SEIKO ideas®
Success with you

VIETNAM BUSINESS REVIEW

Vol 15, Apr 20th 2022

Highlight

Vietnam to boost the partnership with Korea in logistics

What's in it today?

FINANCE

Vietnam's inflation remains under control

The State Bank of Vietnam to tighten control over real estate credit

INVESTMENT

Korean investors to pour more money into Hai Phong

Vietnamese proptech start-up attracts foreign investment

RETAIL

Vietnamese retailers are still controlling the local market

E-COMMERCE

Vietnam Chamber of Commerce and Industry worries double taxation and asymmetric effects on e-commerce

ENERGY

National power development plan VIII targets drastic CO2 emissions reduction

The battery storage solutions are expected to grow strongly in the future

LOGISTICS

The Vietnam Logistics Business Association propose to develop regional container fleet

Vietnam to boost the partnership with Korea in logistics

FINANCE

Vietnam's inflation remains under control

Vietnam has succeeded in containing the inflation despite the high inflationary pressure on the economy, according to Deputy Minister of Finance Vo Thanh Hung.

In the first quarter of 2022, Vietnam's consumer price index, the main gauge of inflation, rose by 1.92% year on year. According to Hung, such an expansion rate remains moderate taking into account the high inflation around the world.

"Fiscal policies such as tax cut and freezing of payment have been supportive to the overall efforts of keeping inflation at bay," Hung told the local media. In February, inflation in the US expanded by 7.9% year-on-year, the highest level seen in January 1982, while that in the UK rose to a 30-year high of 6.2% during the same month.

Countries in the Southeast Asian region also saw inflation go up in February. On measures to curb rising inflation, Hung pointed out the National Assembly (NA)'s decision to cut the value-added tax (VAT) by 2% for services and goods, as well as further reduction in taxes and fees on other products, including a lower registration fee for domestic cars and an environmental protection tax cut on jet fuel prices.

In the latest move, the NA decided to slash the environmental protection tax on gasoline and petrol products by 50%, which directly led to a reduction of VND 2,200 per liter of gasoline, and VND 1,100 per liter of diesel, mazut, or kerosene products. "It is estimated that total cut in taxes and fees would be around VND88-90 trillion ($3.8-3.9 billion)," Hung said.

In addition, the MoF is planning to propose a delay in the payment of taxes and land rental fees worth VND135 trillion ($5.9 billion) in the next nine months.

"This is seen as a loan with 0% interest rate for businesses so that part of their financial difficulties could be relieved," Hung added. To ensure the inflation stays within the 4% target set by the NA, Hung stressed the necessity for Vietnam to continue reducing the impacts of cost-push inflation; promote the aggregate supplies; ensure macro-economic stability.

"The MoF would continue to monitor the market situation, especially prices of key commodities for timely intervention if needed," Hung said.

Principal Country Economist of the ADB in Vietnam Nguyen Minh Cuong told The Hanoi Times the Government's recent cut in environmental protection tax on petrol products came at the right timing to relieve inflationary pressure on the economy.

"As room to further maneuver fiscal and monetary policies has been limited, price management is a key tool for the government, especially prices of petroleum products," he said.

Cuong, meanwhile, noted a slowing global recovery, a surge in global oil prices due to the Russia-Ukraine conflict would directly affect Vietnam's external trade and domestic oil prices, subsequently impacting inflation.

"Uncertainties in the global financial markets and the withdrawal of monetary and fiscal accommodation by advanced economies would weaken the dong, the local currency, rendering imports more costly and putting additional upward pressure on inflation," he concluded.

ADB's latest report on Vietnam's economic outlook forecast that inflation would remain around 3.8% in 2022, within the target, and accelerate to 4% in 2023. Hanoitimes

Back to top

The State Bank of Vietnam to tighten control over real estate credit

The State Bank of Vietnam (SBV)'s decision to tighten control over real estate credit has helped to restrict speculation while making the market transparent and preventing a real state bubble, economic experts have said.

Deputy Governor Dao Minh Tu underlined that the move only aims to restrict segments with high risk of speculation in major projects, instead of impeding investment flow in real estate. Economic expert Nguyen Tri Hieu said control over real estate credit is necessary to purify the market and reduce risks for the economy, especially amid the boisterous development of the sector in the recent past.

According to expert Can Van Luc, data from the SBV showed loans for home purchases and repairs rose by about 15-16%, while loans for real estate trading were up 7-8%. Real estate credit growth is forecast to rise 9-10% this year, Luc added.

In its latest strategy for the banking industry, the SBV said credit must be channelled into production and business industries to create positive impacts on socio-economic development. It also urged banks to refrain from providing credit to businesses operating in risky areas, such as real estate, securities, corporate bonds, or build-operate-transfer (BOT) and build-transfer (BT) transport projects.

Some banks have temporarily halted loans for the real estate sector in the short term in the wake of the SBV's policy on controlling credit growth in risky areas.

Sacombank has recently required all its branches and transaction offices to focus loans on a number of production and priority industries such as agriculture, rural development, exports, supporting production, small- and medium-sized enterprises, high-tech application, trade, service and logistics.

Sacombank has also directed its branches and offices not to fund the real estate sector until the end of June, except for the bank's staff and relatives to buy, build or repair houses for living purposes.

Techcombank has recently also notified its business units about controlling the disbursement limit for loans to buy real estate. The bank said it would suspend the provision of real estate loans from March 25, and would consider the disbursement in the second quarter. VNA

Back to top

E-COMMERCE

Vietnam Chamber of Commerce and Industry worries double taxation and asymmetric effects on e-commerce

The proposed regulations that require e-commerce platforms to pay tax on behalf of individual sellers are at odds with other regulations on personal income, leading to double taxation and asymmetric effects on e-commerce actors.

This was the feedback of the Vietnam Chamber of Commerce and Industry (VCCI) on a draft amending Decree 126 on taxation and Decree 123 on invoices and bills.

The VCCI has rejected the regulations, citing Article 24 of the Law on Personal Income Tax, which stipulates that individuals who have taxable incomes must make tax declarations, pay tax into the State budget and make tax finalisation for all their income.

Article 29 of Decree 65 on personal income tax was also invoked to show that resident individuals must declare and pay income tax on business activities directly to tax offices. Accordingly, the chamber urged lawmakers to clarify the inconsistency between the proposed regulations and existing legal documents to clear up confusion.

VCCI also believed the regulations that require e-commerce platforms to act as tax representatives of sellers are ambiguous since the regulations do not define the basis from which representative rights are established and the scope of responsibility. The chamber was concerned that collecting the tax would double tax individuals who conduct online and brick-and-mortar businesses.

This could be the case because online incomes would be deducted for tax by e-commerce platforms, whereas tax authorities collect offline incomes on a presumptive basis. “Unfortunately, it is quite difficult to separate online incomes and offline incomes of a single business location, raising a possibility that the individuals are double-taxed,” the VCCI explained.

VCCI also believed the draft would produce asymmetric effects on e-commerce actors as it shifts the burden of tax declaration and tax payment from sellers to e-commerce platforms.

Meanwhile, social network sites do not have to bear such a burden because they fall outside the scope of the draft, putting them at an advantage. The VCCI finally suggested the draft apply to cross-border e-commerce platforms as much as domestic platforms to create a level playing field for all e-commerce actors. VNS

Back to top

ENERGY

National power development plan VIII targets drastic CO2 emissions reduction

The latest draft National Power Development Plan for the 2021 - 2030 period, with a vision to 2045 has made drastic reduction of CO2 emissions with no new coal-fired power plants to be built in the planning period, and with the switch from coal and natural gas to biomass, ammonia, and hydrogen.

In a report at a virtual conference with localities on April 16 on the National Power Development Plan for the 2021 - 2030 period, with a vision to 2045 (PDP VIII), Deputy Minister of Industry and Trade Dang Hoang An said that compared with previous drafts, the latest one also makes remarkable changes to the structure of energy sources and the designation of power development space, which helps reduce social investment capital and save US$13 billion for development of power transmission lines. The total capacity of power generation sources is expected to reach 146,000 MW by 2030, down about 35,000 MW compared to the version submitted on March 26, 2021. The peak capacity in 2030 is estimated at about 93,000 MW.

Being the first national sector planning to be implemented in accordance with provisions of the Law on Planning in 2017, the PDP VIII has continued to be revised, supplemented, and updated many times since the first draft was submitted to the Prime Minister in March 2021.

In particular, the PM has instructed the Ministry of Industry and Trade to revise the draft based on Vietnam's commitment to emission reduction at the COP26 and requirements for the development of green and circular economy. Deputy Prime Minister Le Van Thanh has held nearly 30 meetings and working sessions with the Ministry of Industry and Trade, relevant ministries, sectors, agencies; experts and scientists on the plan.

Addressing the conference, Deputy PM Thanh said the latest draft PDP VIII has addressed shortcomings of the PDP VII, the revised PDP VII, and the draft PDP VIII submitted in March 2021.

He underlined that the draft has outlined a roadmap to cut coal-fired electricity to just 9.6% of total capacity by 2045, while the share of wind and solar power is raised to 50.7%, ensuring Vietnam's commitments on energy transformation. The Deputy PM requested the Ministry of Industry and Trade to urgently study opinions to finalize the draft PDP VIII for approval by the State Appraisal Council before submitting it to the Prime Minister for adoption in April 2022. VNA

Back to top

The battery storage solutions are expected to grow strongly in the future

Along with standardising the quality of rooftop installations for self-consumption, it is hoped that investment in battery storage systems will be ramped up in order to avert grid congestion.

Luu Manh Tien, CEO of Solar Electric Vietnam, said that thanks to the mechanisms for renewable energy, Vietnam could lead Southeast Asia's energy transition. However, after installing more than 20GW of renewable energy in three years, output cuts and a lack of quality for solar installation remain barriers to further development.

"The market will move towards self-consumption and energy storage projects because of their superiority and advantages in reducing pressure on the grid," Tien said at last week's SolarEnergy Future Vietnam 2022 conference in Ho Chi Minh City, the largest energy event in the country.

State-run Electricity of Vietnam has proposed that the Ministry of Industry and Trade allow investors to fund storage systems in wind and solar power plants to improve operational efficiency and reduce the capacity that must be cut. In which, the electricity price from battery storage systems (BESS) should not exceed the electricity price of a renewable energy plant.

Currently, Vietnam's power system is heavily dependent on hydroelectricity and thermal power. The ratio of installed renewable energy, including wind and solar power, is about 27 per cent. However, the maximum output remains low, at about 9.6 per cent.

In addition, John Pham, sales director at GoodWe Vietnam, said that the transition out of fossil fuels will not be easy. "Investors and developers are seeking more solutions, including BESS, thanks to greater market readiness and reasonable cost. In Vietnam, GoodWe's efforts to improve products, services, and professional cooperation have convinced many partners to join us and establish complete, efficient, and green energy solutions for users," said Pham.

Such battery storage solutions are expected to grow strongly in the future, with great potential for expansion as stated by Power Engineering Consulting 3 JSC (PECC3).

However, Phat Nguyen, legal counsel of PECC3, said at the conference, “Despite such high growth of renewable energy in Vietnam over the years, BESS has not yet been deployed at a rate large enough because there is no regulative mechanism in place on the quality level of rooftop installations, or investment in energy storage in Vietnam.”

Nguyen suggested that the government must issue a mechanism and legal basis for investment in BESS including standard techniques and lifetime features.

“According to the current legal documents, such a system is not allowed to participate in providing services to the power system, because this is a new type of electricity. BESS is not defined in the regulations,” Nguyen explained.

Companies supplying storage equipment for renewable energy power projects – such as SMA Solar Technology AG, Shenzhen Growatt New Energy Co. Ltd., and Hopewind Electric Co. Ltd – are all represented in Vietnam.

The BESS market is expected to reach a volume of up to $31 billion by 2029, according to Fortune Business Insights. Meanwhile, consultancy Marsh McLennan expects that combining solar and wind projects with on-site BESS solutions could control fluctuations in power output, releasing power to the grid when demand is highest and maximising revenues.

Last year, AMI AC Renewables integrated a Khanh Hoa Energy Storage project into its operating 50MW AMI Khanh Hoa solar farm. This is Vietnam’s first pilot utility-scale battery energy storage system. By 2030, Vietnam could have two more storage hydroelectric power plants under the nation’s official power plan for the decade. VIR

Back to top

RETAIL

Vietnamese retailers are still controlling the local market

The expected dominance of foreign retailers in the Vietnamese market has not occurred. Many foreign giants have left and Vietnamese retailers are controlling the market.

Mobile World Investment Corporation (MWG) has publicized its resolution from its board of directors on the establishment of a subsidiary – Bach Hoa Xanh Technology and Investment.

MWG has also amended the statement to the 2022 shareholders' meeting on the restructuring of Bach Hoa Xanh Trade JSC (BHX). MWG will transfer all the shares of BHX it is holding to the newly set up company. The value of the transfer deal is VND12.795 trillion.

MWG plans to make a private offering of 20% of Bach Hoa Xanh's shares to partners, regional and international investors in 2022-2023.

The money to be raised from the private offering will be used for the development of a distribution center, fixed assets, technology, online sales and the expansion of Bach Hoa Xanh chain throughout the country.

As such, Bach Hoa Xanh will contribute to MWG's strategy on becoming a big retailer in Vietnam. MWG plans to obtain turnover of VND140 trillion in 2022, an increase of 14% over the last year.

After raising funds worth hundreds of million of dollars from an Alibaba group of shareholders fore the retail section, Masan, owned by billionaire Nguyen Dang Quang, has been developing the 'mini mall' model to expand its business. It plans to obtain record high revenue of VND100 trillion a year in 2022 with the 'Point of Life' strategy.

After investments in WinMart (essentials) and Techcombank (financial services), Masan recently scaled up Phuc Long (tea and coffee chain) and Phano (healthcare).

In 2022, MSN plans to launch digital banking kiosks which allow consumers to deposit, withdraw money and access financial services, such as credit card and insurance. MSN plans to approach 1 million clients who still don't have bank accounts this year.

Meanwhile, Hoa Sen Group (HSG) owned by billionaire Le Phuoc Vu is building Hoa Sen Home which not only makes corrugated iron, steel and plastics, but hundreds of building materials and furniture items.

According to Vu, in the next 5-10 years, people will mention the Hoa Sen Home building material distribution network. If everything goes smoothly, the network can obtain revenue of US$2 billion.

FPT Retail (FRT) owned by billionaire Truong Gia Binh has also been expanding rapidly in recent years. Its pre-tax profit in 2021 was 19.5 times higher than 2020, reaching VND554 billion. The Long Chau drug store chain now comprises 600 stores which is an important part of FPT.

Analysts say that in recent years, big retailers, including Vincom Retail of billionaire Pham Nhat Vuong, Masan of Nguyen Dang Quang, Thaco of Tran Ba Duong, have been following a modern retail trend – one destination, many utilities.

They want to establish retail points that can satisfy the diverse requirements of consumers for shopping, entertainment, social interaction and food.

Thaco has taken over Emart from Emart Korea to develop a destination which comprises a shopping mall, conference center, showroom and car repair workshop. Meanwhile, Masan is developing Fresh&Chill, where customers can withdraw money, shop, drink bubble tea and buy medicine.

Retail is developing very rapidly. The economic groups which own large retail networks now have big advantages in exploiting the domestic market and satisfying the buying needs of the middle class which is expanding rapidly.

Even in difficult days because of the COVID-19 pandemic, large retail groups are expanding their scale.

In related news, market psychology is still weak as the VN Index could not bounce back from the assistance threshold of 1,470 point. Analysts predict that the index will hover around that level in the next one or two sessions.

On April 14, the VN Index fell by 5.08 points to 1,472.12 points. The HNX Index decreased by 3.76 points to 423.69 points and UpCom Index increased by 0.11 points to 113.41 points. Liquidity was VND20.9 trillion, including 18.5 trillion at HOSE. Vietnamnet

Back to top

LOGISTICS

The Vietnam Logistics Business Association propose to develop regional container fleet

The Vietnam Logistics Business Association (VLA) has proposed establishing a container fleet with a total investment of US$1.5 billion to build new ships, purchase old ones, and rent and buy containers.

This aims to serve import and export goods to limit the interference from foreign shipping lines and reduce costs.

According to the VLA, the transportation of import and export goods by sea is facing many difficulties, especially due to congestion at ports and supply chain disruptions, which cause a shortage of ships and containers, which has made container freight rates skyrocket, heavily impacting competitiveness.

Vu Ngoc Son, chairman of Hai An Transport and Stevedoring Company Limited, said almost all shipping capacity and freight for transporting goods by containers to intercontinental routes were in the hands of foreign ship owners so Vietnam had to spend a huge amount of foreign currency every year.

Having a fleet of container ships would limit the pressure of foreign shipping lines on freight rates and surcharges. It would be a tool to ensure the country's economic security and take full advantage of FTA agreements in the long term.

Son said: "Vietnam is located on the important maritime transport route of the East-West hemisphere, accounting for more than 80 per cent of the global freight volume while about 90 per cent of local import and export goods are transported by sea."

The speed of goods through the country's seaports increases by 10-15 per cent per year on average.

In 2021 under the difficulties of the pandemic, the volume of container cargo through seaports reached 24 million TEUs, up 7 per cent compared to 2020, the association said.

Nguyễn Tương, a senior consultant of VLA, said: "Currently Vietnam's shipping fleet is only responsible for transporting about 7 per cent of the market share and mainly operates on domestic routes and short routes in the intra-Asia region, the rest is in the hands of foreign shipping lines."

As of March 25, 2022, the world's container fleet has 6,346 ships with a total capacity of 25.5 million TEUs and a total tonnage of 305,902,000 DWT.

Meanwhile, the country's container fleet has 10 container shipping companies, owning 48 container ships with a total capacity of 39,519 TEUs, and a total tonnage of 548,236 DWT.

There are 13 ships more than 25 years old, three ships more than 20 years old and 15 ships with tonnage from 300 TEU to 600 TEU.

These ships can only run within the country, said the association, adding that the remaining 17 ships with a tonnage of 600 TEU or more, of which there are 14 ships with a tonnage of 1,000 to 1,800 TEU, could operate on routes in inner Asia.

The VLA believes that to develop a container fleet, it is necessary to invest in specialised container ships, container shells and a customer service network, and a fleet of ships at all major ports.

The plan should be divided into two development phases. Phase 1 will be implemented in about 3 to 5 years, focusing on investing in ships suitable to operate on intra-Asia routes such as Japan, South Korea, China, India and the Middle East.

Those areas are where the volume of import and export goods, mostly dry goods, account for more than 60 per cent of the total volume of dry goods for import-export.

The association said that in the first phase, Vietnam should not only buy ships, containers and open routes in the region but also find partners who have large shipping lines to cooperate with them to exchange docking lots, change containers and use their operating and management software, management and service systems at ports.

VLA said such solutions had been employed by other successful shipping lines in the past few decades, including Taiwan's Wan Hai (China) shipping lines and Israel’s Zim lines.

In the second phase, which could last about five years, after successfully operating in inner Asia with partners, investment would be needed in larger container ships from Panamax and Post Panamax to participate in transportation on major intercontinental routes of the world such as the Asia - America route, Asia - Europe route, East-West route and beyond.

Together with the proposed routes development direction, the VLA also suggested solutions and preferential policies to develop such a fleet. VNS

Back to top

Vietnam to boost the partnership with Korea in logistics

Stronger partnership between Vietnam and the Republic of Korea (RoK) in logistics, along with measures to encourage the transfer of technologies between the two sides, will help improve Vietnam's capacity in the field and contribute to turning Vietnam into an industrialised country.

Addressing a policy dialogue on logistics sector held by the Vietrade and the Korea Trade-Investment Promotion Agency (KOTRA) in Hanoi on April 14, which was part of the 31st Vietnam Expo, Vu Ba Phu, and Director of the Trade Promotion Agency (Vietrade) said that Vietnam currently has 69 logistics centres in different scales, mostly in industrial parks.

A number of localities such as An Giang, Ba Ria-Vung Tau, Bac Ninh, Cao Bang, Da Nang and Quang Ninh are calling for investment in their logistics sector, he noted.With the Fourth Industrial Revolution, traditional logistics centres have been switched into new-generation centres using high technologies, he said, adding that an action plan to enhance the competitiveness and development of Vietnamese logistics sector until 2025 has been implemented, aiming to cut logistics cost and improve the efficiency of the sector.

Along with developing infrastructure system and improving human resources for the logistics sector, administrative procedures in the sector have been reformed. According to the Ministry of Industry and Trade (MoIT), in 2021, the operational capacity of Vietnam's logistics sector reached 3.34 points compared to 3.27 points in 2018. Vietnam also entered top 10 countries with the highest growth of logistics at 14-16% each year.

The RoK is currently the largest investor in Vietnam with more than 9,200 underway projects worth US$74.7 billion as of 2022, including many in the logistics sector.At the event, Kim Sammo, General Director of Kukdong Logistics and President of the Korea Logistics Association, said the number of Vietnamese logistics firms rose from 37,000 in 2017 to 41,000 in 2020 and is continuing to rise. The Vietnamese logistics sector is forecast to increase over 13% per year until the end of 2022 and in the future thanks to stronger foreign investment and the application of modern technologies as well as e-commerce activities.

He held that in order for Vietnamese and Korean firms to grasp cooperation opportunities, it is necessary to form an Electronic Data Interchange (EDI) system and standardise logistics infrastructure services with standard prices to win consumers' confidence.Dinh Huu Thanh, CEO of Bee Logistics Corporation underlined the need for managing agencies to give detail directions in administrative procedures to facilitate cooperation in the field, while speeding up administrative reform in e-commerce.

According to Tran Thanh Hai, deputy director of the MoIT's Import-Export Department, amid high rises in logistics cost, Vietnam has cut down environmental protection tax on petrol to support economic sectors, including logistics.

Meanwhile, Nguyen Cong Bang, deputy director of Transport Department under the Ministry of Transport said that the ministry has formed a working group to make evaluation on the impact of petrol prices on the sector for timely solutions. VNA

Back to top

INVESTMENT

Korean investors to pour more money into Hai Phong

An investment promotion conference with businesses of the Republic of Korea (RoK) was held in the northern port city of Hai Phong on April 15.

The hybrid event, held by the Management Board of Hai Phong Economic Zone and Foreign Investment Agency under the Ministry of Planning and Investment, drew 150 Korean investors and enterprises.

This is part of the activities to celebrate the 30th anniversary of diplomatic relations between Vietnam and the RoK (December 22, 1992 - December 22, 2022).

Min Moon Ki, Commercial Attaché of the RoK Embassy in Vietnam, said the successful investment of RoK businesses in Hai Phong reflects the outcomes of the Vietnam-Korea relationship. This is a solid foundation to promote the bilateral cooperation in the coming time, he added.

Le Trung Kien, head of the Hai Phong Economic Zone Authority (HEZA), said Hai Phong welcomes Korean investors to invest in the fields of electronics, high technology, supporting industry, and renewable energy that Korean businesses boast strengths.

The city has 12 industrial parks, of which eight are located in the Dinh Vu - Cat Hai economic zone, Kien said. In the period 2021-2025, it plans to build 15 new industrial zones with a total area of over 6,200 hectares.

As of March 31, Hai Phong economic and industrial parks had attracted 102 projects invested by businesses from the RoK with a total investment of US$8.5 billion, accounting for 36.6% of the total foreign investment capital of the city.

Park Jae Hong, Deputy General Director of LG Display Vietnam Hai Phong Co. Ltd said Hai Phong is a locality with many advantages on investment attraction, especially administrative reform, adding that the HEZA always stands side by side with investors and supports them during the implementation of the project.

On the occasion, the HEZA granted an invesment certificate to Halla Electronics Vina Co. Ltd which will pour US$30 million in additional investment capital into a project at Trang Due Industrial Park in An Duong district. VNA

Back to top

Vietnamese proptech start-up attracts foreign investment

As a growing number of companies in the real estate industry are embracing technology to promote their sales since the pandemic, investments are flowing into proptech start-ups to capture the opportunity.

According to property services company Jones Lang LaSalle (JLL), Viet Nam's real estate industry was seeing an increasing wave in applying technology, most popular in residential and commercial sectors. Proptech proved their advantages and efficiencies in promoting sales and increasing interactions between buyers and developers in the COVID-19 pandemic with social distancing measures in place.

JLL said that the Government should raise policies to create favourable conditions for the development of technology start-ups. JLL pointed out that foreign-invested companies were dominating the proptech start-up ecosystem in Viet Nam, accounting for 80 per cent of the total number of proptech firms. Many proptech enterprises made their debuts from the beginning of this year.

In early April, an app named Dat Vang Viet Nam (Golden Land Viet Nam) developed by Vietnam Golden Land Technology and Real Estate Investment Joint Stock Company debuted with an investment worth US$500,000 from SGROUP, which aimed to become an online real estate platform in the next three years incorporating technologies like GIS and 360-degree virtual tours. Other proptech platforms recently launched were ECOE, Propcom, Gaapnow, Meey CRM and Meey Land. According to FinREI Investment Joint Stock Company, a real estate technology start-up, there are more than 50 proptech companies operating in Viet Nam, which are transforming how properties are developed, sold and managed.

Tran Van Hao, technology director of Vietnam Golden Land Technology and Real Estate Investment Joint Stock Company, said the birth of real estate apps was inevitable and the trend would continue to flourish, powered by a young and tech savvy population. "I think the race in applying technology in real estate will be really fierce in the near future," Pham Lam, founder of DKRA Vietnam and Houze ecosystem, said at Houze Day Real Estate Technology Forum 2021 held in mid-December. Statistics of Fintech Global showed that a sum worth $7.1 billion was poured into proptech globally as of the third quarter of 2021, 122 per cent higher than that of the full year of 2020.

According to Savills Viet Nam, Viet Nam's real estate market would continue to grow, especially in major cities including Ha Noi, HCM City and tourism cities. Savills predicted that there would be more investment flow into proptech to capture the opportunities as well as promote the market development. The Viet Nam Real Estate Association forecast that Viet Nam's property market would reach more than $1.23 trillion by 2030, accounting for 22 per cent of the economy's total assets. VNS

Back to top

For more information, please contact us:

SEIKO IDEAS

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 5th – 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
Email	newsletter@seiko-ideas.com