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Vietnam's equity market is approaching a structural turning point as global index inclusion

Vietnam's equity market is approaching a structural turning point as global index inclusion, lower borrowing costs and improving corporate fundamentals begin to reinforce one another.

The most immediate catalyst is FTSE Russell's August 21 announcement of stocks eligible for its Global Equity Index Series. Vietnam's promotion to Secondary Emerging Market status, effective September 21, should gradually bring the country into the investment universe of larger passive and institutional funds. As inclusion will be phased through September 2027, the impact is likely to extend beyond a one-off ETF inflow. More importantly, the upgrade could lower Vietnam's equity risk premium and support a broader re-rating of large, liquid companies meeting international accessibility standards.

A second tailwind comes from monetary policy. Vietnamese banks have begun cutting lending rates and expanding preferential credit, particularly for SMEs, exporters and priority sectors. Lower funding costs should support investment, consumption and corporate earnings into year-end. Securities and consumer-related companies are among the clearest beneficiaries, although pressure on banking margins remains a risk.

The third factor is valuation. With forward market P/E around its five-year average, Vietnamese equities are no longer deeply discounted. Further gains will therefore require earnings growth and sustained foreign inflows rather than multiple expansion alone.

For investors, the opportunity is increasingly selective. Brokerage firms and FTSE-eligible large caps offer the highest sensitivity to upgrading, while retailers provide exposure to domestic recovery. Vietnam's market is shifting from a liquidity-driven rally toward a more institutional, earnings-driven investment cycle. Baodautu

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Vietnam is moving to turn its expanding expressway network into a digitally coordinated logistics backbone

Vietnam is moving to turn its expanding expressway network into a digitally coordinated logistics backbone, with the Ministry of Construction targeting full integration of operating expressways into a national intelligent transport platform by 2030.

The first major shift is from fragmented road management to network-wide coordination. The planned ITS Core will connect data from all expressway traffic management centers, creating a real-time operational view of traffic conditions across the country. For logistics operators, this could improve route planning, reduce disruption and enable faster responses to accidents or congestion.

Second, artificial intelligence and Big Data could significantly improve transport reliability. The platform is expected to detect incidents through video analytics, forecast traffic flows and recommend diversion scenarios. For freight operators, the biggest benefit may not simply be shorter travel times, but more predictable delivery windows. Better ETA accuracy can lower buffer time, improve fleet utilization and reduce inventory and warehousing costs.

Third, the platform could become a national logistics data infrastructure. By integrating tolling, axle-load monitoring, road asset, GIS and traffic data, and eventually linking with major urban traffic centers, the system could support end-to-end freight visibility from expressways to ports, industrial parks and cities.

The key challenge will be interoperability. Vietnam’s logistics gains will depend on whether data standards, cybersecurity and data-sharing rules allow transport companies and digital platforms to access and use the system effectively. If achieved, ITS Core could become a foundation for smarter logistics and future V2X-enabled freight transport. Baodautu

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Vietnam is moving to give sustainability a more practical role in e-commerce

Vietnam is moving to give sustainability a more practical role in e-commerce, with a proposed green commerce framework that could reshape how platforms, sellers and logistics providers measure operational efficiency.

The first important shift is the framework's broad scope. Rather than treating "green" commerce as a packaging issue, the draft covers eight areas, including governance, products, delivery, energy, transparency and consumer engagement. This lifecycle approach recognizes that environmental impact is generated across warehousing, last-mile delivery, returns and recycling. For e-commerce operators, sustainability is therefore becoming an operating model rather than a marketing initiative.

Second, the framework is designed to be voluntary, evidence-based and proportionate to company size. That is critical in Vietnam, where SMEs and household businesses represent a large share of online sellers. Avoiding rigid compliance requirements should reduce the risk that green standards become another administrative burden while still encouraging companies to establish measurable sustainability indicators.

Third, the proposed "5C" action framework links environmental performance directly with e-commerce unit economics. Reducing packaging per order, increasing first-attempt delivery success, consolidating shipments, optimizing routes and lowering return rates can cut both emissions and fulfillment costs.

From an e-commerce perspective, this is the most commercially significant development. If Vietnam can turn sustainability metrics into measurable operational KPIs, green commerce could improve margins as well as ESG performance.

The proposed pilot in Da Nang could provide an important test. Successful implementation may establish a scalable model for platforms, logistics companies and online merchants nationwide. idea.gov.vn

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Vietnam's LNG ambitions face a bankability test

Vietnam is betting on liquefied natural gas to help bridge the gap between surging electricity demand and its longer-term transition toward a lower-carbon power system. Under the revised Power Development Plan VIII, 15 LNG-fired projects with a combined capacity of 22,524 MW are expected to enter commercial operation by 2030, potentially accounting for about 12.3% of national generation capacity.

Yet the central challenge is no longer technology. It is bankability. LNG projects require large upfront investment and long repayment periods, while revenues remain exposed to imported fuel prices, exchange-rate volatility, shipping costs and geopolitical risks. Without predictable power purchase agreements, clearer dispatch rules and pricing mechanisms that allow fuel-cost fluctuations to be reflected in electricity tariffs, lenders will remain cautious. Vietnam therefore needs to shift its focus from approving projects to creating contracts and market structures capable of reaching financial close.

Infrastructure is the third critical constraint. LNG power cannot be developed as isolated generation assets. Import terminals, storage, regasification facilities, pipelines, transmission grids and long-term fuel supply arrangements must be delivered in parallel. Developing regional LNG-to-power hubs with shared infrastructure could reduce capital requirements while improving asset utilization.

The government should also prioritize projects according to readiness, including land, financing, gas supply and grid connectivity. Projects closest to financial close should receive immediate attention, while persistently delayed capacity may need alternatives.

For Vietnam, LNG can provide valuable system flexibility during the energy transition. But achieving the 2030 target will depend less on megawatts planned than on bankable contracts, credible market design and synchronized infrastructure. VNS

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Green retail will increasingly become an operating model in Vietnam

Vietnam's push to curb single-use plastics is beginning to reshape the economics of modern retail, as sustainability moves from corporate social responsibility into store operations, packaging and customer engagement.

The first shift is from material substitution to waste prevention. Simply replacing plastic bags with paper or biodegradable alternatives may reduce environmental impact, but it does not fundamentally change consumption patterns. The more significant opportunity lies in refill stations, reusable packaging and deposit-return systems that reduce packaging volumes altogether. With an average supermarket distributing about 1,454 plastic bags a day, the scale of potential savings is substantial.

Second, regulation is likely to make packaging an increasingly important cost and compliance issue. Vietnam's policies already point toward phasing out non-biodegradable bags and single-use plastics in supermarkets and shopping centres. Retailers that redesign packaging, strengthen traceability and invest early in reuse or recycling infrastructure could gain an advantage as environmental requirements tighten.

Third, circular retail will depend on ecosystem coordination rather than individual corporate initiatives. The participation of 16 major retailers in the Retailers Alliance for Plastic Bag Reduction signals a move toward collective action. Standardised packaging, shared collection systems and closer links with recyclers could lower costs and make circular models commercially scalable.

For retailers, the strategic implication is clear: green retail will increasingly become an operating model. Companies able to connect suppliers, stores, consumers and recyclers into a closed-loop system can turn sustainability from a compliance burden into a source of efficiency, differentiation and customer loyalty. VIR

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Vietnam M&A shifts toward bigger, more selective deals

Vietnam’s mergers and acquisitions market is entering a more disciplined phase, with capital concentrating in fewer but larger transactions as investors place greater emphasis on asset quality and long-term value creation.

In the first half of 2026, the country recorded 126 announced deals, down about 20% from a year earlier. Yet disclosed transaction value rose roughly 14% to $2.43 billion. The divergence suggests that investors are becoming more selective, favoring companies with stronger cash flows, defensible market positions and clearer post-acquisition upside rather than pursuing volume.

A second structural shift is the growing role of domestic capital. Two of the largest transactions highlighted during the period involved Vietnamese buyers, including a roughly $259 million investment in LPBank shares and Phat Dat’s planned $295 million acquisition of a 35% stake in Lotte Properties HCMC. This signals that local corporations and wealthy investors are increasingly moving from acquisition targets to active buyers.

The absence of billion-dollar “whale” deals, therefore, may reflect limited supply rather than weak demand. Vietnam still has relatively few companies with the scale, asset base and governance standards required to support transactions above $500 million.

That could change as private-sector groups expand, state-owned enterprises divest assets and capital-market reforms improve transparency. Digital infrastructure, AI, consumer services and strategic real estate are likely to attract more attention.

For investors, Vietnam’s M&A story is becoming less about buying growth expectations and more about acquiring assets that can generate measurable value. Baodautu

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