One of the biggest obstacles to selling to Vietnamese companies remains their inability to access foreign exchange to pay for imports. Given their longstanding trading relationship with the former Soviet Union, Vietnamese firms are traditionally more comfortable engaging in two-way trade.

Vietnam is not a technologically advanced country; therefore, most things are very basic and outdated. Canadian exporters will have to focus on supplying products and services that are appropriate for the market in which they will be used. Factors such as skill availability, raw material quantity and quality, availability of replacement parts, power supply, and overall market conditions should be considered.

Export and Import Controls

The Ministry of Trade (MOT) reports to the Council of Ministers and exercises control over all export-import trading in Vietnam. The MOT is responsible for coordinating with the State Planning Committee (SPC) the country's strategy and objectives, and for planning exports and imports so they match the national socio-economic goals. The MOT will assist exporters and importers by providing information on markets and prices. It is also responsible for export-import quotas and licenses, and the inspection and control of export-import activity. Companies are responsible for researching any restrictions relating to goods or services.

Finding a Trading Partner

Not every enterprise is authorized to be involved in foreign trade; therefore, it is essential to confirm that the Vietnamese partner can legally trade. The Vietcochamber and the MOT can provide Canadian companies with a list of Vietnamese corporations allowed to participate in foreign trade.

International trade has been traditionally regulated by the Government of Vietnam. Trading companies managed by the state and approved by the MOT to engage in trade were established under ministries with the administrative responsibility for production of the traded goods to act as middlemen for state exporters.

Trading partners able to participate in foreign trade exist at the state, provincial and semi-private levels. Private organizations or individuals are not allowed to directly import foreign goods.

The following groups of Viet companies can generally participate in foreign trade:

- General State Trading Enterprises: companies that work at the state level and deal with a variety of import/export products
- Specialized State Trading Enterprises: companies that specialize in certain products or industrial sectors, such as agricultural and food products, coal, leather, seafood, electronics, beverages
- General Provincial Enterprises
- Specialized Provincial Enterprises

A Canadian company should not expect to contact a Vietnamese company by facsimile to arrange distribution or agency agreements. A visit to the market is mandatory to determine market potential and to evaluate prospective partners. A firm must learn the capabilities of their Vietnamese trading partner. Due to foreign exchange shortages, some Vietnamese companies are more familiar with countertrade, while others are able to open, and comply with, letters of credit. Each company will