

An aerial photograph of a city skyline, featuring a prominent, tall skyscraper on the right side. The sky is overcast with grey clouds, and the city buildings are densely packed. The overall tone is somewhat muted and atmospheric.

Business Climate Survey Vietnam

Business Climate Survey for Swedish companies in Vietnam 2026

A report from Team Sweden in Vietnam

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Key contributors to this report

Business Sweden in Vietnam

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33 respondents

(total +2,250 respondents for 41 markets)

Current business climate

Positive business climate assessments indicate a significant improvement

Industry turnover

61%

of Swedish companies expect their industry turnover to increase

Future investments

50%

of Swedish companies plan to increase their investments slightly or significantly in the next 12 months

Globally valued success factors

1. Sales competence
2. Cost efficiency
3. Partnerships/ local relationships

Brand Sweden

81%

of Swedish companies in Vietnam consider Brand Sweden beneficial for business

Local conditions with high satisfaction

1. Distributors
2. Personal Safety
3. Suppliers

Local conditions with least satisfaction

1. Customs
2. Licenses and permits
3. Financial System

Environmental considerations

59%

of respondents believe the environment is a considerable factor in their customers' purchasing decisions

Corruption

- Moderate to high risk in emerging markets and South Korea
- Low risk in advanced economies

Human rights violation and labour rights abuses

- Moderate risk in emerging markets
- Low risk in advanced economies

Foreword

The Business Climate Survey 2026 highlights shifting dynamics for Swedish companies amid geopolitical uncertainty and a volatile global economy. While the International Monetary Fund projected a slowdown in Vietnam's growth in 2025 due to global turbulence, official data from the General Statistics Office of Vietnam instead reported stronger-than-expected GDP growth of approximately 8 per cent. Vietnam therefore remains one of the fastest-growing economies globally, with the government setting an ambitious target of 10 per cent in 2026.

The survey includes Swedish companies of diverse sizes and industries to capture a broad and representative perspective on the current business climate. The results have also been benchmarked against official indices and publications, most notably the European Chamber of Commerce's Business Confidence Index. In addition, relevant regulatory frameworks, such as the EU–Vietnam Free Trade Agreement (EVFTA), provide further context for the analysis.

The survey shows that most of the companies expect an increased business performance in 2026, supported by a majority reporting profitability in 2025. The most prominent challenges for Swedish companies in Vietnam are customs, licences, permits and approvals, as well as financial system inefficiencies. Many respondents believe that most challenges could be effectively mitigated through a more comprehensive regulatory framework that provides clearer guidelines and requirements.

Vietnam has committed to achieving net-zero emissions by 2050, a target that will require continued regulatory reforms and significant investments to be realised. While the importance of sustainability is increasingly recognised, many companies still believe that insufficient progress has been made, reflecting a gap between ambitions and practical implementation.

Vietnam remains a market that often requires a strong local presence. The Embassy of Sweden in Hanoi, together with Business Sweden, aims to facilitate trade, cooperation, and policy dialogue between industry and government. We provide both a global and regional perspective on local economic development, which helps identify potential business opportunities for Swedish enterprises in this dynamic market. This report aims to enhance understanding of Swedish companies' presence in Vietnam and to offer insights into the opportunities and challenges of the Vietnamese market. Finally, we would like to express our sincere gratitude to the participating companies and respondents who contributed to this report.



H.E. Johan Ndisi
Ambassador of Sweden
to Vietnam



Marcus Persson
Trade Commissioner
of Sweden to Vietnam

Executive summary

Vietnam continues to strengthen its position as one of the most dynamic and attractive markets in Southeast Asia, supported by robust economic growth, strong foreign direct investment inflows, and deeper integration into global value chains. Swedish companies reflect this positive trajectory, with many maintaining or expanding their presence in the country and increasingly viewing Vietnam as a key market for both production and growth.

Vietnam's economic outlook remains positive, although both the World Bank and the IMF project that growth will moderate in the coming years. While the government maintains ambitious targets, international forecasts point to continued strong growth, albeit at slightly lower levels. The economy is expected to be driven by manufacturing exports, foreign direct investment, and public spending, although external factors such as slowing global demand and ongoing geopolitical tensions may constrain growth.

The overall business climate is perceived as stable, with gradual improvements in recent years. Swedish companies report high levels of satisfaction in key areas such as access to suppliers and distributors, indicating a generally supportive operating environment. At the same time, investment intentions remain strong, with many companies planning to expand their operations, reflecting continued confidence in Vietnam's long-term growth potential.

At the same time, structural challenges persist. Customs procedures and regulatory complexity continue to act as key barriers to trade, with a significant share of companies reporting negative impacts on their operations. Administrative burdens and regulatory uncertainty further contribute to delays and increased costs, particularly affecting long-term investment decisions, particularly in areas such as sustainability.

Despite these constraints, Vietnam remains a strategically important market for Swedish business. Its role in global supply chains, combined with continued economic expansion, supports strong business activity and investment interest.

Looking ahead, further improvements in regulatory efficiency and administrative processes will be important to sustain growth and enhance the business environment. Addressing these challenges will not only benefit Swedish companies but also contribute to Vietnam's broader economic development.

“We remain optimistic about Vietnam's market development and the trend within healthcare that increasingly values higher-quality products and advanced solutions, resulting in improved outcomes and efficiency.”

Teodor Johansson
Managing Director Southeast Asia, Getinge

About the survey

The presence, perspectives, and long-term commitments of Swedish companies in Vietnam

The Business Climate Survey in Vietnam is a joint initiative by Team Sweden in Vietnam, comprising Business Sweden and the Embassy of Sweden. Its purpose is to capture Swedish companies' perspectives on the current business climate, economic development, challenges, and sustainability in Vietnam. This report is part of a global initiative covering 24 markets, allowing companies to compare insights across regions and track developments over time.

In total, 33 Swedish companies participated in the survey. The companies included either Swedish-origin firms, companies with Swedish ownership or shareholders, or subsidiaries of Swedish conglomerates. The response rate reflects a representative snapshot of Swedish business activities in Vietnam, although it is not fully comprehensive.

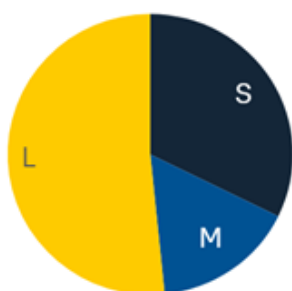
Participating companies represent a diverse range of sectors: industrial companies (43 per cent), professional services (36 per cent), and consumer companies (21 per cent). Regarding company size, 52 per cent are large firms, 16 per cent are medium-sized, and 32 per cent are small enterprises.

In terms of market experience, 24 per cent of companies are classified as mature, 41 per cent as experienced (established between 2004 and 2019), and 34 per cent as newcomers with less than five years in Vietnam.

Vietnam's economy grew by approximately 8 per cent in 2025, driven by strong export performance, supply chain diversification, and robust foreign direct investment inflows. Swedish companies reported generally positive performance and a continued optimistic outlook for future opportunities in the market.

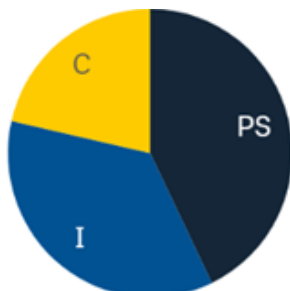
This report is organised into four sections: Economic Outlook, The Market, How Swedish Companies Succeed in Vietnam, and Acting Sustainably. The insights aim to highlight how Swedish companies adapt, grow, and maintain long-term commitments within Vietnam's dynamic and rapidly developing business environment.

Size of companies



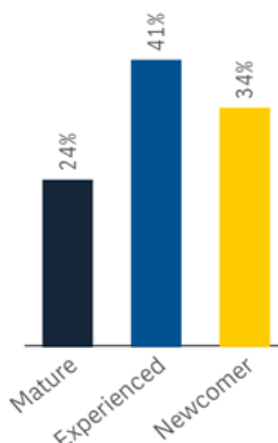
NOTE: Global employees.
 Large >1,000.
 Medium 250-1,000.
 Small 0-249.

Main industry



NOTE: Industrial 43%.
 Professional services 36%.
 Consumer 21%.

Age of companies



NOTE: Mature (-2004)
 Experienced (2005-2020)
 Newcomer (2021-)

Economic outlook

Positive business outlook supported by strong economic growth

Vietnam's GDP grew by 8.02 per cent in 2025, slightly below the government's ambitious target of 8.3–8.5 per cent, despite a challenging global environment. This growth significantly exceeded earlier projections by the Vietnamese government, as well as estimates from the IMF and World Bank, which had forecast growth at around 6.5–6.8 per cent. As a result, Vietnam continues to stand out as one of the fastest-growing economies in the world.

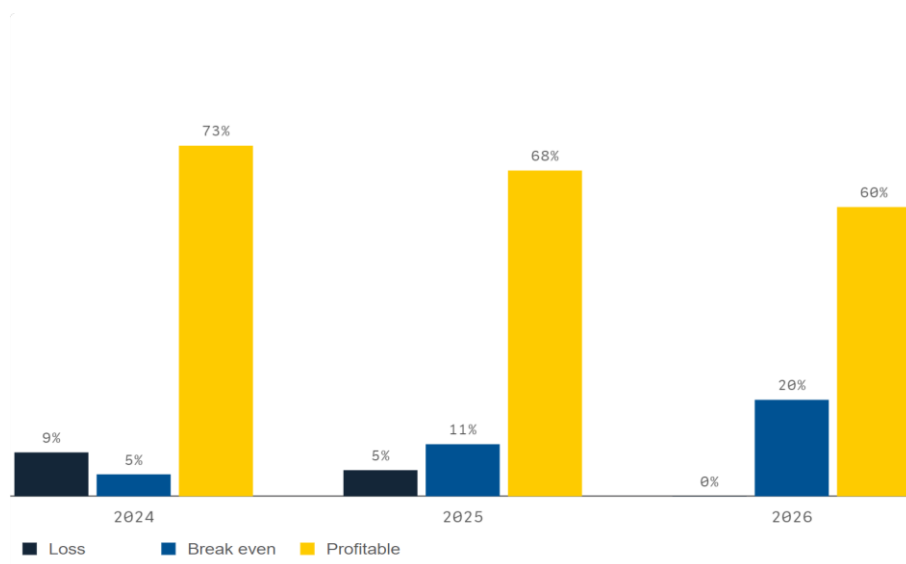
In 2025, fewer Swedish companies reported profitability, while more firms transitioned from operating at a loss to reaching break-even. The results from this year's survey indicate that none of the Swedish companies expects to be unprofitable in 2026, while 60 per cent expect to be profitable.

Swedish companies in Vietnam have been able to operate with continued stability, even as external economic pressures have remained significant. The findings suggest that the resilience and stability of the Vietnamese economy have supported Swedish companies in maintaining their performance.

Examining Swedish firms in greater detail shows that the consumer industry stands out. The sector accounts for 21 per cent of the surveyed companies yet reported 100 per cent profitability in 2025. This represents a strong recovery compared to the previous year, when the consumer sector was the only industry to experience losses. Looking at company size, small companies reported the highest profitability rate, at 70 per cent, followed by large and medium-sized companies.

How would you describe your company's financial performance in Vietnam in 2025?

Graph 1: Financial performance of Swedish companies in the past year (according to surveys conducted in 2024, 2025, and 2026).



NOTE: The number of respondents for this question was 30. "Don't know/Not applicable" responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in Vietnam 2026

GDP growth expected to stay resilient despite global uncertainty

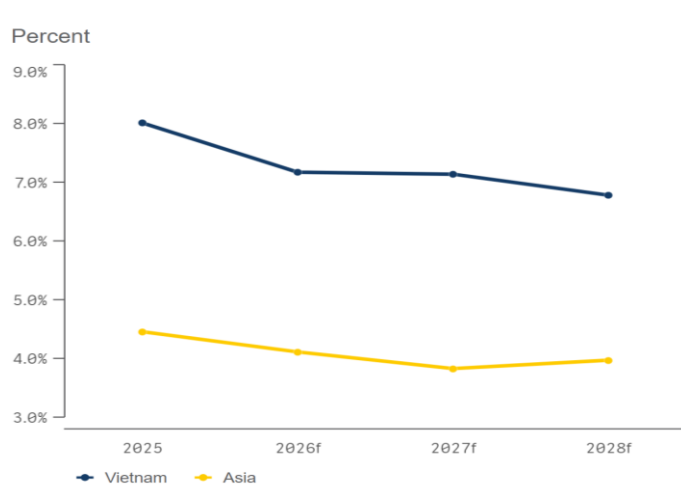
With GDP growth reaching an impressive 8 per cent in 2025, Vietnam is aiming to outperform current projections and achieve double-digit growth of at least 10 per cent in 2026, maintaining its momentum towards the goal of becoming a high-income country by 2045 despite rising geopolitical tensions and global economic uncertainty.

As shown in Graph 2, Oxford Economics' latest projections indicate GDP growth of just above 7 per cent in 2026, while the World Bank (2025) forecasts growth at around 6.1 per cent. Vietnam's growth is driven by manufacturing exports and foreign direct investment (FDI), supported by public investment. However, slowing global demand, trade fragmentation, and regulatory inefficiencies present risks to achieving these ambitions.

The more cautious outlook presented by the World Bank is largely driven by expectations of weaker global economic conditions. Global growth is expected to slow as trade activity decreases amid continued geopolitical tensions. The World Bank further notes that growth in Vietnam's trade with key partners, including the United States and China, is also expected to decelerate, limiting external demand for Vietnamese exports. According to the IMF, increased trade policy uncertainty is likely to have a negative impact on both investor and consumer confidence, with export-oriented economies such as Vietnam particularly vulnerable to these developments.

Projected GDP growth in Vietnam

Graph 2: Historical and projected GDP in Vietnam compared to the Asia region.

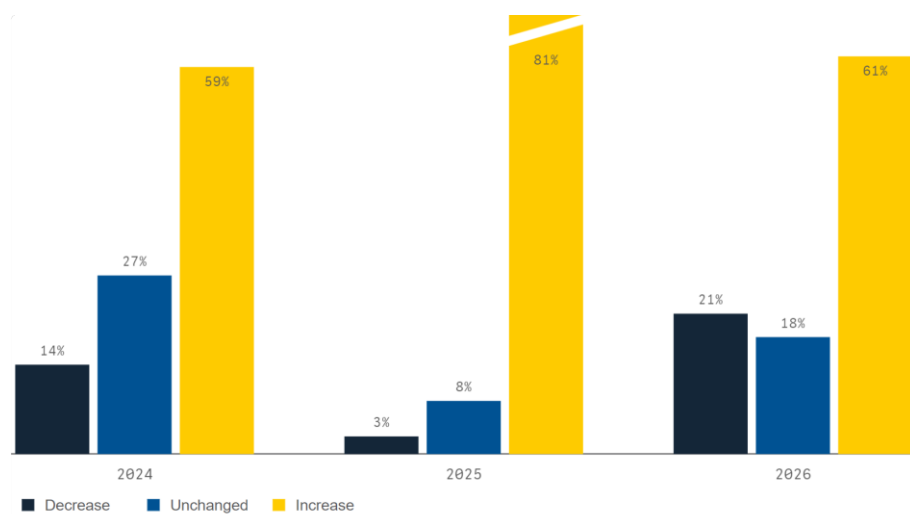


NOTE: Constant prices
SOURCE: Oxford Economics 30 January 2026

Regarding the economic outlook for 2026, Swedish companies are overall less optimistic about business performance in the coming year. Among the surveyed companies, 61 per cent expect turnover to increase in the coming year, down from 81 per cent in the previous year. In parallel, 18 per cent of companies expect their turnover to remain unchanged, while 21 per cent expect it to decrease. This marks a notable increase compared to the previous year's level of only 3 per cent.

Compared to the development in the past 12 months, what are your expectations for the coming 12 months for your industry in Vietnam regarding turnover?

Graph 3: Turnover projections of Swedish companies in Vietnam.



NOTE: The number of respondents for this question was 30. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Vietnam 2026

Vietnam remains an attractive market for Swedish businesses

According to the General Statistics Office of Vietnam, disbursed foreign direct investment (FDI) reached an estimated USD 27.6 billion in 2025, a 9 per cent year-on-year increase and the highest level in five years. This underscores strong investor confidence despite a challenging global environment. High levels of FDI into Vietnam remain a key element of the country's economic development strategy, driving industrialisation, export growth, and modernisation, while supporting Vietnam's ambition to position itself as an increasingly open and globally integrated economy.

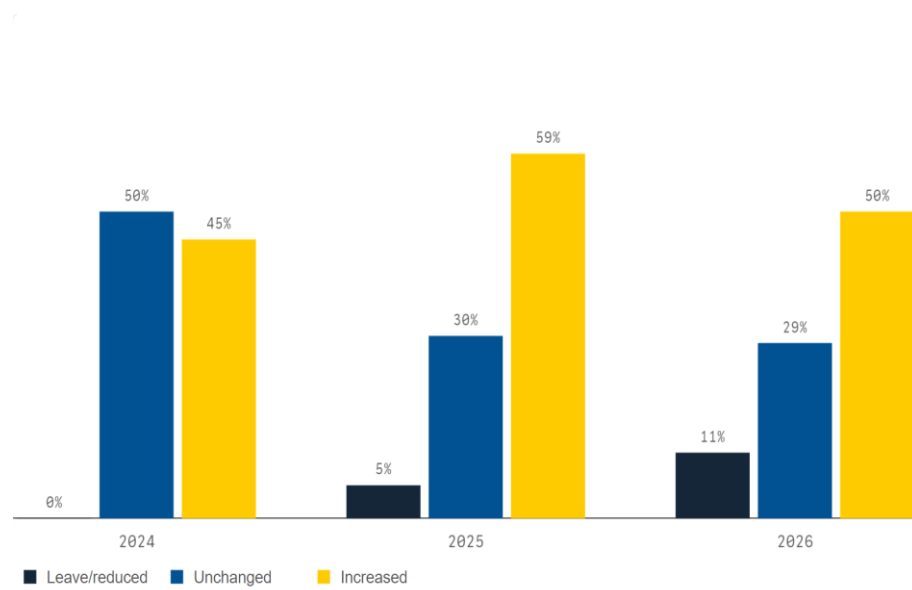
This trend is also reflected among Swedish firms in Vietnam, where 50 per cent of the surveyed companies intend to increase investment in the coming 12 months. Just under 30 per cent of Swedish companies expect to keep their investment levels unchanged, while only 11 per cent anticipate a reduction. Investment confidence appears to differ by company size, with larger companies appearing more resistant to uncertainty and therefore more willing to invest. Analysing company size, 60 per cent of both large and medium-sized companies intend to increase investments in the coming year. Among small companies, only 14 per cent intend to increase investments, while 57 per cent expect to maintain investment levels in line with the previous year.

The positive investment outlook among Swedish companies is reflected in the broader business environment. According to the European Chamber of Commerce in Vietnam (EuroCham), the Business Confidence Index (BCI) rose by 13.5 points to reach 80.0 in Q4 2025, marking its highest level in seven years. The significant increase points to strong recovery in confidence among European firms, indicating a notable improvement in business sentiment.

Despite the relatively strong investment outlook, Swedish companies highlight several challenges in the Vietnamese business environment. Key concerns include administrative procedures, regulatory complexity, and issues related to permits and approvals. These factors remain key barriers to further expansion and investment. These internal frictions will be examined in greater detail in the following section.

What are your company's investment plans for the coming 12 months in Vietnam, compared to the past 12 months?

Graph 4: Future investment plans of Swedish businesses in Vietnam.



NOTE: The number of respondents for this question was 28. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Vietnam 2026

The market

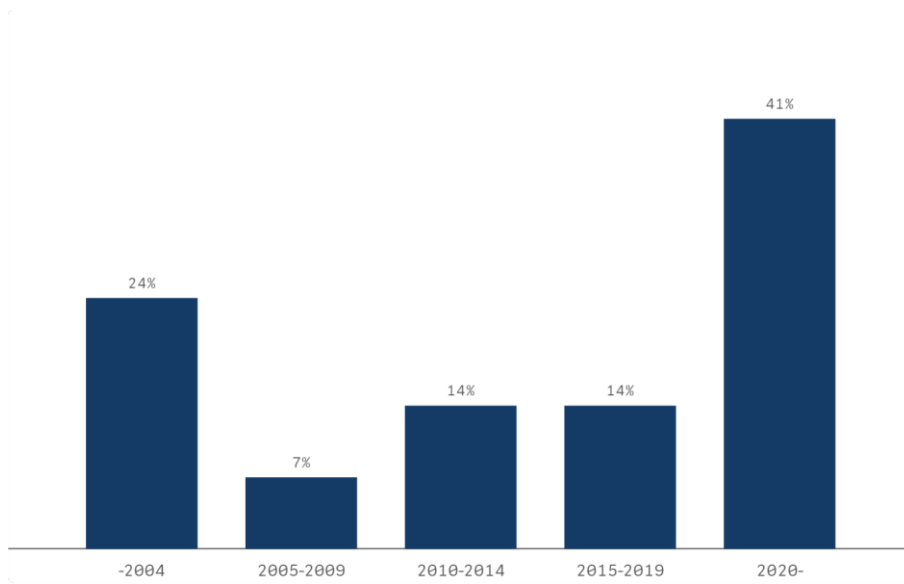
New Swedish entrants are increasing, though most operate on a small scale

As Vietnam’s economy continues to expand and the country becomes an increasingly attractive market, so has the number of Swedish companies establishing a presence in the country. As illustrated in the graph below, Swedish companies in Vietnam consist largely of recent market entrants, with almost half having established operations after 2020. However, there is also a significant number of companies with long-standing experience in the country, having been established prior to 2004.

Vietnam’s growing attractiveness globally is further supported by its strong performance in the 2026 Global Opportunity Index, which measures a country’s attractiveness to international investors, accounting for a combination of economic, financial, institutional, and regulatory factors. Vietnam ranks second among growth markets in Asia and 39th globally, rising significantly from 73rd in 2025, driven by robust growth and favourable trade conditions. In addition, an increasing number of Swedish companies are adopting “China + 1” strategies, which involve diversifying or relocating operations from China to benefit from lower costs, preferential trade agreements, and reduced supply chain risks.

In what year did your company establish operations in Vietnam?

Graph 5: Swedish companies’ year of establishment in Vietnam.



NOTE: The number of respondents for this question was 29. “Don’t know/Not applicable” responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in Vietnam 2026.

As illustrated in Graph 6, the surveyed companies operate across a wide range of industries. The two largest sectors, energy/electricity and consumer goods, have both grown from 8.3 per cent in last year’s survey to 19.4 per cent and 16.1 per cent, respectively. Other notable industries include business services, consumer services, healthcare/pharmaceuticals and industrial equipment, each accounting for 9.7 per cent of participating companies.

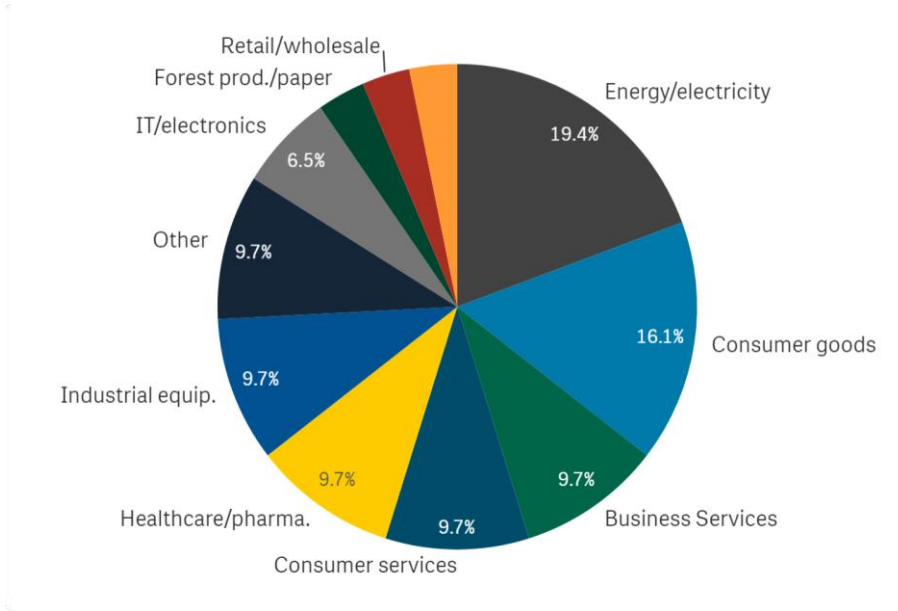
The strong representation of companies within the energy and electricity sector reflects Sweden’s long-standing expertise in sustainable energy solutions. Swedish companies are playing an active role in supporting Vietnam’s green transition, contributing with knowledge, innovation and experience. This is further reinforced by bilateral initiatives and partnerships, which have strengthened cooperation in the energy sector and contributed to the growing presence of Swedish firms.

The number of companies in the consumer goods sector reflects Vietnam’s dual role as both a manufacturing hub and an increasingly attractive consumer market. At the same time, consumer

and business services are key sectors which highlight the shift toward a more integrated economy in which value creation increasingly depends on service-oriented activities that support both households and businesses.

What is your company’s main industry in Vietnam?

Graph 6: Swedish companies’ main industries in Vietnam.

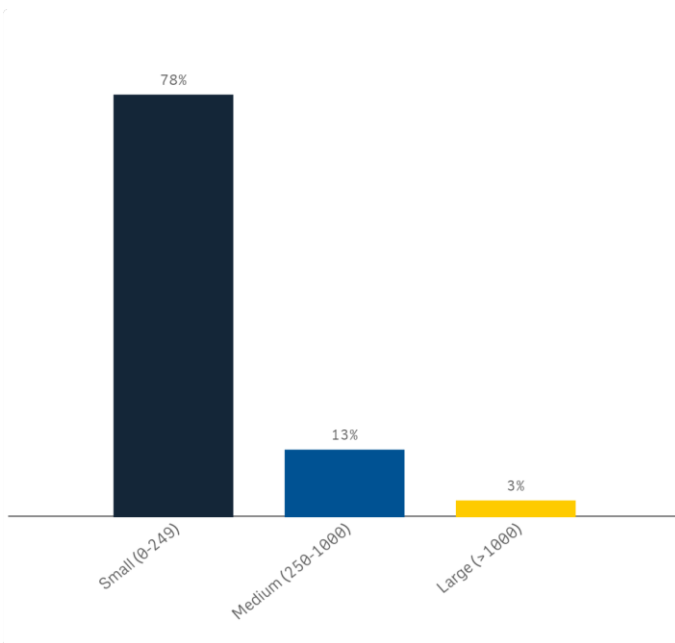


NOTE: The number of respondents for this question was 31. “Don’t know/Not applicable” responses are included but not shown in figure.
 SOURCE: Business Climate Survey for Swedish Companies in Vietnam 2026.

While half of the companies are considered large on a global scale, the vast majority have a relatively small number of employees in Vietnam. Among the surveyed companies, 78 per cent have fewer than 250 employees in the country, while only 3 per cent have more than 1,000 employees.

Swedish firms’ local number of employees in Vietnam in 2026

Graph 7: Swedish companies’ local number of employees in Vietnam.



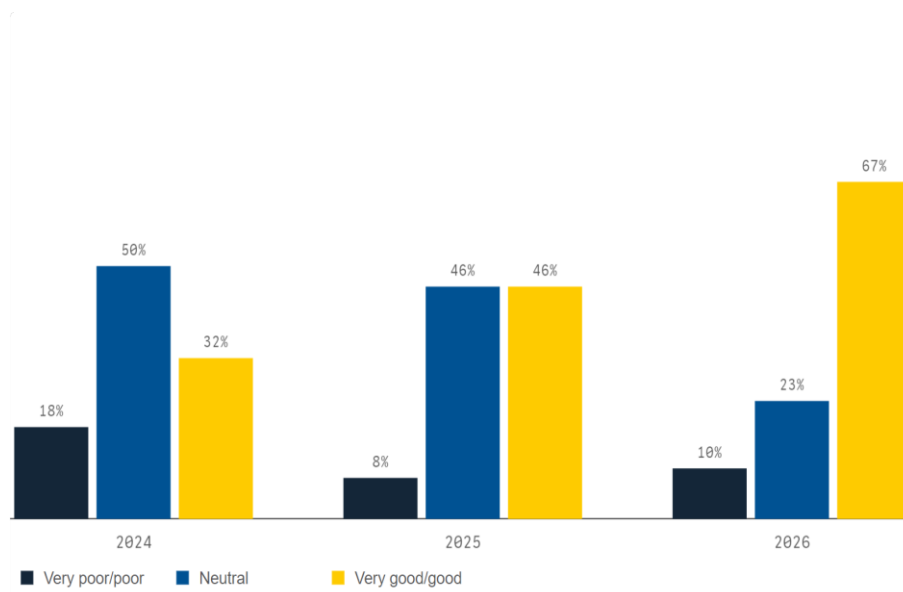
NOTE: The number of respondents for this question was 32. “Don’t know/Not applicable” responses are included but not shown in figure.
 SOURCE: Business Climate Survey for Swedish Companies in Vietnam 2026

Business climate perceptions improve significantly

The assessment of this year's business climate indicates a significant improvement compared to previous years. 67 per cent of the respondents perceive the business climate as very good or good, up from 46 per cent last year. The proportion of respondents with a neutral perception has decreased by 13 percentage points, to 23 per cent. At the same time, the share of respondents who perceive the business climate as very poor or poor remains relatively low at 10 per cent. The improvement in the perceived business climate is likely driven by a combination of strong macroeconomic performance and gradual improvements in the business environment, which have contributed to facilitating companies' operations and market establishment, despite remaining challenges.

How do you perceive the current business climate in Vietnam?

Graph 8: Swedish companies' perception of Vietnam's business climate.



NOTE: The number of respondents for this question was 30. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Vietnam 2026

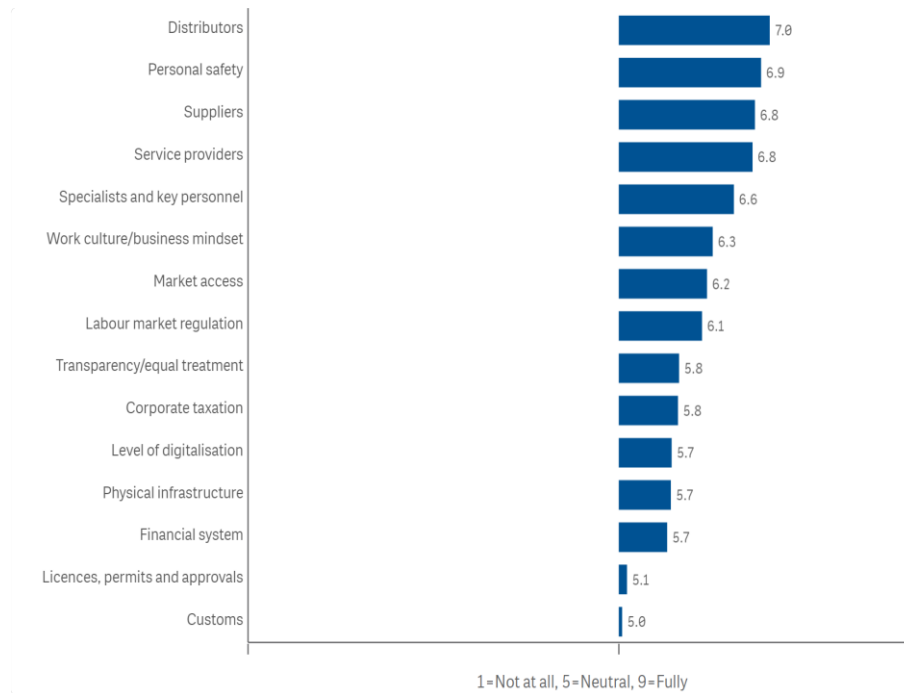
Business conditions remain broadly unchanged for Swedish companies in Vietnam

Swedish businesses in Vietnam report high levels of satisfaction with distributors, personal safety, and suppliers, reflecting a generally supportive operating environment in these areas. Compared to last year's survey, the conditions that have improved the most are access to distributors and suppliers, which have increased by 0.6 points and 0.5 points, respectively. However, several structural challenges remain. In particular, further improvements are needed in customs procedures, as well as in licensing processes, permits, approvals, and the financial system. Overall, the perceived business climate among Swedish firms remains stable, with gradual improvement over recent years.

These findings are broadly consistent with the World Bank's Business Ready (B-READY) 2025 report, which highlights Vietnam's relatively strong performance in areas such as utility services, financial services, and business entry. At the same time, the report identifies weaker performance in areas including international trade, dispute resolution, market competition, and business insolvency. This aligns closely with the experiences of Swedish companies, particularly regarding customs procedures, regulatory complexity, and administrative processes.

How well do the following conditions meet the needs of your company in Vietnam?

Graph 9: Swedish companies' satisfaction scale with Vietnam's business conditions.



NOTE: The number of respondents for this question was 32.
SOURCE: Business Climate Survey for Swedish Companies in Vietnam 2026

Customs procedures and regulations remain key barriers for Swedish companies

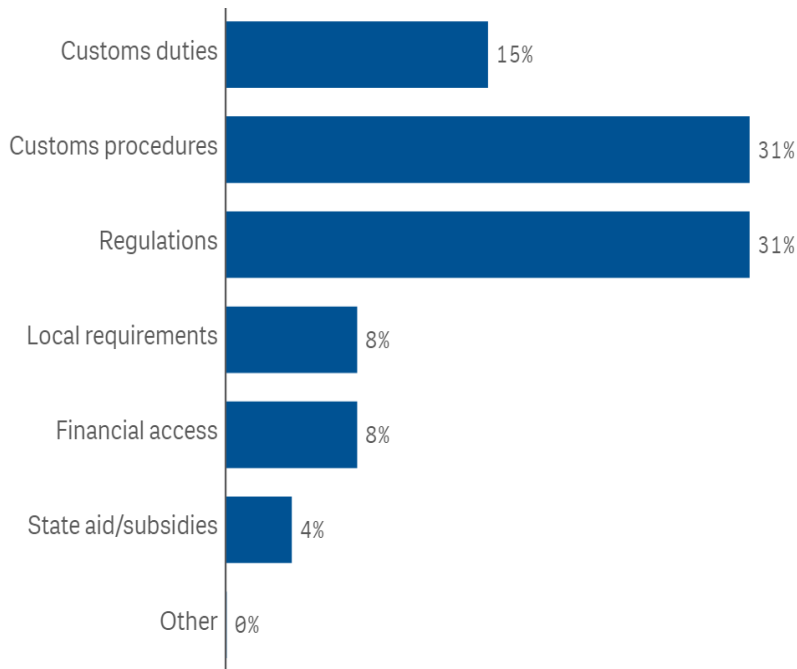
Customs procedures and regulations stand out as the main barriers to trade for Swedish companies, consistent with the findings from last year's survey. One-third of the surveyed companies report that customs procedures have had a significantly negative impact on their operations. A similar proportion reports the same for regulations.

Addressing these issues is important beyond a purely business perspective, as they affect all international companies operating in Vietnam. If left unresolved, they risk constraining overall economic activity and may slow broader economic growth. Improving customs procedures and regulatory processes will therefore be key to enhancing the business climate, not only for Swedish firms but for Vietnam as a whole.

At the same time, the Vietnamese government has introduced several regulatory reforms aimed at improving transparency, enhancing digital governance, and modernising administrative and customs procedures. Recent updates, effective in 2026, include reforms related to customs compliance, administrative procedures, foreign investment regulations, and broader digitalisation efforts. These measures reflect a broader ambition to align Vietnam's regulatory framework more closely with international standards and investor expectations.

Has your company in the past year encountered trade barriers in Vietnam with a noticeably negative impact on operations in any of the following areas?

Graph 10: Swedish companies' experiences with trade barriers.



NOTE: The number of respondents for this question was 32.
 SOURCE: Business Climate Survey for Swedish Companies in Vietnam 2026

How Swedish companies succeed in Vietnam

Swedish firms in Vietnam remain focused on marketing and sales

The survey indicates that the operations carried out by Swedish companies in Vietnam remain diverse and aligned with market needs. Marketing and sales continue to be the primary activity, reported by 58 per cent of respondents. Provision of services, reported by 42 per cent of companies, covers a wide range of business support functions, including consulting, logistics, IT solutions, and professional services, reflecting the importance of knowledge-based activities alongside commercial operations.

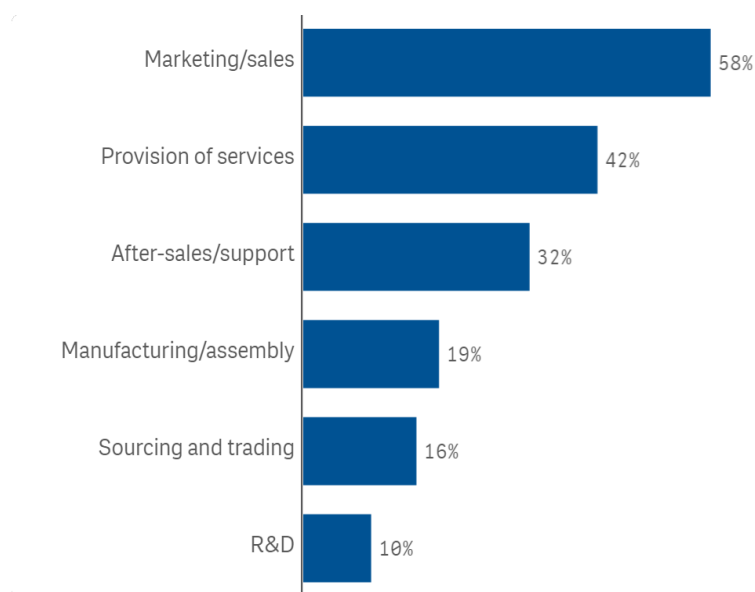
After-sales and/or support activities are performed by 32 per cent of companies, highlighting a continued commitment to customer care and service quality. Other operational areas include manufacturing and/or assembly (19 per cent), sourcing and trading (16 per cent), and research and development (R&D) at 10 per cent.

The emphasis on marketing, sales, and service provision aligns with the profile of many Swedish companies in Vietnam, where a significant proportion are small and medium-sized enterprises. This reflects a practical focus on revenue-generating and client-oriented activities as companies establish and expand their presence in a dynamic, fast-growing market.

R&D activities, while currently lower than other operations, show emerging interest. As companies expand their production and supply chain capabilities in Vietnam, further growth in R&D can be expected in the coming years. This trend highlights the potential for increased innovation and localisation of products and services in the Vietnamese market. Under Decree 101/2026/ND-CP, the Vietnamese government has introduced a range of policies and incentives aimed at promoting high-tech industries, innovation, and R&D activities. The reforms focus on supporting technology transfer, strengthening cooperation between enterprises and research institutions, expanding innovation and startup ecosystems, and improving access to funding for science and technology initiatives.

Operations of Swedish firms in the market

Graph 11: Swedish companies' business activities in Vietnam.



NOTE: The number of respondents for this question was 32. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Vietnam 2026

Product development emerges as top driver of competitiveness in Vietnam

When Swedish companies in Vietnam are asked which factors are most important to maintain competitiveness, product development, brand awareness, cost efficiency, and partnerships with local stakeholders rank among the highest.

Product development (41 per cent) emerges as the leading factor. In a fast-growing and highly dynamic market like Vietnam, companies need to continuously adapt and innovate their offerings to meet changing consumer preferences and local demand. Brand awareness (34 per cent) ranks second, underlining the importance of visibility and reputation in an increasingly competitive and digitalised market. Vietnamese consumers are highly responsive to branding, particularly through online channels and social media.

Cost efficiency (31 per cent) remains a key factor, although less dominant than in some other Southeast Asian markets. With strong price sensitivity and competition from local and regional players, companies must ensure efficient use of resources and optimised supply chains to stay competitive. Partnerships and local relationships (31 per cent) are equally important. Given Vietnam's complex regulatory environment and relationship-driven business culture, having the right local partners with strong market knowledge is often critical for success. Sales competence (28 per cent) continues to play a significant role, reflecting the importance of strong local sales teams and relationship management in driving business growth. Unlike in some more mature markets, sales capabilities remain a key differentiator.

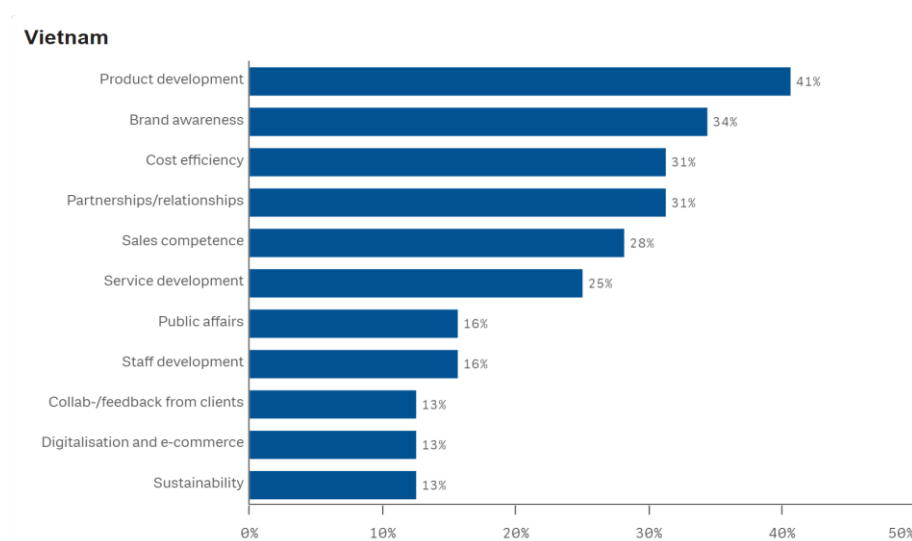
When benchmarking the most important success factors by industry, 2026 results align with those of 2025, in which:

- Cost efficiency – most important for companies in industrial sectors
- Partnerships and relationships – most important for companies in professional services
- Brand awareness – most important for companies in consumer-facing industries

The results suggest a more balanced distribution across sectors, with strong contributions from manufacturing, services, and consumer markets. This indicates that industry composition, combined with rapid economic growth and evolving consumer behaviour, influences which competitiveness factors are prioritised.

To date, which of the following areas have been important in maintaining competitiveness in Vietnam?

Graph 12: Swedish companies' perception of the importance of success factors.



NOTE: The number of respondents for this question was 32. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Vietnam 2026

Swedish Brand remains an asset for companies in Vietnam

Team Sweden in Vietnam is actively promoting Sweden as an overarching brand for innovation and sustainability, and the results reflect a solid and growing reputation in the market. According to the survey, 81 per cent of respondents reported that the Swedish brand contributes from “to an extent” to “very much” to their success. Meanwhile, 12 per cent indicated no contribution at all.

Sweden’s brand identity—often associated with innovation, quality, sustainability, and trustworthiness—continues to be an asset, although its impact in Vietnam appears more moderate and varied across companies compared to some neighbouring markets. Many firms still leverage this perception in their marketing, positioning, and product development, particularly in sectors where quality and origin matter.

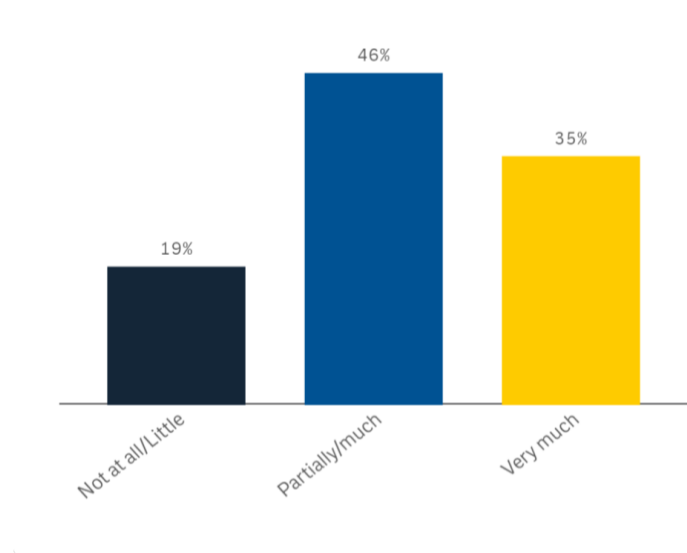
Looking at company size, the Swedish brand appears to be most impactful among small companies, where 43 per cent reported that it contributes “very much” to their success. This highlights its role as a valuable competitive advantage for smaller firms that may lack strong independent brand recognition.

Among medium-sized companies, 25 per cent indicated that the Swedish brand contributes “very much”, while the figure for large companies is 29 per cent. This suggests that although larger firms benefit from their own established brands and global presence, the Swedish identity still plays a supporting role in reinforcing credibility and trust.

Overall, the findings indicate that while the Swedish brand remains a positive and relevant factor in Vietnam, companies rely more heavily on operational, commercial, and market-driven factors—such as product development, partnerships, and brand-building at the company level—to achieve competitiveness.

To what extent would you estimate that the “Swedish brand” contributes to your business in Vietnam?

Graph 13: Swedish companies’ perception of the importance of the “Swedish brand” to their business success.



NOTE: The number of respondents for this question was 26. “Don’t know/Not applicable” responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in Vietnam 2026

Acting sustainably

Vietnam's green transition moves from ambition to implementation

Vietnam's energy transition is gaining momentum, supported by strong economic growth and increasingly ambitious climate targets. The government's pledge to achieve net-zero emissions by 2050 sets a clear long-term direction, while its updated nationally determined contributions (NDCs) outline emission reduction targets for 2030. At the same time, Vietnam's pathway to sustainability is shaped as much by structural constraints as by policy ambition.

At the 29th United Nations Climate Change Conference, Le Cong Thanh reaffirmed this commitment while acknowledging a critical gap. Current technological capacity, institutional readiness, and financing—still largely dependent on the state budget—remain insufficient to meet the urgency of climate adaptation needs. Updates to the National Adaptation Plan (NAP) 2021–2030, developed under the United Nations Framework Convention on Climate Change, further reinforced this reality. The revised plan outlines 162 tasks across resilience building, disaster risk reduction, and institutional strengthening, but also highlights a central challenge. Moving from comprehensive planning to effective execution at scale remains difficult.

Rising electricity demand sits at the centre of Vietnam's transition. Growth is being driven by the country's role as a regional manufacturing hub and continued inflows of foreign direct investment. This has required a rapid expansion of power supply, with solar and wind energy growing quickly. Under the Power Development Plan (PDP8), Vietnam aims to scale up renewables while gradually reducing reliance on coal. However, the pace of renewable deployment has exceeded the capacity of existing infrastructure, leading to grid congestion and curtailment, particularly in the south. In practice, the bottleneck is shifting. The issue is no longer generation capacity but transmission, system integration, and regulatory alignment.

From a business perspective, sustainability remains unevenly embedded. While consumer awareness is increasing, it has yet to translate into consistent purchasing behaviour. Many companies also report that their sustainability efforts are not sufficiently recognised in the market. This points to a broader structural issue, where demand for sustainable products and practices is still weaker than supply-side ambition. At the same time, supply chain practices such as waste management, energy use, and sourcing remain only partially aligned with sustainability goals, reflecting both cost pressures and limited enforcement.

Access to green energy has become a key concern, particularly among manufacturing firms looking to decarbonise operations. Many businesses highlight the need for renewable energy producers to participate more directly in electricity supply, seeing this as essential for scaling green production. However, regulatory uncertainty and delays in updating energy laws continue to constrain investment and project development. As one business respondent noted, a lack of regulatory clarity is directly affecting project pipelines and limiting growth opportunities.

At the policy level, Vietnam is also recalibrating its energy mix to balance sustainability with energy security. While offshore wind was previously a major focus, there is increasing consideration of nuclear energy to provide stable baseload power, with initial projects tentatively planned for the early 2030s. This reflects a broader tension between ensuring reliability and affordability while accelerating decarbonisation.

Environmental pressures are also becoming more visible. Declining air quality, both in urban environments and within industrial workplaces, is an increasing concern. This adds a public health dimension to the sustainability agenda and reinforces the need for stricter environmental standards, stronger enforcement, and greater corporate accountability.

Vietnam continues to face a structural tension between sustaining high economic growth and achieving deep decarbonisation. Fossil fuels, particularly coal, still dominate the energy mix, especially in the north, while renewable expansion is more concentrated in central and southern regions. This geographic imbalance highlights the need for stronger grid integration and system coordination.



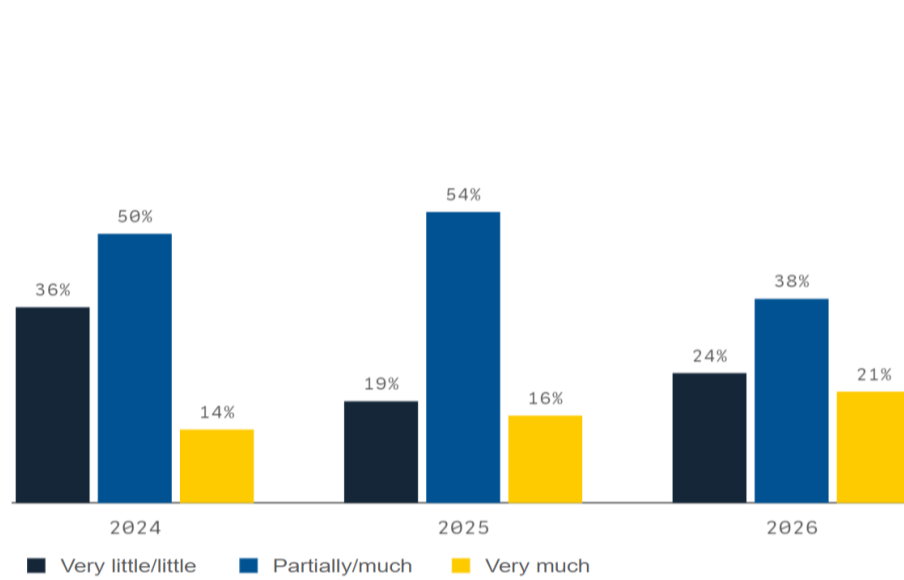
A government-led framework will be essential in the coming period to strengthen oversight and drive efforts towards decarbonisation and emissions reduction across Ports and Maritime sector in Vietnam

Chantharan Ramasamy
Country Manager Singapore & Key Account Manager
Southeast Asia & India - Ports & Maritime Cavotec

The next phase will depend on whether Vietnam can turn policy ambition into consistent execution. This will require significant investment, clearer regulatory frameworks, stronger institutional coordination, and closer collaboration between government, businesses, and communities. If these constraints are addressed, Vietnam is well positioned to strengthen its role as both a fast-growing economy and an emerging leader in sustainable development.

To what extent do customers in Vietnam consider the environmental aspects of a product or service in their purchasing decision?

Graph 14: Customers in Vietnam's consideration of the environment aspect in purchases.



NOTE: The number of respondents for this question was 32. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Vietnam 2026

Anti-corruption efforts deepen as focus shifts to execution and state effectiveness

Vietnam's anti-corruption campaign is entering a more consequential phase, shifting from high-profile investigations to restoring state effectiveness. While enforcement under the "Blazing Furnace" campaign continues across sectors such as healthcare, real estate, and public administration, the focus is increasingly on addressing the disruptions these cases have caused, particularly delays in public investment and infrastructure delivery.

The challenge is no longer uncovering corruption but ensuring that enforcement does not come at the cost of administrative effectiveness. Earlier phases of the campaign led to greater caution among public officials, slowing approvals and project implementation. Authorities are now working to rebalance the system by maintaining strict oversight while clarifying procedures to restore decision-making momentum. Efforts to complete long-delayed infrastructure projects reflect this shift toward a more execution-focused approach.

Structural reforms are also gaining traction. The expansion of digital public services and tighter procurement oversight are gradually improving transparency and reducing opportunities for informal practices. As enforcement strengthens, expectations of regulatory clarity and administrative efficiency are rising in parallel.

Recent developments are beginning to be reflected in international benchmarks. Vietnam improved its standing in Transparency International's Corruption Perceptions Index, ranking 81st in 2025, compared to 83rd in 2024 and 88th in 2023. This suggests that recent reforms are starting to translate into measurable gains, although continued progress will depend on consistent implementation.

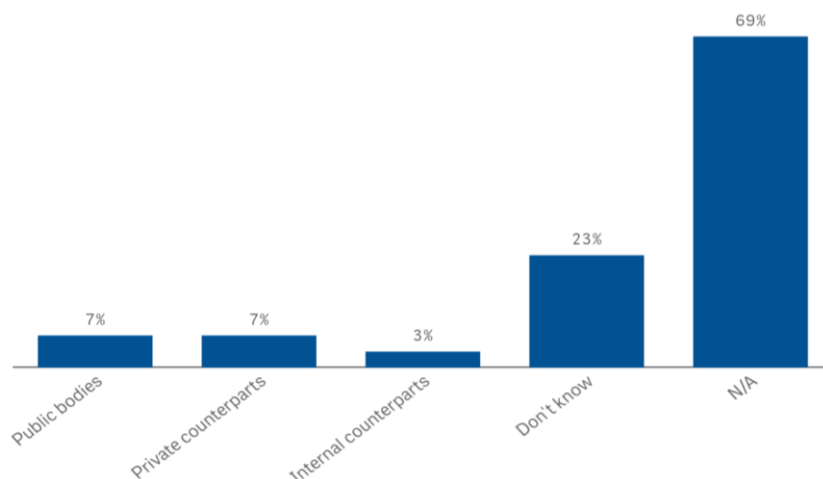
Business sentiment also points to gradual improvement. In 2026, 7 per cent of respondents reported exposure to corruption in interactions with public bodies, 7 per cent with private counterparts, and 3 per cent internally. While slightly higher than in 2025, this likely reflects improved awareness rather

than worsening conditions. More notably, the share of respondents answering “don’t know” fell from 36 per cent to 23 per cent, while those reporting no exposure increased from 57 per cent to 69 per cent.

Taken together, these trends indicate reduced uncertainty and improving transparency in the business environment. While challenges remain, the overall trajectory points to a more predictable and accountable system.

Has your company in Vietnam been exposed to corruption, such as, but not limited to, attempts of bribery or fraud in contacts with any of the following areas?

Graph 15: Swedish companies’ experience with corruption when doing business in Vietnam.



NOTE: The number of respondents for this question was 32. “Don’t know/Not applicable” responses are included but not shown in figure.
 SOURCE: Business Climate Survey for Swedish Companies in Vietnam 2026

Corruption in Vietnam throughout the years

Graph 16: Corruption Perceptions Index 2019–2025, Vietnam



NOTE: Corruption Perceptions Index 2026
 SOURCE: Transparency International.

Labour rights protection progresses, but further legislative reform is needed

Respect for and protection of human rights in Vietnam continues to be a key concern for international partners, including Sweden. In 2026, no respondents reported confirmed cases of human rights violations within their own operations. A small share of respondents (4 per cent) reported human rights violations among partners or collaborators. Overall, this suggests that serious issues are limited in scope, while continued attention to due diligence and monitoring across supply chains remains important.

Swedish companies, as well as those considering expansion into Vietnam, continue to promote responsible business conduct. Efforts focus on strengthening labour rights protections throughout supply chains and conducting thorough due diligence when selecting local partners.

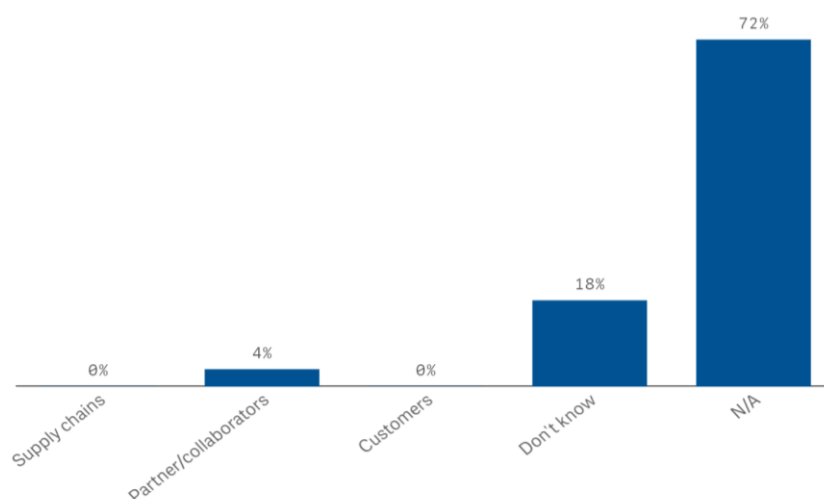
On labour standards, no significant legislative developments have been introduced since the 2023 National Action Plan for Enhancing Responsible Business Practices in Vietnam. The Action Plan remains a key framework for raising awareness, strengthening stakeholder capacity, fostering an enabling environment for engagement, and ensuring access to remedies during the 2023–2027 implementation period. It is the result of collaboration between the United Nations Development Programme (UNDP) in Vietnam and the Ministry of Justice, with support from Sweden.

Vietnam has yet to fully meet its commitments under the EU–Vietnam Free Trade Agreement (EVFTA) to ratify all core conventions of the International Labour Organisation (ILO). In particular, the ratification of ILO Convention No. 87 on Freedom of Association and Protection of the Right to Organise has been further delayed, with no confirmed timeline. While the National Assembly continues to outline plans to ratify additional ILO conventions by 2030—potentially positioning Vietnam as a regional leader within ASEAN—progress remains limited, with no new ratifications over the past 12 months, raising questions about the feasibility of this target.

Strengthening and streamlining reporting mechanisms for workers affected by labour rights violations remains important to ensure effective compliance and enforcement in practice.

Has your company in Vietnam encountered any form of human rights violations and/or labour rights abuse in contact with any of the following areas?

Graph 17: Swedish companies' experience with human rights violations and/or labour rights abuses when doing business in Vietnam.



NOTE: The number of respondents for this question was 32. Don't know/Not applicable" responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in Vietnam 2026

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