

Vietnam consumer trends 2025

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Helping you make better choices

- [Richard Burrage](#) is the founder of and board advisor to [Cimigo](#), a market research firm founded 22 years ago.
- Richard, a UK national, has resided in Vietnam with his three children since 1997.
- Cimigo has been helping clients make better commercial and marketing choices for 22 years.
- If you want to know more, just drop us a note at ask@cimigo.com.
- You can download this presentation at www.cimigo.com.



What will fuel Vietnam's growth over the next decade?

Eight reasons that Vietnam will prosper in the next decade

1. GDP growth averaged 5.9% over the past ten years.
2. More sophisticated production. Increased FDI and exports. Global interconnectivity.
3. Domestic tourism thrives and international recovers.
4. Consumer retail demand challenges.
5. Rising household affluence.
6. Financial inclusion and digital payments.
7. The growth of the digital economy - is now at US\$36 billion.
8. Working age population, high labour participation and a low dependency ratio.



GDP growth averaged 5.9% over the past 10 years

YTD 2024

ECONOMIC PERFORMANCE

VS. YTD 2023



7.1%
Q1 GDP growth



8.3%
Industrial production growth



2.3%
Retail sales goods and services growth



1.1%
Retail sales goods growth



17.6 million
Inbound international visitors
↑40%



US\$405 bn
Exports goods
↑14%



US\$380 bn
Imports goods
↑16%



103.63
Consumer price index



US\$25.35 bn
2024 YTD cumulative foreign direct investment disbursement
↑9.4%



49.8
December 2024 manufacturing purchasing managers index

2025 GDP growth forecast **6.6%**

What % of Vietnam's exports are high-tech?

Manufacturing seeks to mitigate overreliance on China

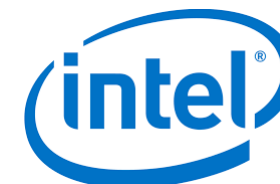
- Exports show strong growth (14% in 2024), with 44% local value-added.
- 4% of Vietnam's exports of manufactured goods were high-tech products in 2003. In 2023, they accounted for 40%. Notably, local value-added on high-tech products is at 16% but is growing.
- Vietnam has 16 free trade agreements abound. Vietnam's global interconnectivity in 2024 was 182%.
 - Interconnected global trade is defined as imports plus exports as a % of GDP.
- Moving towards greater value-added production is challenging. Key barriers include managerial staffing shortages and inferior infrastructure impacting logistic costs.



SHARP



FOXCONN





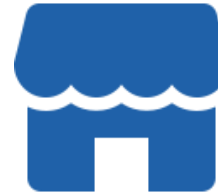
100.47 million



**US\$431 billion
GDP 7.1% growth**



**US\$4,293
GDP/capita**



**Retail sales goods
& services
US\$255 billion -4.2%
(Up 2.3% in VND terms)**



**77.7 million
users**



**86.1 million
users**



**69.9 million
users**

2024 progress



**US\$36 billion
internet economy
8% of GDP**



**98% smartphone
national
adults 15+**



**US\$1.49 billion
all advertising**



**494,310 new
passenger
cars (+22%)
2,900,000 new
motorbikes (+14%)**



**39,000 new
apartments
(HCMC and Hanoi)**



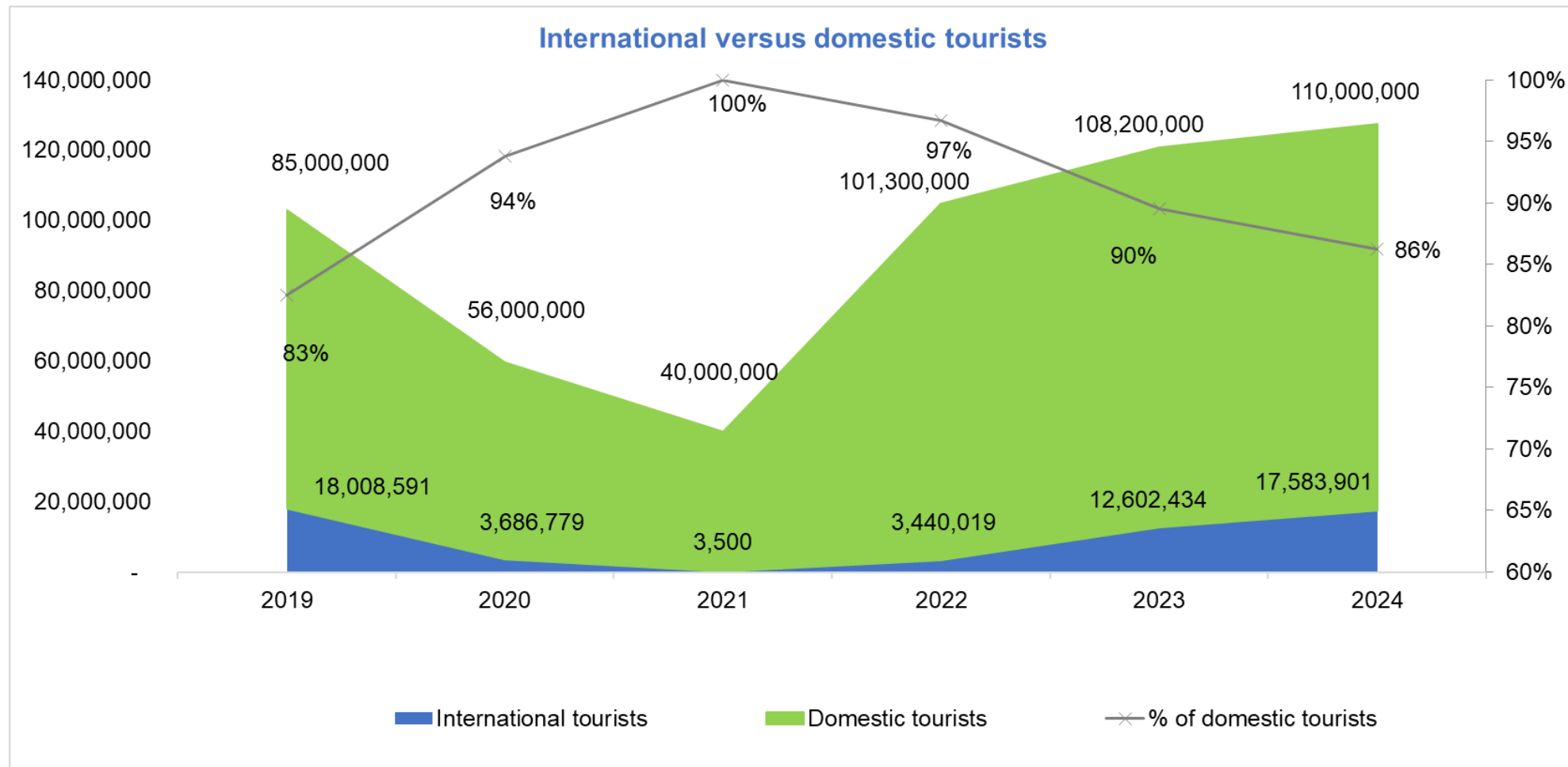
**79% banked
adults 18+**



Domestic tourism thrives and international recovers

Domestic tourism thrives and international recovers

Inbound international tourists to 17.6 million in 2024 (up 40%).





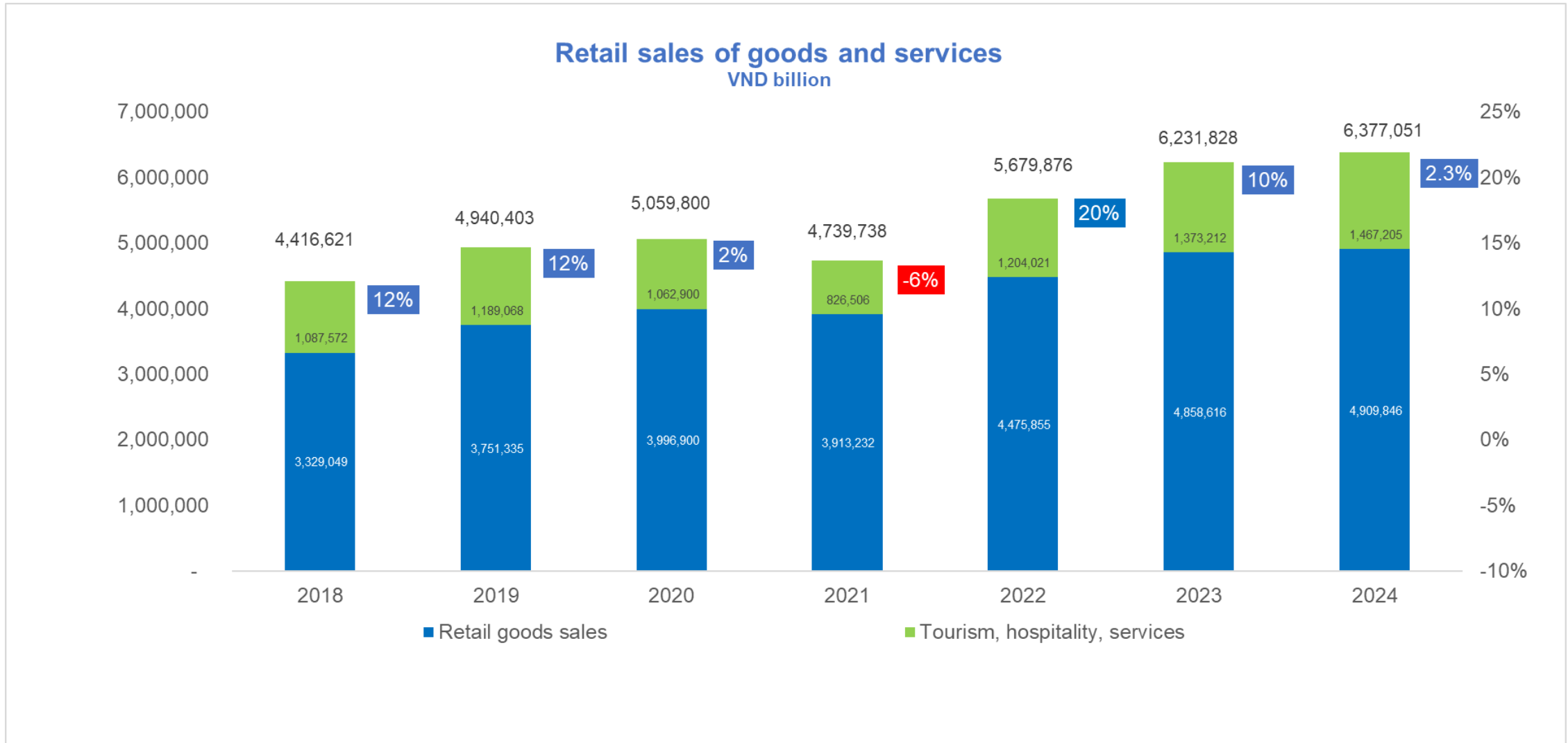
Consumer retail demand challenges
(retail goods and services account for 55% of GDP)

Consumer retail demand has a sluggish 2.3% growth

Goods up 1%, Services up 7%

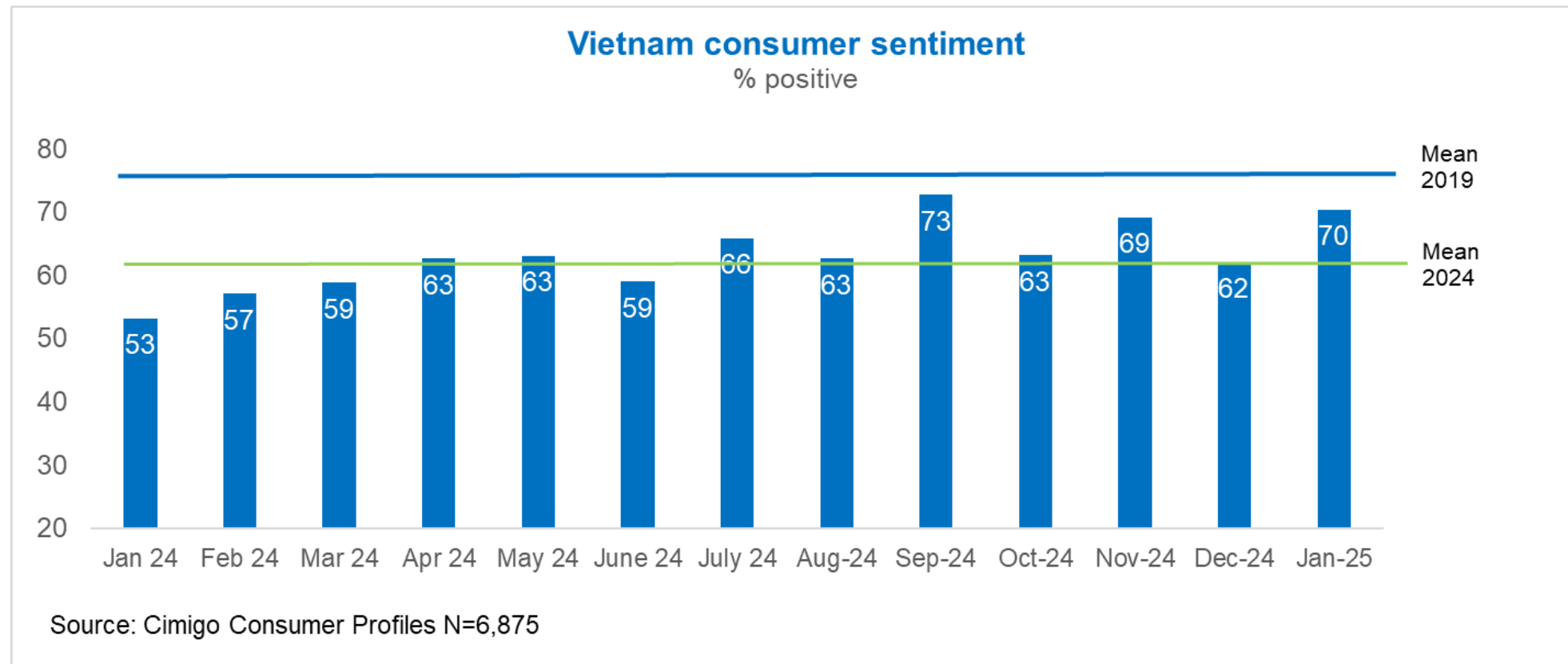


This is far below inflation; volume has contracted. In US\$ equivalents, total goods and services contracted -4.2% in 2024.



Lower consumer sentiment and increased savings

- Consumer sentiment in 2024 was 13 percentage points below 2019.
- Household saving rate has risen from an estimated 8.5% in 2019 to 10% in 2024. Consumer retail bank deposits have increased by an estimated 4.7% in 2024.



Vietnam consumer retail sales are muted

Consumer confidence muted

1. Local consumer sentiment and demand are muted.
2. Consumer price inflation is hitting household budgets. The official inflation basket does not fully represent consumers' shopping baskets.
3. Higher interest rates hit consumer lending, credit purchases and household income.
4. Consumers rebuilding own savings following Covid lockdown depletions.

Consumer spending has undergone a behavioural shift to thrift

1. Delayed or halted high-ticket value purchases.
2. Reduced discretionary entertainment expenditure.
3. Increased savings.
4. Consumer goods shoppers have sought value and steered away from premium products. They have spurned premium propositions. Their thrift impacts necessities such as a carton of milk as much as it does more discretionary spending.
5. Winners in this market have found stability or limited growth through a strong value proposition.

The background image shows a city skyline at dusk or dawn. A prominent, tall, blue glass skyscraper with a unique, spiraling design is the central focus. Other buildings of varying heights and architectural styles are visible around it. The sky is a mix of purple, pink, and blue. A semi-transparent blue horizontal band is overlaid across the middle of the image, containing the title text.

Short-term expectations for Vietnam

The macro-economic data paints a beautiful picture

Foreign direct investment, industrial production, exports, global interconnectivity and a substantial trade surplus bode well for the economy.

But in US\$ terms it is not as positive.
Domestic consumer demand was flat in 2024.

Expect continued short-term volatility

- Vietnam's economy starkly contrasts impressive headline GDP growth with muted consumer demand.
- The currency devalued nearly 7% in 2024.
- Foreign direct investment, industrial production and exports bode well.
- A bureaucratic impasse impeded business sentiment and infrastructure spending in 2024. Major government reform is underway in Q1 2025 and is expected to streamline administrative processes and improve licensing and public expenditure disbursement.
- [Cimigo](#)'s Vietnam GDP 2025 growth forecast is 6.6%.
- Cimigo expect a gradual improvement in consumer demand during 2025 – but only marginally above inflation – at between 4% and 6%.

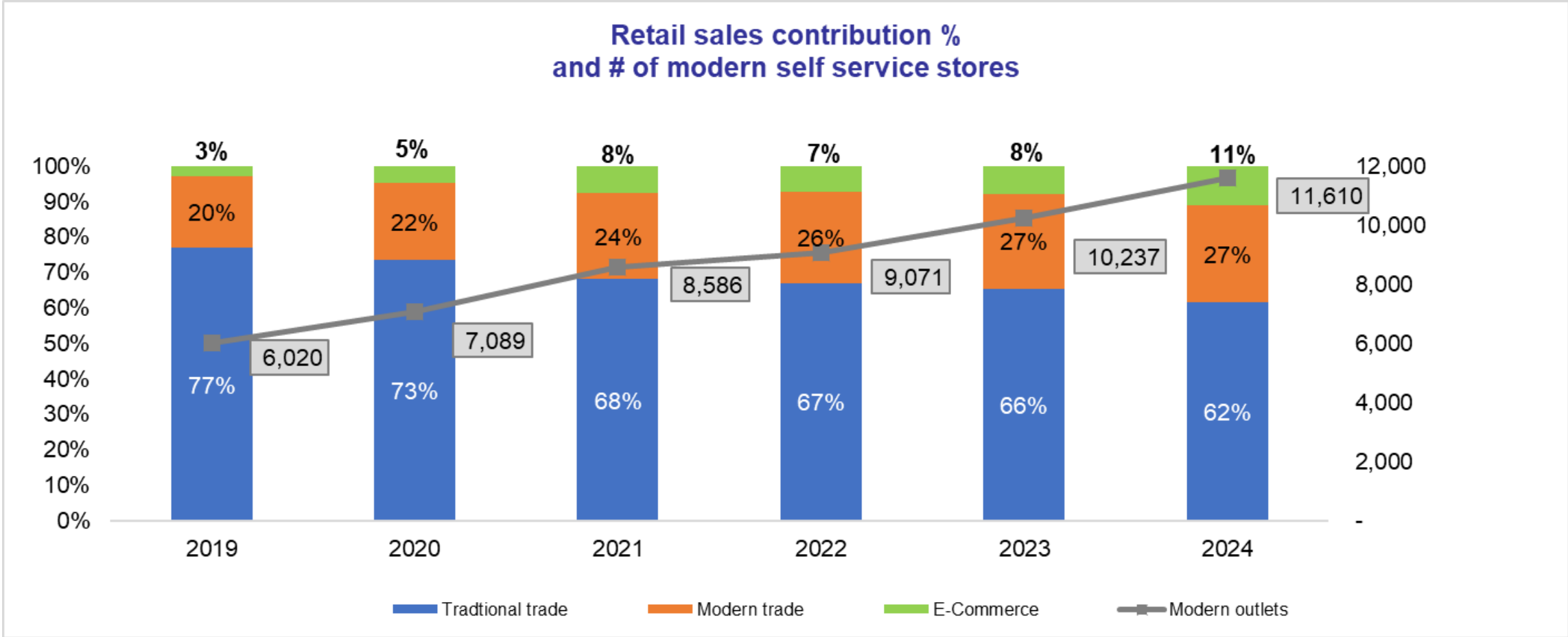
then
now

Traditional trade has seen its share of sales fall from 100% in 2000 to 62% today.



Traditional trade saw an absolute decline in sales
for the first time in 2024

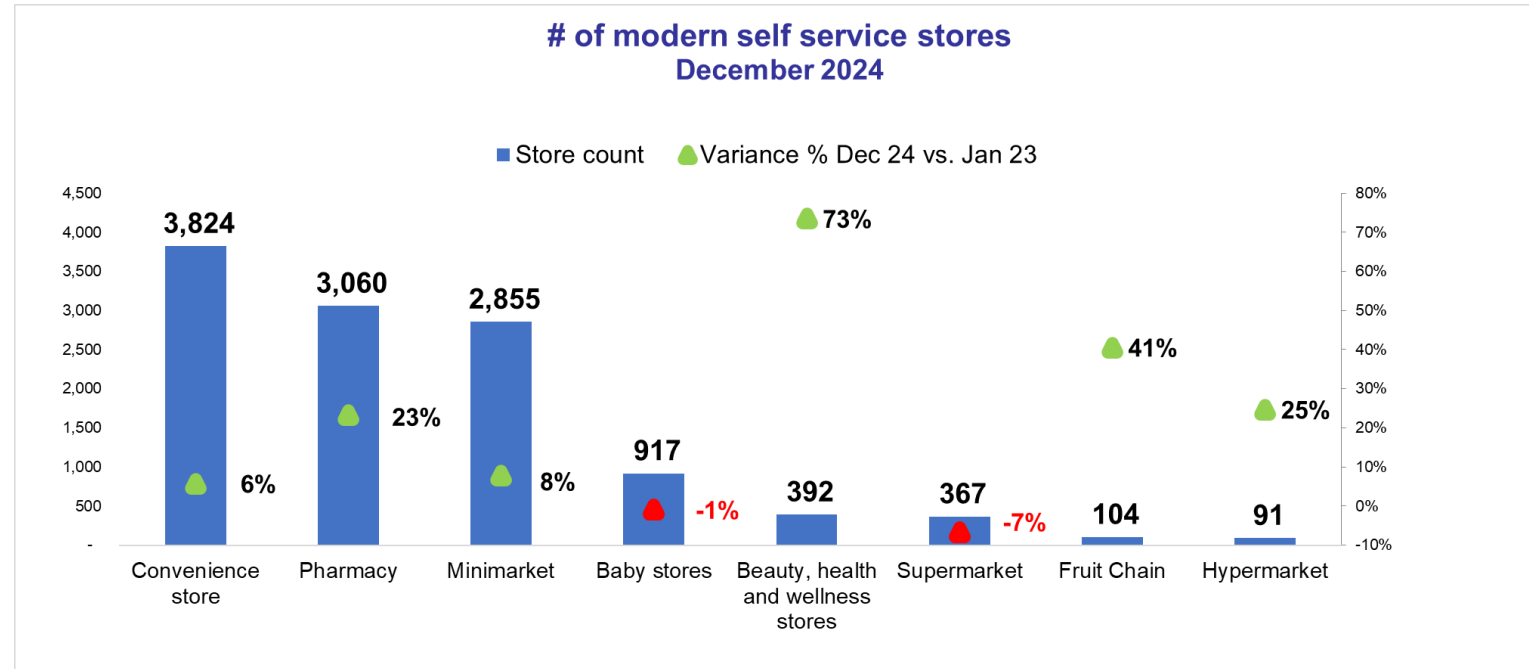
Online shopping accounted for 11% of retail goods sales in 2024



Which category of modern trade stores added the most new outlets over the 24 months?

Organised modern trade developments

- Modern trade's contribution to retail sales has moved from 15% in 2005 to 27% in 2024.
- 2024 saw an 11% increase in outlets (vs. 24 months prior).
 - Most extensive closures were at An Khanh Pharmacy (-179 outlets).
 - Most expansive was FPT Long Chau Pharmacy (+796 outlets).
 - Hasaki (beauty, health and wellness) is also expansive (+136 outlets)



then

now

Deftly delivered Korean soft power has the strongest foreign influence on consumers today.

then now

Beauty today has moved far beyond the 'natural' beauty standards of the past.



What % of adult women have undergone aesthetic cosmetic surgery?

then
now

Today experiences trump ownership.



then
now



Dawn today sees new fitness regimes.



then
now



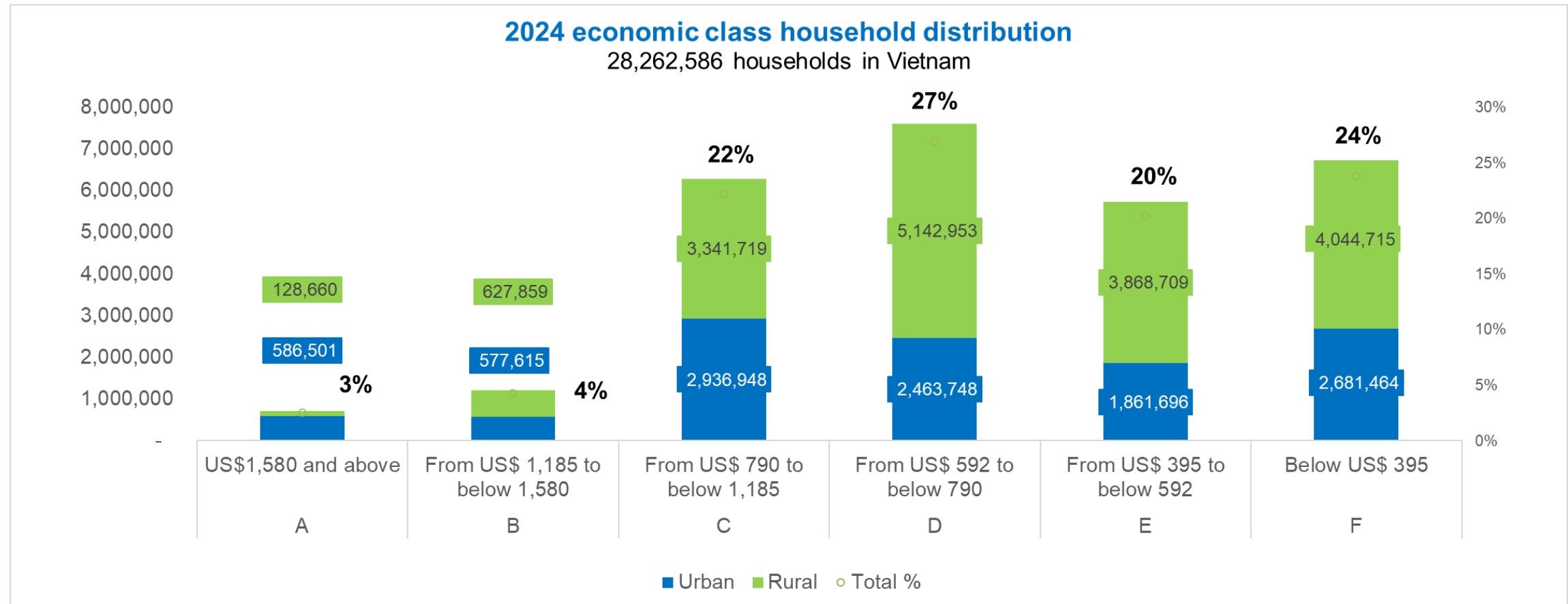
New healthier choices have emerged.



Rising household affluence

Consuming ABCD class are 56% of all households

15.8 million households have a monthly income above US\$592 (VND 15,000,000), classified as ABCD economic class. This equates to 56.2 million people.

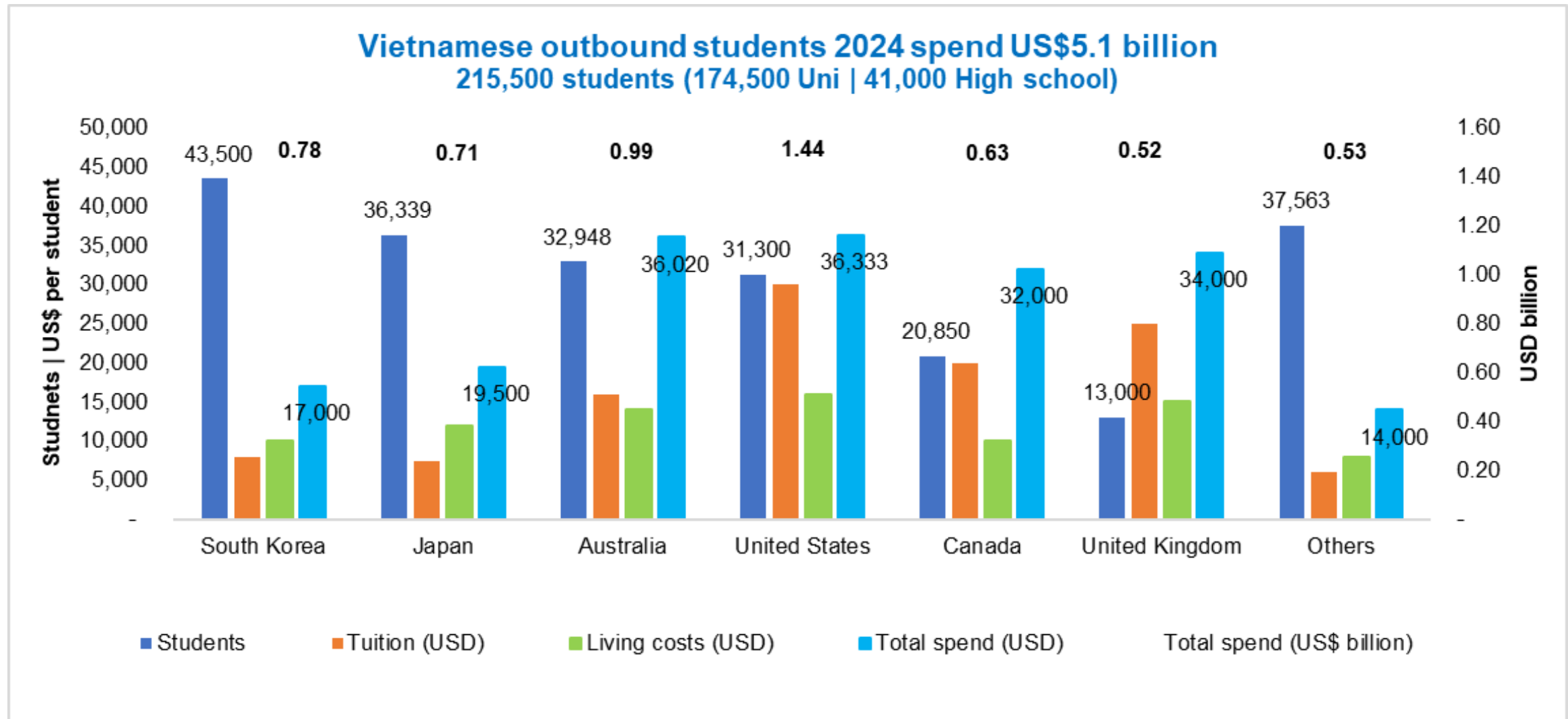


2024 wealth: Low incremental change over 2023

- 5 billionaires. Down 17%.
- 1,470 Ultra high net worth (>30 US\$ million). Up 2.0%.
- 66,901 millionaires. Up 2.2%.
- 6,183,408 households =>USD1,000 monthly income. Up 1.5%.
- 13,518,160 households US\$500-US\$999 monthly income. Up 0.5%.
- Diaspora remittances US\$18.2 billion. Down 12%.

How much money was spent sending Vietnamese students overseas in 2024?

US\$5.1 billion spent educating children overseas in 2024



Sources: Open Doors, Australian Govt, JASSO, CBIE, KESS, HESA, ICEF, UIS, MOET, World Bank

Middle-class acceleration.
Migration and lower birth rates means that households
are smaller and wealthier.

then now



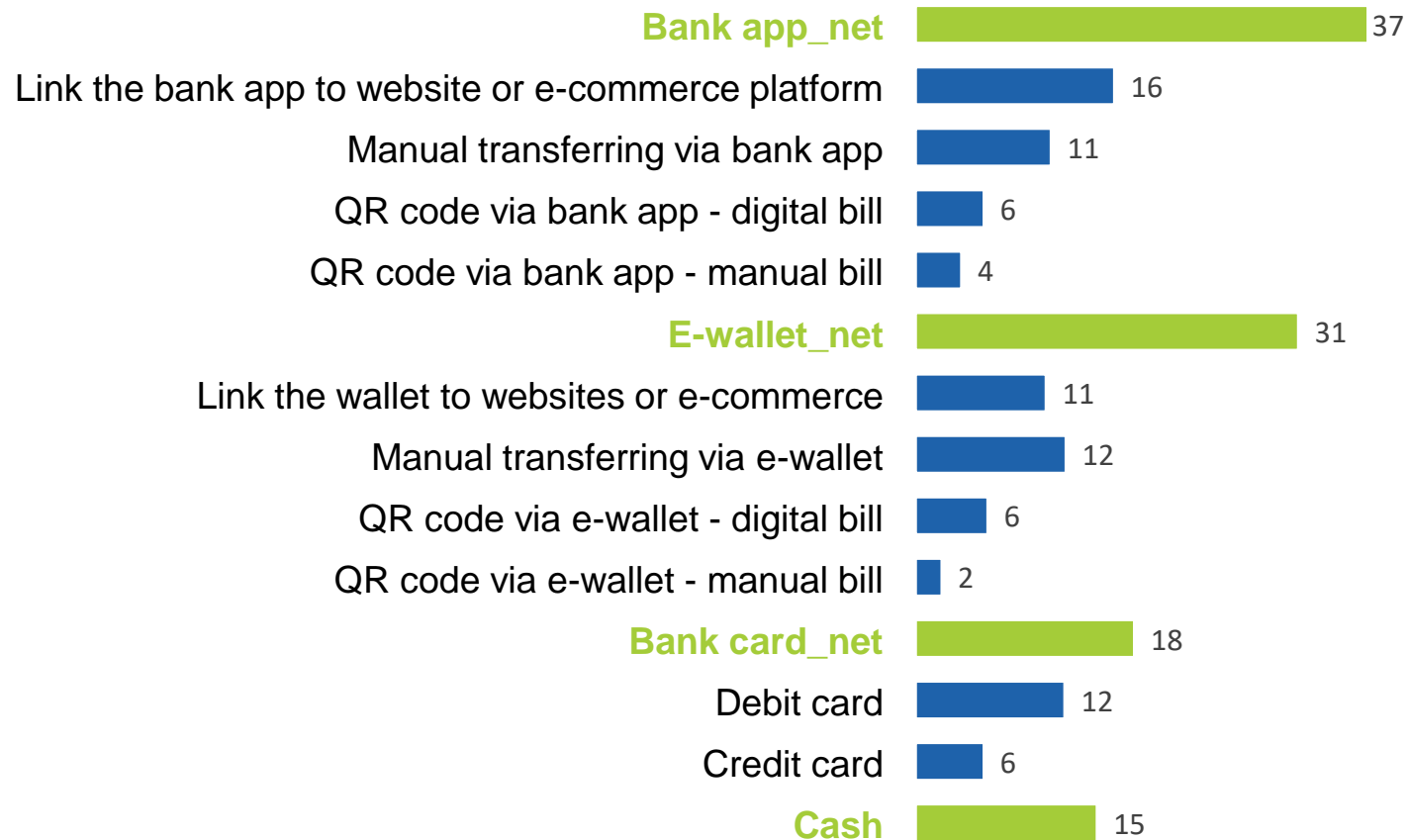
Leapfrogging credit cards for mobile wallets, just as they skipped the fixed phone for the smartphone.

Financial inclusion is near-universal and digital payment supremacy is high.

Digital payment is dominant. Nearly 40% use bank apps in their latest payment.



Latest payment method (%)
Based on all bank user N = 2,111



- Digital bill: a QR code includes all of the information for transferring; the user does not need to input it.
- Manual bill: a QR code that just includes the account number; the user needs to input the amount of money.

Domestic stock trading accounts up 28%



then
now

The digital economy is valued at US\$ 36 billion today,
reaching 8% of GDP.

Digital transformation, digital economy at US\$36 billion in 2024



US\$36 billion
Internet economy
8% of GDP



14%
Online travel



59%
Online shopping



16%
Ads, media, games

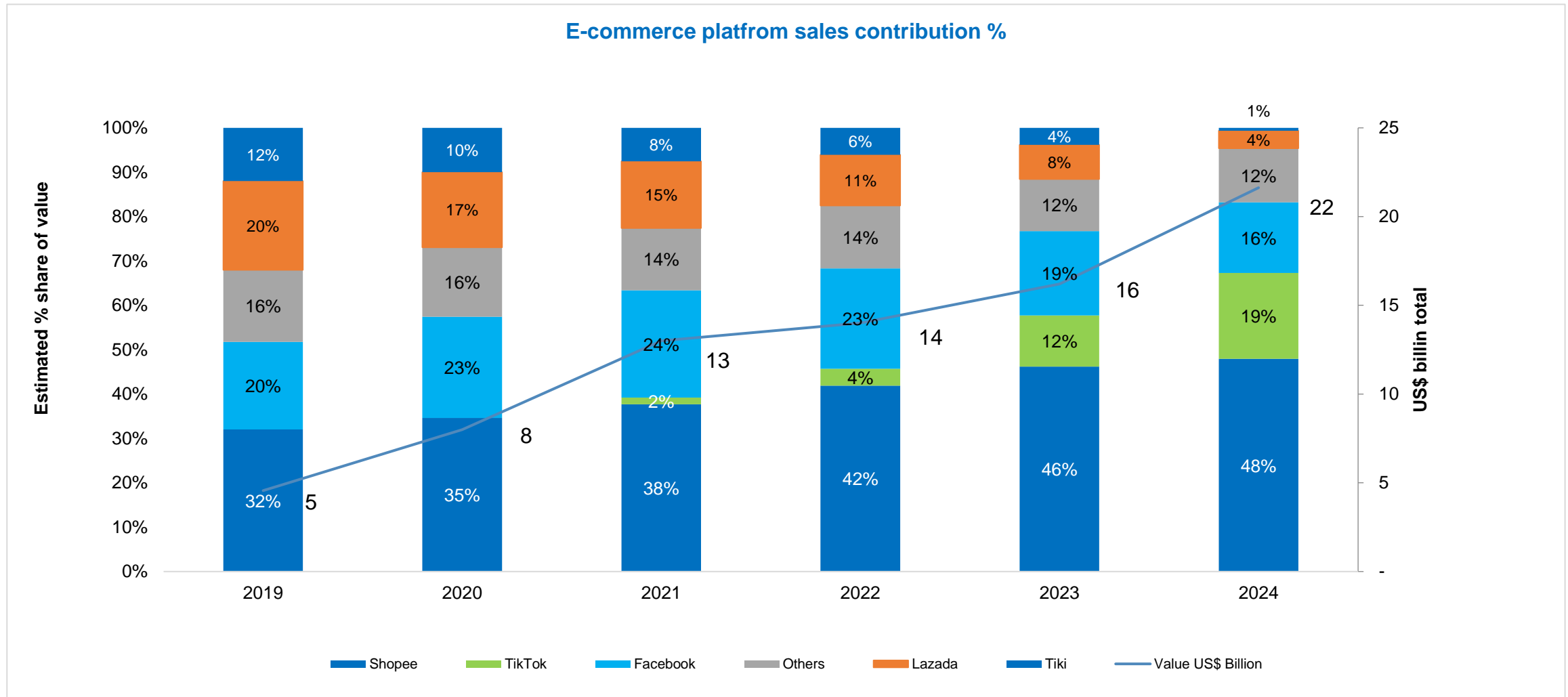


10%
Ride hailing and food delivery

US\$3 billion in 2015 at 1.7% of GDP.

Source: GSO, Temasek, Bain, Google, Cimigo

E-commerce is dominated by Shopee. TikTok is a rapidly growing challenger.

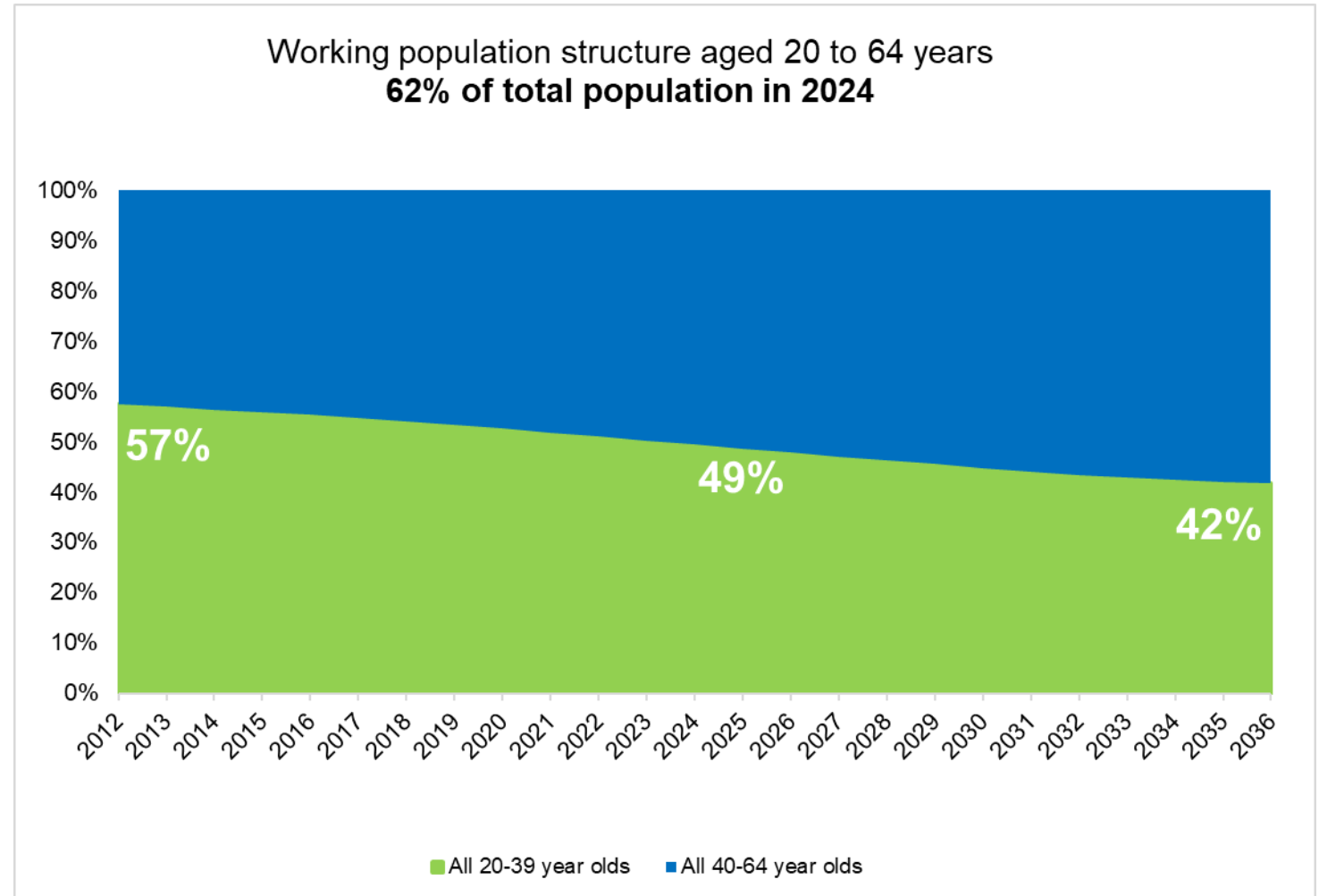


Source: Company releases, Metric.vn, GSO, Temasek, Bain, Google, Cimigo

Which explanation for Vietnam's rapid growth enables all else?

Vietnam's population structure

- **A significant workforce.** The working population is 62% of the total in 2025. Half of the working population is aged 20 to 39 years.
- **A high female participation** in the workforce. 88% amongst females 20 to 64. Just 40% in Indonesia and 25% in India do the same.
- **A young workforce.** 49% in 2025 are between 20 and 39 years old.
- **A cheap workforce.** In 2025, the minimum monthly wage in Saigon is US\$198, just 54% of the minimum in Guangzhou, which is US\$370.



The true demographic dividend is a low dependency ratio



96% men (20 – 64 years) work



88% women (20 – 64 years) work



The working population is 62% of the total in 2024

- Highest % of the working population in the region. It significantly lowers dependency ratios to just 0.64 per employed person. This gives GDP a huge boost. Urban working adults have, on average, 1.67 sources of income.

More women work in Vietnam than anywhere else in the region.
Vietnam enjoys a huge demographic dividend
owing to the low dependency ratios on earners.

Which is the fastest-growing age group in Vietnam?

then
now



The over-50s have grown from 18% of the population in 2010 to 28% in 2025.

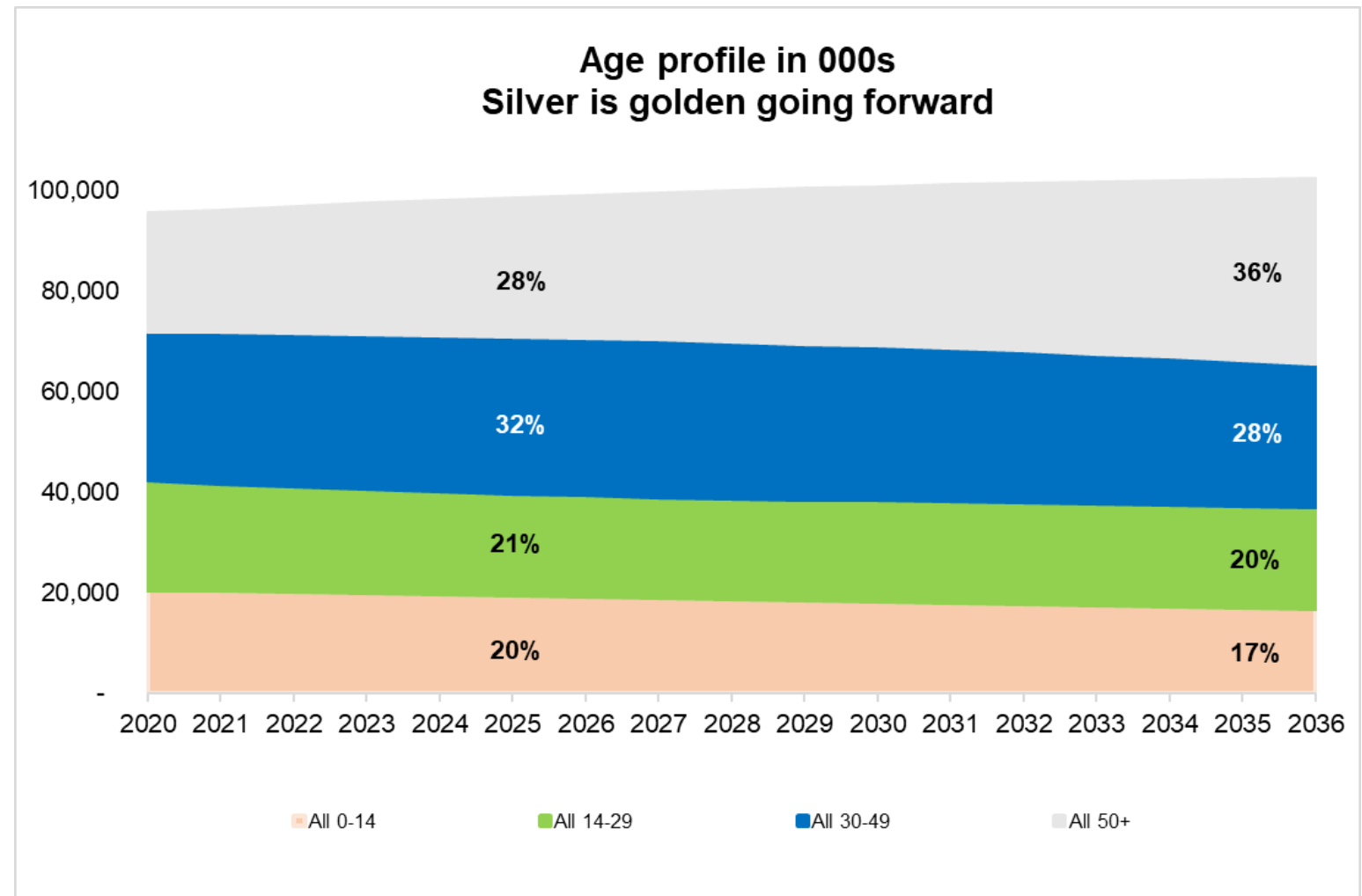
Decelerating birth rates, under 14s and pester power

The demographic that drives much of mums' purchase behaviour has commenced a slow decline.

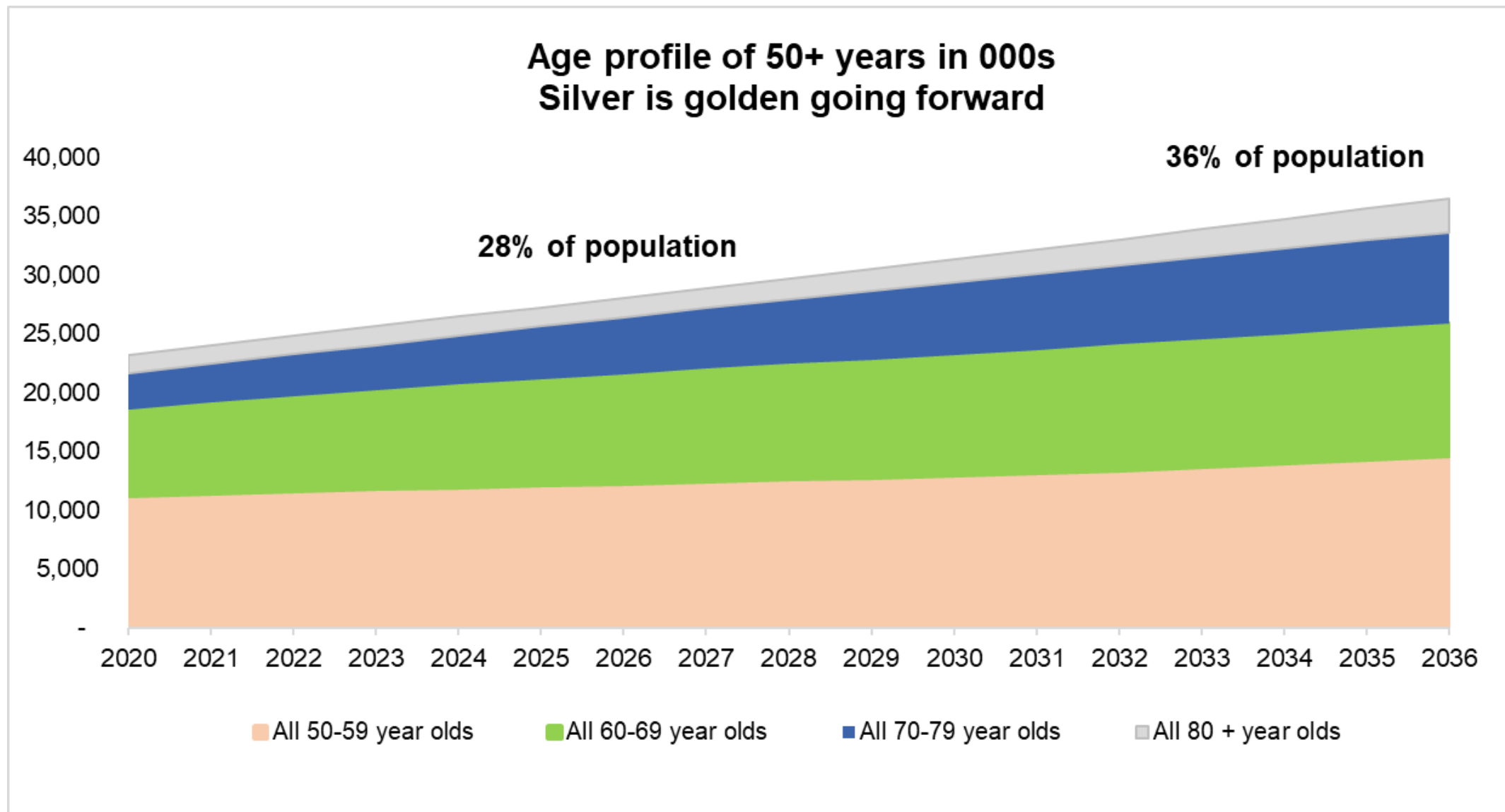
The average number of children born to a woman over her lifetime was 2.5 in 2000 and 1.91 in 2024. It was lower still in the South-East at 1.39 in 2024.

Vietnam's youth has provided an unrivalled dynamism.

We now need to consider making better choices for the silver generation.



Silver generation is fastest growing age segment going forward



When will Vietnam's demographic advantage fade?

A staggering drop in the birth rate
and an ageing population will take hold in the 2030s.
Elderly dependents will become a key challenge in the 2040s.

The background of the slide is a photograph of a cityscape in Vietnam, featuring several tall skyscrapers with glass facades. The central focus is a very tall, slender tower with a unique, spiraling design. The sky is a mix of blue and pink, suggesting a sunset or sunrise. A semi-transparent blue horizontal band is overlaid across the middle of the image, containing the title text.

Long-term expectations for Vietnam

Eight reasons that Vietnam will prosper in the next decade

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