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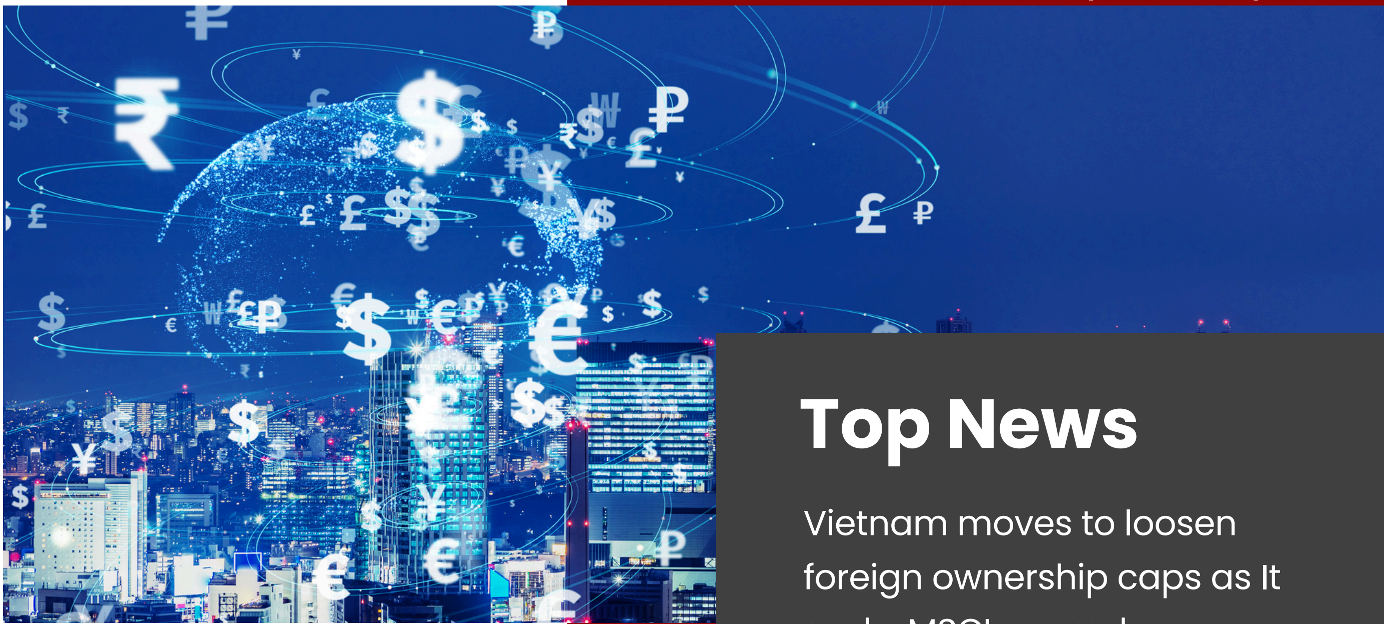

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Vietnam moves to loosen foreign ownership caps as It seeks MSCI upgrade

Vietnam is pushing forward a new set of capital-market reforms aimed at easing access for foreign investors, a key step in its long-term ambition to secure an upgrade from MSCI.

The Ministry of Finance on November 6 issued Decision 3761, detailing the implementation plan for a broader government programme designed to elevate Vietnam's market classification. Central to the initiative is a review of foreign ownership caps — long seen as one of the biggest obstacles for global funds seeking exposure to Vietnamese equities.

The Foreign Investment Agency, the State Securities Commission and the Ministry of Justice have been assigned to reassess sectoral restrictions, with the possibility of widening or removing caps in areas unrelated to national security. Regulators say the move will improve transparency and align Vietnam more closely with international standards.

Foreign ownership limits currently vary by industry, ranging from 5–10% in some sectors to as high as 100% in others. Many listed firms have deliberately maintained low ceilings to guard against hostile takeovers or allocate space for future strategic investors, limiting liquidity and constraining foreign participation.

A recent regulatory amendment — Decree 245 — has eliminated the previous practice that allowed companies to unilaterally set their own maximum foreign room. Public companies must now disclose their limits consistently across official websites and exchange platforms. Despite positive macroeconomic signals, foreign capital has been exiting the market. Since early 2025, overseas investors have net sold more than VND 123 trillion (US$4.7 billion) on the Ho Chi Minh Stock Exchange, with outflows accelerating after the VN-Index hit historic highs in August.

Analysts, however, expect sentiment to improve as Vietnam prepares to be included in FTSE Russell's secondary emerging-market tier. FTSE estimates Vietnam will account for 0.34% of its Emerging All Cap Index and 0.22% of its Emerging Index — allocations that could trigger passive inflows once the upgrade takes effect.

Market specialists say the latest reforms signal Vietnam's determination to modernize its capital markets, strengthen governance, and meet the technical criteria required for an eventual MSCI reclassification. VNA/VNS

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Ho Chi Minh City accelerates rail build-out with US$ 19.7 billion investment push

Ho Chi Minh City is preparing a major expansion of its urban rail network, targeting the completion of roughly 232km of new lines by 2030 as part of a broader infrastructure drive worth an estimated $19.67 billion. The plan underscores the southern metropolis's ambition to ease chronic congestion and unlock new growth corridors amid rapid urbanisation.

According to Tran Quang Lam, Director of the municipal Construction Department, the national railway master plan approved by the Prime Minister envisions seven routes spanning 547km within HCMC. At the city level, a far more extensive network is planned: 27 routes totaling 1,024km, reflecting the long-term orientation toward mass transit–led development.

For the 2025-2030 period, HCMC will prioritise six strategic projects, including key segments of Metro Line 2, the Thu Thiem–Long Thanh railway, links to Binh Duong New City and Thu Dau Mot, the first phase of Metro Line 6 connecting Tan Son Nhat Airport to Phu Huu, and the new Ben Thanh–Can Gio railway.

A symbolic milestone will come on December 19, when the city breaks ground on the Ben Thanh–Can Gio metro line. Valued at nearly $3.3 billion, the project is set to become a transformational southbound transport axis, slashing travel time to the coastal district and catalysing tourism and economic activity in Can Gio. Officials say the line will form a backbone for new urban development, while reinforcing HCMC's long-term shift toward modern, high-capacity public transport. Vneconomy

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Vietnam pushes responsible e-commerce growth with Online Friday 2025

Vietnam has kicked off its largest annual online shopping festival as the government moves to strengthen consumer trust and promote sustainable digital consumption in a rapidly expanding e-commerce market.

The Ministry of Industry and Trade's E-Commerce and Digital Economy Agency on Friday launched "Online Friday 2025," a five-day event designed not only to stimulate end-year spending but also to reinforce standards around product authenticity and responsible buying behavior.

Deputy Minister of Industry and Trade Phan Thi Thang said lingering concerns over counterfeit and substandard goods remain a major barrier to online retail growth. Despite strong digital adoption, Vietnam continues to face challenges in intellectual property violations and inconsistent product quality across both online and offline channels.

The government aims to use this year's event — part of the broader E-commerce Week — to signal a tighter stance on transparency. The initiative underscores shared responsibility among regulators, digital platforms and sellers to ensure a safer and more trustworthy e-commerce environment.

A key feature of Online Friday 2025 is a large-scale "Mega Livestream" aimed at educating consumers on how to identify authentic products and reduce exposure to online scams. Major platforms are expected to use the session to demonstrate verification tools and promote safer shopping practices.

Leading players such as TikTok Shop and logistics firm Deli continue their third year as strategic partners, while Shopee, Lazada, Sendo, and ecosystem providers including AccessTrade, Grab and Viettel Post also support the campaign. The participation of well-known consumer brands provides additional momentum, offering discounted, Vietnam-made goods to encourage domestic consumption.

As Vietnam accelerates its digital economy strategy, the event reflects a shift from pure promotional activities toward building long-term trust — a prerequisite for the country's next stage of e-commerce expansion. VNS

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Vietnam under pressure to issue final guidance on stalled FIT payments

Foreign investors are urging the Vietnamese government to quickly resolve a months-long dispute over feed-in-tariff (FIT) payments, warning that regulatory uncertainty is undermining confidence in the country's renewable-energy investment climate.

According to a report released at the Vietnam Business Forum (VBF) 2025 on November 10, state utility Vietnam Electricity (EVN) has withheld FIT payments from multiple operational wind and solar projects since the second quarter of 2025. The projects, which operate under 15–20-year power purchase agreements (PPAs), had previously been recognised as FIT-eligible and were built based on tariff guarantees issued by the Ministry of Industry and Trade (MoIT).

EVN argues that some developers failed to meet certain regulatory requirements at the time of commercial operation, including the lack of construction acceptance documents. Developers and lenders linked to 173 renewable-energy projects have filed a second urgent petition requesting the government to uphold previously confirmed FIT eligibility and commercial operation dates.

The VBF working group noted that while regulatory non-compliance should be subject to administrative penalties, Vietnam's legal framework does not provide grounds to retroactively strip FIT entitlements. As a result, investors say EVN's withholding of payments—along with the potential clawback of past disbursements—has created significant financial strain and raised broader concerns about contract sanctity.

Renewable-energy financiers warn that the dispute risks damaging Vietnam's reputation as a stable investment destination at a time when the country is competing for foreign capital to accelerate its energy transition.

The VBF working group stressed that any government action must remain consistent with existing laws and respect the legitimate rights of investors. Historical policy inconsistencies should be reviewed for future improvement, the group said, but retroactive changes that undermine binding contracts must be avoided to restore investor confidence. VIR

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VIPTAM bets on social-commerce to lift bilateral trade with US to US$ 50 billion

VIPTAM Technology Group has unveiled an ambitious social-commerce model aimed at reshaping trade flows with the United States, setting a decade-long target of boosting two-way trade to US$50 billion.

At an event in Washington D.C. on November 14, the company and logistics partner InLog Corporation signed a 10-year cooperation plan (2025–2035), positioning VIPTAM's VDONE Network as the central platform connecting consumers and brands across both markets.

The first bilateral order, valued at US$100 million, marks the initial step toward achieving a near-term goal of US$1 billion in two-way trade in 2025–2026, split evenly between Vietnamese exports and imports of US goods.

The initiative brings major US and international brands onto the VDONE ecosystem, which combines social media engagement with cross-border commerce. VIPTAM plans to scale the platform to one billion users globally over the next decade.

The model is built on three pillars: retail, logistics, and digital platforms. VDONE acts as a consumer-enterprise-investor hub, InLog provides end-to-end supply chain services between the two countries, and commercial partners supply verified US products for the VDONE marketplace.

VIPTAM Chairman Nguyen Thanh Tuan said the platform aims to offer a balanced trade channel, enabling Vietnamese consumers to buy US products while opening new pathways for Vietnamese goods to enter the US market. He added that upcoming tariff agreements between Washington and Hanoi could further accelerate platform-driven trade.

InLog CEO Jeffrey Griffis said the integration of social networking and e-commerce gives the model a competitive edge in Vietnam, with plans to replicate the approach in the US once it proves successful. Vneconomy

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Vietnam FDI hits five-year high as investors seek stronger policy certainty

Vietnam recorded US$21.3 billion in realised foreign direct investment in the first 10 months of 2025, an 8.8% increase and the highest level since 2020, defying the global downturn in capital flows. Total registered FDI rose 15.6% year-on-year to US$31.52 billion, driven by over 3,300 newly approved projects—though average project size declined.

The figures reinforce Vietnam's position as a rising manufacturing and technology hub in Asia. But investors at the 2025 Vietnam Business Forum in Hanoi stressed that policy consistency and enforcement will determine whether the country can continue attracting high-quality capital.

Foreign business associations—from Korea, Japan, Europe and the UK—highlighted new momentum in high-tech sectors. KoCham noted growing investor attention to Vietnam's policies on semiconductors and artificial intelligence, expecting follow-on investment once early projects mature. Japan's JCCI reported a shift among Japanese firms from labour-intensive operations toward value-added manufacturing, with stronger interest in infrastructure and workforce upgrading.

Investors welcomed Vietnam's July rollout of a streamlined two-tier local administration model, but warned that inconsistent implementation between central and local authorities remains a drag on business operations. Several groups called for stronger safeguards to shield long-term projects from abrupt regulatory changes.

Infrastructure continues to be a priority. EuroCham and BritCham urged accelerated delivery of strategic projects—including Long Thanh International Airport, expressways and rail upgrades—and deeper alignment with ASEAN connectivity standards. They also pressed for more competitive visa policies to match regional peers.

As Vietnam advances its agendas for green growth, circular economy and digital transformation, investors are waiting for clearer, more coordinated policies to capture incoming capital flows.

Local governments are also stepping up reforms. Ho Chi Minh City pledged to cut administrative procedures and processing times by at least 30% to strengthen its investment appeal.

Business groups recommended more frequent government–investor dialogues and transitional legal measures to protect ongoing and upcoming FDI commitments. Many stressed that Vietnam's next growth phase hinges on institutional reform, workforce quality, green standards and high-tech investment—areas seen as critical for sustaining its ascent as Asia's next FDI hub.

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