

## Read Vietnam Trend

# “Growth” of Vietnam's economic scale approaching that of Japan

In 2010, Vietnam's GDP was one-38th of Japan's. By 2020, it was about 14 times higher, and by 2022, it will be closer to 12 times higher. This time, we decided to compare this in terms of “growth”. This is because “how new demand will be created” is often more important when companies consider their future activities.

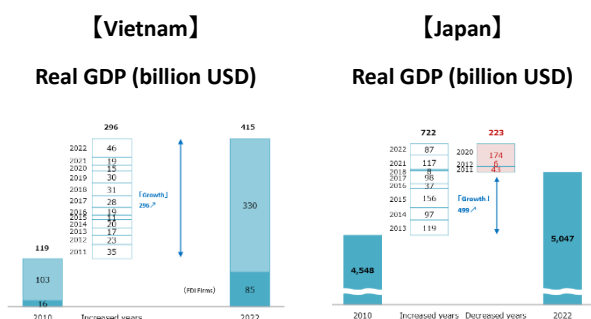
involved in expanding, and competition with companies from other countries is often fierce, in many cases the fruits can be seen as greater than if they had remained in Japan.

Sales Comparison of Japanese Companies

	Vietnam (Only Japanese companies)	Japan
Number of companies (2021)	(17% of FDI firms) Approx. 2,933	Approx. 3.68 million
Sales (2021)	(15% of FDI firms) Approx. 56 billion USD	Approx. 15 trillion USD
Sales per company (2021)	Approx. 19 million USD	Approx. 4 million USD

Source: B&Company, Japanese Statistics Bureau

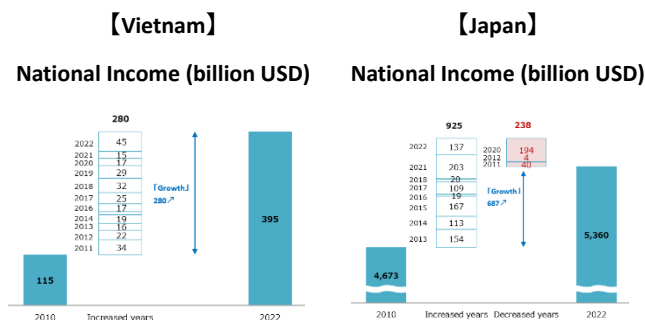
Similar “growth” comparisons can be made for national income and retail sales. Here we show the results for national income. Japan's “growth” was still relatively large, about three times that of Vietnam.



Source: General Statistics Office (GSO)

Source: Japanese Statistics Bureau

Looking at real GDP, Vietnam has shown steady growth between 2010 and 2022, with annual fluctuations, while Japan's growth has been more uneven. In addition to Corona, Japan was negative in U.S. dollar terms three times, including in 2020 when the yen weakened. As a result, over the 12-year period, Japan's growth was about 499 billion USD while Vietnam's was about 296 billion USD, about 60% of Japan's, or the same order of magnitude in terms of “growth”. About 23% of this GDP “growth” came from FDI firms. Although foreign investment by enterprises is not aimed at adding value, it does represent a certain level of results in terms of the transfer of business activities.



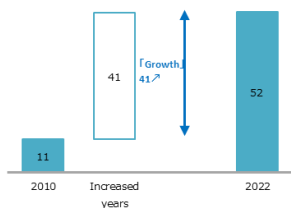
Source: General Statistics Office (GSO)

Source: Japanese Statistics Bureau

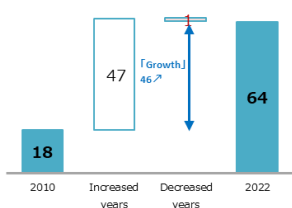
Next is the unit of local government. Since Tokyo is too large, we compared other prefectures and Vietnam's two largest cities. Among several confirmed examples are Fukuoka and Miyagi prefectures, which represent Kyushu and Tohoku, respectively. The size of the growth potential of the economic zone including Hanoi and Ho Chi Minh City and their surroundings was confirmed. In Japan, Miyagi Prefecture had the momentum, but the “growth” of each province and city in Vietnam was greater. (Yearly breakdowns are abbreviated in the following graphs.)

Now, the number of Japanese companies that have already entered the market is about 2,900, or about one in every 1,000 Japanese companies. Comparing their sales to those of domestic companies, the average is about five times higher. Although there are difficulties and risks

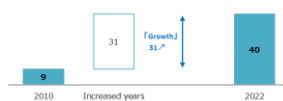
**【Hanoi】**  
Real GRDP (billion USD)



**【Ho Chi Minh City】**  
Real GRDP (billion USD)

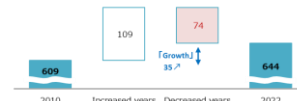


**【Vietnam】 Real GDP of the distribution industry (billion USD)**



Source: General Statistics Office (GSO)

**【Japan】 Real GDP of the distribution industry (billion USD)**

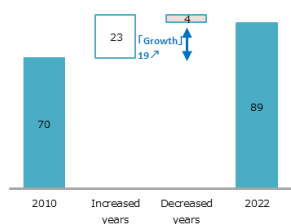


Source: Japanese Statistics Bureau

Agriculture is also likely to reverse, not in “growth” but in overall value, as Japan is not growing. The manufacturing and distribution sectors are also not many times larger than Japan's, but are in the same order of magnitude. Vietnam is no longer too “small” for Japanese companies except for the very large ones.

**【Miyagi Prefecture】**

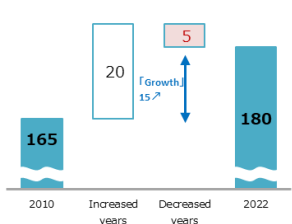
Real GRDP (billion USD)



Source: General Statistics Office (GSO)

**【Fukuoka Prefecture】**

Real GRDP (billion USD)



Source: Japanese Statistics Bureau

**B&Company, Inc.**

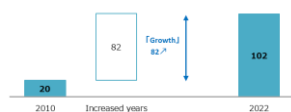
The first Japanese company specializing in market research in Vietnam.

The company's website publishes the results of industry and consumer surveys in Vietnam.

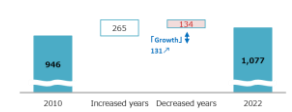
<https://www.b-company.jp>

Finally, let's look at industry. Of course, this is only a guide, as the lines of classification are not the same from country to country.

**【Vietnam】 Real GDP of Manufacturing industry (billion USD)**



**【Japan】 Real GDP of the manufacturing industry (billion USD)**



**【Vietnam】 Real GDP of Agriculture (billion USD)**



**【Japan】 Real GDP of agriculture (billion USD)**

