

WORLD RANK: **59** | REGIONAL RANK: **11**

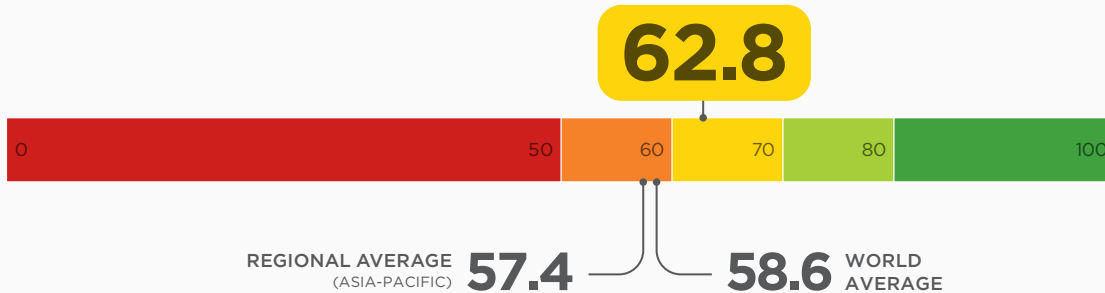
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

VIETNAM

Vietnam's economic freedom score is 62.8, making its economy the 59th freest in the 2024 *Index of Economic Freedom*. Its rating has increased by 1 point from last year, and Vietnam is ranked 11th out of 39 countries in the Asia-Pacific region. The country's economic freedom score is higher than the world and regional averages. Vietnam's economy is considered "moderately free" according to the 2024 *Index*.

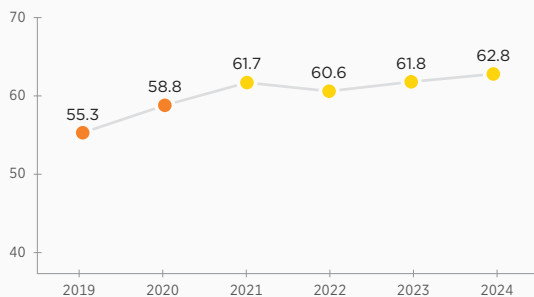
Capitalizing on its gradual integration into the global trade and investment system, Vietnam's economy is becoming more market-oriented. However, despite partial privatization of state-owned enterprises, liberalization of the trade regime, and increasing recognition of private property rights, institutional shortcomings still discourage more sustained development. The regulatory framework remains inefficient. There is no minimum capital requirement, but starting a business is costly. The labor market remains rigid and controlled, and informal labor activity is considerable. Monetary stability is relatively well maintained despite inflationary pressure.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +21.1

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
98.2 million

GDP (PPP):
\$1.3 trillion
8.0% growth in 2022
5-year average growth rate: 5.7%
\$13,284 per capita

UNEMPLOYMENT:
2.2%

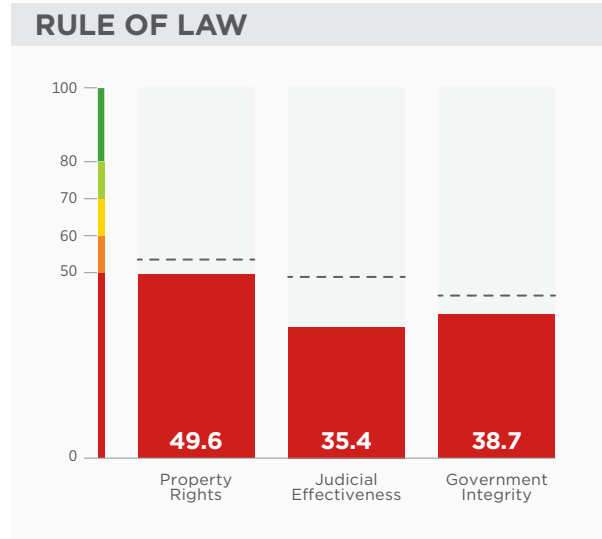
INFLATION (CPI):
3.2%

FDI INFLOW:
\$17.9 billion

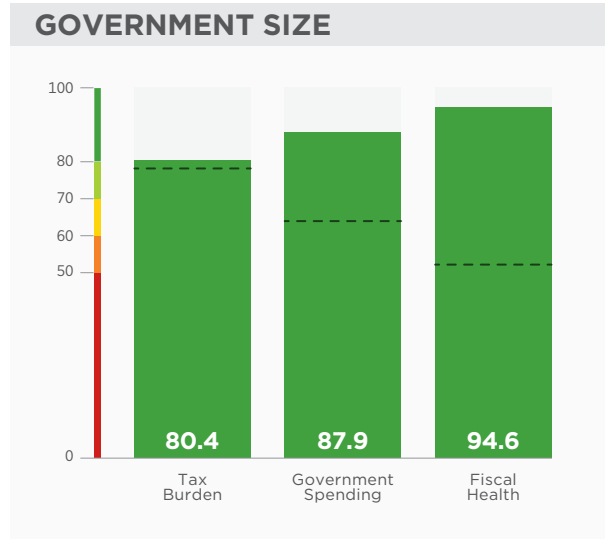
PUBLIC DEBT:
35.3% of GDP

2022 data unless otherwise noted. Data compiled as of October 2023.

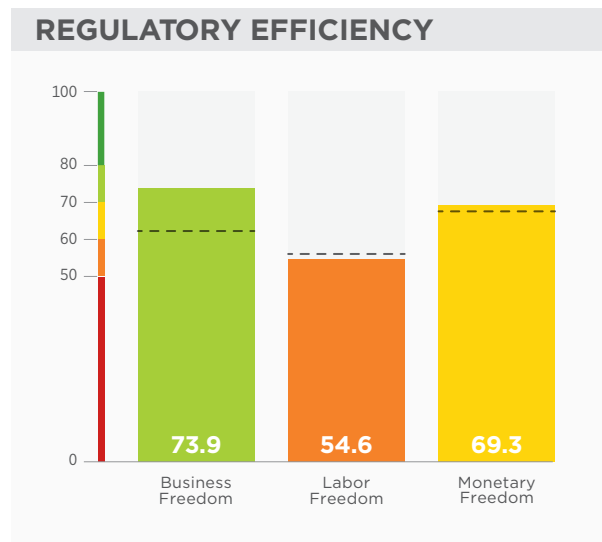
12 ECONOMIC FREEDOMS | VIETNAM



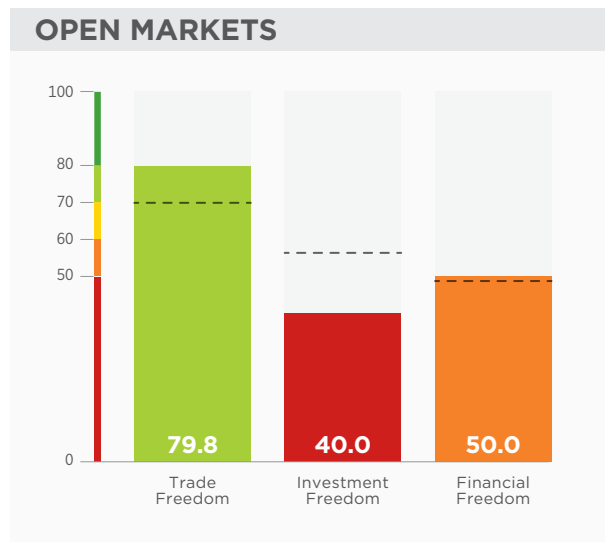
The overall rule of law is weak in Vietnam. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 35 percent, and the top corporate tax rate is 20 percent. The tax burden equals 18.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 20.1 percent and -1.3 percent of GDP. Public debt amounts to 35.3 percent of GDP.



Vietnam's overall regulatory environment is relatively well institutionalized but lacks efficiency. The country's business freedom score is above the world average; its labor freedom score is below the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 5.1 percent, and layers of nontariff barriers prevent more dynamic gains from trade. Despite progress, the overall investment regime lacks efficiency. The financial sector continues to evolve, and state-owned commercial banks have scaled back directed lending.