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Vietnam's 2025 Reforms: What they mean for Australian SMEs

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Operational Success of Australian SME's in Southeast Asia



Vietnam's 2025 Reforms: What they mean for Australian SMEs

The first half of 2025 has been a turning point for Vietnam's business and regulatory landscape. A number of major reforms and policy shifts have started to take shape, and for those of us watching from the outside or planning to go in it's worth taking a closer look at what's actually happening, and what it might mean for Australian businesses looking to enter the Vietnamese market.

Fewer Provinces, Less Red Tape?

One of the biggest and perhaps most surprising changes has been Vietnam's decision to merge its provinces, dropping from 63 down to 34. It's a massive administrative shift, part of a broader push to modernise the public sector. On paper, the goal is to streamline government services, reduce duplication, and bring more consistency to how policies are applied from one region to the next.

For foreign investors, especially smaller companies without teams on the ground, this could be a real positive. Dealing with regional government offices has long been a pain point for businesses trying to establish themselves in Vietnam. If this reform delivers what it promises, we could start to see faster approvals, simpler compliance processes, and better coordination between agencies.

It's early days, and no reform of this size is ever smooth, but the intent is clear, and it aligns with what many international investors have been calling for.

Tariffs Eased, But Global Pressures Remain

Another important development has come from the US. After months of uncertainty, the previously announced 46% tariff on Vietnamese exports has finally been wound back to 20%. While this doesn't affect Australian exporters directly, it's still significant. It shows how Vietnam continues to be pulled into the centre of global trade tensions, especially as companies look to diversify supply chains away from China.

From an Australian SME point of view, Vietnam's position as a manufacturing and logistics hub looks stronger than ever. But the shifting geopolitical winds also mean that entering the market without an awareness of trade dynamics could be risky. Staying informed is half the battle.

Tax Changes: A New Compliance Landscape

Less visible but just as important are the changes happening in Vietnam's tax system. This year has brought several updates to how foreign-invested enterprises are expected to manage things like transfer pricing, profit repatriation, and eligibility for tax incentives.

There's a clear push from the Vietnamese government to tighten reporting requirements and modernise the system. For SMEs, this means a steeper learning curve, but also a chance to engage early with local advisors and get things right from day one. It's not the sort of thing

that wins headlines, but for businesses trying to build a sustainable presence, these changes really matter.

What This All Means for Australian SMEs

Taken together, these reforms point to a Vietnam that's trying to modernise fast – streamlining the way it governs, responding to international pressure, and raising the bar for compliance.

For Australian SMEs, the opportunity is still there, maybe stronger than ever but it's not the kind of market you can enter casually. You'll need a clear strategy, strong local partnerships, and a real commitment to understanding how the landscape is changing.

Vietnam is not just a "cheap labour" story anymore. It's growing into a sophisticated, tech-savvy, export driven economy and it wants investors who can keep up.

As someone researching how Australian SMEs can succeed in Southeast Asia, I see Vietnam's 2025 reforms as a window of opportunity but one that comes with responsibility. If we get it right, the rewards are there. But as always, they'll go to those who've done their homework.

Reference

1. (2025, July 10). Vietnam Policy & Tax Update 2025. Weekly Business and Foreign Investment News Roundup in Asia by Asia Briefing and Dezan Shira & Associates., (Vietnam Policy & Tax Update 2025).

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Peter Dwyer, CEO of Comtest Group, is a business leader focused on expanding the company's testing and compliance services into sectors such as telecommunications, automotive, renewable energy, and consumer electronics.

With 35 years of international business experience, Peter and Comtest group are looking to path the way for them and other SMEs to enter the Vietnamese and broader ASEAN markets, providing comprehensive market entry strategies and insights. His deep understanding of business development

is complemented by his pursuit of a doctoral thesis on "Australian SME Success in Vietnam," reflecting his passion for entrepreneurship and cross-border ventures.

Peter's expertise and commitment make him a key figure in driving his company's growth in emerging markets like Vietnam. Peter has also participated in the Asialink Leader's Program and the Australia Vietnam Green Economy program.



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