



Top News

Vietnam outlook upgraded as reform momentum lifts credit confidence

Vietnam emerges as an important part in Southeast Asia's integrated power market

Also in the issue

China's largest convenience store has launched its first outlet in Hanoi

Vietnam's E-commerce sales surge as mid-range goods drive growth

Japan and Vietnam relationship is increasingly shaped by supply chain realignment and high-tech cooperation

Vietnam to strengthen its logistics sector by accelerating infrastructure investment, digitalisation and policy reform





Vietnam outlook upgraded as reform momentum lifts credit confidence

Moody's Ratings has raised Vietnam's sovereign outlook to positive from stable, signaling growing confidence in the country's ability to strengthen its credit fundamentals while maintaining robust growth.

The agency reaffirmed Vietnam's Ba2 rating, pointing to tangible progress in governance and institutional quality. Reforms in public administration and regulation—accelerating since late 2024—are beginning to translate into improved policy execution and economic management. At the same time, Vietnam's competitiveness is being reinforced by digitalisation, infrastructure expansion, workforce upgrading and the gradual deepening of capital markets.

External risks have also moderated. Concerns over potential US trade measures have eased, while Vietnam continues to benefit from steady foreign direct investment inflows and its entrenched role in global supply chains. Strong economic growth and resilient export performance underpin the country's external position.

Moody's highlighted several credit strengths: relatively low public debt, solid debt affordability and reduced dependence on external financing. These factors provide a buffer against global volatility and support macroeconomic stability.

However, structural constraints remain. Vulnerabilities in the banking system and the property sector—particularly banks' exposure to real estate—continue to weigh on the rating, though ongoing reforms are expected to gradually mitigate these risks. Institutional weaknesses, while improving, also remain a limiting factor.

Geopolitical tensions, including conflicts in the Middle East, may exert near-term pressure through higher energy and logistics costs. Still, Moody's expects Vietnam to remain resilient, supported by strong growth fundamentals, diversified exports and stable external buffers.

The positive outlook suggests a potential rating upgrade if reform momentum is sustained and financial-sector risks are contained. VIR

[Back to top](#)



Vietnam to strengthen its logistics sector by accelerating infrastructure investment, digitalisation and policy reform

Vietnam is accelerating infrastructure investment, digitalisation and policy reform to strengthen its logistics sector as global trade disruptions intensify.

Rising geopolitical tensions, higher transport costs and shifting trade routes are placing pressure on supply chains, while Vietnam's emergence as a manufacturing hub is driving demand for faster, more reliable logistics services.

Recent investments in highways, ports and airports are laying the groundwork for long-term growth. New expressways are reducing transit times, while port upgrades are increasing cargo capacity. The upcoming Long Thanh International Airport is expected to significantly boost air freight, particularly for high-value goods. Expanding industrial parks along key economic corridors are also improving connectivity between production and distribution networks.

However, structural challenges remain. Logistics still relies heavily on road transport, raising costs and limiting efficiency, while rail and inland waterways remain underutilised. Fuel costs, which account for 30–50% of transport expenses, continue to expose the sector to global price volatility.

Vietnam's freight market maintained strong momentum in 2025, with total cargo volume rising 14.1%. Road transport dominated growth, while rail and air freight lagged behind.

To address these gaps, companies are increasingly adopting multimodal logistics, combining road, rail, sea and air transport to optimise cost and resilience. At the same time, digitalisation is becoming a key competitive factor, enabling real-time tracking, faster customs clearance and more integrated supply chains.

The government aims to reduce logistics costs to 12–15% of GDP and rank among the world's top 40 logistics markets by 2035. Backed by continued investment and reform, Vietnam is positioning itself as a more resilient hub in global supply chains. VNS

[Back to top](#)



Vietnam's E-commerce sales surge as mid-range goods drive growth

Vietnam's online retail market recorded strong expansion in the first quarter, with total sales across major platforms rising sharply despite signs of moderating order values ahead.

Revenue on leading marketplaces Shopee, Lazada, TikTok Shop and Tiki climbed nearly 47% year-on-year to about \$5.7 billion in the first three months of the year, equivalent to roughly \$63 million in daily transactions.

The figures, compiled by Metric.vn, highlight the continued momentum of Vietnam's digital economy as online shopping becomes embedded in everyday consumption.

Sales volume rose nearly 20% to about 1.14 million items, while the number of active sellers generating orders reached roughly 490,900, marking a 4% increase. The expansion suggests that marketplace ecosystems remain attractive to small merchants and independent brands seeking nationwide reach.

Consumer demand remained concentrated in lifestyle-driven categories. Beauty products generated approximately \$940 million, followed by women's fashion at around \$800 million and home and living goods at roughly \$700 million, underscoring the importance of fast-moving consumer and discretionary segments.

Pricing patterns also reflected a shift toward affordability and practicality. Products priced between \$4–8 accounted for the largest share of revenue, followed by items under \$4 and those in the \$8–14 range. In contrast, higher-priced goods above \$38 lost market share, indicating cautious consumer spending amid broader economic uncertainties.

Looking ahead to the second quarter, growth dynamics are expected to diverge between value and volume. Revenue is projected to reach about \$5.5 billion, down 4% from the first quarter, while sales volume is forecast to edge up slightly to around 1.15 million items. The trend points to a potential drop in average order value, suggesting that consumers may continue to prioritise smaller, more frequent purchases rather than large-ticket items.



Vietnam emerges as an important part in Southeast Asia's integrated power market

Vietnam is positioning itself at the center of Southeast Asia's next phase of energy integration, as regional policymakers push to build a cross-border electricity market to bolster energy security and accelerate decarbonization.

According to Asian Development Bank (ADB) officials, the country is a "critical link" in the newly launched Pan-Asia Power Grid Initiative (PAGI), a multibillion-dollar plan aimed at connecting national grids and scaling renewable energy trade across borders.

The initiative, unveiled at ADB's annual meeting in Samarkand, signals a shift from fragmented bilateral power deals to a coordinated regional system. Vietnam's strategic location and growing technical capabilities make it central to that vision.

ADB highlights Vietnam's active participation in frameworks such as the ASEAN Power Grid and the Greater Mekong Subregion Economic Cooperation Program, where it has pushed forward cross-border transmission projects. A recent agreement with Malaysia and Singapore to export renewable electricity via subsea cables underscores its ambition to become a regional clean energy hub. Beyond geography, Vietnam's operational track record strengthens its role. The country already maintains stable grid connections with Cambodia, Laos and China, demonstrating an ability to manage cross-border electricity flows – a prerequisite for deeper market integration.

Policy reforms are also aligning with regional goals. Updates to Vietnam's Power Development Plan VIII emphasize renewable energy expansion, electricity imports and market liberalization, laying the groundwork for competitive power trading beyond national borders.

The broader push comes amid rising energy demand and mounting climate pressure. Fossil fuels still dominate Southeast Asia's energy mix, while uneven distribution of renewable resources and limited grid interconnection constrain efficiency.

PAGI aims to mobilize \$50 billion by 2035 to address these gaps, targeting 20 gigawatts of cross-border renewable capacity and 22,000 kilometers of transmission lines. The initiative is expected to expand electricity access to 200 million people and cut regional power-sector emissions by 15%. For Vietnam, the transition from a domestic power market to a regional energy hub could redefine its role in Asia's energy landscape – if regulatory reforms and infrastructure investments keep pace with ambition.

[Back to top](#)



China's largest convenience store has launched its first outlet in Hanoi

China's largest convenience store operator is testing the limits of its hyper-scaled model, launching its first overseas outlets in Vietnam as competition intensifies in Southeast Asia's fast-evolving retail landscape.

Meiyijia, which runs more than 40,000 stores domestically, has entered Hanoi under a new brand, Ohmee, with an initial network of three outlets. The move marks the group's first step beyond China, alongside a parallel expansion into Malaysia.

The strategy hinges on franchising — a model that powered Meiyijia's rapid domestic rise. After two decades as a regional player, the company accelerated sharply in the mid-2010s, leveraging digital tools across store operations, supply chains and franchise management to double its footprint within five years.

Vietnam presents both opportunity and constraint. The country's convenience store segment is growing but increasingly consolidated, with leading chains such as Circle K, GS25 and FamilyMart accounting for more than 70% of market revenue. These incumbents benefit from established supplier networks, prime locations and strong brand recognition.

Industry analysts describe the market as entering a "flight to quality" phase, where operational efficiency and customer experience — rather than aggressive store expansion alone — determine winners.

For Meiyijia, the question is whether its China-honed model can adapt to fragmented urban formats, different consumer behaviors and entrenched competitors. Vietnam, with its rising urban middle class and dense city clusters, offers a proving ground — but not an easy one. VIR



Japan and Vietnam relationship is increasingly shaped by supply chain realignment and high-tech cooperation

Vietnam and Japan are setting more ambitious economic targets as both governments seek to deepen a relationship increasingly shaped by supply chain realignment and high-tech cooperation.

Speaking in Hanoi on May 2, Prime Minister Le Minh Hung and his Japanese counterpart Takaichi Sanae outlined a goal of attracting up to \$5 billion in Japanese investment annually while lifting bilateral trade to \$60 billion by 2030. The announcement follows a milestone year in which two-way trade surpassed \$50 billion for the first time in 2025, underscoring Japan's enduring role as one of Vietnam's most significant economic partners.

Tokyo remains Vietnam's largest provider of official development assistance and a key source of capital and labor cooperation, while ranking among its top investors and trading partners. The renewed targets signal a shift from volume-driven engagement toward strategic sectors aligned with both countries' long-term competitiveness.

Priority areas include economic security, artificial intelligence, semiconductors and space technology—fields increasingly central to regional supply chain resilience. A notable initiative is the NEXUS program, which will jointly fund 15 semiconductor research projects, reflecting a shared push to position Vietnam within the global chip ecosystem.

Cooperation is also expanding into sustainable development. Japan will support Vietnam's plan to develop one million hectares of low-emission, high-quality rice, linking investment flows with climate resilience goals.

Beyond economics, both sides emphasized stronger coordination in defense, diplomacy and regional security, while reaffirming commitments to maintaining stability in the East Sea in line with international law.

Taken together, the latest agreements suggest a maturing partnership—one that blends trade expansion with strategic alignment in technology and geopolitics. The Saigon times



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