



# Vietnam Market for Safety and Security

By U.S. Commercial Service – Vietnam  
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## Overview

Safety and Security Equipment (not including defense)	2009	2010	2011	2012 (estimated)
Total Market Size	117	121	127	133
• Safety equipment (60%)	70.2	75	78.7	82.6
• Security equipment (40%)	46.8	46	48.3	50.7
Total Local Production	6.5	6.9	7.2	7.5
Total Exports	0	0	0	0
Total Imports	110.5	118.2	124	130
Imports from the U.S.	33.0	35.3	37.0	38.8
• Import of security products	17.0	18.2	19.0	20.0
• Import of safety products	16.0	17.1	18.0	18.8

*The above statistics are in \$ millions and are unofficial estimates.*

After 20 years of implementing the foreign investment law, Vietnam has attracted more than 9,500 foreign investment projects with the registered capital of \$98 billion (Foreign Investment Agency/Ministry of Planning & Investment). In addition, local investment projects have spread to all industries leading to a huge demand for safety and security equipment. Therefore, Vietnam is considered a growing market for safety and security equipment with good sales potential for foreigner companies in the medium and long-term future.

Vietnam's safety and security market has two main components: The market for civil engineering and market for key national projects and national defense projects. Government projects have relied on substantial assistance from outside sources, particularly Official Development Assistance (ODA), to improve and upgrade the country's infrastructure systems. ODA-funded projects also help initiate safety and security upgrades in many government dominated sectors such as banking, maritime, power, oil and gas, and transport.

According to experts, safety and security equipment in the Vietnam market will grow rapidly in upcoming years at an annual rate of over 20 percent per annum. This market assessment is on the basis of strong investment for infrastructure construction such as highways, airports, seaports, oil refinery plants, banks, national projects, national defense projects, intelligent buildings, complex buildings that require substantial procurement of safety and security equipment.

Security equipment import duties range from 0-40 percent, depending on the components and the manner in which the components and systems are imported into Vietnam. Building-related equipment and systems paid for with foreign investors' capital contributions may be imported duty free.

The private security services market is another growing sector in Vietnam. These services include providing security consulting and equipment, residential and building guards,

bodyguards, and lifeguard monitoring. In Vietnam today there are hundreds of companies registered to provide security services. According to the Decree 14/2001/ND-CP, only local companies with police approval can be licensed to enter the security services business. Furthermore, private investigator services are not permitted under current law. Importation of certain kinds of security equipment that service police operations must be approved by the Ministry of Public Security. U.S. exporters must also comply with any applicable export control regulations.

### Best Products/Services

The installation of safety and security systems usually accounts for 5 to 8 percent of the total investment in construction works or project development. This rate is higher in large projects where safety and security issues are critical during operation such as power plants, oil & gas complexes, airports and heavy industries. Given the current significant industrial development in Vietnam across a variety of sectors, there is significant sales potential for access control security equipment (i.e. anti-theft/burglary, and anti-intrusion monitoring systems, entry control and surveillance systems), detective equipment (luggage/body scanner, metal detector) and specialized fire-fighting systems (fire alarm systems, control panels, fire extinguishers foam, CO<sub>2</sub> and inert gas suppression systems, gas detection systems)

U.S. companies have been successful in supplying control panels, fire extinguishers, hydrants, and pumps for oil and gas operations, as well as to several power plants and airport projects in Vietnam.

### Opportunities

More than 95 percent of Vietnam's security safety equipment/systems are imported since domestic equipment production by local companies is limited. Local manufacturers currently produce only low-end items such as locks, safes, safety gloves and ropes.

Competition in this sector is intense. Major suppliers include:

Country / Region	Security	Fire & Safety
Japan	33%	5%
European	30%	30%
U.S.	8%	40%
Asian (not including Japan)	27%	25%
Other	2%	0%

In general, U.S. safety and security equipment is highly regarded in the Vietnamese market. However, brand name and high-standard U.S. products are more expensive than those from other countries, which impacts sales volume in this market. Due to the good reputation and known quality, many agents and distributors in Vietnam are still eager to represent U.S. companies and products. They are especially interested in U.S. suppliers of automated security systems, such as advanced CCTV systems, integrated security systems, electronic card access control systems, smart card technology and intruder detection equipment.

### Trade Events

**Secutech Vietnam 2011**

[www.secutechvietnam.com](http://www.secutechvietnam.com)

August 22 - 24, 2012

Saigon Exhibition & Convention Center (SECC)

799 Nguyen Van Linh Street, District 1

Ho Chi Minh City, Vietnam

## Resources

Vietnam Ministry of Construction

<http://www.xaydung.gov.vn/web/guest/english>

World Bank – Vietnam Projects and Operations

[http://www.worldbank.org/projects/search?lang=en&searchTerm=&countryshortname\\_exact=Vietnam&src=](http://www.worldbank.org/projects/search?lang=en&searchTerm=&countryshortname_exact=Vietnam&src=)

Asia Development Bank – Vietnam Projects and Operations

<http://www.adb.org/countries/viet-nam/main>

For further information, please contact the following persons:

Ms. Ngo Minh Phuong, Commercial Assistant

US Commercial Service Hanoi - US Embassy

E-mail: [ngo.phuong@mail.doc.gov](mailto:ngo.phuong@mail.doc.gov)

Ms. Nguyen Thi Kieu Huong, Commercial Assistant

US Commercial Service Ho Chi Minh City - US Consulate

E-mail: [huong.nguyen@mail.doc.gov](mailto:huong.nguyen@mail.doc.gov)