

# EXPANDING INTO ASIAN AND AFRICAN MARKETS: A STRATEGIC DIRECTION FOR VIETNAM'S EXPORTS

PhD. Nguyen Van Cong\* - PhD. Nguyen Thi Kim Anh\*

**Abstract:** *Amidst the continuously shifting landscape of global trade, shaped by geopolitical tensions, rising protectionism, and the restructuring of global supply chains, redefining Vietnam's export strategy has become more urgent than ever. In this context, the Asian and African markets stand out as dynamic and promising regions, characterized by large populations, rapid economic growth, increasing consumer demand, and deeper economic integration. This article focuses on evaluating the current state of Vietnam's exports to the Asian and African markets in recent times, analyzing the specific opportunities and challenges of each region. Based on this analysis, it proposes several practical strategic directions and solutions to enhance Vietnam's competitive capacity and promote sustainable export growth in these two high-potential regions.*

• Keywords: market, Asia, Africa, strategy, export, Vietnam.

Date of receipt: 04<sup>th</sup> Mar., 2025

Date of delivery revision: 10<sup>th</sup> Mar., 2025

DOI: <https://doi.org/10.71374/jfar.v25.i4.29>

Date of receipt revision: 05<sup>th</sup> Jun., 2025

Date of approval: 28<sup>th</sup> Jul., 2025

## 1. Introduction

In the context of deepening globalization and international economic integration, export activities play a pivotal role in Vietnam's economic development. However, the international trade environment is becoming increasingly complex and unpredictable, as clearly evidenced by the growing trend of trade protectionism in several major economies. A prime example is the United States' policy of raising import tariffs, which has highlighted the fragility and unpredictability of large markets. This situation requires Vietnam to proactively seek out and tap into alternative potential markets to ensure stability and sustainable growth in export activities. Given these challenges, diversifying export markets has become an urgent requirement to achieve sustainable growth, minimize the risks of overdependence on a few markets, and fully leverage the potential of the economy.

Asia and Africa are considered two highly promising regions, offering numerous favorable conditions for expanding the market share of Vietnamese goods. Geographically, Asia is close in proximity, which facilitates transportation, and it shares many cultural similarities, consumption habits, and a history of traditional trade cooperation with Vietnam. Countries in this region - particularly China, South Korea, Japan, and members of ASEAN - are experiencing rapid expansion of the middle class, leading to increased consumer demand in both quantity and quality. Notably, Vietnam is currently participating in and benefiting from various Free Trade Agreements (FTAs) with countries in this region, providing a significant competitive edge in market penetration. Meanwhile, Africa is entering a "demographic dividend" phase with rapid urbanization and industrialization. The shortage of consumer goods, processed foods, textiles, electronics, construction materials, and more represents

major market gaps that Vietnamese products can fill. Additionally, policies of economic openness and integration are creating an increasingly favorable trade environment between Vietnam and African countries. Expanding exports to Asia and Africa is not only a measure to spread risk and reduce reliance on traditional markets, but also a crucial component of Vietnam's strategy to elevate its trade position on the global stage. However, to effectively tap into these markets, Vietnam must adopt a comprehensive market access strategy, take full advantage of FTAs, invest in product quality, build strong brands, and improve the supporting export ecosystem. This study is conducted with the aim of clarifying the current situation, analyzing specific opportunities and challenges of the two key market regions - Asia and Africa. From this, it proposes a number of strategic solutions to promote sustainable export growth, enhance the competitiveness of Vietnamese goods, and expand Vietnam's influence in the global value chain.

## 2. Current status of Vietnam's goods exports to the Asian and African markets

### 2.1. Achievements

In recent years, the Asian and African markets have affirmed their strategic roles in Vietnam's export activities, becoming two key regions in the country's strategy to expand markets and enhance its capacity for international economic integration. Owing to geographical proximity, longstanding cooperative relations, and certain cultural and consumer habit similarities, Asia has long occupied a central position in Vietnam's trade balance. In 2023, the total import-export turnover between Vietnam and the Asian region reached USD 436.2 billion, accounting for more than 63% of the country's total trade value. Of this, export turnover to Asia reached USD 173.2 billion, equivalent to 48.8% of Vietnam's total exports, reflecting a high level of dependence on this region as a

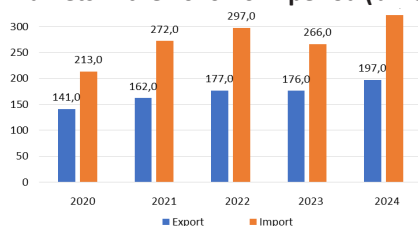
\* Thai Nguyen University of Economics and Business Administration (TUEBA); email: [nvcongt@tueba.edu.vn](mailto:nvcongt@tueba.edu.vn)

major consumer market for Vietnamese goods (Ministry of Industry and Trade, 2024). At the same time, Asia also serves as an essential supplier of raw materials, machinery, and production inputs for Vietnam's domestic manufacturing sector, contributing to the stabilization of supply chains and the recovery of the processing and manufacturing industries after the pandemic.

Alongside Asia, the African market has also gradually emerged as a promising destination in Vietnam's export expansion strategy. Although the trade volume with Africa remains modest compared to Asia, its steady growth rate signals positive prospects for future expansion. In 2023, the total trade turnover between Vietnam and Africa reached USD 5.8 billion, an increase of 5.9% compared to 2022. Of this, export turnover was USD 3 billion, up 4.5%, accounting for 0.8% of Vietnam's total exports; imports from Africa reached USD 2.8 billion, up 7.4%. Notably, Vietnam maintained a trade surplus with Africa, although the surplus decreased to USD 167.4 million, a 28% decline from the previous year (Ministry of Industry and Trade, 2024). Despite the relatively small scale, these figures reflect the dynamism of bilateral trade and the strong potential for Vietnamese goods to expand their market share in this rapidly developing region.

Entering 2024, the total import-export turnover between Vietnam and the two regions of Asia and Africa reached USD 519.7 billion, a strong increase of 13.7% compared to 2023, accounting for 66.3% of the country's total trade value. Exports to these two markets significantly contributed to Vietnam's record-high total trade turnover of USD 786.29 billion (General Statistics Office, 2025). Of this, exports to Asia and Africa exceeded USD 197 billion (Song Linh, 2025).

**Chart 1. Vietnam's import and export to the Asian and African markets in the 2020-2024 period (billion USD)**



Source: Calculations by the authors based on data from the Ministry of Industry and Trade

In terms of commodity structure, Vietnam's exports to Asia and Africa are undergoing a positive transformation toward increasing processing levels and added value. The declining share of raw material exports and the growing proportion of processed industrial goods - especially electronics, textiles, footwear, wood products, and deeply processed agricultural and aquatic products - reflect a clear trend of moving up the export value chain. Among these, the agricultural and aquatic product group saw an impressive growth rate of 30.4% in 2024, driven by a strong breakthrough in fresh fruits and processed goods in demanding markets such as China, Japan, and South Korea. Thanks to better compliance with quality

standards, traceability requirements, and food safety testing, Vietnamese agricultural products are gaining a stronger foothold in Asian markets while gradually expanding into African countries, where demand is high but local production capacity remains limited.

## 2.2. Limitations and Challenges

Despite achieving positive results and demonstrating strong potential in the Asian and African markets, Vietnam's export activities in these two regions still face numerous limitations and considerable challenges amid deeper integration and increasingly fierce competition. These limitations not only affect export efficiency but also hinder the goals of market expansion, value-added growth, and sustainable economic development.

*Firstly*, one of the major limitations is Vietnam's heavy reliance on a small number of key markets in Asia, particularly China, South Korea, and Japan. While these are large and stable trade partners, overdependence on them makes Vietnam's export sector vulnerable to fluctuations in trade policies, border controls, technical standards, and non-tariff barriers. Specifically, sudden changes in China's import policies - such as tightening food hygiene inspections, requiring traceability, or adjusting border trade regulations - have repeatedly caused congestion of goods, especially agricultural products, at northern border gates. This situation highlights a lack of proactivity and sustainability in Vietnam's export strategy to Asia, as businesses still mainly rely on unofficial, short-term export methods without long-term strategic planning.

*Secondly*, in the African region, although the market is emerging with growing import demand driven by rapid population growth and urbanization, Vietnam's export turnover to Africa remains very low, accounting for less than 1% of the country's total exports. This is largely due to Vietnamese enterprises lacking market information and a firm understanding of consumer behavior, legal systems, and business environments in the region. Moreover, weak logistics infrastructure, high transportation costs, long delivery times, and the absence of an efficient distribution system further discourage enterprises from deeply penetrating the African market. In addition, risks related to payments, political instability, and legal uncertainties in some African countries also contribute to Vietnamese businesses' reluctance to fully engage with this high-potential yet volatile region.

*Thirdly*, although the structure of Vietnam's export commodities has improved, it remains unbalanced and still overly concentrated on a few key sectors such as agriculture-aquaculture, textiles, and electronic components. High value-added, deeply processed products still make up a relatively small portion. Notably, the absence of strong brands, limited competitiveness in technology, design, and international standards continue to prevent many Vietnamese products from entering the mid- to high-end segments in developed Asian markets such as Japan, South Korea, and Gulf countries. In Africa, Vietnamese goods

face stiff competition from rivals like China, India, and Turkey - countries with advantages in pricing, established trade networks, and long-standing market presence. This indicates the urgent need for Vietnam to adopt a clear product strategy tied to thorough market research and technological investment to enhance its competitive capacity.

*Fourthly*, Vietnam's ability to leverage Free Trade Agreements (FTAs) with Asian and African countries remains limited. Although Vietnam has signed and participated in numerous bilateral and multilateral FTAs, such as RCEP, ACFTA, EVFTA, and CPTPP, most small and medium-sized enterprises (SMEs) still lack the capacity to fully utilize tariff preferences, rules of origin provisions, or face difficulties complying with technical standards, food safety regulations, and environmental-social certifications that often accompany these agreements. Furthermore, the information system regarding FTAs remains fragmented, and promotional, advisory, and enterprise support activities lack depth, resulting in many businesses missing out on competitive advantages, even in their own domestic market.

*Finally*, a major challenge facing Vietnam's export activities in general - and exports to Asia and Africa in particular - is the lack of close coordination between enterprises and regulatory agencies. Trade promotion efforts remain fragmented and lack a comprehensive strategic framework. Market forecasting is often delayed, while technical and financial support for businesses is not yet systematically organized. In addition, in the context of increasing global volatility driven by geopolitical conflicts, technological competition, financial risks, and climate change, Vietnam is facing greater pressure from emerging trends such as global supply chain restructuring, sustainable development requirements, emissions reduction, and the shift toward a circular economy. This situation calls for a profound transformation of Vietnam's export ecosystem - from businesses and policies to infrastructure - to become more proactive, adaptive, and resilient.

### **3. Strategic solutions to promote the export of Vietnamese goods to Asian and African markets**

In order to achieve the export growth target of 12%, with a striving goal of 14% in 2025 (Resolution 01/NQ-CP, 2025), it is essential to promote the export of Vietnamese goods to potential markets. As Asian and African markets are playing an increasingly important role in Vietnam's international trade strategy, boosting exports to these two regions requires not only the efforts of enterprises but also a comprehensive and synchronized involvement of the entire policy system, institutions, and government support. Below are several groups of strategic and practical solutions aimed at enhancing the effectiveness and competitiveness of Vietnamese goods in the Asian and African markets in the coming period.

#### **3.1. Improving institutions and export support policies**

One of the fundamental solutions is to enhance the trade institutions and support policies for enterprises, especially

in the context of Vietnam's deep integration into the global trade system through free trade agreements (FTAs). The government needs to review, adjust, and complete legal documents related to exports, particularly regulations on product quality, traceability, quarantine, and technical standards, in order to facilitate enterprises' access to and expansion in the Asian and African markets. In addition, it is necessary to strengthen the effectiveness of financial policies supporting exports, such as tax incentives, export credit interest rate support, credit guarantee funds, and international trade insurance. At the same time, administrative procedures should be reformed, the customs system modernized, and trade database connectivity among ministries and sectors enhanced to shorten time and reduce costs for enterprises in the trade process.

#### **3.2. Strengthening Trade Promotion and Expanding Market Networks**

Trade promotion activities need to be organized in a professional, systematic, and long-term strategic manner. Relevant authorities should actively collaborate with the Vietnamese trade missions abroad to study market trends, update trade information, consumer demand, distribution systems, and specific legal regulations of each country, especially in Africa, a region where Vietnamese businesses still lack information and have limited presence. In addition to participating in trade fairs, exhibitions, and international conferences, it is necessary to implement digital trade promotion programs, utilizing cross-border e-commerce platforms, combined with online B2B activities, to help small and medium-sized enterprises (SMEs) effectively reach foreign customers. At the same time, industry associations should be encouraged to establish representative offices and product promotion centers in key markets such as China, the UAE, Nigeria, Kenya, and South Africa, to enhance brand recognition and build sustainable distribution channels.

#### **3.3. Enhancing Product Competitiveness and Export Quality**

In order to effectively compete in the Asian and African markets, where strong competitors such as China, India, Thailand, and Turkey are increasingly present, Vietnamese goods need to be not only affordable but also of high quality, stable, traceable, and meet international technical standards. Enterprises need to invest more in processing, preservation, packaging technology, and product design improvements to enhance value-added content. In particular, the agricultural and seafood industries need to shift strongly towards production models following GAP standards, organic practices, food safety regulations, and supply chain transparency. Additionally, the development of national brands and corporate brands linked to geographical indications, growing regions, and farming areas should be encouraged to build trust and loyalty among international consumers.

#### **3.4. Strengthening the Capacity to Access and Utilize Free Trade Agreements (FTAs)**



Effectively leveraging the FTAs that Vietnam has signed is a key lever to penetrate deeper into the Asian and African markets. However, many enterprises, especially small and medium-sized ones, still face challenges in grasping information and utilizing FTA tools. Therefore, it is necessary to strengthen training, workshops, legal consulting, and technical support on origin rules, quality certification, and import standards of target markets. In addition, Vietnam should proactively negotiate and expand bilateral FTAs with African countries that do not yet have existing trade agreements, while also tapping into the role of multilateral agreements such as the AfCFTA (African Continental Free Trade Area) to broaden access channels and reduce trade costs for enterprises.

### 3.5. Developing Logistics Infrastructure and the Export Support Ecosystem

High logistics costs and underdeveloped infrastructure are significant bottlenecks in export activities to distant markets like Africa. Therefore, the government should prioritize investing in the development of port systems, warehouses, and inter-regional logistics centers, especially in key border and seaport areas like Hai Phong, Cai Mep – Thi Vai, and Ho Chi Minh City. At the same time, Vietnamese logistics enterprises should be encouraged to collaborate with international partners to develop direct shipping routes to Africa, reducing reliance on third-party transshipment countries. In parallel, an export support ecosystem should be established, including international trade consulting centers, banks specialized in export financing, internationally accredited testing facilities, and real-time market information systems.

### 3.6. Strengthening Regional Linkages and Business Integration in the Value Chain

To enhance sustainable export capacity, Vietnam must focus on creating strong, interconnected export clusters that are closely linked to raw material-producing regions. This would involve fostering deeper collaboration among farmers, cooperatives, processing companies, and export enterprises. By developing these clusters, businesses will benefit from a more integrated and efficient supply chain, allowing for greater value addition at each stage of the production and export process. Additionally, Vietnam should prioritize promoting advanced value chain models such as “from farm to table” and “green production -clean exports,” which are increasingly in demand in international markets. These models focus on traceable, sustainable production processes, which not only meet growing global demand for high-quality and eco-friendly products but also ensure consistent supply and transparency for consumers.

The focus should be placed on regions with strong export potential, such as the Mekong Delta, Central Highlands, and Southeast regions, where agriculture and natural resources are abundant. By strengthening linkages between local farmers and enterprises, these regions can establish a more resilient and competitive export network. Importantly, creating a transparent and traceable supply

chain will enhance the credibility of Vietnamese products, helping to build trust with international consumers. Furthermore, developing these regional linkages will reduce intermediary costs, which often increase prices and reduce competitiveness in the global market. It will also streamline the logistics processes, ensuring timely and cost-effective delivery of goods. By expanding these regional networks and aligning them with market demands, Vietnam will be able to increase both the volume and value of its exports, particularly in the Asian and African markets, while maintaining a competitive edge in the global economy.

**Conclusion:** In the context of a rapidly changing global economy, influenced by factors such as the transformation of global supply chains, rising protectionism, geopolitical conflicts, and pressure from new trade standards, the need to redefine Vietnam’s export strategy has become urgent. The Asian and African markets, with their geographical characteristics, population size, development potential, and increasingly open markets, have proven to be key regions in Vietnam’s export market expansion strategy. The results achieved in recent years demonstrate the great potential and steady growth trends in trade with Asian and African countries. Export turnover has grown steadily, the structure of exports has shifted positively, and the competitiveness of agricultural, seafood products, and processed industrial goods has steadily improved. However, alongside these positive signals, Vietnam faces several challenges, such as a high dependence on a few key markets, uneven product quality, high logistics costs, a lack of market information, and limited capacity to fully leverage FTAs. To effectively seize opportunities and overcome barriers and challenges, Vietnam needs a comprehensive, coordinated, and in-depth approach, combining institutional improvement, enhancing business capacity, boosting trade promotion, strengthening value chain linkages, and developing export support infrastructure. In particular, emphasis should be placed on building a national brand, improving production technology, complying with international standards, and digital transformation across the entire supply chain. Expanding and effectively tapping into the Asian and African markets will not only be significant for trade but will also contribute to enhancing Vietnam’s position on the international trade map, creating a solid foundation for sustainable economic development in the long term. This is not only a strategic direction but also an inevitable requirement in the process of deep integration and proactive adaptation to the new global economic landscape.

### References:

- Ministry of Industry and Trade (2024), *Vietnam’s Import-Export Report 2023*, Industry and Trade Publishing House.
- Government (2025), Resolution No. 01/NQ-CP dated January 8, 2025, on key tasks and solutions for implementing the socio-economic development plan and the 2025 state budget estimate.
- General Statistics Office (2025), *The Picture of Vietnam’s Import and Export Goods in 2024 – Recovery, Development, and New Records*, accessed from <https://www.gso.gov.vn/du-lieu-va-so-lieu-thong-ke/2025/01/buc-tranh-xuat-nhap-khau-hang-hoa-cua-viet-nam-nam-2024-phuc-hoi-phat-trien-va-nhung-ky-luc-moi/>.
- Hoang Duc Than et al (2022), *Some Solutions to Promote Vietnam’s Goods Exports by 2030*, *Communist Review*, accessed from [https://www.tapchiconsan.org.vn/web/guest/gop-jy-du-thao-cac-van-kien-trinh-dai-hoi-xiii-cua-dang/-/2018/825344/view\\_content](https://www.tapchiconsan.org.vn/web/guest/gop-jy-du-thao-cac-van-kien-trinh-dai-hoi-xiii-cua-dang/-/2018/825344/view_content).
- Song Linh (2025), *Asia and Africa Continue to be Key Import-Export Markets*, accessed from <https://thoibaotaichinhvietnam.vn/chau-a-chau-phi-tiep-tuc-la-thi-truong-xuat-nhap-khau-trong-diem-168477-168477.html>.