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DIGITAL ECONOMY

Digital economy of Vietnam has emerged as one of the country's fastest-growing sector

Vietnam's digital economy has emerged as one of the country's fastest-growing sectors, reaching an estimated value of US\$72.1 billion in 2025 and contributing 14% of GDP. The expansion underscores the growing influence of Resolution 57, a national strategy launched in late 2024 to accelerate science, technology and digital transformation.

Growth has been driven not only by the expansion of technology-related industries but also by increasing digital adoption across traditional sectors. Core digital activities generated more than US\$43 billion last year, accounting for over 60% of the digital economy's total value. The sector grew 18.4% at current prices, significantly outpacing overall economic growth.

The digital transformation effort is also reshaping public finances. Enhanced data integration between government agencies has strengthened tax administration, helping e-commerce-related tax revenues climb 66.5% in 2025 to nearly US\$8.4 billion. Collections continued to rise in early 2026, reflecting the increasing formalisation of online business activity.

Policy reforms have further improved the business environment. Faster public investment approvals, streamlined procurement procedures and expanded tax incentives for digital projects are intended to accelerate technology deployment and attract private-sector investment.

Yet implementation challenges remain. Although the government has earmarked nearly US\$3.8 billion for science, technology and digital transformation in 2026, disbursement has been slow. Funding delays, coupled with difficulties in integrating projects into the National Data Centre architecture, risk slowing momentum.

For Vietnam, the next phase of digital transformation will depend less on policy ambition and more on execution. Converting budget allocations into operational digital infrastructure may prove the decisive test of the country's long-term competitiveness. VIR



Vietnam emerges as logistics hotspot amid supply chain shift

Vietnam is strengthening its position as one of Southeast Asia's fastest-growing logistics markets as manufacturers and retailers expand operations to diversify supply chains and tap rising regional demand.

A new report by commercial real estate consultancy Cushman & Wakefield highlights Vietnam as a major beneficiary of production relocation and supply chain regionalisation, alongside Indonesia and Thailand. Strong growth in manufacturing, exports and e-commerce continues to fuel demand for industrial and logistics facilities across the country.

Vietnam's southern industrial corridor, including Ho Chi Minh City, Dong Nai and Tay Ninh, remains a key growth engine. Occupancy rates for ready-built factories and warehouses exceed 90%, reflecting strong demand from manufacturers, logistics providers and e-commerce companies. In the north, growing investment in electronics and high-value manufacturing is driving steady absorption of industrial space.

The report suggests that investors are becoming more selective, focusing not only on location but also on infrastructure quality, developer capabilities and operational standards. Modern logistics facilities equipped for automation and energy efficiency are increasingly favored as companies seek greater supply-chain resilience and productivity. Across Asia-Pacific, industrial vacancy rates are expected to tighten over the next three years as demand outpaces new supply. For Vietnam, this trend is likely to intensify competition for high-quality logistics assets while reinforcing its role as a strategic manufacturing and distribution hub within regional supply chains.

As global companies continue to diversify production networks, Vietnam appears well positioned to capture a growing share of industrial and logistics investment. VNA/ VLLF

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Vietnam's E-Commerce boom emerges as key engine of digital growth

Vietnam's e-commerce sector is cementing its role as a major driver of the country's digital economy, fueled by widespread smartphone adoption, rapid logistics development and the growing influence of social commerce.

Online retail sales reached nearly US\$30 billion in 2025, marking a 25% increase from the previous year and accounting for about 11% of total retail sales. The performance positions Vietnam among Southeast Asia's fastest-growing digital consumer markets.

Mobile commerce is at the center of this expansion. More than 90% of online shoppers use smartphones to make purchases, while over half of Vietnamese households now engage in online shopping. Categories such as cosmetics, fashion and household goods are increasingly shifting to digital channels.

The rise of social media platforms has accelerated this transformation. With tens of millions of users on TikTok and Facebook, Vietnam has developed a highly integrated shopping ecosystem where consumers can discover products, interact with sellers through livestreams and complete transactions without leaving an app.

At the same time, investments in logistics infrastructure are improving delivery speed and customer experience. Retailers are adopting omnichannel models that combine physical stores with digital platforms, enabling same-day or even two-hour delivery in major cities.

Industry observers view the trend as a new phase of retail development, one driven by digital platforms rather than traditional supermarket expansion. Supported by a population exceeding 100 million, rapid urbanization and high internet penetration, Vietnam's e-commerce market is expected to sustain annual growth of around 20% through the end of the decade, strengthening its position as a cornerstone of the country's digital economy. VNA



Vietnam's offshore wind push spurs new industrial ecosystem

Vietnam's ambitions to become a regional offshore wind powerhouse are beginning to reshape the country's industrial landscape, creating opportunities that extend far beyond electricity generation.

With an estimated 600 GW of offshore wind potential and targets of up to 38 GW of onshore wind and 6 GW of offshore wind capacity by 2030 under the national Power Development Plan VIII, Vietnam is increasingly viewed as one of Southeast Asia's most promising renewable energy markets.

Industry executives say the sector's growth could catalyze a broad supply chain encompassing manufacturing, engineering, logistics, maritime services and energy infrastructure. Unlike several Northeast Asian markets that rely heavily on costly floating wind technology, Vietnam's shallow coastal waters are well suited for fixed-bottom foundations, helping reduce project costs and improve commercial viability.

The country's expanding manufacturing base is also driving demand for reliable green electricity as multinational companies seek to decarbonize supply chains. Investors argue that offshore wind can strengthen Vietnam's attractiveness as a regional production hub while supporting long-term energy security.

Vietnam's established offshore oil and gas industry provides another competitive advantage. Domestic companies have accumulated decades of marine engineering experience and are already participating in global offshore wind projects serving customers in Europe and Taiwan.

However, industry leaders caution that realizing the opportunity will require more than resource potential. Stable regulations, predictable project pipelines and continued investment in ports, fabrication yards and specialized vessels remain critical to unlocking large-scale capital commitments.

If policy momentum is maintained, offshore wind could evolve into a new pillar of Vietnam's industrial growth strategy, supporting emerging sectors such as green hydrogen, green ammonia and cross-border renewable power exports. VIR



Vietnam's consumer market maintained strong momentum in the first five months of 2026

Vietnam's consumer market maintained strong momentum in the first five months of 2026, reinforcing its role as a key pillar of economic growth as domestic demand and tourism spending continued to recover.

Retail sales of goods and consumer service revenue reached VND3.18 quadrillion (US\$120.7 billion) between January and May, rising 11.2% from a year earlier. The performance highlights the resilience of household consumption despite global economic uncertainties and weaker external demand.

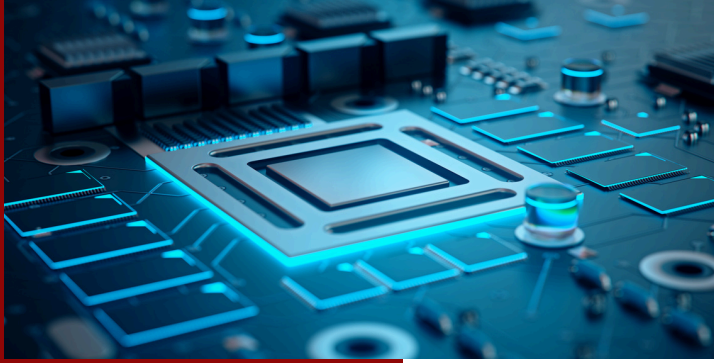
Retail goods remained the dominant contributor, accounting for nearly three-quarters of total spending. Demand was particularly strong for fuel, apparel and food products, reflecting both rising mobility and improving consumer confidence. Sales of household appliances and educational products also expanded, signaling steady discretionary spending.

Services emerged as another major growth engine. Revenue from accommodation and food services increased 13.3% year-on-year, while tourism-related revenue climbed 12.2%, supported by favorable visa policies, aggressive destination marketing and a continued rebound in domestic and international travel.

Growth was broad-based across the country. Major urban centers including Hanoi and Ho Chi Minh City sustained double-digit expansion, while tourism-driven provinces such as Quang Ninh, Da Nang and Khanh Hoa outperformed the national average. Khanh Hoa recorded the fastest growth in tourism revenue, underscoring the increasing importance of leisure travel to local economies.

Economists view consumption as one of Vietnam's most reliable growth drivers in 2026. Continued digitalization of retail channels, government efforts to stimulate spending and support for domestic products are expected to strengthen market activity further. With summer travel demand accelerating and services consumption rising, domestic spending is likely to remain a critical buffer against external economic headwinds in the months ahead. VNA

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LG Innotek's Hai Phong investment signals Vietnam's move up the semiconductor value chain

LG Innotek's decision to build its first semiconductor substrate manufacturing plant in Vietnam marks more than a capacity expansion by a Korean technology supplier. It reflects Vietnam's growing role in the global semiconductor supply chain as multinational firms seek to diversify production and strengthen packaging capabilities amid rising demand for AI and advanced connectivity technologies.

The new facility, to be developed in Hai Phong and operational by 2027, will produce semiconductor substrates used in RF communications and advanced chip packaging. The investment extends LG Innotek's footprint beyond camera module manufacturing, bringing a higher-value semiconductor process to Vietnam for the first time.

For Vietnam, the project reinforces Hai Phong's emergence as a strategic semiconductor manufacturing hub. The city's established industrial infrastructure, competitive operating costs and proximity to electronics and packaging ecosystems continue to attract foreign technology investment.

The move also highlights a broader shift in the semiconductor industry. As demand accelerates for AI-enabled devices, 5G applications and future 6G networks, packaging technologies such as RF-SiP, FC-CSP and FC-BGA are becoming increasingly important. Capacity constraints at existing facilities in South Korea have pushed manufacturers to establish additional production bases closer to key supply-chain partners.

LG Innotek's dual-hub strategy positions South Korea as a center for research and high-end production while Vietnam takes on large-scale manufacturing. The model mirrors a wider regional trend in which advanced economies retain innovation functions while Southeast Asia captures growing shares of production investment.

The project is expected to deepen Vietnam's semiconductor ecosystem and create opportunities for supporting industries, logistics providers and technology service firms seeking to participate in the next phase of the country's industrial development. VNS



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