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Economic Report 2024

VIETNAM

30 June 2025

Executive Summary

- In September 2024, Typhoon Yagi caused USD3.3 bn worth of damage and claimed numerous lives in northern Vietnam. Still, **GDP grew by 7.09%** in 2024 (up from 5.05% in 2023), driven by strong exports, FDI and domestic consumption. Exports rose by 14.3% to USD 405.5 bn, imports increased by 16.7% to USD 380.8 bn, resulting in a **USD 24.8 bn surplus**. Foreign firms accounted for 71.7% of export revenue (USD 291 bn), and **FDI** disbursements grew by 9.4% to USD 25.4 bn, with 81.4% going into manufacturing. Tourism contributed 6.6% of GDP. Industrial production expanded by 8.4% in 2024 as supply chains diversified from China. Q1 2025 GDP rose by 6.93% (up from 5.66% a year earlier), with industrial output and manufacturing up by 7.8% and 9.5% respectively. While the official unemployment rate is 2.24%, insecurity in the informal sector suggests underemployment. R&D investment remained below 0.5% of GDP. Only 28.3% of workers held formal training qualifications. Renewables attracted USD 13 bn in FDI, but looming feed-in tariff cuts may threaten project viability.

- Following the death of General Secretary Nguyễn Phú Trọng on 19 July 2024, **Tô Lâm** took office in August. Lương Cường became President in October. In February 2025, Resolution 176 merged 5 ministries into 3 and significantly reduced the size of the state apparatus. The number of provinces was also reduced from 63 to 34, with the aim of streamlining **governance** ahead of the 2026-30 plan.

- Lâm's 4 pillars are: strengthening the **private sector** by upholding property rights and reducing red tape; increasing **R&D** spending to 2% of GDP and expanding high-tech and green-tech zones; **digitising the government** and **harmonising legislation**; and deepening **global integration**. Law 57/2024 (effective January 2025) is to simplify investment, public-private partnerships and the creation of tech zones. **Targets** include achieving 8**% growth** in 2025, the first **nuclear power** plant by 2031, and a North–South **high-speed railway**. In order to reach upper-middle-income status by 2030 and high-income status by 2045, Vietnam is diversifying its exports, launching digital public services, and strengthening flood resilience. Social goals include providing free basic education by 2026, improving vocational training, and achieving universal health coverage by 2035. Major infrastructure and port projects will rely on private investment under strict debt controls.

- Swiss firms could benefit from Vietnam's high-tech parks (precision instruments, renewable energy, clinical research). Other opportunities include healthcare, e-commerce, digital infrastructure and educational initiatives. Financial institutions could support sustainable construction projects and railways. Recent high-level contacts suggest a shared interest in upgrading bilateral frameworks for investment and market access, which would pave the way for closer convergence on matters such as intellectual property safeguards, governance practices and joint innovation initiatives.

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1 ECONOMIC OUTLOOK AND ECONOMIC POLICY DEVELOPMENTS

- Vietnam’s economy grew 7.09% in 2024, rebounding strongly amid global fluctuations. The country’s resilience in absorbing shocks was tested by Typhoon Yagi, which caused severe disruptions in northern provinces, inflicting VND 81.50 trillion (USD 3.3 billion) in damages across agriculture, manufacturing, and banking. Growth was driven by exports, FDI, public infrastructure spending, and private consumption, with the latter further boosted by a two-percentage-point VAT cut and a 21% public-sector wage increase in July 2023. Overall, Vietnam’s economic outlook is positive but hinges on continued reform momentum and external conditions. A commitment to improving the business environment and addressing structural bottlenecks will be essential to sustain growth and investment.
- Vietnam’s exports surged 14.3% to USD 405.5 bn in 2024, with foreign-invested firms contributing 72% (USD 265.6 bn, up 12.2%). The U.S. accounted for 30% of exports. Imports rose 16.7% to USD 380.8 bn, yielding a USD 24.8 bn trade surplus. The current account surplus – 2.3% of GDP in 2024 (5.8% in 2023 per IMF) – underscores Vietnam’s external sector strength, aiding stability and reducing reliance on foreign borrowing. However, a large surplus can heighten trade tensions, as evidenced by U.S. tariffs announced in May 2025.
- FDI disbursements hit USD 25.35 billion in 2024, a 9.4% increase compared to the previous year, driven in no small part by high-tech manufacturing and renewable energy, in line with Vietnam’s strategic goal of moving up the global value chain. The manufacturing and processing sector absorbed USD 20.62 bn (81.4%), led by Korean companies Samsung and LG. Wind and solar projects drew substantial capital, though uncertainty over feed-in tariffs threatens USD 13 bn in planned investments. Supply-chain realignments aimed at reducing exposure to China, as well as government incentives, reinforced Vietnam’s role as a key manufacturing hub, with industrial output rising 8.9%. However, the country will need to strengthen its workforce, encourage technology transfer, and boost productivity to ensure lasting economic benefits.
- Albeit high household savings and persistent economic uncertainty tend to dampen spending, private consumption has also played a significant role. Retail sales (goods and services) increased by 9%, supported by real wage and employment growth. The World Bank estimates that real household consumption grew by 5.6% and investment by 5.8%. Based on various analyses of the General Statistics Office's quarterly publications, experts estimate that domestic demand, driven by final consumption, accounted for around 63% of GDP growth in 2024 (with households accounting for approximately 54% and government consumption for about 9%). Investment accounted for almost 40% of GDP growth. This combination was the primary driver of Vietnam's economic growth, reflecting a perceived shift away from reliance on exports.
- Public investment picked up, particularly in infrastructure and energy. While the government prioritised transport and energy projects to support long-term growth, investment and regional development, disbursements continue to be slowed down by persistent administrative inefficiencies, highlighting a recurrent misalignment between policy objectives and implementation capacity. Notably, the government issued VND 130 trillion (USD 5 bn) in bonds to finance these initiatives, underscoring its commitment to infrastructure-driven growth. The administrative restructuring launched in early 2025 is expected to address these bottlenecks and improve implementation.
- Inflation remained below 4% throughout 2024, influenced by fluctuations in food and global commodity prices alongside firm domestic demand. Headline inflation averaged approximately 3.69% for the year, with December’s CPI increasing 2.94% year-over-year. While seasonal food and energy costs contributed to price volatility, underlying inflationary pressures remained moderate. Over the same period, the State Bank of Vietnam built on four interest-rate cuts in 2023 by holding its key policy rates steady in 2024, calibrating individual banks’ credit-growth ceilings, capping deposit and lending rates, and managing the exchange rate to support exporters. While over the short term these tools helped temper borrowing surges and contain inflation, they also limit banks’ ability to price risk and allocate capital, a trade-off that could pose medium-term stability risks. Looking ahead, inflation in 2025 is projected to range between 3.0–4.5%, aligning with the government’s target of 4.0–4.5%.
- For all its successes, Vietnam is also facing growing external risks. In April 2025, the U.S. imposed new tariffs on Vietnamese goods under a “reciprocal tariff strategy”. The move was in response to Vietnam’s large trade surplus with the U.S., estimated at USD 123 bn, and highlighted the risks of concentrated market exposure: when one market accounts for nearly a third of total exports and 25% of a country’s GDP, such a policy change can have outsized effects. The tariffs highlighted a structural vulnerability in Vietnam’s export model.
- As a reaction to the issue, Vietnam continues to work to diversify its trade relationships and reduce its dependence on any single market. It has deepened its engagement in multilateral frameworks such as the Comprehensive and Progressive Agreement for Trans-Pacific

Partnership (CPTPP) and the Regional Comprehensive Economic Partnership (RCEP). At the same time, the government is pursuing a shift towards value-added manufacturing to move away from low-cost assembly and avoid falling into the middle-income trap. Vietnam's participation in the CPTPP and RCEP is therefore a convenient way to provide both insulation from geopolitical shocks and channels for deeper regional integration.

- The financial sector has come under increased scrutiny. The rise in non-performing loans to 7.9%, mainly related to vulnerabilities in the real estate sector and the corporate bond market, has underscored the urgency of ongoing reform efforts. The IMF has emphasised the need for stronger bank regulation and supervision, a more effective insolvency framework, and greater transparency in the corporate bond market, areas in which Switzerland is providing meaningful support to Vietnam's efforts. In this context, the SBV's decision to take control of SCB in October 2022 remains emblematic of its more interventionist stance, aimed at safeguarding systemic stability.
- On 4 May 2025, Vietnam's Politburo adopted Resolution No. 68-NQ/TW, officially recognising private entrepreneurship as central to national development. The directive aims to foster an innovation-driven sector, targeting two million private enterprises by 2030, deepening integration into global value chains, and attracting FDI, particularly in high-tech industries. However, challenges remain - regulatory inconsistencies, weak enforcement, and SOE dominance hinder competition and investment. Achieving success will depend on the implementation of institutional reforms that are in line with international standards. These reforms will enhance transparency, regulatory efficiency, and investor confidence.

Overall, Vietnam's economy in 2024 has shown considerable strength but also vulnerabilities, demonstrating resilience in the face of global uncertainty but also revealing structural dependencies and implementation challenges. Vietnam's improved standing in the global economy owes much to strategic investments and its expanding role in global manufacturing. Maintaining momentum will require careful management of external pressures and continued domestic institutional reform, which the authorities are well aware of, as evidenced by the restructuring launched in early 2025. Going forward, improving governance, upgrading infrastructure and fostering innovation will be prioritised by the government. Success in these areas will determine not only the sustainability of the robust growth targeted by the authorities (upper-middle-income status by 2030, high income country by 2045, on the occasion of the 100th anniversary of the country's independence), but also its future character.

2 PRIORITY SECTORS AND OPPORTUNITIES FOR SWISS COMPANIES

Thanks to the CPTPP, the EVFTA and the RCEP, Vietnam's economy has become more open, with tariffs reduced and regulatory requirements progressively aligned with global standards. A market of over 100 million people is now increasingly accessible, and the government maintains an open dialogue with businesses to address concerns while ensuring that FTA commitments are met. Swiss exporters can therefore benefit from the improved legal framework and growing openness to international trade. Since 2025, Law 63 has merged ministries and expanded the National One-Stop Shop, enabling licences to be obtained online within thirty business days—a system bearing a certain resemblance to the Swiss approach to trade facilitation.

Vietnam aims to become a developed country with high income by 2045, increasing per capita income from approximately 4,180 USD in 2024 to about 13,000 – 15,000 USD[1]. To achieve this goal, Vietnam will prioritise innovation, digital transformation, high-value investment, deeper integration into global supply chains, and robust infrastructure development. The Politburo has launched a comprehensive reform process by streamlining the administrative apparatus at all levels and issuing four major resolutions: on promoting science, technology, and innovation (Resolution 57[2]); on advancing global economic integration (Resolution 59[3]); on driving institutional reform and strengthening the rule of law (Resolution 66[4]); and on prioritising private sector development (Resolution 68[5]). Amendments to 50 draft laws on investment and business aim to reduce corruption and streamline bureaucratic procedures. At the same time, the government is developing special economic zones and international financial centres with clear legal frameworks and incentives to attract foreign investment and support research

[1] SaiGon Giai Phong News

[2] Vietnam Laws Magazine

[3] Vietnam News

[4] Lexology

[5] Vietnam-Briefing

in banking, fintech, medicine and healthcare. These measures enhance the attractiveness and appeal and business prospects for Swiss companies exporting high-tech machinery, precision equipment, and green technology, among others.

The National Programme for Improving Labour Productivity aims to boost manufacturing and services by 2030 through vocational training, digital skills and incentives for automation. A skilled workforce will enable higher-value operations and could help attract Swiss precision and automation suppliers. Vietnam's emergence as a manufacturing hub—driven by a young workforce, strategic location and favourable trade agreements—enhances its appeal to investors.

High-tech projects qualify for a corporate-tax rate of 10% for ten years, and machinery imports are exempt from duties. Samsung, for example, is investing further in its Bắc Ninh OLED plant. Da Nang Hi-Tech Park (Decree 74/2024) offers infrastructure, low land prices and rapid approvals to attract companies specialising in semiconductors and precision equipment, aligning with Swiss expertise in precision tools.

Decision 222[6] updates environmental regulations to promote green energy and circular-economy practices through 2026 and aims, by 2035, to establish clear policies, regulatory frameworks and market structures for sourcing, trading, reusing and recycling raw materials—ensuring efficient, sustainable use of resources in line with circular-economy principles. Meanwhile, Decree 97 accelerates the approval process for solar and waste-to-energy projects by offering tax credits and grants. Switzerland has valuable expertise in renewable energy and waste management.

From 2025, the Revised Pharma Law - Law 44[7] will allow foreign companies to sell non-prescription medicines online via licensed e-commerce platforms and establish joint ventures for clinical research, granting five-year marketing authorisations. Swiss pharmaceutical and medical-technology companies stand to benefit from the rapidly growing demand for medical devices and diagnostics. Vietnam's healthcare sector is modernising rapidly in its quest to meet rising domestic demand and move up the value chain.

"Digital Vietnam 2025" will allocate funding for data centres, 5G and cloud technology and grant up to five years' tax exemption. Consulting services, full foreign school ownership and premium-price plans will create opportunities for Swiss IT, education and agritech providers. Demand for green building materials, alongside projected credit growth in 2025, presents opportunities for Swiss financiers and manufacturers, particularly those offering sustainable solutions to support Vietnam's infrastructure drive.

Opportunities also exist in engineering and construction, tourism and other services as Vietnam seeks to modernise and expand its economy. However, provincial transparency varies, land-use due diligence can prove time-consuming outside major cities and secondary cities still lag behind in terms of infrastructure. Data-privacy and environmental regulations are evolving, and in late 2024 the Vietnamese đồng depreciated against the US dollar. It is therefore recommended that Swiss firms engage reputable local advisors, allow the necessary time for permits and adapt strategies to take into account regional differences.

Recent parliamentary approval of the USD 67 billion North–South high-speed rail project in November 2024 adds further prospects. While domestic enterprises are involved, their limited experience and technological capacity create demand for foreign subcontractors with established expertise in engineering, design solutions and supporting industries. Swiss companies can offer such expertise.

3 FOREIGN ECONOMIC POLICY

3.1 Vietnam's policy and priorities

Vietnam joined the WTO on 11 January 2007. Since then, its total import-export turnover has grown about eight times. This reflects strong growth, a young workforce, a strategic location and open policies for foreign investors. Today, Vietnam has negotiated 20 free-trade agreements (16 in force), covering

[6] Luat Vietnam

[7] Tilleke & Gibbins

over 60 countries (including 13 in the G20). These deals bring more export opportunities but also expose Vietnam to world-market swings.

Key agreements

- **CPTPP** (in force 14 Jan 2019): 11 members; UK joined 15 Dec 2024. It removes duties on about 95 % of goods traded within the pact.
- **EVFTA** (in force 1 Aug 2020): Phases out roughly 99 % of EU tariffs over 10 years. It also covers public procurement, intellectual property, labour and the environment. Its companion investment pact (EVIPA) awaits ratification by all EU states. The full texts can be found here.
- **UKVFTA** (in force 1 May 2021): Mirrors much of EVFTA but adapts terms for the UK market.
- **RCEP** (in force 1 Jan 2022): Brings together ASEAN, China, Japan, South Korea, Australia and New Zealand. Vietnam will remove duties on about 90 % of its tariff lines over 15–20 years.
- **US–Vietnam BTA** (in force 10 Dec 2001): Covers goods, services, investment protection and transparency. The US still treats Vietnam as a “non-market economy” for anti-dumping purposes, which can raise import duties.

These FTAs have driven major legal reforms in customs, competition, labour, environment and intellectual property. Ensuring that new rules work in practice remains a key challenge. As a member of the ASEAN Economic Community, Vietnam also benefits from the ASEAN Free Trade Area (AFTA/ATIGA).

Recent developments

- **Vietnam–Israel FTA**: signed 25 Jul 2023; in force 1 Nov 2024.
- **Vietnam–UAE CEPA**: signed 28 Oct 2024; provisional application from 1 Jan 2025; fully in force 27 Mar 2025.
- **ASEAN–Canada FTA**: talks resumed Sep 2021, aiming to finish by late 2025.

3.2 Outlook for Switzerland (potential for discrimination or comparative advantage)

- The strengthening of bilateral economic relations through the establishment of appropriate frameworks will necessitate that harmonisation efforts in areas such as agricultural and fisheries markets, intellectual-property rights protection, and service liberalisation be calibrated to Vietnam’s reform schedule and development objectives.
- Because Vietnam has FTAs with many major economies, several of which are direct competitors to Switzerland, Swiss exports to Vietnam face significant competitive disadvantages. Swiss products are subject to higher Most-Favoured Nation tariffs and more burdensome customs procedures compared to goods from countries with preferential terms, and they must comply with stricter regulatory requirements for product registration and marketing. As a result, Swiss exporters may struggle to maintain price competitiveness and market share relative to rivals enjoying preferential access.

4. FOREIGN TRADE

4.1 Developments and general outlook

In 2024, Vietnam recorded robust growth, with total merchandise import-export turnover amounting to USD 786.29 bn., a 15.4% increase compared with the previous year. Exports rose by 14.3% to USD 405.53 bn., while imports increased by 16.7% to USD 380.76 bn., largely reflecting greater demand for manufacturing inputs. Consequently, Vietnam posted a trade surplus of USD 24.77 bn., slightly down from USD 28.36 bn. in 2023. Major export destinations, particularly the United States and the European Union, continued to underpin trade surpluses, whereas imports remained heavily dependent on China and South Korea.

Meanwhile, service exports expanded by 17.7% to USD 23.85 bn., primarily driven by a strong tourism recovery. However, service imports surged by 24.4% to USD 36.19 bn., resulting in a service trade deficit of USD 12.34 bn. and reflecting continued reliance on overseas provision of transport and tourism services.

Additional early 2025 data indicate that, in January 2025, total goods import-export turnover was USD 63.15 bn. (down 3.5% year-on-year), with exports of USD 35.09 bn. (-0.9%) and imports of USD 30.06 bn. (–2.6%), yielding a trade surplus of USD 3.03 bn. In February 2025, Vietnam recorded a rare monthly trade deficit of USD 1.55 bn., as imports rose 40%. Across the first two months of 2025, total goods trade reached USD 127.07 bn. (up 12%), with a surplus of USD 1.47 bn., suggesting moderation in trade growth amidst emerging external pressures, including potential US tariff measures.

4.1.1 Trade in goods

The export sector rebounded robustly, with total merchandise exports rising by 14.3% to USD 405.53 bn. The foreign-invested sector, including crude oil, accounted for USD 290.94 bn. of export revenue (up 12.3%), representing 71.7% of total exports; the domestic sector contributed USD 114.59 bn. (up 19.8%), or 28.3% of the total. Although Vietnam has broadened its network of trading partners, its 2024 goods exports remain heavily reliant on key developed markets, particularly the United States (USD 119.6 bn., up 25.6%, with a trade surplus of USD 104.6 bn.) and the European Union (trade surplus of USD 35.4 bn., up 23.2%). Japan also became a trade-surplus partner, posting a surplus of USD 3.2 bn. (up 91.9%).

Conversely, imports continued to be dominated by industrial production inputs, which totaled USD 356.43 bn. (93.6% of total imports). On the import side, China remained Vietnam’s principal supplier, with imports of USD 144.3 bn. and a trade deficit of USD 83.7 bn. (up 69.5%), while deficits with South Korea (USD 30.7 bn., up 5.9%) and ASEAN (USD 9.9 bn., up 18.9%) were also notable. Consumer goods imports remained modest at USD 24.33 bn. (6.4% of total). Major imports included electronics, computers and components at USD 107.05 bn. (up 21.7%), and machinery and equipment at USD 48.89 bn. (up 17.6%), underscoring the importance of bolstering domestic competitiveness by strengthening manufacturing capacity and developing critical inputs.

Manufacturing drove export growth, led by:

- **Computers, electronics and components** (USD 72.56 bn., up 26.6%).
- **Phones and components** (USD 53.9 bn., up 2.9%).
- **Machinery and tools** (USD 52.19 bn., up 21.0%).

Traditional exports: textiles (USD 37.04 bn., up 11.2%); footwear (USD 22.87 bn., up 13.0%); wood products (USD 16.28 bn., up 20.9%); agricultural and forestry products (USD 34.51 bn.); and seafood (USD 10.04 bn., up 11.9%). Transport vehicles and parts exports also grew by 6.4% to USD 15.07 bn., further indicating diversification in export composition.

Additional Developments for Q1 2025: In May 2025, Vietnam’s trade surplus with the United States surged to USD 12.2 bn. (a 42% year-on-year rise), prompting US threats of a 46% tariff on certain Vietnamese goods. Sequence Q1 2025 data show cumulative US exports of USD 39.6 bn. and US imports of USD 27.4 bn., emphasizing growing trade imbalance concerns. Such pressures are expected to weigh on export momentum in subsequent quarters.

4.1.2 Trade in services (only limited data available)

In 2024, service exports expanded by 17.7% to USD 23.85 bn., led by tourism (USD 12.19 bn., up 33.1%) and transport services (USD 6.52 bn., up 5.2%). Service imports, however, rose by 24.4% to USD 36.19 bn. Within service imports, transport accounted for 40.3% (USD 14.6 bn.) and tourism 34.7% (USD 12.57 bn.), resulting in a service trade deficit of USD 12.34 bn. This split highlights the continuing trend of increased outbound travel by Vietnamese residents and reliance on foreign transport providers.

Early 2025 Indicators: Preliminary observations for Q1 2025 indicate that service exports grew modestly, supported by recovering tourism and transport, while service imports surged due to renewed outbound travel. Detailed Q1 2025 service trade figures will be published by the GSO in July 2025, but February 2025 data show transport service imports rising markedly and tourism service imports approaching similar levels to those of Q4 2024.

4.2 Bilateral trade

4.2.1 Trade in goods

According to Swiss Customs data, total bilateral trade amounted to CHF 2.456 billion in 2024, an increase of 12.1% compared to 2023. Swiss exports to Vietnam increased by 7.9% to CHF 537.3 million, while

Swiss imports from Vietnam increased by 13.3% to CHF 1.91 billion. Vietnam again recorded a substantial trade surplus of CHF 1.38 billion.

Chemical and pharmaceuticals were the leading export category for Switzerland, accounting for about 37.7% of the total export value, having an increase of 8.7% compared to the previous year. Machineries, appliance and electronics, on the other hand, accounted for 36.8% of the total export value, showing a decrease of 1.4%. Meanwhile, exports of precision instrument and watches up by 17% (representing 11.8% of total exports).

On the import side, footwear, textiles and clothing remained the most important products imported from Vietnam accounting for 45.9% of Swiss imports from Vietnam, having an increase of 6.9% compared to last year. Imports of machinery, electronics, which account for 31.1% of total imports increased 43.4%. The forestry and agricultural products accounting for 8.3% of total imports) increased by 7.9%.

According to Vietnamese customs data, Switzerland ranked as the 36th largest import partner and the 71st largest export destination for Vietnam in 2024 (If calculated by total import and export value, Switzerland ranks 49th). Given the discrepancy between Swiss and Vietnamese customs data, it is plausible that this difference may somewhat understate the importance of Switzerland as a trading partner for Vietnam.

Main bilaterally traded goods in 2024

Switzerland's top three export categories to Vietnam:
1. Pharmaceuticals & chemicals (37.7%)
2. Machinery, both electrical and non-electrical (36.8%)
3. Precision instruments, clocks & watches, jewellery (11.8%)

Switzerland’s top three import categories from Vietnam:
1. Footwear and textiles (45.9%)
2. Machinery, appliances, electronics (31.1%)
3. Forestry, agriculture and aquaculture products (8.3%)

4.2.2 Trade in services (no data available)

No data available.

5 DIRECT INVESTMENTS

5.1 Developments and general outlook

As at 31 December 2024, the total registered foreign direct investment (FDI) in Vietnam, comprising newly registered capital, capital adjustments, and capital contributions or share purchases, stood at USD 38.23 bn. This represents a 3.0% decrease from the corresponding figure at the close of 2023.

Newly registered capital totalled USD 19.73 bn. for 3,375 freshly licensed projects. Although the number of new projects rose by 1.8% year-on-year, the associated registered capital fell by 7.6%. The manufacturing and processing sector accounted for USD 13.44 bn. (68.1% of newly registered capital). Real estate followed with USD 3.72 bn. (18.8%), and the remaining sectors together attracted USD 2.57 bn. (13.1%).

Of the 80 countries and territories investing in new projects during 2024, Singapore led with USD 6.26 bn. (31.7% of newly registered capital), followed by South Korea with USD 2.89 bn. (14.6%), China with USD 2.84 bn. (14.4%), and Hong Kong (China) with USD 2.17 bn. (11.0%).

In terms of capital adjustments, 1,539 existing projects registered additional investments of USD 13.96 bn., a 50.4% rise year-on-year. When combining newly registered and adjusted capital, the manufacturing and processing sector led with USD 24.68 bn. (73.3% of the combined total). Real estate accounted for USD 5.09 bn. (15.1%), and the other sectors together attracted USD 3.91 bn. (11.6%).

Actual FDI disbursement in 2024 amounted to USD 25.35 bn., up 9.4% on 2023. The manufacturing and processing sector received USD 20.62 bn. (81.4% of total disbursement), real estate USD 1.84 bn. (7.2%), and electricity, gas, steam and air conditioning supply USD 1.07 bn. (4.2%). Key projects included Samsung Display Viet Nam’s USD 1.8 bn. expansion in Bắc Ninh and LG Display’s additional USD 1 bn. investment in its Haiphong facility.

In the renewable energy sector, Vietnam recorded substantial FDI into wind and solar projects. However, policy uncertainty, most notably the prospect of retroactive feed-in tariff revisions, prompted a March 2025 investor petition warning that over USD 13 bn. of renewable energy investments could be at risk. Since January 2025, EVN has applied provisional tariffs to certain projects, exacerbating investor concerns.

Such capital inflows have strengthened Vietnam's standing as a regional centre for both advanced manufacturing and renewable energy. Vietnam's strategic integration into global supply chains, together with supportive investment policies, has been instrumental in drawing foreign capital. Industrial output (IIP) rose by 8.9% year-on-year in November 2024 (and by 8.4% over the full year), illustrating how manufacturers are relocating production to Vietnam.

Looking forward, the lasting gains from these investments will hinge on Vietnam's capacity to develop domestic skills, encourage technology transfers, and raise productivity. Effectively turning such investments into enduring economic strengths will be crucial for cementing Vietnam's role in global value chains.

5.2 Bilateral investment

According to available data, Switzerland is reported as the 20th largest foreign investor in Vietnam, with an estimated investment value of USD 2.183 billion (0.42% of total FDI) as of 31 December 2024. However, due to potential complexities in investment channels and reporting, European /Swiss FDI may be underestimated, considering the likelihood of investments routed through intermediary jurisdictions (Singapore, British Virgin Islands, etc.). In 2024, 13 new Swiss investment projects were initiated in sectors of manufacturing, IT, trade, logistics and services. The projects are located in Hồ Chí Minh City, Long An and Da Nang.

There are more than 100 Swiss companies in Vietnam, including multinationals as well as small and medium-sized enterprises. These companies are active in a range of sectors, including construction, food processing, machinery, precision instruments (including medical equipment and tools), IT, and transport and logistics.

A revised bilateral investment protection agreement is currently being negotiated to bring the existing agreement up to date with the latest standards.

6 ECONOMIC AND TOURISM PROMOTION

6.1 Swiss foreign economic promotion instruments

The **Embassy of Switzerland in Vietnam,** including **its Consulate-General in Hồ Chí Minh City**, maintains regular contact with the Swiss business community in Vietnam and welcomes contacts with new-coming companies. In addition to the involvement of Swiss diplomats in defending Swiss business interests, both the Embassy and the Consulate-General employ a local trade officer who works with **Switzerland Global Enterprise** and the **Swiss Business Hub** SEAP in the two Swiss representations in Vietnam. Vietnam is the most important market for Swiss companies in the region (Vietnamese mandates account for half of all mandates in the ASEAN region). The organisation of trade fairs or Swiss pavilions at exhibitions is also a focus of the SBH Vietnam team. The Swiss Education Fair, aimed at promoting private education in the hospitality and business sectors, is now an annual event in both Hanoi and Hồ Chí Minh City. The Swiss Education Fair 2024 was successfully organized in both Hanoi and HCMC in September with high appreciation from 16 participating schools and institutions. Another successful promotion event in 2024 organized by SBH Vietnam Team was a Swiss pavilion at GEFE 2024 from 21-23 October 2024 with participances from 8 Swiss companies active in green economy and technology.

The Zurich-based **Swiss-Asian Chamber of Commerce** (SACC) serves as meeting point and relay between entrepreneurs and government institutions for enhancing economic relations between Switzerland and Asian countries. The chamber has a dedicated Vietnam Committee.

The **Swiss Business Association** (SBA) **in Hồ Chí Minh City** - with around 100 members – acts as Swiss club, which also helps facilitate contacts between established Swiss SMEs and new or potentially interested ones.

The **European Chamber of Commerce in Vietnam** (EuroCham) is the main voice of the European business community in Vietnam. Established in 1998, it serves as umbrella organisation and primary conduit for companies and business sectors to engage in policy dialogue with the Vietnamese authorities. Seminars and events are partly also open to non-members against payment of a fee. Several of the larger European countries (incl. Germany and France) have their own chamber of commerce in Vietnam, and some Swiss companies are also members.

6.2 Vietnamese interests in Switzerland

Switzerland enjoys a particularly solid reputation in Vietnam's business and political circles. While it was once primarily known as an upscale travel destination, the country's image has gradually evolved to represent a place where innovation and precision are integral to everyday life. The Vietnamese media regularly cite the country's public transport system as an example of how thoughtful design can benefit society as a whole: it runs smoothly, safely, and on time. This perception also extends to Swiss expertise in hospitality and education. Swiss learning establishments are valued not only for their reputation, but also for their focus on practical training and an international outlook. Among affluent families seeking long-term prospects for their children, Swiss schools are regarded as gateways to secure careers built on solid foundations. Such perceptions are reinforced by the dependable nature of Swiss industries and their tendency to consistently set standards that others often follow. While these perceptions may not be widespread among the general public, they represent a distinct and growing view of Switzerland in Vietnam: a country where modern ideas are quietly and confidently implemented.

At both government and research levels, Vietnam and Switzerland have strengthened their links in the fields of science and innovation. The State Secretariat for Education, Research and Innovation has worked with Vietnamese ministries to identify joint projects. Since 2021, the Swiss National Science Foundation and Vietnam's National Foundation for Science and Technology Development (NAFOSTED) have jointly funded collaborative research projects. Every year, Vietnamese applicants compete for a limited number of Swiss Government Excellence Scholarships to pursue advanced degrees, thereby demonstrating their faith in the rigour of Swiss peer review and transparent award procedures. These opportunities are seen as providing access to an environment in which advanced scientific research and innovative ideas can thrive under rigorous oversight, a defining feature of Swiss collaboration that, although not widely recognised in Vietnam, underpins the spirit of the existing collaboration.

Swiss cooperation is also recognised in the financial and tourism sectors. Since 2010, SECO and the State Bank of Vietnam have jointly supported a Swiss Bank Executives' Training Programme, introducing senior bankers to Basel frameworks and rigorous risk management approaches. Meanwhile, a SECO-supported sustainable tourism initiative has introduced Swiss-inspired curricula for Vietnamese tourism managers, focusing on measurable outcomes and environmental responsibility rather than positioning itself as a high-end offering. These projects showcase the meticulous processes and commitment to lasting impact that Swiss partnerships offer. They reflect the service-oriented mindset that is evident in a financial system grounded in stability and regulatory clarity, as well as in national policies which balance openness with careful resource management.

SECO's Cooperation Programme for Vietnam 2025–2028 supports the country in its endeavour to transform itself into a resilient, high-income economy by focusing on innovation and high-value activities. Switzerland brings its expertise in research, digital skills, and advanced production to enhance quality under evolving standards that take long-term viability into account. Projects include helping exporters meet higher market and sustainability standards in technology-intensive sectors with attention to resource efficiency, and sharing expertise on financial reforms that steer investment towards emerging industries. This approach is intended to build resilience against economic shocks and promote long-term growth built on enduring foundations, with benefits shared across society. The emphasis on innovation and high value creation is in sync with Vietnam's objective to advance into a robust, knowledge-driven and high-income economy.

ANNEX 1 – ECONOMIC STRUCTURE

Distribution of GDP	**2019**	**2024**
Primary sector (Agriculture, Forestry and Fisheries)	13.96%	5.37%
Manufacturing sector **(**Industry, construction, mining)	34.49%	45.17%
Services (incl. taxes)	41.64%	49.46%
Distribution of Employment	**2019**	**2024**
Primary sector Agriculture, Forestry and Fisheries	34.7%	26.5%
Manufacturing sector **(**Industry, construction, mining)	29.4%	33.4%
Services	35.9%	40.1%

Source: General Statistics Office of Vietnam, www.gso.gov.vn

ANNEX 2 – MAIN ECONOMIC DATA

	2023	2024	2025f
GDP (USD bn)	**433.7**	**476.3**	**465.8**
GDP per capita (USD)	**4,320**	**4,620**	**4,810**
Growth rate (% of GDP)	**5.1**	**7.1**	**5.2**
Inflation rate (period average, %)	**3.25**	**3.62**	**2.95**
Unemployment rate (%)	**2.0**	**2.1**	**2.0**
Fiscal balance (% of GDP)	**N/A**	**N/A**	**N/A**
Current account balance (Billions of USD)	**25.58**	**28.05**	**15.71**
Total external debt (% of GDP)	**34.4**	**32.9**	**33.6**
Debt-service ratio (% of exports)	**N/A**	**N/A**	**N/A**
Reserves (months of imports)	**N/A**	**N/A**	**N/A**

Source: IMF WEO database (April 2025)

www.imf.org/external/country/index.htm

www.imf.org/external/pubs/ft/weo

ANNEX 3 – TRADE PARTNERS OF VIETNAM IN 2024

Rank	Country	**Exports** *from the host country* (USD billion)	Share (%)	Change[8] (%)	Rank	Country	**Imports** *to the host country* (USD billion)	Share (%)	Change[5]
1	USA	119.5	29.5	23.2	1	China	144.0	37.8	30.2
2	China	61.2	15.1	-0.2	2	Korea	55.9	14.7	6.5
3	Korea	25.6	6.3	9.1	3	Taiwan	22.7	6.0	23.5
4	Japan	24.6	6.1	5.4	4	Japan	21.6	5.7	-0.2
5	Netherlands	13.0	3.2	26.9	5	USA	15.1	4.0	9.3
6	Hong Kong	12.4	3.1	29.3	6	Thailand	12.4	3.3	5.6
7	India	9.1	2.2	6.7	7	Indonesia	10.5	2.8	20.6
8	Germany	7.9	2.0	7.3	8	Malaysia	9.1	2.4	17.0
9	Thailand	7.8	1.9	8.3	9	Australia	7.6	2.0	-11.0
10	The UK	7.5	1.9	18.9	10	Kuwait	7.3	1.9	23.8
11	Australia	6.5	1.6	23.8	11	India	5.8	1.5	-0.6
12	Canada	6.4	1.6	13.5	12	Brazil	5.4	1.4	15.0
13	Indonesia	6.2	1.5	22.2	13	Singapore	5.4	1.4	14.1
14	Philippines	6.2	1.5	20.2	14	Cambodia	4.8	1.3	30.3
15	UAE	5.6	1.4	40.0	15	Germany	3.8	1.0	2.1
16	Taiwan	5.6	1.4	18.6	16	Ireland	3.7	1.0	18.0
17	Mexico	5.5	1.3	23.3	17	Argentina	3.6	0.9	45.1
18	Cambodia	5.3	1.3	7.9	18	Philippines	2.5	0.7	-6.7
19	Singapore	5.2	1.3	20.1	19	Israel	2.5	0.6	19.4
20	Malaysia	5.1	1.2	4.0	20	Russia	2.2	0.6	18.9
…	…	…			…	…..			
71	Switzerland	0.183	*0.05*	*-7.5*	36	Switzerland	*0.627.6*	*0.2*	*0.2*
	Total	405.54	100	14.3		Total	380.76	100	16.7

Source: Vietnamese Customs and General Statistics Office of Vietnam

[8] Change from the previous year in %

ANNEX 4 – BILATERAL TRADE: SWITZERLAND – VIETNAM

2024 Bilateral Trade figures - according to Swiss customs data

	Export (CHF m)	*Change (%)*	***Import (CHF m)***	*Change (%)*	***Balance (in million)***	***Import+Export (in million)***	*Change (%)*
2019	763.1	14.9	2'848.3	94,1	-2'085.2	3'611.522	69,4
2020	532.7	-30.2	2'612.6	-8.3	-2'079.4	3'145.054	-12.9
2021	483.1	-9.3	1'710.4	-34.5	-1'227.3	2'193.524	-30.3
2022	480.5	-0.5	1’869.8	9.3	-1’389.3	2’350.408	7.2
2023	**497.8**	**3.6**	**1'694.6**	**-9.4**	**-1'196.8**	**2'192.426**	**-6.7**
2024 *(Total 1)**	**537.3**	**7.9**	**1’919.6**	**13.3**	**-1’382.3**	**2’456.971**	**12.1**

(total 1): not including gold bars and other precious metals, currencies, previous stones and gems, works of art and antiques. The indicated change (%) is compared to the previous year.

Main traded goods

Main Swiss Exports	**2023** (% of total)	**2024** (% of total)
1. Chemical and pharmaceuticals	37.4	37.7
2. Machines, appliances, electronics	40.3	36.8
3. Precision instruments, clocks and watches, jewellery	10.9	11.8
4. Forestry and Agriculture products, fisheries	3.1	4.2

Main Swiss Imports	**2023** (% of total)	**2024** (% of total)
1. Footwear, textiles, clothing	48.7	45.9
2. Machines, appliances, electronics	24.6	36.8
3. Forestry and agricultural products, fisheries	8.7	8.3
4. Leather, rubber, plastics	5.0	4.1

Source: Swiss-Impex platform of the Federal Office for Customs and Border Security: *https://www.gate.ezv.admin.ch/swissimpex/*

For comparison purposes, please find here below:

2024 Bilateral Trade figures - according to Vietnamese Customs (figures in USD)

Swiss exports to Vietnam

	2024 (USD million)	Change (%)	Share in 2024*
Machinery, equipment, tools	132.8	-21.0	0.27
Pharmaceutical products	106.1	-4.0	2.41
Computers, electronic devices and accessories	89.5	2.0	0.08
Plastic products	29.8	17.4	0.34
Milk and dairy products	22.9	40.8	2.03
Precious stones, precious metals and products	20.1	69.5	2.27
Chemical products	18.4	1.2	0.24
Chemical	12.9	25.3	0.16
Iron and steel products	9.2	11.7	0.14
Other food products	8.3	17.0	0.62
Cosmetic and hygiene products	8.2	36.2	0.57
Fabric	6.0	-6.6	0.04
Pharmaceutical raw materials	4.0	-15.6	0.84
Pesticides and raw materials	1.2	-8.9	0.13
Other goods	158.0	10.0	0.09
Total	***627.6*** ***(Vs. CHF 537.3million according to Swiss data)***	***0.2***	***0.2***

* The proportion is the import value share of each item from Switzerland in the total import value of that item into Vietnam.

Swiss imports from Vietnam

	2024 (USD million)	Change (%)	Share in 2024
Computers, electronic devices and accessories	41.5	9.8	0.06
Aquaculture products	29.4	-1.8	0.29
Footwear	22.6	-28.8	0.10
Machineries, equipment, tools	20.6	65.2	0.04
Textiles and garments	11.4	54.2	0.03
Means of Transportation and accessories	10.9	547.2	0.07
Iron and steel products	9.1	27.5	0.20
Bags, wallets, suitcases, hats, umbrellas	4.0	2.8	0.09
Vegetables and fruits	3.5	-17.8	0.05
Plastic products	2.4	4.3	0.04
Wood and wooden products	2.3	43.1	0.01
Other goods	26.1	-55.3	0.02
Total	***183 (vs. CHF 1'919.6 million - according to Swiss figures)***	***-7.5***	***0.05***

** The proportion is the import value share of each item from Switzerland in the total import value of that item into Vietnam.*

ANNEX 5 – MAIN INVESTING COUNTRIES

MAIN INVESTING COUNTRIES IN VIETNAM in 2024

Rank	Country	Overall stock of FDI (USD million) up to 2024	Share (%)	Variation (stock %)	2024 inflows of FDI & FII* (USD million)
1	South Korea	92,001.53	18.29	7,14	7,057.33
3	Singapore	83,132.01	16.53	11.55	10,207.35
2	Japan	77,660.51	15.44	4.99	3,502.20
4	Taiwan	40,916.29	8.13	4.07	2,084.57
5	Hong Kong	38,713.06	7.69	13.44	4,347.53
6	China	30,834.28	6.13	12.21	4,732.12
7	British Virgin Islands	23,873.49	4.74	5.05	586.27
8	Netherlands	14,979.03	2.97	5.44	546.05
9	Thailand	14,365.52	2.85	2.21	225.24
10	Malaysia	12,959.12	2.57	-1.12	185.19
11	The United States	11,927.70	2.37	0.85	287.25
12	Samoa	11,027.56	2.19	7.51	855.55
13	Cayman Islands	7,871.05	1.56	15.5	1,231.49
14	Canada	4,884.23	0.97	1.53	73.15
15	United Kingdom	4,463.95	0.88	5.01	241.30
16	France	3,945.86	0.78	2.86	52.52
17	Germany	2,803.37	0.55	4.45	118.54
18	Luxembourg	2,675.40	0.53	1.94	140.06
19	Seychelles	2,578.21	0.51	14.69	273.97
20	***Switzerland***	**2,183.06**	**0.43**	**10.23**	**103.21**
	TOTAL	**502,820.87**	**100%**		**38,230**

Source: Foreign Investment Agency - Ministry of Planning and Investment (MPI)

**Data mentioned in this column relate to new, added and shared investment pledges registered with MPI (up to 31 December 2024). Foreign direct investments and more speculative financial investments are thus cumulated in this column.*