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Many Vietnamese banks are planning to sell shares to foreign investors

Many Vietnamese banks are planning to sell shares to foreign investors to attract diverse capital and enhance competitiveness. The Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank) aims to issue 6.5% of its shares through private placements in 2023-2024, including 46.1 million shares to Mizuho Bank of Japan and 261.4 million to other investors. Similarly, the Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV) plans to issue an additional 455 million shares via public offerings or private placements in 2024.

Ho Chi Minh City Development Joint Stock Commercial Bank (HDBank) is planning to raise US\$500 million by selling shares and has reserved about 10% of foreign ownership for this purpose. Nam A Bank is negotiating with foreign strategic partners to utilize its 20% foreign ownership limit for attracting more funding. Saigon - Hanoi Commercial Joint Stock Bank (SHB) has committed to completing share offerings to foreign investors within the year.

Vietnam Technological and Commercial Joint Stock Bank (Techcombank) is also seeking long-term strategic foreign partners. Currently, foreign investors hold about 22% of Techcombank shares, with potential for another 8%.

Experts predict a strong inflow of foreign capital into the Vietnamese banking sector. However, Dominic Scriven, founder and chairman of Dragon Capital, highlights the limited room for foreign investors as a significant barrier. Expanding the foreign ownership percentage in the domestic banking system is essential to fully engage foreign investors and support the banks' growth and competitiveness in the global market. VOV

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Vietnamese and Korean logistics enterprises to strengthen partnership

The Ministry of Industry and Trade (MoIT), in collaboration with partners from the Republic of Korea (RoK), hosted a seminar on May 23 to strengthen connectivity between Vietnamese and Korean logistics enterprises.

Tran Thanh Hai, deputy director of the Import-Export Department under the MoIT, highlighted that the RoK is Vietnam's largest foreign investor and third-largest trading partner, following China and the United States. The two nations aim to increase bilateral trade turnover to US\$150 billion by 2030.

Hai emphasized the logistics service industry's vital role in boosting trade exchanges between the two countries in recent years, noting that Vietnam regards the RoK as a crucial partner in its logistics development strategy. He mentioned that both countries' logistics associations have devised solutions to optimize logistics activities, save costs and time, maintain stable supply chains, and enhance competitive capabilities for businesses.

Ngo Khac Le, deputy general secretary of the Vietnam Logistics Business Association, pointed out that improvements in logistics service quality have facilitated trade development between the two countries. These enhancements have laid a foundation for stronger trade activities, benefiting both Vietnamese and Korean enterprises.

Kim Seok Goo, general director of Pyeongtaek Port in Gyeonggi province, introduced delegates to the significant growth of the RoK's logistics industry. He noted that Pyeongtaek Port is one of the RoK's three major ports and serves as a key maritime trade hub connecting with Japan and Southeast Asia, including Vietnam.

During the seminar, delegates discussed challenges, new trends, and potential solutions to transform logistics services into a high-value-added industry. The discussions focused on leveraging these developments to further enhance trade relations and logistics efficiency between Vietnam and the RoK. VOV

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Vietnamese businesses have significantly increased their presence on Amazon

Vietnamese businesses have significantly increased their presence on Amazon, with a remarkable 300% rise in the number of products sold over the past five years. This was highlighted at a recent conference on cross-border e-commerce (CBEC) held in Hanoi on May 22.

Nguyen Thi Minh Huyen, Deputy Director of the Ministry of Industry and Trade (MoIT)'s Department of E-commerce and Digital Economy, revealed that retail e-commerce sales in Vietnam have grown by 20% over the past decade. This growth positions Vietnam as one of the fastest-growing e-commerce markets in both the region and the world.

Gijae Seong, CEO of Amazon Global Selling Vietnam, noted the impressive strides made since Amazon established a dedicated team in Vietnam in 2019. Amazon Global Selling has enabled thousands of local sellers to bring millions of Made-in-Vietnam products to global customers annually. The number of Vietnamese businesses achieving annual sales of USD 1 million on Amazon has increased tenfold compared to five years ago. Additionally, participation in Amazon's brand registration program by Vietnamese sellers has surged 35 times.

In 2023, the export value of Vietnamese enterprises via Amazon saw a more than 50% increase, with the number of sales partners from Vietnam rising by 40%. Thousands of Vietnamese sellers conducted business on Amazon, selling 17 million products from Vietnam last year.

Despite these successes, the conference also addressed ongoing challenges. Many Vietnamese businesses are still not fully prepared for digital transformation and face a shortage of human resources.

The conference, organized by Amazon Global Selling and the Vietnam E-commerce and Digital Economy Agency (iDEA), aimed to support Vietnamese firms in seizing the growing CBEC opportunities and overcoming these challenges. VOV

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PDP8 signals a significant stride towards balancing the nation's energy sources and grid development

Vietnam's Power Development Plan VIII (PDP8) implementation plan, endorsed in April, signals a significant stride towards balancing the nation's energy sources and grid development. This initiative underscores the government's commitment to maintaining a stable supply-demand ratio while fostering feasibility, synchronization, and adaptability across diverse energy resources.

The plan, designed to monitor progress and resource allocation, envisions a multifaceted energy landscape by 2030. It advocates for a mix of domestic gas, liquefied natural gas (LNG), coal, hydropower, and renewable energy sources like wind, solar, and biomass. This comprehensive approach aims to cater to Vietnam's growing energy needs while aligning with environmental sustainability goals.

Despite ambitious targets, challenges loom ahead. Investors face hurdles in securing financing and await policy clarity on critical matters such as direct power purchase agreements and rooftop solar guidelines. Moreover, regulatory refinements are necessary to support offshore wind and LNG-to-power projects, along with the implementation of wholesale electricity markets and auction mechanisms.

The plan also emphasizes the establishment of two inter-regional renewable energy hubs by 2030. These hubs, equipped with manufacturing facilities and logistical support, are poised to propel Vietnam towards renewable energy integration and enhance energy security.

To unlock the full potential outlined in the plan, Vietnam must prioritize supportive policies to bolster investor confidence and maintain competitiveness. Collaboration among stakeholders will be instrumental in overcoming challenges and ensuring the successful realization of Vietnam's energy aspirations under PDP8. VIR

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The consumer price index (CPI) for May rose by 0.05% month-on-month

On May 29, the General Statistics Office (GSO) reported that the consumer price index (CPI) for May rose by 0.05% month-on-month, primarily driven by increased prices of pork meat and electricity. The surge in pork prices was attributed to a supply shortage caused by an outbreak of African swine fever at the end of 2023, while hot weather contributed to higher electricity costs.

Compared to December 2023, May's CPI increased by 1.24%, and it rose by 4.44% year-on-year. The average CPI for the first five months of the year saw a 4.03% increase over the same period last year.

Out of the 11 main groups of consumer goods and services, seven experienced price hikes from the previous month. Notable increases included food and catering services at 0.38%, housing and building materials also at 0.38%, culture-entertainment-tourism services at 0.31%, beverages and tobacco at 0.14%, and household appliances at 0.12%.

Conversely, three groups saw price declines. Postal and telecommunications services fell by 0.09%, driven by lower mobile phone prices. Additionally, the prices in education and transportation decreased by 0.25% and 1.73%, respectively, which helped mitigate the overall CPI rise.

The GSO also noted that core inflation in May increased by 0.15% from the previous month and by 2.68% year-on-year. From January to May, core inflation averaged a 2.78% rise compared to the same period last year, which is lower than the average CPI increase of 4.03%. VOV

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Vietnam is gearing up for future shifts in foreign direct investment to align with green and digital goals

Vietnam is gearing up for future shifts in foreign direct investment (FDI) to align with green and digital goals. Do Van Su, deputy general director of the Foreign Investment Agency (FIA), emphasized this at the “Enticing FDI for Dual Transformation” talk show on May 22.

Vietnam's commitment to sustainable development is evident through its national green growth strategy, climate change strategy, and new environmental protection law. The FIA aims to promote foreign-invested projects by strengthening the legal framework around green transformation.

The national green growth strategy focuses on reducing greenhouse gas emissions, improving energy efficiency, and fostering green industries. The Vietnam Climate Change Strategy addresses coastal protection, resource management, and renewable energy development, critical for a country with vulnerable coastal areas. The new Environmental Protection Law enhances regulations on environmental impact assessments and pollution control, ensuring economic development does not compromise the environment.

Strategically located in Southeast Asia, Vietnam benefits from its proximity to China and 15 effective free trade agreements (FTAs), making it a hub for global companies seeking production capabilities. Partnerships between leading universities and local institutions ensure a skilled labor force for high-tech sectors, supported by government incentives for technological investments.

Challenges include stabilizing the electric power supply, which affected investors last year. The Ministry of Planning and Investment (MPI) is working with Vietnam Electricity (EVN) to ensure consistent power, especially during peak months.

To attract FDI in green and digital sectors, the MPI has proposed strategies focusing on high technology, renewable energy, smart manufacturing, green infrastructure, and digital transformation. Strengthening the regulatory framework, promoting innovation, and developing infrastructure and skilled labor are vital. Effective implementation of these strategies will create a supportive environment for sustainable and digital growth. VIR

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