

COUNTRY PROFILE REPORT OF ITJ DIVISION, DGCI&S

INDIA-VIETNAM BILATERAL TRADE RELATIONS

INTRODUCTION & BRIEF ECONOMIC OVERVIEW

1. The Socialist Republic of Vietnam is situated in South East Asia, bordered to the north by the People's Republic of China, to the west by Laos and Cambodia, and to the east and south by the South China Sea. Vietnam is a Member of the UN, Asian Development Bank, APEC, the Mekong Group, ASEAN and the International Organization of the Francophonie. This report emphasises India-Vietnam trade relations, inter-alia. As per available data from DGCI&S database India and Vietnam have observable bilateral (goods) trade relations primarily in the form of India's import from Vietnam and Vietnam had ranked 20th as an Import partner of India in 2024-25.

2. Throughout the history of Vietnam, its economy has been based largely on agriculture-primarily wet rice cultivation. Bauxite, an important material in the production of aluminium, is mined in central Vietnam. Since reunification, the country's economy is shaped primarily by the CPV through Five Year Plans decided upon at the plenary sessions of the Central Committee and national congresses. IMF Executive Board Concludes (Article IV Consultation with Vietnam September 27, 2024), "In the challenging year of 2023, the Vietnamese economy grew by 5 percent thanks to determined actions by the government. The economy was hit by turbulence in the real estate sector, financial distress, and a significant drop in exports. A recovery began in late 2023, fueled by a rebound in exports, tourism, and appropriately expansionary fiscal and monetary policy support. Inflation picked up in 2024, driven mainly by rising food prices, though core inflation remained relatively low and stable. The external current account posted a large surplus in 2023, at 5.8 percent of GDP, mainly reflecting a significant contraction in imports. Economic growth is projected to recover to 6.1 percent in 2024, supported by continued strong external demand, resilient foreign direct investment, and accommodative policies".

A snapshot of Vietnam's select economic indicators is as under.

TABLE - 1

Vietnam: Selected Economic Indicators, 2020–2025

					Projections	
	2020	2021	2022	2023	2024	2025
Output						
Real GDP (percent change)	2.9	2.6	8.1	5.0	6.1	6.1
Output Gap (percent of potential GDP)	-0.4	-1.9	0.0	-0.6	-0.3	-0.2
Prices (percent change)						
CPI (period average)	3.2	1.8	3.2	3.3	4.1	3.5
Core inflation (period average)	2.3	0.9	2.7	4.2	3.6	3.4
Saving and investment (in percent of GDP)						
Gross national saving	36.3	30.7	32.9	37.7	35.2	35.2
Gross investment	31.9	32.9	32.6	32.0	32.2	32.5
Private	24.9	26.7	26.3	25.0	25.5	25.7
Public	7.0	6.2	6.3	6.9	6.7	6.9
State budget finances (in percent of GDP)						
1/						
Revenue and grants	18.4	18.7	19.0	17.1	17.6	18.4
Expenditure	21.3	20.1	18.3	19.5	20.2	20.7
Expense	14.3	13.9	12.0	12.6	13.5	13.8
Net acquisition of nonfinancial assets	7.0	6.2	6.3	6.9	6.7	6.9

Net lending (+)/borrowing(-) 2/	-2.9	-1.4	0.7	-2.5	-2.6	-2.2
Public and publicly guaranteed debt (end of period)	41.3	39.2	34.7	34.4	33.8	33.2
Money and credit (percent change, end of period)						
Broad money (M2)	14.5	10.7	6.2	12.5	11.4	8.0
Credit to the economy	11.6	13.5	14.0	13.7	12.9	9.5
Balance of payments (in percent of GDP, unless otherwise indicated)						
Current account balance (including official transfers)	4.3	-2.2	0.3	5.8	3.0	2.7
Exports f.o.b.	81.6	90.8	91.1	81.8	81.0	79.6
Imports f.o.b.	72.7	86.6	83.9	71.6	73.0	73.0
Capital and financial account 3/	2.4	8.3	2.3	-0.7	-4.8	0.0
Gross international reserves (in billions of U.S. dollars) 4/	95.2	109.4	86.7	92.3	84.0	97.9
In months of prospective GNFS imports	3.3	3.6	3.1	2.9	2.5	2.7
Total external debt (end of period)	37.6	37.9	35.5	32.7	32.6	32.8
Nominal exchange rate (dong/U.S. dollar, end of period)	23,098	22,826	23,633	23,929
Memorandum items (current prices):						
GDP (in billions of U.S. dollars)	346.3	370.1	408.0	433.7	468.5	506.4
Per capita GDP (in U.S. dollars)	3,549	3,757	4,102	4,324	4,649	4,986
Sources: Vietnamese authorities; and IMF staff estimates and projections. 1/ Follows the format of the Government Finance Statistics Manual 2001. Large EBFs are outside the state budget but inside the general government (revenue amounting to 6-7 percent of GDP). 2/ Excludes net lending of Vietnam Development Bank and revenue and expenditure of Vietnam Social Security. 3/ Incorporates a projection for negative errors and omissions going forward (i.e. unrecorded imports and short-term capital outflows). 4/ Excludes government deposits						

FOREIGN TRADE

3. As per recent available inputs on WITS (World Integrated Trade Solution), the five major merchandise export partners of Vietnam are **United States, China, Korea Rep., Japan and Hong Kong**. On the other hand four major import partners of Vietnam are **China, Korea Rep., Japan, and United States**. Major five exported goods of Vietnam are (i) Transmission apparatus, for radioteleph incorporo, (ii) Parts of electrical apparatus for line telephone, (iii) arts and accessories of automatic data process, (iv) Monolithic integrated circuits, digital and (v) Photosensitive semiconductor devices, photovoltaic. On the other hand major five imported goods of Vietnam are ((i) Monolithic integrated circuits, digital, (ii) Parts of electrical apparatus for line telephone, (iii) Petroleum oils, etc, (excl. crude); preparation, (iv) Petroleum oils and oils obtained from bituminous and (v) Printed circuits.

4. Vietnam's total exports in 2019 were of the order of USD 264,610 million. It has scaled up to USD 353,078 million in 2023. During the period 2019 to 2023, Exports from Vietnam had increased at most by 19.31% in the year followed by another 10.46% increase in 2023. During the period from 2019 to 2023, the annual average compound rate of growth of exports was 7.48%.

5. Vietnam's total imports in 2019 were of the order of USD 253,442 million and which has touched USD 325,443 million mark in 2023. Imports of Vietnam had jumped by 26.58% in 2022 in comparison with 2021. During the period from 2019 to 2023, the annual average compound rate of growth of imports was 6.45%.

6. Vietnam runs an overall Balance of Trade surplus from 2019 to 2023 and that has scaled up to USD 27,635 million in 2023. During the period from 2019 to 2023, the annual average compound rate of growth of total volume of trade was 6.98%.

A snapshot of Vietnam's overall Trade Statistics is presented in **Table 2** and **Figure 1** below.

TABLE - 2

**VIETNAM'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE
AND BALANCE OF TRADE BETWEEN 2019 TO 2023**

(Figures in USD Million)

Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2019	264610		253442		518052		11168
2020	281441	6.36	261309	3.10	542750	4.77	20132
2021	335793	19.31	330752	26.58	666545	22.81	5041
2022	370909	10.46	358788	8.48	729697	9.47	12121
2023	353078	-4.81	325443	-9.29	678521	-7.01	27635

**Annual
Compound
Growth
Rate**

7.48

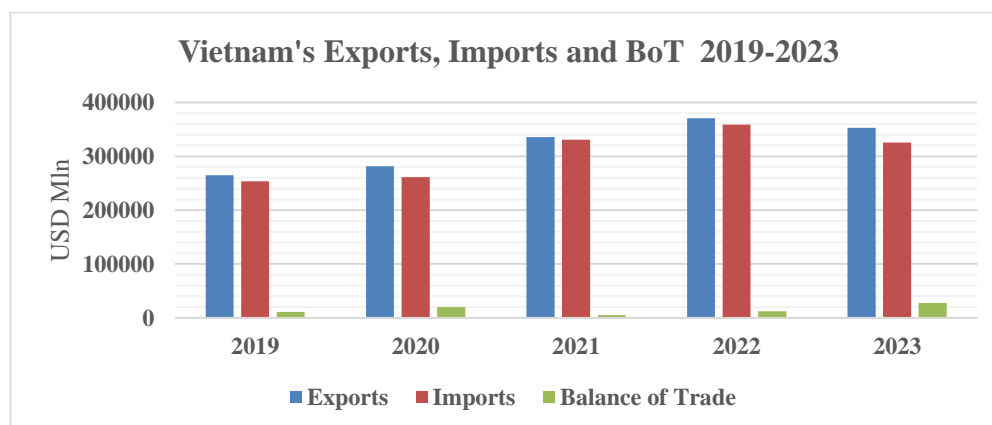
6.45

6.98

NOTE : Figures relate to calendar year (January to December)

SOURCE : UN COMTRADE PUBLICATION

Figure – 1



BILATERAL TRADE WITH INDIA

Merchandise Trade

7. India and Vietnam share traditionally close and cordial bilateral relations. The countries had historical roots in the common struggle for liberation from colonial rule and the national struggle for independence, Vietnam is a partner country of India within the ASEAN framework and Mekong Ganga framework. According to Indian data during 2024-2025, bilateral trade reached USD 15.83 billion, registering an increase of 1.17 percent year on year. India exports to Vietnam reached USD 5.43 billion while Indian imports from Vietnam amounted to 10.40 billion (up 11.31%). In FY 2024-25, for India, Vietnam is the 23rd largest trading partner and 20th largest export destination globally. India's exports to Vietnam was only 1.24 % of its total export value in FY 2024-25. In the same financial year Vietnam was the 20th major import partner of India in FY 2024-25 which was 1.45 % of India's total import value in 2024-25. Almost 1.17% of India's total international trade value was between India and Vietnam as has been recorded in FY 2024-25 as per DGCI&S data base.

8. Indo-Vietnam total volume of bilateral trade in FY 2020-21 was of the order of USD 11,120.38 million. It has scaled up to USD 15,830.82 million in FY 2024-25. The annual compound growth rate of total volume of trade during the period from 2020-21 to 2024-25 has been of the order of 9.23%.

9. It appears from the available figures that between 2020-21 and 2024-25, India had a deficit Balance of Trade with Vietnam. Exports from India to Vietnam increased by 34.06% in FY 2021-22. The annual average compound rate of growth of Exports was 2.08%. On the other hand, imports from Vietnam to India remarkably increased by 21.53% in FY 2021-22 followed by another 18.23% increase in FY 2022-23. During the period from 2020-21 to 2024-25, the annual average compound rate of growth of imports was 14.18%.

A snapshot of India's merchandise trade statistics w.r.t. Vietnam is presented in **Table 3 & Figure 2**.

TABLE - 3

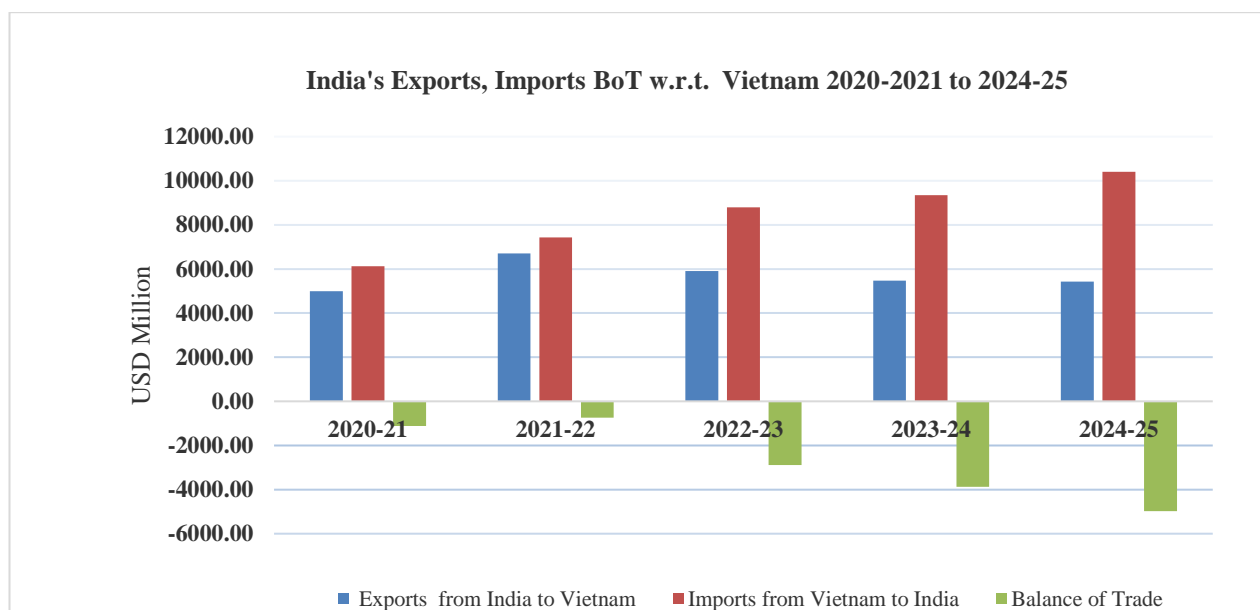
(Value in USD Million)

Year	Exports from India to Vietnam	Percentage Growth in Exports	Imports from Vietnam to India	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020-21	4999.72		6120.66		11120.38		-1120.94
2021-22	6702.80	34.06	7438.52	21.53	14141.32	27.17	-735.72
2022-23	5909.35	-11.84	8794.73	18.23	14704.08	3.98	-2885.38
2023-24	5470.40	-7.43	9345.39	6.26	14815.79	0.76	-3874.99
2024-25	5428.91	-0.76	10401.94	11.31	15830.85	6.85	-4973.03
Annual Compound Growth Rate		2.08	14.18		9.23		

NOTE : Figures relate to Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

Figure – 2



10. Additionally, from Table 4 & 5 presented below the following are stated:

- Buffalo Meat, Marine Products and Auto Components/ Parts** had occupied the top three slots in India's exports to Vietnam in the year 2024-25. **Buffalo Meat** had occupied 13.65% share of India's total exports to Vietnam in FY2024-25.
- Telecom Instruments, Computer Hardware Peripherals and Consumer Electronics** were the three major commodities in India's imports list from Vietnam in the year 2024-25, India imports **Telecom Instruments** from Vietnam with a share of 14.87% of total imports from Vietnam recorded in 2024-25.

TABLE -4

**INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO VIETNAM
2020-2021 TO 2024-2025 AND THEIR GROWTH RATES**

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth			
		2020-21	2021-22	2022-23	2023-24	2024-25	Rates	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23
1	Buffalo Meat	403.90	487.10	509.02	751.40	740.81	20.60	4.50	47.62	-1.41
	Share in total export	8.08	7.27	8.61	13.74	13.65				
2	Marine Products	305.74	312.34	491.25	392.55	381.77	2.16	57.28	20.09	-2.75
	Share in total export	6.12	4.66	8.31	7.18	7.03				
3	Auto Components/ Parts	246.70	237.45	289.63	203.04	306.56	-3.75	21.98	-	50.99
	Share in total export	4.93	3.54	4.90	3.71	5.65				
4	Aluminium, Products of Aluminium	95.12	285.42	285.67	236.23	299.96	200.06	0.09	-	26.98
	Share in total export	1.90	4.26	4.83	4.32	5.53				
5	Rice (Other Than Basmati)	90.15	231.10	201.84	264.96	217.07	156.35	-	31.27	-
	Share in total export	1.80	3.45	3.42	4.84	4.00				
6	Drugs Formulations Biologicals	136.39	160.00	150.28	163.96	174.19	17.31	-6.08	9.10	6.24
	Share in total export	2.73	2.39	2.54	3.00	3.21				
7	Cotton Yarn	168.66	197.63	83.96	166.20	167.31	17.18	-	97.95	0.67
	Share in total export	3.37	2.95	1.42	3.04	3.08				
8	Granit, Natural Stone and Products	154.50	184.46	216.12	140.06	159.98	19.39	17.16	-	14.22
	Share in total export	3.09	2.75	3.66	2.56	2.95				
9	Plastic Raw Materials	145.68	149.96	102.04	107.60	155.25	2.94	-	5.45	44.28
	Share in total export	2.91	2.24	1.73	1.97	2.86				
10	Cotton Raw Incl. Waste	238.62	342.97	80.93	137.21	128.49	43.73	-	69.54	-6.36
	Share in total export	4.77	5.12	1.37	2.51	2.37				
	Total export to VIETNAM	4999.72	6702.80	5909.35	5470.40	5428.91	34.06	-	-7.43	-0.76

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCIS, M/o C&I

TABLE -5

**INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM VIETNAM
2020-2021 TO 2024-2025 AND THEIR GROWTH RATES**

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Imports								
		2020-21	2021-22	2022-23	2023-24	2024-25	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23	24-25 over 2023-24
1	Telecom Instruments	2156.29	1810.72	1294.79	1113.94	1546.59	-16.03	-28.49	-13.97	38.84
	Share in total imports	35.23	24.34	14.72	11.92	14.87				
2	Computer Hardware Peripherals	287.33	367.59	491.51	682.71	1135.85	27.93	33.71	38.90	66.37
	Share in total imports	4.69	4.94	5.59	7.31	10.92				
3	Consumer Electronics	492.12	531.04	1064.58	841.37	955.87	7.91	100.47	-20.97	13.61
	Share in total imports	8.04	7.14	12.10	9.00	9.19				
4	Iron and Steel	159.48	159.98	359.24	722.56	783.53	0.31	124.55	101.14	8.44
	Share in total import	2.61	2.15	4.08	7.73	7.53				
5	Copper, Prod. Made of Copper	279.91	401.42	643.66	552.23	692.07	43.41	60.35	-14.20	25.32
	Share in total import	4.57	5.40	7.32	5.91	6.65				
6	Electronic Components	137.08	234.32	476.23	1231.60	624.65	70.94	103.24	158.61	-
	Share in total import	2.24	3.15	5.41	13.18	6.01				
7	Electronics Instruments	270.13	289.83	443.35	452.71	495.48	7.29	52.97	2.11	9.45
	Share in total import	4.41	3.90	5.04	4.84	4.76				
8	Natural Rubber	119.75	259.11	206.93	183.85	220.19	116.38	-20.14	-11.15	19.77
	Share in total import	1.96	3.48	2.35	1.97	2.12				
9	Plywood and Allied Products	17.31	15.32	34.77	143.82	202.01	-11.50	126.96	313.63	40.46
	Share in total import	0.28	0.21	0.40	1.54	1.94				
10	Spices	161.74	218.22	214.28	203.81	201.01	34.92	-1.81	-4.89	-1.37
	Share in total import	2.64	2.93	2.44	2.18	1.93				
	Total import from VIETNAM	6120.66	7438.52	8794.73	9345.39	10401.94	21.53	18.23	6.26	11.31

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCIS, M/o C&I

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