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## Policymakers now focused on building the institutional foundations required to attract global capital

Vietnam's push to position Ho Chi Minh City as a regional financial gateway has moved from launch to execution, with policymakers now focused on building the institutional foundations required to attract global capital.

Since the official debut of the International Financial Center (IFC) in late 2025, attention has shifted toward the less visible—but decisive—elements of competitiveness: legal certainty, regulatory independence, and deep market infrastructure. These three pillars are widely seen as prerequisites for transforming the IFC from a domestic initiative into an internationally trusted platform.

Lessons from Astana International Financial Centre suggest that institutional credibility matters as much as capital access. Kazakhstan's adoption of a distinct legal regime based on English common law, alongside an independent regulator aligned with global standards such as those from Financial Action Task Force, has helped position its market as investor-friendly despite a relatively small domestic economy.

Vietnam faces parallel structural challenges, particularly in commodity markets. Industry leaders note that fragmented supply chains—especially in agricultural exports such as coffee—limit efficient price discovery. Producers often manage strong output volumes but lack reliable market signals, exposing weaknesses in settlement systems and risk management tools.

Developing derivatives exchanges, transparent pricing frameworks, and robust clearing systems is therefore emerging as a strategic priority. Such infrastructure would not only strengthen commodity markets but also anchor broader capital flows into sustainable finance, energy, and green bonds.

If executed effectively, the IFC initiative could reshape Vietnam's financial landscape—linking domestic growth sectors with international liquidity and elevating the country's role in Asia's capital markets network. Vneconomy



## Vietnam accelerates rail links to China, reshaping northern logistics corridor

Vietnam is accelerating construction of new railway links to China, signaling a structural shift in how goods move across northern Vietnam and into global markets.

At the center of the push is the Lao Cai–Ha Nội–Hai Phòng line, widely seen by logistics planners as a future backbone corridor connecting inland border gates with deep-sea ports. Once completed, the route is expected to form a seamless rail-to-port logistics chain, reducing reliance on congested highways and lowering transport volatility for exporters.

The broader rail strategy extends beyond a single line. Planned routes linking Ha Noi to Lang Son and Hai Phong to Mong Cai suggest a transition toward a multimodal logistics network integrating rail, road and maritime transport. Such integration is expected to gradually reshape Vietnam's cost structure, where logistics expenses remain relatively high compared with regional peers.

Industry analysts also view rail connectivity as a strategic hedge against disruptions in global shipping lanes. With geopolitical risks periodically affecting maritime routes, overland rail corridors linking Vietnam to China and onward to Europe could provide an alternative channel for time-sensitive cargo.

Another shift is likely to occur around station infrastructure. Major rail hubs are expected to evolve into logistics clusters, hosting inland container depots, distribution centers and cold-chain facilities that support manufacturing and cross-border trade.

Taken together, the emerging rail network positions Vietnam to move beyond its role as a coastal export platform toward becoming a regional logistics node within the broader Asia–Europe supply chain system. Baodautu.vn

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## Vietnam e-commerce growth exposes costly "last-mile" payment gaps

Vietnam's e-commerce sector continues to rank among Southeast Asia's fastest-growing digital markets, yet a growing share of potential revenue is being lost at the final stage of transactions, highlighting a structural weakness in payment infrastructure rather than demand. Across Asia-Pacific, the region now contributes 62.6% of global e-commerce growth, reinforcing its role as a central engine of digital trade. However, research from Payoneer indicates that businesses in the region collectively lose about \$72 billion annually due to checkout inefficiencies, including abandoned transactions, fragmented payment systems and hidden processing costs.

Vietnamese enterprises are increasingly shifting toward direct-to-consumer (DTC) webstores as they seek greater control over customer relationships and reduce reliance on third-party marketplaces. Yet owning the sales channel has exposed a critical weakness: converting purchase intent into completed payments.

Industry data shows that revenue leakage typically occurs through three main friction points. The first is cart abandonment, often triggered by payment failures, limited payment options or unexpected fees revealed at the final step. The second is foreign exchange and transaction fees, which gradually erode margins in cross-border transactions. The third is slow settlement cycles, which delay cash availability and disrupt inventory planning and marketing investment. The financial implications are measurable. Small and mid-sized DTC businesses generating \$2–5 million annually could recover around \$20,000 per year by optimising checkout performance alone. For exporters with \$10–20 million in cross-border revenue, the potential recovery rises to \$120,000–\$150,000 annually, alongside a 10–15% improvement in EBITDA, according to the study.

Technology providers such as Stripe, whose infrastructure supports integrated checkout solutions including those offered by Payoneer, are positioning payment systems as a strategic growth lever rather than a back-end function.

As customer acquisition costs continue to rise, Vietnamese merchants are shifting focus from driving traffic to improving conversion efficiency. In this context, payment infrastructure is emerging as a core competitiveness factor, particularly as Vietnam expands its role in global digital trade and cross-border e-commerce. VIR

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## Vietnam advances LNG-to-power strategy with Ca Na project in Khanh Hoa Province

Vietnam is moving forward with its liquefied natural gas (LNG) power ambitions as construction begins on the \$2.2bn Ca Na LNG power plant in Khanh Hoa Province, marking a significant step in diversifying the country's energy mix under National Power Development Plan VIII (PDP8).

Local authorities and the Trung Nam–Sideros River consortium signed the implementation contract on April 10 for the project, the first LNG-to-power development awarded through an international bidding process under the national power plan. The move underscores Vietnam's growing reliance on LNG as a transitional fuel to address rising electricity demand while balancing renewable expansion.

The Ca Na facility will employ combined-cycle gas turbine technology with a total installed capacity of 1,500MW, expected to deliver approximately 9 billion kWh annually to the national grid once operational by 2030. The project includes integrated LNG infrastructure, featuring a storage and regasification system capable of handling 1–1.2 million tonnes of LNG per year, supported by a 220,000-cubic-metre storage tank and a dedicated import terminal.

In parallel, a deepwater port project linked to the power plant is progressing with financing support from Vietnam Development Bank. The port is designed to accommodate vessels of up to 500,000 tonnes, positioning the site as a potential logistics and transshipment hub for heavy industrial cargo and offshore energy equipment.

Officials in Khanh Hoa Province expect the LNG-to-power complex to strengthen local industrial development, generate employment and support the province's transition toward an energy-based industrial structure. Developers also plan to integrate the project with a broader ecosystem including LNG terminals, logistics facilities and a green industrial park.

The Ca Na initiative reflects Vietnam's broader strategy to scale LNG infrastructure as a bridge between coal-dependent generation and future renewable systems, reinforcing energy security while supporting continued economic growth. VIR

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## The retail sector of Vietnam is being reshaped by precision rather than speed

Vietnam's retail sector is moving into a new phase defined by two contrasting forces: consumers tightening spending while retailers continue to expand but with greater discipline.

Households across Vietnam are becoming more cautious in their daily purchases. Shopping baskets are shrinking as consumers prioritize essential goods and compare prices more carefully before making decisions. Rather than abandoning consumption, shoppers are shifting toward value, favoring affordable options and switching brands when better deals are available. This growing price sensitivity reflects concerns over income stability and future living costs.

Despite softer short-term demand, retailers are not standing still. Many companies are quietly strengthening their operational foundations, focusing on cost control, supply chain efficiency and store-level profitability. Expansion strategies are continuing, but in a more selective manner. New stores are increasingly concentrated in high-performing locations, with greater emphasis on long-term sustainability rather than rapid footprint growth.

These opposing trends—defensive consumers and disciplined retailers—are pushing Vietnam's retail market into a restructuring phase. Growth is no longer defined by how quickly companies expand, but by how effectively they operate and respond to shifting customer expectations.

Over the long term, the outlook remains positive. Vietnam's rising middle class, ongoing urbanization and still-low penetration of modern retail formats suggest strong underlying demand potential.

For now, however, the market is being reshaped by precision rather than speed, marking a transition toward a more resilient and efficiency-driven retail landscape. Baodautu.vn



## Major Korean conglomerates continue to deepen their presence in Vietnam

Vietnam's growing trade deficit with South Korea is increasingly seen less as a vulnerability and more as a reflection of deepening industrial ties, as Korean manufacturers expand their footprint across Southeast Asia's fastest-growing production hub.

Bilateral trade reached \$26.8 billion in the first quarter, with Vietnam importing \$18.7 billion in goods—primarily electronics components, machinery and industrial materials—while exporting \$8.1 billion. The resulting \$10.6 billion deficit widened from a year earlier, mirroring a surge in Korean investment rather than weakening competitiveness.

South Korea has long been Vietnam's largest foreign investor, with nearly \$99 billion in cumulative registered capital and more than 10,000 Korean companies operating nationwide. Many imports from Korea are intermediate goods used in export manufacturing, underscoring Vietnam's role as a downstream production base within Korean-led supply chains.

Major conglomerates continue to deepen their presence. Investments in energy infrastructure, electronics and display manufacturing have reinforced Vietnam's position as a global manufacturing node, particularly as companies seek to hedge geopolitical risks and diversify supply chains beyond traditional markets.

Recent high-level diplomatic exchanges—accompanied by large Korean business delegations—signal renewed momentum. Both governments are targeting \$150 billion in bilateral trade by 2030, with greater emphasis on balancing flows through higher Vietnamese value-added exports.

Looking ahead, cooperation is expanding into next-generation sectors, including liquefied natural gas, hydrogen co-firing and critical mineral supply chains. For investors, the widening deficit may be less a warning sign than a structural marker of Vietnam's evolving role as a core production platform in Asia's industrial network. VIR



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