सत्यमेव जयते

Economic Diplomacy Division

Ministry of External Affairs

SECTOR INTELLIGENCE BRIEF - CHEMICAL

Industrial & Specialty Chemicals | Agrochemicals | Plastics & Polymers

~US$ 50B	~4.5%	~US$ 10B	~50%
Vietnam Chemical & Plastics Imports (2023)	India's Current Share of VN Chemical Imports	Addressable Chemical Headroom for India	China's Dominant Share — Diversification Imperative

This study was sponsored by the Economic Diplomacy Division, Ministry of External Affairs of India through the Consulate General of India, Ho Chi Minh City, and conducted by Globapact Advisory Pvt. Ltd., India.

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Glossary Of Terms and Abbreviations

Trade, Market Access & International Commerce

AITIGA (ASEAN–India Trade in Goods Agreement): Preferential trade framework governing tariff concessions and rules of origin for trade between India and ASEAN member states, including Vietnam.

ASEAN (Association of Southeast Asian Nations): Ten-member regional economic bloc comprising Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam.

CEPA (Comprehensive Economic Partnership Agreement): Bilateral trade agreement covering goods, services, investment, and economic cooperation.

CoO / e-CoO (Certificate of Origin / Electronic Certificate of Origin): Documentation certifying the origin of exported goods to enable preferential tariff treatment under free trade agreements.

FTA (Free Trade Agreement): Bilateral or multilateral agreement providing preferential market access and tariff reductions among participating countries.

MFN (Most Favoured Nation): Standard WTO tariff treatment applied to imports from countries without preferential trade arrangements.

NTB (Non-Tariff Barrier): Regulatory, procedural, standards-related, or logistical obstacles that restrict trade independently of tariff rates.

RCEP (Regional Comprehensive Economic Partnership): Trade agreement covering ASEAN, China, Japan, South Korea, Australia, and New Zealand, providing preferential tariff access across member markets.

RoO (Rules of Origin): Criteria used to determine a product’s originating country for preferential tariff eligibility under trade agreements.

WCO (World Customs Organization): International organization responsible for administering the Harmonised System (HS) classification framework.

WTO (World Trade Organization): Multilateral institution governing international trade rules and dispute settlement mechanisms.

Finance, Banking & Economic Indicators

ADB (Asian Development Bank): Multilateral development finance institution supporting economic development and regional integration initiatives.

BIDV (Bank for Investment and Development of Vietnam): One of Vietnam’s largest state-owned commercial banks and a potential trade finance partner.

CAGR (Compound Annual Growth Rate): Measure of annualized growth over a specified period, commonly used in market and trade forecasting.

EXIM Bank (Export-Import Bank of India): India’s official export credit agency supporting international trade and overseas investment.

GTFP (Global Trade Finance Program): International Finance Corporation programme providing guarantees to facilitate trade finance.

IFC (International Finance Corporation): Private-sector financing arm of the World Bank Group.

LC (Letter of Credit): Bank-issued payment guarantee that reduces counterparty risk in international trade transactions.

LIBOR (London Interbank Offered Rate): Historical global benchmark interest rate formerly used in international lending and trade finance pricing.

SCF (Supply Chain Finance): Financing solutions designed to optimize working capital for buyers and suppliers across supply chains.

TSCFP (Trade and Supply Chain Finance Program): Asian Development Bank programme providing trade finance guarantees and risk-sharing mechanisms.

Government Bodies, Trade Promotion Organisations & Industry Institutions

CHEMEXCIL (Chemical Export Promotion Council of India): Apex export promotion body for India's chemical sector under the Ministry of Commerce and Industry.

DGCI&S (Directorate General of Commercial Intelligence and Statistics): Government of India agency responsible for compiling and publishing trade statistics.

DGFT (Directorate General of Foreign Trade): Nodal government agency responsible for India's trade policy implementation, export promotion, and certificate of origin issuance.

KOTRA (Korea Trade-Investment Promotion Agency): South Korean government agency promoting international trade and investment.

MARD (Ministry of Agriculture and Rural Development, Vietnam): Regulatory authority overseeing agricultural inputs and agrochemical registrations.

MOIT (Ministry of Industry and Trade, Vietnam): Primary Vietnamese authority regulating industrial trade, imports, and chemical licensing.

UN Comtrade (United Nations Commodity Trade Statistics Database): Global database providing official international merchandise trade statistics.

VINACHEM (Vietnam National Chemical Group): Vietnam's state-owned chemical conglomerate and a major institutional participant in the chemical sector.

VINATEX (Vietnam National Textile and Garment Group): Vietnam's largest state-owned textile and garment enterprise.

VITAS (Vietnam Textile and Apparel Association): Industry association representing Vietnam's textile and apparel sector.

Logistics, Supply Chains, Manufacturing & Commercial Operations

AVL (Approved Vendor List): Certified supplier registry maintained by manufacturers and OEMs as a prerequisite for procurement eligibility.

China+1: Supply chain diversification strategy encouraging companies to supplement China-based sourcing with suppliers in additional countries.

HCMC (Ho Chi Minh City): Vietnam's largest commercial city and principal industrial and logistics hub.

HS / HS4 (Harmonised System / Four-Digit Harmonised System Code): International product classification system used for customs, tariffs, and trade analysis.

IMO (International Maritime Organization): United Nations agency responsible for international shipping safety and environmental standards.

IMDG (International Maritime Dangerous Goods Code): Global regulatory framework governing the safe transportation of hazardous materials by sea.

JNPT (Jawaharlal Nehru Port Authority): India’s largest container port and a key gateway for international trade.

Chemicals, Industrial Products, Standards & Regulatory Compliance

CLP (Classification, Labelling and Packaging Regulation): European framework governing chemical classification, hazard communication, and labelling.

DRC Vietnam (Da Nang Rubber Company): Vietnamese manufacturer of tyres and rubber products and a potential buyer of rubber chemicals.

GHS (Globally Harmonised System of Classification and Labelling of Chemicals): International standard for chemical hazard classification and communication.

GMP (Good Manufacturing Practice): Quality assurance system ensuring products are consistently manufactured to defined standards.

MRA (Mutual Recognition Agreement): Arrangement under which countries mutually accept product testing, certification, or regulatory approvals.

NPK (Nitrogen–Phosphorus–Potassium): Standard classification for compound fertilizers based on primary nutrient composition.

ONGC (Oil and Natural Gas Corporation Limited): India’s state-owned oil and gas exploration and production company.

PET (Polyethylene Terephthalate): Widely used polymer employed in packaging, bottles, and textile fibres.

PTA (Purified Terephthalic Acid): Key petrochemical feedstock used in the production of polyester fibres and PET resins.

PVCFC (PetroVietnam Ca Mau Fertilizer Company): Vietnamese state-owned fertilizer producer and major agrochemical buyer.

PVN (PetroVietnam): Vietnam’s state-owned oil, gas, and petrochemical conglomerate.

REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals): European Union regulation governing chemical safety and market access.

SDS (Safety Data Sheet): Mandatory document providing information on chemical hazards, handling, storage, and emergency measures.

SVHC (Substance of Very High Concern): Category of chemicals identified under REACH as posing significant risks to health or the environment.

WHO-GMP (World Health Organization Good Manufacturing Practice): International quality certification standard for pharmaceutical and chemical manufacturing facilities.

ZDHC (Zero Discharge of Hazardous Chemicals): Industry-led programme establishing chemical compliance standards for textile and footwear supply chains.

About This Report

Context & Methodology

This Chemicals Sector Brief is one in a series of sector-level intelligence documents commissioned by the Office of the Consulate General of India, Ho Chi Minh City, following the completion of the India–Vietnam Trade Review and Opportunities report (Globapact Advisory, 2026), itself sponsored by the Economic Diplomacy Division of India’s Ministry of External Affairs. That parent study analyzed 1,225 product categories at HS4 level, identified US$ 170 billion in bilateral headroom, and flagged Chemicals & Plastics as the third-largest opportunity cluster at US$ 17 billion. This brief disaggregates that signal into actionable intelligence specific to the chemicals sector, isolating it from pharmaceuticals.

Analytical Methodology

Component	Description
Trade Flow Analysis	HS4-level UN Comtrade data (CY 2023) supplemented by India DGFT FY 2024–25 export records and Vietnam MOIT import statistics.
Headroom Calculation	Headroom = min(Vietnam total imports, India total exports) − current bilateral trade. Directional signal, not a forecast; actual addressability subject to regulatory, logistical and contracting constraints.
Qualitative Mapping	30+ practitioner consultations across Indian exporters, Vietnamese industrial buyers, logistics providers, and trade finance specialists.
Buyer Intelligence	Derived from publicly available company reports, Vietnam MOIT procurement data, and CHEMEXCIL delegation briefs (May 2026).
Corridor Benchmarking	India–UAE CEPA and Korea–Vietnam chemical trade trajectories used as calibration benchmarks for target-setting.

Disclaimer: Headroom figures are directional signals, not forecasts. Actual addressability is subject to regulatory, logistical, and contracting constraints detailed in Section 4. This brief is for informational and policy dialogue purposes only.

Section 1: Sector Overview: Vietnam's Chemical Demand Profile & Growth Trajectory

1.1 Market Scale and Industrial Context

Vietnam is the third-largest chemical importer in ASEAN, with combined chemicals and plastics imports of US$ 47 billion in 2023. Domestic chemical production covers less than 20% of demand, making Vietnam structurally and durably import-dependent across all major sub-sectors. Chemical sector growth is running at 8–10% per annum, underpinned by an annual FDI inflow of US$ 30 billion and a manufacturing base of over 7,000 industrial and chemical plants.

Table 1.1: Vietnam Chemical Import Sub-Sector Breakdown (CY 2023)

Sub-Sector	HS Chapters	VN Imports (2023)	CAGR	Primary Demand Driver
Plastics & Polymers	HS 39	**US$ 17.5B**	**9%**	Electronics, packaging, construction
Organic Chemicals	HS 29	**US$ 4.7B**	**7%**	Textiles, PET, coatings
Specialty Chemicals	HS 38	**US$ 4.6B**	**11%**	Electronics OEMs, food processing
Rubber & Articles	HS 40	**US$ 4.35B**	**8%**	Automotive, footwear
Inorganic Chemicals	HS 28	**US$ 3.16B**	**6%**	Rubber processing, water treatment
Agrochemicals	HS 3808	**US$ 0.84B**	**5%**	Rice, coffee, pepper cultivation
Dyes & Pigments	HS 32	**US$ 1.75B**	**10%**	Textile & garment sector
Adhesives & Surfactants	HS 35/34	**US$ 1.2B**	**12%**	Electronics, construction

Source: UN Comtrade CY 2023; Vietnam Ministry of Industry and Trade (MOIT)

1.2 Demand Drivers: Five Industrial Anchors

- **Electronics & Semiconductors:**
  Vietnam hosts the world's second-largest Samsung production base. Electronics manufacturing drives demand for specialty surfactants, cleaning agents (HS 3402/3820), doped silicon wafers (HS 3818), adhesives (HS 3506), and photoresists. Combined OEM chemical spend exceeds US$ 2 billion annually.
- **Textiles & Garments (US$ 44B sector):**
  Vietnam's ~5,000 garment factories require reactive and disperse dyes (HS 3204), pigments (HS 3205), textile auxiliaries (HS 3809), and ZDHC-compliant finishing chemicals - a combined import basket exceeding US$ 1.75 billion.
- **Automotive & Rubber:**
  Honda, Toyota, and VinFast operations sustain demand for rubber chemicals (HS 3812), coatings, adhesives, and specialty polymer compounds. The EV transition (VinFast) adds battery chemical and electrolyte demand.
- **Construction & Infrastructure:**
  A US$ 60 billion government capital expenditure programme drives waterproofing chemicals, construction adhesives, sealants, and industrial coatings - sectors where Indian mid-sized firms hold globally competitive positions.
- **Agriculture:**
  Vietnam is a top-five global exporter of rice, coffee, and pepper. Agrochemical imports (HS 3808) at US$ 840 million reflect sustained demand for pesticides, herbicides, and fungicides where India already commands a 14.6% share.

1.3 Growth Trajectory and Forward Demand

Chemical sector import growth is projected to sustain at 8-10% annually through 2030, driven by:

- Continued FDI-led industrialisation in the Bac Ninh, Thai Nguyen, Binh Duong, and Dong Nai industrial corridors
- The China+1 supply chain restructuring, which is driving Vietnamese manufacturers to actively diversify chemical sourcing away from sole-source Chinese suppliers
- Infrastructure investment tied to the National Master Plan 2021-2030 targeting 65% urbanisation and expressway network expansion.
- Vietnam’s specialty chemical sub-sector (HS 38) is growing fastest at approximately 11% CAGR, driven by electronics OEM expansions and food processing sector growth.

Section 2: India's Competitive Position – Bilateral Flows, Export Capability & Headroom

2.1 Current Bilateral Chemical Trade

India is the world's sixth-largest chemical exporter with aggregate global chemical exports exceeding US$ 30 billion annually. Yet India captures only 4.6% of Vietnam's US$ 47 billion chemical and plastics import market - a figure that understates potential given India's demonstrated global competitiveness. Tracked Indian chemical exports to Vietnam stand at approximately US$ 481 million, concentrated in a narrow basket of agrochemicals, dyes, and basic organic intermediates. For ex: Synthetic dyes, where India holds ~20% share demonstrate that India can compete when regulatory and market access conditions are in place.

2.2 FTA Utilisation & Tariff Exhibit

India's chemical exports to Vietnam operate under AITIGA (ASEAN-India Trade in Goods Agreement, 2010). Despite an average AITIGA preferential tariff of 0-5% on most chemical HS4 lines, compared to MFN rates of 5-20%, India's FTA utilisation rate stands at approximately 20%, versus 60–70% for Korea and China. This represents a structural cost disadvantage of 3-12 percentage points on landed price that is entirely policy-addressable.

The "RCEP Members Rate" column in the table below shows the tariff rate available to China, South Korea, Japan and other ASEAN members under RCEP – India withdrew from the RCEP negotiations in November 2019 and has not acceded since. India cannot access these rates. It is included as a competitive benchmark only to illustrate the tariff gap Indian exporters face versus RCEP-advantaged members on identical HS lines.

Table 2.2: FTA Tariff & Utilisation Comparison by Key HS Line

HS Code	Product	MFN Rate	AITIGA Rate	RCEP Rate	India Util.	Korea Util.	Key Action
HS 3901	Polyethylene	10%	**0–3%**	0%	~20%	68%	e-CoO issuance; RoO compliance support
HS 3902	Polypropylene	10%	**0–3%**	0%	~18%	65%	Bulk-grade certification pathway
HS 3907	Polycarbonate / Eng. Resins	10%	**5%**	0%	~12%	62%	Grade approval with electronics OEMs
HS 3204	Synthetic Dyes	5–10%	**0–3%**	0–3%	~35%	N/A	ZDHC certification to unlock buyer access
HS 3808	Agrochemicals	5%	**0–2%**	0%	~45%	N/A	MARD pre-registration
HS 3824	Misc. Chemical Preps.	5–10%	**0–5%**	0%	~15%	55%	Specialty chem distributor onboarding
HS 3402	Surfactants	10%	**3–5%**	0%	~10%	60%	OEM supplier qualification (Samsung/Intel)
HS 2917	PTA (Aromatic Acids)	5%	**0%**	0%	~22%	70%	Reliance / IOCL direct supply framework

Source: AITIGA Schedule; RCEP Annex; DGFT e-CoO records.

Policy Implication: FTA Utilisation Gap

If India's AITIGA utilisation rate in chemicals were raised from ~20% to 50% (Korea's floor), the effective cost advantage on key polymer and specialty chemical lines would improve by 3-8 percentage points, sufficient to displace marginal Chinese suppliers and win first-time buyer relationships. The primary barriers are: (1) e-CoO infrastructure gaps for MSMEs, (2) RoO documentation complexity, and (3) low awareness among first-time chemical exporters.

2.3 Global Export Capability & Competitive Differentiation

India's competitive position in chemicals rests on four structural advantages:

- Scale: India is the world's third-largest producer of agrochemicals and a top-5 dye manufacturer
- Cost: Indian chemical manufacturing costs are 15-25% below Korean and Japanese equivalents for commodity and intermediate-grade products
- Regulatory credentials: WHO-GMP, REACH, and ZDHC certifications across key sub-sectors
- Proximity: 10-14 day sea transit versus 15-20 days for Indian cargo currently, with direct service potential to reduce this to 8-10 days.

Table 2.3: India's Global Chemical Export Capability by Cluster

Chemical Cluster	India Global Position	Global Export Scale	Vietnam Opportunity Context
Agrochemicals	#4 largest manufacturer #2 largest exporter	**US$ 3.3B**	14.6% VN share - expand from beachhead
Dyes & Pigments	#2 global producer (Ahmedabad/Surat clusters)	**US$ 2.1B**	~20% VN share - pathway to 40%+
Plastics & Polymers	#2 producer plastic household articles; Polymer dominance - Reliance, IOCL, HPCL	**US$ 12.5B**	2.5% VN share - massive white space
Inorganic Chemicals	Top-5 soda ash, caustic soda, carbon black	**US$ 4.1B**	1.4% VN share - cost-competitive entry
Rubber Chemicals	Competitive mid-size sector	**US$ 290M**	Under supplied in Vietnam

Source: CHEMEXCIL Annual Export Data 2024; UN Comtrade CY 2023; Ministry of Chemicals & Fertilizers, Government of India.

Section 3: Priority HS4 Codes – Headroom, Category & Buyer-Level Detail

The priority HS4 product lines represent the highest-conviction opportunities for Indian chemical exporters in Vietnam, selected on four criteria:

- Vietnam import value >US$ 400 million
- India global export capability >US$ 500 million
- India's current Vietnam share <10%; and (4) addressable headroom >US$ 200 million
- Headroom = min(Vietnam total imports, India total exports) − current bilateral trade.

Headroom alone indicates the size of opportunity. Categorization is used to guide policy intent and implementation focus by clarifying whether the opportunity is primarily:

- Two-way and mutually scalable,
- India-led (export expansion and deficit reduction), or
- Vietnam-led (market penetration into India).

Category 1: Bilateral Growth Engine Products : HS4 sub-groups where both sides have meaningful scope to expand trade, reflected in relatively high total headroom and non-trivial headroom on both sides.
The policy focus - joint trade facilitation, buyer–seller platforms, standards cooperation, and corridor reliability improvements that benefit both directions of trade.

Category 2: Deficit Reduction Levers (India export focus) : HS4 sub-groups where India-side headroom is dominant, indicating stronger potential for India to expand exports to Vietnam (and thereby improve trade balance over time).
The policy focus - export enablement, compliance readiness, buyer onboarding in Vietnam, and targeted facilitation for India-origin supply (including standards documentation, predictable clearance pathways, and trade finance support for exporters).

Category 3: Vietnam Expansion Levers (Vietnam export focus): HS4 sub-groups where Vietnam-side headroom is dominant, indicating stronger potential for Vietnam to expand exports to India in those lines.
Though not appliable to the 8 HS4 lines mentioned in the table below, but ideal policy should focus on - market access support for Vietnamese suppliers, standards and certification readiness for India-bound exports, and buyer integration in India's import ecosystem.

The categorization ensures, the action plan is directionally aligned and not generic.

Table 3.1: Priority HS4 Opportunity Matrix (UN Comtrade CY 2023; DGFT FY 2024–25)

HS Code	Product	VN Import	India Global Export	India VN Share	Headroom	Category	Priority Buyers
HS 3901	Polyethylene (primary forms)	US$ 3B	US$ 4.2B	**2.6%**	**US$ 2.9B**	Deficit Reduction Lever	VinPlast, Binh Minh Plastics, packaging manufacturers in HCMC & Hanoi
HS 3907	Polycarbonate / Eng. Resins	US$ 1.9B	US$ 2B	**0.3%**	**US$ 1.9B**	Deficit Reduction Lever	Samsung Vietnam supplier base; Foxconn; electrical component OEMs
HS 3402	Surfactants & Detergent Bases	US$ 0.5B	US$ 0.9B	**2.3%**	**US$ 0.5B**	Bilateral Growth Engine	Samsung, Intel Vietnam; garment mills (auxiliaries)
HS 3824	Misc. Chemical Preparations	US$ 0.8B	US$ 1.5B	**1.5%**	**US$ 0.8B**	Bilateral Growth Engine	Electronics OEMs; food processing sector; Masan Group
HS 3204	Synthetic Organic Dyes	US$ 0.4B	US$ 2.1B	**19.8%**	**US$ 0.3B**	Bilateral Growth Engine	VINATEX mills, Thanh Cong Textile, Pacific Crystal; ~5,000 garment factories
HS 3808	Pesticides, Herbicides, Fungicides	US$ 0.8B	US$ 5.4B	**14.6%**	**US$ 0.7B**	Bilateral Growth Engine	Binh Dien Fertilizer, PVCFC, agri-input distributors
HS 2917	PTA & Aromatic Polycarboxylic Acids	US$ 0.8B	US$ 1.8B	**~5%**	**US$ 0.7B**	Deficit Reduction Lever	Textile fibre producers; PET bottle manufacturers; Hoa Phat polymer division
HS 3812	Rubber Chemicals & Antioxidants	US$ 0.4B	US$ 0.6B	**~3%**	**US$ 0.4B**	Bilateral Growth Engine	Casumina Rubber, DRC Vietnam, Bridgestone Vietnam, footwear manufacturers

Total Identified Headroom: > US$ 8 Billion

A conservative 10 -15% capture rate over five years represents an incremental US$ 0.83B–1.25B in new bilateral chemical trade.

Section 4: Barrier Analysis – Non Tariff Constraints on India's Chemical Penetration

Non-tariff barriers (NTBs) represent the primary bottleneck to India's chemical export growth in Vietnam. Tariff barriers are largely neutralised under AITIGA and RCEP, but only for exporters who utilise these frameworks. The constraints below operate at the compliance, logistics, market-access, and financing layers and are each individually addressable through targeted institutional interventions.

4.1 Regulatory & Registration Barriers

Table 4.1: Key Regulatory Barriers Affecting Indian Chemical Exports to Vietnam

Barrier	Affected HS Lines	Specific Constraint	Cost / Timeline Impact
Law on Chemicals No. 69/2025/QH15, (effective Jan 2026)	HS 28, 29, 38 (hazardous)	Replaces the 2007 Law on Chemicals; introduces 'specially controlled chemicals' category; tightens import licensing and documentation requirements; New classification and approval requirements; expanded restricted-substance lists aligned with EU CLP (GHS)	~3-6 months additional approval cycle; US$ 5,000-15,000 per product
MARD Agrochemical Registration	HS 3808	Two-year registration cycle with mandatory field trials; each formulation requires separate listing	24 months; Indicative costing US$ 20,000-50,000 per active ingredient; deters MSME exporters
ZDHC/REACH Compliance	HS 3204, 3809, 3402	Mandatory for textile chemical buyers; third-party ZDHC certification required per product; EU-equivalent SVHC screening	6-12 months; US$ 3,000–8,000 per product; limits Ahmedabad cluster access
Hazardous Materials Import Controls	HS 28, 29 (acids, solvents)	IMO classification, IMDG-certified packaging, and MOIT prior notification required; applies to commercial-grade solvents	2-4 weeks additional lead time; 8-15% freight cost premium
SDS Language Requirements	All chemical HS lines	Vietnamese-language Safety Data Sheet mandatory; translation and MOIT format compliance required before customs clearance	US$ 500-2,000 per product; deterrent for SME first-time exporters

4.2 The China Factor: Structural Market Dominance

China accounts for approximately 48% of Vietnam's chemical imports - the single most significant structural competitor. China's position is entrenched through proximity (48-hour truck/rail delivery vs 10-14 days by sea from India), co-investment in Vietnamese manufacturing plants (captive feedstock supply), standard 90-120 day credit terms, and RCEP tariff parity. Chinese chemical distributors have established dense last-mile networks in all major industrial zones. India's competitive response must address all four dimensions simultaneously.

Table 4.2

Competitive Dimension	China's Position	India's Position	Actionable Response
Proximity & Lead Time	48-72 hrs (land); 3-5 days (sea)	10-14 days (sea, via Singapore transshipment)	Establish direct India-Vietnam chemical tanker/container corridor; target 8-10 days
Credit Terms	90-120 days standard	30-45 days standard; LC required for new relationships	Standard Bank backed supply chain finance facility; 90-day terms for anchor buyers
Distribution Network	Dense HCMC, Binh Duong, Dong Nai networks	No dedicated Indian chemical distributor presence	Certified distributor directory
Captive Supply	Chinese OEM co-investments create captive supply	No equivalent captive arrangements	Large Indian Petrochemicals - Vietnam supply partnerships; long-term offtake negotiations
Technical Support	In-market technical sales teams; local lab testing	No in-market technical presence	Joint technical service centres; application labs co-located with anchor OEMs

4.3 Logistics & Hazmat Constraints

- No direct India-Vietnam chemical tanker service; all bulk liquid chemicals transit via Singapore, adding 6-9 days and 8-12% to logistics costs.
- IMO-class container and IMDG-certified handling requirements for hazardous chemicals increase freight costs by 8-15% above standard cargo rates.
- Temperature-sensitive specialty chemicals and agricultural formulations require cold-chain validation – limited India-Vietnam cold-chain capacity.
- Cai Mep and Cat Lai ports lack dedicated chemical berths for smaller consignments; container imbalance on the route increases equipment costs.
- USD-INR-VND three-currency hedging costs 1.5-3% of transaction value, squeezing margins on commodity chemical exports.

4.4 Market Access & Distribution Gaps

- No dedicated Indian chemical distributor network in Vietnam (contrast: Chinese, Korean, and Japanese suppliers all maintain in-market distribution offices).
- Vietnamese buyers require technical support, application assistance, and local laboratory testing capabilities Indian exporters rarely maintain in-market.
- Regulatory compliance officers required for MOIT chemical registration are predominantly China- or Korea-sourced; no India-Vietnam chemical regulatory advisory ecosystem.
- Language barrier: safety data sheets, technical specifications, and product literature must be in Vietnamese - translation cost and compliance burden deters MSME exporters.

Section 5: Action Agenda – Consideration for Ministry & Working Group Use

The following six considerations are structured for implementation within existing bilateral mechanisms, principally the India-Vietnam Joint Commission, the proposed Chemicals & Plastics Sector Working Group, and Trade bodies institutional programme. Each consideration is time-bound, institutionally assigned, and traceable to the barrier analysis in Section 4.

C1: MARD Fast-Track Pre-Registration Programme for Top 20 Indian Agrochemicals

Pre-registering the top 20 Indian agrochemical formulations with MARD. Focus on post-patent generic formulations where Indian manufacturers hold global WHO registered credentials. Target reduction of per-formulation registration time from 24 months to 9-12 months through parallel review and credential recognition.

Timeline: 6-18 months
Expected Outcome: Immediate exportability for registered formulations; US$ 100-150M incremental agrochemical exports in Year 2–3

C2: Deploy India-Vietnam Chemical Supply Chain Finance Facility

Establish a dedicated trade finance window (US$ 200-300 million) through India’s Export credit agency, multilateral development finance institutions, and Vietnamese commercial banking partners with an international risk guarantee facility as backstop to enable Indian chemical MSME exporters to offer 90-day payment terms..

Facility components:

- LC confirmation at 1.5% vs current 3-4%
- invoice discounting upon shipment confirmation
- MSME pre-shipment finance at LIBOR+150bps.

Timeline: 6-18 months
Expected Outcome: Unlock MSME participation; competitive credit terms matching Chinese suppliers; US$ 500M in financed trade by Year 3

C3: FTA Utilisation Campaign: e-CoO Infrastructure and RoO Compliance Support

Launch a targeted AITIGA/RCEP utilization programme led by India's chemical export promotion council and DGFT.

Components:

- e-CoO issuance platform accessible to chemical MSME exporters
- Rules of Origin (RoO) compliance toolkit by HS4 line
- Vietnamese buyer education on AITIGA benefits
- Annual AITIGA chemical tariff review. Target: raise chemical sector FTA utilisation from ~20% to 50% by 2027.

Timeline: 0-18 months (ongoing)
Expected Outcome: 3-8 pp landed-cost improvement; competitive parity with Korean suppliers on major polymer and specialty chemical lines

C4: Establish Direct India-Vietnam Chemical Logistics Corridor

Negotiate a dedicated chemical tanker/container service (weekly frequency) between JNPT/Hazira and Cai Mep/Cat Lai. Engage port authorities for dedicated hazmat berth allocation. Explore co-loading with large Indian petrochemical producers to anchor base volumes. Target transit time reduction from 14 days (via Singapore) to 8-10 days (direct).

Timeline: 12–24 months
Expected Outcome: 15-20% logistics cost reduction; competitive delivery vs China for bulk/commodity chemicals

C5: Formalise a Bilateral Chemical Industry MoU and Establish a Sector Working Group

The MoU should establish:

- joint working group with quarterly review cadence
- mutual supplier/buyer directory access
- co-nomination of products for AITIGA tariff review
- joint delegations to each country's chemical industrial zones

Timeline: 0-12 months
Expected Outcome: Institutionalised B2B platform; FTA utilisation improvement; regulatory intelligence sharing

5.1 KPI Framework – Chemical Sector Success Metrics

- The following KPI framework enables the Chemicals & Plastics Sector Working Group to monitor progress against the action agenda above on a quarterly basis.
- Baseline values are FY 2024-25
- targets are calibrated to a five-year horizon.

Table 5.1

KPI Category	Metric	Baseline (FY24-25)	Year 2 Target	Year 5 Target
Trade Volume	India chemical exports to Vietnam (US$M)	~US$ 0.5B	**US$ 0.7B**	**US$ 1.5B**
Market Penetration	India's share of Vietnam chemical imports	4.6%	**6%**	**10–12%**
FTA Utilisation	% of India chemical exports under AITIGA/RCEP	~20%	**35%**	**50%**
Agrochemicals	India share of HS 3808 (VN imports)	14.6%	**18%**	**25%**
Dyes & Pigments	India share of HS 3204 (VN imports)	~20%	**28%**	**40%**
Plastics & Polymers	India share of HS 39 (VN imports)	~2.5%	**4%**	**8%**

Specialty Chemicals	India share of HS 38 (VN imports)	<1%	**2%**	**5%**
Regulatory Access	Number of Indian agrochemicals MARD-registered	~12	**32**	**60**
Buyer Integration	# Indian chemical suppliers on Vietnamese OEM AVLs	~5 (est.)	**20**	**60**
Logistics	Average transit time India→Vietnam (days)	14–16 days	**10–12 days**	**8–10 days**
Finance Access	% MSME chemical exporters with SCF access	<5%	**20%**	**40%**

Section 6: Vietnamese Buyer Profiles – Priority Engagement Targets

The following profiles cover ten priority Vietnamese buyers across the key chemical sub-sectors identified in Section 3. Each profile is structured for direct use by Indian exporters approaching the Vietnam market: it sets out who is buying, what they source, how they procure, how dependent they are on Chinese supply (indicating diversification openness), and the specific angle an Indian company should use to initiate engagement.

Note: Annual sourcing estimates are derived from company annual reports, Vietnam MOIT import data

Buyer 01: VINATEX (Vietnam National Textile & Garment Group) | Textile & Garment Manufacturing | Est. Annual Revenue ~US$ 720M

Location

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Phone: (+84-24) 3825 7700 | Email: vinatexhn@vinatex.com.vn | Website: www.vinatex.com.vn

Production across HCMC, Binh Duong, Nam Dinh, Da Nang

Current India Sourcing India supplies ~20% of reactive and disperse dyes (HS 3204). Near-zero penetration in textile auxiliaries (HS 3809) and specialty finishing chemicals.	**Target HS Lines for India** **HS 3204 (synthetic dyes), HS 3809 (textile auxiliaries), HS 3402 (surfactants)**
Procurement Approach Central procurement team at Hanoi HQ sets approved vendor lists and negotiates framework contracts. Member mills (50+) then place orders against the framework. An Indian exporter must first get on the VINATEX approved supplier list before approaching individual mills.	**China Dependency Level** Very high for auxiliaries and finishing chemicals (Chinese suppliers hold ~60–70% share). Moderate for dyes (Indian suppliers already established). VINATEX has publicly stated a China+1 diversification intent but has not yet found qualified Indian auxiliary suppliers.

Entry Angle for Indian Exporters

Dyes: Indian exporters can consolidate their position by offering ZDHC MRSL Level 1 certification, which VINATEX requires for all suppliers serving export garment contracts (EU/US buyers). Auxiliaries: this is the white space - VINATEX's technical procurement team in Hanoi can be approached with a product portfolio targeting ZDHC-compliant finishing chemicals; offer a trial batch with full Vietnamese SDS documentation.

Buyer 02: Thanh Cong Textile Garment Investment Trading JSC | Textile & Garment (Listed, Export-Focused) | Est. Annual Revenue ~US$140M

Location

Head office: 36 Tay Thanh Street, Tay Thanh Ward, Tan Phu District,Ho Chi Minh City
Phone: +84 (28) 3815 3962 | Email: tcm@thanhcong.com.vn | Website: www.thanhcong.com.vn

Listed on HOSE stock exchange

Current India Sourcing India supplies a portion of reactive dyes; no India presence in their auxiliary and finishing chemical procurement.	**Target HS Lines for India** **HS 3204 (reactive/disperse dyes), HS 3809 (finishing agents), HS 3402 (surfactants)**
Procurement Approach Direct procurement from approved international suppliers. As a listed company with EU and US export exposure, Thanh Cong requires ZDHC certification and third-party test reports (SGS/Bureau Veritas) for	**China Dependency Level** High for auxiliaries and finishing chemicals. Thanh Cong has been actively looking for non-Chinese dye suppliers since 2022 due to quality consistency issues

all chemical suppliers. Procurement decisions are made by their materials and technical director.	and to satisfy EU CBAM-related supply chain disclosure requirements.

Entry Angle for Indian Exporters

Approach via direct email to their technical/procurement team. Lead with a product portfolio focused on ZDHC Level 1 reactive dyes and eco-label compliant auxiliaries. Thanh Cong's EU exposure means they will respond to sustainability credentials (GOTS-compatible chemicals, lower AOX). Offer a no-cost sample and technical visit to their HCMC facility.

Buyer 03: Binh Dien Fertilizer Company | Agrochemicals & Fertilizers | Est. Annual Revenue ~US$ 360M

Location

C12/21, National Road 1A, Tan Kien Commune, Binh Chanh District,Ho Chi Minh City
Phone: +84 (28) 3756 1191 |Email: phanbon@binhdien.com | Website: www.binhdien.com

Production in Long An Province

Current India Sourcing India partially supplies certain agrochemical intermediates. Significant potential to expand into additional active ingredients once MARD registration is secured.	**Target HS Lines for India** **HS 3808 (herbicides, fungicides, insecticides), HS 3105 (fertilizer compounds)**
Procurement Approach Annual tender process for major active ingredient supply contracts. Binh Dien works primarily with registered formulation suppliers and requires MARD registration before any commercial import. They maintain a preferred supplier list reviewed annually in Q4 for the following season.	**China Dependency Level** Moderate (lower than industrial chemicals). Binh Dien has historically used Indian agrochem intermediates and is open to expanding India sourcing for formulations that carry WHO/FAO registration, which they regard as a quality proxy.

Entry Angle for Indian Exporters

Begin by identifying which of your formulations already hold WHO Pesticide Evaluation Scheme (WHOPES) or FAO specifications, these carry significant weight with Binh Dien's technical team and may qualify for expedited MARD review. Contact Binh Dien's procurement division directly with a product dossier and MARD registration timeline. Offer to co-fund field trial costs for priority formulations as a relationship-building investment.

Buyer 04: PetroVietnam Fertilizer and Chemicals Corporation (PVCFC) | Fertilizers & Agro-inputs (State-Owned)

Location

Address: No. 43 Mac Dinh Chi, Saigon Ward, Ho Chi Minh City
Phone: 028 3825 6258 | Email: lienhe@pvfcco.com.vn / contact@pvfcco.com.vn
Ca Mau Province (production)
HCMC and Can Tho (distribution)

Current India Sourcing Minimal India sourcing currently. PVCFC's procurement is dominated by Chinese and Russian suppliers under long-term government-to-government arrangements.	**Target HS Lines for India** **HS 3808 (post-registration agrochemicals), HS 3102/3105 (fertilizer inputs)**
Procurement Approach State-owned enterprise with procurement decisions influenced by government-level trade relationships. However, PVCFC has commercial procurement autonomy for specialty inputs and is under pressure to diversify supply after raw material	**China Dependency Level** Very high. PVCFC's core supply chain is anchored in Chinese and Russian raw material contracts. However, PVCFC's management has acknowledged supply chain concentration risk in public disclosures.

disruptions in 2022–2023. Procurement decisions require senior management sign-off for new supplier onboarding.

Entry Angle for Indian Exporters

The Consulate General can facilitate an introduction to PVCFC's management as part of a business delegation visit — this G2B entry is more effective than direct commercial approach for an SOE of this nature. Indian exporters should prepare a supply security narrative: emphasise WHO-registered formulations, consistent supply history, and AITIGA cost advantage over Chinese MFN suppliers. A small pilot contract for one registered formulation is the recommended first step.

Buyer 05: Samsung Electronics Vietnam (SEV / SEVT) | Electronics OEM | Est. Annual Revenue ~US$ 60B

Location

Thai Nguyen Province (SEVT — largest facility) and Bac Ninh Province (SEV)

Current India Sourcing Minimal. Samsung's chemical supply chain in Vietnam is dominated by Korean, Taiwanese, and Japanese approved vendors who were onboarded when the facilities were established.	**Target HS Lines for India** **HS 3402 (surfactants/cleaning agents), HS 3506 (adhesives), HS 3820 (de-icing/cleaning fluids), HS 3818 (doped wafer chemicals)**
Procurement Approach Samsung operates a global Approved Vendor List (AVL) for chemicals, managed out of Samsung's Seoul procurement hub. Getting on the AVL requires: (a) passing Samsung's chemical safety assessment (aligned to IEC 62474 and Samsung's own Substance Control List); (b) passing an on-site audit of manufacturing facility; (c) three consecutive successful product qualification batches. This process typically takes 12–18 months.	**China Dependency Level** Low-to-moderate. Samsung's chemical procurement is deliberately diversified across Korean, Japanese, and international suppliers. However, Indian specialty chemical suppliers are almost entirely absent from their Vietnam supply chain, representing an unsolicited opening rather than a displacement opportunity.

Entry Angle for Indian Exporters

Focus on specialty surfactants (HS 3402) and cleaning agents (HS 3820) — sub-segments where Indian producers have WHO-GMP and ISO 9001 credentials that align with Samsung's supplier qualification requirements. Do not approach Samsung directly without first establishing a Vietnamese distribution partner who has existing Samsung plant access. The Indian exporter should engage Samsung's local procurement team in Thai Nguyen, not Seoul, for Vietnam facility supply.

Buyer 06: Hoa Phat Group (Hoa Phat Rubber & Chemicals Division) | Steel, Rubber, Industrial Chemicals | Est. Annual Revenue ~US$ 4.5B

Location

Head office: 66 Nguyễn Du, P. Nguyễn Du, Q.Hai Bà Trưng, Hanoi
Phone: 024 6284 8666 | Email: Hoaphatgroup@hoaphat.com.vn / ir@hoaphat.com.vn | Website: www.hoaphat.com.vn

Industrial facilities in Hung Yen, Hai Duong, Binh Duong

Current India Sourcing Very limited. Hoa Phat's chemical procurement is heavily concentrated in Australian (iron ore) and Chinese (industrial chemicals, rubber chemicals) supply.	**Target HS Lines for India** **HS 3812 (rubber chemicals, antioxidants), HS 2915 (industrial acids), HS 3910 (silicones)**
Procurement Approach Centralised procurement through Hoa Phat's group sourcing division. Decisions are commercial and competitive — Hoa Phat is responsive to price and	**China Dependency Level** Very high for rubber chemicals and industrial acids. Hoa Phat has faced supply disruptions from Chinese rubber chemical suppliers during peak demand

payment term proposals. They run annual supplier qualification rounds for major chemical inputs.	periods, creating a documented appetite for qualified backup suppliers.

Entry Angle for Indian Exporters

Rubber chemicals (HS 3812) are the highest-conviction entry point: India has globally competitive CBS, MBT, and TBBS producers (e.g., Nocil, Lanxess India) whose products directly substitute Chinese equivalents. Lead with a price comparison showing AITIGA-adjusted landed cost versus Chinese MFN pricing, and offer a free trial shipment for lab testing. Carbon black (HS 2803) is a secondary entry angle if your company produces it.

Buyer 07: Casumina Rubber Company (Southern Rubber Industry) | Rubber Products & Tyre Manufacturing | Est. Annual Revenue ~US$ 200M

Location

Address: 180 Nguyen Thi Minh Khai, Xuan Hoa Ward, Ho Chi Minh City (District 12)
Phone: 028 3836 2369 | Email: casumina@casumina.com.vn | Website: www.casumina.com

Production in HCMC and Long An

Current India Sourcing Minimal. Casumina currently sources rubber chemicals primarily from Chinese and Korean suppliers. Indian rubber chemical producers (Nocil, Hindustan Rubber) have not established a commercial presence.	**Target HS Lines for India** **HS 3812 (rubber accelerators, antioxidants), HS 2803 (carbon black), HS 3910 (silicones)**
Procurement Approach Direct procurement from international suppliers and through HCMC-based chemical trading companies. Casumina's technical procurement team runs comparative trials on new rubber chemical formulations before approving substitution. They are price-sensitive but will pay a small premium for consistent quality.	**China Dependency Level** Very high (~70–80% of rubber chemical procurement from China). Post-COVID supply disruptions and RCEP-related concerns about sole-source dependency have made Casumina's procurement team actively open to qualifying alternative suppliers.

Entry Angle for Indian Exporters

Contact Casumina's technical director with a rubber chemical product portfolio. Offer CBS (N-Cyclohexyl-2-benzothiazolesulfenamide) and IPPD antioxidant as the first products for qualification — these are high-volume, high-frequency purchases where supply reliability matters most. Provide full technical data, a Vietnamese SDS, and a sample for their in-house compound testing lab. A single successful trial batch is typically sufficient to enter their approved vendor list.

Buyer 08: Masan Group (Masan Consumer & Masan MEATLife) | Food Processing & Consumer Goods | Est. Annual Revenue ~US$ 3.2B

Location

Head office: 18th Floor, Masan Tower, No. 23 Le Duan, Sai Gon Ward, Ho Chi Minh City
Phone: +84 28 6256 3862 | Email: pr@msn | Website: www.masangroup.com

Production facilities across Vietnam

Current India Sourcing Very limited. Masan's specialty chemical procurement is dominated by European, US, and Taiwanese suppliers for food-grade inputs.	**Target HS Lines for India** **HS 3824 (food processing chemical preparations), HS 3402 (food-safe cleaning agents), HS 2936 (vitamins/food additives)**
Procurement Approach Centralised procurement through Masan's group operations division. Food-grade chemical suppliers must hold FSSC 22000 or equivalent food safety management certification. Masan is highly sensitive to	**China Dependency Level** Low for food-grade specialty chemicals. Masan has deliberately diversified away from Chinese suppliers for food-safety-critical inputs following regulatory

supply chain transparency and ESG disclosure requirements, driven by their international investor base.	scrutiny of Chinese food additive supply chains in 2021–2023.

Entry Angle for Indian Exporters

Food-grade chemical manufacturers from India (particularly those with FSSAI, HACCP, and FSSC 22000 certification) have a genuine opening here. Lead with food safety credentials, not price. Target Masan Consumer's procurement team in HCMC with a product dossier covering food-grade acidulants (citric acid, lactic acid), emulsifiers, and preservatives. Masan's sustainability commitments mean Indian suppliers with Rainforest Alliance or organic certification for food additives will receive preferential consideration.

Buyer 09: VinFast (Vingroup EV Division) | Electric Vehicle Manufacturing | Est. Annual Revenue ~US$ 1.2B

Location

Address: Dinh Vu – Cat Hai Economic Zone, Cat Hai Islands, Cat Hai Town, Hai phong
Phone: +84 225 396 9999 | Email: contact@vinfast.vn / ir@vinfastauto.com / hongpta@vinfast.vn | Website: vinfastauto.com

Hai Phong (primary production)
HCMC (component sourcing hub)

Current India Sourcing No established India sourcing. VinFast's chemical supply chain was built with Korean (LG Energy Solution, Samsung SDI) and Chinese suppliers.	**Target HS Lines for India** **HS 2846 (battery-grade rare earth compounds), HS 3209 (EV coatings), HS 3506 (structural adhesives), HS 3901/3902 (engineering polymers)**
Procurement Approach VinFast's procurement model is evolving rapidly as they scale production. Currently, most chemical inputs come from their Korean JV partners' supply chains. As VinFast diversifies suppliers to reduce cost and Korea-dependency, they are running competitive RFQs for battery chemical components and structural materials.	**China Dependency Level** Moderate and declining. VinFast is actively seeking to reduce Korean and Chinese supply concentration as part of a stated cost-reduction programme through 2026–2027.

Entry Angle for Indian Exporters

This is a medium-term opportunity (12–24 months). Indian specialty polymer and coatings producers should register interest with VinFast's procurement team in Hai Phong now, even before active commercial engagement — the goal is to be in the vendor pipeline when RFQs open. The Consulate General's facilitation of a delegation introduction to VinFast's supply chain team would be the most effective entry mechanism.

Buyer 10: Binh Minh Plastics JSC | Plastics & Polymer Products | Est. Annual Revenue ~US$ 200M

Location

Address: No. 240 Hau Giang, Ward 9, District 6, Ho Chi Minh City
Phone: +84 (28) 3969 0973 | Email: binhminhplas@hcm.fpt.vn / binhminh@binhminhplastic.com.vn

Listed on HOSE

Current India Sourcing India supplies a very small share of polymer inputs. The vast majority of Binh Minh's polyethylene and PVC compound sourcing is from Thai, Korean, and Chinese producers.	**Target HS Lines for India** **HS 3901 (polyethylene primary forms), HS 3904 (PVC compounds), HS 3812 (polymer stabilisers)**
Procurement Approach	**China Dependency Level**

Binh Minh is a listed company with transparent procurement. They run competitive tender processes for major polymer inputs twice yearly. As a construction-sector supplier (pipes, fittings), they are price-sensitive but prioritise supply continuity. Binh Minh's procurement team is based in HCMC and responds well to direct commercial proposals supported by product test reports.	Moderate-to-high for polyethylene (Korean, Thai dominant) and high for PVC compounds (China ~60% share). Binh Minh has experienced supply disruptions from Chinese PVC compound suppliers and is actively qualifying backup sources.

Entry Angle for Indian Exporters

Polyethylene (HS 3901) is the primary entry point: Indian producers (Reliance Industries, HPCL) can compete on price when AITIGA Form AI CoO is claimed, bringing landed cost below Thai and Korean MFN pricing. Contact Binh Minh's procurement manager in HCMC with an AITIGA-adjusted price proposal for HDPE or LDPE. Offer a 1 FCL trial shipment with a standard 30-day deferred payment terms to initiate the relationship.

The following table consists of the **Large Multinational Chemical Distributors** in Vietnam which Indian companies can sell to

Table 6.1

Company Name	Contact	Key Segment / Speciaization
Brenntag Vietnam	8th Floor, Beautiful Saigon Boutique Building, 2 Nguyen Khac Vien, District 7, Ho Chi Minh City Phone: +84 28 5413 8333 | https://www.brenntag.com/en-vn/	Food & beverage, pharma, cosmetics, water treatment, and heavy coatings
DKSH Vietnam (Performance Materials)	23 Luy Ban Bich, Tan Thoi Hoa Ward, Tan Phu District, Ho Chi Minh City Phone: +84 28 3622 1144 | https://www.dksh.com/vn-en/home	Specialty chemicals, personal care ingredients, pharmaceutical excipients, and advanced plastics
IMCD Vietnam	12th Floor, Viettel Tower, 285 Cach Mang Thang Tam, District 10, Ho Chi Minh City Phone: +84 28 3911 1188 | https://www.imcdgroup.com	Coatings, construction additives, nutrition, personal care, and advanced manufacturing
Connell Caldic Vietnam	5th Floor, PetroVietnam Tower, 1-5 Le Duan, District 1, Ho Chi Minh City Phone: +84 28 3910 3311 | https://www.caldic.com	Food ingredients, life sciences, electronics processing, rubber, and industrial performance
Behn Meyer Vietnam	No. 19, Street 2A, VSIP 1, Thuan An, Binh Duong Phone: +84 274 378 2181 | https://www.behnmeyer.com	Agricultural nutrients, crop protection, rubber processing, leather, and plastics additives
Jebsen & Jessen Ingredients (Vietnam)	Unit 1401, 14th Floor, MPlaza Saigon, 39 Le Duan, District 1, Ho Chi Minh City Phone: +84 28 6288 7628 | https://ingredients.jjsea.com	Specialty plastics, coating formulations, textile auxiliary chemicals, and personal care

Appendix A: Risk Register – Chemical Sector Trade Enhancement Programme

The following risk register covers the principal risks facing Indian chemical exporters entering or expanding in the Vietnam market. Risks are assessed on a likelihood × impact matrix. The Owner column indicates who is best placed to act on the mitigation, principally the Indian exporter themselves, the Consulate General, or relevant Indian government bodies.

ID	Risk Description	Category	Likelihood	Impact	Risk Level	Mitigation	Owner
R-01	China maintains or expands market dominance through price subsidies, credit terms, or new co-investment in Vietnamese chemical plants	Competitive	H	H	CRITICAL	Differentiate on quality and regulatory credentials (REACH/ZDHC); offer 60–90 day payment terms via EXIM Bank SCF to narrow the credit gap; focus initial product selection on specialty niches (rubber chemicals, dyes, agrochemicals) where China competes less aggressively on price	Indian Exporters / EXIM Bank
R-02	AITIGA review stalls or produces unfavourable outcomes for chemical HS lines, keeping tariff differentials in place	Policy / Trade	M	H	HIGH	Indian exporters should monitor DGFT communications on the AITIGA review schedule. Where AITIGA rates are already 0–5%, ensure Form AI CoO is claimed on every shipment — this is within the exporter's direct control regardless of the review outcome	Indian Exporters / DGFT
R-03	Law on Chemicals No.†69/2025/QH15 introduces new import licensing and classification requirements; implementing decrees still being finalised by MOIT as of June 2026, creating regulatory uncertainty for hazardous chemical imports	Regulatory	H	M	HIGH	Appoint a Vietnam-based regulatory compliance agent to track MOIT implementing regulations as they are released; engage LRO early; the CG office can flag emerging NTB issues for escalation through diplomatic channels	Indian Exporters / CG India
R-04	MARD agrochemical registration backlog extends pre-registration timeline beyond 24 months, delaying market entry	Regulatory	M	H	HIGH	File registration for multiple formulations in parallel rather than sequentially; prioritise formulations already holding WHO/FAO registration (expedited MARD review pathway); engage the agricultural attaché at Embassy Hanoi to flag systemic delays	Indian Exporters / Embassy Hanoi
R-05	No direct India–Vietnam chemical shipping service means all cargo transits Singapore, adding cost and lead time versus Chinese competitors	Logistics	M	M	MEDIUM	Co-load shipments with other Indian chemical exporters to build consolidated volumes; use JNPT–Cai Mep services via Port Klang as a near-term alternative to Singapore transshipment; negotiate slot arrangements with carriers already serving the route	Indian Exporters / Freight Forwarders
R-06	Vietnamese buyers request 90–120 day credit terms that most Indian MSME	Finance	M	H	HIGH	Apply for EXIM Bank's pre- and post-shipment credit facility before approaching Vietnamese buyers; explore ADB TSCFP-backed LC	Indian Exporters / EXIM Bank

	exporters cannot extend without trade finance support					confirmation through Vietcombank or BIDV as the Vietnamese bank counterpart	
R-07	Indian chemical exporters lack ZDHC/REACH compliance certifications, preventing qualification as suppliers to textile sector buyers (VINATEX, Thanh Cong)	Compliance	**H**	**M**	**HIGH**	Obtain ZDHC MRSL Level 1 certification before approaching textile buyers — this is a non-negotiable entry requirement. Budget 6–12 months and US$ 3,000–8,000 per product. The ZDHC Foundation maintains a public list of accredited testing laboratories	Indian Exporters
R-08	FX volatility (INR-VND) erodes margins on commodity chemical exports, deterring sustained engagement	Financial	**M**	**M**	**MEDIUM**	Denominate contracts in USD (standard practice); use EXIM Bank or commercial bank FX forward contracts to hedge INR exposure on export receivables; focus near-term volume on higher-margin specialty lines where FX impact is proportionally smaller	Indian Exporters / EXIM Bank
R-09	Vietnamese state-owned buyers (VINACHEM, PVN, PVCFC) maintain procurement preference for Chinese and Russian suppliers under existing long-term contracts	Market Access	**H**	**M**	**HIGH**	SOE entry requires a G2B rather than B2B approach: request CG facilitation for introductions to SOE procurement leadership; position as a supply security alternative rather than a price competitor; target specific product lines where existing contracts are due for renewal	Indian Exporters / CG India
R-10	Geopolitical developments alter Vietnam's supply chain diversification appetite in ways that reduce openness to Indian suppliers	Geopolitical	**L**	**H**	**MEDIUM**	Monitor bilateral trade environment through CG office quarterly updates; position India's offer as a stable, long-term, non-politicised supply partnership; maintain buyer relationships through market downturns so India is first-call when diversification windows reopen	CG India / MEA
R-11	Indian polymer exporters (Reliance, IOCL, HPCL) prioritise higher-margin markets (EU, Middle East) over Vietnam relationship-building	Commercial	**M**	**M**	**MEDIUM**	Position Vietnam as a long-term strategic market with a structural China+1 tailwind; request CG facilitation for CXO-level introductions to Vietnamese anchor buyers; structure initial supply through a local distributor to reduce the market-entry cost for large producers	CG India

Appendix B: About Globapact Advisory & Report Provenance

Globapact Advisory Pvt. Ltd.

Globapact Advisory is a New Delhi-based strategic advisory firm specialising in trade intelligence, economic diplomacy, and export market development. Globapact partners with government institutions, trade promotion bodies, and private sector enterprises to translate macroeconomic opportunity into actionable trade strategy.

Commissioning Chain & Report Provenance

Commissioning Authority	Economic Diplomacy Division, Ministry of External Affairs, Government of India, through the Office of the Consulate General of India, Ho Chi Minh City
Parent Study	India-Vietnam Trade Review and Opportunities (Globapact Advisory, 2026), a comprehensive HS4-level analysis of 1,225 product categories identifying US$ 170 billion in bilateral headroom
This Sector Brief	Chemicals Sector Brief – one in a series of sector-level intelligence documents disaggregating the parent study's findings for targeted stakeholder and working group use
Data Periods	Vietnam import structure: Calendar Year 2023 (UN Comtrade / Vietnam MOIT); India trade data: FY 2024–25 (DGFT / DGCI&S)
Methodology	HS4 headroom analysis; qualitative bottleneck mapping (30+ practitioner consultations); buyer-level intelligence from public company reports; global corridor benchmarking (India-UAE CEPA; Korea-Vietnam chemical corridor)
Disclaimer	This brief is for informational and policy dialogue purposes only. Headroom figures are directional signals, not forecasts.

Prepared for the Office of the Consulate General of India, Ho Chi Minh City

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