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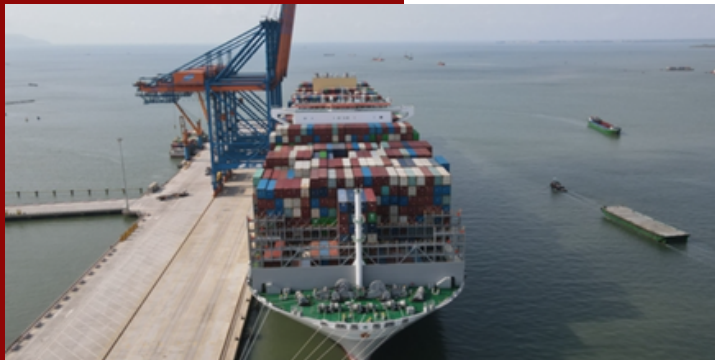
Vietnam's GDP has expanded by 6.93% in the second quarter of 2024

Vietnam's economy has experienced robust growth, with its GDP expanding by 6.93% in the second quarter of 2024, marking the second-highest increase in the past decade. The services sector has been a significant growth driver, rising by 7.06% year-on-year and contributing 48.91% to the country's economic growth. Additionally, the agro-forestry-fishery sector grew by 3.34%, contributing 5.36%, while the industry and construction sector increased by 8.29%, accounting for 45.73% of economic growth.

For the first half of 2024, Vietnam's GDP rose by 6.42%, slightly below the 6.58% growth rate observed during the same period in 2022. During this six-month period, the agro-forestry-fishery sector edged up by 3.38%, contributing 5.96%, the industry and construction sector grew by 7.51%, accounting for 44.28%, and the service sector increased by 6.64%, contributing 49.76% to the nation's GDP growth.

Regarding the economic structure, the agro-forestry-fishery sector accounted for 11.55% of the economy, the industry and construction sector 36.44%, and the services sector 43.35%. The General Statistics Office reported that the consumer price index (CPI) in the second quarter of 2024 rose by 4.39% year-on-year. Overall, in the first six months of 2024, the inflation index increased by 4.08% compared to the same period in 2023. Saigontimes

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Gemadept to enhance port capacity amid regional shipping opportunities

Gemadept Group has announced plans to continue expanding its Gemalink International Port in Ba Ria-Vung Tau Province and Nam Dinh Vu Port in Hai Phong City. The expansion involves significant investment and aims to enhance the capacity and competitiveness of these ports.

The group is finalizing procedures and securing capital to commence Phase 2 of Gemalink Port in November 2024, with operations expected to begin in December 2025. This phase will involve a \$300 million investment, increasing the port's capacity to 3 million TEU, the highest among major Southeast Asian competitors. Upon completion, Gemalink Port will accommodate ships up to 250,000 DWT, attracting larger customers and vessels.

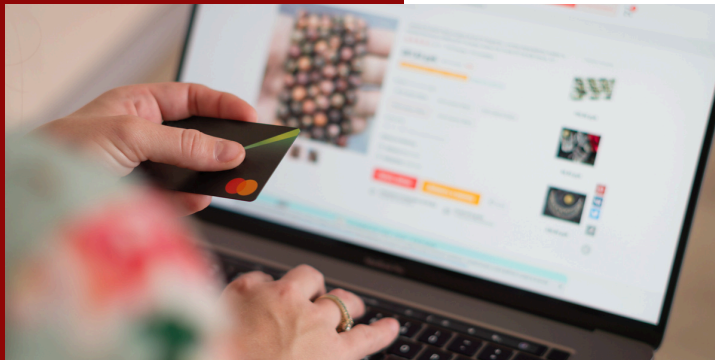
Additionally, Phase 3 of the Nam Dinh Vu Port project is slated to start in July 2024, with a total investment of VND2.5 trillion (\$101.9 million). This phase is expected to be completed by the second quarter of 2025, boosting the port's capacity to 2 million TEU, making it the largest river port in northern Vietnam.

Gemadept is also working on the Ha Nam canal dredging project, which will enhance the port business community in Hai Phong and increase Nam Dinh Vu Port's capacity by approximately 300,000 TEU.

The congestion at Singapore Port presents opportunities for Vietnamese ports, as major shipping lines are redirecting to Gemalink Port. Prolonged congestion could shift the goods transfer center from Singapore to Ba Ria-Vung Tau. Ports in Hai Phong are also poised to benefit as a transshipment hub with China, further strengthening Vietnam's logistics infrastructure.

These expansions and strategic developments highlight Gemadept Group's commitment to positioning Vietnam as a key player in the regional logistics and port industry. VNS

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Vietnamese consumers double the frequency of online shopping compared to 2023

Vietnamese consumers now shop online an average of four times per month, doubling the frequency compared to 2023, according to NielsenIQ Vietnam. This surpasses their monthly supermarket visits, indicating a major shift toward online retail.

A survey presented on June 28 revealed that consumers use an average of 3.2 platforms for online purchases. Contrary to what might be expected, cost savings are not the primary motivator for online shopping. The main reasons are stocking up on household goods (25%) and fulfilling immediate consumption needs (21%).

"In the past, Vietnamese consumers primarily used e-commerce for non-essential items like electronics, fashion, and household goods. Now, they increasingly purchase daily necessities online," NielsenIQ noted.

Consumers buy an average of 6.5 different product types online, with food, beverages, and personal care products topping the list, followed by fashion, sports equipment, home care, and technology.

Le Hoang Long, head of Retailer Vertical at NielsenIQ Vietnam, stated that online shopping has become the "new normal." "Online shopping is becoming mainstream, with essential goods gaining popularity," he said.

A Q1 report from e-commerce data firm Metric revealed that Vietnamese consumers are spending more on online shopping than expected. The five largest platforms – Shopee, Lazada, Tiki, Sendo, and TikTok Shop – achieved total retail sales of approximately \$2.85 billion, marking a 78.69% growth compared to the same period in 2023.

E-commerce is currently outpacing the growth of the overall retail market. According to the General Statistics Office, total retail sales of goods and consumer service revenue in the first half of the year increased by 5.7% after adjusting for inflation, slower than the 8.8% growth recorded in the same period in 2023. VIR

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Doosan Vina has partnered with Marubeni to develop offshore wind power in Vietnam

Doosan Enerbility Vietnam (Doosan Vina) has partnered with Japan's Marubeni Corporation to develop offshore wind power in Vietnam. At the MoU signing on June 29, Doosan Vina's General Director Kim Hyo Tae highlighted the agreement's role in supporting Vietnam's 2050 net-zero emissions goal and advancing Doosan Vina's entry into the renewable energy market.

Recognizing Vietnam's substantial wind and solar resources, Kim emphasized the country's potential for renewable energy development, particularly offshore wind power. Seiji Kawamura, Marubeni Corporation's General Manager for the Asia-Pacific, stressed offshore wind's importance in their strategy, noting Marubeni's 50 years of experience in Vietnam's power sector.

Under the MoU, both companies will conduct a feasibility study to explore collaborative opportunities in Vietnam. Doosan Vina plans to produce monopiles and other components for offshore wind farms at its industrial complex in Dung Quat Economic Zone. Concurrently, Marubeni seeks additional partnerships to advance offshore wind farm development in Vietnam.

Doosan and Marubeni are established strategic partners in the Asia-Pacific energy sector. They previously collaborated on the Nghi Son 2 thermal power plant in Thanh Hoa province, with Doosan serving as the general contractor and Marubeni participating in a consortium with Korea Electric Power Corporation and Japan's Tohoku Electric Power Company. VIR

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Vietnam's retail landscape is evolving rapidly with the rise of modern retail channels

Vietnam's retail landscape is evolving rapidly with the rise of modern retail channels such as supermarkets, hypermarkets, and convenience stores, posing challenges to traditional mom-and-pop shops that dominate up to 90% of the market.

Tam Tran, head of markets group at KPMG Vietnam and Cambodia, highlighted the impact of inflationary pressures and weakening global export markets on the slowdown in consumer spending and retail expansion in 2023. Despite this, supermarkets continued to grow at a reduced rate of 5% to 7%.

Supermarkets offer a one-stop shopping experience with stringent quality control, instilling consumer confidence and reducing shopping time. However, their growing popularity challenges traditional retailers, potentially causing some to shut down as consumers shift to modern retail options.

Mini supermarkets and convenience stores have gained traction in urban centers like Ho Chi Minh City and Hanoi due to their convenience and accessibility. These stores, offering competitive prices and easy parking for motorbikes, cater to consumers with busy lifestyles. Brands are partnering with mini supermarkets and convenience stores to launch exclusive promotions and products, leveraging their popularity.

E-commerce has also surged, accounting for up to 20%-30% of total retail sales in 2023. The COVID-19 pandemic accelerated this trend, prompting traditional retailers to enhance their offerings and customer experiences. Many convenience stores now operate 24/7 and partner with e-commerce platforms to offer online shopping with in-store pickup options.

As Vietnam's middle-income class grows, there is a noticeable shift towards sustainable and ethical purchasing decisions, particularly among Gen Z and millennials. Brands must adapt to these evolving preferences by incorporating sustainability and ethical considerations into their business models to remain competitive in Vietnam's dynamic retail market. Retailasia

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FDI into Vietnam reached nearly US\$15.19 billion in the first six months of 2024

Foreign direct investment (FDI) into Vietnam surged by 13.1% year-on-year, reaching nearly US\$15.19 billion in the first six months of 2024, according to the General Statistics Office. This growth highlights Vietnam's increasing appeal to international investors.

The country saw 1,538 new projects with a total registered capital of US\$9.54 billion, reflecting an 18.9% increase in the number of projects and a 46.9% rise in capital compared to the same period last year. Additionally, 592 projects registered for additional capital amounting to over US\$3.95 billion, marking a 35% year-on-year increase.

However, contributions and share purchases by foreign businesses dropped by 57.7%, generating nearly US\$1.7 billion. Despite this, the disbursed FDI capital reached approximately US\$10.84 billion, an 8.2% increase over the same period in 2023.

Singapore emerged as the largest investor among the 84 countries and territories investing in Vietnam, contributing nearly US\$5.58 billion, which accounts for 36.7% of total investment capital, representing an 86% year-on-year increase. Japan, Hong Kong (China), South Korea, and China followed.

China led in the number of new projects, accounting for 29.1% of the total FDI projects in Vietnam. FDI investments were spread across 48 provinces and cities, with Bac Ninh attracting the highest investment. The northern province, located about 50km from Hanoi, secured nearly US\$2.58 billion, comprising nearly 17% of the total investment capital and more than 3.1 times higher than the same period last year. Ba Ria – Vung Tau, Quang Ninh, Hanoi, Hai Phong, and Ho Chi Minh City followed in the list of top investment destinations.

This robust performance underscores Vietnam's growing stature as a favorable destination for foreign investors, driven by strategic locations, a supportive regulatory environment, and a focus on sustainable growth. VOV

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