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The Vietnamese government has extended and expanded various tax relief programs for 2025

In a continued effort to support businesses and stimulate economic growth, the Vietnamese government has extended and expanded various tax relief programs for 2025. These measures include tax reductions and deferrals aimed at easing financial burdens and encouraging investment.

According to the Ministry of Finance, tax incentives implemented from 2020 to 2024 played a crucial role in socio-economic recovery. Key measures such as the 2-percentage-point VAT reduction significantly boosted domestic consumption, one of Vietnam's primary growth drivers.

For 2025, the government will maintain fee reductions of 10–50% to promote the adoption of online public services. Additionally, adjustments to import-export tariffs and tax policies will help businesses navigate economic challenges and enhance market competitiveness.

Experts highlight that these financial policies have provided businesses with vital liquidity, enabling them to invest in technology, improve product quality, and remain competitive. Small and medium-sized enterprises (SMEs), in particular, stand to benefit, as they face rising production costs and fluctuating demand.

To further support businesses, the Ministry of Finance has proposed continuing the 2-percentage-point VAT reduction for select goods and services until June 30, 2025. However, industries such as telecommunications, finance, banking, real estate, and petroleum will be excluded.

Financial experts believe this policy will strengthen business resilience and drive consumer spending but emphasize the need for balanced implementation alongside other economic policies to maximize effectiveness. VNS

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The Government's commitment to enhancing Vietnam's transport infrastructure and economic connectivity

The Ministry of Transport has outlined key infrastructure targets for 2024, including launching 19 new projects, completing 50 ongoing ones, and advancing major initiatives such as Long Thanh International Airport and the North-South Expressway.

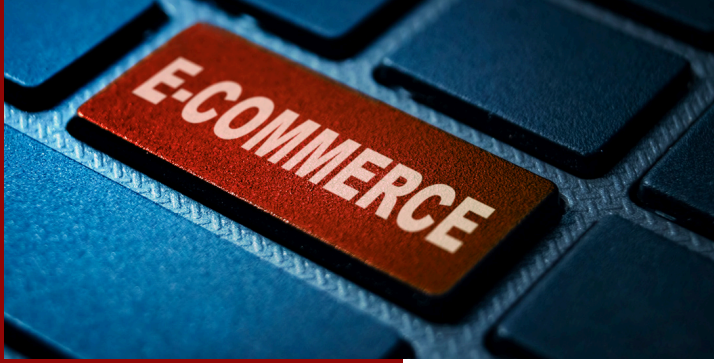
According to Transport Minister Tran Hong Minh, priorities include working with local authorities to expand Vietnam's expressway network to 3,000 kilometers and finalizing the cross-country Ho Chi Minh Road. The ministry also aims to improve regulations, streamline administrative procedures, and mobilize resources to ensure timely project completion.

Key expressway projects set to begin this year include HCMC-Chon Thanh, Cam Lo-La Son, La Son-Tuy Loan, Cho Moi-Bac Kan, and My An-Cao Lanh Phase 1. Additionally, traffic monitoring systems and rest areas along expressways are expected to be completed by the second quarter.

A major focus will be on the North-South high-speed railway, with the ministry preparing a feasibility study and drafting special policy mechanisms. Planning for strategic routes like Hanoi-Dong Dang and Haiphong-Halong-Mong Cai will also be accelerated.

In aviation, the ministry is pushing to open Tan Son Nhat Airport's T3 terminal by April 30 and ensure the first phase of Long Thanh International Airport stays on schedule. These efforts reflect the government's commitment to enhancing Vietnam's transport infrastructure and economic connectivity. The Saigontimes

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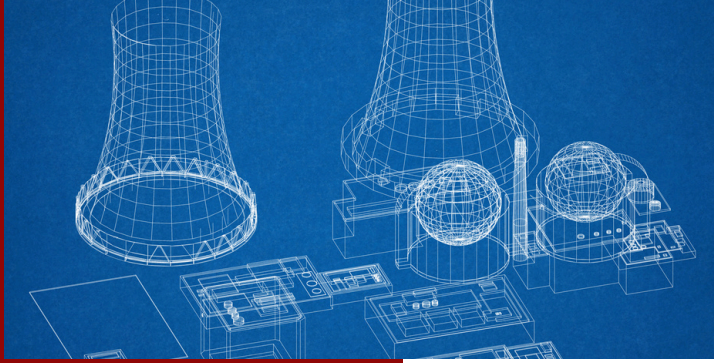
Vietnam's e-commerce landscape is becoming increasingly competitive

Vietnam's e-commerce sector continues to thrive, reinforcing its role as a dominant retail channel with double-digit growth in purchasing power. According to the Vietnam Online Retail Market Landscape 2024 & Forecast 2025 report by Metric, total revenue from the top five e-commerce platforms—Shopee, Lazada, TikTok Shop, Tiki, and Sendo—reached VND318.9 trillion (nearly \$12.67 billion) in 2024, marking a 37.36% increase from 2023.

Consumption volume also surged to over 3.4 million products, a significant rise of 50.76%, highlighting strong consumer demand. Revenue fluctuated throughout the year, peaking during the Tet holiday and year-end shopping festivals, while dipping from April to June.

Despite the market's expansion, the number of active sellers decreased by 20.25%, reflecting fierce competition. Many small or underperforming sellers exited, making way for brands with well-defined business strategies, optimized product offerings, and agile operations.

Additionally, Vietnam's e-commerce landscape is becoming increasingly competitive due to the presence of 31,500 foreign sellers, intensifying pressure on local businesses. As the sector continues its rapid growth, companies must adapt to evolving consumer preferences and market dynamics to maintain a competitive edge. The Economy



Vietnam target to complete two first nuclear power plan in 2030

Vietnam has officially resumed its nuclear energy program after an eight-year hiatus, assigning Vietnam Electricity Group (EVN) and Petrovietnam (PVN) to construct the country's first two nuclear power plants in Ninh Thuan province. EVN will oversee Ninh Thuan 1 in Phuoc Dinh, while PVN will manage Ninh Thuan 2 in Vinh Hai. Each facility will include two reactors.

Prime Minister Pham Minh Chinh has set an official completion deadline of December 31, 2031, but urged an early finish by 2030 to commemorate key national anniversaries. He stressed strict adherence to the timeline, directing ministries and local authorities to ensure smooth project execution.

To accelerate progress, EVN and PVN must initiate negotiations with international partners this month, following guidelines from the Party Central Committee, Politburo, and National Assembly. A backup plan will also be in place to mitigate risks. Funding has been allocated, with additional reserve capital available by mid-February 2025. The government has emphasized transparency in contractor selection to prevent irregularities.

Vietnam will prioritize workforce development, recruiting and retraining experts in nuclear energy. Incentives will be introduced to attract top professionals for key roles.

The Ministry of Industry and Trade must submit an adjusted power development plan by February 28, while other agencies will oversee finance, land clearance, environmental assessments, and human resources. This revival marks a significant step in Vietnam's long-term energy strategy. The Saigontimes



Vietnam's electric and hybrid vehicle market is projected to rise by 25–30% in 2025

Vietnam's electric and hybrid vehicle market is witnessing rapid expansion, with sales projected to rise by 25–30% this year. Once a niche segment, green vehicles now account for over 22% of new passenger car sales, reflecting a growing consumer shift towards sustainability.

In 2024, sales reached 97,000 units, dominated by VinFast's 87,000 electric cars. The hybrid segment also gained traction, with Toyota leading at 5,350 units, followed by Suzuki (2,515) and Honda (1,905). Increased interest in electric vehicle pricing is driven by new models like VinFast's VF3 and VF5, alongside emerging Chinese brands.

The used green car market is also booming, with listings surging from 2,227 in 2023 to 7,581 in 2024. VinFast's VF8 and VF e34 top electric vehicle listings, while Toyota's Corolla Cross HV and Suzuki's Ertiga Hybrid lead the hybrid segment.

As competition intensifies, both new and used green vehicle markets in Vietnam are set for continued robust growth, signaling a strong shift toward eco-friendly mobility. The Saigontimes

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The new fund to be established to attract world-class investors and strengthen Vietnam's position as a high-tech hub

Vietnam has launched a major initiative to attract foreign direct investment (FDI) by establishing an Investment Support Fund, offering significant incentives to high-tech firms.

Decree No. 182/2024/ND-CP, issued on December 31, 2024, sets out the framework for this fund, which provides cash grants and subsidies for eligible companies. Managed by the Ministry of Planning and Investment and financed by the State Budget, the fund aims to boost investment in semiconductors, AI, and R&D.

There are two key subsidy types: an annual expenses subsidy for high-tech enterprises and R&D projects, and an initial investment subsidy for companies establishing R&D centers in semiconductors and AI. Eligible expenses include training, R&D, high-tech manufacturing, social infrastructure, and fixed asset investments. Companies in semiconductors and AI can receive support covering up to 50% of initial investment costs.

The decree is expected to enhance Vietnam's position in global value chains, fostering innovation and technological advancement. Enterprises are encouraged to prepare applications before July 10 each year, with the first submissions due in July 2025.

FDI in Vietnam reached a record \$25.4 billion in 2024, led by manufacturing (\$25.6 billion) and real estate (\$6.3 billion). Major investors include Singapore, South Korea, and China, with Bac Ninh emerging as the top FDI destination.

With 110 large-scale FDI projects in Vietnam, only 27 are in high-tech sectors. The new fund is a strategic move to attract world-class investors and strengthen Vietnam's position as a high-tech hub. VNS

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