PRESS RELEASE  
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German companies in healthcare sector interested in doing business in Vietnam

(Based on the result of a Vietnam healthcare survey conducted by GIC/AHK Vietnam in January 2020)

- 66 percent of German companies confirmed their interest in doing business in Vietnam and intend to set up their businesses in Asia and in Vietnam, viewing the EU-Vietnam Free Trade Agreement great opportunities for both sides, which is expected to come into effect in this summer.
- Almost all of them used branch establishment and cooperation with local partners as the effective market entry strategies in Vietnam.
- Challenges that they would face while doing business in Vietnam: lack of market information (54%), linguistic and cultural differences (43%) as well as the difficulty in searching suitable local partners and personnel (37%).

In January 2020, GIC/AHK Vietnam in collaboration with German reputable professional associations in the healthcare sector conducted a market development program survey on Vietnam healthcare 2020, with the participation of German companies from different branches: medical technology, pharma and biotechnology, in order to identify the interests and the needs of German firms, their intentions and their expectation as well while researching and approaching the healthcare market in Vietnam.

The survey’s result showed Vietnam is an attractive investment destination for German companies in the healthcare sector, especially when the EU-Vietnam Free Trade Agreement comes into effect in July 2020. German multinational companies and German SMEs confirmed their interests in doing business in Asia (86%) and in setting up their businesses in Vietnam (66%). Currently Germany is the most important trading partner country in the EU and one of the Top 2 import countries regarding the imported medical equipment to Vietnam, with the total import value 153 million US$ in 2018.

One of the most effective strategies to approach the Vietnam’s markets are using branch establishment and cooperation with local partners in Vietnam. 54 percent of German firms found challenges in finding necessary market information, information on registration process, local regulations or import duties for their products. Linguistic and cultural differences should affect their investment intentions in Vietnam (43 percent). 37 percent of the survey participants found difficulty in searching for appropriate local partner and workforce in Vietnam.

From August 2019, German Federal Ministry for Economic Affairs and Energy has officially appointed a contact person in GIC/AHK Vietnam to support and connect German small and medium-sized enterprises (SMEs) in the healthcare industry.

The contact person in GIC/AHK Vietnam supports German SMEs in the healthcare industry in terms of market entry process, strengthening connectivity and business development in Vietnam market. Approaching new potential market requires careful preparations and clear plans of businesses. So that the functions are to provide information about economic policies, legal regulations and frameworks in the healthcare industry in Vietnam as well as the market prospect, including demands, opportunities and challenges of this industry for German SMEs

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About the German Industry and Commerce in Vietnam (GIC/AHK Vietnam)

www.vietnam.ahk.de

The German Industry and Commerce in Vietnam is the representative office for the German Federal Ministry for Economic Affairs and Energy with the function of supporting and promoting the bilateral economic relations between Germany and Vietnam. Along with the diplomatic missions of Germany in foreign countries (the Embassy of Germany and Consulate), we are the representative for the voice and benefits of German enterprises with Vietnamese government. Since 1994, GIC/AHK Vietnam has actively supported trade and investment activities between Germany and Vietnam.

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