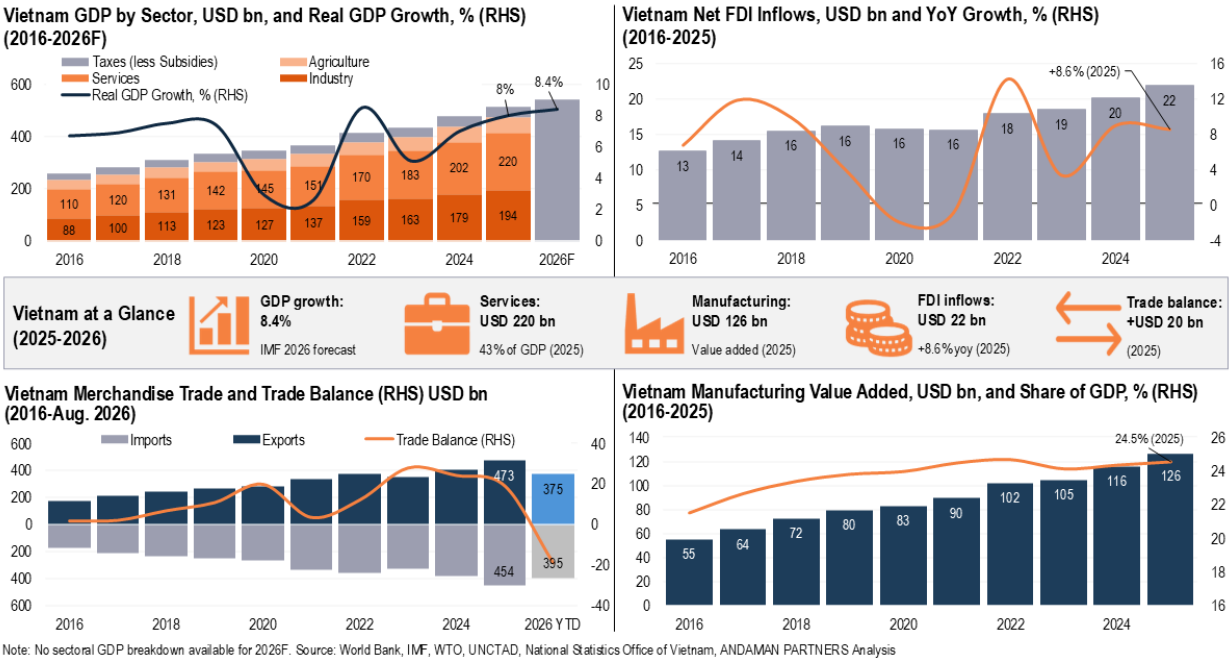
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Vietnam's Rapid Economic Growth Is Driven by Manufacturing and Investment

Strong GDP growth, rising manufacturing output and sustained foreign investment reinforce Vietnam as a major Asian production and export hub, despite growing global trade uncertainty



Note: No sectoral GDP breakdown available for 2026F. Source: World Bank, IMF, WTO, UNCTAD, National Statistics Office of Vietnam, ANDAMAN PARTNERS Analysis

Vietnam is one of Asia's fastest-growing economies in 2026, with the IMF forecasting 8.4% GDP growth. Much of this momentum comes from a transformation underway for more than a decade: Vietnam has become an increasingly important place for global companies to manufacture goods, invest in factories and build international supply chains. From electronics and machinery to clothing and consumer products, manufacturing has become a major engine of economic growth, supported by foreign investment, competitive production costs and access to international markets.

The scale of this transformation is striking. Vietnam's manufacturing value added has more than doubled from USD 55 billion in 2016 to USD 126 billion in 2025, accounting for nearly a quarter of the economy. Foreign direct investment inflows reached USD 22 billion in 2025, reflecting continued international confidence in Vietnam as a production base. Services have also expanded alongside industry, generating USD 220 billion in 2025 and accounting for 43% of GDP. As factories expand, they create jobs, support local suppliers and generate demand for transport, logistics, retail and other services, spreading the benefits of industrial development across the wider economy.

Vietnam's growing integration into global trade is equally important. Merchandise exports reached USD 473 billion in 2025, but the trade picture became more challenging in 2026, with imports exceeding exports in the first eight months of the year. Some of these imports support domestic manufacturing, including machinery, components and other production inputs.

For international businesses, Vietnam offers a growing consumer market and an increasingly sophisticated manufacturing and sourcing destination. Its continued success will depend on maintaining investment, strengthening domestic capabilities and navigating a more uncertain global trading environment.

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- Vietnam's Rapidly Scaling Economy: Growth, Exports and Investment
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