

Exploring the Potential of Vietnamese Traditional Medicinal Herbs: Trends, Challenges, and Global Market Opportunities

Duy Duc NGUYEN

Concordia International School Hanoi
Van Tri Golf Estate, Dong Anh, Hanoi, Vietnam

Abstract:

Traditional Vietnamese medicine (TVM) plays a significant role in healthcare, being deeply intertwined with cultural heritage and community practices. This research paper explores the potential of Vietnamese traditional medicinal herbs, focusing on consumer trends, challenges, and global market opportunities. This exploration highlights the intricate dynamics that influence the accessibility and sustainability of traditional remedies. Using a mixed-methods approach, a comprehensive literature review, and data analysis, this study examines the economic impact and market dynamics of traditional medicinal herbs from Vietnam, emphasizing their historical significance, contemporary relevance, and prospects. Key findings underscore the substantial growth potential and offer insights into how Vietnamese medicinal herbs can establish a more prominent presence in the global market

Keywords: Traditional Vietnamese Medicine, Medicinal Herbs, Consumerism Trends

1. Introduction

Traditional medicine has been used in Vietnamese lands for millennia, with its first recorded use dating back to 3000 BCE. From 100 BCE to 1000 CE, Vietnamese herbs such as lemongrass were utilized to create 'elixirs' for royalty, and eventually for the common people. Before the French occupation of Vietnam, traditional medicine had been continuously evolving, progressing from herbal extracts consumed orally to various external forms of treatment, with acupuncture becoming one of the most prominent methods developed over time. However, further advancement in the discovery and development of traditional Vietnamese medicine was temporarily halted as the French introduced what is now commonly known as modern medicine during their era of occupation. Nevertheless, following Vietnam's independence in 1945, its leaders called for the reinvigoration of traditional Vietnamese medicine as a means of "preserving culture." Policies began to be introduced in the 1960s and have continued to be implemented, paving the way for the slow but steady revitalization of traditional medicine in Vietnamese society [1, 2].

In recent years, there has been a resurgence of interest in traditional medicine, both in Vietnam and internationally. Many factors have contributed to this trend, with a major one being the trust consumers place in traditional medicine products to maintain their health. This resurgence has established a stable foundation for the development of medicinal herbs in Vietnam and globally [3]. The economic potential of traditional medicinal herbs is vast and seemingly limitless. In Vietnam, the cultivation and trade of herbs used for medical purposes are increasingly gaining attention from merchants and producers. Additionally, the export market for these herbs is expanding due to growing demand from countries such as China, Japan, Korea, and the United States.

Globally, the traditional and alternative medicine market is expanding rapidly. According to the World Health Organization, the traditional medicine market is expected to grow significantly due to increasing consumer awareness and demand for natural health products. Vietnamese medicinal herbs, with their unique properties and long-standing uses, are well-positioned to take advantage of this trend [4]. Given the demand and current status of traditional medicine in Vietnam, the government and companies aim to simplify the collection and processing of herbs and ingredients through detailed development plans. The Vietnamese

government has plans to develop and designate large plots of land specifically for growing herbs used in various types of traditional medicine, to enhance the quality and, in turn, the value of these herbs produced in Vietnam.

This article will focus on understanding the trend of using oriental medicine products and the growing market demand for Vietnamese traditional medicinal herbs. Through comprehensive analysis, it will reveal a clear connection between the increasing use of traditional Vietnamese medicine and its ingredients. This analysis will also identify the challenges faced in growing, processing, and commercializing these valuable herbs. Based on these insights, potential opportunities for these herbs in the global market will be explored, leading to the development of a specific and strategic plan to promote and expand Vietnamese traditional medicine products in both domestic and international markets.

2. Vietnamese Traditional Herbs Trends

Traditional medicine has been utilized to treat health issues for centuries across many countries. In Vietnam, specifically, traditional medicine has a long history dating back thousands of years. Since its introduction, herbal medicine has been widely adopted to improve health and treat various ailments [5]. The growing global interest in traditional medicine and herbal remedies has further boosted demand for Vietnamese traditional herbs. Today, approximately 75% of Vietnamese people rely on traditional medicine as their primary source of treatment to meet their healthcare needs. These individuals are usually from rural or hilly areas, where access to hospitals, community healthcare centers, and modern medicine is limited [6].

Vietnam, located in a sub-equatorial tropical climate zone, is one of 25 global biodiversity hotspots, home to over 36,000 species of plants, animals, microalgae, and marine microorganisms, including many rare endemic species. The country also boasts a diverse plant system, with an estimated 13,747 species of vascular plants. To preserve this rich flora, the government has implemented policies mapping out 164 special-use forests, including 30 national parks, 58 nature reserves, 11 species conservation areas, and 45 landscape protection areas [7]. Traditional medicine and medicinal herbs have been established and developed, with recorded knowledge of using 5,117 species belonging to 1,823 genera of 362 plant families for treatment, care, and health protection, among the 13,766 plant species recorded in Vietnam. Many rare and precious endemic medicinal plants, which have both medicinal uses and high economic value, are widely distributed across the country [8]. In Vietnamese clinics and hospitals, herbal medicine has been widely integrated into contemporary medicine. More than 700 officially registered medicinal formulations include herbal medicine components, and almost all hospitals have a conventional medicine department [9].

The global market for traditional and alternative medicine is expanding rapidly. According to the World Health Organization, this market is expected to grow significantly due to increasing consumer awareness and demand for natural health products, which are often perceived as safer and more sustainable alternatives to modern medicine [3]. Vietnamese medicinal herbs, with their unique properties and centuries-old uses rooted in traditional practices, are well-positioned to capitalize on this global trend. The economic potential of traditional medicinal herbs in Vietnam is immense, as the industry is witnessing robust growth driven by rising domestic and international demand. Countries such as China, Japan, Korea, and the United States are among the most significant importers of Vietnamese medicinal herbs, highlighting Vietnam's growing influence in the global market for natural health products [10]. This increasing demand is not only boosting Vietnam's economy but also encouraging the sustainable cultivation and preservation of medicinal herbs.

Traditional Vietnamese herbs are becoming increasingly popular and valuable in the international market. The export potential is growing as these herbs gain traction among consumers seeking natural alternatives to conventional medications. With over 5,000 types of medicinal plants, Vietnam has numerous opportunities to develop medicinal herbs into a significant economic and technical enterprise [11]. As demand for traditional medicinal herbs rises, Vietnamese traditional herbs are being increasingly integrated into modern healthcare systems both in Vietnam and globally [12]. Collaborations between traditional healers, healthcare practitioners, and researchers are facilitating the integration of herbal remedies into treatment protocols for various health conditions. Developing Vietnamese herbal medicine is crucial not only for advancing traditional medicine within the country but also for meeting export demands. Vietnamese medicinal herbs

are being promoted through fairs, exhibitions, and e-commerce platforms, which helps to access new markets and enhance export earnings.

3. Development and Efficacy of Traditional Medicine System

The development of traditional medicine in various regions of the world can be likened to a "hundred flowers blooming," each with its unique characteristics. Traditional and herbal medicine play a vital role in ensuring people's health. The mutual influence of national medical cultures is crucial for the advancement of traditional medicine. Traditional medicine originates from the social practices of local people and adapts to local politics, economics, culture, and social life, making it an integral part of regional culture. In Vietnam and ASEAN countries, modern medicine and traditional medicine coexist, and all countries face the challenge of reconciling these two approaches [13]. The challenge lies in how to develop the strengths of both systems, preserve the unique features of national traditional medicine, promote national cultural heritage, and integrate tradition with modernity, as well as classic approaches with scientific and technological advancements [14].

Traditional Chinese Medicine (TCM) has a solid foundation in ASEAN countries. Vietnam, Thailand, Singapore, and other nations have progressively recognized the legal status of TCM and its practitioners, with services increasingly being integrated into the mainstream of national healthcare systems, particularly in Malaysia. In recent years, the traditional medicine industry has experienced significant growth and development across ASEAN countries. This expansion reflects a broader acceptance and integration of traditional medicine practices, with many countries enhancing their support for TCM through policy changes, educational programs, and public health initiatives. As a result, the traditional medicine sector has flourished, contributing to a more diverse and comprehensive approach to healthcare in the region.

4. Challenges and Opportunities for Promoting Vietnamese Traditional Herbs

Promoting Vietnamese traditional medicine to the global market presents both challenges and opportunities. The primary challenges include regulatory compliance, quality control and standardization, market access and distribution, cultural and language barriers, competition with established brands, and research and development. Compliance with regulations related to product safety and quality is crucial for market access but demands significant resources and expertise. Ensuring quality control of herbal products is essential for consumer safety and satisfaction. However, maintaining consistent quality control and standardization throughout the supply chain, especially for natural products, can be complex due to variability in plant sources, growing conditions, and processing methods [15].

Marketing and distribution also pose significant challenges. Accessing global markets and establishing distribution channels can be particularly difficult for small-scale producers or exporters. Overcoming trade barriers, securing import and export permits, and navigating distribution networks require market knowledge, networking, and logistical capabilities. Additionally, cultural differences and language barriers may present obstacles in marketing Vietnamese medicinal herbs to international consumers [16]. Effective communication and cultural sensitivity are crucial for conveying the value proposition of these herbs and addressing consumer preferences and concerns. Competing with established brands and traditional medicine systems from other regions can be daunting. Differentiating Vietnamese medicinal herbs based on their unique properties, cultural heritage, and sustainability practices is essential for standing out in the global marketplace.

Alongside these challenges, there are significant opportunities to support the development of Vietnamese traditional medicine, enabling it to compete with modern medicine both domestically and globally. Vietnam boasts a rich diversity of medicinal plants and traditional healing practices, offering a wide range of herbal remedies with unique therapeutic properties. Leveraging this biodiversity and traditional knowledge can position Vietnamese medicinal herbs as valuable assets in the global market. Increasing consumer interest in natural and traditional remedies presents a substantial opportunity for Vietnamese medicinal herbs. Government support, including incentives, policies, and infrastructure investments, can enhance the competitiveness of Vietnamese medicinal herbs in the global market. Initiatives aimed at promoting

research, innovation, and export opportunities can foster the sustainable growth of the Vietnamese herbal industry.

5. Market Opportunities and Strategies for Vietnamese Traditional Herbs

The global market for traditional medicine has been experiencing significant growth, driven by various factors. According to a report by Grand View Research, the global complementary and alternative medicine market was valued at USD 144.68 billion in 2023 and is expected to grow at a compound annual growth rate (CAGR) of 25.3% from 2024 to 2030 [17]. Vietnam, with its long-standing tradition of herbal medicine deeply rooted in its cultural heritage, is no exception to this trend [18]. One of the primary drivers of this growth is the increasing prevalence of chronic diseases worldwide. Traditional medicine offers holistic approaches to health and wellness, appealing to consumers seeking alternatives to conventional pharmaceutical treatments. The Vietnamese government has actively promoted the development and integration of traditional medicine into the national healthcare system. Initiatives such as the National Strategy on Traditional Medicine Development (2011-2020) have aimed to strengthen the regulatory framework, promote research and development, and improve access to traditional medicine services [19].

According to data from the Vietnam Association of Traditional Medicine, the pharmaceutical industry consumes between 40,000 and 60,000 tones of traditional or herbal medicinal materials per year. Of this, around 80 percent are imported from foreign countries on a small scale [20]. Additionally, several Vietnamese enterprises have participated in exporting various types of medicinal herbs, such as cinnamon, anise, cardamom, turmeric, rosemary, and millet, but these exports are individually small and constitute a negligible percentage of the global market. Although the total export value of cinnamon and anise has continuously increased, reaching 276 million USD in 2022, this figure remains small compared to the worldwide market share of medicinal herbs [21]. One reason for the limited share of Vietnamese medicinal herbs in the global pharmaceutical market is that most are exported in raw form. Furthermore, some medicinal plants do not meet the required quality standards. Data on current demand and market trends for the import and export of traditional Vietnamese medicinal herbs can guide the development of this market. Increasing consumer interest in natural and traditional remedies presents a significant market opportunity for Vietnamese medicinal herbs. These herbs are being increasingly integrated into modern healthcare systems both domestically and internationally [22].

To effectively market Vietnamese traditional herbs, a strategic approach is essential. Start with comprehensive market research to understand consumer preferences, demand, and competitive dynamics both locally and internationally. Plan and develop areas for cultivating medicinal herbs on an industrial scale, establish a traceability system, and ensure the security and safety of these herbs. Implement specific policies for developing medicinal herbs, particularly those that are valuable or have high economic potential. Focus on maintaining the stability of pharmaceutical quality in raw material areas in Vietnam. Enhance research and development (R&D), create linked chains for production, preservation, and processing, and transfer technology for cultivating, producing, and consuming traditional medicine. Promote effective management of medicinal materials and strengthen quality control measures. Actively integrate and improve international cooperation, and work on building and promoting the image and brand of Vietnamese traditional medicine. Establish robust distribution channels, both online and through retail partnerships, and explore export opportunities. Employ a combination of digital marketing strategies—such as social media, content marketing, and influencer partnerships—alongside traditional advertising methods to reach a broad audience.

In summary, the unique properties of Vietnamese traditional herbs, combined with the increasing global demand for natural remedies, government support, integration into modern healthcare systems, and effective promotion strategies, present substantial market opportunities for these herbs. The distinct therapeutic qualities of Vietnamese traditional herbs, along with growing consumer interest in natural health solutions, create a promising environment for their global expansion. Government initiatives and support further enhance the potential for growth by facilitating the integration of traditional medicine into contemporary healthcare frameworks. To capitalize on these opportunities, it is crucial to address existing challenges, such

as regulatory compliance, quality control, and market access. By overcoming these hurdles and leveraging their unique advantages, Vietnamese traditional medicine can significantly expand its reach and impact in the global market, ultimately establishing a stronger presence and achieving greater recognition.

6. Conclusion

Vietnamese traditional medicinal herbs have significant potential in the global market. This study highlights current trends, and identifies key challenges, addressing the challenges related to quality control, regulatory compliance, supply chain management, and market access is crucial for achieving sustained growth. By addressing the identified challenges and leveraging market opportunities, Vietnamese traditional medicinal herbs can achieve greater prominence and contribute to global health and wellness. Furthermore, this research contributes to the understanding of the economic potential and market dynamics of Vietnamese traditional medicinal herbs. It provides valuable insights for stakeholders, including farmers, businesses, and policymakers. For local farmers and producers, improving cultivation practices and adhering to international quality standards can enhance product competitiveness. Policymakers should focus on creating a supportive regulatory framework and investing in infrastructure to facilitate market access. International stakeholders can explore partnerships and collaborations to tap into the unique benefits of Vietnamese medicinal herbs, thereby promoting the development of Vietnamese traditional medicine and the supply of medicinal herbs in the domestic and international markets. With a focus on quality and innovation, Vietnamese traditional medicinal herbs can position themselves as a competitive force in the global wellness market, contributing to economic growth and public health. In the long term, this will support the preservation of Vietnam's rich medicinal heritage while fostering new opportunities for global collaboration.

Acknowledgments

I would like to express my sincerest gratitude to my research supervisor, Assoc. Prof. Tong Thi Thanh Huong, for her invaluable guidance, support, feedback, and assistance throughout the completion of this paper. Her expertise was instrumental in shaping both the content and structure of my research.

In addition, I wish to acknowledge Nhat Nhat Ltd. Medical Company for igniting my interest in traditional Vietnamese medicine through my internship with them, which further deepened my understanding of this field.

Lastly, I would like to express my deepest gratitude to my family and friends, especially my mother, for their unwavering support throughout this entire process. Their encouragement has been a constant source of strength.

References

1. Nara O., The Place of 'Traditional Medicine' in the Modern History of Vietnam: How 'National Medicine' Came into Being, *Southeast Asia History and Culture*, (2011) 40: 126-144. DOI: 10.5512/sea.2011.40_126
2. Tran L. Q., Tran K. Q., Kouda K., Nguyen T. N., Maruyama Y., Watanabe H., Kadota S., Investigation on traditional medicine in Myanmar and Vietnam, *J. Trade. Med*, (2003), 20, 173 - 186, https://www.researchgate.net/publication/47294307_Investigation_on_traditional_medicine_in_Myanmar_and_Vietnam
3. WHO, Traditional and Complementary Medicine in Primary Health Care, Eng, 2018, World Health Organization, WHO/HIS/SDS/2018.37. <https://iris.who.int/bitstream/handle/10665/326299/WHO-HIS-SDS-2018.37-eng.pdf>
4. WHO, WHO traditional medicine strategy: 2014-2023, (2013), 1- 76, World Health Organization, ISBN: 9789241506090.
5. Sissi W. G., Iris F. F. Benzie, Herbal Medicine: An Introduction to Its History, Usage, Regulation, Current Trends, and Research Needs, *Herbal Medicine: Biomolecular and Clinical Aspects*, Chapter 1, CRC Press/Taylor & Francis; 2011. PMID: 22593939.

6. Hoang V. Sam, Bass P., Kebler P., Traditional Medicinal Plants in Ben En National Park, Vietnam, *Blumea - Biodiversity, Evolution and Biogeography of Plants*, (2008), Vol. 53, No.3, 569-601. DOI: <https://doi.org/10.3767/000651908X607521>
7. MONRE, Vietnam national Biodiversity Strategy to 2020, vision to 2030, Eng, 2011, <https://www.cbd.int/doc/world/vn/vn-nbsap-v3-en.pdf>
8. Le T.T. Huong, Nguyen P. Hung, Murthy N. H., Do V. Hai, Nguyen T. Thanh, Medicinal Plants Used by the Tay Ethnic Group, Thai Nguyen Province, Vietnam, *Herbs and Spices - New Advances*, (2023), 170 - 263,
9. Nguyen P. H., Tran V. D. Pham D. T., Dao N. P, Deweyd S. D., Use of and attitudes towards herbal medicine during the COVID-19 pandemic: A cross-sectional study in Vietnam, *Eur J Integr Med*, (2021) 44: 101328.1. DOI: 0.1016/j.eujim.2021.101328
10. Vietnamplus, Vietnam boasts potential for developing herbal medicine industry, December 4th, 2023. <https://en.vietnamplus.vn/vietnam-boasts-potential-for-developing-herbal-medicine-industry-post275461.vnp>,
11. Nguyen D. N. Van, Nguyen Tap, An Overview of the Use of Plants and Animals in Traditional Medicine Systems in Viet Nam, TRAFFIC. Southeast Asia, Greater Mekong Programme, Ha Noi, Viet Nam, 2008, 2-96, https://www.trafficj.org/publication/08_medical_plants_Viet_Num.pdf
12. Adorisoa S., Fierabraccib A., Rossettoc A., Muscarid I., Nardicchie V., Liberatid A. N., Riccardif C., Tran V. Sung, Trinh Thy Thuy, Delfinof V. D., Integration of Traditional and Western Medicine in Vietnamese Populations: A Review of Health Perceptions and Therapies, *Natural Product Communications*, (2016) Vol. 11 (9), 1409 – 1416. DOI: 10.1177/1934578X1601100949
13. Tefara F. N., Balasundaram L., Traditional Medicine in Vietnam, *PriMera Scientific Medicine and Public Health*, (2023) Vol 3 (6), DOI: 10.56831/PSMPH-03-106
14. Nguyen T. Long, Kaptchuk T., Davis R., Nguyen G., Pham V., Tringale S., Loh Y., Gardiner P., The Use of Traditional Vietnamese Medicine Among Vietnamese Immigrants Attending an Urban Community Health Center in the United States, *J Altern Complement Med*. (2016) 22 (2):145-53. doi: 10.1089/acm.2014.0209.
15. Dew K., Liyanagunawardena S., Traditional Medicine and Global Public Health, *Handbook of Social Sciences and Global Public Health*, Living reference work entry, (2023) 1-17.
16. Rao R., Singh G., Challenges and Strategies of Marketing of Medicinal Plants, *International Journal of Horticulture, Agriculture and Food Science (IJHAF)*, (2023), Vol 7 (5), p. 6 - 9; DOI: <https://dx.doi.org/10.22161/ijhaf.7.5.2>
17. Grand View Research. (2024, January). Complementary and alternative medicine market to reach \$694.22 billion by 2030. Grand View Research. Retrieved from <https://www.grandviewresearch.com/industry-analysis/complementary-alternative-medicine-market>
18. World Health Organization. (2011, March 15). Intercountry consultation on the regional strategy for traditional medicine in the Western Pacific Region 2011-2020. World Health Organization. Retrieved from <https://www.who.int/westernpacific/news-room/speeches/detail/intercountry-consultation-on-the-regional-strategy-for-traditional-medicine-in-the-western-pacific-region-2011-2020>
19. Nhan Dan Online. (2023, July 14). Workshop seeks solutions to develop traditional medicine tourism. Nhan Dan Online. Retrieved from <https://en.nhandan.vn/workshop-seeks-solutions-to-develop-traditional-medicine-tourism-post136353.html>
20. VietnamPlus. (2024, April 17). Traditional medicine prices vary widely. VietnamPlus. <https://en.vietnamplus.vn/traditional-medicine-prices-vary-widely-post124286.vnp>
21. Vietnam Investment Review. (2023, June 22). Unlocking the potential of Vietnamese medicinal herbs. Vietnam Investment Review. <https://vir.com.vn/unlocking-the-potential-of-vietnamese-medicinal-herbs-105721.html>
22. Hanoi Times. (2024, June 15). Hanoi multiplies model of high-quality traditional medicine clinics. Hanoi Times. <https://hanoitimes.vn/hanoi-multiplies-model-of-high-quality-traditional-medicine-clinics-324647.html>

Biography



Nguyen Duc Duy is a senior at Concordia International School Hanoi, aspiring to pursue Business, particularly Marketing and Entrepreneurship. He conducted independent research titled "Perceptions and Emerging Trends in the Use of Traditional Vietnamese Medicine: Implications for a TVM Future Market," which he presented at WICO 2023, earning both a gold medal and a special award. Duy has completed several internships, both in-person and virtually, and has participated in a range of business projects