

RECAP

**INDUSTRIAL MANUFACTURING FDI IN
VIETNAM**

2025



Vietnam 2025 – Consolidation, innovation, and striving for greatness

Despite escalating global trade, legislative, and political challenges.

1 International: Rising trade, legal, and political challenges from abroad also create opportunities for transformation

Geopolitical influences continue to persist

In 2025 the strategic competition between the US and China continues to escalate through tariff measures and tight controls on key tech sectors like semiconductors and rare earths, driving shifts in investment flows. The prolonged Russia-Ukraine conflict and instability in the Middle East, especially the Gaza conflict, continue to increase uncertainty for international trade and investment. This creates an opening for Vietnam to attract capital flows shifting toward countries with strong economic prospects and political stability, leveraging its strategic location to reach nations in the APAC market.

U.S. Countervailing Duties

After several rounds of negotiations, the United States has imposed countervailing duties at a rate of 20% on goods originating from Vietnam. However, goods considered as trans-shipment may be subject to taxes of up to 40%. This situation creates challenges but also offers an opportunity for Vietnam to transparentize supply chains, diversify export markets, improve localization rates, and rise within the global value chains of key industrial sectors.

EU legal framework on greenhouse gases is about to be implemented

Notably, the Carbon Border Adjustment Mechanism (CBAM), issued by the European Commission, officially concluded its transitional phase in 2025 and will begin its formal implementation phase in 2026. This legal framework requires carbon emission declarations for important exported products such as steel, cement, aluminum, and fertilizers,... ; incurring carbon tax costs from 2026, which directly impacts industrial projects. This encourages businesses to invest in reducing emissions, creating opportunities for Vietnam to attract green FDI flows and upgrade its value chain toward sustainable development.

2 Domestic: Administrative reform and green transformation build the foundation for sustainable growth

"The Four Pillar" – Institutional foundation for a new era of soaring

These are 4 crucial Resolutions issued in 2025, including: Resolution 57 (Science and technology, innovation, digital transformation), Resolution 59 (International integration), Resolution 66 (Construction, legal practice), and Resolution 68 (Private economic development). These will serve as the foundational institutional pillars, creating powerful momentum to help realize the vision of Vietnam becoming a developed country by 2045.

Streamlining government, facilitating investment processes

Vietnam has undergone a major administrative merger reform over the past year. This process is accompanied by the digitalization of procedures and decentralization of power to local levels, helping to reduce regular expenditures, optimize the apparatus, and create a transparent environment that facilitates investment procedures and processes.

Green transformation efforts, reshaping investment attraction

Vietnam is accelerating green transformation in all fields, directly reshaping the new stage of production and investment, demonstrated through: The Circular Economy Plan to 2035 (Decision 222/QD-TTg); Power Development Plan VIII (Decision 500/QD-TTg) promoting renewable energy use; Greenhouse gas emission legal frameworks and Carbon market shaping, thereby setting directions for sustainable growth toward the Net Zero 2050 goal.

The economy grows strongly, bringing positive investment prospects

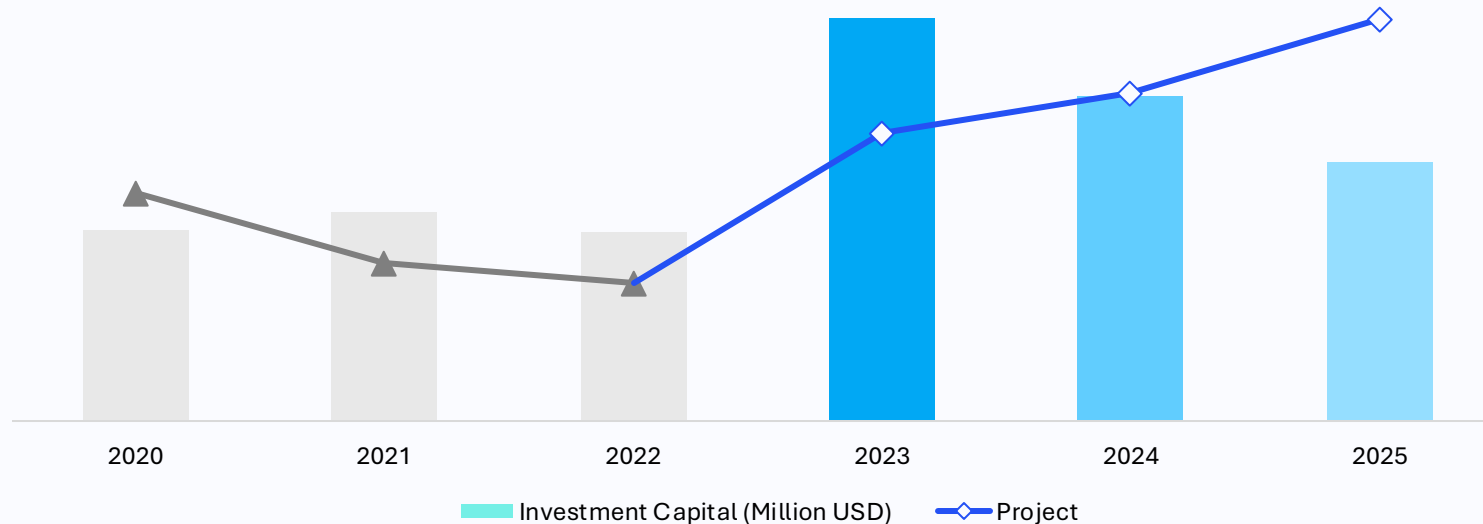
Vietnam's GDP in 2025 grew by 8.02% YoY – among the fastest-growing groups in the region, with GDP per capita entering the upper-middle-income group. Total import–export turnover reached USD 930.05 billion, with a trade surplus in goods of USD 20.03 billion. Macroeconomic indicators remain stable and well-controlled, building solid confidence for international investors.

Attract industrial FDI: Project numbers expand while capital decreases

Existing industrial projects are on a trend of expansion, both in quantity and scale

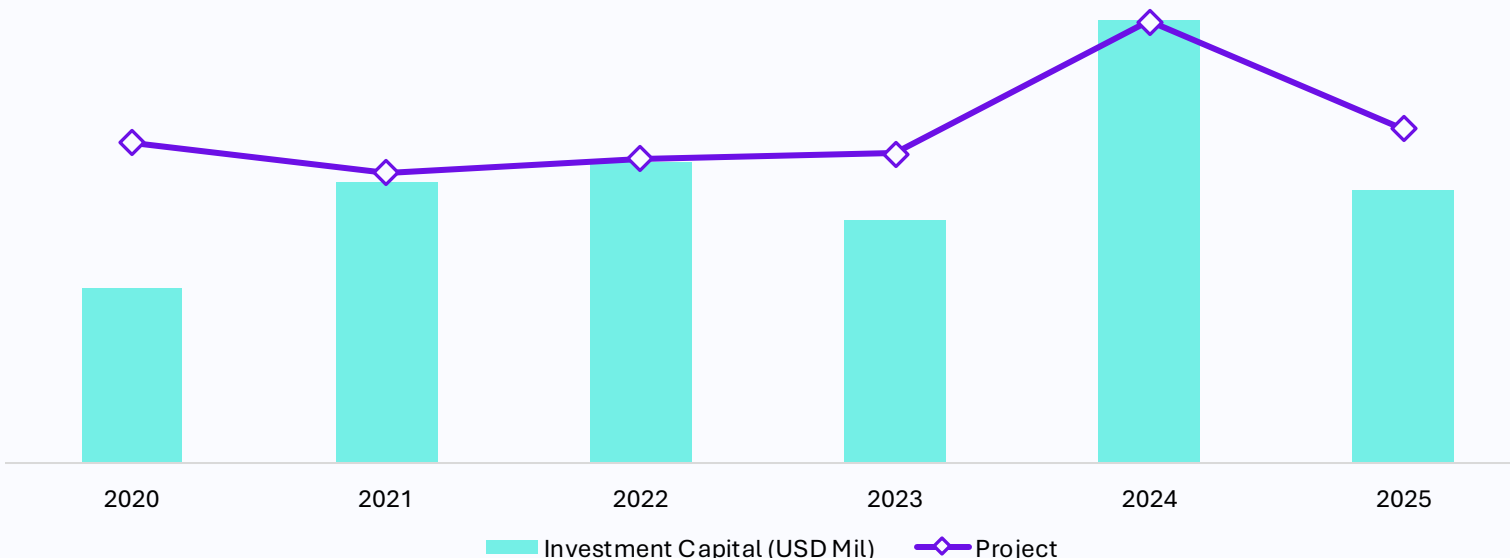
Manufacturing FDI projects trend upward while total capital contracts since 2023

Vietnam Industrial FDI Attraction, 2020 – 2025, by No. Projects & Investment Capital (USD Million)



Existing industrial projects are increasingly expanding and strengthening their manufacturing presence in Vietnam

Capital increases of Industrial FDI projects, 2020 – 2025, by No. Projects & Investment Capital (USD Million)



2025 has concluded, despite fluctuations and instabilities, FDI attraction in Vietnam's industrial manufacturing still recorded growth in the number of projects since 2023. Compared to the same period last year, the number of newly announced projects in 2025 increased by more than 23%. In contrast, the total scale of attracted capital has decreased for 3 consecutive years. And in 2025, attracted capital decreased by more than 20% YoY.

Alongside newly licensed projects, the expansion of existing manufacturing projects has also shown a growth trend in both quantity and investment capital. Although the number of projects and the capital declined in 2025 compared to 2024, the overall upward trend remains. The majority of the capital increase in 2025 belongs to key manufacturing sectors such as Electronics and Textiles. This indicates that manufacturers are expanding and strengthening their industrial presence in Vietnam (through capacity expansion, production improvements, infrastructure upgrades, etc.).

Source: HOUSELINK Data, HOUSELINK Market Intelligence

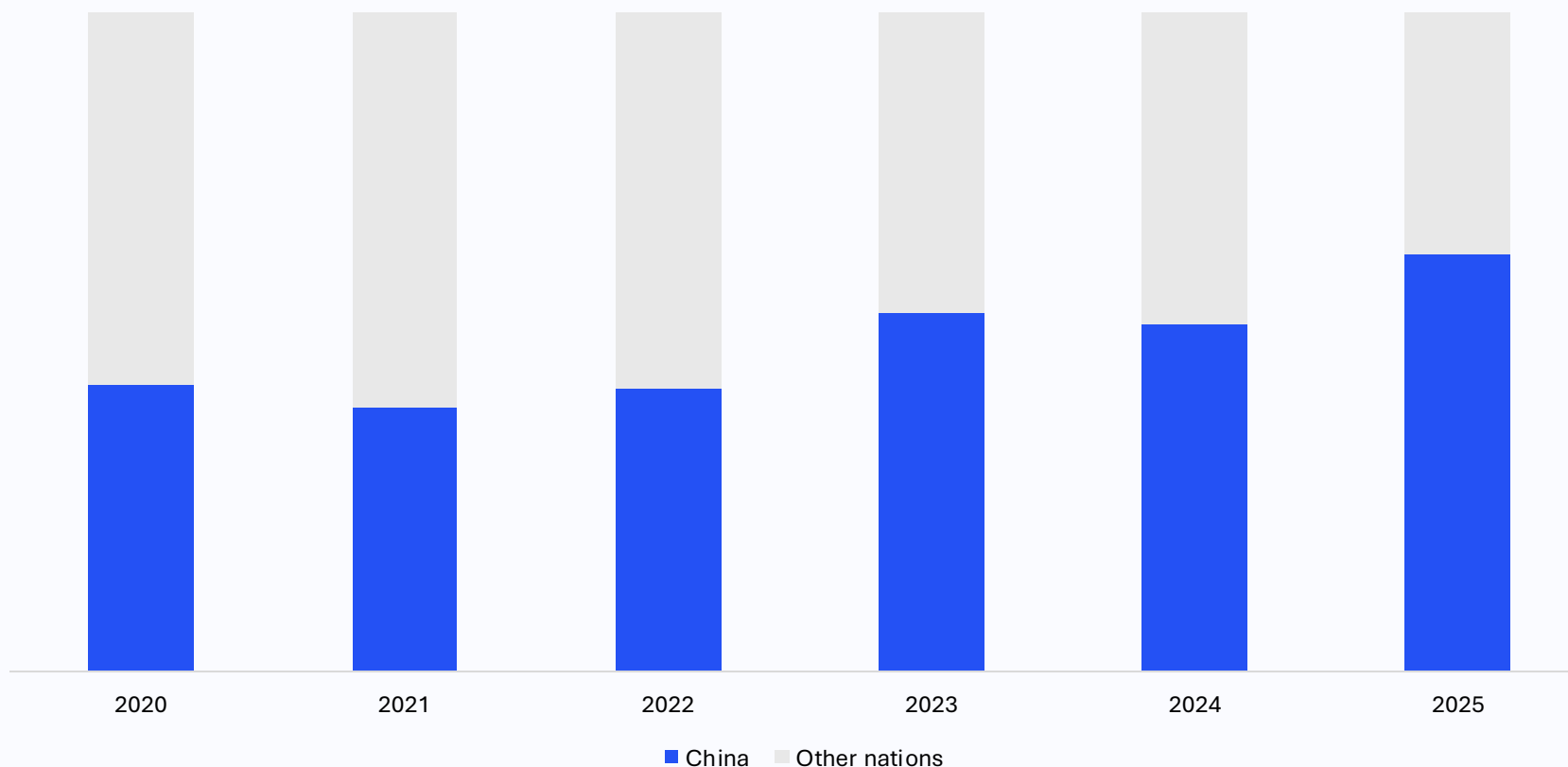
The data used in this analysis includes FDI projects in industrial manufacturing in Vietnam, updated as of November 30, 2025.

China boosts manufacturing presence in Vietnam

In 2025, investors from this country led the way in industrial manufacturing FDI attraction.

Chinese investors have been increasing their manufacturing presence in Vietnam from 2020 to present

Investment share of China by number of projects, 2020 – 2025



Note: The investing countries in this analysis have been verified by HOUSELINK to identify the country where the main headquarters is located, while eliminating countries acting as "transit" points for investment flows.

Since 2020, Chinese investors have been increasing their manufacturing presence in Vietnam as the proportion of this country's investment by project count shows an expanding trend. In 2025, Chinese investors accounted for the majority of industrial manufacturing projects in Vietnam, the highest level since 2020.

In recent years, investment flows from China have also seen both large and small manufacturers appearing in Vietnam for the first time. *Could this be opening a new wave of manufacturing shift alongside the trend of multinational enterprises (MNEs) diversifying their production bases away from China?* This will be clarified in our future publications.

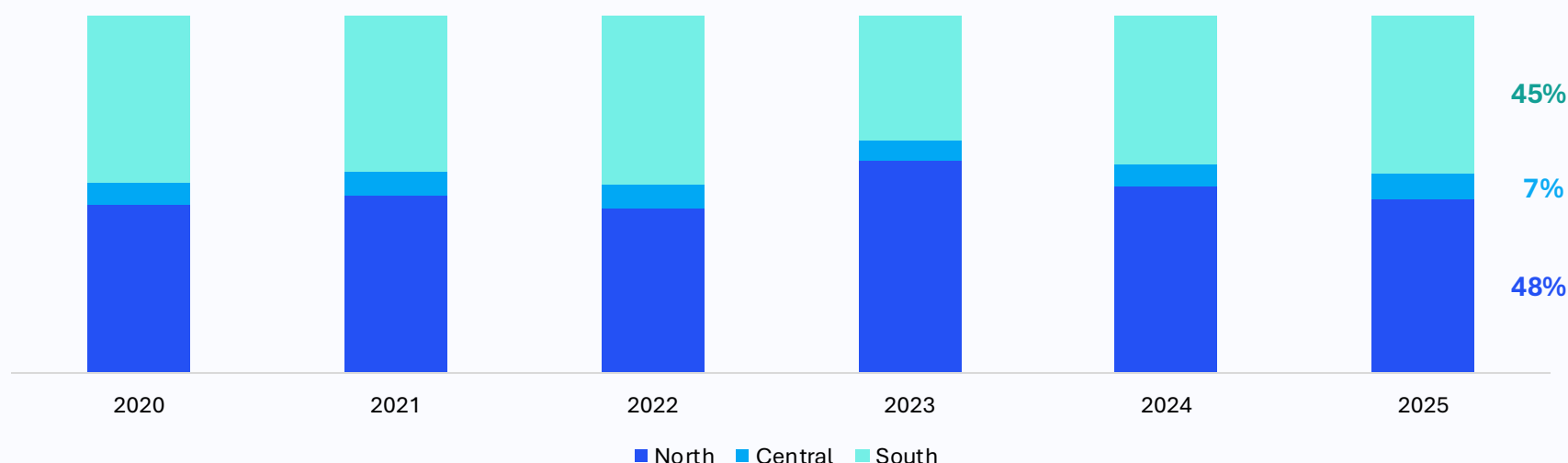
Source: HOUSELINK Data, HOUSELINK Market Intelligence

Northern & Southern are the focal points for industrial FDI

Investment flows remain concentrated in key localities, gradually expanding toward the South.

Since 2023, southern Vietnam has been emerging in attracting manufacturing FDI

Regional market share by number of projects, 2020 – 2025

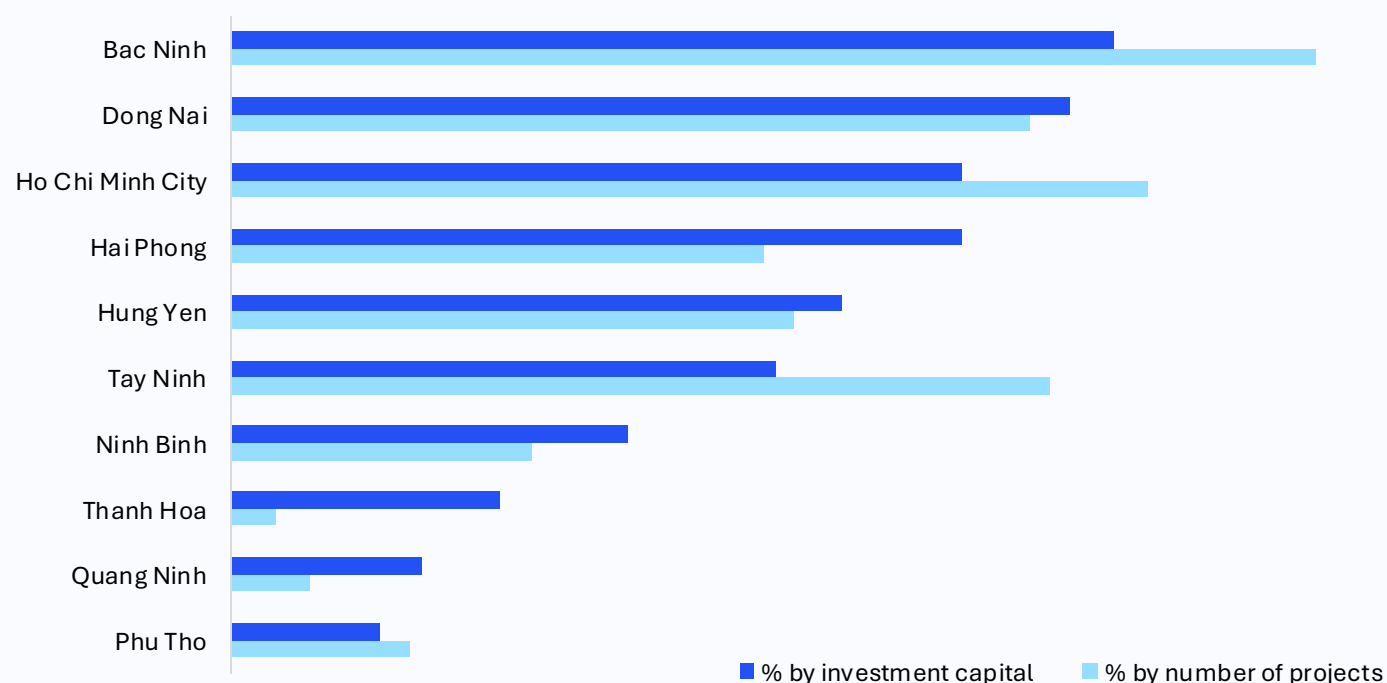


Localities in the Northern and Southern key economic regions continue to play a leading role in attracting investment. However, Central and Southern Vietnam are recording stronger growth momentum, with growth rates exceeding 30% consecutively in 2024 and 2025.

Since 2023, FDI inflows into the South have recovered significantly, gradually narrowing the gap with the North. By 2025, the structure of FDI attraction by region reached a proportion of 48% in the North, 7% in the Central region, and 45% in the South.

TOP 10 provinces after consolidation account for over 90% of investment capital & project share in 2025

TOP 10 investment-attracting provinces by market share of investment capital & projects, 2025



In 2025, the TOP 10 provinces and cities attracting the most investment accounted for over 90% of the national market share, showing that investment flows continue to be highly concentrated in a few key localities, while the spillover to remaining provinces remains limited. Notable key industrial investment localities include Bac Ninh, Dong Nai, Ho Chi Minh City, Hai Phong, and Hung Yen.

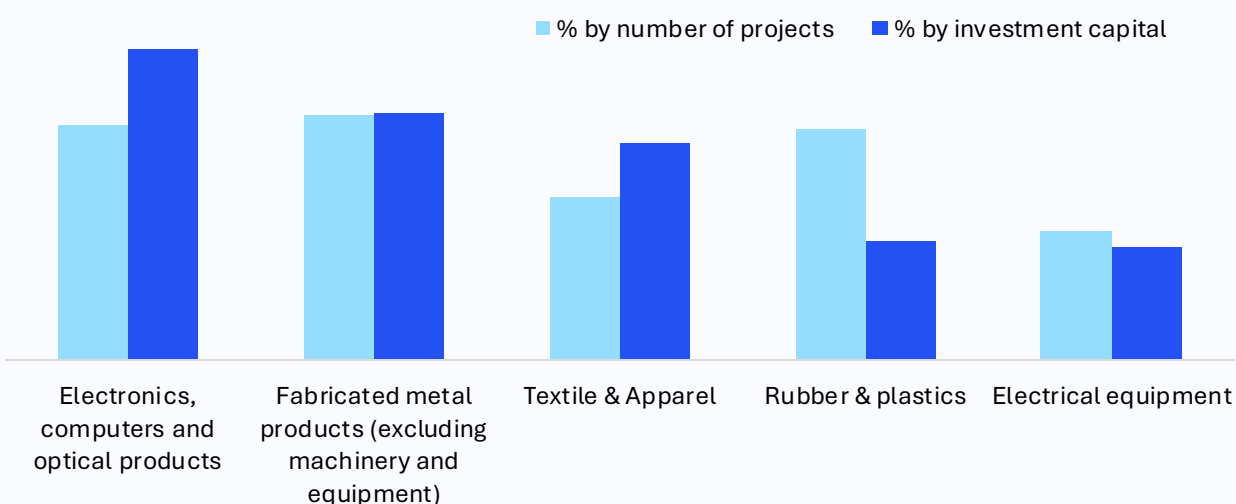
Source: HOUSELINK Data, HOUSELINK Market Intelligence

Electronics leads FDI attraction, despite decelerating growth

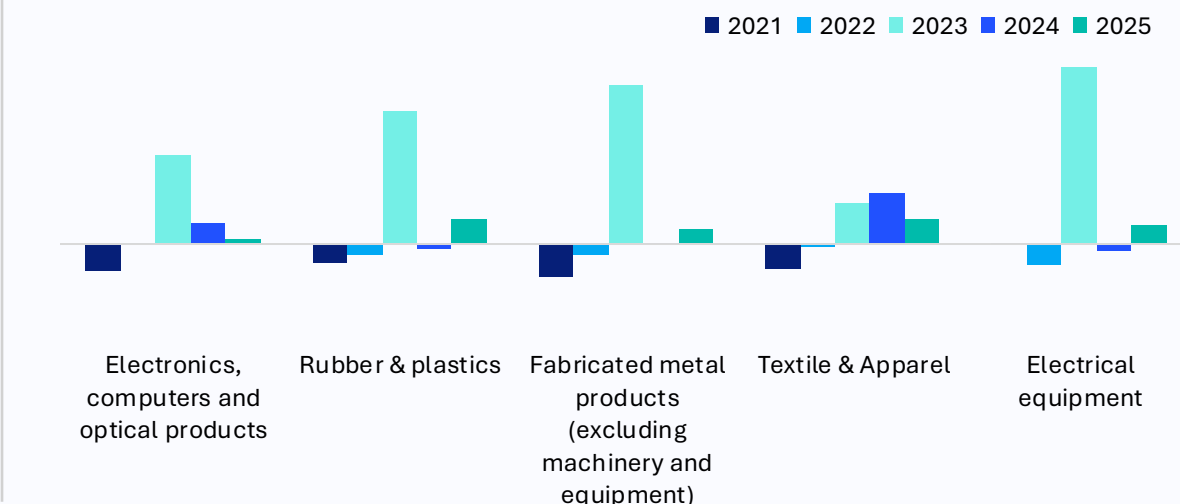
The Textile & Garment, closely tied to the Southern hub, has recorded high growth over the past 3 years.

Electronics continues to lead in attracting manufacturing FDI despite decelerating growth. The Textile and Garment has recorded high growth over the past 3 years.

TOP 5 industries attracting industrial manufacturing FDI, 2025

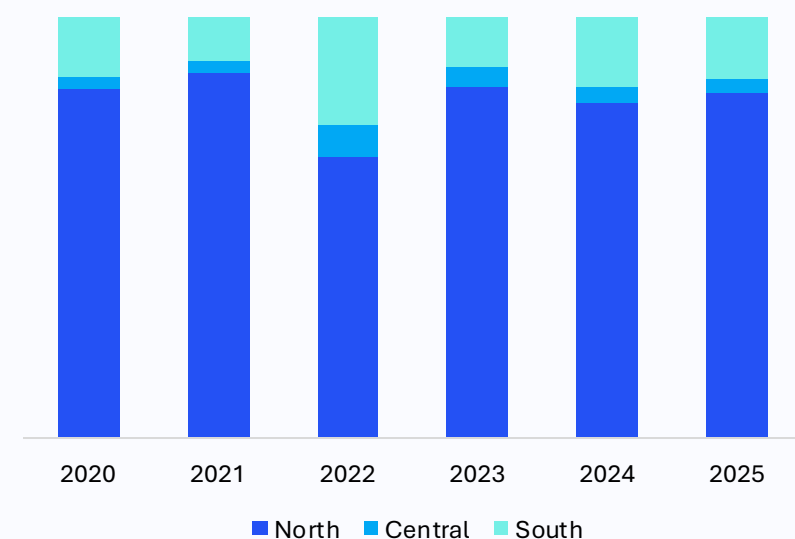


FDI attraction growth by TOP 5 industries, 2021 – 2025

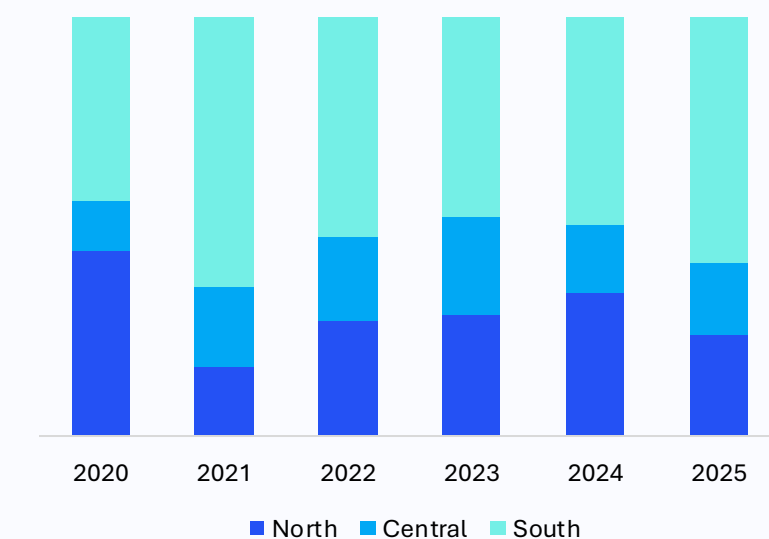


Northern Vietnam remains the hub for attracting and manufacturing in the Electronics industry. Meanwhile, Southern Vietnam leads in attracting the Textile and Garment industry. Over the past 3 years, the Southern region has witnessed an expansion in FDI attraction share across key sectors.

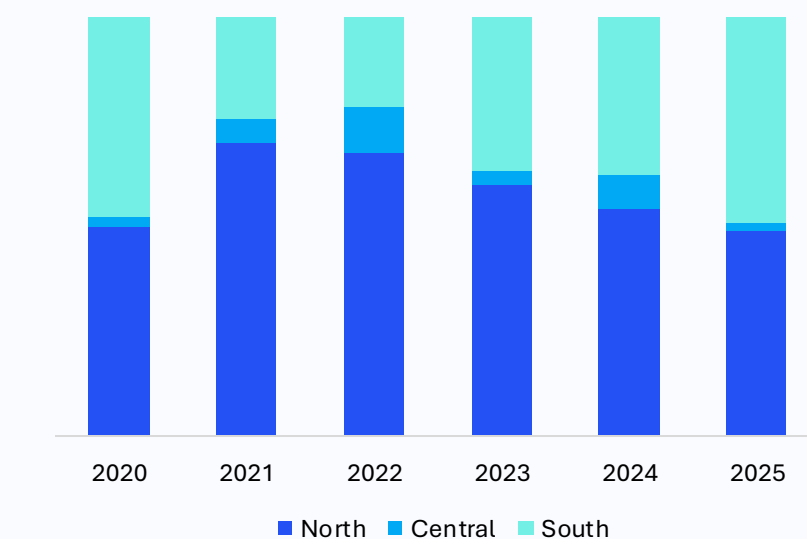
Regional market share in Electronics FDI attraction by project count, 2021 – 2025



Regional market share in Textile and Garment FDI attraction by project count, 2021 – 2025



Regional market share in Electrical Equipment FDI attraction by project count, 2021 – 2025



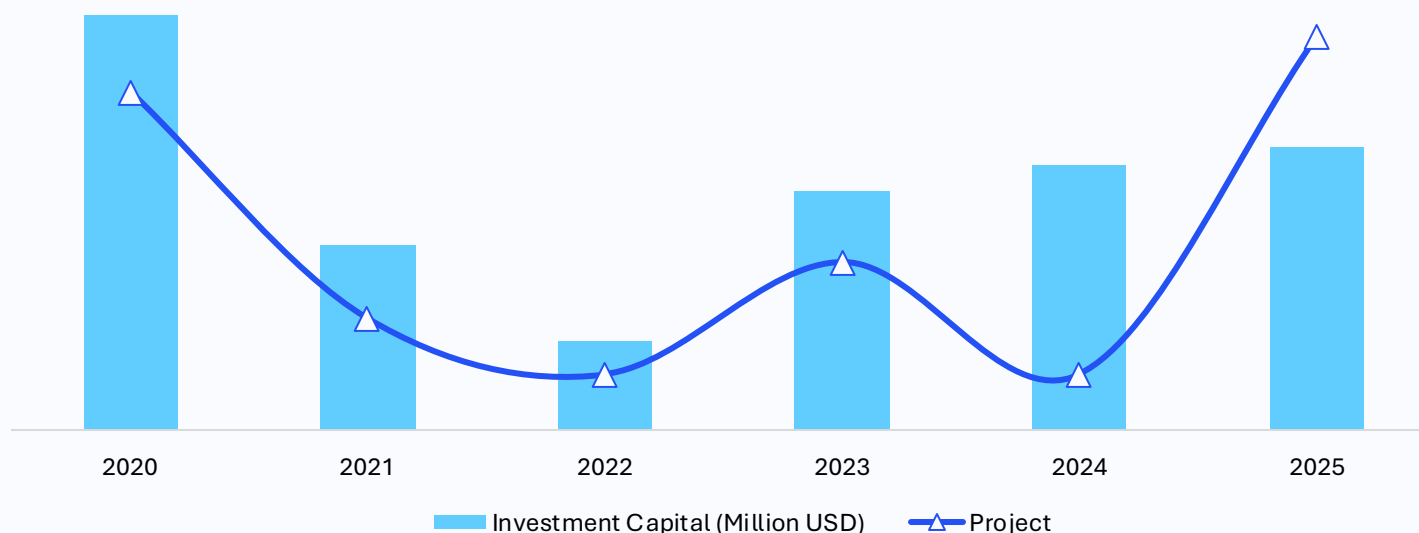
Source: HOUSELINK Data, HOUSELINK Market Intelligence

High-tech manufacturing is gaining strong investment attraction

A greener and more sustainable outlook for Vietnam's manufacturing industry

High-tech manufacturing project attraction in 2025 reached the highest level since 2021

FDI inflows into High-tech Industrial Parks for manufacturing, 2020–2025

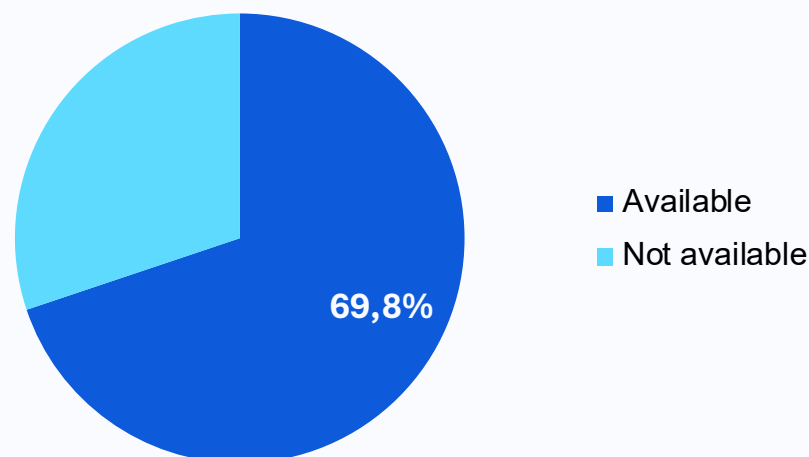


The attraction of high-tech industrial manufacturing FDI into Vietnam has shown a clear upward trend in recent years, with total investment capital and the number of projects in 2025 reaching their highest levels since 2021.

From 2020 to the present, high-tech manufacturing investment flows have been primarily concentrated in the following sub-sectors: *Electronic component manufacturing; Production of high-precision metal structures and components serving the aerospace, aviation, and medical industries; and Manufacturing of machinery and equipment for the semiconductor and medical sectors.*

Most manufacturers have established strategic orientations toward environmental protection and sustainable development

Share of enterprises that have developed environmental and ESG-related plans, as of 11/2025



This trend highlights Vietnam's strong potential to attract major high-tech manufacturers and move up the value chain, driven by improvements in human capital, supply chains, and the investment policy environment.

In a HOUSELINK's survey of manufacturers in Vietnam conducted in 2025, nearly 70% of the surveyed enterprises had developed environmental-related plans or showed a certain level of concern for environmental issues. These initiatives include adopting certifications such as ISO 14001:2015, developing sustainability plans, implementing environmental social responsibility, and establishing emission reduction plans, with the highest level being the goal of carbon neutrality and a clearly defined Net Zero roadmap.

Source: HOUSELINK Data, HOUSELINK Market Intelligence

Towards Green & Sustainable Industrial Investment and Manufacturing: Challenges and Recommendations for Investors

Goal	Challenge	Recommendation
<p>Market Understanding & Approach</p>	<ol style="list-style-type: none"> Gaining ACCURATE and COMPREHENSIVE understanding of the investment and business market amid escalatory uncertainties and major disruptions in Vietnam and the Region. Difficulties in identifying the RIGHT suppliers within the domestic supply chain. Executing investment processes or market entry in an OPTIMAL and SEAMLESS manner. 	<ol style="list-style-type: none"> Conduct IN-DEPTH research on the investment environment and business market, leveraging databases and industry expert networks. Develop a supplier list and perform COMPREHENSIVE evaluations based on databases and sustainability criteria. Identify the RIGHT partners at the RIGHT time to drive the EFFECTIVE execution of the right investment and business strategies.
<p>Best-Fit Location & Sustainable Operations</p>	<p>Selecting investment locations that meet key sustainability criteria, including:</p> <ol style="list-style-type: none"> ACCESS to and UTILIZATION of clean energy Strong connectivity to SUPPLY CHAIN and transportation INFRASTRUCTURE Assessment of RISKS affecting the sustainable operation of the project at the chosen location Optimization of project OPERATIONAL EFFICIENCY to enhance competitiveness through sustainable development 	<ol style="list-style-type: none"> Conduct research and develop a ROADMAP for clean energy utilization in compliance with current legal regulations. Implement a process for identifying and evaluating investment locations based on a SUSTAINABILITY framework. Research and assess factors impacting SUSTAINABLE operations. Integrate technology solutions for operational management and measurement to optimize performance through data TRANSPARENCY.



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