VIETNAM BUSINESS REVIEW

Vol 01, Jan 07, 2026

Top News

Vietnam posts strong operational efficiency in World Bank's business ready ranking

Green hydrogen and ammonia emerge as strategic complements for the energy transition

Also in the issue

Vietnam's domestic market set for sustained double-digit growth

Vietnam's E-commerce enters a new phase as regulation tightens and competition intensifies

Ho Chi Minh City's industrial zones defy headwinds with US$ 5.4 billion investment haul

China–Vietnam rail freight surges as cross-border logistics deepen

Vietnam posts strong operational efficiency in World Bank's business ready ranking

Vietnam has emerged as one of the strongest performers among emerging markets in the World Bank's inaugural Business Ready 2025 report, underscoring steady progress in reducing operational friction for businesses even as structural gaps remain.

The country ranked 16th out of 101 economies in operational efficiency, placing it in the top global quintile with a score of 70.44. The pillar assesses how effectively firms can comply with regulations and access public services in practice, rather than on paper.

Vietnam's strongest results were recorded in utility services, where it scored above 90 points, reflecting reliable access to electricity and infrastructure that supports industrial and commercial activity. Financial services also stood out, alongside relatively solid performance in business entry and labor regulation, reinforcing the country's appeal as a manufacturing and investment destination.

However, the report highlights notable weaknesses that could constrain long-term competitiveness. Vietnam ranked only in the middle tier for regulatory framework and public services, while business insolvency and market competition scored particularly low. These areas point to challenges in capital reallocation, corporate restructuring and fair market dynamics — issues critical for productivity growth as the economy matures.

The World Bank notes that economies with young and expanding workforces, such as Vietnam, often face greater pressure to generate jobs and improve institutional capacity simultaneously. Addressing insolvency procedures and strengthening competition policy will be key to sustaining private-sector dynamism.

Globally, only a small group of economies — led by Singapore — achieved consistently high scores across all pillars, highlighting how difficult comprehensive reform remains. As the Business Ready assessment expands to more than 160 economies by 2026, Vietnam's performance positions it as a regional frontrunner, but also signals where the next phase of reform must focus. Vnexpress

Back to top

China–Vietnam rail freight surges as cross-border logistics deepen

Cross-border freight trains linking China's Guangxi Zhuang Autonomous Region with Vietnam recorded a sharp rise in 2025, underscoring the growing role of rail transport in bilateral and regional supply chains.

Rail shipments on the route reached a record 37,000 twenty-foot equivalent units (TEUs) last year, up 86% from 2024, according to the Nanning Railway Logistics Centre. The surge reflects not only rising trade volumes but also a broader diversification of goods, with the number of commodity categories transported expanding from 262 to 455.

Rail now dominates China's overland exports to Vietnam. Cargo on the Guangxi–Vietnam route accounted for 73% of total rail-exported volume and 86% of containerised rail shipments to Vietnam in 2025, both marking notable gains from a year earlier. The figures highlight the increasing preference for rail over road for cross-border movements that require reliability and scale.

Capacity upgrades have been a key driver. China's railway authorities raised the towing capacity on the Pingxiang–Đồng Đăng route from 1,000 tonnes to 1,300 tonnes per train, lifting customs clearance capacity at the Pingxiang border gate by around 30%. Weekly train frequency was also expanded from three to 14 services, providing more stable and predictable transport capacity for exporters.

With shorter transit times, competitive costs and higher operational stability, the China–Vietnam rail corridor is emerging as a strategic logistics channel for Chinese firms seeking deeper access to ASEAN markets. It is particularly attractive for less-than-container-load shipments, where flexibility and cost efficiency are critical.

Looking ahead, further reforms to customs supervision at Nanning International Railway Port are expected to streamline clearance procedures, reduce logistics costs and enhance the quality of the cross-border rail service—reinforcing rail's role in regional trade integration.

Back to top

Vietnam’s E-commerce enters a new phase as regulation tightens and competition intensifies

Vietnam’s e-commerce market underwent a structural shift in 2025, as intensifying competition and tighter regulations began to reshape growth dynamics, according to the Vietnam Tech & Venture Capital Outlook 2025 by VinVentures.

Shopee remained the market leader in the third quarter, holding a 56% share, but its sales growth slowed to just 4% year-on-year, signalling signs of market saturation amid rising costs. In contrast, TikTok Shop continued its rapid ascent, expanding its market share from 30% to 41% and posting 69% growth, driven by its livestream and short-video “shoppertainment” model. Lazada maintained a marginal presence, while domestic player Tiki saw a sharp contraction.

Seller dynamics underscored this shift. TikTok Shop nearly doubled its seller base in the first half of the year, while Shopee lost roughly one-third of its active sellers. TikTok Shop’s rising average transaction value suggested a move beyond low-priced impulse goods toward branded and higher-quality products.

Beauty, home and living, and women’s fashion emerged as the highest-grossing categories, reflecting stable consumer demand despite broader economic pressures. Following TikTok’s success, livestream commerce has become an industry benchmark, prompting platforms, brands and service providers to rapidly build creator-led ecosystems.

Regulation is also redefining the landscape. From July 2025, platforms are required to withhold value-added tax and personal income tax on behalf of sellers, effectively formalising income for thousands of micro-entrepreneurs. While the move improves transparency, it raises compliance costs and operational complexity.

Looking ahead, success will increasingly favour large platforms and well-capitalised brands that can leverage AI to improve efficiency and navigate regulatory demands, while smaller sellers may face mounting pressure to adapt or exit. VIR

Back to top

Green hydrogen and ammonia emerge as strategic complements for the Vietnam energy transition

Vietnam is positioning itself for the next phase of the energy transition, with green hydrogen and ammonia emerging as strategic complements to its fast-growing renewable sector. The country's abundant wind, solar and biomass resources provide a natural foundation for producing low-carbon fuels, at a time when global emissions continue to rise and pressure is mounting on emerging economies to decarbonise without slowing growth.

Energy demand in Vietnam is still expanding rapidly, making the transition challenge more complex than in mature economies. Against this backdrop, hydrogen and ammonia are increasingly viewed not as replacements for renewables, but as enabling technologies — capable of storing clean power, stabilising the grid and supplying hard-to-abate sectors.

Vietnam's policy direction has become clearer over the past two years. The hydrogen development strategy issued in early 2024 sets out production targets through 2050 and prioritises pilot projects that blend hydrogen with gas and ammonia with coal. These ambitions are now embedded in the revised Power Development Plan VIII, which links large-scale offshore wind and solar expansion to future hydrogen and ammonia production for domestic use and potential exports.

In the longer term, green ammonia is expected to partially displace coal in thermal power generation, while hydrogen could reduce reliance on imported liquefied natural gas. Beyond electricity, both fuels are being considered for transport segments where electrification remains difficult, including shipping, rail and inland waterways.

The remaining challenge lies in execution. While political commitment is evident, Vietnam still lacks a comprehensive regulatory framework covering production, transport, certification and trade. Clearer commercial rules, technical standards and safety guidelines will be critical to attract investment and scale projects beyond pilots.

Ultimately, Vietnam's success will depend on whether it can translate policy momentum into a coordinated, bankable clean-fuel ecosystem — turning renewable potential into a durable pillar of energy security and industrial competitiveness. VIR

Back to top

Vietnam’s domestic market set for sustained double-digit growth

Vietnam’s domestic market is poised for robust expansion from 2026 to 2030, underpinned by structural shifts in consumption, rising incomes and a rapid digital transition, according to a late-December report by the Ministry of Industry and Trade.

Economic growth is expected to remain strong over the period, with average annual GDP growth targeted at 7.5–8.5 per cent and ambitions to reach around 10 per cent. By 2030, GDP per capita is projected to climb to $7,400–7,600, supporting Vietnam’s goal of achieving upper-middle-income status and joining the world’s 30 largest economies.

Retail sales are forecast to reach about VND12.5 quadrillion ($450 billion) by 2030, reflecting the growing purchasing power of a population expected to exceed 100 million. Rural areas, home to nearly 60 per cent of the population, are emerging as an increasingly important growth engine as incomes rise faster than in urban centres, with rural earnings targeted to increase up to threefold from 2020 levels.

Digitalisation is reshaping consumption patterns. The digital economy is expected to account for 30 per cent of GDP by 2030, while e-commerce is projected to grow by around 20 per cent annually, with online retail revenue potentially reaching $70 billion. This expansion is supported by the rapid adoption of digital payments and online banking.

While traditional retail channels still dominate, their share is gradually eroding. Modern retail formats and e-commerce are expected to gain ground, pushing the modern retail share to around 40 per cent by 2030. Omnichannel strategies, integrating online and offline experiences, are becoming central to competition in Vietnam’s evolving consumer market.

Back to top

Ho Chi Minh City's industrial zones defy headwinds with US$ 5.4 billion investment haul

Ho Chi Minh City's export processing zones and industrial parks attracted more than US$5.4 billion in investment in 2025, exceeding official targets and underscoring the city's resilience as a manufacturing and technology hub despite a more cautious global capital environment.

Foreign direct investment reached over US$3.4 billion, easing slightly from the previous year. However, the composition of inflows reveals a more nuanced picture: while new project registrations slowed, additional capital injections into existing facilities rose, signaling long-term confidence among established investors and ongoing capacity expansion.

Domestic investment emerged as a key stabiliser. Capital from local enterprises surpassed VND49 trillion, up nearly 20% year on year, supported by growth in both new registrations and project expansions. This domestic momentum helped offset softer foreign inflows and reflects improving balance-sheet strength among Vietnamese manufacturers.

Leasing demand for industrial land and ready-built factories continued to climb, pushing occupancy rates across major zones to high levels. For investors, this tight supply environment highlights the structural strength of Ho Chi Minh City's industrial real estate market.

Looking ahead to 2026, authorities are targeting total investment of US$4.25–4.5 billion, with a sharper focus on capital efficiency and technology intensity. Priority sectors include semiconductors, electronics, artificial intelligence, biotechnology and data-driven industries, aligning with Vietnam's broader push up the manufacturing value chain.

As the city plans to expand its industrial zone footprint through 2030 and beyond, Ho Chi Minh City is positioning itself less as a low-cost production base and more as a platform for high-value, innovation-led investment in Southeast Asia. VOV

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