



# VIETNAM AVIATION MARKET



## Highlights

*Vietnam's aviation sector is growing rapidly.*

- Remarkable annual passenger growth rate of 16% between 2010-2017 and further growth forecasts of 14% to 2020 and 10% to 2030 - among the top 3 in SEA
- Now one of the 20 largest domestic markets in the world and among the lowest Low Cost Carrier (LCC) penetration in SEA, which indicates high future growth potential
- Ministry of Transport plans to spend \$15bn to develop the country's aviation infrastructure by 2030
- Vietnam has 22 airports (9 international and 13 domestic), managed by the Airports Corporation of Vietnam (ACV). Airport infrastructure is under pressure to expand to meet the high aviation growth rate
- Number of aircraft expected to grow to over 220 units by 2020 and 400 by 2030

## Airport development

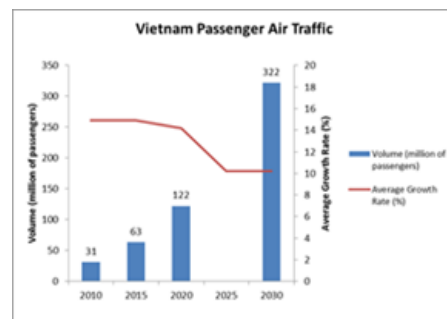
Three major projects planned:

- **Tan Son Nhat Expansion** (over \$1bn investment), potentially including the construction of an additional terminal of 20m pax/ year, parallel and connecting taxiways and apron in the first phase. Final government approval on options for expansion to be made in June 2018, followed by Feasibility Study (FS) and design.
- **Noi Bai Airport Expansion** (\$3.7bn investment) from 2018-2021 includes phase 2 of Terminal 2 to increase capacity to 15m pax/ year, a new domestic terminal and additional parking bay. Bidding for the review of the airport master plan for expansion is scheduled for the end of 2018/early 2019.
- **Long Thanh International Airport** (\$16bn investment), green field project. Phase 1: A new international airport with capacity of 25m pax/ year and 1.2m tonnes of cargo by 2025. Results of FS tender will be announced shortly.

There are also plans to upgrade a number of tier 2 airports, including Cat Bi, Phu Bai, Chu Lai and Phu Quoc. One airport (Van Don) is being developed by the private sector and there is increasing interest from private investors in airport development projects, including at Tan Son Nhat, Cam Ranh, Dong Hoi, Phu Cat.

## Airlines

Four licensed airlines: Vietnam Airlines (VNA), Jetstar Pacific Airlines, Vietjet Air (VJ) and Vietnam Air Services Company. The market is dominated by VNA (national flag carrier) and VJ (private LCC) with domestic market share of 42% and 43% respectively. VNA plans to launch direct flights to the US in late 2019 and VJ is rapidly expanding its international operations. Bamboo Airways is likely to join the playing field early 2019.



**Vietnam Airlines Fleet (as of April 2018):** 57 Airbus A321-200, 6 Airbus A330-200, 11 Airbus A350-900, 11 Boeing 787-9, 18 Airbus 321neo, 15 Airbus A350-900 and 8 Boeing 787-10 on order.

**Vietjet Air Fleet (as of March 2018):** 24 Airbus A320-200, 30 Airbus A321-200 and 1 Airbus A321neo. 7 Airbus A321-200 and 72 Airbus A321neo and 100 Boeing 737 MAX200 on order.

FLC Group, the parent group of **Bamboo Airways** signed an MOU with Airbus in March 2018 for 24 A321neo aircraft.

To find out more about our services, please visit:  
[www.gov.uk/government/organisations/department-for-international-trade](http://www.gov.uk/government/organisations/department-for-international-trade)

## Contact

**Ms Nguyen Thi Phuong Nam** | Senior Commercial Officer | British Embassy Hanoi | 4th Floor, Central Building, 31 Hai Ba Trung, Hanoi | Tel: (84) (4) 3936 0229 | Email: [Nguyen.Nam@fco.gov.uk](mailto:Nguyen.Nam@fco.gov.uk)

**Ms Le Mai Hoang Giao** | Senior Commercial Officer | British Consulate General Ho Chi Minh City | 25 Le Duan Blvd, District 1, Ho Chi Minh City | Tel: (84) (8) 3825 1380 ext 2210 | Email: [Le.Giao@fco.gov.uk](mailto:Le.Giao@fco.gov.uk)