

VIETNAM WOOD & FURNITURE INDUSTRY WHAT FOREIGN INVESTORS SHOULD KNOW

Vietnam continues to strengthen its position as one of the **world's leading hubs for wood and furniture manufacturing and export**. Supported by **competitive production costs**, a **skilled workforce**, and an **expanding network of free trade agreements**, the country remains highly attractive to global buyers and investors.

1. COMMON INVESTMENT MODELS IN THE WOOD AND FURNITURE SECTOR

Foreign investors looking to enter Vietnam's wood and furniture market may consider the following approaches:

- **Establishing a Company in Vietnam:** Investors can set up a manufacturing or trading company. This includes options like wholly foreign-owned enterprises or joint ventures
- **Contract manufacturing (OEM/ODM):** Partnering with Vietnamese manufacturers to produce furniture under a foreign brand. Vietnam has emerged as a leading destination for contract manufacturing, particularly in the furniture industry. The country offers a cost-effective and skilled labor force, a stable political environment, and a network of free trade agreements, making it an attractive option for foreign brands seeking to produce furniture under their own labels
- **Appointing local distributors/agents:** Partnering with an established Vietnamese distributor is a common strategy for furniture. This may take the form of franchising, licensing or distribution agreements that take advantage of local networks and market expertise
- **Opening retail showrooms:** Particularly in large cities like Ho Chi Minh City or Hanoi to reach end consumers directly. Key furniture manufacturing hubs are located in the southern provinces of Binh Duong and Dong Nai, near Ho Chi Minh City. These regions host a mix of large-scale factories and smaller workshops, providing flexibility for various production needs. For instance, Binh Duong alone accounts for over half of Vietnam's wood product exports

2. LEGAL REQUIREMENTS AND QUALITY STANDARDS

Foreign investors in Vietnam's wood and furniture sector must obtain basic investment approvals (IRC and ERC) and ensure full compliance with import-export documentation, including invoices, packing lists, and Certificates of Origin for FTA benefits.

Products may be subject to Vietnamese technical standards (QCVN/TCVN), particularly regarding safety, materials, and chemical content. All goods must comply with Vietnamese labeling requirements in the local language. A key sector-specific requirement is proof of legal timber origin under Vietnam’s timber legality system (VNTLAS), and for EU exports, compliance with VPA/FLEGT regulations.

3. TAXATION

When conducting business or importing wood and furniture products into Vietnam, companies should be aware of the following taxes:

- **Corporate income tax (CIT):** Standard rate is 20%. Certain furniture projects using eco-friendly materials or located in encouraged areas may enjoy CIT incentives
- **Value-Added Tax (VAT):** VAT at 8% (currently applicable until 30 December 2026). If not extended, the VAT rate will revert to 10%
- **Import duties** for wood and furniture products vary depending on HS code classification and origin. However, Vietnam has an extensive network of Free Trade Agreements (FTAs), including EVFTA, CPTPP, ACFTA and VKFTA, which can significantly reduce or eliminate import tariffs when proper Certificates of Origin (C/O) are provided

4. IMPORT AND EXPORT PROCEDURES FOR WOOD AND FURNITURE PRODUCTS

4.1 IMPORT INTO VIETNAM

Importers must ensure that all customs documents are complete and consistent, including commercial invoices, packing lists, contracts, and transport documents. **Proper HS code classification is essential**, as it directly affects applicable import duties and VAT treatment

To benefit from preferential tariff rates under Vietnam’s Free Trade Agreements, valid **Certificates of Origin (C/O) must be provided in accordance with relevant FTA requirements**. In addition, wood-based products must comply with Vietnam’s timber legality regulations (VNTLAS), particularly regarding proof of legal sourcing.

Imported furniture must also comply with **Vietnamese labeling requirements, including information on origin, materials, and usage instructions**. In certain cases, environmental or technical conformity requirements may apply depending on product composition.

4.2 EXPORT FROM VIETNAM

For exports, businesses should ensure that goods meet the regulatory and documentation standards of the destination market, including product safety, chemical compliance, and sustainability requirements.

Vietnamese exporters must prepare accurate export documentation (invoice, packing list, contract, and bill of lading) and obtain **Certificates of Origin** where required to enable preferential tariff treatment under FTAs such as EVFTA, CPTPP, or UKVFTA.

For wood and furniture products, compliance with international timber legality requirements is increasingly important, especially for shipments to the EU and US markets. This includes maintaining traceability of raw materials and adherence to sustainable sourcing standards.

Exporters should also be aware that labeling, packaging, and product certification requirements may vary significantly across jurisdictions, requiring market-specific compliance checks prior to shipment.

5. INTELLECTUAL PROPERTY PROTECTION

As in every industry, **intellectual property (IP)** is crucial for growing a business, protecting brand reputation, and building consumer trust in a new market. For furniture companies entering Vietnam, establishing a solid IP portfolio is essential ideally even before market entry.

In the furniture sector, IP protection primarily involves **trademark registration, design protection, and, in certain cases, copyright**. While patents are not commonly used for traditional furniture items, they may be relevant for highly technical or multifunctional products.

- **Trademark registration** is key for protecting brand identity. Vietnam operates under a **first-to-file system**, meaning companies that do not register their trademarks early may find it difficult to prevent counterfeiters or third parties from using similar brand names or logos. Registering trademarks ensures legal protection and strengthens market positioning.
- **Industrial design protection** is especially important in the furniture industry. Unique shapes, forms, or visual characteristics of furniture pieces such as chairs, tables, or lighting fixtures can be registered as industrial designs. This prevents competitors from copying distinctive aesthetic features. Unlike copyrights, design protection must be officially registered in Vietnam to be enforceable.
- In some cases, **copyright protection** may apply to artistic elements incorporated in furniture, such as carved patterns, surface artwork, or decorative features. Although copyright arises automatically, registration in Vietnam enhances enforceability and offers greater protection in legal disputes.

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As has been consistently emphasized, securing IP rights in Vietnam is vital. Trademarks and design registrations do not automatically carry over from other jurisdictions, and relying solely on brand reputation offers minimal legal protection. Therefore, companies should register early in Vietnam to avoid the risk of infringement and loss of exclusivity.

Good IP management also paves the way for business development opportunities such as licensing, joint ventures, and franchising. Registered IP assets add value in negotiations and enhance brand credibility among local partners and distributors.

To protect their investments and reduce legal risk, foreign furniture businesses are strongly encouraged to work with local IP professionals to create a customized IP strategy aligned with their market entry plans.

6. CONCLUSION

Vietnam's wood and furniture industry offers strong opportunities for foreign investors driven by competitive manufacturing capabilities, growing export demand, and an extensive network of free trade agreements. However, **successful market entry requires careful structuring of investment models and strict compliance with local legal, tax, customs, and intellectual property regulations.** Key areas of focus include timber legality compliance, product standards, and accurate customs documentation to ensure smooth import-export operations. **Early intellectual property registration is also essential** to protect brand value and maintain long-term competitiveness. Overall, while Vietnam presents significant potential for both manufacturing and distribution, a well-prepared legal and operational strategy remains critical to minimizing risks and achieving sustainable commercial success.