



## Top News

Vietnam's digital economy is on track to hit US\$ 36 billion in gross merchandise value by 2024

Vietnam's renewable energy sector faces major challenges due to the absence of a robust power purchase framework

## Also in the issue

Vietnamese consumers show high engagement with online shopping

Vietnam's e-commerce market is projected to grow 18% higher than last year

Foreign direct investment into Vietnam is set to grow significantly in 2025, particularly from Northeast Asia

A subsidiary of Viettel Group has announced plans to develop a logistics park in Lang Son province





## Vietnam's digital economy is on track to hit US\$ 36 billion in gross merchandise value by 2024

Vietnam's digital economy is on track to hit \$36 billion in gross merchandise value (GMV) by 2024, fueled by growth in e-commerce and travel, as revealed in the 2024 e-Conomy SEA report by Google, Temasek, and Bain & Company. The government's forward-looking digital roadmap is shaping the landscape, placing emphasis on AI, semiconductor technology, economic growth, and public service enhancements. This active stance is expected to foster substantial digital progress, overcoming historical infrastructure challenges.

Vietnam's ride-hailing sector is also evolving rapidly, with new domestic and electric vehicle (EV) entrants intensifying competition. This changing market has seen some regional operators exit, and the ongoing transformation is likely to spur EV adoption and reshape the industry further.

Cashless transactions are becoming mainstream as government policies and innovative financial solutions drive the trend. The rise of e-wallets and QR code payments has notably reduced reliance on cash. Additionally, standardized payment systems and improved interoperability are supporting this shift towards a cashless economy.

E-commerce in Vietnam is projected to reach \$22 billion in GMV in 2024, an 18% year-on-year increase, positioning Vietnam as the third-largest e-commerce market in Southeast Asia, behind Indonesia (\$65 billion) and Thailand (\$26 billion). The market is expected to grow further, potentially reaching \$63 billion by the end of the decade.

Regionally, Southeast Asia's digital economy is set to reach \$263 billion in GMV in 2024, a 15% year-over-year increase, while revenue is projected to grow to \$89 billion. This growth, alongside a surge in video commerce – now making up 20% of e-commerce GMV – demonstrates the region's potential for sustainable digital expansion. VIR

[Back to top](#)



## A subsidiary of Viettel Group has announced plans to develop a logistics park in Lang Son province

Viettel Post, a subsidiary of Viettel Group, has announced plans to develop a logistics park in Lang Son province, northern Vietnam, aimed at strengthening trade between Vietnam and China. The Viettel Logistics Park will offer import-export services, storage solutions, domestic and international transportation, and digital commerce tools.

To support this initiative, Viettel Post will lease infrastructure within the Dong Dang- Lang Son Border Gate Economic Zone, a key 394-square-kilometer area linking Lang Son, Hanoi, Hai Phong and Quang Ninh. Additionally, a branch of the logistics park will be established in Lang Son's Cao Loc District.

Set to begin operations in December, this logistics park is Viettel Post's latest project in cross-border logistics. Earlier this year, Viettel Post signed a cooperation agreement with Pingxiang and Nanning, China, to open a representative office and develop a China-ASEAN agricultural trade center. The company is also building logistics centers in border areas, implementing automatic scanning systems integrated with customs data to streamline cross-border procedures.

This development is expected to significantly enhance trade efficiency and support Vietnam's role in regional supply chains. VNS



## Vietnam's e-commerce market is projected to grow 18% higher than last year

Vietnam's e-commerce market is projected to reach \$22 billion in 2024, securing its position as the third-largest in Southeast Asia after Indonesia (\$65 billion) and Thailand (\$26 billion). This marks an 18% growth from last year, with the country's digital commerce sector expanding at one of the fastest rates regionally, only outpaced by the Philippines and Thailand. According to the latest e-Conomy SEA 2024 report by Google, Temasek, and Bain & Company, Vietnam's e-commerce sector is expected to grow at an average annual rate of over 19%, reaching \$63 billion by 2030 and overtaking Thailand to rank second in Southeast Asia.

E-commerce now represents over 60% of Vietnam's digital economy, driven by platforms such as Shopee, TikTok Shop, Lazada, Tiki, and Sendo. The recent entry of cross-border platforms like Shein adds further diversity to the market. The rise of live streaming and affordable products has intensified competition, with TikTok Shop leading in growth through the fusion of shopping and entertainment, exemplified by high engagement on October 10, when the top 100 accounts garnered 11.7 million views.

AI is also reshaping consumer behaviors. In both Ho Chi Minh City and Hanoi, Google's AI Interest Index shows high consumer engagement with AI-driven content. A Lazada survey indicated that 88% of Southeast Asian shoppers are influenced by AI-based recommendations, underscoring AI's impact on purchase decisions in Vietnam and beyond. VNA



## Vietnam's renewable energy sector faces major challenges due to the absence of a robust power purchase framework

Vietnam's renewable energy sector, contributing around 20% of the nation's electricity and valued at \$14 billion, faces major challenges due to the absence of a robust power purchase framework. Without clear policies on power purchase agreements, many projects—some partially operational—struggle to secure financial stability, impeding investor interest. This issue was underscored by Deputy Prime Minister Nguyen Hoa Binh at a recent conference, where he called for solutions to prevent energy resource waste.

Despite government incentives, 85 projects (77 wind and eight solar) with a combined capacity of 4,700MW remain inactive, primarily due to lacking guaranteed rates and unresolved policy issues. In Gia Lai, for instance, a 100MW wind power plant has lost approximately \$20 million in potential revenue due to delays in project completion. Elsewhere, output is limited by infrastructure bottlenecks; in Bac Lieu, a 220kV transmission line delay restricts the Hoa Binh 5 wind project's capacity.

Financial struggles compound these issues. Vietnam Electricity (EVN) owes \$110 million to Ninh Thuan Province for completed wind and solar projects. A transitional feed-in tariff (FiT) reduction has eased financial strain only partially, mobilizing just 29 of the 85 eligible projects.

Economist Tran Dinh Thien warns that ongoing delays risk resource wastage and potential bankruptcies. To unlock Vietnam's renewable potential, rapid policy adjustments, infrastructure upgrades, and collaboration across ministries are essential to secure both state and private sector interests. VIR





## Vietnamese consumers show high engagement with online shopping

PwC's 2024 Asia-Pacific Consumer Insights Survey reveals notable trends in Vietnamese consumer behavior, with essential goods, clothing, and healthcare expected to see increased spending. Of the surveyed Vietnamese respondents, 63% plan to boost their expenditure on essentials, 52% on clothing, and 48% on healthcare. Additionally, inflation remains a key concern, with 63% identifying it as their primary worry for 2025.

Vietnamese consumers show high engagement with online shopping, leading the region with 67% of transactions through mobile phones and 71% making purchases directly via social media. However, recent concerns over the reliability of social media shopping have somewhat affected consumer confidence, prompting brands to build trust and improve transparency.

Sustainability has also become a significant factor, with 94% of Vietnamese consumers experiencing climate change impacts daily and 74% willing to pay more for sustainable products. This trend aligns with 85% expressing interest in hybrid or electric vehicles within the next three years.

Technology adoption is also prominent, with 69% of Vietnamese consumers open to using AI for product research, although they still prefer human interaction for more complex transactions. These trends highlight an evolving consumer landscape where trust, sustainability, and technology will be key factors for business growth in Vietnam.

VNA



## Foreign direct investment into Vietnam is set to grow significantly in 2025, particularly from Northeast Asia

Foreign direct investment (FDI) into Vietnam is set to grow significantly in 2025, particularly from Northeast Asia. This momentum is evident as major firms from China, South Korea, and Japan increasingly look to establish or expand their presence in Vietnam. Companies from China, such as Sichuan and Chongqing's industrial players, are exploring Vietnam's industrial parks (IPs) and collaborating with local IP developers to serve the growing Chinese business community. This trend is bolstered by South Korea's Hyosung Group, which has committed an additional \$4 billion to Vietnam, aiming to position itself as an integral part of the country's long-term economic future.

Data from Vietnam's Foreign Investment Agency reveals that nearly half of the FDI in the first nine months of 2024 originated from Northeast Asia, with regions like Quang Ninh exceeding their FDI targets by 330%. Major Northeast Asian companies—Foxconn, Pacific Construction, Mitsubishi, and Daewoo—are helping Vietnam become a prominent manufacturing hub in Asia.

However, to fully realize this potential, institutional reforms are needed. Investors, including Dynam Capital, have called for a more transparent and efficient regulatory framework to reduce administrative burdens and safeguard investor rights. These reforms are expected to streamline licensing processes, enhance regulatory consistency, and ensure asset protection, thus strengthening Vietnam's competitiveness as an FDI destination.

Party General Secretary To Lam highlighted that future legislation should strike a balance between governance and fostering innovation, thereby unlocking Vietnam's economic capacity and enabling sustained growth. With these anticipated reforms, Vietnam is well-positioned to capture a larger share of global FDI and advance its goal of becoming a key player in regional manufacturing. VIR

[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](http://www.seiko-ideas.com)
- Email                 [newsletter@seiko-ideas.com](mailto:newsletter@seiko-ideas.com)