



VIET NAM – 2023

Key findings

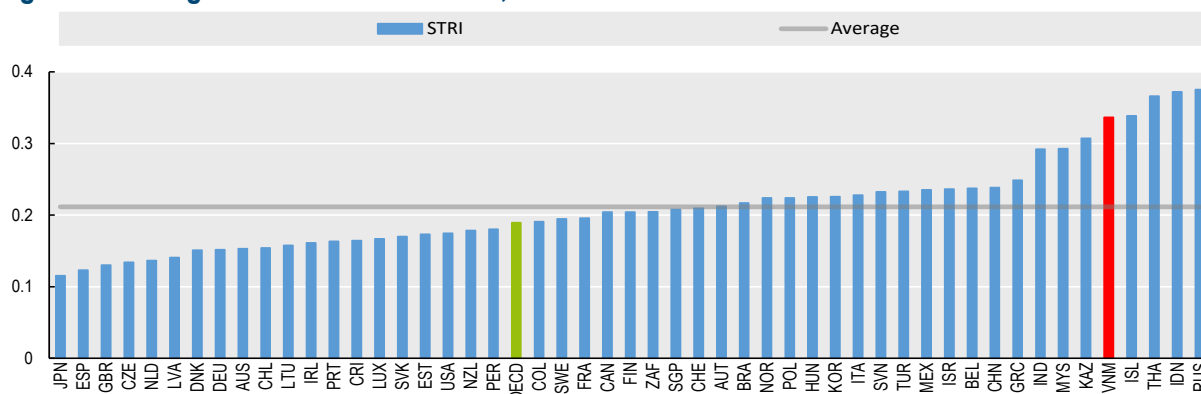
- The 2023 STRI of Viet Nam is above the OECD average and relatively high compared to all countries in the STRI sample.
- While Viet Nam's regulatory environment for services has been relatively stable in recent years, the index has increased compared to 2022.
- Accounting services have the lowest score relative to the average sectoral STRI, indicating the most open sector for trade. The sector with the highest score relative to the average STRI across all countries is telecommunications services.
- Market access in key services sectors remains subjected to stringent conditions, for example regarding local residence requirements for managers as well as restrictions on land ownership by foreigners.

Recommendation

- Trade in services strengthens resilience across supply chains, facilitating environmental sustainability and promoting greater inclusiveness. To ensure the benefits of open markets and a rules-based international trading system, national and multilateral action is needed to lower barriers and reduce trade costs, promote greater regulatory interoperability, and facilitate the digital transformation of economies

The 2023 STRI of Viet Nam is above the OECD average, and relatively high compared to other countries in the STRI sample (Figure 1).

Figure 1. Average STRI across countries, 2023ⁱ



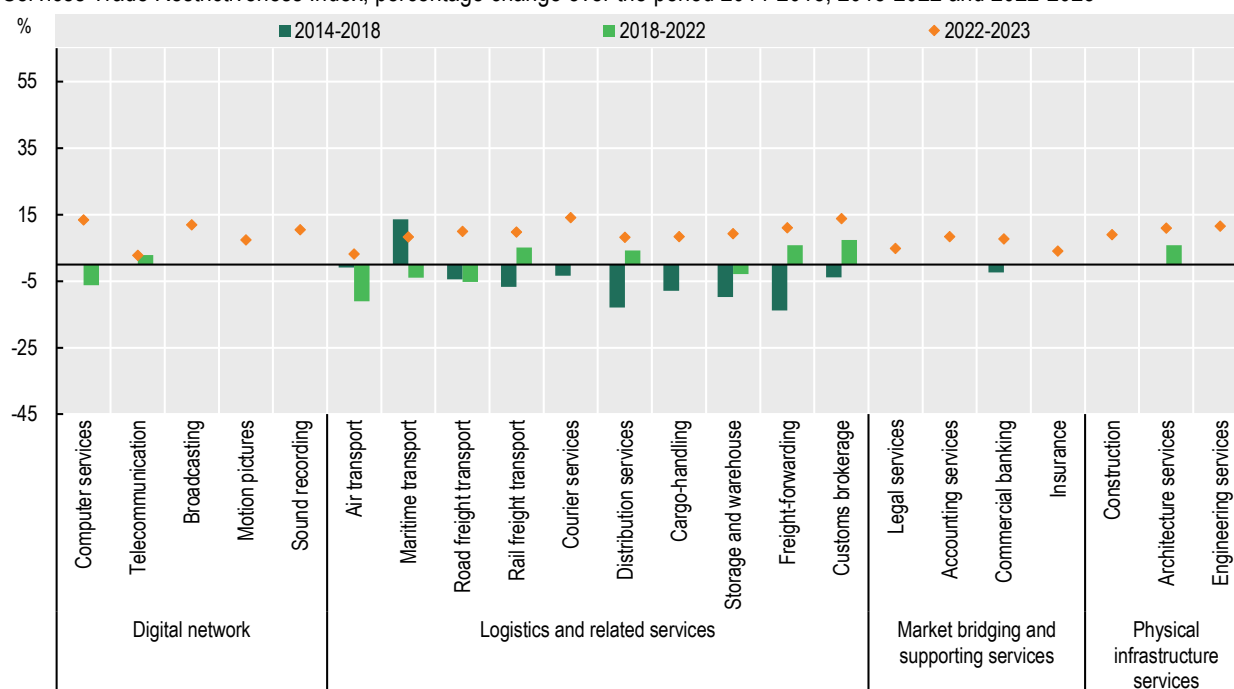
OECD (2023). STRI and TiVA databases.

The STRI outcomes are driven in large part by restrictions on foreign entry. While some conditions related to foreign investment were eased following the introduction of the Investment Law in 2020, several requirements related to establishing and operating a company remain cumbersome for foreign firms. For instance, the duration of property ownership for a foreigner is limited to 50 years. In all sectors, at least one manager or legal representative in a managerial position must be resident in Viet Nam. Certain types of data (such as accounting data and some user-generated data) must also be stored in the country. Foreign contractual and independent services providers are subject to labour market tests and their initial entry permits are valid for two years.

In recent years, steps towards liberalisation have been observed in computer services and air transport, for example (Figure 2). The increase in the 2023 score in all sectors compared to 2022 is shaped by new legislation concerning cross-border data transfers. Following a reform introduced in July 2023, cross-border transfers of data are subject to approval on an ad-hoc or case-by-case basis.

Figure 2. Evolution of STRI indices by sector in Viet Nam

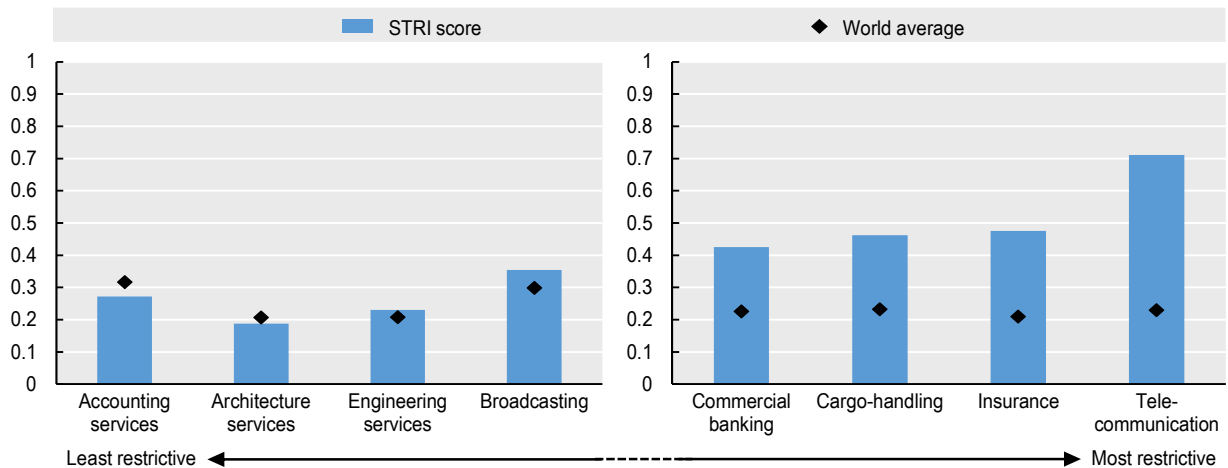
Services Trade Restrictiveness Index, percentage change over the period 2014-2018, 2018-2022 and 2022-2023



OECD (2023). STRI database.

Figure 3 ranks Viet Nam's sectors relative to the respective sector's world average. Accounting services, architecture services, engineering services and broadcasting are the sectors with the lowest scores. Conversely, commercial banking, logistics cargo-handling, insurance and telecommunications are the sectors with relatively highest scores.

Figure 3. Sectoral breakdown - The least and most restricted sectors in Viet Nam compared to world average



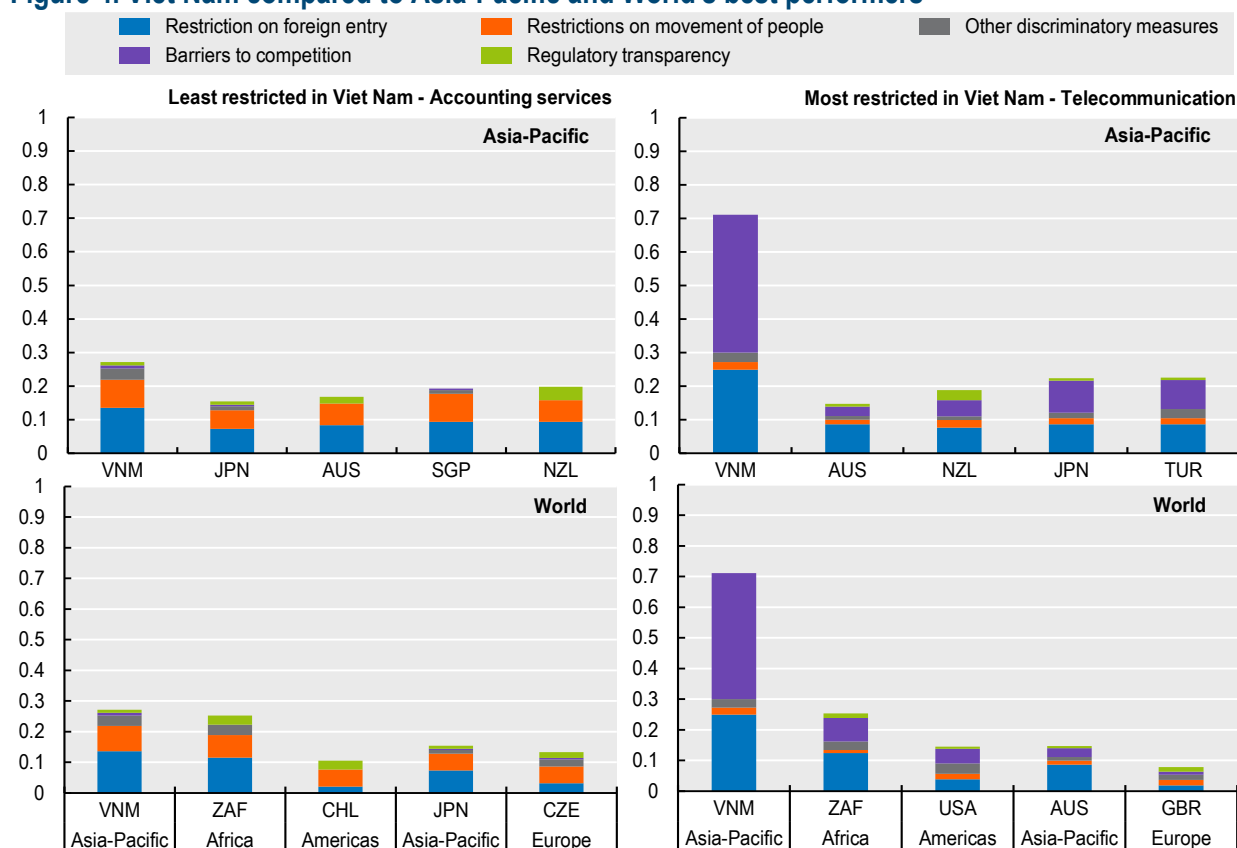
Note: Selection was made based on how far the sectors' score were from the world average score, as a percentage difference

i.e. $(\text{STRI}_{\text{country, sector}} - \text{STRI}_{\text{world average, sector}}) / \text{STRI}_{\text{world average, sector}}$

Source: OECD (2023). STRI database.

Accounting services are the least restricted in Viet Nam compared to the average score across all countries covered by the STRI database (Figure 4). The composition of the scores suggests that restrictions on foreign entry are particularly relevant in the case of Viet Nam. The measures that contributed to this score include restrictions on the acquisition of land by foreigners, residence requirements for managers, as well as measures concerning the screening of foreign direct investments. Conversely, telecommunications are the most restricted services sector in Viet Nam. Compared to the best-performing countries regarding this sector, barriers to competition shape the score of Viet Nam. Some of the measures that contribute the most to the score include limitations of the independence of the telecommunications regulator, public ownership of major firms, and restrictions on spectrum trading (Figure 4).

Figure 4. Viet Nam compared to Asia-Pacific and World's best performers



Source: OECD (2023). STRI database.

Recent policy changes

A new decree on the protection of personal data, which entered into force in July 2023, introduced additional rules for cross-border data transfers. Companies intending to complete cross-border transfers of data now have to seek approval from the Ministry of Public Security on an ad-hoc or case-by-case basis.

In motion picture services, Viet Nam lifted the minimum capital requirements for film production businesses by Decree 131/2022, in effect from 1 January 2023.

In response to the COVID-19 pandemic, Viet Nam restricted the entry of foreigners into the country starting in March 2020. The lifting of pandemic-related travel restrictions started in March 2022, including for business travel.

From January 2021, the amended Enterprise Law (Law No. 59/2020/QH14) simplified conditions related to the establishment and operation of corporations in Viet Nam.

More information

- » Access all country notes, sector notes, and interactive STRI tools at <http://oe.cd/stri>
- » Read more about [Services Trade Policies and the Global Economy](#)
- » More information about measuring the regulatory environment for services trade in the APEC region: <https://apecservicesindex.org/>
- » More information about measuring the regulatory environment for services trade in the ASEAN region: oe.cd/aseanSTRI
- » Contact the OECD Trade and Agriculture Directorate with your questions at stri.contact@oecd.org

ⁱNote: The STRI indices take values between zero and one, one being the most restrictive. The STRI database records measures on a Most Favoured Nation basis. Air transport and road freight cover only commercial establishment (with accompanying movement of people). The indices are based on laws and regulations in force on 31 October 2023. The STRI regulatory database covers the 38 OECD Members, Brazil, China, India, Indonesia, Kazakhstan, Malaysia, Peru, Russia, Singapore, South Africa, Thailand and Viet Nam. The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.