



Economic Report 2022

VIETNAM

20 May 2022

Executive Summary

- Vietnam's impressive economic growth record until 2019 has been interrupted by Covid-19, with repeated "low GDP growth" in 2022 (2.6% in 2021, 2.9% in 2020).
- Worldwide developments with continued supply chain disruptions and higher costs of fuels, logistics, transports, raw materials, etc. - and tensions, especially the Ukraine war, will continue to weigh on 2022 prospects and don't make policy choices any easier for Vietnam's communist Party, whose new leadership took over in mid-2021.
- Domestically, questions have been rising about the country's FDI- and export-oriented economic model, which provided rapid growth but with a high environmental footprint. The new PM's desire to move towards a greener economy with more renewable energy (solar and offshore wind energy) leads to difficult internal debates, with domestic vested interests working against much needed reforms. Improving the implementation of policy decisions and overcoming shortages in higher education, modern infrastructure and high tech all require better priority setting.
- Swiss and European businesses in Vietnam remain mostly optimistic, even if they are confronted with new and increased uncertainties due to enhanced geopolitical and reputational risks. Simultaneously, known risks related to the country's governance, marked by overly complicated regulations and endemic corruption, persist. Another feature are rising costs, especially for well-educated staff with foreign language skills.

TABLE OF CONTENTS

1	ECONOMIC OUTLOOK AND ECONOMIC POLICY DEVELOPMENTS	3
2	PRIORITY SECTORS AND OPPORTUNITIES FOR SWISS COMPANIES	4
3	FOREIGN ECONOMIC POLICY	5
3.1	Host country's policy and priorities	5
3.2	Outlook for Switzerland (potential for discrimination or comparative advantage)	5
4	FOREIGN TRADE	5
4.1	Developments and general outlook	5
4.1.1	<i>Trade in goods</i>	5
4.1.2	<i>Trade in services (if data available)</i>	6
4.2	Bilateral trade	6
4.2.1	<i>Trade in goods</i>	6
4.2.2	<i>Trade in services (if data available)</i>	7
5	DIRECT INVESTMENTS	7
5.1	Developments and general outlook	7
5.2	Bilateral investment	8
6	ECONOMIC AND TOURISM PROMOTION	8
6.1	Swiss foreign economic promotion instruments	8
6.2	The host country's interest in Switzerland	8
	ANNEX 1 – Economic structure	9
	ANNEX 2 – Main economic data	10
	ANNEX 3 – Trade partners	11
	ANNEX 4 – Bilateral trade	12
	ANNEX 5 – Main investing countries	14

1 ECONOMIC OUTLOOK AND ECONOMIC POLICY DEVELOPMENTS

In **2021** Vietnam was severely affected by a **protracted COVID-19 outbreak and lengthy shutdowns** with steep economic costs. **GDP growth slowed to 2.6%** (vs. 2.9% in 2020 and 5.9% annual average growth rate for 2010-20). In comparison, Indonesia, Philippines and Malaysia all fared better. Vietnam's late-starting but rapid mass vaccination eventually allowed a return to more normal activity again towards the end of the year. But both labor (households) and firms were negatively impacted – all the more so, as the government's support response was very modest in 2021. The country's external position remained strong, though the current account sharply deteriorated (estimated deficit of about 1% of GDP vs. 4.6% surplus in 2020). Merchandise imports grew faster than exports, while services exports, negatively impacted by the continued absence of foreign tourists, continued to be low. The trade balance deterioration was offset by a surplus in the financial account, supported by steady remittances (USD 18 billion), slightly lower FDI inflows (-1.2% vs. 2020) and continued large but volatile short-term capital inflows. The Vietnamese dong's exchange rate against the US dollar modestly appreciated (+4.4% vs. 2020). Inflation in 2021 was less than 2 per cent. With a stable debt-to-GDP ratio at about 58%, the country's debt remained sustainable.

2022 prospects: In its [east-asia-and-pacific-economic-update](#) (April 2022), the World Bank downgraded Vietnam's 2022 growth forecasts to 5.3% (4.4% in a low scenario). Increased risks relate to: 1) The Ukraine war, fostering higher commodities' prices and a reduction in business confidence worldwide, 2) Economic downturns in key trading partners for Vietnam: USA, China and Europe.

Economic policy developments:

Last year's 5-yearly leadership change in Vietnam put a new Prime Minister and several new Ministers in charge. There were thus less new economic policy decisions during this "transition year". Generally speaking, in Vietnam, laws set the broad policy framework, whilst decrees guide their implementation.

Of key importance to foreign businesses are the new **Labor Law 2019** (in force since 1.1.2021), which further restricts entry conditions for foreign staff hiring by companies in Vietnam, as well as [Decree 31/2021/ND-CP](#) on the implementation of the new **Investment Law 2020** (also in force since 1.1.2021). More recently, the new **Law on Environmental Protection** and its implementing Decree No. 08/2022/ND-CP (collectively, the "2022 LOEP") took effect in January 2022 with a wide-ranging [reform](#) of the way projects are evaluated and approved by the VN government. A draft **Personal Data Protection Law**, in preparation and expected by 2024, has raised fears among tech firms that it could [damage](#) digital economy growth in Vietnam. Vietnam's Parliament is to soon approve a revised **Intellectual Property Law**, which should comply with related commitments taken by Vietnam in free trade agreements (CPTPP, EVFTA).

As is known, implementation of policies and laws is also the biggest challenge in this country, where institutions remain weak. A new [WB report](#) "**How will Vietnam Blossom? Reforming institutions for effective implementation**", published on 18.5.2022, examines precisely the "implementation challenge" (which, by the way, also applies to commitments taken by VN in bilateral, regional or multilateral agreements) and proposes a platform of five institutional reforms that should help the government implement policies and reforms more effectively.

Further challenges: Except for 2020-21, Vietnam has been successful in steadily expanding its participation in world trade: trade almost quadrupled over the last decade and now accounts for close to 200% of Vietnam's GDP (vs. 116% in the case of Switzerland). To transform Vietnam's economy into [Industry 4.0](#) and reach the goal of being a developed country by 2045, the VN government needs to speed up reforms. Those were further slowed down by the Covid-19 pandemic. Key challenges include:

- Eliminating **non-tariff barriers**, which remain very high (compared to other countries in the region) and directly impede Vietnam's economic progress;
- Increasing the rate of disbursed **public investments** and shift towards

infrastructure that spurs innovation, whilst reducing the country's high environmental footprint;

- Improving **education** at secondary and tertiary levels to help overcome the gap in skilled labor with foreign language competencies;
- Test novel coordination mechanisms for coordination among Vietnam's 63 provinces to help **ensure consistent law interpretation, implementation and enforcement** and overcome fragmented public finance management;
- Reducing risks of **non-performing loans** held by VN banks (banks' self-coverage rates remain low, increasing the risk of defaults);
- Increasing the low **tax-to-GDP ratio** (government revenue still stems mainly from VAT, followed by Corporate Income Tax/CIT);
- Modernizing **social protection** to reduce important inequalities (WB-supported pilots - tested in two towns, Hue and Can Tho - should be expanded).

2 PRIORITY SECTORS AND OPPORTUNITIES FOR SWISS COMPANIES

Vietnam is a **land of contradictions**: On the one hand, business consultancy brochures praise the emerging economy's advantages, including its extensive network of free trade agreements. Exciting opportunities are further supported by a still largely young population and a gradually expanding middle class. Vietnam is expected to move from 26th in 2020 to 18th rank in 2030, according to World Data Lab's ranking of the world's main consumer markets. On the other hand, Vietnam's business environment remains overly complicated and complex. European chambers of commerce in Vietnam highlight difficulties linked to cultural differences as well as risks related to the country's governance system and endemic corruption. In 2021, the dramatically negative impact of Vietnam's Covid-19 surge¹, with major disruptions of trade and supply chains and enhanced shortcomings in logistics and transportation, added to the already known and increasing shortage of skilled English-speaking labor.

Challenges for foreign businesses: Overlapping and conflicting legal provisions, as well as multiple interpretations and varied implementation, make it generally difficult for foreign enterprises to comply with Vietnamese business law. In some areas, for instance taxation, enterprises must comply with an undue amount of quickly changing regulations, which hamper planning of operations. Other key issues include the lack of sufficient IP protection, with the risk of counterfeiting staying high, as well as continuing controls on foreign exchange transactions by Vietnam's central bank, the [State Bank of Vietnam \(SBV\)](#). Foreign currency convertibility rights, normally part of the investment license, are given only to companies operating in specific industries. Corruption is particularly prevalent in infrastructure projects, customs procedures and land rights; it also extends to the Vietnam's weak judicial system. In terms of [country trade credit risk rating](#), Allianz Trade puts [Vietnam](#) (with Cambodia) in the group of "sensitive risk countries", just below "high risk countries" that include Myanmar and Laos. As per Vietnam's Investment Law 2020, incentives for new FDI now mainly focus on high tech sectors, but this reorientation risks being partly undermined by the above-mentioned issues. Today's uncertain times with risks of a more fragmented world economy and increased attention given to geopolitical risks add further question marks.

Opportunities for Swiss businesses particularly exist in sectors, where Vietnam aims to catch up, modernize or expand (health), cope with challenges (climate change) or increase quality or precision (more value-addition). There are opportunities in sectors as different as: health (pharma, medtech), environmental technologies (renewables, waste treatment, etc.), construction and machinery. Limited opportunities continue to exist in traditional

¹ Due to prolonged COVID-19 lockdowns and the imposition of the 3-on site model, all companies in VN were confronted with huge additional costs during a period of sharply reduced income (delays in shipping, logistical challenges (i.e. shortage of containers, slow processing speed at customs, shortages of micro-chips and other components). The real estate market came close to a standstill with hardly any new construction licenses issued. In the services sector, the prolonged period of no direct contact with employers and customers reduced employee loyalty towards their company, whilst fostering fatigue and lethargy.

manufacturing, incl. footwear, though last year's disruptions have led some foreign companies to limit their production dependence and diversify away from Vietnam. Finally, there are also opportunities in underdeveloped private services sectors (still dominated by the large public administration), most notably in: education, tourism, special maintenance or IT software development.

3 FOREIGN ECONOMIC POLICY

3.1 Vietnam's policy and priorities

Vietnam, a **WTO** member since 2007, is well integrated into the global economy. In 2020, the country emerged as the world's [20th trading nation](#) and has a network of free trade agreements (FTAs), comprising 58 partner countries, including 14 G20 member states. As member of the ASEAN Economic Community (AEC), Vietnam is part of the ASEAN Free Trade Area.

Key free trade agreements include:

- **The Comprehensive and Progressive Trans-Pacific Partnership Agreement (CPTPP)**, in force in Vietnam since 14.1.2019, currently comprises 10 additional countries - Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru and Singapore. The agreement provides for a gradual elimination of customs duties on 95% of goods traded among signatory states. On 1 February 2021, the UK formally applied to join the CPTPP.
- **The EU-Vietnam Free Trade Agreement (EVFTA)**, in force since August 2020, is considered the most comprehensive agreement so far concluded by the EU with a developing country in Asia. Almost 99 percent of all customs duties are to be eliminated over a period of 10 years. The text includes provisions for public procurement and respect of intellectual property. Challenges abound in the fields of respect for environmental standards as well as civil and political human rights, reflected by Vietnam's strict repression of free media and speech. Find the full legal texts [here](#). One important companion agreement of the EVFTA, namely the **EU-VN Investment Protection Agreement (EVIPA)**, which would bring important improvements to investors of both sides, yet has to be ratified by a majority of EU member states. **The UK-Vietnam Free Trade Agreement (UKVFTA)**, in force since May 2021, is largely based on the EVFTA.
- **The Regional Comprehensive Economic Partnership (RCEP)**, in force since 1.1.2022 for Australia, Brunei Darussalam, Cambodia, China, Japan, Laos, New Zealand, Singapore, Thailand and Viet Nam includes in total 15 countries (plus South Korea and other ASEAN members). A much less progressive agreement, it is to be the world's largest trade pact, covering about 30% of global GDP and a third of the world's population. Vietnam committed to abolish 89.6 percent of its tariff lines over 15-20 years.

The CPTPP and EVFTA both have stimulated legal reforms, however there still is a long way to go for Vietnam's legislation and administrative procedures to fulfill the commitments taken.

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

Swiss companies inevitably face less favourable conditions than EU companies benefitting from the EVFTA. The option of joining the CPTPP (like the UK is seeking) is not envisaged currently.

4 FOREIGN TRADE

4.1 Developments and general outlook

4.1.1 Trade in goods

Vietnam's total trade amounted to USD 668.5 billion in 2021, up 22.6% vs. 2020. The country exported goods worth USD 336.31 billion last year, up 19% year over year (YoY), while its imports increased to USD 332.23 billion, up 26.5% YoY. The country's goods trade surplus sharply declined to USD 4 billion in 2021 (vs. USD 20 billion in 2020).

Imports directly relate to the manufacturing sector's continued needs for external inputs, components and raw materials (accounting for 93.5% of all imports - almost same as last year). With USD 109.87 billion exports to Vietnam, China remains by far the biggest provider of such vital inputs to Vietnam's manufacturing industry, followed by South Korea and Japan. Consumer goods are only about 6.5% of all imports' value (-0.2% YoY).

On the exports' side, with USD 96.29 billion (about 27.9% of all exports), the US remained the largest buyer of Vietnamese products, offering a trade surplus of USD 81 billion to Vietnam - in contrast to the country's trade deficit of USD 54 billion with China. Vietnam now ranks as sixth-largest trade partner for exports to the USA. Beyond the overwhelmingly important US market, Vietnamese products mainly went to China (16.6% of all exports) and the EU (around 12%). With the EU, Vietnam achieved a trade surplus of about USD 23 billion in 2021.

Smartphones and parts continued to be the country's largest export item with an increase of 12.4% YoY. Together with the latter, computers, electronics and components (USD 50.83 billion, + 14%) as well as machinery, equipment, tools and accessories (USD 38.3 billion, + 41%) are the country's major export categories.

New online Vietnam Trade Information Portal (VTIP)

The new [VTIP](#) online platform serves as official source for regulatory information on trade with and by Vietnam. Hosted by the General Department of Vietnam Customs under the Ministry of Finance, the portal allows traders to access regulatory and procedural information for export, import and transit. VTIP offers a rich database and features search options for commodities (defined by HS Code), legal documents, procedures, forms, measures, standards and other requirements.

4.1.2 Trade in services (only very limited data available)

In 2021, Vietnamese services exports were estimated at USD 3.67 billion, down 51.7% compared to 2020. The continued stand-still in foreign tourism largely explains this further drop. Meanwhile, services imports were estimated at USD 19.41 billion, up 8.5%. The resulting deficit on the services trade balance increased to USD 15.73 billion (vs. -USD 12 billion in 2020).

4.1.3 Swiss support to Vietnam's trade and economic expansion:

As priority country for SECO economic development cooperation, Vietnam benefits from a technical assistance program worth CHF 70 million for 2021-24 with the aim to support a more sustainable growth. The cooperation focusses on the improvement of the framework conditions in public finance management and the financial sector, the strengthening of the competitiveness of local businesses and their access to the markets, and the enhancement of urban planning and resilience against climate risks. As part of this cooperation, Vietnam benefits from expertise provided by the International Trade Centre (ITC) for the preparation and implementation of the National Export Strategy 2021-30. Beyond that, in the area of trade, the program also offers assistance to Vietnamese SMEs to improve productivity, quality and sustainability, with the aim of facilitating their exports and/or enhancing their potential role as suppliers within regional or global supply chains.

4.2 Bilateral trade

4.2.1 Trade in goods

Bilateral trade sharply decreased in 2021, with the total volume dropping to CHF 2.2 billion (vs. 3.2 billion in 2020 and 3.6 billion in 2019). This decrease is mainly imputed to two factors:

1. The nearly total disappearance of gold as punctually key Vietnamese export good to Switzerland (in 2019-20, gold contributed to around 50% of all VN exports to CH);

2. The major industrial slowdown in Vietnam due to Covid-19 and stringent restrictions.

According to Swiss Customs data, Vietnamese exports to Switzerland sharply dropped to CHF 1.7 billion (-36.5%), while Swiss exports to Vietnam show a less important decrease with CHF 484 million (-9.6%). The trade surplus - for Vietnam – strongly decreased to CHF 1.2 billion (vs. CHF 2.1 billion each in 2020 and 2019).

Differences between Swiss and Vietnamese Customs data, especially on Vietnamese exports to Switzerland, subsist, resulting in an underestimation of the importance of Switzerland as trade partner for Vietnam (Switzerland is ranked as 62nd most important export destination, according to VN Customs data). Also when using Swiss figures, both countries are not important trading partners for each other.

Main traded goods in 2021

Switzerland's top 3 export categories to Vietnam continued to be:

Pharma & chemicals (37.9%)

Machinery (37.9%)

Precision instruments (12.2%)

Vietnam's top 3 export categories to Switzerland continued to include:

Shoes and textiles (45.7%)

Electronics/appliances (29.7% - more important than shoes or textiles if the two are separated)

Aquaculture and o. agriproducts (8.1%)

4.2.2 Trade in services (no data available)

There is no data available on services exports between the two countries. A few Swiss IT companies export their services to Vietnam. Some, with offices in Vietnam, also export back to Switzerland and/or third countries. But there are no records of the amounts/volumes.

5 DIRECT INVESTMENTS

5.1 Developments and general outlook

In 2021, FDI inflows in Vietnam amounted to USD 19.74 billion (1.2 percent lower than in 2020, year which itself had seen a 25% reduction). As observed last year already, the FDI composition continued to shift from mergers and acquisitions (M&A) to green-field investment (i.e. newly or additionally registered capital), partly reflecting investors' concerns about the weakening domestic consumption. According to the Vietnamese Government Statistical Office ([GSO report](#)), the by far biggest proportion of 2021 FDI inflows again went to manufacturing/processing (USD 14.3bn - 72.5%), followed by real estate business (USD 2.63bn - 13.3%) and electricity, gas, steam and air conditioning supply (USD 1.54bn - 7.8%).

Total foreign investments in Vietnam now amount to USD 408 billion. As in the past, East Asian countries represent the lion's share of FDI to Vietnam. South Korea leads, accounting for more than 18% of total investment capital, closely followed by both Japan and Singapore with respective shares that are both close to 16%. Other key foreign investors include: China, Hong Kong and Taiwan. With shares below 3%, the USA and European countries remain way behind East Asian investors.

A peak of FDI inflows to Vietnam was reached in 2018 ([UNCTAD data, World Investment Report, June 2021](#)), but FDI in manufacturing and industrial processing continue to be a key driver of economic growth in Vietnam. Reflecting formerly offered incentives, export-oriented FDIs in textile, footwear and electronic assembly lines continue to account for about 70% of the country's exports - something that is not necessarily seen positively only in a more nationalist and ambitious Vietnam. Today's VN government incentives are geared towards attracting FDIs with higher value-addition for the country. Vietnam's services sector remains fairly closed and limits FDI inflows in an important sector that here lags behind. See more in chapter 1 and 2.

5.2 Bilateral investment

In 2021 Switzerland lost one rank and figured now as Vietnam's 21st most important foreign investor, with an investment stock estimated at US\$ 1,884 billion (0.45% of all FDI). Currently over 100 Swiss firms are established in Vietnam, ranging from about 10-15 multinational companies to several small- and medium-sized enterprises. Their business activities lie in different sectors, including construction, food processing, machinery, precision instruments, incl. medtech, and tools, IT and transport and logistics. Swiss pharma companies do not produce here and mainly act as representative office, but nevertheless had to convert into the more costly presence of foreign-invested companies. Swiss investors are credited with having created at least 20'000 jobs, and large Swiss companies regularly win awards as best employers providing high-quality jobs.

6 ECONOMIC AND TOURISM PROMOTION

6.1 Swiss foreign economic promotion instruments

The **Swiss Embassy in Vietnam, incl. its Consulate-General in Ho Chi Minh City**, entertain regular contacts with the Swiss business community in Vietnam and welcome contacts with new-coming Swiss companies. Besides direct involvement of Swiss diplomats when it comes to defending Swiss business interests, both the Embassy and CG employ a local trade officer, who is also working for the **S-GE ASEAN regional hub**. Last year, S-GE organized a Swiss virtual pavilion at the ITU Digital World "Building the digital world together" in Hanoi (September to December 2021), with 12 Swiss companies, presenting their ICT solutions and products, incl. at a pitching session "Beyond chocolate: cutting-edge digital solutions from Switzerland". Based in Zurich, the **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 Ho Chi Minh City - with about hundred members - acts as informal exchange platform, facilitating contacts between already established Swiss firms and new or potentially interested companies.

The **European Chamber of Commerce in Vietnam (EuroCham)** is the main voice of the European business community in Vietnam. Created in 1998 and comprising more than 950 affiliated companies, it acts as umbrella organization and is a key vector 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. D/F/UK) have their own chamber of commerce in Vietnam.

6.2 Vietnam's interests in Switzerland

Among Vietnam's small but rich elite, Switzerland enjoys an excellent reputation - both as tourist destination and provider of high quality education. Vietnamese parents have had longstanding interest in Swiss **private college education and hospitality studies**.

VN authorities are keen to develop more cooperation in **research and innovation**. The Swiss State Secretariat for Education, Research and Innovation (SERI) is open and asked the VN Government to help identify areas and projects where cooperation benefits are mutual. Each year, Vietnamese graduates compete for Swiss Government Excellence Scholarships to obtain a Master's Degree or PhD from a Swiss universities. Since 2021, the **Swiss National Science Foundation (SNSF) and its Vietnamese counterpart (NAFOSTED)** financially support joint research projects undertaken by Swiss-Vietnamese teams in a variety of disciplines. Funds are currently fully allocated, the date for a possible next call is not yet known.

Within the Swiss economic development cooperation program, SECO is offering a **Swiss bank executive training (Swiss BET)** program, in cooperation with Vietnam's central bank (State Bank of Vietnam). In addition, Swiss experience is used in supporting sustainable tourism in the **Swiss Sustainable Tourism Project (SSTP)**.

ANNEX 1 – Economic structure

Distribution of GDP	2016	2021
Primary sector (Agriculture, Forestry and Fisheries)	16.32%	13.97%
Manufacturing sector (Industry, construction, mining)	32.72%	63.8%
Services (incl. taxes)	40.92%	22.23%
Distribution of Employment	2016	2021
Primary sector Agriculture, Forestry and Fisheries	41.9%	28.9%
Manufacturing sector (Industry, construction, mining)	24.7%	33.2%
Services (incl. taxes)	33.4%	37.9%

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

ANNEX 2 – Main economic data

	2021e	2022f	2023f
GDP (USD bn)	290	310	340
GDP per capita (USD in PPP) Source: EIU country report, Dec. 2021	9058	9861	10732
Growth rate (% of GDP)	2.6	4.4-5.3	6.5
Inflation rate (%)	1.8	3.6	4.0
Unemployment rate (%) Source: EIU country report, Dec. 2021	4.1	5.5	3.5
Fiscal balance (% of GDP)	-4.8	-4.4	-3.5
Current account balance (% of GDP)	-1.0	1.7	2.0
Total external debt (% of GDP)	57.6	58.8	57.2
Debt-service ratio (% of exports)	-	-	-
Reserves (months of imports)	3.7	-	-

Main source: **World Bank**

- [Taking stock report \(Jan. 2022\)](#)
- [East-asia-and-pacific-economic-update \(April 2022\)](#)

Note re. **Unemployment rate**: Around 80% of workers in VN are still working in the informal economy.

ANNEX 3 – Trade partners of Vietnam in 2021

Rank	Country	Exports from the host country (USD billion)	Share (%)	Change ²	Rank	Country	Imports to the host country (USD million)	Share	Change ¹⁰
1	USA	96.27	28.6	24.9	1	China	110.533	33.2	31.3
2	China	55.926	16.6	14.5	2	Korea	56.314	16.9	20
3	Korea	21.95	6.5	14.1	3	Japan	22.801	6.9	12.1
4	Japan	20.13	6.0	4.4	4	Taiwant	20.780	6.2	24.4
5	Hong Kong	11.995	3.6	14.9	5	The USA	15.277	4.6	11.4
6	Netherlands	7.685	2.3	9.8	6	Thailand	12.586	3.8	14.8
7	Germany	7.288	2.2	9.7	7	Malaysia	8.166	2.5	24.2
8	India	6.281	1.9	20	8	Australia	7.968	2.4	70.4
9	Thailand	6.155	1.8	25.2	9	Indonesia	7.603	2.3	41.3
10	The UK	5.766	1.7	16.4	10	India	6.964	2.1	57.0
11	Canada	5.27	1.6	20.8	11	Kuwait	4.710	1.4	48.7
12	Cambodia	4.831	1.4	16.4	12	Cambodia	4.710	1.4	299.7
13	UAE	4.688	1.4	19.7	13	Ireland	4.438	1.3	9.3
14	Taiwan	4.587	1.4	6.1	14	Singapore	4.260	1.3	16.1
15	Philippines	4.571	1.4	28.8	15	Brazil	4.106	1.2	41.4
16	Mexico	4.558	1.4	44.3	16	Germany	3.952	1.2	18.1
17	Malaysia	4.415	1.3	29.1	17	Argentina	3.673	1.1	8.5
18	Australia	4.401	1.3	21.6	18	Philippines	2.405	0.7	37.2
19	Singapore	3.943	1.2	30.5	19	Russia	2.336	0.7	16.7
20	Indonesia	3.914	1.2	38.5	20	Italy	1.727	0.5	14.3
62	Switzerland	0.237	0.1	-11.8	32	Switzerland	0.623	0.2	4.9
	Total	336.31	100	19		Total	332.23	100	26.5

Source: Vietnamese Customs

² Change from the previous year in %

ANNEX 4 – Bilateral trade: Switzerland – Vietnam

2021 Bilateral Trade figures - according to Swiss customs data

	Export (CHF m)	Change (%)	Import (CHF m)	Change (%)	Balance (in million)	Import+ Export (in million)	Change (%)
2016	542.3	9.3	1'468.0	50.2	-925.6	2'010	36.5
2017	617.4	13.8	1'422.2	-3.1	-804.8	2'039.6	1.5
2018	665,2	7,7	1'474	3,6	-808,8	2'139,2	4,8
2019	765	15.0	2'877	95,2	-2'122	3642	70,2
2020	535	-30.0	2704	-6.0	-2169	3239	-11.1
2021 (Total 2)	484	-9.6	1,717	-36.5	-1,233	2,200	-32.1

PS - Total 2 includes: gold bars and other precious metals, coins, precious stones and gems, works of art and antiques. The indicated change (%) is compared to the previous year.

Main traded goods

Main Swiss Exports	2020 (% of total)	2021 (% of total)
1. Chemical and pharmaceuticals	41.4	37.9
2. Machines, appliances, electronics	38.1	37.9
3. Precision instruments, clocks and watches	8.4	12.2
4. Metals	3.4	3.7
5. Leather, rubber, plastics	1.8	2.6

Main Swiss Imports	2020 (% of total)	2021 (% of total)
1. Shoes , textiles, clothing	24	45.7
2. Machines, appliances, electronics (i-phones)	16.9	29.7
3. Aquaculture products / fisheries	5.2	8.1
4. Leather, rubber, plastics	2.9	5.3
5. Gold (included in category 11 - Precision instruments, clocks and watches, jewellery)	42.9	2.1

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

2021 Bilateral Trade information - according to Vietnamese Customs (figures in USD)**Swiss exports to Vietnam**

	2021 (USD million)	Change (%)	Share in 2021
Machinery, equipment, tools	182.8	6.8	29.3
Computers, electronic devices and accessories	97.2	9.1	15.6
Pharmaceutical products	84.0	-13.8	13.5
Chemical products	34.7	68.9	5.6
Plastic products	26.3	41.7	4.2
Chemical	19.9	23.6	3.2
Iron and steel products	12.8	0.8	2.1
Milk and dairy products	12.0	-43.6	1.9
Precious stones, precious metals and products	9.6	46.8	1.5
Pharmaceutical raw materials	9.3	-10.3	1.5
Other food products	6.6	8.5	1.1
Animal feedings and materials	6.6	80.1	1.1
Cosmetic and hygiene products	4.8	-30.8	0.8
Other goods	116.5	2.6	18.7
Total	623 <i>(vs. USD 487 million - according to Swiss figures)</i>	4.9	

Swiss imports

	2021 (USD million)	Change (%)	Share in 2021
Crude Oil	73.8		31.1
Aquaculture products	28.6	-20.9	12.0
Computers, electronic devices and accessories	26.1	7.5	11.0
Shoes	25.0	-8.6	10.5
Machineries, equipment, tools	16.9	-8.7	7.1
Chemical	15.0		6.3
Textiles and garments	9.3	-21.8	3.9
Wood and wooden products	7.4	220.5	3.1
Iron and steel products	7.0	-17.2	3.0
Vegetables and fruits	4.0	-21.2	1.7
Other goods	24.2	-85.5	10.2
Total	237 <i>vs. USD 1727 million - according to Swiss figures</i>	-11.8	

PS: Most Vietnamese exports destined to Switzerland enter Europe via sea ports in third countries (e.g. Rotterdam/NL and others). VN customs seem to register those exports under such third countries (instead of registering them as exports to their final destination in Switzerland).

ANNEX 5 – Main investing countries

MAIN INVESTING COUNTRIES IN VIETNAM in 2021

Rank	Country	Stock of total direct investment (USD million)	Share (%)	Variation (stock %)	2021 pledges* (USD million)
1	South Korea	74,656.43	18.29	5.67	4,361.76
2	Japan	64,397.17	15.78	6.86	3,650.03
3	Singapore	64,361.64	15.77	13.81	6,343.21
4	Taiwan	35,327.38	8.65	4.8	1,090.24
5	Hong Kong	27,836.16	6.82	8.47	2,142.31
6	British Virgin Islands	22,039.98	5.40	-0.96	416.83
7	China	21,337.89	5.22	15.59	2,711.89
8	Thailand	13,007.82	3.18	1.04	345.49
9	Malaysia	12,805.57	3.13	-0.73	63.43
10	Netherlands	10,468.24	2.56	0.48	305.99
11	The United States	10,280.25	2.51	8.93	653.88
12	Samoa	8,596.91	2.1	4.7	264.78
13	Cayman Islands	7,048.98	1.72	-2.75	54.04
14	Canada	4,817.89	1.18	-4.6	17.58
15	United Kingdom	4,039.44	0.98	5.14	173.82
16	France	3,612.48	0.88	0.06	13.98
17	Germany	2,290.99	0.56	3.28	106.59
18	Luxembourg	2,106.71	0.51	0.17	3.5
19	Australia	1,936.80	0.47	1.19	29.12
20	Seychelles	1,896.12	0.46	10.41	132.81
21	Switzerland	1,883.98	0.45	-8.45	148.63
	TOTAL	408'093.02 (USD 408.09 billion)			24'260.17 (USD 24.26 billion)

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

*Data mentioned in this column relate to new, added and shared investment pledges that have been registered with MPI (as up to 20 December 2021). MPI shares no data on real inflows per country.