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## Vietnam targets massive capital mobilization to sustain double-digit growth

Vietnam plans to mobilize about VND38.5 quadrillion (roughly \$1.5 trillion) in long-term capital between 2026 and 2030, as authorities seek to sustain double-digit growth while reducing reliance on bank lending.

Speaking at a national policy conference, Nguyen Thanh Nghi outlined the financing roadmap tied to resolutions adopted by the Communist Party of Vietnam Central Committee on socio-economic development, public investment, and national financial strategy.

Around VND8.5 quadrillion (about \$340 billion)—equivalent to roughly 20–22% of total investment demand—is expected to come from the state budget, with the remainder mobilized from private and institutional sources. The approach reflects a broader push to strengthen domestic capital markets as the main channel for medium- and long-term funding.

Authorities also plan to modernize the banking sector, restructure weak institutions, and increase charter capital for state-owned commercial banks to safeguard financial stability. A comprehensive financial market reform program is scheduled for completion in 2026, alongside new policies designed to attract international investment funds and diversify capital sources.

Fiscal discipline will underpin the strategy. The government targets a 10% rise in state budget revenue in 2026 while cutting regular spending by at least 10%. Government and project bond issuance is expected to finance major infrastructure, while public investment will act as a catalyst for private capital through public-private partnerships, reinforcing Vietnam's shift toward a more market-driven financial system. The Saigon times



## Vietnam launches northern high-speed rail corridor to boost logistics connectivity

Vietnam has begun construction of its first high-speed railway linking Hanoi with key industrial and port hubs including Bac Ninh, Haiphong and Quang Ninh Province, marking a significant step in modernizing the country's northern logistics network.

Groundbreaking took place on April 12 for the 120-kilometer line, which carries an investment of more than VND147 trillion (US\$ 5.8 billion). Once operational in 2028, the fully electrified, double-track railway is expected to cut travel time between Hanoi and Quang Ninh to just 23–30 minutes, dramatically improving passenger mobility and enabling faster movement across the northern economic triangle.

The route will run from Co Loa Station in Hanoi to Halong Xanh Station in Quang Ninh, passing major nodes such as Gia Binh, Ninh Xa and Yen Tu. Designed for speeds of up to 350 km per hour, the corridor is expected to strengthen integration between manufacturing centers in Bac Ninh, port logistics in Haiphong and tourism and industrial zones in Quang Ninh.

The project is being developed by VinSpeed High-Speed Rail Investment and Development JSC, a subsidiary of Vingroup, with advanced rolling stock and signaling systems supplied by Siemens Mobility. The government will fund approximately VND10 trillion ( US\$ 400 million) for land clearance across more than 550 hectares in four localities.

This marks the developer's second high-speed rail venture, following the earlier launch of the Ben Thanh–Can Gio line in southern Vietnam. Together, the projects signal growing private sector participation in large-scale rail infrastructure, supporting Vietnam's long-term strategy to enhance regional logistics efficiency and reduce reliance on road transport. The Saigontimes

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## Cross-border e-commerce will be next export engine of Vietnam

Vietnam's fast-growing digital marketplace is turning attention outward, as policymakers and businesses seek to transform cross-border e-commerce into a meaningful export channel despite its still modest share of total trade.

The country's domestic e-commerce market reached an estimated \$31 billion in 2025, placing Vietnam among the world's top 10 markets and within ASEAN's top three. Yet cross-border e-commerce trade totaled only \$4.45 billion, a fraction of Vietnam's overall \$930 billion import-export turnover, underscoring large untapped potential.

Officials view cross-border online trade as a structural shift rather than a niche channel. By enabling businesses to reach global consumers directly, the model reduces reliance on traditional distribution networks while lowering marketing and operational costs. It also opens international markets to small and medium-sized enterprises that previously lacked export capacity.

New regulatory support is expected to accelerate adoption. Vietnam's revised E-commerce Law, scheduled to take effect in July 2026, together with the national e-commerce development plan for 2026-30, aims to strengthen legal transparency and upgrade digital infrastructure, logistics and payment systems.

Growth forecasts point to strong momentum in sectors where Vietnam holds manufacturing advantages. E-commerce exports in furniture are projected to grow about 20% annually through 2029, while fashion exports could expand 26% per year, significantly outpacing traditional export channels.

Still, structural barriers remain. High logistics costs, compliance requirements in overseas markets and dependence on foreign platforms such as Amazon, Alibaba, Shopee, TikTok Shop and Lazada continue to constrain growth. Many exporters also lack strong branding and digital skills, limiting their ability to capture higher value.

To unlock the sector's potential, policymakers are prioritizing logistics hubs in nearby markets and encouraging businesses to invest in certifications, brand development and advanced technologies such as data analytics and artificial intelligence.

As Vietnam seeks new drivers of export growth, cross-border e-commerce is increasingly positioned as a long-term pillar of the country's digital trade strategy. VNS

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## Vietnam pushes battery storage rollout as renewables strain grid

Vietnam is accelerating investment in battery energy storage systems (BESS) as rising renewable generation places increasing pressure on grid stability, with state utility Vietnam Electricity stepping up nationwide deployment plans.

At a review meeting in Hanoi, EVN said battery storage is becoming a central component of Vietnam's power strategy, mirroring global trends where installed BESS capacity is expected to reach roughly 300 GW by 2025. The utility views storage as essential to managing fluctuations from solar and wind power, while reducing reliance on conventional peaking plants.

Since 2025, EVN has instructed subsidiaries to prepare grid-level battery investments to secure supply during peak demand periods starting in 2026. Northern Vietnam has been identified as an early priority, reflecting both rapid demand growth and rising renewable penetration.

Under initial plans, Northern Power Corporation has surveyed 110 kV substations capable of hosting up to 530 MW of storage capacity with two-hour duration. A first-phase rollout totaling 305 MW is scheduled for completion by mid-2026. Meanwhile, Hanoi Power Corporation is piloting 50 MW across five substations in the capital, part of a broader 275 MW program.

Further south, Southern Power Corporation is evaluating battery deployment on island grids, where storage could reduce costly diesel dependence. Transmission operator National Power Transmission Corporation is targeting its first 100 MW installation by early 2027.

Vietnam's revised National Power Development Plan VIII sets an ambitious target of 10–16.3 GW of storage capacity by 2030, signaling the technology's expanding role in the country's long-term energy mix.

Still, high upfront costs, regulatory gaps, site planning constraints and fire safety standards remain key hurdles. Authorities are now working to refine investment mechanisms and technical regulations, as Vietnam moves to integrate storage not only for peak shaving but also for broader grid optimization and renewable balancing. VIR

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## Outlet and duty-free retail are expected to lift tourist spending in Vietnam

Vietnam is moving to reshape its retail landscape by introducing modern outlet and duty-free formats, aiming to turn shopping into a stronger pillar of tourism growth and consumer spending.

At a recent consultation hosted by the Ministry of Industry and Trade of Vietnam, policymakers outlined a draft roadmap to develop outlet and duty-free retail models through 2030, with a long-term vision to 2045. The initiative comes as Vietnam's retail sector continues to expand at an annual pace of 8–10%, yet remains dominated by traditional formats and fragmented outlet operations. Officials see tourism spending as a key growth lever. International visitors to Vietnam currently spend about \$1,050–1,150 per trip—well below levels seen in regional peers such as Thailand and Singapore. Raising shopping expenditure is viewed as one of the fastest ways to narrow this gap and increase tourism value per visitor.

Globally, outlet retail has evolved into a major distribution and tourism driver. Large outlet complexes in markets such as the United States, Japan and China have combined discounted brand shopping with dining, entertainment and cultural experiences, effectively turning retail into a destination rather than a transaction.

Under the draft plan, Vietnam aims to establish at least five tourism-linked outlet centers by 2030 in major hubs including Hanoi, Ho Chi Minh City, Da Nang, Quang Ninh Province and An Giang Province. Over the longer term, premium outlet “villages” are expected to expand nationwide, targeting both domestic shoppers and international tourists.

Two formats are envisioned: large-scale premium outlet villages designed as integrated lifestyle destinations, and smaller urban or suburban outlet centers suited to local infrastructure and mid-market demand. Parallel to this, duty-free retail is planned to extend beyond international airports to major border gates and downtown areas in key tourism cities, broadening access to both eligible foreign visitors and domestic consumers. If successfully executed, the outlet and duty-free expansion could generate an estimated VND579 trillion (about \$22 billion) in direct revenue—equivalent to roughly 10% of projected retail market growth. For retailers and tourism operators, the strategy signals a shift toward experience-driven consumption, positioning shopping as a core engine of Vietnam's next phase of visitor economy development. VNE

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## European investors still consider Vietnam as a long-term investment destination despite short-term caution

Vietnam continues to stand out as a resilient investment destination for European businesses, even as global uncertainties temper near-term sentiment, according to the latest survey by European Chamber of Commerce in Vietnam.

The chamber's Business Confidence Index (BCI) for the first quarter of 2026 slipped to 72.7 points from 80 in the previous quarter, reflecting a more cautious stance among companies navigating geopolitical tensions and volatile energy markets. Yet the index remains well above the average level recorded over the past four years, signaling sustained confidence in Vietnam's long-term growth prospects.

Investor endorsement remains particularly strong. As many as 93% of European companies surveyed said they would recommend Vietnam as an investment destination – one of the highest levels recorded in the BCI's history. The data suggests that firms are differentiating between short-term operational risks and long-term strategic opportunities.

Companies with deeper operational commitments in Vietnam reported notably stronger outcomes. Among those positioning Vietnam as a core market in their regional strategies, roughly two-thirds recorded positive business performance, while nearly all expressed willingness to recommend the market. Firms with more limited engagement reported weaker results, reinforcing the case for long-term investment anchoring.

Strong macroeconomic fundamentals also underpin investor confidence. Vietnam's economy expanded by 7.83% in the first quarter of 2026, outperforming the same period last year and maintaining its reputation as one of Asia's fastest-growing markets.

Policy direction is another supportive factor. The government's renewed focus on strengthening the private sector and improving regulatory clarity is viewed as critical to sustaining investment momentum. For investors, execution – including administrative reforms and decentralized decision-making – will determine whether Vietnam can convert strong fundamentals into sustained inflows of capital and technology.

Taken together, the findings suggest that while global headwinds may slow sentiment cycles, Vietnam's structural advantages continue to position it as a long-term manufacturing and investment hub in Southeast Asia. VNA



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