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With almost 100 million people, Vietnam has the third-largest population in Southeast Asia after Indonesia and the Philippines and the ninth largest across Asia. This large population relies upon fewer than 1,500 hospitals, the majority of which (approx. 80%) are state-run.

Vietnam is an attractive market for the life sciences and health care sector, particularly with a growing middle-class and an aging population. The country has not introduced national tenders and price controls in public sector health care organizations, although there are signs that may change. The influx of multinational companies intersecting with (foreign) public officials in the shape of doctors and state-employees is a high-risk potion. These conditions are being monitored and actively investigated by domestic and international regulators.

In the past two years, there has been nationwide domestic enforcement centering on bid-rigging and breaches of public tenders. Senior doctors from major hospitals have been prosecuted and sentenced. U.S. regulators almost annually announce an enforcement action relating to Vietnam, and the health care sector is a constant focus. One of the world's largest pharmaceutical companies resolved a Department of Justice (DOJ) and Securities and Exchange Commission (SEC) investigation in 2020 with a nine-figure settlement, a portion of which related to the conduct of a subsidiary's distributor's efforts to increase sales of intraocular lenses in Vietnam.

With a new Vietnamese Minister of Health in mid-2022, our Hanoi and Ho Chi Minh City offices are witnessing an uptick in audits necessitating compliance in even the most routine of requirements.

Our counsel is for clients to: focus on their third-party engagements, particularly when local distributors remain required as the sales channel to hospitals; dedicate compliance resources to Vietnam; and conduct thorough due diligence when entering into, or expanding operations. With great opportunity, comes great (risk) responsibility.

Click [here](#) to view the complete Hogan Lovells' 2023 Life Sciences and Health Care Horizons brochure.

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