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US and Vietnam move toward reciprocal trade deal to deepen economic ties

Vietnam and the United States have reached a framework agreement for a reciprocal trade pact, signaling a new phase in bilateral economic cooperation built on fairness, balance, and expanded market access.

Announced on the sidelines of the 47th ASEAN Summit in Kuala Lumpur, the framework outlines key principles for facilitating two-way trade and investment. It comes as bilateral trade surged to US$126.4 billion in the first nine months of 2025, making the US Vietnam's largest export market.

Under the preliminary terms, Vietnam will grant broader market access and preferential treatment to most US industrial and agricultural products. In return, the US will apply a 20% reciprocal tariff on certain Vietnamese goods — a sharp reduction from the previous 46% rate — and may consider zero tariffs for selected items.

Both sides agreed to address non-tariff barriers, with Vietnam committing to accept vehicles meeting US emission standards, expedite approvals for medical, pharmaceutical, and agricultural imports, and enhance protection of intellectual property rights. A joint certification mechanism will also be developed to facilitate agricultural trade.

The two governments pledged deeper cooperation to strengthen supply chain resilience and coordinate export controls to curb trade circumvention — a growing concern in global manufacturing networks.

The announcement also highlighted several major commercial deals, including Vietnam Airlines' order of 50 Boeing aircraft worth over US$8 billion, and 20 MoUs for the purchase of US agricultural goods valued at US$2.9 billion.

The reciprocal trade framework builds on the 2001 Bilateral Trade Agreement, which laid the foundation for Vietnam's integration into the global economy. Both countries aim to finalize technical details and formally sign the new pact in the coming weeks. VOV

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Vietnam and Russia advance 2,200-km rail link to boost Eurasian connectivity

Vietnam and Russia have agreed to jointly develop a 2,200-kilometer railway corridor linking the two nations through China and Mongolia, marking a new step toward deeper Eurasian transport integration.

Russian Deputy Prime Minister Alexey Overchuk unveiled the initiative during talks with Vietnamese Prime Minister Pham Minh Chinh on the sidelines of the 47th ASEAN Summit in Kuala Lumpur. The project aims to enhance trade flows and strengthen supply chain resilience across the region.

Transport companies from Russia, Vietnam, and China are expected to outline an implementation plan in 2025, with financial coordination involving both state agencies and private investors. Vietnam has signed a technical support agreement with China, while Russia's FESCO Transportation Group plans to raise cargo train frequency to six trips per month — two inbound and four outbound.

The railway will mainly facilitate exports from Russia's Tuva region, Mongolia, and southern China, connecting to Vietnam's expanding port system. Analysts say the route could reduce dependency on maritime channels, offering a faster land alternative for cargo moving between Northeast Asia and Southeast Asia.

Overchuk called Vietnam a "trustworthy and time-honoured partner," stressing that cooperation with the Southeast Asian nation remains a strategic priority for Moscow.

Experts view the project as a key component of the emerging Eurasian logistics map. Once operational, it is expected to reshape regional trade corridors, deepen economic interdependence, and provide Vietnam with a stronger foothold in cross-continental supply networks. VNA

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Social commerce reshapes Vietnam's E-Commerce landscape

Vietnam's e-commerce market is entering a new phase, as Shopee and TikTok Shop continue to consolidate their dominance while social commerce transforms from a rising trend into a mainstream business model. The shift is powered by the rapid expansion of shoppertainment—a fusion of shopping and entertainment that is reshaping consumer engagement.

In the third quarter of 2025, TikTok Shop captured 41% of total online sales, up sharply from 30% earlier, marking one of the most notable surges in the market. The platform's momentum underscores how social commerce has evolved into a key sales channel, drawing a growing number of brands and retailers.

The market's growing sophistication is also reflected in the pivotal role of official brand channels (Mall). Although these verified stores on Shopee and TikTok Shop account for only 2.64% of total sellers, they generated 35.7% of total e-commerce revenue in Q3 2025.

For major brands and authorized retailers, Shopee Mall remains a vital platform to enhance brand credibility, broaden user engagement, and diversify customer experiences. Meanwhile, TikTok Shop Mall posted extraordinary growth, with the number of stores rising 51.9% and sales soaring 114.7% during the quarter.

This double-digit expansion signals a clear strategic pivot by major brands toward social commerce, leveraging it not only as a sales driver but also as an effective direct-to-consumer (D2C) branding tool. As the lines between content, entertainment, and commerce continue to blur, Vietnam is emerging as one of Southeast Asia's most dynamic testing grounds for this hybrid retail model.

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Vietnam launches green hydrogen hub to accelerate energy transition

Vietnam has inaugurated the Green Hydrogen Hub at the Vietnamese-German University (VGU) in Ho Chi Minh City, signaling a significant step in its strategy to build a green hydrogen economy and advance its clean energy transition.

Launched on October 22, the hub is designed as a physical center for collaboration among academia, industry, and policymakers. It aims to accelerate hydrogen technology deployment through business matchmaking, technology transfer, and training programs for students, professionals, and energy specialists.

“The hub is more than a network—it is an epicenter of collaboration and innovation,” said Michaela Baur, country director of GIZ Vietnam. The project forms part of the International Hydrogen Ramp-up Programme (H2Uppp), implemented by the GIZ Energy Support Programme under Germany’s Federal Ministry for Economic Affairs and Energy.

According to VGU vice president Thomas Aulig, the hub will promote education, research, and innovation in renewable energy and hydrogen technologies. Henri Wasnick, director of H2Uppp, added that strong engagement from both German and Vietnamese enterprises reflects growing momentum across the hydrogen value chain.

The initiative seeks to lay the groundwork for a comprehensive hydrogen ecosystem—linking policy dialogue, market development, and workforce training. Analysts say the hub could help Vietnam tap into regional hydrogen supply chains and position itself as a potential exporter of green fuels in the long term, complementing its renewable power ambitions. VIR

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AEON Vietnam accelerates nationwide retail push amid rising competition

Japanese retail group AEON is set to deepen its footprint in Vietnam in 2025, unveiling an ambitious plan to triple its operational scale by 2030 as it diversifies retail formats and expands beyond major cities.

The company has opened two new business locations this month — AEON Van Giang in Hung Yen and AEON Tan An in Tay Ninh — marking the latest steps in a broader expansion that began earlier this year with AEON Xuan Thuy in Hanoi. The rollout also includes new MaxValu supermarkets and speciality stores, part of AEON's strategy to build a multi-format retail ecosystem across Vietnam.

With total investment in the country reaching about $1.5 billion, AEON plans to inject a similar amount over the next decade to sustain a 30% annual revenue growth target. By the end of 2025, the group expects to operate eight shopping centres, 15 supermarkets, 45 mid-sized outlets, 180 convenience stores, and nearly 30 speciality shops.

According to Tezuka Daisuke, AEON's chief representative in Vietnam, the company views Vietnam as one of its "priority markets" alongside Japan, citing robust consumer demand and rapid urbanisation.

AEON's 2025 strategy hinges on two pillars: geographic diversification into new provinces such as those in the Red River Delta and Mekong Delta, and flexible retail models suited to both urban and suburban settings. This multi-format approach, analysts say, positions AEON to compete more effectively against domestic and regional rivals in Southeast Asia's fastest-growing consumer market.

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Vietnam's FDI reaches five-year high, driven by Investor confidence and regional reforms

Vietnam's foreign direct investment (FDI) continued to accelerate in 2025, with total registered capital reaching US$28.54 billion as of September, up 15.2% year-on-year, marking the highest level in five years, according to the General Statistics Office.

The country licensed 2,926 new projects, a 17.4% rise from a year earlier, as foreign investors—particularly small and medium-sized enterprises—expanded their footprint. Despite an 8.6% decline in newly registered capital to US$12.39 billion, disbursed FDI climbed 8.5% to US$18.8 billion, underscoring sustained investor confidence in Vietnam's business environment.

Deputy Director General Nguyen Anh Tuan of the Foreign Investment Agency said that under Resolution 50, Vietnam will prioritize investment quality and efficiency in the next five-year plan (2026–2030), targeting double-digit growth and deeper integration between foreign and domestic enterprises.

Ho Chi Minh City led nationwide inflows, attracting US$4.4 billion in new and adjusted capital, equivalent to 118% of its annual plan. Chairman Nguyen Van Duoc said flagship projects such as the IFC International Transshipment Port and Smart City will anchor the city's ambition to become a regional logistics and financial hub.

In the north, Bac Ninh province drew US$4.7 billion, accounting for 16.8% of total FDI, followed by Hanoi (US$3.8 billion). Home to major tech investors including Samsung, Foxconn, and Goertek, Bac Ninh is positioning itself as a high-tech manufacturing cluster with a strong local supply ecosystem.

Meanwhile, the newly merged Khanh Hoa–Ninh Thuan province in the south-central region is emerging as a new growth frontier. With a 500-kilometer coastline and ambitions to become a centrally governed city by 2030, it aims to attract investors through infrastructure upgrades, administrative streamlining, and fiscal reforms.

As Vietnam optimizes regional development and reforms investment governance, analysts say the country is reinforcing its reputation as one of Asia's most dynamic and reliable FDI destinations. VOV

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  3-7-1 Minatomirai, Nishi ward, Yokohama
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- Telephone: +84-24-6275-5246 ; +84-24-6273-6989
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