VIETNAM BUSINESS REVIEW

Vol 34, Sep 10, 2025

Top News

Ho Chi Minh City accelerates US$ 6.9 billion international financial hub plan

EVN pushes for two-component electricity pricing to end cross-subsidies

Also in the issue

Vietnam retail sales buoyed by festival demand, poised for strong in 4th quarter

Vietnam tightens rules on e-commerce tax and data protection

Vietnam's FDI disbursement hits five-year high amid manufacturing surge

Vietnamese exporters face rising pressure to embrace green logistics

Ho Chi Minh City accelerates US$ 6.9 billion international financial hub plan

Ho Chi Minh City is pushing ahead with plans to build a $6.88 billion International Financial Centre (IFC), aiming to position itself as a leading financial hub in Southeast Asia.

Vice Chairman Nguyen Van Dung of the city's People's Committee has instructed local departments to finalise the IFC project report this month, keeping the ambitious initiative on track. The Department of Finance will spearhead preparations with support from the Institute for Development Studies, while authorities also consider engaging an international consultancy for operational guidance.

The centre, approved under a National Assembly resolution that took effect September 1, will operate under a unified regulatory framework covering both Ho Chi Minh City and Danang. While Danang will focus on green finance, fintech, and digital assets, Ho Chi Minh City's IFC will offer a broad spectrum of services including banking, capital markets, asset management, and fintech sandbox trials.

Located across 783 hectares in District 1 and Thu Thiem New Urban Area, the IFC will begin with a 9.2-hectare core zone in Thu Thiem, housing regulatory and supervisory bodies. Development costs are projected at VND172 trillion ($6.88 billion), with VND16 trillion allocated to the initial phase. About $80 million will come from the state budget, with the remainder expected from domestic and international investors.

Authorities target late 2025 for the IFC's initial operations, with full completion slated within five years. The project is seen as a cornerstone for Vietnam's ambition to deepen capital market development and enhance global financial integration.

Back to top

Vietnamese exporters face rising pressure to embrace green logistics

Green logistics is no longer a buzzword in Vietnam's supply chain sector. It has become a prerequisite for exporters seeking access to global markets, particularly under tightening EU environmental regulations, industry experts said at a forum in Ho Chi Minh City on September 5.

Vietnam enjoys strong fundamentals to become a regional logistics hub, with a long coastline, deep-water ports, and a booming manufacturing base. The sector has grown 14–16% annually, reaching an estimated value of $45–50 billion. Yet, high logistics costs, heavy reliance on road transport, and environmental impacts remain barriers.

Authorities are pushing infrastructure upgrades and digital customs reforms, while businesses are piloting eco-friendly measures. At Tân Cảng Cát Lái Port, electronic transactions have cut processing times to under 20 minutes and reduced CO_2 emissions by switching to electric cranes. AI-driven route optimisation has trimmed fuel use by up to 15%.

The EU's Carbon Border Adjustment Mechanism, set for full enforcement in 2026, and the Corporate Sustainability Due Diligence Directive are reshaping global supply chains. "Green logistics is a trade passport," said Trương Tấn Lộc of the HCM City Logistics Association. "Compliance ensures continued market access and builds trust with buyers."

Industry representatives urged unified national criteria for green logistics, stronger green finance incentives, and faster rollout of multimodal transport projects. Training programs and policy support, they stressed, will be critical to help Vietnamese firms meet ESG benchmarks and secure long-term competitiveness in global trade. VNS

Back to top

Vietnam tightens rules on e-commerce tax and data protection

Vietnam's booming e-commerce market is entering a new regulatory era as the government sharpens its oversight on taxation and personal data protection. Two major legal instruments – Decree 117 on tax administration and the Personal Data Protection Law (PDPL) – are set to reshape how platforms and sellers operate.

Decree 117, effective July 1, requires both domestic and foreign e-commerce operators to withhold and remit value-added tax (VAT) and personal income tax (PIT) on behalf of households and individuals. Taxes are calculated per transaction, with monthly declarations mandated. This marks a significant shift, placing compliance responsibilities on platform operators rather than individual sellers, many of whom lack tax knowledge.

To meet requirements, platforms must upgrade systems to track revenues, automate tax withholding, and align user agreements with new obligations. Industry experts warn that operators will need to invest in compliance technology and training to avoid risks.

Meanwhile, the PDPL, taking effect in early 2026, introduces strict rules for safeguarding consumer data. While Vietnam's earlier Decree 52 provided a baseline, the new law raises the bar with heavy penalties. Illegal trading of personal data may be fined up to ten times the illicit gain, while unlawful cross-border transfers could cost violators up to 5% of annual revenue.

Authorities face challenges in enforcement, particularly with cross-border platforms operating without local presence. But businesses that fail to adapt risk financial loss, reputational damage, and erosion of consumer trust.

For Vietnam's e-commerce players, the message is clear: compliance is no longer optional. Tax and data safeguards are becoming as important as logistics and payment systems in sustaining growth. VIR

Back to top

EVN pushes for two-component electricity pricing to end cross-subsidies

The head of Vietnam Electricity (EVN) has called for the urgent rollout of a two-component electricity pricing mechanism, arguing that the model could eliminate long-standing cross-subsidies among consumer groups and bring greater transparency to the power sector.

Speaking at a September 4 conference on the implementation of Resolution 70-NQ/TW on national energy security, EVN General Director Nguyen Anh Tuan said the utility is drafting action plans to align with the Politburo's new directive. Resolution 70, adopted earlier this year, provides a policy framework for ensuring energy security through 2030 with a vision to 2045.

Tuan noted that the two-part pricing system—comprising a fixed capacity charge and a variable consumption-based fee—would address disparities in tariffs between households and businesses. "If fully and transparently applied, this model will promote fairness and reflect true market principles," he said.

Vietnam's energy sector has achieved steady growth since Resolution 55 was adopted in 2020, meeting rising demand for economic development and improving living standards, according to the Ministry of Industry and Trade (MoIT). However, the country still faces persistent challenges: the electricity market remains only partially competitive, pricing policies are inconsistent with market mechanisms, and cross-subsidies remain entrenched.

Deputy Minister of Industry and Trade Nguyen Hoang Long warned that while Resolution 70 builds on Resolution 55 with more detailed and responsive guidance, the key challenge lies in implementation. "We can no longer proceed incrementally. By 2025, policy and regulatory bottlenecks must be resolved," he stressed.

EVN also highlighted the need for mechanisms to mobilize base-load power sources, including coal and gas, while requiring renewable energy projects to invest in storage to ensure their transparent participation in the market.

Industry leaders, including Petrovietnam's Deputy General Director Phan Tu Giang, praised Resolution 70 for creating a more open investment climate but urged MoIT to accelerate legal institutionalization to support energy investment and governance.

Back to top

Vietnam retail sales buoyed by festival demand, poised for strong in 4th quarter

Vietnam's retail and service revenue rose 10.6% year-on-year in August to VND588.2 trillion ($23.2 billion), driven by holiday-related spending tied to the 80th anniversaries of the August Revolution and National Day, according to the National Statistics Office.

Consumer activity strengthened across major categories. Apparel sales climbed 13.7%, food and beverages rose 12.3%, and household goods advanced 10.4%. Services also gained, with accommodation and dining revenue up 13.2% and travel services surging 15.2%. Compared with July, total retail and service revenue grew 2.6%.

In the first eight months of 2025, nationwide retail and service revenue reached over VND4.5 quadrillion, up 9.4% from a year earlier. Retail sales continued to dominate, led by food, beverages, and apparel. Accommodation and dining services generated VND550 trillion, nearly 15% higher year-on-year, while travel services posted more than 20% growth to VND61.2 trillion. Other services contributed VND470 trillion, up 11.9% and accounting for just over 10% of the total.

Vietnam's retail and service sectors are set for solid growth in the final quarter of 2025, fueled by seasonal consumption and tourism. The Mid-Autumn Festival, year-end shopping season, and Christmas–New Year holidays are expected to drive demand for food, beverages, apparel, and gifts. Rising tourism and cultural activities will likely support accommodation, dining, and entertainment services.

Analysts project retail and service revenue to expand by 9–11% year-on-year in Q4, sustaining momentum seen earlier in the year. Inflation and interest rate trends remain risks, potentially constraining household budgets. Retailers are expected to intensify promotions and digital engagement, while service providers may offer bundled holiday packages to capture spending.

The combination of festive demand and a steady recovery in services positions Vietnam for a strong finish to 2025, with retail sales set to remain a key pillar of domestic growth.

The Saigontimes

Back to top

Vietnam's FDI disbursement hits five-year high amid manufacturing surge

Foreign direct investment (FDI) disbursement in Vietnam rose 8.8% year-on-year to $15.4 billion in the January–August period, the highest level for the eight-month span in five years, according to the National Statistics Office.

The strong inflow underscores Vietnam's role as a manufacturing hub in Asia's supply chain shift. The manufacturing and processing sector dominated with $12.57 billion, or 81.6% of total disbursements, followed by real estate ($1.24 billion) and electricity, gas, and water ($563.6 million).

Registered FDI surged 27.3% to $26.14 billion, buoyed by both new projects and capital injections. Authorities licensed 2,534 new projects worth $11.03 billion, up 12.6% in number though slightly lower in value. Additional capital hit $10.65 billion, while capital contributions and share purchases totaled $4.46 billion.

Manufacturing retained its lead with 59.2% of newly registered capital and 62.9% of combined new and adjusted inflows, confirming investors' focus on industrial growth. Real estate followed with a 21.5% share.

Among foreign investors, Singapore ranked first with $3.06 billion, or 27.8% of the total, trailed by China ($2.65 billion), Sweden ($1 billion), and Japan ($878 million).

Vietnam is also stepping up outbound investment, channeling $426.5 million into 108 new projects overseas—nearly triple the year-earlier figure—along with $129.7 million in additional funding for existing ventures.

With momentum in FDI inflows and outward expansion, Vietnam is positioning itself both as a magnet for supply chain diversification and an emerging investor abroad. VNS/VNA

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., Ngoc Ha Ward., 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