VIETNAM BUSINESS REVIEW

Vol 19, May 21, 2025

Top News

Vietnam advances dual-hub strategy for international financial center

Petro Vietnam outperforms in early 2025, advances LNG and domestic energy projects

Also in the issue

Vietnam retail recover strongly from 2025

Vietnam's E-Commerce boom: new opportunities for global investors

VinSpeed proposes $60 billion North–South high-speed railway investment

Intel and Vietnam strengthen strategic ties in AI and semiconductor sectors

Vietnam advances dual-hub strategy for international financial center

Vietnam is set to redefine its global financial positioning by developing a dual-node International Financial Center (IFC) across Ho Chi Minh City and Da Nang, marking a strategic departure from the traditional single-hub model.

At a national policy forum on May 20, Richard McClellan, Global Ambassador for Terne Holdings and former Country Director of the Tony Blair Institute, emphasized the shift: "The question is no longer 'Why Da Nang?' but 'How can Da Nang play a strategic role in a financial ecosystem alongside Ho Chi Minh City?'"

McClellan highlighted global trends where modern IFCs operate as multi-node systems. For example, the UAE separates financial markets and policy innovation between Dubai and Abu Dhabi, while China leverages Shanghai, Shenzhen, and Hainan for capital markets, fintech, and regulatory experimentation. Similarly, the UK combines London's financial strength with Edinburgh's insurance and asset management expertise.

Applying this model, Ho Chi Minh City will likely remain Vietnam's core financial and capital markets hub, while Da Nang is envisioned as a center for innovation, governance, and fintech.

This structure is aligned with Vietnam's ambitions for emerging market reclassification by global indices such as MSCI. A dual-node IFC enhances systemic resilience, distributes economic development, and meets key criteria for passive investment inflows.

Local leaders back this approach. Nguyen Van Quang, Secretary of the Da Nang Party Committee, emphasized infrastructure readiness and regulatory alignment, while Nguyen Van Dung, Vice Chairman of Ho Chi Minh City, underscored workforce training and policy reform.

McClellan concluded, "Vietnam must be seen as a unified ecosystem. Ho Chi Minh City and Da Nang are not competitors—they are strategic partners in building a world-class financial center."

This model presents Vietnam with a unique opportunity to attract global capital, improve financial resilience, and position itself as a rising financial gateway in Asia. Vietnamnet

Back to top

VinSpeed proposes $60 billion North–South high-speed railway investment

VinSpeed High-Speed Rail Investment and Development JSC has officially registered interest in developing the North–South high-speed railway, a strategic infrastructure project expected to be operational by 2030.

Driven by a long-term vision to build a national high-speed rail industry, VinSpeed's proposal includes a total investment of VND1.56 quadrillion (~$60.15 billion), excluding land clearance and resettlement costs. Of this, the company commits to funding 20% ($12 billion) from its own capital, while requesting the remaining 80% via zero-interest state loans, to be repaid over 35 years.

This financing structure is seen as relieving pressure on the state budget, especially compared to global benchmarks where high-speed rail projects often face profitability and delay challenges.

VinSpeed targets December 2025 for groundbreaking and aims for full commercial operation by December 2030. The company is actively negotiating technology transfer agreements with leading partners from China, Germany, and Japan, focusing on local production of rail components and workforce training to lay the foundation for a domestic high-speed railway ecosystem.

To support long-term financial sustainability, VinSpeed will collaborate with Vingroup and Vinhomes to develop modern urban zones along the rail corridor. These transit-oriented developments (TODs) aim to revitalize currently underutilized areas, drive tourism, and unlock economic potential in provinces along the route.

If approved, this proposal could transform Vietnam's transport infrastructure, while stimulating regional development and showcasing a public-private model for national megaprojects. VIR

Back to top

Vietnam’s E-Commerce boom: new opportunities for global investors

Vietnam’s digital economy is accelerating—and e-commerce is at the heart of it. With over 72 million social media users and e-commerce revenues projected to hit $15.3 billion in 2025, Vietnam is one of Southeast Asia’s fastest-growing online retail markets.

So, what makes this market so promising for foreign investors?

- Social Commerce on the Rise: With TikTok, Facebook, and Zalo dominating screen time, social commerce and livestream shopping are transforming how Vietnamese consumers engage with brands. This opens the door for investors in interactive platforms, influencer networks, and video commerce tools.
- Cross-Border Shopping is Booming: Vietnamese buyers are hungry for imported goods—from skincare and fashion to electronics. Brands entering the market via localized e-commerce storefronts or marketplaces like Shopee and Lazada can tap into strong demand, especially in urban areas.
- Need for Smart Logistics: As delivery expectations grow, logistics infrastructure is struggling to keep pace. This creates room for last-mile innovations, smart warehousing, and cold chain services to support perishable and FMCG categories.
- Digital Payments & BNPL: With cash still common, there's a huge opportunity for digital wallets, Buy Now Pay Later (BNPL) services, and fintech that bridges gaps in trust and convenience.
- Tools for Sellers: Vietnam’s market is filled with small sellers—many of whom lack tools for managing sales, marketing, and inventory. Investors in e-commerce SaaS, CRM, and automation solutions can scale fast by supporting this underserved segment.

As Vietnam embraces AI, mobile commerce, and a digital-first mindset, foreign investors have a timely opportunity to shape its next e-commerce chapter.

Now is the moment to enter. The market is ready, the users are digital, and the growth is just getting started. Vnexpress

Back to top

SEIKO ideas
Success with you

Petro Vietnam outperforms in early 2025, advances LNG and domestic energy projects

Despite global market volatility, Petrovietnam reported exceptional performance in the first four months of 2025, exceeding most key production targets and reinforcing its critical role in Vietnam's energy security.

As of April, crude oil output reached 3.16 million tonnes—12.8% above plan—while gas production hit 1.98 billion cubic metres (exceeding target by 10.4%) and electricity generation totaled 11.06 billion kWh, up 9.9% over projections. Fertiliser and refined fuel production also surpassed expectations by 19.5% and 12.7%, respectively.

These strong results translated into solid financials, with revenue hitting VND 323.3 trillion (US$12.4 billion) and state budget contributions reaching USD 1,7 billion. Petro Vietnam also disbursed VNĐ10.2 trillion in investment, marking a 22.5% increase year-on-year.

A key milestone was the early completion of Phase 3 of the Dai Hung oilfield project, fully executed by Vietnamese personnel and slated to bolster power supply during the dry season. Starting with Dai Hung, the group aims to commission at least one new project per month through the rest of 2025, aligning investment and production with market growth.

In LNG, PV GAS proposed spearheading U.S. LNG imports to secure long-term supply, while the Nhon Trach 3 plant—Vietnam's first LNG-fired power facility—is nearing operational readiness.

Petrovietnam also expanded globally, renewing its PM3 CAA contract with Petronas for 20 years and signing new exploration agreements with Kazakhstan. Domestically, it intensified partnerships with major firms like Viettel and Hòa Phát under Resolution 68 to support private sector growth.

Looking ahead, Petrovietnam will prioritize energy security and cost optimization during peak demand periods, while accelerating key investment projects including Block B, Blue Whale, BK-24, and Nhon Trach 4. VNS

Back to top

Vietnam retail recover strongly from 2025

After a turbulent period, Vietnam's retail sector is showing clear signs of recovery and entering a new phase of sustainable growth. Data from the General Statistics Office and Mirae Asset show that total retail sales in 2024 reached approximately USD 261 billion (+9% YoY), with goods retail accounting for nearly USD 201 billion (+8.3%). In Q1/2025, the positive trend continues with a 9.9% year-on-year increase, reaching USD 69.7 billion.

Real growth, excluding inflation, was 7.5%, reflecting a genuine recovery in domestic consumption – driven by rising incomes, rapid urbanization, and government stimulus policies such as VAT reduction and a basic wage hike starting July 2024.

Shift in Consumer Behavior and Retail Strategy

Vietnamese consumers are prioritizing convenience, omnichannel experiences, and personalization. This shift is pushing retailers to revamp distribution models and diversify product portfolios.

The FMCG sector has seen six consecutive quarters of growth, with non-essential goods like beer, beverages, and tobacco accounting for a growing share. E-commerce is a major driver, with FMCG transaction value rising 62% in 2024. The sector is expected to grow 5% in 2025, fueled by online consumption trends, health awareness, lifestyle changes, and the expansion of e-commerce platforms.

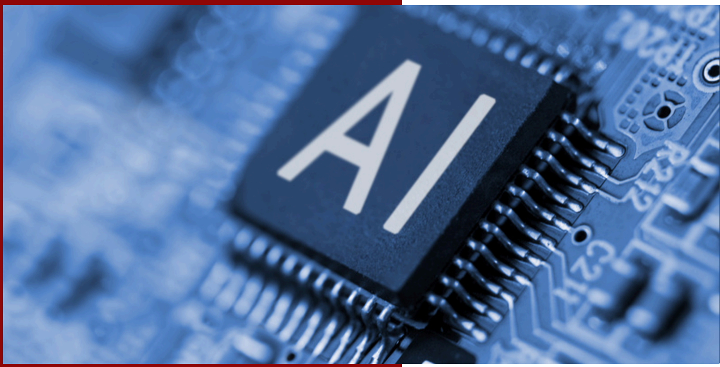
Meanwhile, the electronics and appliance segment is undergoing restructuring. Major chains like MWG and FPT Shop have closed hundreds of stores to focus on improving per-store efficiency and expanding into higher-margin products like home appliances and AI-integrated devices.

E-Commerce and O2O Model Gain Ground

Vietnam's e-commerce market reached USD 25 billion in 2024 (+20% YoY), accounting for 11% of total retail sales. Post-pandemic behavior has accelerated demand for transparency, speed, and convenience. The O2O (online-to-offline) model is becoming a core strategy, helping businesses optimize operations and enhance customer experience. The market is forecast to reach USD 60 billion by 2030.

Back to top

SEIKO ideas
Success with you



Intel and Vietnam strengthen strategic ties in AI and semiconductor sectors

Vietnam is advancing its ambition to become a regional technology hub through deeper strategic cooperation with U.S. tech giant Intel, particularly in artificial intelligence (AI) and semiconductors. On March 13, a high-level delegation from Vietnam's Ministry of Finance (MoF), led by Deputy Minister Cao Anh Tuan, met with Intel executives during a working trip to the U.S. as part of the SelectUSA Investment Summit.

The meeting focused on boosting bilateral cooperation in AI and semiconductor technologies—two sectors identified as key growth engines for both nations over the next decade. The Vietnamese delegation's strong presence, with over 100 businesses attending, highlighted the country's commitment to fostering deeper economic ties with the U.S.

Deputy Minister Tuan praised Intel's nearly 20-year investment in Vietnam, underscoring the critical role of Intel Products Vietnam (IPV)—currently the corporation's largest global assembly and test facility. Since 2010, IPV has contributed over $90 billion in export value, handling more than half of Intel's global chip testing output.

Vietnam also commended Intel's partnership with the National Innovation Center (NIC) to implement initiatives like 'AI for All', aimed at training over 10,000 professionals in AI and semiconductor technologies. These efforts align with Vietnam's broader national programme approved in 2023 to train at least 50,000 skilled workers for the semiconductor sector.

Tuan encouraged Intel to expand its R&D footprint in Vietnam, suggesting Hoa Lac Hi-Tech Park in Hanoi as a potential site. In response, Intel's Vice President for International Government Affairs, Sarah Kemp, acknowledged Vietnam's forward-looking policies and long-standing support for high-tech investments as key to Intel's continued commitment to the country. 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
- Email — newsletter@seiko-ideas.com