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Russell's Secondary Emerging  
Market category changes the  
structure of its capital market

Vietnam's next energy challenge is not building more renewables, but integrating them intelligently into the grid

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## **Vietnam's elevation to FTSE Russell's Secondary Emerging Market category changes the structure of its capital market**

Vietnam's elevation to FTSE Russell's Secondary Emerging Market category changes the structure of its capital market, but investors should distinguish greater access from guaranteed inflows.

Index-linked funds could eventually allocate roughly \$1.5 billion to \$2 billion to Vietnamese equities. Yet the more significant development may be the expansion of the country's international investor base. Active managers, whose assets can exceed those of passive strategies, now have a stronger reason to consider Vietnam, although their entry will depend on valuations, liquidity and portfolio priorities.

That distinction matters. An upgrade creates a new source of demand, but it does not override global financial conditions. Elevated bond yields in developed economies continue to raise funding costs and make emerging-market assets relatively less attractive. A sustained decline in global yields, supported by easing inflation and softer monetary policy, would therefore be more important for accelerating foreign allocations. Nor will the benefits be evenly distributed. Large, liquid companies in banking, consumer, retail, energy, chemicals and property are better positioned to capture institutional flows than smaller or less investable names.

For Vietnam, the reclassification should therefore be viewed as infrastructure for future capital formation rather than a short-term market catalyst. The next challenge is to improve settlement, foreign-investor access and listed-company quality. If these reforms continue, the upgrade could become a bridge toward deeper institutional participation and, eventually, higher global market status. VIR



## **Ben Luc–Long Thanh expressway is set to reshape freight flows across the south of Vietnam**

Vietnam's newly completed Ben Luc–Long Thanh expressway is set to reshape freight flows across the south by cutting travel time between the Mekong Delta and the eastern industrial and port cluster.

The 57.8-kilometre route reduces the My Yen–Long Thanh journey from about two hours to roughly 40–45 minutes, giving truck operators a direct alternative to congested urban roads through Ho Chi Minh City. For logistics companies, the benefit is not only faster transit but greater schedule reliability, allowing tighter delivery windows and higher vehicle utilisation.

Agricultural exporters could gain the most. High-value and time-sensitive products such as durian, premium fruit and seafood can reach processing plants, Cai Mep–Thi Vai, Phuoc An Port and Long Thanh airport more quickly. Shorter journeys also give companies more flexibility to redesign collection points, warehouse locations and dispatch schedules across the Mekong Delta.

The economics, however, will vary by cargo. A toll rate of 2,000 dong per kilometre raises transport costs, making the expressway more attractive for higher-value goods than for low-margin vegetables and bulk produce. Operators will therefore have to balance time savings against additional road charges.

The larger opportunity lies in network efficiency. Faster trips can increase truck rotations and improve the chances of securing return loads, reducing empty running. If exporters and carriers combine these gains with better cargo consolidation, the expressway could lower unit logistics costs even as toll expenses rise.

Its success will ultimately depend on whether faster infrastructure translates into more reliable and productive supply chains. Dantri

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## **Vietnam's next e-commerce battle will therefore be about productivity, not just scale**

Vietnam's e-commerce market is entering a more mature phase, where seller productivity and transaction value are becoming more important than simply adding users and merchants.

Shopee remains the market leader, generating about VND144.3 trillion in gross merchandise value in the first half of 2026. But TikTok Shop is closing the gap, with GMV rising 27% to \$4.43 billion, compared with Shopee's 15% growth. More significantly, average GMV per TikTok Shop seller jumped 65%, suggesting its content-led commerce model is becoming increasingly effective at converting engagement into sales.

A second shift is taking place within the seller base. Although overall GMV and transaction volumes continue to expand, the number of active smaller shops is declining. At the same time, average product values have risen sharply across major platforms. The combination indicates that spending is becoming concentrated among stronger brands and more capable merchants, while less competitive sellers are being filtered out.

Category growth is also broadening. Electronics and home appliances are expanding faster than traditionally dominant segments such as beauty, showing that consumers are becoming more comfortable purchasing higher-value products online.

These trends point to a structural transition in Vietnamese e-commerce. With internet penetration approaching maturity and market growth moderating, platforms can no longer rely primarily on new users, subsidies or seller acquisition. Competitive advantage will increasingly depend on conversion, customer retention, trusted merchandise, fulfillment quality and seller profitability. Vietnam's next e-commerce battle will therefore be about productivity, not just scale. economy



## **Vietnam's next energy challenge is not building more renewables, but integrating them intelligently into the grid**

Vietnam's next energy challenge will be determined less by how much renewable capacity it can build than by how intelligently its power system can absorb it.

Cooperation between the Electricity Authority of Vietnam and the Global Energy Alliance for People and Planet points to a broader shift in policy priorities. Grid digitalisation, flexibility and battery storage are emerging as critical infrastructure as electricity demand rises and intermittent renewable generation becomes more prominent.

Battery energy storage systems will be central to this transition, but their value will increasingly depend on software rather than hardware alone. A centralised management platform being developed for Vietnam could coordinate batteries across multiple locations, using grid conditions, demand patterns and price forecasts to optimise charging and discharging. Such orchestration could turn distributed storage into a flexible system resource rather than a collection of isolated assets.

The larger constraint, however, may be institutional capability. Vietnam still needs deeper domestic expertise in storage planning, regulation, operation and system integration. A proposed BESS Centre of Excellence could help bridge that gap through research, testing, training and collaboration between utilities, regulators, universities and businesses.

The initiative suggests Vietnam is entering a more complex phase of its energy transition. Building renewable generation was the first step. The next will require digital control, flexible assets and local technical capability to make the power system resilient enough to support them. VIR



## Central Retail bets on Vietnam's regional consumer growth

Central Retail's planned \$23 million shopping complex in Pleiku highlights a broader shift in Vietnam's retail market: growth is increasingly moving beyond Hanoi and Ho Chi Minh City into regional urban centers.

The Thai retailer has already built one of Vietnam's widest modern retail footprints. Its next phase appears increasingly focused on cities where rising incomes, improving infrastructure and limited penetration by organized retail leave more room for expansion. Pleiku fits that profile, giving Central Retail another foothold in the central highlands while strengthening its presence across the newly enlarged Gia Lai province.

The project also illustrates how the economics of large-format retail are changing. Rather than relying primarily on supermarket traffic, GO! Pleiku will combine groceries with restaurants, specialty stores, entertainment and leisure facilities. Such formats are designed to turn shopping centers into destinations, increasing customer dwell time while diversifying revenue beyond merchandise sales.

A third opportunity lies in localization. Gia Lai has a growing portfolio of certified regional products, and incorporating these into Central Retail's distribution system could connect small producers with a much larger consumer market. For the retailer, locally sourced goods can also strengthen differentiation against national and online competitors.

Central Retail's expansion therefore represents more than store growth. It reflects a strategy built around regional consumption, experience-led retail and localized supply chains — three factors likely to shape Vietnam's next phase of modern retail development. The Investor



## **Hung Yen is emerging as one of northern Vietnam's more concentrated manufacturing destinations**

Hung Yen is emerging as one of northern Vietnam's more concentrated manufacturing destinations, with Northeast Asian investors increasingly anchoring its industrial expansion.

Japanese, Chinese and South Korean companies together account for roughly 75% of the province's registered foreign investment. Japan alone represents more than \$8.19 billion, followed by China at \$4.64 billion and South Korea at \$2.33 billion. This concentration suggests Hung Yen is developing beyond a low-cost production base into a regional manufacturing node closely tied to Northeast Asian supply chains.

The investment case is being reinforced by industrial momentum. Hung Yen's industrial production index increased 15.78% in the first eight months of 2026, while manufacturing and processing expanded 16.45%. Electronics, pharmaceuticals, machinery services and apparel were among the strongest-performing segments, indicating a broader production mix.

Infrastructure is becoming the second pillar of the province's appeal. New industrial parks and clusters are expanding available land and creating room for supporting industries, logistics and higher-value manufacturing. Provincial plans for 66 industrial parks covering more than 23,000 hectares underline the scale of that ambition.

For investors, however, the next phase will be less about land availability and more about ecosystem quality. Hung Yen's push into green manufacturing, cloud computing, cybersecurity, big data and AI could raise productivity and investment quality. Its long-term competitiveness will depend on whether infrastructure expansion is matched by skilled labour, local supplier development and stronger domestic value creation. VIR



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