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Vietnam’s M&A market is showing signs of resurgence

Vietnam’s M&A market is showing signs of resurgence, with several high-profile deals recently completed, potentially creating momentum for further transactions. Key players are seizing opportunities to expand, strengthen market positions, and tap into new sectors.

Saigon Beer, Alcohol, and Beverage Corporation (SABECO) aims to invest over $31.6 million (VND 800 billion) to acquire a majority stake in Saigon Binh Tay Beer JSC (SSB), potentially elevating it to the role of parent company. SABECO has also shown interest in acquiring additional shares worth approximately $3.95 million (VND 100 billion) in Saigon West Beer JSC and an extra two million shares in the future, underscoring its commitment to growth. Meanwhile, Masan Group is set to invest $200 million in WinCommerce, boosting its influence over a network of WinMart supermarkets and WinMart+/WIN convenience stores.

In other major transactions, KIDO expanded its control over Hung Vuong Corporation to 75.39%, while Mitsui & Co. became a strategic shareholder in Tasco Auto. Viconship also completed the acquisition of Nam Hai Dinh Vu Port JSC with an investment of nearly $15.8 million (VND 400 billion), effectively securing almost all of the company’s charter capital. Additionally, VIX Securities has strengthened its holdings in PC1 Group JSC and Eximbank, signaling a push for diversification.

These developments illustrate how Vietnamese firms are leveraging M&A to address cash shortages, acquire new resources, and gain access to established platforms. For the real estate and property sectors, struggling businesses view M&A as a path to securing liquidity. However, market analysts suggest that investors are more cautious, focusing on firms’ actual performance rather than being swayed by M&A headlines alone.

As economic pressures persist, Vietnam’s M&A market may continue to grow, particularly for businesses seeking ready-made solutions to expand operations and enhance competitiveness. VNS

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SuperPort aims to offer Vietnam competitive logistics solutions and sustainable growth

At the 2024 Vietnam Logistics Summit themed "Transform to Breakthrough," Vietnam SuperPort CEO Yap Kwong Weng highlighted the strategic role of the Vietnam SuperPort in advancing the country's logistics capabilities within the global supply chain. A joint venture between Singapore's YCH Group and Vietnam's T&T Group, the port is designed to meet rising demand for efficient supply chain infrastructure in Vietnam.

Weng noted that geopolitical tensions have driven a shift in supply chain strategies toward Southeast Asia. As a result, ASEAN economies, particularly Vietnam, have seen a surge in foreign direct investment (FDI), which reached $236 billion across ASEAN-6 in 2023. Vietnam has become a leader in this shift, contributing over 20% of the region’s exports and standing out in manufacturing and trade flows. To meet this demand, Vietnam SuperPort is poised to enhance logistics infrastructure through a multimodal approach, connecting Vietnam with ASEAN and China along the Kunming-Hanoi Economic Corridor.

To bolster its connectivity, Vietnam SuperPort has partnered with Vietnam Maritime Corporation, Vietnam Airlines, and Vietnam Railways Corporation to enable integrated rail, road, air, and sea transport options. "We are committed to building resilience and regional supply chain capacity," Weng stated, with the port aiming to position Vietnam as a key supply chain hub.

Digital innovation is also central to Vietnam SuperPort’s vision, as it introduces advanced AI solutions, automated systems, and robotics to create a seamless, data-driven logistics ecosystem. These technologies support Vietnam’s goals of modernizing its logistics industry by 2025-2035. Further, the port is committed to green logistics, targeting net-zero emissions by 2040 through sustainable practices to reduce greenhouse gas emissions by 43.5% by 2030.

By combining ASEAN expertise, multimodal connectivity, and sustainable technology, Vietnam SuperPort aims to offer Vietnam competitive logistics solutions and sustainable growth, ensuring adaptability and resilience in an evolving global landscape. VIR

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Vietnamese firms must increase competitiveness to deal with foreign rivals on E-commerce platforms

The influx of affordable goods from Chinese e-commerce giants like Taobao, 1688, Shein, and Temu is intensifying competition for Vietnamese businesses in the domestic market. Temu, the latest entrant and the international arm of China's Pinduoduo, entered Vietnam in October, drawing local consumers with exceptionally low prices and frequent promotions. However, these competitive prices challenge Vietnamese companies, who must adapt to remain viable in the face of cheap imports.

Do Huu Hung, CEO of Accesstrade Vietnam, acknowledges the advantages for consumers but points to long-term challenges for domestic producers who must now enhance product quality and invest in logistics to remain competitive. Nguyen Thi Chau, director of V.N.F Garment Company, notes that Chinese platforms often eliminate intermediary costs by selling directly from factories, making it hard for local companies to match their prices while maintaining high quality.

To compete, Vietnamese companies are encouraged to improve their product quality, enhance after-sales services, and streamline logistics to reduce costs. The HCM City Department of Industry and Trade has called on the Ministry of Industry and Trade to strengthen regulatory oversight, suggesting stricter inspection of international e-commerce platforms to foster a fairer competitive environment. Additionally, the department advocates for updated customs and tax regulations on cross-border imports to support domestic companies and protect the national budget.

Vietnamese e-commerce firms have an opportunity amid this competitive landscape, says Hung, by leveraging local resources and adapting their production models to be cost-efficient. Nguyen Binh Minh from the Vietnam E-commerce Association also stresses the need for a legal framework to regulate cross-border e-commerce, which would include measures against counterfeit goods and tax evasion. The Ministry of Industry and Trade has reinforced its commitment to overseeing e-commerce, recently urging consumers to transact only with verified platforms and coordinating with customs to enforce compliance among international players.

These moves highlight the complex balance Vietnam seeks between consumer benefits and the long-term sustainability of its domestic e-commerce market. VNS

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Vietnam considers nuclear power development with state monopoly for national security

Proposed amendments to Vietnam's Electricity Law aim to establish a state monopoly in nuclear power plant investment, citing national security. Minister of Industry and Trade Nguyen Hong Dien emphasized nuclear energy's potential as a stable, CO_2-free power source that could bolster energy security and support Vietnam's carbon neutrality goals.

The Ministry of Industry and Trade (MoIT) presented the policy framework to the National Assembly, outlining the need for strict adherence to the Atomic Energy Law and using proven technology for plant operations. The ministry is tasked with studying international nuclear power models and aligning with Power Development Plan VIII (PDP8) objectives, which include shifting from coal to cleaner energy sources like natural gas.

While Vietnam approved nuclear power projects in 2009, plans were suspended in 2016. However, with global interest in nuclear resurgence, the MoIT has suggested developing small modular reactors (SMRs), which have shorter construction times and lower carbon emissions. SMRs could complement renewable energy, enhancing Vietnam's clean energy transition.

According to Pham Quang Minh, Deputy Director of the Vietnam Atomic Energy Institute, nuclear power could boost socioeconomic growth, facilitate a skilled workforce, and advance sectors like medicine, agriculture, and environmental management through nuclear technology. Furthermore, nuclear energy could benefit critical industries like engineering, chemical technology, and metallurgy, offering a strategic path for Vietnam's sustainable development. VIR

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Korea to tap into Vietnam's cosmetics market

The Namdong National Industrial Complex in Incheon, Republic of Korea (RoK), announced on November 4 the establishment of a market development research group. This group, consisting of 15 companies, aims to support small and medium-sized Korean cosmetic enterprises in expanding their operations into the Vietnamese market, as reported by the Vietnam News Agency.

Representatives from the complex highlighted that the goal is to tap into Vietnam's cosmetics market, one of the most dynamic in Southeast Asia. According to the RoK Ministry of Small and Medium Enterprises and Startups, Korean cosmetics exports reached $1.7 billion in the third quarter, with SMEs experiencing a growth rate of 26.7%, much higher than the 3.3% growth for large companies. SMEs accounted for over 65% of total cosmetics exports, ranking cosmetics as the sixth-largest export item.

The Namdong Industrial Complex, a hub for cosmetics manufacturing, is home to 215 cosmetics manufacturers and was designated in 2023 as a national strategic site for high-tech biotechnology. As Vietnam's cosmetics market—the fourth largest in ASEAN—continues to grow with its expanding middle class, the popularity of Korean culture has boosted confidence in Korean products. This cultural affinity, combined with economic stability, presents an ideal opportunity for Korean brands to expand.

RoK cosmetics exports to Vietnam grew by 122% from 2019 to 2023, with an annual growth rate of 22.14%. As of 2022, Korea accounted for $327 million of Vietnam's cosmetics imports, solidifying its growing market share in the region. VNA

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Vietnam is positioned as a competitive hub within the regional and global supply chain

Vietnam's recent surge in foreign direct investment (FDI) highlights its role as a preferred destination for global capital. According to Joon Suk Park, head of International Subsidiary and Wholesale Banking at HSBC Vietnam, FDI serves as a critical source of capital, driving Vietnam's ambitions for growth. This influx reflects increasing investment from China and Taiwan, as well as ongoing commitments from global brands like Mixue, Luxshare, Foxconn, and Pegatron.

In particular, Vietnam's strong position within the global supply chain has propelled its electronics and manufacturing sectors, supported by sevenfold export growth since 2007. South Korea, a major FDI contributor with giants like Samsung and LG, is now joined by investors from China and Taiwan, who see Vietnam as a cost-effective production base for exports to the U.S., Europe, and other Asian markets.

Key advantages fueling Vietnam's FDI attraction include low wages—about half that of China's—and affordable electricity. Vietnam also benefits from robust trade ties underpinned by multiple free trade agreements (FTAs) and a highly open regulatory environment, second only to Singapore in ASEAN. These factors are drawing businesses eager to optimize costs and tap into Vietnam's expanding middle class and youthful workforce. With these assets, Vietnam is positioned as a linchpin for FDI growth and a competitive hub within the regional and global supply chain. VOV

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