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VIETNAM BUSINESS REVIEW

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Vietnam’s healthcare and education sectors poised for strong M&A growth in 2025

Mergers and acquisitions (M&A) in Vietnam’s healthcare and education sectors are expected to witness significant growth in 2025, according to the Global M&A Trends 2025 report.

PwC predicts that M&A activity in the healthcare sector will be particularly dynamic, driven by rising demand for high-quality medical services and an expanding middle class. Private hospitals and specialized healthcare facilities, especially in ophthalmology and oncology, are anticipated to be prime targets for transactions.

Globally, M&A in healthcare is being propelled by product shortages, supply chain risks, and evolving regulatory policies. In the pharmaceutical and life sciences industries, acquisitions are focusing on biotechnology as companies seek to address patent expirations and divest non-core assets to optimize their portfolios.

Private equity funds are increasingly investing in medical technology and digital health, creating attractive divestment opportunities for firms backed by these investors. Retail healthcare businesses and over-the-counter drug retailers are also actively engaging in M&A as they restructure into independent entities or divest assets to accelerate business transformation.

Ong Tiong Hooi, Partner and Transaction Services Leader at PwC Vietnam, highlighted that global M&A is on a strong recovery trajectory in 2025, driven by improving economic conditions and strategic acquisitions. This trend is mirrored in Vietnam, where M&A deals are gaining momentum across multiple sectors.

Domestic enterprises are playing a key role in high-value transactions, while foreign investors are re-entering the market with a strong focus on healthcare and education.

On a global scale, M&A activity in the education sector is expanding rapidly, with private equity funds accounting for 50-70% of total investments. Vietnam’s education sector is becoming increasingly attractive for M&A, benefiting from strong foreign investment incentives and no capital restrictions on educational institutions. VNS

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Enhancing Vietnam's seaport infrastructure and fleet for global competitiveness

Vietnam's maritime sector has shown impressive growth in 2024, with cargo volume increasing by 14% to 864.4 million tonnes, and container throughput rising by 21% to 29.9 million TEUs. However, this rapid expansion has exposed limitations in the country's port infrastructure, requiring urgent investment to maintain its competitive edge in the global market.

The growing size of vessels and increasing trade volume have put pressure on Vietnam's seaports, surpassing earlier capacity forecasts. While Singapore currently handles 37 million TEUs annually, Vietnam is on track to compete if key infrastructure bottlenecks are resolved. A major challenge is the need for dredging maritime channels to accommodate larger ships. However, funding shortages have slowed these efforts.

To address these issues, Vietnam Maritime Corporation (VIMC) is prioritizing the development of deep-water ports, particularly the Can Gio international transit port. Once completed, this port will lower domestic transportation costs and enhance Vietnam's role in global supply chains. Alongside the Cai Mep – Thi Vai port cluster, it will strengthen Vietnam's position as a regional shipping hub, reducing reliance on transshipment via Singapore.

In addition to port infrastructure, VIMC is focused on expanding Vietnam's national shipping fleet. By partnering with major global shipping lines, the goal is to develop a fleet capable of directly reaching international markets, reducing dependence on foreign carriers. Government support is crucial, with initiatives like the national seaport system development master plan (2021-2030) and the Vietnam maritime fleet development project aimed at fostering long-term growth.

To enhance efficiency, Vietnam's ports must integrate IT and artificial intelligence to streamline operations and reduce delays. The government is also pushing for the development of green and smart ports that align with environmental commitments, ensuring the sector's sustainable growth.

By accelerating investment in infrastructure, strengthening its fleet, and adopting modern technologies, Vietnam can position itself as a key player in global maritime trade.

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Vietnam to impose VAT on low-value imported goods from February 18

Effective February 18, 2025, Decision No. 01/2025/QD-TTg will officially revoke Decision No. 78/2010/QD-TTg, which previously set the value threshold for VAT-exempt imported goods sent via express delivery services. This policy shift will have significant implications for Vietnam's e-commerce landscape, affecting businesses, consumers, and market dynamics.

For domestic e-commerce businesses, this change levels the playing field by reducing the price advantage that foreign sellers previously enjoyed. Many cross-border e-commerce platforms, particularly those shipping low-cost products directly from overseas warehouses, have benefited from VAT exemptions. Now, with the new tax requirement, Vietnamese sellers may find it easier to compete on price, boosting local businesses and encouraging domestic production.

For international e-commerce platforms, the new VAT policy introduces additional compliance challenges. Companies like Shopee, Lazada, Temu, and Shein will need to adjust their pricing strategies, implement tax collection mechanisms, and ensure proper tax declarations. This could lead to higher prices for consumers, potentially slowing the demand for imported low-value goods.

For consumers, the cost of purchasing low-cost imported goods will increase, particularly for price-sensitive buyers. Shoppers who previously relied on cheap overseas purchases may shift towards local alternatives, benefiting Vietnamese sellers. However, platforms with strong logistics and competitive pricing strategies may still maintain a competitive edge.

For Vietnam's e-commerce ecosystem, the policy strengthens tax compliance, enhances government revenue, and aligns Vietnam with global practices in digital taxation. While short-term disruptions in supply chains and pricing structures are expected, the long-term effect could drive more sustainable e-commerce growth, fostering a more competitive and regulated market.

Overall, this policy is a crucial step in shaping a fairer and more robust e-commerce landscape in Vietnam. VNA

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Vietnam accelerates transition to clean energy with coal phase-out plan

Prime Minister Pham Minh Chinh has approved a roadmap to phase out coal-fired power by 2050, marking a significant step in Vietnam's clean energy transition. Decision No. 266/QD-TTg sets clear targets for reducing coal dependence while promoting alternative energy sources.

By 2030, Vietnam will begin retiring outdated coal plants and installing carbon capture technology at existing facilities. The Government plans to shut down 540MW of coal capacity, including Pha Lai (440MW) and Ninh Binh (100MW). Additionally, biomass and ammonia co-firing will be introduced to reduce emissions in operating plants.

Renewable energy will play a key role, with hydropower and other renewables projected to contribute 29.2-37.7% of total electricity output by 2030. The Ninh Thuan nuclear power project is also set for completion within five years to enhance energy security.

Looking ahead, at least 1,160MW of coal capacity will be replaced by clean energy by 2045, with older coal plants shifting to biomass and ammonia co-firing. By 2050, the transition will reach up to 28,832MW, with coal plants either converting or shutting down.

Vietnam's plan aligns with global climate commitments, emphasizing technological innovation and international cooperation. The Government aims to mobilize domestic and foreign resources to support the shift, ensuring a sustainable and low-carbon energy future. The Saigontimes

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Retailers expand distribution channels in Vietnam

Vietnam's retail market is experiencing a transformation as businesses diversify their distribution channels to meet evolving consumer demands. AEON Vietnam, for instance, has expanded its retail formats beyond large shopping centers, launching smaller outlets near residential areas to enhance convenience.

A key trend in the industry is the rapid adoption of multi-channel retailing. Companies like Sapo have introduced AI-powered solutions such as Sapo OmniAI, enabling businesses to manage multiple sales channels efficiently. E-commerce continues to be a major driver, contributing 20% of total retail revenue in 2024 and maintaining an annual growth rate of 18–25%.

Retailers are also prioritizing supply chain stability, product diversification, and improved quality control. Investments in commercial infrastructure, particularly in rural areas, are enhancing accessibility while ensuring food safety. The shift toward modern retail is evident, with its market share expected to rise to 25% by 2025, up from pre-pandemic levels of 24%. However, foreign retailers dominate two-thirds of the modern retail sector, exerting pressure on domestic businesses.

Looking ahead to 2025, Vietnam's retail market is projected to exceed $200 billion. Experts emphasize the importance of digital transformation, logistics investment, and collaboration between domestic and foreign retailers to enhance competitiveness. The government aims for a 10% increase in retail revenue through stimulus measures and infrastructure development. Retailers must adapt to new consumer behaviors, invest in technology, and optimize supply chains to remain competitive in this evolving landscape.

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South Korea's SK Group targets key sectors such as energy, agriculture, and logistics

South Korea's SK Group is strengthening its investment footprint in Vietnam, targeting key sectors such as energy, agriculture, and logistics. During a meeting with Prime Minister Pham Minh Chinh on February 14, SK Group chairman Chey Tae-won emphasized Vietnam's rapid economic growth and rising energy demand as key factors driving the company's expansion.

As part of its strategy, SK Group is exploring investments in LNG-fired power plants to establish new energy centers that integrate artificial intelligence, hydrogen energy, logistics, and eco-friendly agriculture. The company is also seeking collaboration with Vietnam's National Innovation Center (NIC) to support workforce training and research in AI and hydrogen energy.

To foster knowledge exchange, SK Group plans to host economic and academic forums in Hanoi, bringing together South Korean experts and Vietnamese stakeholders.

Prime Minister Chinh welcomed SK Group's initiatives, highlighting the strong Vietnam-South Korea strategic partnership. He reiterated Vietnam's ambitious growth targets, aiming for at least 8% GDP expansion in 2025, supported by institutional reforms, infrastructure development, and workforce training. Chinh encouraged SK Group to further invest in AI, clean energy—including nuclear, LNG, wind, solar, and hydrogen—logistics, and sustainable agriculture.

With a cumulative investment of around $3.5 billion in Vietnam across multiple industries, SK Group is poised to play a significant role in the country's economic transformation, contributing technology, financial resources, and global supply chain integration. The saigontimes

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