Vietnam: Trade Exposure and External-Vulnerability Assessment

A Historical Risk Narrative, 2010–2022

K-Dense Web | contact@k-dense.ai

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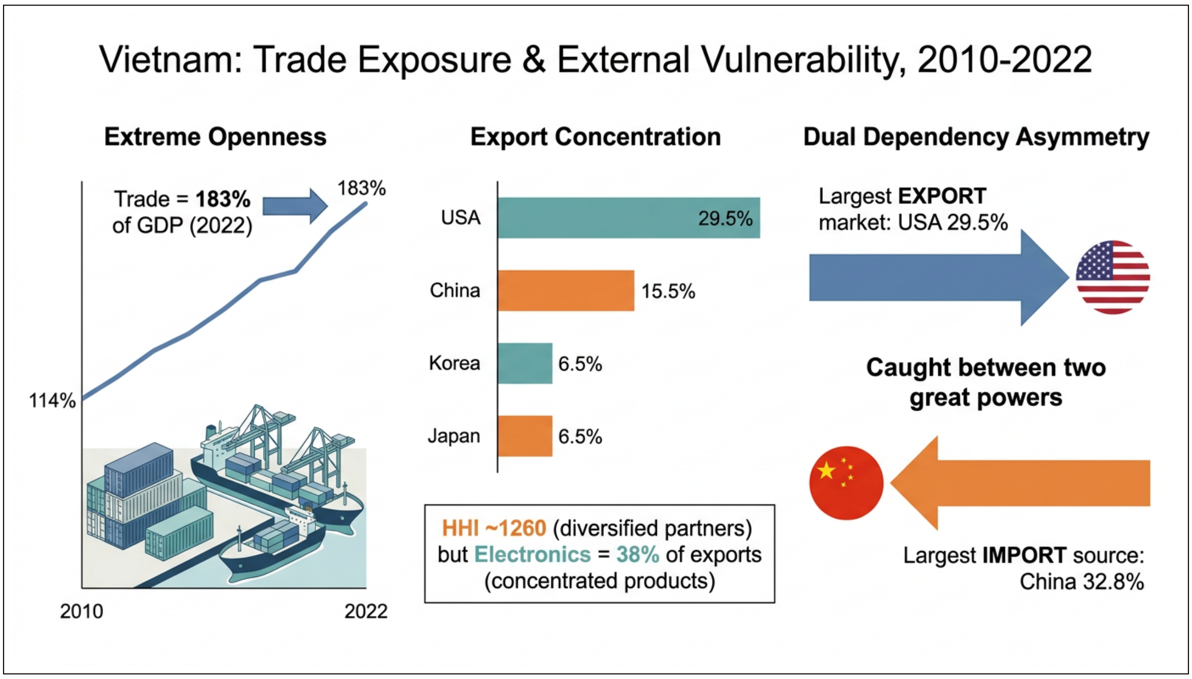

Graphical abstract. Vietnam combines extreme trade openness with diversified export partners *yet concentrated export* products*, and a structurally asymmetric dependence on the United States (largest export market) and China (largest import source).*

Executive Summary

Vietnam is one of the most trade-dependent economies in the world, and that dependence deepened markedly over 2010–2022. Trade in goods and services rose from 113.98 % of GDP in 2010 to 183.15 % in 2022 — a peak of 186.68 % was reached in 2021 — an increase of roughly 69 percentage points, or about 4.0 % compound annual growth in the ratio itself [1]. This openness has powered rapid, export-led growth but is also the single largest channel of external vulnerability: any shock to global demand or to a key counterparty is transmitted almost directly into the domestic economy.

The external accounts are broadly resilient but not without stress points. The current-account balance averaged 1.36 % of GDP over the period but was volatile (standard deviation 2.54 pp), turning negative in 2010, 2015, 2017 and 2021 [2]. External debt rose from 31.56 % of GNI (2010) to a peak of 41.57 % (2017), easing to 37.26 % by 2022 — a moderate but persistently rising liability stock [3].

In 2022, Vietnam's export *partner* base was statistically diversified (Herfindahl–Hirschman Index, HHI, of about 1,260, below the 1,500 "unconcentrated" threshold), yet the top five destinations still absorbed 61.1 % of merchandise exports and the United States alone took 29.5 %

[4]. Export *products* are more concentrated (HHI ≈ 1,634, "moderately concentrated"): electrical machinery and electronics (HS 85) alone accounted for 37.8 % of exports [4]. The defining structural feature is a **dual, asymmetric dependence**: the United States is the largest *export* market (29.5 %) while China is the largest *import* source (32.8 %) [4, 5]. Vietnam is thus wedged between two great powers on opposite sides of its trade ledger, making it acutely sensitive both to US demand and trade policy and to the continuity of Chinese intermediate-input supply chains.

1. Scope, Data and Method

This assessment is a backward-looking risk narrative, not a forecast. Macroeconomic trajectories are drawn from the World Bank World Development Indicators (WDI) database, retrieved via the World Bank Data360 API on 2026-07-10, using indicator codes `NE.TRD.GNFS.ZS` (trade, % of GDP), `BN.CAB.XOKA.GD.ZS` (current account, % of GDP) and `DT.DOD.DECT.GN.ZS` (external debt, % of GNI) [1, 2, 3]. Bilateral and product trade for the reference year 2022 come from the UN Comtrade database (reporter code 704, Harmonized System revision H6), retrieved on the same date; export values are FOB and import values CIF, both in current US$ [4, 5]. Concentration is measured with the Herfindahl–Hirschman Index, HHI $= \sum_i s_i^2$ where s_i is each entity's percentage share, interpreted against the standard antitrust thresholds (<1,500 unconcentrated; 1,500–2,500 moderate; >2,500 high) [7], and with the top-5 concentration ratio (CR5). Every figure in this report is traceable to the public sources listed in Table 4.

2. Exposure Trajectories, 2010–2022

2.1 Trade openness

Vietnam's openness is extreme even among small, export-oriented economies. The trade-to-GDP ratio nearly never fell year-on-year and climbed decisively after 2016, crossing 160 % in 2017 and peaking at 186.68 % in 2021 before easing to 183.15 % in 2022 (Figure 1, Table 1) [1]. Two inflection points stand out. First, the 2018 escalation of US–China trade tensions coincided with a jump in openness (to 164.66 %) as Vietnam absorbed diverted supply-chain and re-export flows. Second, the 2020–2022 pandemic period saw openness surge to its all-time high in 2021, underscoring how much of Vietnam's activity is intermediated through global value chains rather than domestic final demand. A ratio above 180% means that a contraction in either exports *or* imports feeds through to GDP with little domestic buffer.

2.2 Current-account balance

The current account is the "pressure gauge" of external financing needs. Over 2010–2022 it averaged a small surplus (1.36 % of GDP) but swung repeatedly across zero (Figure 1) [2]. It opened the period in deficit (−2.90 %, 2010), strengthened to a peak surplus of 4.82 % in 2012, and then oscillated: deficits recurred in 2015 (−0.85 %, amid a Chinese growth slowdown and weak commodity prices), 2017 (−0.59 %) and 2021 (−1.26 %, during pandemic disruption), before returning to a modest surplus of 0.34 % in 2022. This volatility — a standard deviation of 2.54 pp around a thin average — means Vietnam periodically relies on capital inflows (chiefly foreign direct investment) to close the external gap, and would be exposed if those inflows reversed.

2.3 External debt

External debt rose steadily from 31.56 % of GNI in 2010 to a peak of 41.57 % in 2017, then eased to 37.26 % by 2022 (Figure 1, Table 1) [3]. The 5.7 pp net increase over the period is moderate and the 2022 level remains well below thresholds that typically trigger sustainability concerns for a lower-middle-income economy. Nonetheless, the upward drift, combined with a periodically negative current account, tightens the linkage between Vietnam's solvency and its continued ability to export.

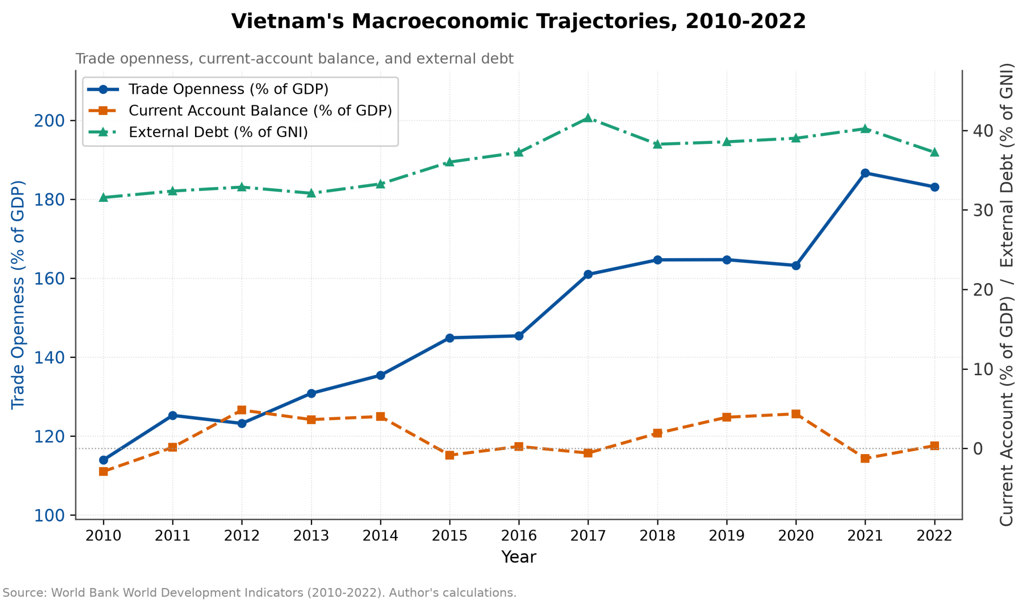

Figure 1. Vietnam's macroeconomic exposure trajectories, 2010–2022. Trade openness (left axis) rises from 114 % to 183 % of GDP; the current-account balance and external debt (right axis) show a volatile, near-zero external balance and a moderate rise then partial retreat in debt. Source: World Bank WDI, indicators `NE.TRD.GNFS.ZS`, `BN.CAB.XOKA.GD.ZS`, `DT.DOD.DECT.GN.ZS`; accessed 2026-07-10 [1, 2, 3].

Table 1. Annual exposure-trajectory series, 2010–2022 (also provided as `vietnam_macro_trajectories_2010_2022.csv`). Source: World Bank WDI; accessed 2026-07-10 [1, 2, 3].

Year	Trade (% GDP) NE.TRD.GNFS.ZS	Current acct. (% GDP) BN.CAB.XOKA.GD.ZS	Ext. debt (% GNI) DT.DOD.DECT.GN.ZS
2010	113.98	−2.90	31.56
2011	125.26	0.14	32.38
2012	123.22	4.82	32.88
2013	130.85	3.62	32.10
2014	135.41	4.01	33.27
2015	144.91	−0.85	36.03
2016	145.41	0.24	37.24
2017	160.98	−0.59	41.57
2018	164.66	1.90	38.27
2019	164.70	3.92	38.57
2020	163.25	4.34	39.02
2021	186.68	−1.26	40.22
2022	183.15	0.34	37.26
Mean	149.42	1.36	36.18

3. 2022 Concentration Snapshot

3.1 Export-partner concentration

Total merchandise exports in 2022 were about US$371 billion [4]. Across 97 reported partners the export HHI was **1,259.7**, which sits below the 1,500 "unconcentrated" threshold [7] — so, on a whole-of-portfolio basis, Vietnam's *partner* base looks diversified. Excluding the two "not-elsewhere-specified" residual categories and re-normalising raises the HHI only modestly, to 1,329.4, so the conclusion is robust. Yet diversification at the tail coexists with heavy reliance at the top: the top five destinations absorbed 61.1 % of exports (Figure 2, Table 2). The United States alone took 29.5 % — nearly twice the share of second-placed China (15.6 %) — followed by the Republic of Korea (6.5 %), Japan (6.5 %) and Hong Kong SAR (2.9 %) [4]. The apparent contradiction — a "diversified" HHI alongside a 29.5% single-market share — is exactly the risk story: the low HHI is driven by a long tail of tiny partners, while real revenue exposure is dominated by one destination.

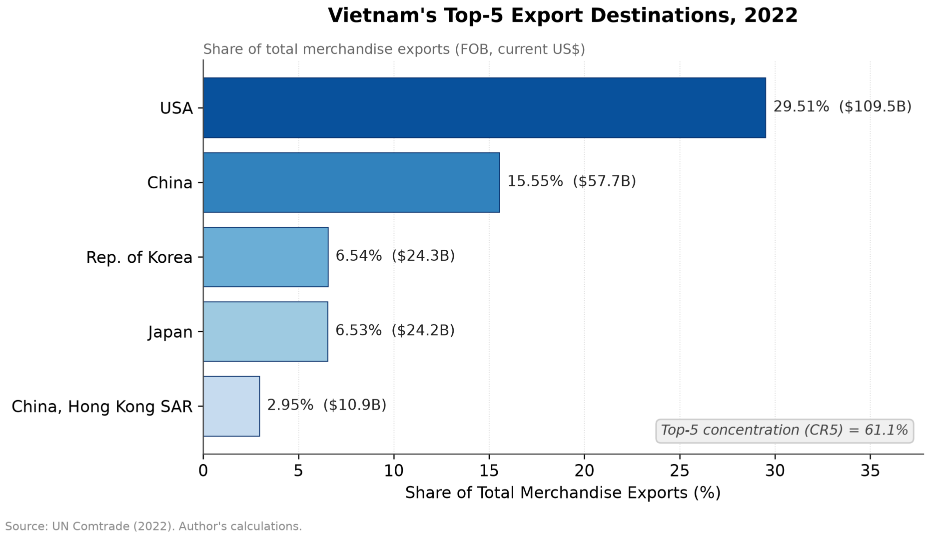

Figure 2. Top-5 destinations for Vietnamese merchandise exports, 2022 (share of total, FOB). Source: UN Comtrade, reporter 704, flow X, HS H6; accessed 2026-07-10 [4].

Table 2. Top-5 export destinations and partner concentration, 2022. Source: UN Comtrade; accessed 2026-07-10 [4].

Rank	Partner	Export share (%)	Value (US$ bn)
1	United States	29.51	109.5
2	China	15.55	57.7
3	Rep. of Korea	6.54	24.3
4	Japan	6.53	24.2
5	China, Hong Kong SAR	2.95	10.9
Top-5 (CR5)		**61.08**	**226.6**
Partner HHI		**1,259.7** (unconcentrated, <1,500)	

3.2 Product concentration

Product concentration is materially higher than partner concentration. The HS 2-digit export HHI was **1,634**, in the "moderately concentrated" band [4, 7]. The top five chapters made up 61.6 % of exports (Figure 3, Table 3), but the distribution is highly top-heavy: electrical machinery and electronics (HS 85) alone accounted for 37.8 %, dwarfing machinery (HS 84, 8.0 %), footwear (HS 64, 6.6 %) and the two apparel chapters (HS 61 and HS 62, 4.7 % and

4.5 %) [4]. A single product family thus generates well over a third of export earnings, so a shock to global electronics demand, or to the multinational assembly operations that dominate this chapter, would strike the export base disproportionately.

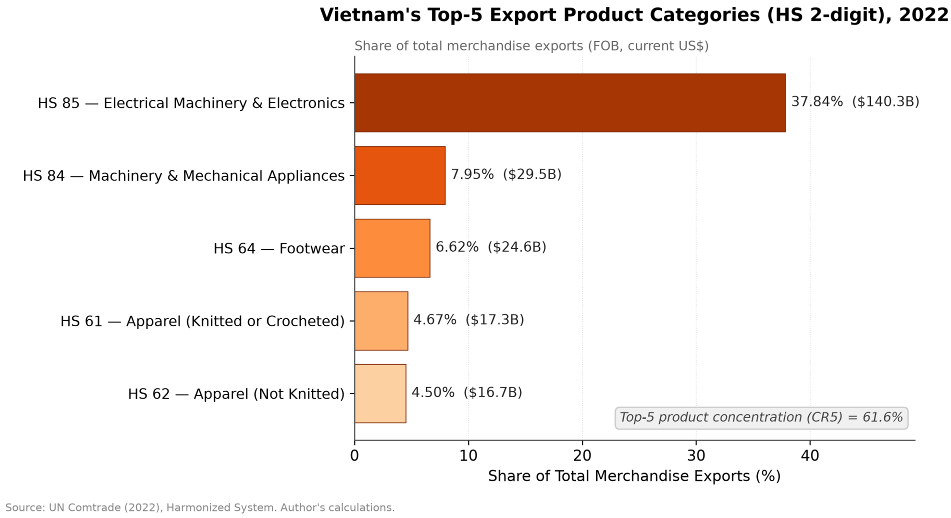

Figure 3. Top-5 HS 2-digit export chapters, 2022 (share of total, FOB). Source: UN Comtrade, HS H6; accessed 2026-07-10 [4].

Table 3. Top-5 HS 2-digit export chapters and product concentration, 2022. Source: UN Comtrade; accessed 2026-07-10 [4].

Rank	HS chapter	Share (%)	Value (US$ bn)
1	HS 85 — Electrical machinery & electronics	37.84	140.3
2	HS 84 — Machinery & mechanical appliances	7.95	29.5
3	HS 64 — Footwear	6.62	24.6
4	HS 61 — Apparel (knitted/crocheted)	4.67	17.3
5	HS 62 — Apparel (not knitted)	4.50	16.7
Top-5 (CR5)		**61.58**	**228.4**
Product HHI		**1,634.0**	(moderate, 1,500–2,500)

4. Dependency-Risk Assessment

4.1 Exposure to the largest export partner: the United States

The United States is Vietnam's single largest export market, buying US$109.5 billion — 29.5 % of merchandise exports — in 2022 [4]. Set against a trade-to-GDP ratio above 183 % [1], this means US final demand underwrites a very large slice of national income, transmitted with little domestic cushion. The exposure is compounded by product concentration: much of what flows to the US is electronics and other manufactured goods (HS 85 alone is 37.8 % of all exports) assembled by foreign-invested firms, so the dependence is simultaneously on one *market*, one *product family*, and a footloose FDI base. The principal risks are (i) a US demand downturn, which would widen the current account — already negative in four of the thirteen years studied [2]; and (ii) trade-policy risk. The very re-export and supply-chain diversion that lifted openness after 2018 has enlarged Vietnam's bilateral surplus with the US, raising the salience of anti-dumping actions, tariff measures and origin-of-goods scrutiny. A material tightening of US market access would be difficult to offset quickly, because no other single destination approaches the scale of the US.

4.2 Exposure to the largest import partner: China

On the import side the mirror-image dependence is even sharper: China supplied US$117.7 billion — 32.8 % of Vietnam's merchandise imports — in 2022, the largest single source [5]. Because Vietnam's exports are electronics-, footwear- and apparel-heavy, and these industries rely on imported components, fabrics and machinery, Chinese inputs are embedded upstream of the very goods Vietnam sells to the US and others. This creates a supply-side chokepoint: disruption to Chinese supply — whether from logistics shocks, export controls, or geopolitical friction — would raise input costs and could stall the export engine regardless of how strong end-market demand remains.

4.3 The dual-asymmetry conclusion

The core vulnerability is the *asymmetry* between these two dependencies. Vietnam earns most at the top of its export ladder from the United States (29.5 %) but sources most of its inputs from China (32.8 %) [4, 5]. The economy is therefore coupled to two rival great powers on opposite sides of the ledger, and to the persistence of the very US–China tension that has, so far, benefited it as a "China+1" relocation hub. In an extreme-open economy (trade >183 % of GDP), with a volatile current account and a moderate but rising external-debt stock, this structural positioning is Vietnam's defining external risk. Mitigation levers — deepening ASEAN, EU and other market ties to dilute US revenue reliance, and localising or diversifying critical inputs to reduce Chinese supply dependence — are precisely the areas policymakers should monitor. None of the individual metrics breaches a crisis threshold; the risk lies in their *combination* and in the concentration of both ends of the trade relationship on single, geopolitically opposed counterparties.

5. Data Sources and Provenance

Table 4. Source vintage and access record. All series and metrics in this report trace to these public sources.

Data item	Source	Identifier / endpoint	Accessed
Trade openness (% GDP)	World Bank WDI	`NE.TRD.GNFS.ZS` (Data360 API)	2026-07-10
Current account (% GDP)	World Bank WDI	`BN.CAB.XOKA.GD.ZS` (Data360 API)	2026-07-10
External debt (% GNI)	World Bank WDI	`DT.DOD.DECT.GN.ZS` (Data360 API)	2026-07-10
Export partners / products 2022	UN Comtrade	Reporter 704, flow X, HS H6	2026-07-10
Import partners 2022	UN Comtrade	Reporter 704, flow M, HS H6	2026-07-10
HHI thresholds	US DOJ/FTC	HHI concentration bands	2026-07-10

Notes. WDI values retrieved via the World Bank Data360 API on 2026-07-10. UN Comtrade values are for reference year 2022, HS revision H6; export values FOB, import values CIF, in current US$. HHI = $\sum_i s_i^2$ *with shares in percentage points (0–10,000 scale). CAGR of the current-account ratio is undefined because the series crosses zero. Figure and table values are the author's calculations from these public sources.*

References

[1] World Bank. *Trade (% of GDP), Viet Nam — Indicator NE.TRD.GNFS.ZS.* World Development Indicators, accessed via the World Bank Data360 API (`https://data360api.worldbank.org/`

`data360/data`). Annual series 2010–2022. Accessed 2026-07-10.

[2] World Bank. *Current account balance (% of GDP), Viet Nam — Indicator BN.CAB.XOKA.GD.ZS.* World Development Indicators, Data360 API. Annual series 2010–2022. Accessed 2026-07-10.

[3] World Bank. *External debt stocks (% of GNI), Viet Nam — Indicator DT.DOD.DECT.GN.ZS.* World Development Indicators / International Debt Statistics, Data360 API. Annual series 2010–2022. Accessed 2026-07-10.

[4] United Nations Statistics Division. *UN Comtrade Database: Viet Nam merchandise exports by partner and by HS 2-digit chapter, 2022.* UN Comtrade API v1 (`https://comtradeapi.un.org/public/v1/preview/C/A/HS`); reporter code 704, flow X, classification HS (H6). Values current US$ (FOB). Accessed 2026-07-10.

[5] United Nations Statistics Division. *UN Comtrade Database: Viet Nam merchandise imports by partner, 2022.* UN Comtrade API v1; reporter code 704, flow M, classification HS (H6). Values current US$ (CIF). Accessed 2026-07-10.

[6] World Customs Organization. *Harmonized Commodity Description and Coding System (HS), 2-digit chapter nomenclature.* Accessed 2026-07-10.

[7] U.S. Department of Justice & Federal Trade Commission. *Herfindahl–Hirschman Index (HHI) — concentration thresholds.* (`https://www.justice.gov/atr/herfindahl-hirschman-index`). Accessed 2026-07-10.