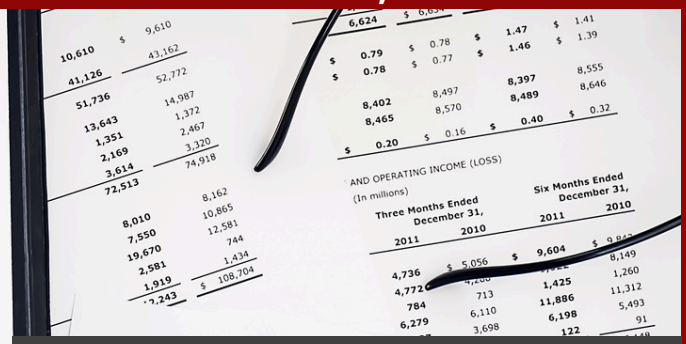
VIETNAM BUSINESS REVIEW

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Vietnam's financial hub faces its first test in turning pledges into capital

Vietnam's planned international financial centre in Ho Chi Minh City is approaching its first operational deadline with a problem more immediate than attracting investors: moving their money.

The centre unveiled 10 founding companies on October 28, outlining $2.7 billion in intended fundraising and investment through 2027. Their combined registered and committed equity, however, is just $33.63 million. The contrast underlines why headline pledges are a poor substitute for completed financing.

Without an accredited member bank, participants face obstacles in opening accounts, transferring capital and settling deals. The State Bank of Vietnam is examining whether existing lenders could temporarily process eligible transactions under safeguards that identify and track financial flows. No approval has been announced, while authorities seek to license the first member bank in November.

Beyond this immediate fix, businesses want a broader range of services. Proposals span bond underwriting, custody, fund management, aircraft leasing and financing tied to shipping and logistics. Such activities could channel overseas savings into productive projects, but each brings distinct prudential, tax and supervisory challenges.

The policy dilemma is therefore not simply how quickly to open the centre. Officials must make transactions possible without weakening oversight, and coordinate banking rules with securities and investment regulation.

As regional hubs compete for mobile capital, Vietnam's differentiation may come from financing its expanding infrastructure and industrial economy. Investors will judge progress by money raised, deals closed and funds deployed—not the number of licences issued. VNS

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Vietnam's logistics cost burden puts infrastructure strategy to the test

Vietnam's growing manufacturing economy has a logistics problem that new highways alone cannot resolve. The Vietnam Logistics Report 2025 puts economy-wide logistics costs at 16% to 17% of GDP, well above an estimated global range of 10.6% to 11.6%. That gap risks eroding the savings international manufacturers seek from operating in Vietnam.

The challenge is how freight moves between existing assets. An industry executive cited by Vietnam News estimates that road transport represents 80% to 90% of logistics expenses. Rail and inland waterways remain underused, while poorly synchronized warehouses, factories and ports add delays and unnecessary handling.

Fresh investment shows how the country is trying to change that. Viettel's $127 million logistics park near the Chinese border can process 1,500 trucks daily. A roughly $161 million complex in Bac Ninh combines specialized storage and distribution services for northern industry. Their commercial value, however, will depend on consistent cargo volumes and connections to wider transport networks.

The government wants to establish at least five modern logistics hubs under its long-term strategy. Yet building similar facilities in competing provinces could leave expensive assets underused without coordinated planning.

For foreign investors, the opportunity extends beyond real estate and transport infrastructure. Digital freight platforms, multimodal terminals and supply-chain visibility services could generate stronger returns by improving asset utilization. Vietnam's next logistics breakthrough may come from making its existing network work as one. VNA/VNS

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Vietnam's online retail boom masks weakening sales volumes

Vietnam's online shopping industry is expanding in value, but the underlying demand picture is becoming less convincing. The country's four leading marketplaces generated approximately $15.9 billion in gross merchandise value during the first nine months of 2026, with 2.6 billion products sold, according to YouNet ECI.

Behind those figures, higher selling prices have become the main engine of growth. The price component increased 32% year on year, while unit sales declined 6%. The divergence suggests that rising transaction values are not necessarily translating into stronger consumption, raising questions about how much further retailers can push prices.

Competition among sellers is also changing. Although the number of active revenue-generating stores recovered in the third quarter, independent merchants remained 8% below their year-earlier level. Official brand stores, meanwhile, expanded by around 5%, suggesting an increasingly difficult environment for smaller operators.

One notable exception is fast-moving consumer goods. The category generated approximately $1.13 billion in third-quarter sales, up 36% from a year earlier. Unlike the broader market, its expansion reflected gains in both prices and quantities, pointing to more resilient demand for everyday essentials.

For brands and investors, the distinction matters. As Vietnam approaches its year-end shopping peak, sustainable growth will depend less on headline sales figures and more on repeat purchases, product positioning and customer retention. The next winners may be those that can expand volumes without sacrificing profitability. VNS

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Vietnam's power reform confronts the cost of investor certainty

Vietnam is trying to make expensive power plants easier to finance without leaving households and businesses underwriting risks they cannot influence. That trade-off has become central to debate over amendments to its Electricity Law, considered by lawmakers in October and November.

One proposed change would compensate generators for keeping dependable capacity available, not just the electricity delivered. Such a structure could make LNG-fired facilities more attractive to lenders. But payments based on nameplate capacity rather than tested availability could reward assets that cannot respond when the grid needs them. Eligibility and penalties therefore matter as much as the tariff itself.

Another fault line is the minimum volume committed under long-term power contracts. In May, the industry ministry floated raising the contracted share for imported LNG projects from 65% to 75% of average annual output and extending the maximum term from 10 to 15 years. More predictable revenue could lower financing risk, while pushing potential surplus costs onto power buyers if dispatch falls short. Those figures were proposals, not proof of an enacted rule.

The third test is contractual discipline. Transparent fuel and currency adjustment formulas, competitive procurement and clearly assigned construction and grid risks would help distinguish viable projects from those reliant on implicit guarantees.

Vietnam needs new capacity, but not at any price. Its credibility with investors will depend on contracts that reward actual reliability while containing long-term costs to consumers. Nangluongvietnam.vn

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Vietnam's retail expansion is increasingly a contest over people, not just property.

Japanese retailer AEON intends to triple its local business by 2030, while planning more than 3,000 hires this year. Its payroll is expected to exceed 12,000 by December. The recruitment drive comes as new outlets in Hai Duong, Thanh Hoa and Ha Long extend the chain beyond the country's largest consumer centers.

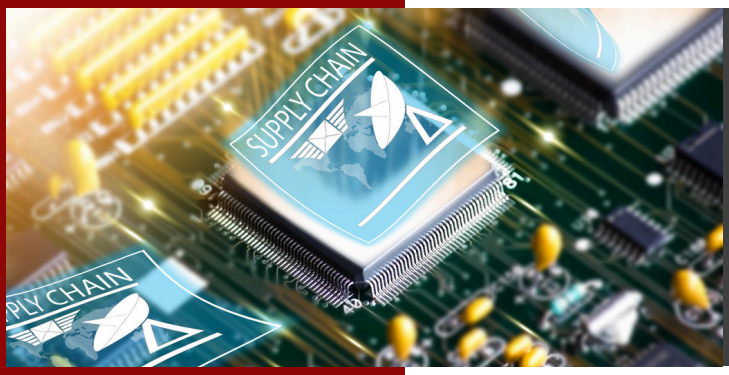
The push reflects a broader shift in Vietnam's retail geography. Regional cities offer retailers access to new consumer markets and potentially less crowded retail locations, but operating large stores outside Hanoi and Ho Chi Minh City requires dependable local management. Store openings can be announced quickly; building supervisory depth takes longer.

AEON is responding with two career tracks, one encouraging movement across functions and the other cultivating specialist expertise. Its internal academy and succession planning suggest that the group sees talent development as part of its expansion infrastructure rather than a human-resources perk.

That distinction matters financially. Inconsistent service, employee turnover and weak inventory discipline can erode margins before new locations establish a loyal customer base. Recruiting locally may reduce relocation costs and create stronger links with surrounding communities, although training investments and wage competition will weigh on operating expenses.

The bigger question is whether AEON can replicate its operating standards at speed while adapting assortments and services to provincial demand. Vietnam's regional retail race will reward chains that scale managerial capability as effectively as floor space.

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Vietnam seeks bigger role in global technology value chains

Vietnam is recalibrating its pitch to global investors. Having built an export powerhouse around low-cost assembly, it now wants foreign capital to underpin more sophisticated industries and stronger domestic suppliers.

At a Ho Chi Minh City summit on Nov. 3, officials highlighted artificial intelligence, semiconductors, clean energy and international finance as priorities. The shift comes amid rapid expansion: Vietnam's economy grew 9.01% in the first nine months of 2026.

The country's largest commercial centre offers a glimpse of the scale involved. Ho Chi Minh City, enlarged by a 2025 administrative merger, accounts for about 23.5% of national GDP. Registered foreign investment reached $19.1 billion in the first ten months, according to city figures. Major projects cited by officials include a port development worth more than $4.9 billion and a roughly $2.1 billion AI data facility.

Domestic corporate performance adds momentum. Vietnam's 72 companies on Fortune's Southeast Asia 500 generated $177.9 billion in revenue, an increase of 10.5%, against the ranking's 3.4% regional rise.

Yet capital-intensive projects will not automatically deepen local industrial expertise. Skilled engineers, dependable energy, technology transfer and capable suppliers remain essential. Competition from Chinese manufacturers and geopolitical trade tensions add pressure.

For investors, the key question is whether Vietnam can turn its investment ambitions into lasting productivity gains and commercially viable domestic partnerships. The answer will shape how much value the economy retains from the next wave of foreign investment. VNS

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