



Vietnam Market for Information Technology (IT) Hardware and Software

By U.S. Commercial Service – Vietnam
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Overview

IT Hardware Market (in million US\$)

	2011	2012	2013 (estimated)
Total Market Size	1350	1550	1780
Total Local Production	70	75	90
Total Exports	0	0	0
Total Imports	1280	1475	1690
Imports from the U.S.	510	670	760

IT Software Market (in million US\$)

	2011	2012	2013 (estimated)
Total Market Size	580	665	760
Total Local Production	220	265	305
Total Exports	0	0	0
Total Imports	360	400	455
Imports from the U.S.	160	180	205

(Note: Figures are gathered from industry publications and news articles, and are unofficial estimates)

The IT hardware and software markets of Vietnam, which are driven by continued higher IT demand and outlay from the public sector, private sector and households, have grown at an average rate of 15 percent for the last five years. To meet its dynamic market growth, Vietnam has been importing the lion's share of IT hardware and software as Vietnamese manufacturers are still relatively new and may not be able to offer the same range of solutions and services as foreign suppliers. This trend is expected to continue to offer good sales opportunities for U.S. suppliers for many years to come.

A recent International Data Corporation (IDC) report shows that the hardware market grew at 15 percent in 2012 and is forecasted to grow at a similar rate in 2013. Key players in the hardware market include suppliers from Taiwan, China, the U.S., and Japan. According to the IDC, the software market grew at 14.5 percent in 2012 and is estimated to grow at virtually the same rate in 2013. Major players in the software market include suppliers from the U.S., Germany, China, Russia, and Vietnam. Software market revenues would be significantly greater without the use of counterfeit software. Protection of software copyright is an issue; industry experts reported that Vietnam had a software piracy rate of 79 percent in 2012, down from 81 percent in 2011.

Best Prospects

U.S. IT suppliers are provided great opportunities for success in penetrating or expanding their business in Vietnam thanks to their reputation for high-quality products, state-of-the-art technology and professionalism. As more domestic enterprises including banks, brokerages, retail and e-commerce firms and other companies invest in their core systems, retail and mobile delivery services, etc., demand for IT hardware and software is expected to continue to grow in the coming years.

Hardware: According to the IDC, Vietnam's personal computer (PC) market grew at roughly 15 percent in 2012. As the Vietnamese economy is forecasted to grow at about 5-6 percent over the next few years, this growth trend in PC market is expected to continue at a strong pace and offers good potential for U.S. suppliers. Major suppliers of PCs in Vietnam include Taiwan (Acer and Asus), the U.S. (Dell, Hewlett-Packard and Apple), China (Lenovo), Japan (Sony and Toshiba) and Korea (Samsung).

Wireless equipment is another best prospect in the IT hardware market for U.S. suppliers. Government agencies, enterprises, department stores, hotels, restaurants, high-end coffee shops and households in Vietnam are increasingly equipping themselves with Wi-Fi equipment to meet the growing connection demand from their employees and clients. Key suppliers of wireless equipment in Vietnam include Taiwan (D-link and Asus), and the U.S. (NetGear and Proxim).

Network equipment, including access points, ADSL equipment, hubs, switches, and network adapters, is also a best prospect for U.S. suppliers. Cisco Systems and Juniper Networks are two major U.S. network equipment suppliers in Vietnam.

In addition, the information security equipment sub-sector offers good potential for U.S. suppliers as the Government and businesses in Vietnam are conducting more business transactions via the Internet and local and wide area networks.

Software: Security software, including anti-virus software and Internet security software, is a best prospect for U.S. suppliers. Symantec and McAfee are successful U.S. suppliers of security software in Vietnam.

Database software is another best prospect for U.S. suppliers, especially in the finance and banking sectors. Key players in the database software market in Vietnam are Oracle, IBM and Microsoft.

Application software for Small and Medium-sized Enterprises (SMEs), including Customer Relationship Management (CRM), Enterprise Resource Planning (ERP) and Human Resources Management (HRM), is also expected to present good potential for U.S. suppliers.

According to industry analysts, while most SMEs in Vietnam tend to use low-priced Vietnamese software, a number of large State-owned and private corporations, especially in finance and banking, aviation, energy, telecommunications and construction, prefer to use high-end software, including customized solutions as well as off-the-shelf products.

Trade Events:

1. CommunicAsia, 18-21 June 2013, Singapore, <http://www.communicasia.com/>
2. Vietnam Telecomp, 20-23 November 2013, HCMC, Vietnam, <http://www.vietnam-telecomp.com/VNC13/Main/lang-eng/Information.aspx>

Resources:

U.S. Commercial Service in Vietnam: www.export.gov/vietnam

Vietnam Ministry of Information and Communication: <http://www.mic.gov.vn>

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