



Snapshot on Vietnam's administrative reform 2025

July 2025



Overview of Vietnam's 2025 administrative reform

- Since 2008, Vietnam's administrative system consisted of **63 provinces and cities**. Each province/city is organised around **3 tiers** e.g. **province/centrally governed cities (tier 1), districts (tier 2) and communes (tier 3)**
- Over the years, this system of fragmentation has resulted in many shortcomings:
 - The multiple layers (63 provinces and 3 administrative tiers) translated into **high numbers of officials and civil servants** and generally **cumbersome local government structures**
 - **Roles and responsibilities** of each level were sometimes **unclear and oftentimes duplicated** i.e. some tasks are performed by all three levels, with a lack of coordination across the different tiers

→ **Inefficient usage of state budget, lengthy process for new investment / licences / business authorisation approval**

- In April 2025, Resolution No.60-NQ/TW and Decision 759/QD-TTg were signed off, approving the Plan for **reorganisation of administrative units**, officially implemented **from 1 July 2025**

- 1 Provincial merging:** 11 provincial-level units are retained while the remaining 52 are merged into 23, reducing to 34 provinces and cities
- 2 Restructuring of local governments:** district levels are removed, local and provincial governments now operate on a 2-tier system

- **Key expected benefits of the reform:**

- 1) faster and clearer administration process** (with the introduction of public administrative centres and fewer provinces which facilitates regional planning);
- 2) acceleration of technology / digital adoption;**
- 3) decentralisation and enhanced power for communal authorities** instead of purely relying on districts and provincial bodies

- However, a few **concerns remains:**

- 1) administration and public service access**, specifically for provinces of larger area (dispersed populations in rural areas may face challenges in receiving some services);
- 2) addressing gaps in digital infrastructure** between merged provinces
- 3) efficient reduction of public service workforce post re-organisation**

Through the provincial merger plan, the Government aims to create a more efficient administrative system that promotes robust and sustainable development

Background

- Since 2008, Vietnam has maintained a system of **63 small provinces**, each operating on a **3-tier system**: province/centrally governed cities, districts and communes
- In April 2025, Resolution No. 60-NQ/TW and Decision No. 759/QĐ-TTg were signed, approving the plan to **reduce the number of provinces to 34** and **restructure the local government into a two-tier model**, officially implemented on **1 July 2025**.

Rationale for the reform



Vietnam's 63 provinces and multiple layers of local governance bodies, **disproportionate to its land area and population**, result in **redundant functions, overlapping responsibilities**, and **increasing administrative expenses** (accounting **70%** of the state budget)



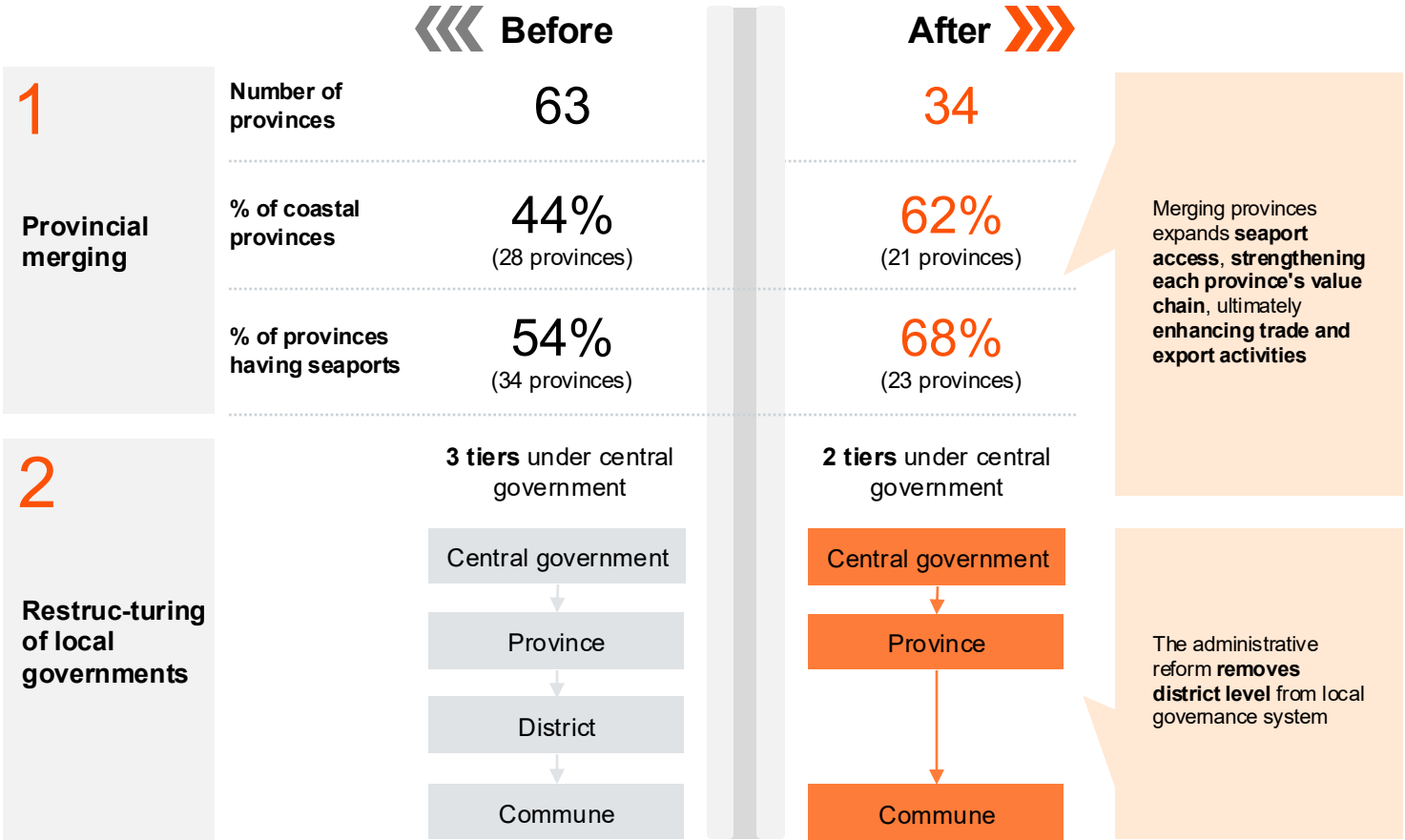
With multiple smaller administrative units, distribution of resources is challenging, which **hinders the ability to support new development strategies** that would require regional collaboration



The reform is expected to go along with the **digital transformation** in the public sector, **reducing the needs for multiple layers of administration**

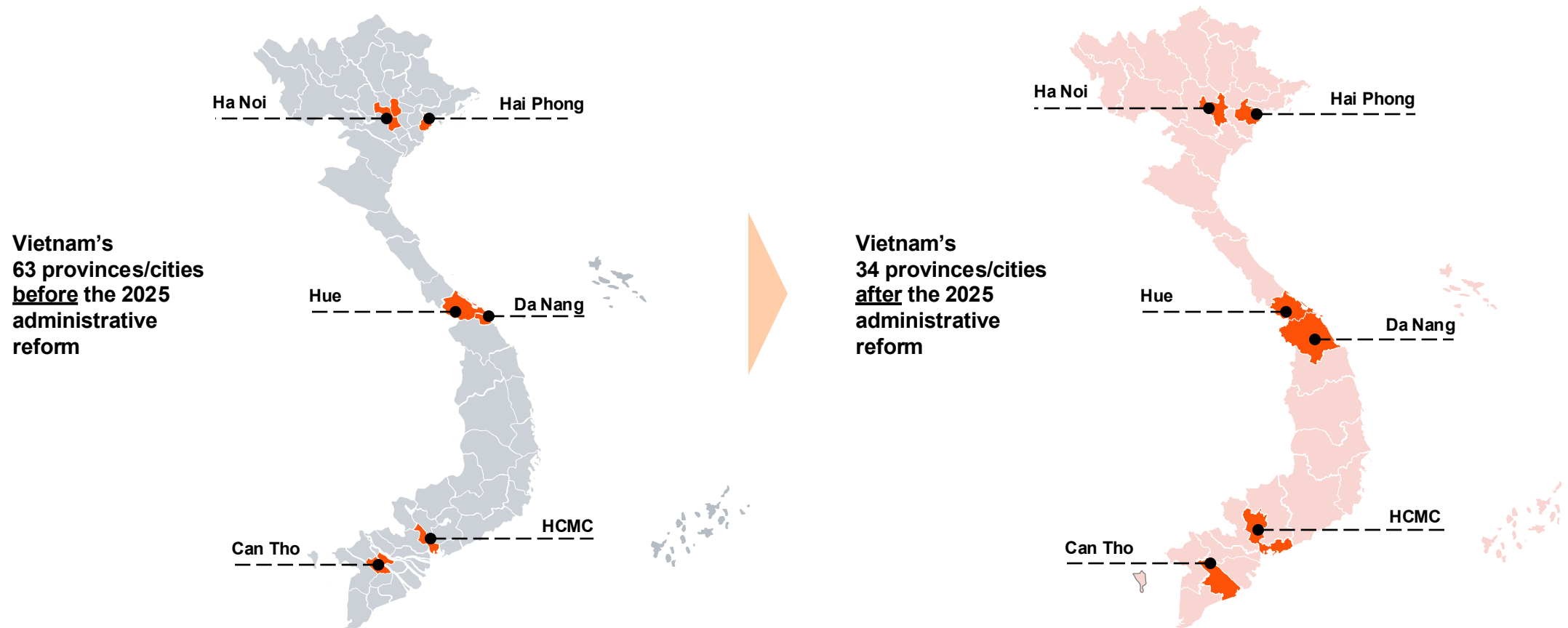
Source: Resolution No.60-NQ/TW Decision 759/QĐ-TTg, News, PwC Research & Analysis

Key changes following the reform



1 Consolidation to 34 provinces/cities is expected to help facilitate systematic regional planning and implementation of economic policies

Centrally governed cities Remaining provinces





Source: Resolution No.60-NQ/TW Decision 759/QĐ-TTg, PwC Research & Analysis

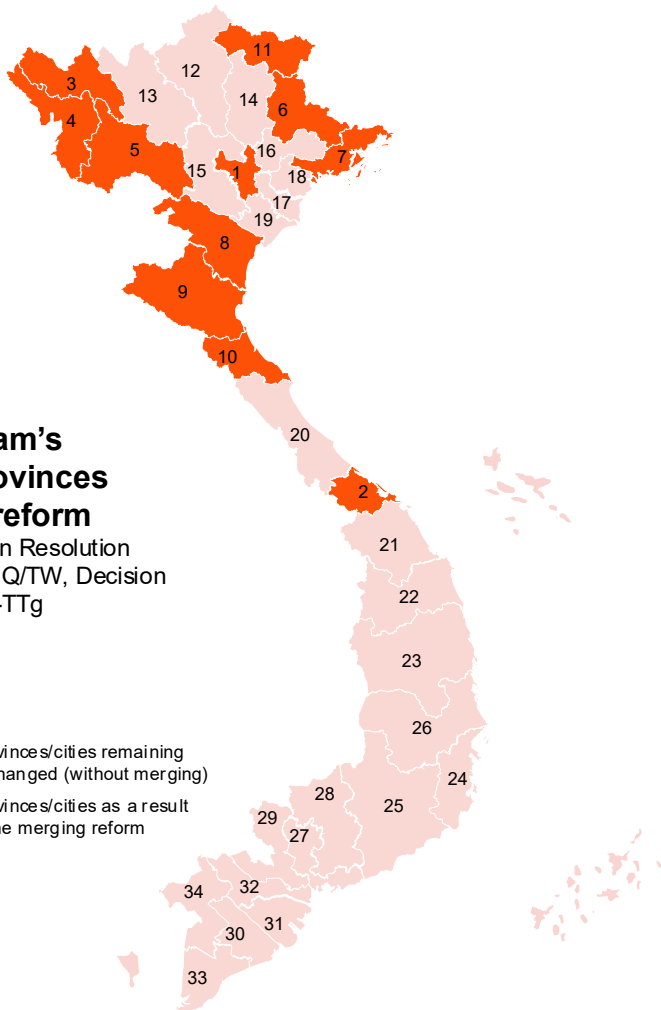
1 34 provinces and cities in Vietnam after the 2025 administrative reform

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Vietnam's 34 provinces after reform

Based on Resolution No.60-NQ/TW, Decision 759/QĐ-TTg

 Provinces/cities remaining unchanged (without merging)
 Provinces/cities as a result of the merging reform



#	Province / city	Merged provinces / cities	Location of political and administration center	Total area* (km2)	Population 2024* ('000 people)	GDRP 2024* (USDmn)	GDRP per capita 2024 (USD)
1	Ha Noi	Unchanged	Ha Noi	3,360	8,717.60	57,021	6,541
2	Hue	Unchanged	Hue	4,947	1,178.60	3,239	2,748
3	Lai Chau	Unchanged	Lai Chau	9,069	495.50	1,241	2,505
4	Dien Bien	Unchanged	Dien Bien	9,540	656.70	1,267	1,929
5	Son La	Unchanged	Son La	14,109	1,330.60	3,865	2,905
6	Lang Son	Unchanged	Lang Son	8,310	814.00	1,989	2,444
7	Quang Ninh	Unchanged	Quang Ninh	6,208	1,396.50	13,901	9,954
8	Thanh Hoa	Unchanged	Thanh Hoa	11,115	3,764.20	12,680	3,369
9	Nghe An	Unchanged	Nghe An	16,487	3,472.30	8,678	2,499
10	Ha Tinh	Unchanged	Ha Tinh	5,994	1,329.80	4,514	3,395
11	Cao Bang	Unchanged	Cao Bang	6,700	558.50	1,008	1,805
12	Tuyen Quang	Tuyen Quang, Ha Giang	Tuyen Quang	13,796	1,731.70	3,450	1,992
13	Lao Cai	Lao Cai, Yen Bai	Yen Bai	13,257	1,656.60	5,035	3,040
14	Thai Nguyen	Thai Nguyen, Bac Kan	Thai Nguyen	8,375	1,694.50	7,425	4,382

Source: Resolution No.60-NQ/TW, Decision 759/QĐ-TTg, GSO, PwC Research & Analysis

Note: (*) Sum of data of merged provinces reported by GSO in 2024

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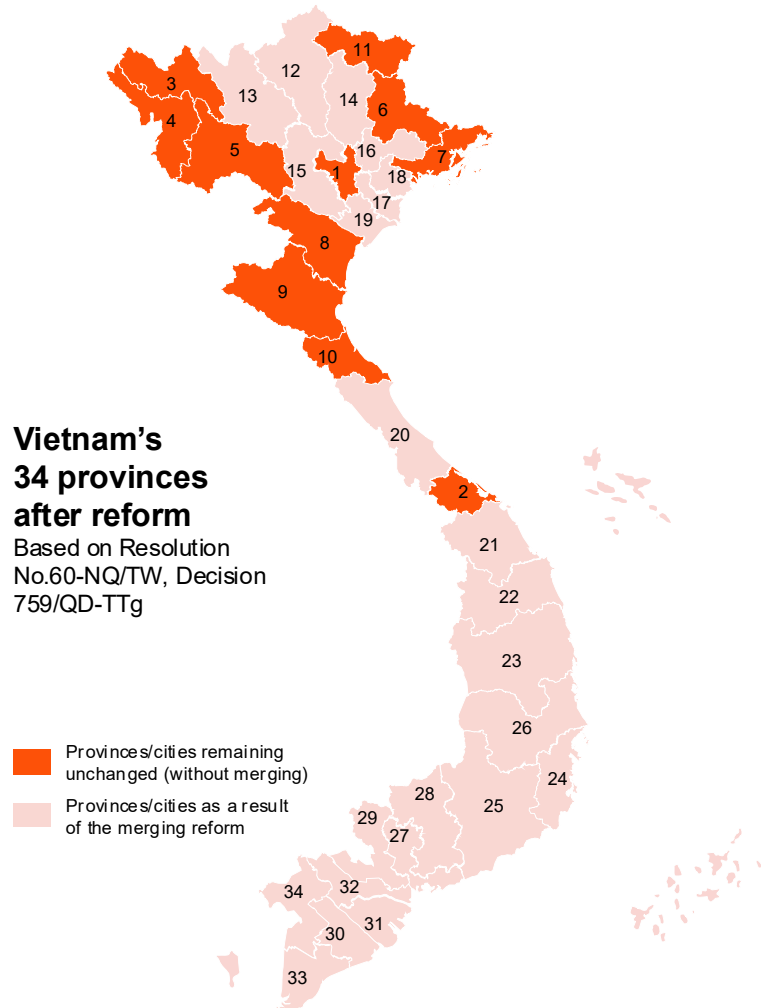
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Vietnam's 34 provinces after reform

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15	Phu Tho	Vinh Phuc, Phu Tho, Hoa Binh	Phu Tho	9,361	3,663.70	14,183	3,871
16	Bac Ninh	Bac Ninh, Bac Giang	Bac Giang	4,719	3,509.20	17,591	5,013
17	Hung Yen	Hung Yen, Thai Binh	Hung Yen	2,515	3,208.50	11,704	3,648
18	Hai Phong	Hai Phong, Hai Phuong	Hai Phong	3,195	2,124.50	17,840	8,397
19	Ninh Binh	Ha Nam, Ninh Binh, Nam Dinh	Ninh Binh	3,943	3,818.70	12,411	3,250
20	Quang Tri	Quang Binh, Quang Tri	Quang Binh	12,700	1,584.00	4,548	2,871
21	Da Nang	Da Nang, Quang Nam	Da Nang	11,860	2,819.90	11,197	3,971
22	Quang Ngai	Kon Tum, Quang Ngai	Quang Ngai	14,833	1,861.70	6,941	3,728
23	Gia Lai	Gia Lai, Binh Dinh	Binh Dinh	21,577	3,153.40	9,680	3,070
24	Khanh Hoa	Khanh Hoa, Ninh Thuan	Khanh Hoa	8,556	1,882.00	7,557	4,015
25	Lam Dong	Lam Dong, Binh Thuan, Dak Nong	Lam Dong	24,233	3,324.40	12,795	3,849

Source: Resolution No.60-NQ/TW, Decision 759/QĐ-TTg, GSO, PwC Research & Analysis

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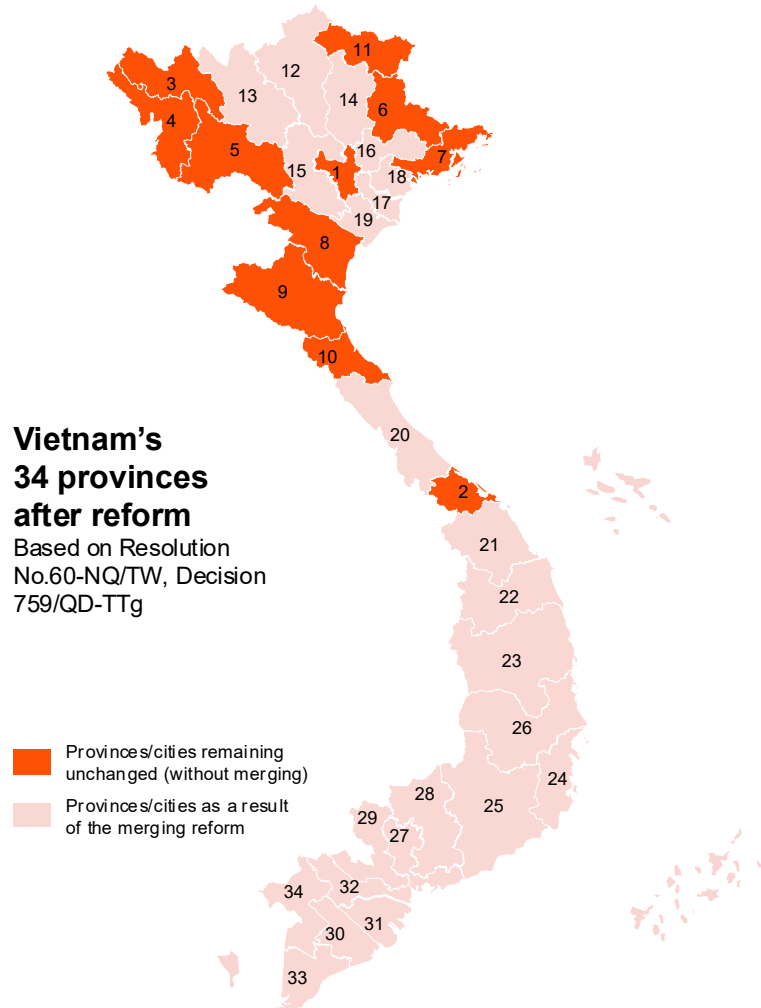
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Vietnam's 34 provinces after reform

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26	Dak Lak	Dak Lak, Phu Yen	Dak Lak	18,096	2,831.40	8,157	2,881
27	HCMC	HCMC, Binh Duong, Ba Ria – Vung Tau	HCMC	6,773	13,608.80	108,631	7,982
28	Dong Nai	Dong Nai, Binh Phuoc	Dong Nai	12,737	4,427.70	24,367	5,503
29	Tay Ninh	Tay Ninh, Long An	Long An	8,536	2,959.00	12,499	4,224
30	Can Tho	Can Tho, Soc Trang, Hau Giang	Can Tho	6,361	3,207.00	11,267	3,513
31	Vinh Long	Ben Tre, Vinh Long, Tra Vinh	Vinh Long	6,296	3,367.50	10,179	3,023
32	Dong Thap	Dong Thap, Tien Giang	Tien Giang	5,939	3,397.20	10,401	3,062
33	Ca Mau	Bac Lieu, Ca Mau	Ca Mau	7,942	2,140.70	6,126	2,862
34	An Giang	Kien Giang, An Giang	Kien Giang	9,889	3,679.30	10,854	2,950

Source: Resolution No.60-NQ/TW, Decision 759/QĐ-TTg, GSO, PwC Research & Analysis

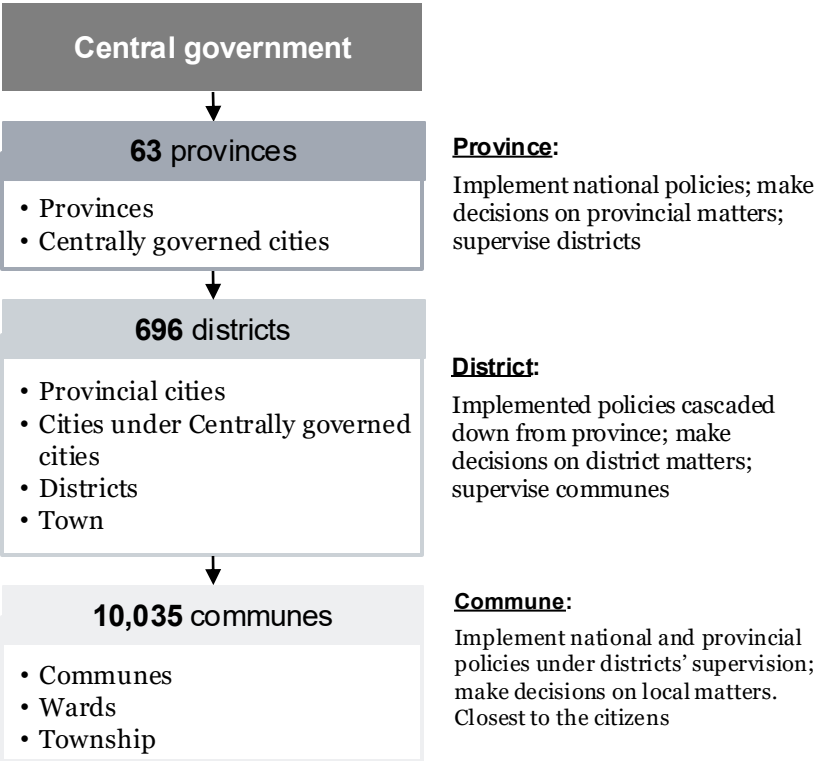
Note: (*) Sum of data of merged provinces reported by GSO in 2024

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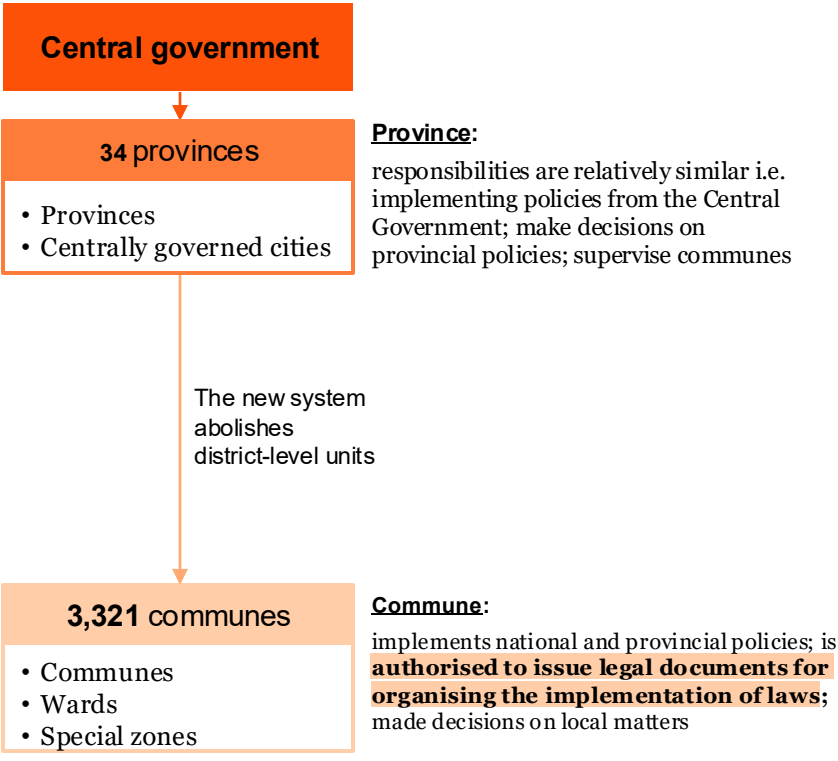
In addition to merging provincial-level units, Vietnam's 2025 administrative reform includes the abolishment of the district-level administrative units and introduces a two-tier local governance system

On 14 April 2025, **Decision 759/QĐ-TTg** regarding approval of the **local government restructuring** was signed. On 1 July 2025, the country officially **operates under a 2-tier system, abolishing district-level administrative units**

Vietnam's administrative system before the reform



Vietnam's administrative system after the reform



- The local government reorganisation results in a **70% reduction in the number of administrative units** in Vietnam
- In the old system, **district-level units played an intermediary role**, relaying down to the commune level, which is the unit directly implementing policies enforced by provinces. With this intermediary level, difficulties arose as the **planning (province) and execution (district) parties were not always in alignment**
- In the current system removes districts, **communes' scope of responsibility is broader**. They are now the **sole parties** responsible for implementing policies and have a **higher degree of autonomy** e.g. are **allowed to issue legal documents** for organising the implementation of laws

Source: Decision 759/QĐ-TTg, Law No.77/2015/QH13, News, PwC Research & Analysis

The administrative reform is expected to enhance process efficiency, technology adoption and local autonomy, but also poses challenges for public service accessibility, digital disparity and workforce realignment

Benefits of the administrative reform



Faster and clearer administration processes

- In the past, administrative processes were complicated and unclear, e.g. unclear role and responsibilities for different administrative units, and documents needed clearance from multiple layers, hence **long wait / processing times**
- Following the reform, the government also issued Decree 118/2025/ND-CP, enforcing a **'one-stop-shop' public administrative centres**
- Citizens now can go to **new centralised centres for administrative processes**, and the latter will coordinate with relevant authorities, **eliminating the burden of visiting different administrative units for citizens**
- In addition, with fewer provinces and communes, **regional planning and coordination** across the country is expected to be **smoother and less fragmented**



Accelerating technology adoption

- As Vietnam has set a national plan for **digital transformation**, the reform will help expand this initiative
- **Local public administrative centres are integrated with the National Public Service Portal**, i.e. more administrative matters will be processed online
- This will likely result in **higher technology adoption** in local governments, as well as for citizens



Decentralisation and enhanced power of local authorities

- With the removal of a layer of governance (district), **communal levels are now given more autonomy and power**
- In the new system, instead of the rigid overreliance on district units, communes are empowered - they can **proactively implement initiatives suitable to local conditions** without depending on the district and provincial level, thereby **accelerating the progress of socio-economic development programmes**

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Challenges of the administrative reform

Challenges in administration and public service access

- With larger areas provinces, **accessibility and governance**, especially in remote areas, can be a challenge, **forcing some officials and residents to travel further for some administrative tasks**, disrupting routines and economic activities
- In addition, the larger size also means that there could be challenges in reaching and providing public services to **dispersed populations in rural areas**, especially when the **infrastructure of the area is underdeveloped**

Digital infrastructure disparities

- Post-merging, digital infrastructure has to be synchronised across provinces and communes. However, this poses difficulties because **historically, digital transformation has varied significantly across regions**, reflecting differences in IT infrastructure needs, investment budgets, and technology adoption
- For instance, urban areas have progressed in digital services, while less developed provinces still face unstable internet and outdated telecom infra. To smoothly roll out the reform, **improvement and uniformisation of digital infrastructure is among of the main areas of focus**

Addressing overstaffing

- The reform, particularly removal of district levels, requires **transparent workforce reduction.**
- **Overstaffed local governments may face unemployment and career shifts**, increasing social tensions without adequate support
- Administrative restructuring **requires efficient role allocation to prevent service disruptions**, emphasising effective human resource management during the transition

Thank you