



Connecting Buyers & Suppliers Globally

COUNTRY SOURCING GUIDE

Vietnam Sourcing Playbook

Where to source, what to require, and how to qualify Vietnamese suppliers — with cluster maps, cost benchmarks, and a repeatable vetting method.

2026 Edition · Trade & tariff data current as of mid-2026

Table of Contents

1	Why Source from Vietnam Now	3
2	Best-Fit Capabilities & Top Categories	4
3	Manufacturing Clusters	5
4	Certifications & Standards to Require	6
5	Trade, Tariffs & Incentives	7
6	Cost & Labor Benchmarks	9
7	Logistics & Lead Times	10
8	Vietnam-Specific Risks & Mitigation	11
9	How to Build a Vetted Vietnamese Shortlist	12
10	Free Templates & Tools	13

1. Why Source from Vietnam Now

Vietnam has become the go-to “China+1” base for electronics-adjacent and light-to-medium manufacturing. Competitive labor, a deep foreign-investment ecosystem, and one of the world's widest free-trade networks make it especially strong for assemblies, harnesses, sheet metal, and molded parts destined for global markets.

Signals worth noting

- **Anchor investment:** PepsiCo committed around \$400 million to build two renewable-energy plants in Vietnam, and Apple has roughly doubled its annual spend in Vietnam since 2019 — over 200,000 jobs across 28 factories.
- **Electronics & export pull:** Samsung and other multinationals anchor a vast electronics-manufacturing base; Vietnam is now the second-largest US apparel supplier and a top furniture exporter.
- **FDI momentum:** Foreign investment keeps climbing — registered FDI rose sharply year-on-year into early 2026, much of it flowing to manufacturing that leverages Vietnam's FTA advantages.

The Vietnam advantage in one line

Low labor cost + a world-class FTA network (EU, UK, CPTPP, RCEP) + a mature electronics ecosystem — best for harnesses, sheet metal, plastics, and EMS/box-build where you also want duty-friendly access to non-US markets.

What this playbook covers

- Best-fit capabilities and the categories Vietnam compete hardest on
- Manufacturing clusters, with a cluster map and regional specialties
- Certifications to require, and the current trade, tariff, and incentive landscape
- Cost and labor benchmarks, logistics and lead times, and Vietnam-specific risks
- A repeatable method to find, screen, and qualify Vietnamese suppliers — linked to free MESH Works templates

2. Best-Fit Capabilities & Top Categories

Vietnam is strongest on labor-intensive, light-to-medium-complexity work and anything electronics-adjacent. Heavy castings and forgings are shallower here than in India or Mexico — route those elsewhere.

Best-fit industrial & metal capabilities

- Die-casting for housings and brackets; sheet metal and light fabrications
- Wire harnesses and motor/winding sub-assemblies — where the labor-cost edge is largest
- Plastics and insert molding; EMS / box-build and electronics assembly

Category fit at a glance

Category	Why Vietnam fits	Fit
Wire harnesses & motor sub-assy	Labor-intensive; strong cost advantage and skilled base	Strong
EMS / box-build / electronics	Samsung-anchored ecosystem; deep component supply	Strong
Sheet metal & light fabrications	Broad SME base across North and South	Strong
Die-casting (housings, brackets)	Good for light/medium parts; check heavy capability	Strong
Plastics & insert molding	Mature molding base, especially in the South	Strong
Precision CNC machining	Growing SME base; confirm tolerance capability	Growing
Heavy castings & forgings	Shallower than India/Mexico — source those elsewhere	Limited

Watch-out: many metal inputs (steel, aluminum) are imported, so confirm material sourcing, lead times, and any Section 232 metals exposure during qualification.

3. Manufacturing Clusters

Vietnam's base is concentrated in the industrial North (electronics, precision) and the South (plastics, light metal, harnesses). Sourcing inside a cluster gives you a denser vendor base and easier benchmarking.



Vietnam — key industrial & metal-part manufacturing clusters

Cluster	Region	Core specialties
Bac Ninh / Bac Giang	North	Electronics + sheet-metal housings, PCB/EMS, wire harness
Hai Phong	North	Heavy fabrication, machinery, shipbuilding, steel processing
Hanoi	North	Precision machining SMEs, die-casting suppliers
Ho Chi Minh City / Binh Duong / Dong Nai	South	Plastics, light metal parts, fabrications, harnesses
Da Nang	Central	Smaller base; machining/fabrication for aerospace & defense

4. Certifications & Standards to Require

Vietnamese exporters have adopted international quality systems quickly, driven by FTA compliance demands. Still, make certifications a hard screen and verify them on-site.

Standard	When to require it
ISO 9001	Baseline quality management — require for every supplier
IATF 16949	Automotive and auto-adjacent parts
AS9100	Aerospace and defense components
ISO 14001	Environmental management — increasingly customer-mandated
ISO 45001	Occupational health & safety
PPAP / APQP capability	New-part launches; confirm level and past approvals
Material & test certs	Mill certs, NDT, CMM/inspection reports per lot
Certificate of Origin (Form D, EUR.1)	Required to claim FTA preferential duties into ASEAN/EU

Verify, don't just collect

A certificate on file is not proof of a live system. During audit, check that work instructions, calibration records, corrective-action logs, and inspection data match the certificate scope. Score it with the MESH Works Supplier Qualification Assessment (1–5 rating).

5. Trade, Tariffs & Incentives

This is the fastest-moving part of any Vietnam sourcing decision. Treat the figures below as a planning baseline and confirm the duty on your specific HTS code with your customs broker before you commit.

5.1 US import tariffs on Vietnamese goods

US tariffs on Vietnamese goods swung hard through 2025–26. The reciprocal rate peaked near 46% in 2025, was set to 20% under a July 2025 US–Vietnam framework, and then moved to roughly a 10% baseline after the US Supreme Court struck down the underlying emergency-tariff authority in early 2026.

- **No US FTA (but CPTPP):** Vietnam has no bilateral FTA with the US, but it is a CPTPP member; most-favored-nation base duties still stack on top of any surcharge.
- **Transshipment:** The US–Vietnam framework flagged a 40% duty on transshipped goods — clean rules-of-origin documentation matters more than ever.
- **Metals matter:** Steel and aluminum articles carry separate Section 232 duties (reported up to 50% on articles wholly of the metal) — relevant given Vietnam imports much of its metal input.
- **Still in flux:** The baseline surcharge has a statutory clock and pending legal challenges, so the headline rate may change again in 2026.

Action: build duty flex into every Vietnam contract

Price at least two tariff scenarios, confirm the HTS-specific rate with your broker, keep airtight origin records, and add a duty-adjustment / pass-through clause to any contract delivering more than a few months out.

5.2 Vietnam's FTA network (a major advantage)

Vietnam has one of the widest FTA networks of any manufacturing hub — 16+ agreements. If you ship to the EU, UK, or across the Pacific Rim, this can cut landed duty sharply, and unified rules of origin help you source components regionally:

Agreement	Status	What it opens up
EVFTA (EU)	In force 2020	~99% of tariff lines eliminated over 7–10 years
CPTPP	In force 2018	11 Pacific-Rim economies incl. Canada, Mexico, Japan, Australia
RCEP	In force 2022	ASEAN + China/Japan/Korea/Australia/NZ; unified rules of origin
UKVFTA (UK)	In force 2021	85.6% → 99.2% of UK tariff lines duty-free by 2027
VKFTA / VJEPA	In force	Deep bilateral access to Korea and Japan
UAE CEPA / VIFTA	Recent	Newer Gulf (UAE) and Israel market access

5.3 Investment & export incentives

Vietnam actively courts export manufacturers through industrial zones and preferential regimes:

- **EPE status:** Registering as an Export Processing Enterprise inside a designated industrial or export-processing zone exempts import duties and VAT on raw materials imported for production — a meaningful cash-flow advantage before FTA benefits apply.

- **Zone incentives:** Corporate-tax holidays and reductions are common in prioritized zones and high-tech sectors — confirm the specific incentives your supplier's site qualifies for.

6. Cost & Labor Benchmarks

Vietnam's labor cost sits below China and above India — a strong middle position, particularly for electronics-adjacent assembly. As always, weigh it on a total-cost-of-ownership basis, not unit price alone.

Indicative manufacturing labor cost (2024–25)

Country	Approx. manufacturing wage	Sourcing read
India	~\$1–\$2 / hour	Lowest major-economy labor cost; labor-intensive work
Vietnam	~\$3 / hour	Low cost; strong for electronics-adjacent assembly
Mexico	~\$4.5–\$4.8 / hour	Higher wage, but days-not-weeks to the US + USMCA
China	~\$6–\$8 / hour	Higher wage offset by density and productivity

Figures are indicative ranges from public 2024–25 comparisons and vary by region, skill, and sector — use them for directional planning, not quoting.

Don't stop at the unit price

Add tariffs, ocean freight and insurance, 30–45+ days of carrying cost, and any rework to the piece price before comparing against nearshore. Apply a TCO lens: unit price + logistics + duties + lead-time cost + quality cost + risk premium.

7. Logistics & Lead Times

Vietnam's ocean transit to the US is broadly comparable to China's. Plan lead time as production time plus transit plus a customs buffer, and hold safety stock on critical parts.

Lane / mode	Planning guide
Ocean, Vietnam → US West Coast	~3–5 weeks transit, similar to China
Ocean, Vietnam → US East Coast	Longer; routing via Panama or the Cape as conditions dictate
Ocean, Vietnam → Europe	~3–4 weeks to major EU ports
Air freight from Vietnam	~2–5 days at roughly 5–10× ocean cost — launches/expedites only
Key export ports	Cat Lai & Cai Mep (South, near HCMC), Hai Phong (North)

Incoterms — keep quotes comparable

Specify one Incoterm basis in your RFQ so every supplier quotes the same scope. FOB (named Vietnamese port) is common for ocean; FCA suits consolidated or air shipments. State it once and hold all bidders to it.

Total lead-time rule of thumb

Production lead time (often 4–12 weeks for new tooled parts) + 3–5 weeks ocean + 1–2 weeks customs/inland. Build a first-order buffer and don't let a low piece price hide a long, cash-consuming pipeline.

8. Vietnam-Specific Risks & Mitigation

Vietnam sourcing is very manageable with the right controls. The recurring failure points are predictable — plan for them up front.

Risk	How to mitigate
Episodic power reliability	Confirm captive/backup power and contingency during audit
Shallow heavy castings/forgings depth	Route heavy metal work to India or Mexico; keep Vietnam for light/medium
Reliance on imported steel/aluminum	Confirm material sourcing & lead times; check Section 232 metals exposure
Transshipment scrutiny (40% penalty)	Ensure genuine substantial transformation; keep airtight rules-of-origin records
Rising wages	Lock pricing terms; watch escalation clauses on multi-year programs
Geographic concentration in the North	Diversify sites North/South; avoid single-region dependence
Longer ocean lead times vs nearshore	Hold safety stock on critical parts; pair with a nearshore leg

Diversify intelligently

For critical commodities, keep at least two qualified suppliers and consider splitting Vietnam volume (cost + FTA access) with a nearshore share (speed + duty coverage). Resilience is knowing where your vulnerabilities are — not avoiding Vietnam.

9. How to Build a Vetted Vietnamese Shortlist

Finding suppliers in Vietnam is easy; qualifying the right ones is the work. Use a repeatable funnel so your team can scale discovery without sacrificing quality or compliance.

Where to find suppliers

- Supplier-discovery platforms and databases (MESH Works and regional directories)
- Industrial-zone and export-processing-zone developers and their tenant lists
- Cluster-specific outreach — engage directly in the regional hubs in Section 3
- Trade promotion agencies (VIETRADE) and sector associations

The qualification funnel

- **1. Initial screen** — Do they run the exact process/material? Certifications (ISO 9001, IATF 16949, AS9100)? Reference customers? Financial health and export experience?
- **2. Deeper qualification** — Benchmark at least three quotes per category; review drawings, tolerances, and past projects; confirm max monthly capacity and free capacity.
- **3. On-site / remote audit** — Plant, equipment and process; support processes; quality; engineering; logistics — scored 1–5. Ask for a factory-tour video where a visit isn't feasible.
- **4. Pre-award** — PPAP/sample approval before ramp; agree SLAs, penalties, origin documentation, and a duty pass-through clause.

Pre-award checklist

- Capability + certifications verified against live records
- Three benchmarked quotes on one Incoterm basis
- Audit score \geq target; corrective actions closed
- Capacity confirmed free for your volume; material/sub-tier sources known
- Rules-of-origin documentation in place; PPAP/first article approved

10. Free Templates & Tools

Pair this playbook with the free MESH Works resources built to run exactly this process end to end:

- **Supplier Qualification Assessment (1–5 rating)** — Score plant, quality, engineering, and logistics on a 1–5 scale during audits.
- **Supplier RFI Questionnaire** — Structured intake to capture capabilities, certifications, capacity, and references without back-and-forth.
- **Detailed RFQ Template** — Cover letter, requirements matrix, supplier response sheet, and a weighted scoring rubric — ready to send.
- **Supply Chain Resiliency Calculator** — Score suppliers on concentration, geographic, financial, and capacity risk.

All available on the MESH Works free tools page for procurement teams.



Ready to simplify your Vietnam sourcing? Let's connect.

MESH Works helps procurement teams discover, qualify, and manage verified suppliers across 40+ countries — with capabilities, audits, and RFQ workflows in one platform.

 www.meshworks.com  +1-833-637-4737  info@meshworks.com