

Vietnam's Merchandise Exports in the Current Context: Opportunities And Challenges

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Abstract:

Exporting goods plays a vital role in driving Vietnam's economic growth. Amidst the uncertainties of the global economy, Vietnam's export sector confronts numerous challenges, including shrinking demand and geopolitical tensions. However, it also benefits from emerging opportunities brought about by free trade agreements and shifting global supply chains. This article provides an in-depth analysis of Vietnam's current export landscape, highlights key opportunities and obstacles, and suggests strategic solutions to enhance the efficiency and competitiveness of the country's export activities.

Keywords: export, Vietnam, opportunities, challenges

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I. INTRODUCTION

In recent years, commodity exports have become a crucial driver of Vietnam's economy, fueling GDP growth, creating jobs, attracting investment, and advancing international economic integration. As the world gradually recovers from the COVID-19 pandemic, Vietnam faces a complex landscape marked by geopolitical tensions, rising trade protectionism, climate change, and the accelerating impact of digital transformation alongside new-generation free trade agreements. Against these evolving challenges and opportunities, it is essential to thoroughly examine the current export situation to gain a clear and comprehensive understanding of Vietnam's strengths, prospects, as well as its challenges and constraints. This understanding forms the foundation for proposing effective solutions aimed at boosting the country's export performance within the dynamic context of global economic integration.

II. CURRENT STATUS OF VIETNAM'S MERCHANDISE EXPORTS

Over the past decade, Vietnam's merchandise exports have experienced remarkable growth, underscoring the country's deepening integration into the global economy and its steadily improving competitive edge. Starting from 162 billion USD in 2015, export turnover has surged consistently, reaching an estimated 405.5 billion USD in 2024 — nearly two and a half times higher within just ten years. This impressive expansion reflects not only the dynamic efforts of Vietnamese businesses but also favorable trade policies and participation in multiple free trade agreements.

The details of Vietnam's export turnover during the period from 2015 to 2024 are summarized in Table 1 below, illustrating both the steady upward trajectory and the resilience of Vietnam's export sector amid global economic fluctuations.

Table 1. Vietnam's Export Turnover in the period 2015–2024

Year	Export Turnover (Billion USD)	Annual change (%)
2015	162,02	-
2016	176,58	8,98
2017	215,12	21,82
2018	243,70	13,28
2019	264,61	8,58
2020	282,66	6,36
2021	335,79	19,31
2022	371,3	10,45
2023	354,67	-4,6
2024	405,5	14,3

The period from 2015 to 2019 marked a phase of steady and sustainable growth for Vietnam. The country effectively leveraged opportunities arising from deeper international economic integration, notably through participation in significant free trade agreements (FTAs) such as the ASEAN Economic Community (AEC), the

Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and the EU-Vietnam Free Trade Agreement (EVFTA). Concurrently, the global supply chain shift away from China amid the US-China trade tensions positioned Vietnam to attract a surge of foreign investment and expand its export production capacity. This period also witnessed a notable transformation in the export structure, with a strong shift from primary commodities toward processed industrial goods and high-tech products, including phones, computers, components, and electronic equipment.

Despite facing severe challenges posed by the COVID-19 pandemic in 2020 and 2021, Vietnam's export sector demonstrated remarkable resilience. In 2020, exports reached 282,6 billion USD, reflecting a modest growth of 6%. The momentum accelerated in 2021, with export turnover soaring to 336 billion USD - an impressive increase of nearly 19%. Amidst a global recession that affected most economies, this achievement underscores both the rapid adaptability of Vietnam's domestic manufacturing sector and the country's vital role within the global supply chain.

The year 2022 marked a new milestone as Vietnam's export turnover soared to a record 371,3 billion USD, buoyed by the robust recovery of key markets such as the United States and the European Union. This period also saw Vietnam effectively capitalize on new-generation free trade agreements, particularly the Regional Comprehensive Economic Partnership (RCEP), which helped expand the country's market access across the Asia-Pacific region.

However, 2023 presented significant challenges, with export turnover falling to 354 billion USD, a decline of 4,6% compared to the previous year. This downturn was largely driven by global economic uncertainties, including persistently high inflation, reduced consumer spending in major markets, and steep declines in the export prices of several key commodities. This marked the first year in nearly a decade in which Vietnam's exports experienced negative growth, highlighting the considerable obstacles faced by the economy amid a volatile international landscape.

Entering 2024, Vietnam's export sector demonstrated a remarkable rebound, reaching an unprecedented 405,5 billion USD. This strong recovery was primarily fueled by the gradual revival of global consumer demand, particularly in the United States, the European Union, and China. Key industries such as electronics, textiles, machinery and equipment, and agricultural products not only maintained their market positions but also achieved renewed growth. Furthermore, proactive government measures—including business support initiatives, enhancements to logistics infrastructure, and trade promotion efforts—played a crucial role in driving this positive outcome.

Overall, Vietnam's merchandise exports from 2015 to 2024 have demonstrated a strong growth trajectory, albeit accompanied by numerous challenges. The stability of the macroeconomic environment, a well-executed integration strategy, and the ability to adaptively restructure industries have been crucial factors enabling Vietnam to gradually solidify its position in global trade. Nevertheless, to sustain export growth in the years ahead, Vietnam must continue to innovate technologically, enhance productivity, and pursue more sustainable development amid rising global competition and uncertainties.

In terms of export markets, Vietnamese goods are currently distributed across five continents, reaching over 200 countries and territories. In 2024, Asian countries represent the largest share of Vietnam's exports at 49,49%, followed by the Americas at 30,78%, Europe at 15%, Oceania at 3,97%, and Africa at 0,76%. Detailed data on Vietnam's commodity export markets are presented in Table 2.

Examining key individual markets, the United States remains Vietnam's largest export partner with a turnover of 119,46 billion USD in 2024, accounting for 23,17% of total exports. It is followed by China, with 60,89 billion USD (0,3%), and the European Union, with 60,8 billion USD (12,55%). These markets continue to play a vital role in Vietnam's export landscape, maintaining steady growth over recent years.

Table 2. Vietnam's Export Markets in the whole year of 2024

Continent/Market	Export Turnover (Billion USD)		Annual change (%)	Share (%)
	2023	2024		
Asia	176,31	200,7	13,83	49,49
- ASEAN	32,17	36,54	13,58	9,12
- China	60,71	60,89	0,3	14,94
- Japan	23,29	24,59	5,58	6,07
- Korea	23,46	25,55	8,91	6,29
Americas	114,46	124,8	9,03	30,78
- United States	96,99	119,46	23,17	29,49
Europe	54,02	60,8	12,55	14,99
- EU (27)	43,58	51,66	18,54	12,85
Oceania	6,2	16,1	159,68	3,97
Africa	3,68	3,1	-15,76	0,76
Total	354,67	405,5	14,33	100

Vietnam's export markets have not only increased in number but also expanded in scale. In 2015, the country had only 19 export markets with a turnover exceeding 1 billion USD, including 5 markets surpassing 10 billion USD. By 2024, this number had grown to 33 markets with over 1 billion USD in export value, of which 6 markets exceeded 10 billion USD and 9 surpassed 5 billion USD. Key export products such as electronics, computers and components; phones and accessories; machinery, equipment and spare parts; textiles; footwear; and wood products have continued to maintain their leading positions.

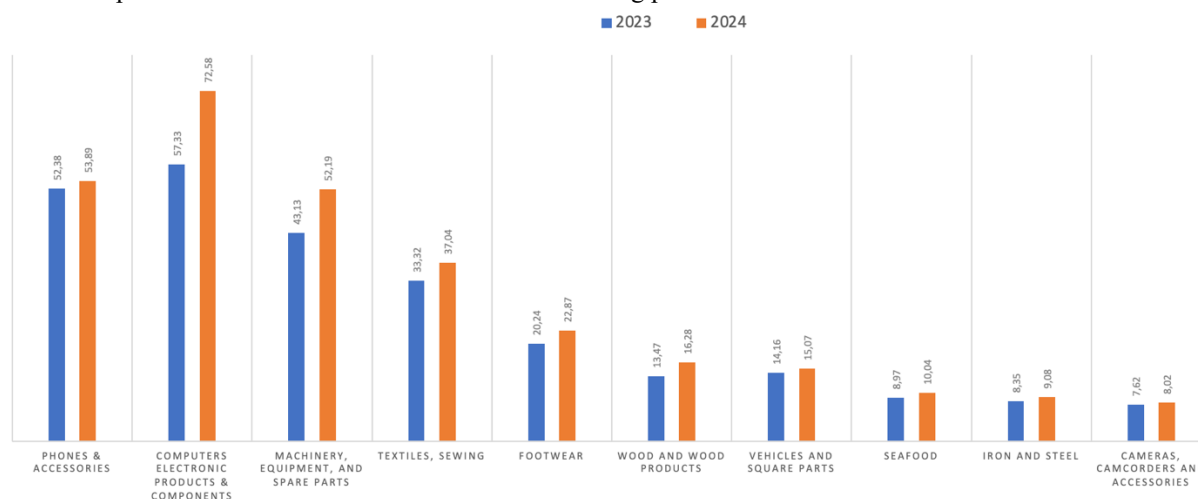


Figure 1. Export values of major products in 2023–2024

In 2024, Vietnam recorded 37 export items with a turnover exceeding 1 billion USD, collectively contributing 94,3% to the country's total export value. Among them, eight items surpassed the 10-billion-USD mark, accounting for 69% of total exports. Leading the list were electronic computers and components, which retained their top position in terms of export value. This performance was largely driven by the strong presence and operations of global technology giants such as Samsung, LG, Apple, and a network of electronic component manufacturers operating in Vietnam. The export value of this category reached 72.6 billion USD, marking a robust 26,6% increase compared to 2023 and representing 17,9% of total exports. Phones and components followed in second place with a turnover of 53,9 billion USD, up 2,9%. Machinery, equipment, tools, and spare parts recorded 52,3 billion USD in exports, an impressive increase of 21%. Textiles and garments reached 37 billion USD (up 11,2%), footwear posted 22,9 billion USD (up 13%), and wood and wood products saw an export value of 16,3 billion USD (up 20,9%). Meanwhile, exports of means of transport and spare parts amounted to 15,1 billion USD, up 6,4%, and seafood exports reached 10 billion USD, reflecting an 11,9% growth.

Notably, 2024 witnessed significant progress in agricultural exports. Vietnam achieved strong performance in staple products such as rice, coffee, cashew nuts, and various fruits. Vietnamese rice surpassed key competitors like Thailand and India in securing large export contracts, particularly in Asian and African markets. Fruit exports - especially jackfruit, dragon fruit, and mango - also experienced marked growth, entering demanding markets such as the United States, the European Union, and Japan. This reflects a breakthrough in both product quality and compliance with international standards. Agricultural products continue to represent a vital share of Vietnam's export structure, with China, the US, the EU, and Japan remaining key destination markets.

III. OPPORTUNITIES AND CHALLENGES FOR VIETNAM'S MERCHANDISE EXPORTS

3.1. Opportunities

Moreover, Vietnam's growing digital economy and accelerating adoption of Industry 4.0 technologies provide a significant advantage in optimizing production, streamlining export procedures, and enhancing product traceability. The government's push for e-government services, digital customs clearance, and e-commerce platforms is helping exporters—especially small and medium-sized enterprises (SMEs)—to better access global markets. These digital tools not only reduce time and costs but also enhance transparency and compliance with international standards.

Additionally, Vietnam benefits from an increasingly educated and skilled workforce, particularly in sectors such as electronics, software engineering, and high-value manufacturing. This demographic advantage, coupled with an expanding middle class and domestic market, fosters a dual growth strategy where companies can scale up production for both domestic consumption and export. Government programs that promote

innovation, such as national science and technology development funds and startup incubators, also play an important role in enhancing the technological capacity of domestic firms.

Finally, Vietnam's participation in global sustainability commitments and climate goals aligns with the rising demand for environmentally responsible sourcing among international consumers and businesses. Exporters that adopt green production models, utilize renewable energy, or meet international environmental certifications stand to gain competitive advantages. This transformation not only supports long-term export growth but also ensures that Vietnam remains aligned with future trade requirements, particularly from demanding markets like the EU, Japan, and North America.

Together, these factors form a favorable foundation for Vietnam to strengthen its position in global trade. However, turning opportunities into lasting advantages requires coherent strategies, strong public-private cooperation, and sustained efforts to address structural limitations in infrastructure, human capital, and institutional quality. Only then can Vietnam fully leverage its export potential in an increasingly complex and competitive global landscape.

3.2. Challenges

While Vietnam's export outlook remains promising, the country continues to face significant structural and short-term challenges. One of the foremost concerns is the heavy reliance on several key export markets such as the United States, China, the European Union, Japan, and South Korea. Fluctuations in consumer demand within these markets or the emergence of trade tensions—manifested through protectionist measures or non-tariff barriers—can severely impact Vietnam's export performance.

A core vulnerability lies in the fact that much of Vietnam's export output is still concentrated in the processing sector, which depends heavily on inexpensive labor and generates relatively low added value. Many industries—including textiles, footwear, and electronics—rely extensively on imported raw materials, while domestic production technologies remain underdeveloped. This limits the domestic value captured within each exported product and underscores the ongoing challenge of developing a robust supporting industry, which is essential for enhancing Vietnam's role in the global supply chain.

Logistics costs also present a critical bottleneck. Currently, logistics expenses in Vietnam account for approximately 20 – 25% of GDP, significantly higher than the 10 – 12% typical of developed economies. Despite some progress, the country's logistics infrastructure remains fragmented and insufficient, with frequent congestion at major seaports exacerbating delays. These inefficiencies elevate transportation costs for imports and exports alike, undermining the competitiveness of Vietnamese goods internationally. Furthermore, prolonged delivery times and complex customs procedures, especially for exports, hinder businesses from swiftly bringing products to market, weakening their ability to compete.

Compounding these issues are increasingly stringent technical standards imposed by developed markets concerning traceability, environmental compliance, food safety, and corporate social responsibility. Markets such as the EU, Japan, and the US demand rigorous certifications and quality assurances, standards that many Vietnamese exporters have yet to fully satisfy. The seafood sector, a key export industry, faces additional hurdles including aquaculture diseases, high production costs, and trade barriers from importing countries. Small and medium enterprises—making up over 95% of Vietnam's business landscape—often lack the necessary resources and capacity to meet these demanding criteria.

Lastly, climate change and the rising frequency of extreme weather events are directly threatening the production and supply of agricultural and aquatic export products, particularly in vulnerable regions like the Mekong Delta. Issues such as saltwater intrusion, drought, and disease outbreaks continue to reduce output, jeopardizing Vietnam's ability to fulfill long-term commitments to international partners.

IV. CONCLUSIONS AND RECOMMENDATIONS

In an era of deepening globalization and intense competition from countries with similar commodity profiles, enhancing export capacity has become an urgent imperative for Vietnam's economy. To transform available opportunities into tangible advantages and effectively confront emerging challenges, Vietnam must adopt a comprehensive and synchronized strategy encompassing institutional reforms, infrastructure development, enterprise capacity building, and human resource enhancement.

One of Vietnam's key strengths lies in its extensive network of free trade agreements (FTAs) with major global partners. However, the actual utilization of these agreements remains limited, primarily due to a lack of information, procedural complexities, and unequal access - especially among small and medium-sized enterprises (SMEs). Addressing this gap requires sustained efforts to disseminate information and provide clear guidance on FTA implementation in a proactive and efficient manner. This should be complemented by the creation of a transparent, user-friendly data system detailing tariffs, rules of origin, and non-tariff barriers to facilitate easier

access for businesses. Furthermore, relevant authorities must serve as effective intermediaries, assisting enterprises in resolving disputes, overcoming technical barriers, and navigating new regulations imposed by importing countries.

Simultaneously, raising the value added in exports must remain a long-term strategic priority. Transitioning from a low-cost export model to one driven by technology, engineering excellence, and strong branding demands significant development of supporting industries and enhanced collaboration between domestic firms and multinational corporations. Encouraging innovation through targeted policies, providing financial support for research and development (R&D), and streamlining investment procedures within the domestic input production sector are critical steps. These measures will help increase localization rates, reduce reliance on imported raw materials, and ultimately bolster Vietnam's autonomy and competitiveness in the global marketplace.

Another critical challenge lies in Vietnam's logistics system and export infrastructure. Currently, logistics costs in Vietnam exceed regional and global averages, significantly undermining the competitiveness of Vietnamese export goods. Addressing this issue demands not only substantial investment in transport infrastructure, seaports, and logistics hubs but also the implementation of a comprehensive digitalization strategy throughout the supply chain. The adoption of cutting-edge technologies such as artificial intelligence (AI), the Internet of Things (IoT), and blockchain in transport management, warehousing, and order tracking can significantly reduce delivery times, optimize costs, and enhance transparency—factors increasingly demanded by key importing partners.

Equally important is the rising emphasis on sustainable development and the green economy, which have become crucial for accessing highly demanding markets such as the European Union, the United States, and Japan. Vietnamese enterprises must be supported in transforming their production models to align with environmentally friendly practices that comply with ESG (Environment – Society – Governance) standards. The government should implement preferential green credit policies and establish national green export criteria to guide and incentivize enterprises to transition effectively toward sustainability.

Lastly, the quality of human resources and the robustness of the business support ecosystem are vital to sustaining export growth momentum. Developing a skilled workforce capable of conducting market analysis, understanding international trade laws, and mastering negotiation skills will directly impact Vietnam's market penetration and brand-building capabilities. Additionally, the presence of trade promotion centers, legal advisory services, and intellectual property registration support in key export markets will provide Vietnamese enterprises with the necessary tools to overcome non-tariff barriers and strengthen their reputation on the international stage. In summary, amid global trade fluctuations and intensifying competition, enhancing the efficiency of Vietnam's merchandise exports cannot rely solely on natural advantages or low labor costs. A holistic, long-term strategy involving close cooperation between the government, enterprises, and supporting institutions is essential to securing and elevating the position of Vietnamese goods in the global marketplace.

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