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Vietnam charts path to market-based credit management by 2026

Vietnam is poised to phase out administrative credit growth quotas by 2026, transitioning towards a market-based approach to enhance monetary policy effectiveness, control inflation, and align with global financial standards. The move is part of a broader directive issued by the Prime Minister to improve coordination between fiscal and monetary policies.

The State Bank of Vietnam (SBV) has been tasked with reviewing global best practices and proposing a roadmap for eliminating credit growth ceilings. A report on the transition is expected by July, signaling the government's commitment to modernizing credit governance.

Currently, Vietnam remains one of only about 20 countries still using administrative credit limits—mainly employed in emerging economies to manage inflation and prevent credit bubbles. While useful during financial stress, these limits can distort market behavior. Experts warn they suppress competition, hinder credit access for SMEs, and push borrowers towards informal lending channels.

Economists like Le Xuan Nghia and Can Van Luc argue that a market-based approach—grounded in Basel II/III prudential ratios, liquidity coverage ratios, and tailored supervision—will offer a more flexible and sustainable framework. However, SBV Governor Nguyen Thi Hong stressed the need for caution, citing Vietnam's continued reliance on bank-based financing and associated liquidity risks.

Since 2024, SBV has ceased assigning quotas to foreign bank branches but still applies them to domestic institutions. Moving forward, Vietnam aims to strengthen its macroprudential toolkit, ensuring financial stability while embracing a more transparent, risk-sensitive credit management regime. VIR

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China–Vietnam rail freight surges over 280% as cross-border trade intensifies

Rail freight volume between China and Vietnam surged by more than 280% in the first half of 2025, underscoring deepening trade integration and infrastructure upgrades along the critical Nanning–Yen Vien route.

According to China Railway Nanning Group, over 18,800 export containers were shipped from China's Guangxi region to Vietnam from January to June, a sharp rise of 283% year-on-year. Notably, shipments of auto parts reached 2,528 TEUs, doubling from last year, while medium-density fiberboard exports soared nearly 400% to 4,580 TEUs.

The sharp increase comes amid efforts to boost rail capacity and efficiency. Chinese authorities expanded each train's haulage capacity by 30%, from 1,000 to 1,300 tons. Weekly train trips rose from five to 14, reducing transit time between Nanning and Hanoi's Yen Vien station to just 14 hours.

In parallel, customs clearance has been streamlined, with documentation processing now taking less than five minutes—significantly improving turnaround times for cross-border shipments.

The route now serves over 380 types of goods from 25 provinces across China, connecting with Vietnam, Laos, Thailand, and broader ASEAN markets. Major industrial hubs such as Jiangsu and Guangdong feed into the Nanning International Railway Port, serving as a logistics gateway to Southeast Asia.

The surge in rail trade reflects China's broader ambition to deepen regional connectivity under the Belt and Road Initiative, positioning rail as a competitive alternative to sea and road freight in the region. The Saigontime

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Vietnam's livestream is urging a shift toward professionalism

Vietnam's once-booming livestream commerce industry is undergoing a stark transformation. Once seen as an easy path to online sales, livestreaming has become a tougher game as trust erodes and competition grows.

Sellers who used to generate hundreds of orders in a single session now struggle with dwindling engagement and rising ad costs. "I used to sell out in hours. Now I can livestream for three hours and not make enough to cover marketing," shared Phan Xuan Tung, an early livestream adopter in Hanoi.

Nguyen Thu Trang, a former office worker, spent her savings on training and launched her own online fashion business. But like many small sellers, she found it difficult to attract viewers or convert interest into sales, despite consistent livestreaming and quality content.

The decline is driven by several factors: tighter platform regulations, fake goods scandals, poor delivery experiences, and overuse of hard-sell tactics. Customers are more skeptical, and many now avoid livestream platforms altogether.

Experts agree the golden era of "easy money" livestreaming is over. Vu Cong Hoc, a marketing strategist, emphasizes the need for authenticity: "In a time of trust crisis, sellers must speak honestly, sell genuinely, and deliver accurately."

To survive, sellers must shift toward professional content creation, transparent practices, and customer-first strategies. While livestream commerce is maturing, Vietnam's overall e-commerce market remains vibrant, with projected 29% growth by 2025 and over 50,000 active sellers.

The future belongs to those who combine trust, creativity, and strategy. vietnamnet

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Vietnam's rooftop solar push gains momentum as legal clarity spurs industrial investment

Rooftop solar in Vietnam is moving from concept to boardroom commitment, driven by new legal frameworks and rising pressure on manufacturers to decarbonize.

At last week's Solar & Storage Live Vietnam, executives from leading developers said the country's revised Electricity Law has created the clearest legal corridor yet for rooftop projects, prompting companies to shift from exploring solar to actively seeking investment solutions.

"Last year was about education. This year, clients ask how soon they can implement," said Nguyen Ngoc Quynh, vice president of SolarBK. The firm has seen rooftop systems evolve from a cost-cutting tool to a strategic asset—reducing grid reliance, optimizing idle rooftops, and meeting ESG demands from global buyers.

SolarBK's integrated approach—from design to operation—aims to accelerate deployment. Its project in Phu Tho Province was among the first to trial streamlined grid connection and EVN metering, shortening timelines and improving efficiency.

Other players are preparing for deeper market reforms. Vu Phong Energy Group is positioning for Vietnam's direct power purchase agreement (DPPA) mechanism, expected by 2026, which will let factories buy clean power directly from generators. "It could be a game-changer when paired with operating lease models," said deputy CEO Pham Dang An.

Investors are taking notice. Dragon Capital reports rooftop generation costs 10–35% below EVN retail tariffs. "If third-party sales were allowed, investment would accelerate significantly," said portfolio manager Nguyen Huu Quang.

Yet challenges remain. Deloitte Vietnam points to technical constraints, limited capital access, legal complexity, and grid mismatches. Although Power Development Plan VIII outlines ambitious targets, detailed pricing and enforcement rules are still pending.

For now, manufacturers view rooftop solar as both risk management and competitive edge—evidence that Vietnam's energy transition is beginning to take root on the factory roof. VIR

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Vietnam business group urges end to red tape in alcohol retail sector

Vietnam's leading business association has called for the abolition of alcohol retail and distribution licensing, citing regulatory overlap and unnecessary red tape. In a formal proposal to the Ministry of Industry and Trade, the Vietnam Chamber of Commerce and Industry (VCCI) argued that current requirements under Decree 105/2017 and Decree 17/2020 impose redundant burdens on businesses.

According to VCCI, existing food safety, labeling, and product declaration laws already provide sufficient oversight for alcohol, which is classified as a food product. Requiring separate licenses for distribution, wholesale, and retail operations only duplicates regulation, without delivering additional consumer protection or enforcement value.

The business group also took aim at several specific requirements it deems outdated. For example, distributors must operate in at least two provinces and maintain partnerships or branches—criteria VCCI says merely reflect a business model, not a public interest rationale. Meanwhile, mandates for pre-arranged supplier contracts are ill-suited to Vietnam's fast-evolving retail environment, where partnerships change frequently.

In the case of wholesalers and retailers, the regulations mirror each other and require fixed physical premises and ties with other market actors—conditions VCCI describes as basic commercial norms, not justifications for conditional licensing.

The proposal aligns with Vietnam's broader push to streamline business conditions and enhance regulatory transparency. Removing these licensing requirements, VCCI argues, would reduce administrative costs and promote a fairer, more efficient retail landscape—especially for small and medium enterprises navigating tight margins in a competitive market.

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Vietnam draws record FDI despite tariff risks

Even as Washington prepares to introduce reciprocal tariffs in August, foreign capital continues to pour into Vietnam, underscoring investors' confidence in the country's long-term growth story.

Over the weekend, Swire Coca-Cola unveiled a US$136 million beverage plant in Tay Ninh, its largest facility in Vietnam and the first in the nation's food and beverage sector to achieve LEED BD+C gold certification. "This is where innovation meets sustainability," said Milly Cheng, CEO of Coca-Cola Beverages Vietnam, citing the firm's belief in Vietnam's "immense growth potential."

Global names are doubling down. Denmark's LEGO opened a US$1.3 billion factory in Binh Duong in April, while Sweden's SYRE has committed US$1 billion to a new project in Binh Dinh. Nestlé has added US$75 million to its Tri An plant, taking its total investment to over US$900 million.

Investment funds are also taking note. Jeffrey Perlman, CEO of US-based Warburg Pincus, told officials in June that the fund remains committed to Vietnam and supports stronger bilateral trade ties.

These moves help explain why foreign investment hit a 16-year high in the first half of 2025. Registered capital reached US$21.52 billion, up 32.6% from a year earlier, while disbursements rose to US$11.72 billion, the highest six-month level in five years.

Officials say Vietnam's policy reforms and incentives are key to this momentum. Prime Minister Pham Minh Chinh has pledged streamlined procedures, special incentives for large-scale projects, and "green lane" approvals for strategic investments.

Tariff risks loom, but analysts such as VinaCapital argue Vietnam remains attractive so long as levies stay within 10% of peers. The government's challenge now is to deepen reforms, engage investors earlier, and maintain its edge in an increasingly competitive regional landscape. VNA

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