

The medical technology market in Vietnam: Highly appealing, but demanding



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In recent years, Vietnam has developed into one of the most dynamic medical technology markets in South-East Asia. Whilst ‘Made in Germany’ has long been regarded as a key quality assurance, market mechanisms, procurement strategies and competitive conditions are changing noticeably. For international medical technology companies – particularly those from Europe – the market continues to offer substantial opportunities, but requires a significantly more nuanced market entry and business model than was the case just a few years ago.

Healthcare provision in Vietnam varies significantly from region to region. The country’s economic and medical hub is in the south, particularly in the Ho Chi Minh City metropolitan area and the neighbouring provinces of Binh Duong and Can Tho. A high proportion of public and private hospitals, diagnostic centres and specialist medical facilities are located there. However, there are also large hospitals in Hanoi and Đà Nẵng. Private clinics are growing rapidly, particularly in the major cities.

Pharmacies can be found in abundance in the capital cities such as Ho Chi Minh City

or Hanoi, on high streets, in shopping centres and at local markets. Pharmacy chains such as Pharmacity and Vistar Pharmacy are open until midnight.



Branch Pharmacity, Ho-Chi-Minh-City

Market size, growth and dependence on imports

Vietnam has a population of just under 100 million and is seeing a steady rise in healthcare spending. Market research firms forecast average annual market growth of between 8.9% and 9.9% until the end of the decade. The market size is estimated at around USD 2.2 billion for 2029.

The market is heavily import-driven: around 90% of medical technology requirements are imported. Germany is the most important trading partner from the EU, accounting for around 11% of imports. This high dependence on imports makes Vietnam fundamentally open to international suppliers, but at the same time intensifies price competition.

Demographic and epidemiological drivers

A key driver of growth is demographic change. The proportion of people aged over 65 stood at 8.1% in 2024 and is growing at a disproportionately high rate. At the same time, the prevalence of chronic conditions is rising significantly. Cardiovascular diseases, diabetes, oncological conditions, and musculoskeletal and neurological disorders are increasing sharply. According to the WHO, an estimated 70–80% of the population suffers from untreated high blood pressure or diabetes. Late diagnosis remains a key structural problem.



Branch Diag Diagnostic Centre, Ho-Chi-Minh-City

The hospital landscape and the role of the private sector

Vietnam has around 1,650 public and private hospitals. The public sector continues to dominate, accounting for around 94% of bed capacity. At the same time, the private sector is gaining in importance. Large private hospital groups such as Vinmec, FV Hospital, Hoàn Mỹ Medical, Tâm Anh and Xuyên Á have established themselves. In recent years, there have been the first takeovers by international operators, including some from Singapore, which points to increasing consolidation.



Bệnh Viện Phụ Sản Trung Ương, Hanoi, a public hospital specialising in gynaecology and obstetrics

Private hospitals and diagnostic facilities are considered particularly relevant target customers for high-quality medical technology, as they are more willing to pay and have greater flexibility when it comes to investment.

Government reforms and the 2021–2030 Master Plan

With its 2021–2030 Master Plan, the Vietnamese government is pursuing a comprehensive reform of the healthcare system. Key measures include the near-universal introduction of basic health insurance, the planned provision of free basic treatment in state hospitals by 2030, and the reduction of private co-payments from the current 45% to 30%.

From 2026, nationwide free health checks are planned, including laboratory tests, diagnostic imaging and ultrasound scans. In addition, 21 provincial hospitals are to be upgraded and several specialist clinics established. Six selected hospitals are to be brought up to international standards in order to promote medical tourism and retain affluent patients within the country.

Digitalisation and regulatory frameworks

Another key focus is on the digitalisation of the healthcare sector. Electronic patient records, hospital information systems, digital payment processes, telemedicine and other technologies are to be introduced gradually. The digital infrastructure on the patient side is already well developed (by 2024, almost 90% of the population were using smartphones), whilst many medical facilities are still in the early stages of implementation.

At the same time, the regulations governing medical devices were amended

to strengthen quality, market surveillance and compliance. However, the repeal of the Procurement Decree in April 2023 marked a major turning point. Following this, medical devices with approvals from EU member states and other industrialised countries were permitted to participate in tenders. Since then, however, price has been the primary deciding factor in public tenders, provided that minimum technical requirements are met. This has significantly increased competitive pressure and enabled Chinese suppliers in particular to gain market share.

Product segments with high demand

Medical technology solutions are in particularly high demand in the fields of cardiovascular diagnostics and therapy, imaging techniques, in vitro diagnostics, ophthalmology, diabetes care, dentistry, surgery, orthopaedics, nephrology, urology, ENT, anaesthesia, respiratory care, neurology and mobility aids.

Market entry and strategic options

Product registrations are handled by the Infrastructure and Medical Device Administration (IMDA). European companies can either set up their own branches or work with local importers and distribution partners.

Today, tailored strategies are key to success: optimising cost structures, offering differentiated product portfolios, focusing on the private sector, forming strategic partnerships with local manufacturers, and exploring on-site assembly or manufacturing options. Government incentives for localisation and technology transfer are becoming increasingly important.

Outlook

Despite growing price sensitivity and regulatory complexity, Vietnam remains a highly attractive growth market. The combination of demographic change, rising incomes and long-term government commitment to the healthcare sector offers substantial opportunities – particularly for medical technology companies with a long-term outlook and a local market strategy.



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