



Highlight

Vietnam Digital economy expected to add 30% to GDP by 2030

VIETNAM BUSINESS REVIEW

Vol 17, Apr 29th 2020



FINANCE

Vietnam Digital economy expected to add 30% to GDP by 2030

Vietnamese borrow most often for household appliances



E-COMMERCE

Vietnam-based e-commerce enabler OnPoint raises US\$8 Million Series A



START-UP

Vietnam's e-payment startup GPAY gets license to start operations



INVESTMENT

Da Nang calls for \$604 million IZs investment

First four months of 2020 FDI attraction reach US\$ 12.33 Billion



LOGISTICS

JICA keen on railway station project in Da Nang

Vietnam Airlines sells 49% stake in Cambodia Angkor Air



RETAIL

Second UNIQLO Store in Ho Chi Minh City to open on May 15

Big C launches online shopping platform

FINANCE

Vietnam Digital economy expected to add 30% to GDP by 2030

Vietnam wants to raise the digital economy's contribution to gross domestic product (GDP) to 20 per cent by 2025 and 30 per cent by 2030. The country wants to raise the digital economy's contribution to gross domestic product (GDP) to 20 per cent by 2025 and 30 per cent by 2030.



This is one of the targets set in the draft national strategy on the Fourth Industrial Revolution by 2030.

According to the strategy compiled by the Ministry of Planning and Investment, Industry 4.0 had caused changes to socio-economic activities, opening up both opportunities and challenges to global economies.

Many countries have already implemented plans and policies to exploit the benefits and overcome the challenges of the Fourth Industrial Revolution to boost economic growth and improve competitiveness.

The strategy said Industry 4.0 would help the country renew its growth model and restructure the economy as well as create breakthroughs for modernization.

It aims to bring Viet Nam into the top three digital governments in ASEAN by 2030. Meanwhile, 5G network coverage would be available nationwide.

To realize these targets, the strategy maps out six solutions including improving institution quality and policy-making ability; developing connection infrastructure and data exploitation; developing human resources; building e-Government toward digital Government; developing and improving national innovation ability; and investing and developing basic 4.0 technology.

Industry 4.0 was also expected to create 1.3-3.1 million jobs by 2030./. VNS

[Back to top](#)

Vietnamese borrow most often for household appliances

Often borrowing with different needs in mind, men and women in Vietnam still put the purchase of household appliances and electronics first. At the same time, 66% of all respondents in the country prioritized the online segment.

The common purpose of loans that took the highest share of responses among both men and women in Vietnam in 2019 was the purchase of durable goods – household appliances and electronics: 47% and 52%, respectively. Among other countries, such as the Philippines, Indonesia and India that took the part in the survey too, Vietnam has the lowest GDP per capita. It means that an opportunity to equip houses with advanced appliances and electronics remains quite relevant for the local population. At the same time, these results correlate with the overall gender activity in Vietnam. The World Bank states that the majority of men and women (83%) and women (73%) are employed in the country.

The next most important points for women were expenditures on children (20%) and repair costs (8%). The purchase of gadgets and other prestigious items (19%) and impulse buys (13%) prevailed among men.



Overall, the results of the survey show that education and medical services, purchase of electronics and household appliances, and business needs make up the three most common groups of responses in Asia.

Remarkably, men took loans to pay for prestigious items more often than women did – 13% and 6%, respectively. A significant share within it belongs to the purchase of smartphones driving the growth of the Internet economy in developing Asian countries. Besides, men often buy gadgets and other goods in this category, such as jewelry and fashionable clothes, for their family members too.

The least common reasons among Asian women were big purchases such as real estate or vehicles (3%), expenditures on events (3%), small impulse buys (3%), and vacations (1%). Expenses on special occasions turned out to be a male prerogative: 10% took loans to afford vacations, 9% other events.

According to analysts, the outbreak of Covid-19 has undoubtedly affected the purpose of loans and brought essential needs to the forefront. As soon as countries remove restrictions, customers will also gradually recover their consumption activity. Meantime, social distancing has highlighted the significance of the online segment too. It allows the industry to expect an increase in the share of customers who prefer online services from the current rate of 57% across the region./. VNI

[Back to top](#)

E-COMMERCE

Vietnam-based e-commerce enabler OnPoint raises US\$8 Million Series A

Vietnam-based e-commerce enabler OnPoint has raised over US\$8 million in Series A funding round led by Kiwoom Investment and Daiwa-SSIAM Vietnam Growth Fund II L.P, according to an announcement. The new funding, which brings the total funding raised by OnPoint to date to an eight-digit number, will enable the company to invest in strategic technology, recruit talent, and develop data-driven capabilities to provide better services to its clients.



Founded in December 2017, OnPoint enables consumer brands in pushing their presence on e-commerce platforms, social channels, or via brand-owned websites. The company claims that it has served more than 50 brands to date. Its clients include L’Oreal, Shiseido, P&G, Rohto, Beiersdorf, Unilever International, Watsons, Kimberly-Clark, Unicharm, CJ Group. It is on track to expand its client portfolio to 100+ brands while accelerating revenue growth in 2020. KPMG Vietnam advised the deal while Allen & Gledhill and Allens served as legal advisors.

Kiwoom Investment is the private equity and venture capital arm of Kiwoom Securities, one of the largest financial groups in Korea. In Vietnam, the investment firm has also recently invested in mobile game publisher Appota along with other investors including Korea Investment Partners Co. Ltd, Seoul Investment Partners Co. Ltd and Mirae Asset Venture Investment Co. Ltd, Korean Investors reported. Daiwa-SSIAM Vietnam Growth Fund II L.P. is a Vietnam-focused private equity fund jointly managed by SSI Asset Management, a subsidiary of Vietnamese brokerage SSI Securities Inc, and Daiwa Corporate Investment Co. Ltd.

In February, we reported that SSIAM plans to launch a \$100-million new fund in partnership with Japan’s Daiwa Securities Group, targeting to hit the first close at around \$30-40 million by the second quarter of this year./ . Dealstreetasia

[Back to top](#)

START-UP

Vietnam's e-payment startup GPAY gets license to start operations

Vietnamese digital payment company GPAY has received a payment intermediary license from the country's central bank and, according to an announcement. The license will allow GPAY to implement online payment gateway, and offer services with respect to pay-on-behalf, e-wallet and other e-payments. The startup was founded in 2018 as an app connecting 24/7 money transfer services. It claims to have reached \$50 million GMV and had a presence in 42 cities and provinces in the country as of 2019, according to a statement.



The company said it plans to expand nationwide to offer digital payment and other financial services, hoping to serve more than 5 million users by 2023. “GPAY has a supportive ecosystem from G-Group with above 20 million users of financial platforms, game community, social network and technology companies. We will invest more in technology and hiring talents, and will have Series A funding round soon too,” said Cong Tran, a board member of GPAY. Tran told DealStreetAsia that the company was in talks with both financial and corporate investors for the Series A round.

The seed round was financed by G-Group. G-Group is a technology holding company owning unit businesses in gaming media, security, financial services and social network. Its investments include P2P lending startup Tima, which raised a \$3 million Series A funding from Belt Road Capital Management in 2018, and Gapo – a homegrown social media network mimicking US giant Facebook. The license granted to GPAY has brought the total number of accredited digital payment firms to 33, according to the State Bank of Vietnam (SBV), the country's central bank.

The most recent authorized e-payment companies in 2019 include Payme, FinViet, EPay, PayTech, Dibee and Smart Net. Of the total, 12 companies were known to have received support or acquired by foreign investors. VNPAY is understood to be the largest funded e-payment firm, backed by SoftBank Vision Fund and Singapore sovereign fund GIC, while MoMo bagged financing from private equity major Warburg Pincus. Others include Moca – the strategic partner of Grab, Payoo (acquired by NTT Data), eMonkey – which was said to sell a sizeable stake to Alibaba's Ant Financial, and 1Pay, which was acquired by Ascend Money – the Thai affiliate of Ant Financial. Local conglomerate Vingroup has also ventured into the space with the acquisition of licensed startup MonPay.

Vietnam is expected to issue its decision of a foreign ownership cap in digital payment businesses by June this year. SBV had proposed to put a 49 per cent foreign ownership limit in the sector, but eventually scraped the term. “SBV received opinions that because payment intermediary is a new service tapping technology advancement, foreign investment plays a critical role in developing the business,” the government body said in an earlier statement. However, the final ruling is subject to the Prime Minister's approval./dealstreetasia.com

[Back to top](#)

RETAIL

Second UNIQLO Store in Ho Chi Minh City to open on May 15

Japanese global apparel retailer UNIQLO plans to open its second store in Ho Chi Minh City, UNIQLO SC VivoCity on May 15, marking its third store in Vietnam.



UNIQLO SC VivoCity offers the latest full LifeWear line-up with the 2020 Spring/Summer Collection, together with exclusive limited offers available during the opening week, which will deliver a magnetic store experience for local and expatriate communities in Ho Chi Minh City, especially District 7.

"We look forward to opening our second store in Ho Chi Minh City next month. We are doing our best to create a world-class store to showcase LifeWear to meet the needs

of everyone's daily lifestyles in harmony with the community around us. Through the opening of our third store in Vietnam, we remain committed to contributing to the local community and being an integral part of Vietnam's growth and future," said Osamu Ikezoe, general director and chief operating officer, UNIQLO Vietnam.

UNIQLO SC VivoCity is the retailer's third store in Vietnam. With a sales floor area of over 2,000 square meters, UNIQLO SC VivoCity provides customers a full line-up of LifeWear products for men, women, kids, and babies. Through creative visual merchandising and store operations, UNIQLO SC VivoCity promises a world-class retail experience and the service levels expected from UNIQLO stores.

LifeWear is UNIQLO's commitment to create well-designed clothing that will meet everyone's needs for daily wear. High quality, functional, affordable, and innovative, LifeWear is available in a variety of colors and designs for people of all ages.

Latest seasonal apparel line-up

The complete lineup from the 2020 Spring/Summer collection will be available in store, along with the special new collection of Marimekko and other special UT collections.

Special UT collections will include EDO UKIYO-E – a collection based on Ukiyo-e masterpieces from the world-famous holdings of the Museum of Fine Arts, Boston – and Mickey Stand Vietnam – a line of special UT items limited to Vietnam, including a number of uniquely Vietnamese motifs. In addition, this collection will have the appearance of the beloved Pokémon for people of all ages. This collection represents Pokémon's key philosophies – adventure, discovery, and friendship. Especially, monpoké – Pokémon's Japanese brand for babies – will be featured in the collection.

The Marimekko Collection is a new, limited edition collection marrying simplicity with creativity and featuring timeless silhouettes in bold and vibrant Marimekko designs. Marimekko is a Finnish design house celebrated for its original prints and colors since 1951.

Exclusive limited offers

During the opening week, UNIQLO customers can access limited offers on essential items which are perfect for whole family members during the summer season.

Exclusive novelties

For each bill from VND1.499 million (\$65), customers can receive one special tumblers (while stocks last). In accordance with the government's guidance to ensure the safety of customers and employees, during store operating hours, UNIQLO will strictly follow sanitization guidelines, including providing masks, hand sanitizer, and measuring body temperature before entry./VIR

[Back to top](#)

Big C launches online shopping platform

HCM CITY Big C has launched Chopp for online personal grocery shopping and delivery in HCM City.



Big C customers can now shop for fresh foods, fruits, vegetables, seafood, personal care products, and other products on the Chopp app or Chopp.vn.

The platform also allows customers to select the desired delivery time frame in all areas except Districts 12, Binh Tan, Hoc Mon, Binh chanh, Cu Chi and Can Gio.

After receiving orders, Chopp staff will pick up the products at one of three Big C stores in the city in An Phu,

Thao Dien and Au co and transport them in insulated containers to retain their freshness. /VNS

LOGISTICS

JICA keen on railway station project in Da Nang

The Japan International Cooperation Agency (JICA) wants to help the city conduct research on railway station relocation and urban development through a public-private partnership (PPP).



This was announced late last week by the Da Nang Department of Planning and Investment after an online meeting between JICA experts and city leaders. At this meeting, the two sides also signed a memorandum of understanding on the development of Da Nang Port, including Lien Chieu Port and Tien Sa Port.

According to the department, two weeks ago, the City People's Committee sent a letter to the prime minister asking for approval to complete the railway station relocation and urban development project through a PPP under a build and transfer (BT) contract.

The Saigon Times found that the project, with total estimated investment capital of VND12.6 trillion (US\$540 million), was mentioned in the Politburo's Resolution No. 33-NQ/TW dated October 16, 2003, on Da Nang's development and again in Resolution No. 43-NQ/TW dated January 24, 2019, on Da Nang's development until 2030, with a vision toward 2045.

The project is divided into two small projects with several phases and is expected to be completed in 2035.

The first small project with capital of VND10.24 trillion involves building the new railway station in Lien Chieu District, the new residential area on the site of the current railway station in Hai Chau District, the residential area for those being relocated from other sites and the traffic system for the new railway station. Meanwhile, the remaining VND2.4 trillion is for compensation and site clearance activities.

However, similar to the Lien Chieu port project, which was also mentioned in 2003 and needs a large amount of investment capital, this railway project still lacks the necessary investment procedures and is facing difficulties related to capital mobilization, compensation and site clearance./SGT

[Back to top](#)

Vietnam Airlines sells 49% stake in Cambodia Angkor Air

Vietnam Airlines has sold its 49 per cent stake in Cambodia Angkor Air to private investors, Khmer media reported, citing a local government official. The deal size could not be ascertained. Sin Chansereyvutha, a spokesman for Cambodia's State Secretariat of Civil Aviation, reportedly confirmed the deal, adding that the Kingdom government, with its 51 per cent ownership, had no intention to wholly control its national airliner. A request sent to Vietnam Airlines did not immediately elicit a response.



Earlier this month, Vietnam Airlines said it was planning the sale of a 49 per cent stake in Angkor Air in light of the impacts by the COVID-19 pandemic to its business. “The company’s operation has been adversely impacted by the unpredictable development of the pandemic. The management has come up with short- and long-term solutions to cope with the uncertainties,” Vietnam Airlines said in its 2019 financial statement.

The Vietnamese national carrier reported a net profit of 2.54 trillion dong (\$109 million) in 2019 but has suffered a loss of 2.4 trillion dong in the past quarter. Vietnam’s committee of state capital in enterprises has said that Vietnam Airlines is the most impacted business amongst the 19 companies it manages. Vietnam Airlines’ stock price had halved since the travel industry was hit by the COVID-19 crisis until the end of March. It is bouncing back as the situation has been in better control and travel ban within the country has been lifted./ . Dealstreetasia

[Back to top](#)

INVESTMENT

Da Nang calls for \$604 million IZs investment

The Da Nang Hi-Tech park and the Industrial Zones Authority (DHPIZA) has offered bidding documents for preliminary selection of investors for infrastructure development on three industrial zones in 2020-2023.



Head of DHPIZA, Pham Truong Son said the international bidding will help seek eligible domestic and foreign investors developing infrastructure works on two new industrial zones (IZs) of Hoa Nhon, Hoa Ninh, and the second stage of Hoa Cam IZ on total 880ha with an estimated investment capital of VND13.8 trillion (US\$604 million).

He said the IZs have been designed as 'green' and 'clean' IZs, calling for hi-tech and environmentally-friendly industries in 2020-23.

The bidding of the three projects will open for all qualified investors on May 28, and the winners would commence construction later this year.

To date, the Da Nang Hi-Tech Park and six other industrial zones (IZs) have drawn 505 projects worth \$2.6 billion. These projects earned revenue of VND35.6 trillion (\$1.5 billion) in 2019, contributing \$213 million to the local budget.

The city has called for investment from Silicon Valley and the US in healthcare, hi-tech industries, Artificial Intelligence, education, real estate and automation at Da Nang Hi-tech Park and IZs.

In March, the Da Nang-based Sunshine Aerospace components manufacturer plant, which was invested by the Universal Alloy Corporation from the US worth \$170 million, began operation after one year of construction. It would manufacture over 4,000 different aerospace parts supplying Boeing, Airbus, Embraer, Bombardier, and export these parts to North America, Europe and Asia in the near future. — VNS

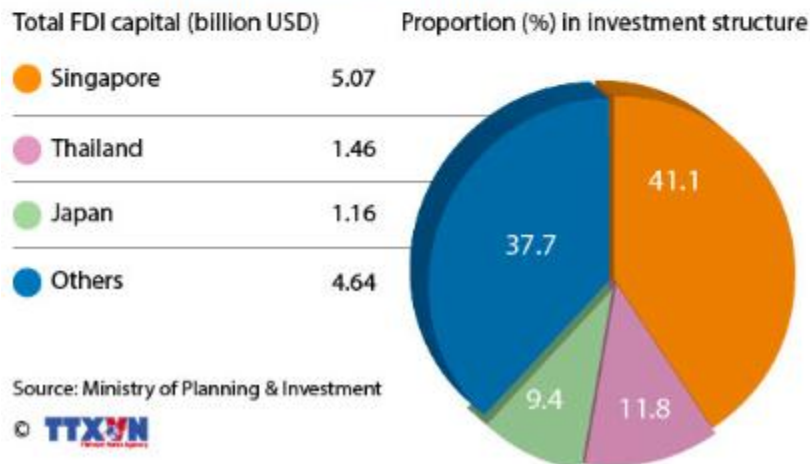
[Back to top](#)

First four months of 2020 FDI attraction reach US\$ 12.33 billion

Vietnam attracted US\$ 12.33 billion in foreign direct investment (FDI) in the first four months of 2020, a year-on-year decrease of 15.5 percent due to the impact of COVID-19 pandemic.



INVESTMENT FROM COUNTRIES/TERRITORIES



[Back to top](#)

For more information, please contact us:

SEIKO IDEAS - 14th Anniversary

Research & Consulting Division

Our services	Marketing Research Business Matching Investment Consulting Translation - Interpretation Training (Language & Soft skills)
Our clients	Think tanks, Universities Japanese & Vietnamese Government Organizations Manufacturers, Retail companies Advertisement agencies, Mass media
Head Office	Floor 5 th – A Chau Building No.24 Linh Lang Str., Ba Dinh Dist., Hanoi, Vietnam
Rep. Office	〒220-0012, 8F Wework, Ocean Gate Building 3-7-1 Minatomirai, Nishi ward, Yokohama Kanagawa, Japan
Telephone	+84-24-6275-5246 ; +84-24-6273-6989
Fax	+84-24-6273-6988
URL	www.seiko-ideas.com
PIC	Tram Nguyen (Ms.)
Email	tram.nguyen@seiko-ideas.com

**You are receiving this because you [subscribed](#) to our weekly business newsletter or you gave us your address via name card.*