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Digital wallets in Vietnam to reach 50 million by the end of this year

The count of active digital wallets in Vietnam is anticipated to experience a significant surge, reaching 50 million by the end of the current year, marking a remarkable 40% increase, as reported by financial data provider FiinGroup. The data provider's report indicates that the number was at 36 million in the preceding year.

The adoption of e-wallets has been on a rapid rise in recent years, with transactions through these platforms witnessing an 80.4% increase in number and an 83.5% increase in value annually since 2018. The growing popularity of digital payments is closely linked to the expanding usage of smartphones in Vietnam, with an estimated 72.5 million users in 2022, projected to reach 82.2 million by 2025.

In the first 11 months of 2023, transactions conducted via mobile phones, according to the State Bank of Vietnam, amounted to nearly 7.13 billion in number, with a total value exceeding VND 49.4 quadrillion (US\$2 billion).

Vietnam secured the third position in Southeast Asia for the number of e-wallets in 2022, trailing behind Indonesia and the Philippines, as per German statistics database Statista. Statista anticipates a substantial increase in the number of e-wallets in Indonesia, the Philippines, and Vietnam by 2026, reaching 215.7 million, 69.8 million, and 67.6 million, respectively.

Notably, Momo, Shopee Pay, and VNPAY dominate the e-wallet landscape in Vietnam, each pursuing distinct strategies for future growth. Momo aims to evolve into an all-in-one app through diversifying partnerships and services, while ShopeePay leverages its e-commerce platform Shopee's popularity. VNPAY, on the other hand, focuses on expanding its partner network to establish itself as the preferred payment option for retailers. Vnexpress

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The overall goods volume handled by seaports during the first two months of 2024 increased 8%

In the initial two months of this year, Vietnam's seaports witnessed a substantial surge in container cargo, handling a total of 4.05 million twenty-foot equivalent units (TEUs), reflecting a notable 27% increase from the corresponding period last year, as reported by the Vietnam Maritime Administration. Import volume experienced a robust 20% year-on-year growth, reaching 1.3 million TEUs, while export volume also saw a noteworthy uptick of 19%, totaling 1.25 million TEUs.

The transportation of domestic container cargo within local seaports exhibited a remarkable 40% surge, reaching 1.48 million TEUs, according to the Government news site (baochinhphu.vn). Major cities and provinces, including Haiphong, Ho Chi Minh City (HCMC), and Vung Tau, observed a substantial container throughput growth of 40-60%, while provinces such as Danang, Dong Nai, Nghe An, Dong Thap, and Can Tho reported impressive growth rates ranging from 49% to 144%.

Data from the Vietnam Maritime Administration, under the Ministry of Transport, further revealed that the overall goods volume handled by seaports during the first two months of 2024 reached approximately 111.6 million tons, marking an 8% increase compared to the same period last year. This robust performance underscores the resilience and vibrancy of Vietnam's maritime trade activities. The Saigon times

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Strict measures to combat tax evasion within the e-commerce sector will be applied

Vietnamese tax authorities are contemplating strict measures to combat tax evasion within the e-commerce sector. Vendors on e-commerce platforms failing to meet tax obligations may face travel bans, preventing them from leaving the country, according to discussions at a recent meeting held by the General Department of Taxation.

Current regulations stipulate that vendors earning VND100 million (around US\$ 410) or more annually from e-commerce transactions are obligated to pay value-added tax and personal income tax. In an effort to enhance tax collection, authorities plan to intensify monitoring, identify tax debtors, and implement travel restrictions for those with outstanding tax liabilities.

While such regulations have applied to individuals and business representatives with overdue tax payments in the past, they have not been enforced on vendors operating on e-commerce platforms. The new proposal aims to rectify this gap by holding e-commerce vendors accountable for their tax responsibilities.

E-commerce platforms, including popular marketplaces like Shopee, Lazada, Tiki, and Sendo, are currently required to provide vendors' information to competent authorities for tax collection purposes. This initiative seeks to ensure greater transparency and compliance within the rapidly growing e-commerce sector.

According to a report from the Ministry of Industry and Trade, Vietnam's e-commerce retail market reached a substantial US\$20.5 billion in 2023, representing a noteworthy increase of US\$4 billion from the previous year. By December 2023, Vietnam had secured a position among the top 10 countries globally with the most significant e-commerce growth, as reported by Statista. The proposed measures underscore the government's commitment to addressing tax evasion issues and fostering a fair and transparent business environment in the flourishing e-commerce landscape.



Vietnam positioned to lead as Asia's green hydrogen production hub

Vietnam is poised to become a leading green hydrogen production hub in Asia due to its substantial potential for clean energy development. Factors such as abundant renewable energy resources, favorable trade relations, and a stable political environment make Vietnam an ideal location for green hydrogen initiatives. The recently approved national hydrogen development strategy, aiming for a comprehensive renewable energy-based hydrogen ecosystem by 2030, aligns with Vietnam's commitment to achieving net-zero emissions by 2050.

According to a joint study by UNDP Vietnam and the Vietnam Institute of Energy, the country could produce over 11 million tonnes of green hydrogen by 2030, rising to 18.78 million tonnes by 2050. Despite the current high production cost, green hydrogen is considered crucial to meeting Vietnam's rising energy demand and achieving its ambitious emissions reduction goals. The Power Development Plan VIII mandates the transition of coal-fired power plants to green fuel sources, but challenges remain due to cost.

To address these challenges, industry leaders, including Ngo Hai Son of Electricity of Vietnam, advocate for government support for hydrogen power projects to enhance competitiveness. Minister of Industry and Trade Nguyen Hong Dien emphasizes the importance of international collaboration to share technology and train human resources, aiming to bring hydrogen prices to affordable levels and support the effective implementation of Vietnam's hydrogen development strategy. VOV

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Vietnam's domestic retail market anticipates a robust resurgence in 2024

Vietnam's domestic retail market anticipates a robust resurgence in 2024, fueled by rising incomes and an expanding middle class, playing a pivotal role in the nation's economic recovery. Director of the General Statistics Office, Nguyen Thi Huong, underscores the services sector's prominence, driven by policies promoting trade and consumption. Total retail sales of goods and services have surged by an impressive 9.6%, reaching VND 6.232 quadrillion (\$252 billion), underscoring domestic consumption as a key driver of Vietnam's economy.

The anticipated increase in tourist numbers is expected to elevate accommodation, catering, and entertainment services, driving substantial improvements in consumption demand. Factors such as recoveries in industrial production, employment, wages, and the government's salary reform are set to fortify domestic demand. The domestic retail market, currently valued at \$140 billion, is projected to reach \$350 billion by 2025, contributing 59% to the nation's GDP.

With a population of 100 million, including 20 million in the middle class, Vietnam's retail market is deemed to have high potential. Experts emphasize the need for stimulating domestic demand through initiatives like the "Vietnamese prioritize Vietnamese products" campaign and potential tax reductions to further propel the expansion of the domestic market. VNS

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Vietnam's property market surges to second place in Asia Pacific

In the latest survey conducted by property consultancy CBRE, Vietnam has secured the second position, trailing only behind India, as the most coveted emerging property market in the Asia Pacific. This survey, conducted in the last two months of 2023, gathered insights from investors in the region regarding their investment plans for 2024, with Thailand securing the third spot.

The survey highlights that the industrial and office segments are particularly attractive to investors, driven by the growing trade activities in Vietnam, which have spurred demand for supply chain management and logistics. Industrial real estate, in particular, has garnered significant interest from investors.

Foreign investors are also keenly interested in housing land and actively seeking properties offered at discounted prices or those facing legal and financial challenges. Nguyen Pham Anh Duy, Director of Investment Consultancy at CBRE Vietnam, notes that foreign investors are adopting a long-term perspective, recognizing the potential of the Vietnamese economy. Many investors are considering selling their assets to new investors after holding them for an extended period.

The survey emphasizes that investors in the Asia Pacific region are seeking double-digit profit growth from discounted properties. However, there is a shortage of supply, and only a limited number of projects capable of generating substantial cash flows are publicly available for sale, according to CBRE. This demand for discounted properties reflects the investment community's appetite for opportunities in emerging markets like Vietnam, underlining the country's appeal as a promising destination for real estate investment.

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