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# Vietnam expect to upgrade to emerging market status in 2025

Vietnam is on track to achieve a significant financial milestone with the FTSE expected to upgrade the country to "emerging market" status in 2025. This long-awaited reclassification is set to attract substantial foreign investment, particularly from global exchange-traded funds (ETFs) and institutional investors, injecting new liquidity into the equity markets. Beyond the FTSE upgrade, Vietnam is also making steady progress towards an MSCI reclassification, which would further enhance its global financial standing. Authorities are implementing key reforms, such as introducing intraday trading, short selling, and expanding the derivatives market. Additionally, easing foreign ownership limits and mandating International Financial Reporting Standards (IFRS) from 2025 are expected to improve market transparency and investor confidence.

On the monetary policy front, Vietnam's central bank is expected to maintain an accommodative stance, keeping 12-month deposit rates at 5.0–5.5% to support economic growth. However, external risks remain, particularly with the potential for prolonged high interest rates in the US and Europe, which could impact foreign indirect investment and put pressure on the USD/VND exchange rate. Despite this, Vietnam's strong foreign reserves and hedging strategies provide a buffer against volatility.

The country's trade relationship with the US remains a focal point. While Vietnam's trade surplus underscores its export competitiveness, it also poses risks of trade frictions, especially if a second Trump administration takes office. To mitigate such risks, Vietnam may increase LNG imports from the US, balancing trade flows and strengthening energy security. Additionally, the Comprehensive Strategic Partnership between the two nations is expected to boost collaboration in technology and manufacturing, as seen in Vietjet's major Boeing order and US investments in Vietnam's real estate sector.

Despite these opportunities, challenges persist. Market liquidity remains a weak spot, though improvements such as the KRX trading system and new investment instruments are expected to enhance market depth. Meanwhile, bad debt in the property and construction sectors continues to pressure the banking system, highlighting the need for stronger financial oversight and resolution funds to prevent broader financial instability.

With structural reforms, increasing global integration, and strategic partnerships, Vietnam is well-positioned to capitalize on its emerging market upgrade, despite external uncertainties. VIR [Back to top](#)

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## Vietnam to begin North-South high-speed railway construction by late 2027

Vietnam is set to commence construction of the North-South high-speed railway in the fourth quarter of 2027, marking a significant step in enhancing the country's transport infrastructure. The Ministry of Transport is spearheading the project, ensuring key preparations are in place well ahead of time.

By 2025, critical groundwork will begin, including the selection of consulting contractors, conducting surveys, and preparing a feasibility study report. This study is scheduled for submission to the prime minister in the fourth quarter of 2026. Following this, the Appraisal Council will review the report and seek approval by early 2027. Once approved, the ministry will proceed with contractor selection, contract signings, and other necessary steps to initiate construction on schedule.

The high-speed railway will adopt a dual-track system with a 1,435mm gauge and is designed to operate at speeds of up to 350 km/h. Spanning a total length of 1,541 kilometers, the railway will connect Ngoc Hoi Station in Hanoi to Thu Thiem Station in Ho Chi Minh City, passing through 20 provinces and centrally governed cities.

This large-scale infrastructure project will be fully publicly funded, underscoring the government's commitment to modernizing Vietnam's transportation network. With feasibility studies beginning in 2025, the project is targeted for substantial completion by 2035. Once operational, the high-speed railway is expected to boost economic connectivity, reduce travel time, and support the country's long-term development goals.

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## AI and Automation to drive future growth of Vietnam's E-Commerce market

Vietnam's e-commerce market is projected to reach \$15.3 billion in 2025, marking a 21.5% increase from 2024, as online shopping continues to outpace traditional retail. To stay competitive, businesses are rapidly adopting AI, big data, and automation to enhance customer experience and optimize operations.

### Key Trends Shaping Vietnam's E-Commerce Landscape

1. AI-Powered Personalization – Enhancing customer engagement with tailored recommendations.
2. Real-Time Inventory Tracking – Utilizing RFID technology for accurate stock management.
3. Automated Supply Chains – Enabling faster deliveries and efficient logistics.
4. Social Commerce & Livestream Shopping – Blending entertainment with e-commerce for a seamless experience.

### Affordable Products Lead the Market

Low-cost items (under VND 200,000 or \$8), alongside essentials like food, beverages, and baby products, continue to dominate online sales. Retailers are focusing on balancing affordability with quality and customer experience through AI-driven market analysis and logistics optimization.

### Technology Investments to Boost Retail Efficiency

Consumer satisfaction with online and in-store shopping is declining, prompting 79% of retailers in Asia-Pacific to increase technology investments by 2025. Key innovations include:

- RFID tracking for real-time inventory accuracy.
- AI-driven demand forecasting to optimize stock levels.
- Automated fulfillment centers to accelerate order processing.

With 41% of retailers in Asia-Pacific seeing Generative AI (GenAI) as a game-changer in inventory management, Vietnam's digital economy is set to become more efficient, competitive, and customer-centric in 2025. Businesses that embrace AI-driven insights, automation, and omnichannel strategies will lead the next wave of e-commerce growth.





## The Ministry of Industry and Trade has proposed postponing offshore wind power development until after 2030

The Ministry of Industry and Trade (MoIT) has proposed postponing offshore wind (OSW) power development until after 2030, shifting away from the initial target of 6,000MW by 2030. Instead, Vietnam will prioritize onshore and nearshore wind projects, aiming for a capacity of 27,800–34,670MW in the next five years, a 15% increase over the current plan.

According to Power Development Plan VIII (PDP VIII), OSW power was expected to play a crucial role in Vietnam's energy transition. However, Minister of Industry and Trade Nguyen Hong Dien stated on February 19 that OSW requires significant investment and infrastructure. The revised plan targets 17,000MW of OSW capacity by 2035, aligning with national priorities.

Despite Vietnam's OSW potential of 600GW, as assessed by the World Bank, legal and financial challenges hinder project implementation. Issues include inconsistent regulations on sea activity management, national security concerns, and substantial capital requirements. Foreign investors such as CIP Group (Denmark) and PNE (Germany) have proposed OSW projects, while domestic applications remain stalled due to licensing issues.

To meet rising energy demands, Vietnam is expanding its energy mix. By 2030, coal-fired power will increase by 928MW, domestic gas-fired power will maintain 10,861MW, and liquefied natural gas (LNG) capacity will drop by 13,576MW. Meanwhile, solar energy—both concentrated and rooftop—is expected to surge, potentially reaching 73,416MW.

Nuclear energy is also on the agenda, with two power plants in Ninh Thuan province projected to supply 6,000–6,400MW by 2035, with further expansion planned by 2050.

The estimated investment for 2026–2030 stands at \$136–172 billion, including \$118–148 billion for electricity generation and \$18–24 billion for transmission. To secure funding, MoIT proposes diversifying capital sources through bank credit, aid, stock markets, and both domestic and foreign investments.

While Vietnam remains committed to renewable energy, the shift in OSW strategy underscores the country's pragmatic approach to balancing investment, infrastructure, and regulatory readiness. VIR



## Vietnamese retailers are modernizing through mobile and AI-driven technologies

Vietnam's total retail sales reached over \$207.5 billion from January to October 2024, an 8.5% year-on-year increase, according to the General Statistics Office. The Ministry of Industry and Trade projects the market to hit \$350 billion by 2025.

"Vietnamese retailers are modernizing through mobile and AI-driven technologies," said Suryadarma. "These investments improve operational visibility, decision-making, and workforce mobility, ensuring long-term success."

### Future Retail Investments

Retailers are prioritizing automation, AI, and real-time data visibility for better productivity and inventory management. Key focus areas include:

- GenAI for demand forecasting
- Automation for product tracking and RFID use
- Video monitoring for security
- Stock-out alerts for inventory management

Businesses are adopting ET4x Android business tablets, TC22/27 mobile computers, SP72 scanners, RS2100 wearable scanners, FX7500 RFID readers, and RFD40 UHF RFID sleds. These innovations are shaping Vietnam's retail landscape, driving efficiency and customer satisfaction. VIR



## Vietnam moves toward foreign investment in low-earth orbit satellite technology

Vietnam is taking significant steps toward allowing foreign investment in low-earth orbit (LEO) satellite technology, aiming to enhance its telecommunications infrastructure while ensuring national security.

### Policy Developments and Pilot Program

The Ministry of Information and Communications (MIC) is formulating policies to facilitate international investment in LEO satellites. A controlled pilot program for telecommunications services using LEO satellites has been proposed, aligning with Resolution No. 57/NQ-TW, which focuses on advancing digital infrastructure, including satellite data transmission and 5G/6G networks.

The National Assembly has approved a resolution supporting breakthrough policies in science, technology, and digital transformation. Under this framework, foreign investors can invest without ownership restrictions, provided they meet national security conditions.

### Global LEO Satellite Landscape

The global LEO satellite industry is currently dominated by major players such as SpaceX's Starlink, OneWeb, and Amazon's Kuiper, among others. China is also actively developing its LEO satellite capabilities, planning a constellation of 15,000 satellites.

### Vietnam's Preparation for LEO Integration

Vietnamese telecom giants like Viettel and VNPT are exploring LEO satellite applications. In 2023, SpaceX representatives engaged with Vietnamese officials to discuss Starlink's potential role in providing high-speed Internet to rural and maritime regions.

Satellite Internet services are expected to support crucial sectors such as telemedicine, education, and disaster response. As Vietnam moves forward with its LEO satellite strategy, it aims to balance foreign investment opportunities with regulatory safeguards, ensuring sustainable growth in its digital economy. Vietnamnet

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