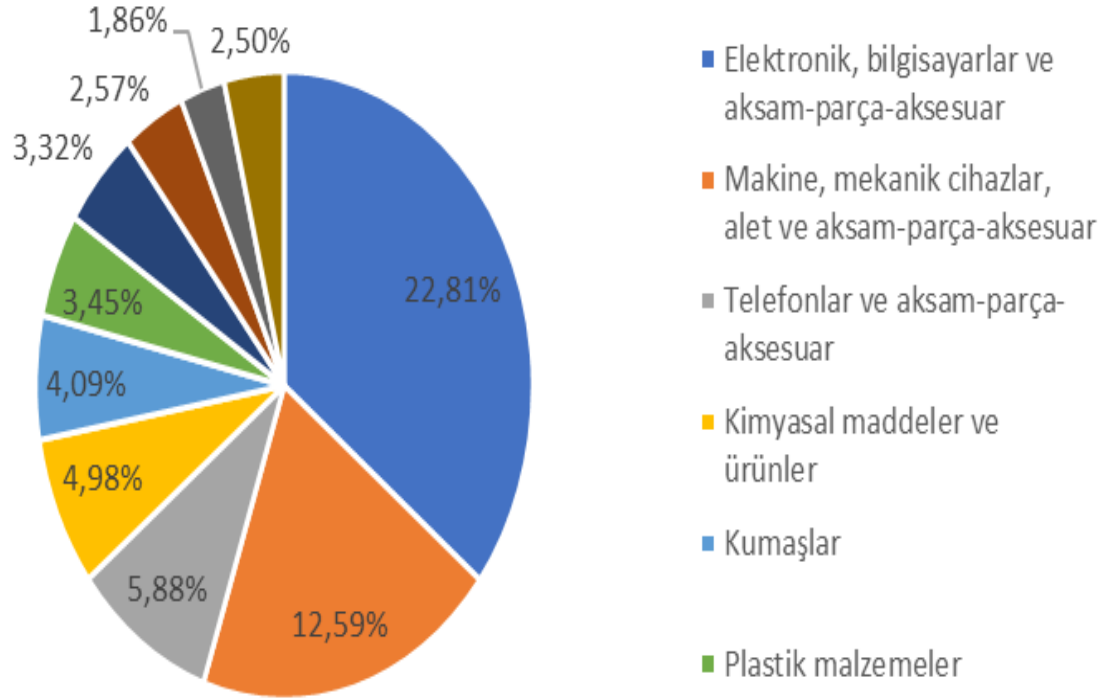
2022 İlk 6 İhracat Pazarı



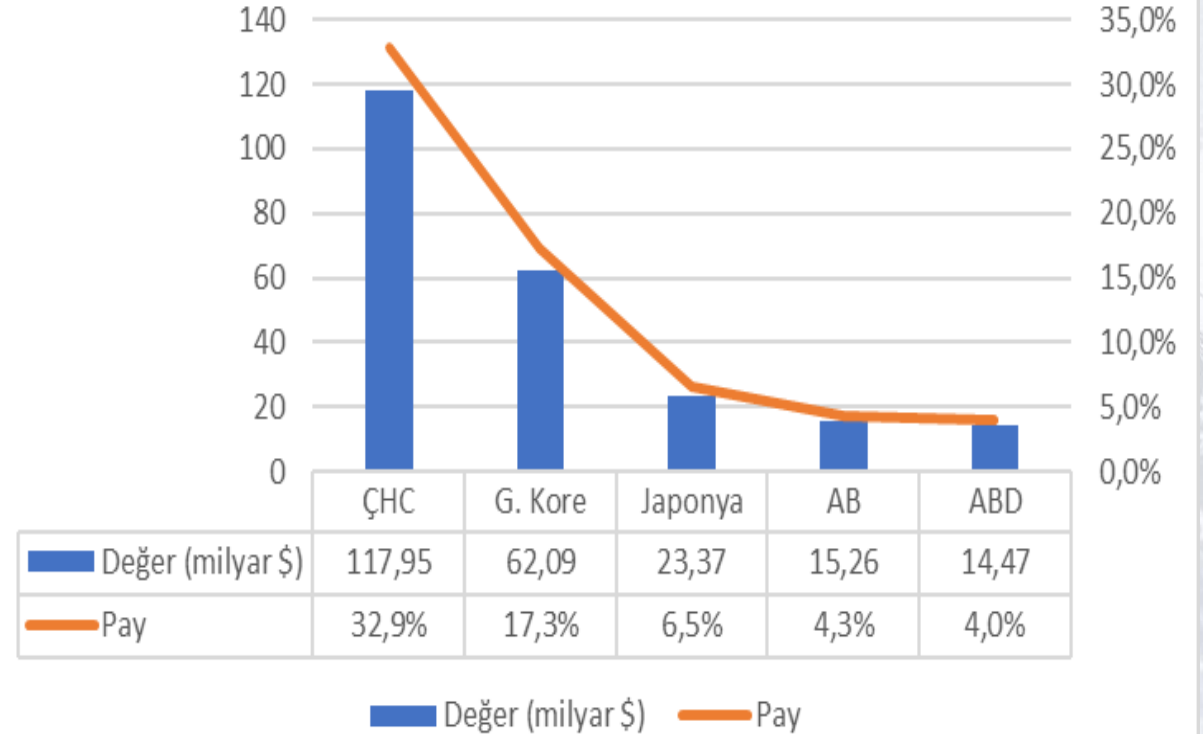


Main Import Items and Suppliers of Vietnam

2022 İthalat (% pay)



2022 İlk 5 İthalat Pazarı





Türkiye-Vietnam Trade Figures

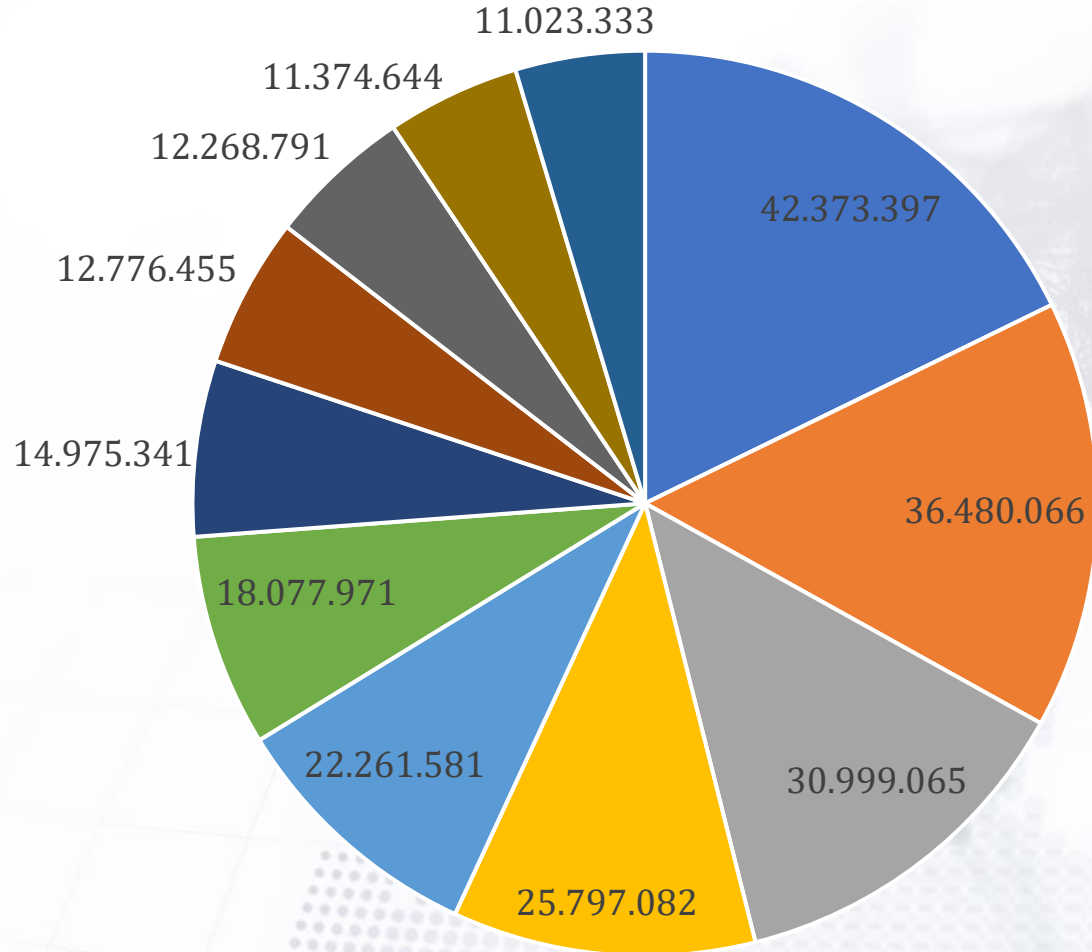


Year	Export \$ / mil.	Export Change %	Ratio to General Exports %	Import \$ / mil.	Import Change %	Ratio to General Imports %	Volume \$ / mil.	Balance \$ / mil.
2018	308.641	30,1	0,18	1.844.612	-39,5	0,83	2.153.253	-1.535.971
2019	351.413	13,9	0,19	1.574.622	-14,6	0,75	1.926.035	-1.223.209
2020	244.321	-30,5	0,14	1.369.194	-13,0	0,62	1.613.515	-1.124.873
2021	336.664	37,8	0,15	1.573.071	14,9	0,58	1.909.735	-1.236.407
2022	343.763	2,1	0,14	2.068.799	31,5	0,57	2.412.563	-1.725.036

- In 2022, our exports increased by 2.1% to \$343 million, while our imports increased by 31.5% to \$2.06 billion.



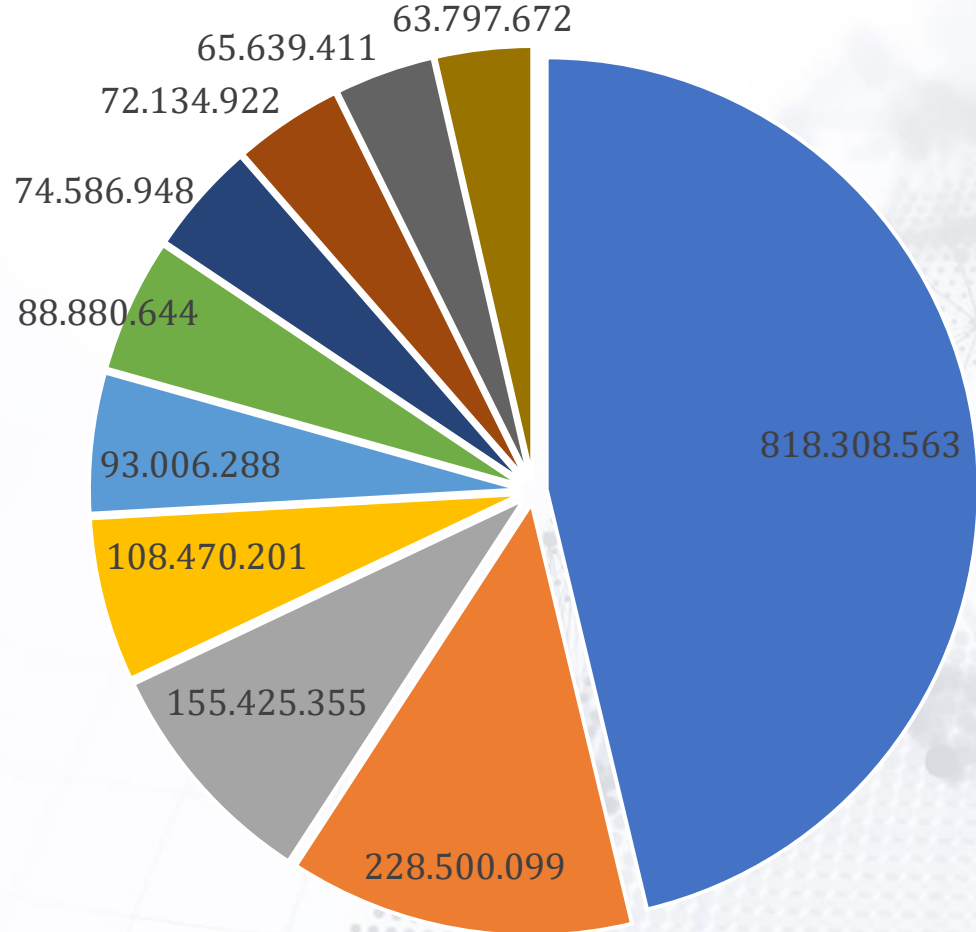
Türkiye's Export to Vietnam



- 84- MAKİNALAR
- 03-BALIKLAR
- 28- İNORGANİK KİMYASALLAR
- 52- PAMUK, PAMUK İPLİĞİ VE PAMUKLU MENSUCAT
- 85- ELEKTRİKLİ MAKİNA VE CİHAZLAR
- 30- ECZACILIK ÜRÜNLERİ
- 87- MOTORLU KARA TAŞITLARI
- 17- ŞEKER VE ŞEKER MAMULLERİ
- 54- SENTETİK VE SUNİ FİLAMENLER
- 39- PLASTİKLER VE MAMULLERİ
- 25- TUZ, KÜKÜRT, TOPRAKLAR VE TAŞLAR, ALÇILAR, KİREÇLER VE ÇİMENTO



Türkiye's Import From Vietnam



- 85- ELEKTRİKLİ MAKİNA VE CİHAZLAR
- 64- AYAKKABILAR
- 84- MAKİNALAR
- 54- SENTETİK VE SUNİ FİLAMENTLER
- 76- ALÜMİNYUM VE ALÜMİNYUMDAN EŞYA
- 40- KAUÇUK VE KAUÇUKTAN EŞYA
- 87- MOTORLU KARA TAŞITLARI
- 62- ÖRÜLMEMİŞ GİYİM EŞYASI
- 39- PLASTİKLER VE MAMULLERİ
- 08- YENİLEN MEYVELER VE SERT KABUKLU MEYVELER



Potential Products for Export to Vietnam



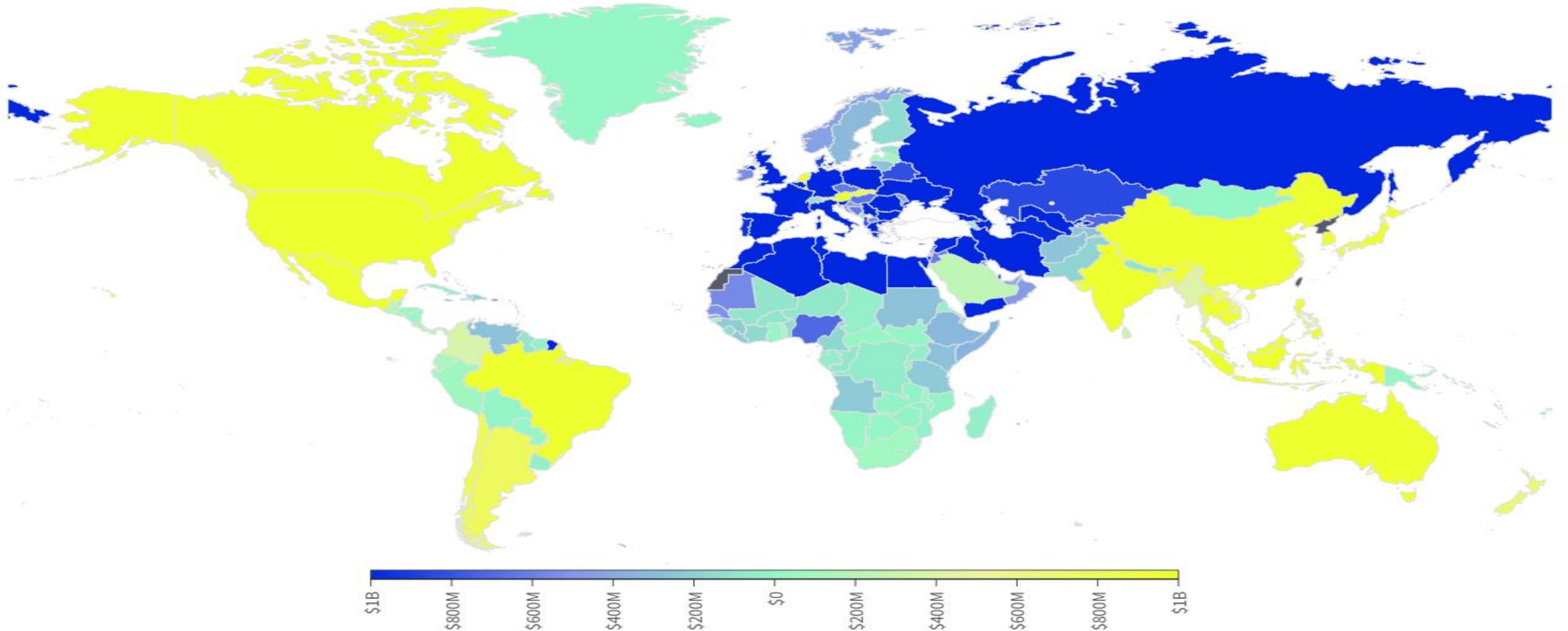
- Food Products: biscuits, confectionery and chocolate products, nuts, dried fruits, meat and poultry products (especially offal), spices, olive oil
- Health/Care Products: medicines, vitamins, medical products, cosmetics
- Textiles: cotton garments, yarns, cotton
- Construction Materials: steel coil, aluminum profile, marble/natural stone, electrical circuit equipment, cables, pipes and fittings
- Machinery: construction machinery, textile machinery, agricultural/food machinery, home electronics
- Other: carpet-rugs, ceramics, disodium carbonate, animal feeds, auto spare parts, furniture accessories



Vietnam and Türkiye: Competition in Foreign Markets

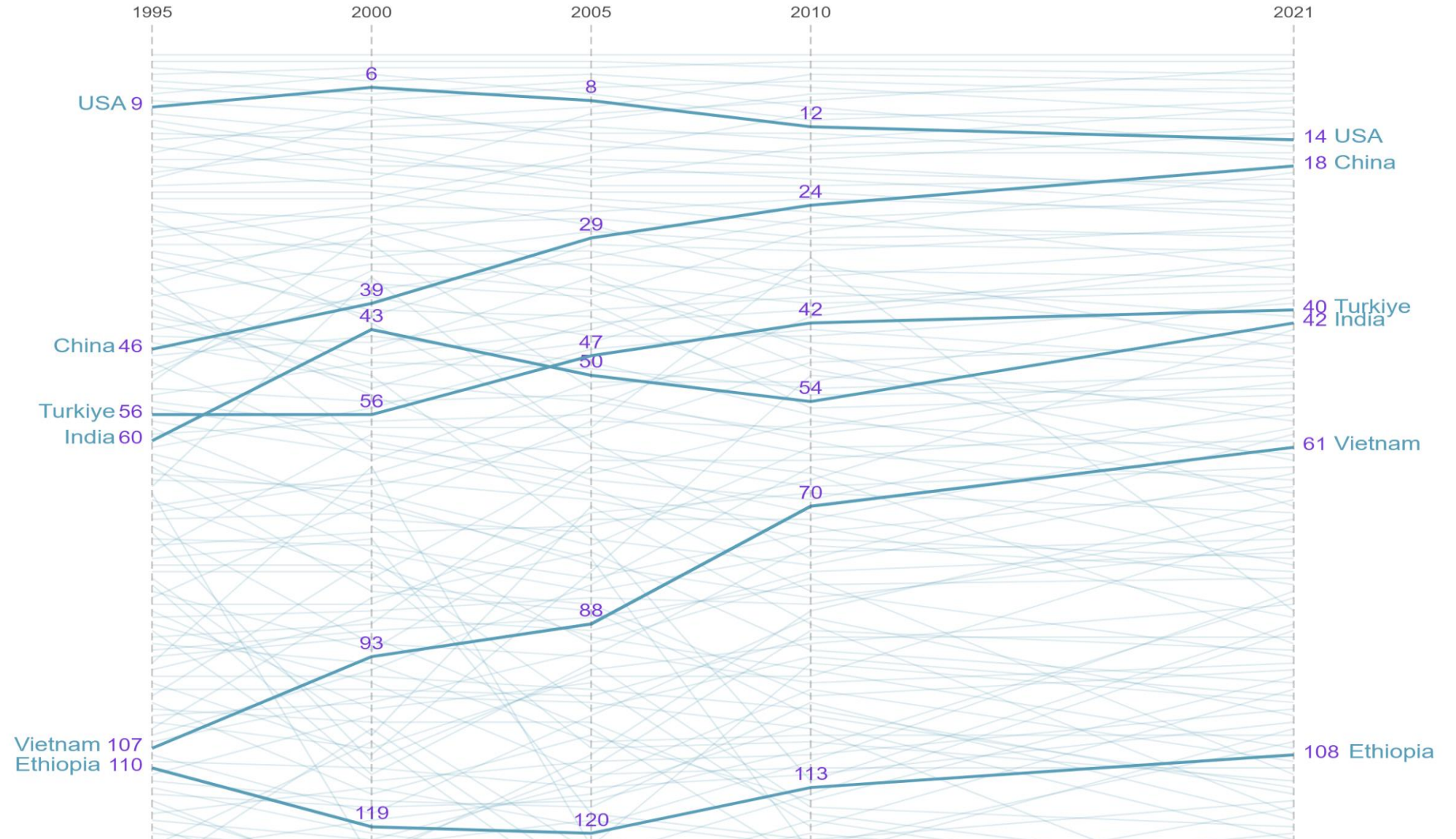


Difference in imports from Vietnam (🇻🇳) and Turkey (🇹🇷) (2021)





Vietnam and Türkiye: Country Complexity Rankings



Vietnam and Türkiye: Relations

- This year marks the 45th anniversary of diplomatic relations between the two countries.
- The last high-level visit was in 2017.
- TIKA, Maarif Foundation, Yunus Emre Institute and NGOs are absent.
- THY has direct flights to Hanoi and HCMC.
- Knowledge about Türkiye and the Turkish nation is weak, but interest is increasing.
- There are Turkish TV series but few.
- No FTA yet.
- Ordinary passport holders are subject to the e-visa system.

<https://evisa.xuatnhapcanh.gov.vn/trang-chu-ttdt>



Vietnam Society and Market Information

- A society that adheres to its traditions and preserves its traditional family structure.
- The importance given to education is great.
- Respect is very important.
- A very sensitive and strict attitude on issues that concern the general public.
- Saying no and asking questions is rare.
- Hardworking people: get up early and go to bed early, eat healthy, exercise.
- They believe in great packaging economy.
- North and South consumption and business habits are different.
- Women's participation in the workforce is high.
- Distribution is costly, fuel is imported.
- Prices in the market are relatively high, but the expenses spent on sales and distribution channels are also high, profitability should be carefully calculated.

Vietnam Market Entry and Business Culture



- Establish a relationship through a trusted business contact, use consultants and translators if possible/affordable
- Be prepared for face-to-face and multiple meetings
- Address the person by his/her first name in B2B's (e.g. Nguyen Hong Dien = Mr. Dien)
- Avoid sensitive topics such as politics and human rights in conversations and prioritize issues such as family life
- The word 'yes' means understanding, not agreement
- Use both hands when exchanging business cards, shake hands, not intervene if there is silence in meetings
- Do not plan a meeting especially during the Tet Holiday (late January-early February)
- Lack of technical knowledge (customs, tax, laboratory, etc. procedures)
- Customs and public authorities are very strict, the label and product documentation must match exactly



Vietnam SWOT Analysis



- Consumerism
- E-Commerce
- FTA Network
- THY's Direct Flights
- Need for Foreign Investment

Opportunities

- Dependency on China in Imports
- Market Domination of Asia-Pacific Countries
- Natural Disasters



Strengths

- Political Stability
- Young-Dynamic Population
- Cheap Labor
- Rapid Economic Growth and Urbanization

Weaknesses

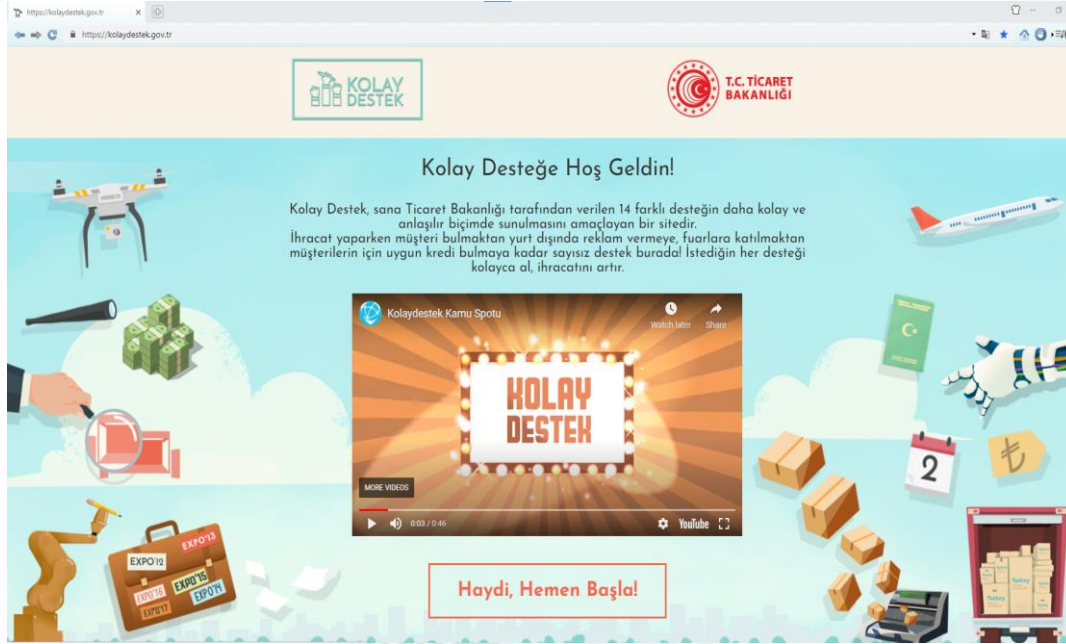
- Awareness About Türkiye
- Heavy Bureaucracy and Business Culture
- High Taxes and Logistics Cost
- Infrastructure Deficiencies
- Unskilled Labor



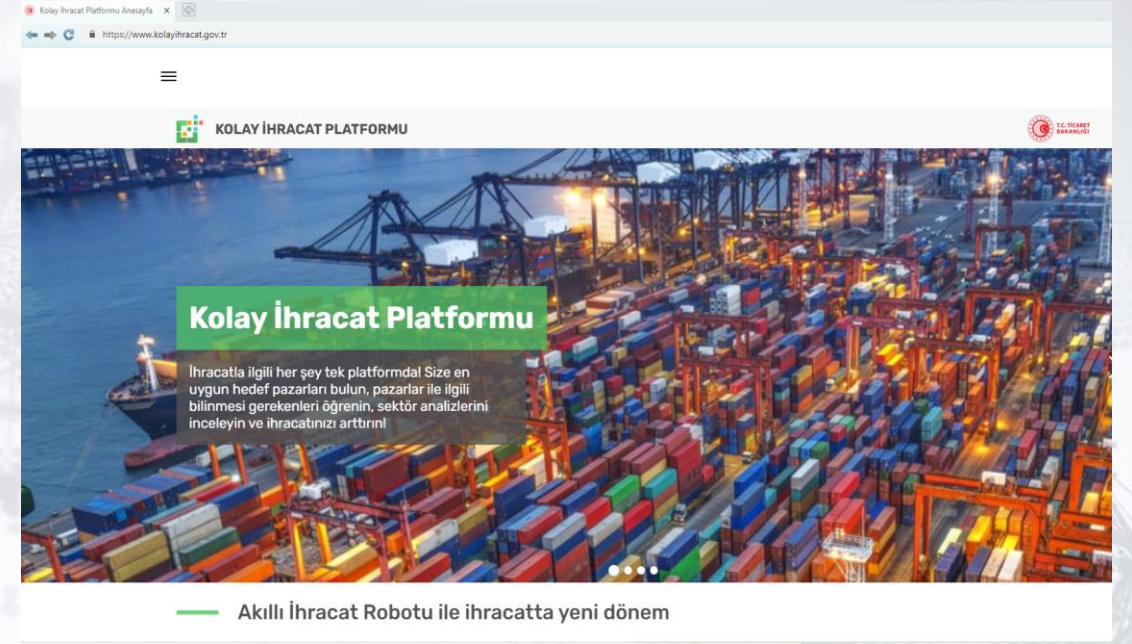


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Ministry of Trade Useful Links



<https://kolaydestek.gov.tr/>



<https://www.kolayihracat.gov.tr/>

- Müşavire Danışın <https://musaviredanisin.ticaret.gov.tr/>
- Dış Talepler Bülteni <https://distalep.ticaret.gov.tr>
- Vietnam Ülke Sayfası <https://www.ticaret.gov.tr/yurtdisi-teskilati/guney-dogu-asya/vietnam/genel-bilgiler>



T.C. TİCARET
BAKANLIĞI



«If Vietnam isn't far for imports, it is not far at all for exports»

Burak Cihan ÜRKMEZ
Commercial Counselor

44B Ly Thuong Kiet Street, Hanoi Central Office Building, 14th Floor, Hanoi-VIETNAM

hanoi@ticaret.gov.tr

<https://musaviredanisin.ticaret.gov.tr/>

IP Tel: 0312 204 80 25

Tel: +84 24 3938 76 29