



VIETNAM

ECONOMIC TIMES

A PUBLICATION OF VIETNAM ECONOMIC ASSOCIATION

ISSN 2734 - 9683

Issue 480 | Monday | October 26, 2026



Perfecting property Amendments coming to legal framework on housing



PETROVIETNAM

VIETNAM NATIONAL INDUSTRY- ENERGY GROUP

ENERGY



INDUSTRY



**HIGH QUALITY
TECHNICAL SERVICE**



ENERGY FOR DEVELOPMENT

LETTER FROM THE CHAIRMAN OF THE EDITORIAL BOARD

Dear readers,

Since ancient times, Vietnamese people have passed down a proverb of Sino-Vietnamese origin: “An cư lạc nghiệp,” which means that only those who have stable housing can have peace of mind at work.

In Vietnam today, not only do Vietnamese people desire stable housing but also foreigners living and working in the country, with the exception perhaps of those entitled to diplomatic and consular privileges that include accommodation.

In fact, foreign organizations and individuals in Vietnam, provided that they meet the qualifications and conditions stipulated in the Law on Housing 2023 and Decree No. 95/2024/ND-CP from the government, now have the right to own housing in Vietnam.

Thus, legally speaking, foreign organizations and individuals living and working legally in the country are being facilitated to secure housing of their own.

Moreover, the Communist Party of Vietnam and the State, from the central to the local level, have issued a host of policies and mechanisms, including housing policies, to encourage foreign organizations and individuals to invest in, do business in, and work long-term in Vietnam.

Resolution No. 21-NQ/TW from the third plenum of the 14th Party Central Committee, issued on July 28, 2026, on the viewpoint and orientation for amending the Land Law and related laws, identifies the policy of “encouraging the development of rental housing at reasonable prices.” This is a breakthrough policy, contributing to removing bottlenecks in the real estate market, shifting the mindset of people from a desire for housing ownership to that for renting a house, thus gradually balancing the supply and demand of housing and creating conditions for everyone, including foreigners living and working legally in Vietnam, to have stable housing without necessarily owning a house.

During its recent second session, the 16th National Assembly discussed the draft amendments to the Land Law, the Law on Housing, and the Law on Real Estate Business, including contents related to the housing ownership rights of foreign organizations and individuals in Vietnam, aiming to facilitate stable housing during their legal residence and work in Vietnam.

This appropriate policy will encourage foreign organizations and individuals, especially investors, experts, scientists, engineers, specialists, and technicians, to feel secure in living and working in Vietnam.

With a trend toward new generation development aimed at optimizing space and resolving the country’s housing and employment issues, many localities in Vietnam are focusing on developing industrial parks under the model of an “Industrial - Urban - Service Complex.” This is being encouraged in order to create more conditions for workers, including foreigners, to quickly secure stable housing according to their personal needs and financial capabilities.

To keep readers updated on housing policies for foreigners in Vietnam, our Cover Story in this edition focuses on analyzing housing issues as a factor attracting foreign investors, experts, scientists, specialists, and technicians to invest in, do business in, and work in Vietnam, while also looking at housing development in connection with infrastructure and urban restructuring, reviewing policies to enhance the development of the rental housing segment, and examining changes in legal regulations regarding foreign ownership of houses in the amended Law on Housing submitted to the National Assembly on October 22, as well as trends in developing new-generation industrial parks under the “Industrial - Urban - Service” complex model, along with many other issues related to the demand for housing among foreigners in Vietnam.



ARTWORK BY VIET TRUONG NHU

Warmest regards

Dr. CHU VAN LAM
CHAIRMAN OF THE EDITORIAL BOARD

VIETNAM ECONOMIC ASSOCIATION

PRESIDENT: Professor, Dr. of Science Nguyen Quang Thai

EDITORIAL BOARD

Dr. Chu Van Lam, Chairman
Mr. Dao Quang Binh, Vice Chairman
Ms. Chu Thi Hanh, Editor-in-Chief
Ms. Nguyen Thi Ngoc Diep, Deputy Editor-in-Chief
Mr. Vu Quoc Hung
Mr. Nguyen Si Hoang
Ms. Nguyen Lan Huong
Ms. Nguyen Thi Thu Huong
Ms. Ta Thi Thu Trang
Mr. Nguyen Quoc Uy
Mr. Ngo Xuan Vu

SCIENTIFIC COUNCIL

Professor, Dr. of Science Nguyen Quang Thai (Chairman)
Dr. Nguyen Ba An
Dr. Vu Thanh Tu Anh
Dr. Vu Tuan Anh
Associate Professor Le Xuan Ba
Professor Hoang Van Cuong
Associate Professor Vu Cuong
Dr. Le Dang Doanh
Professor Tran Ngoc Hien

Professor Nguyen Trong Hoai
Professor Nguyen Dinh Huong
Professor Ngo Thang Loi
Dr. Can Van Luc
Associate Professor Vo Dai Luoc
Professor Nguyen Mai
Professor Nguyen Cong Nghiep
Associate Professor Vu Van Phuc
Professor Luong Xuan Quy

Associate Professor Truong Thi Minh Sam
Associate Professor Nguyen Hong Son
Professor Truong Ba Thanh
Associate Professor Bui Tat Thang
Professor Nguyen Xuan Thang
Associate Professor Tran Dinh Thien
Professor Vu Huy Tu

MANAGEMENT BOARD

- Mr. Dao Quang Binh (Chairman)
- Dr. Chu Van Lam (Vice Chairman)
- Ms. Chu Thi Hanh
- Ms. Nguyen Thi Ngoc Diep
- Mr. Nguyen Manh Hung
- Ms. Pham Thi Tuyen
- Ms. Nguyen Thi Thu Huong

VIETNAM ECONOMIC TIMES WEEKLY

- **EDITOR:** Ms. Ta Thi Thu Trang
Ms. Tong Diep Linh
- **ENGLISH EDITOR:** Mr. John Harding
- **DESIGN & IMAGES:** VET Media

GENERAL DIRECTOR: Mr. Dao Quang Binh

HEADQUARTERS

HEAD OFFICE

96-98 Hoang Quoc Viet, Nghia Do Ward, Hanoi
Tel: 024 3755 2050 - Email: toasoan@vneconomy.vn

SOUTHERN REPRESENTATIVE OFFICE

1/1 Hoang Viet, Tan Son Nhat Ward, Ho Chi Minh City
Tel: 028 3811 7400 - Email: vetsgn@gmail.com

HAI PHONG REPRESENTATIVE OFFICE

No. 572-8 Tran Phu Street, Ngo Quyen Ward, Hai Phong City
Tel: 091 650 8066 - Email: huyhoangvet@gmail.com

THANH HOA AND NORTH CENTRAL REGION REPRESENTATIVE OFFICE

120 Han Thuyen, Hac Thanh Ward, Thanh Hoa City
Tel: 090 138 3789

DA NANG AND CENTRAL - CENTRAL HIGHLANDS REPRESENTATIVE OFFICE

92 Nguyen Thi Dinh, An Hai Ward, Da Nang City
Tel: 091 343 8025 - Email: kinhtevietnamvpdn@gmail.com

PR - ADVERTISING

VNECONOMY COMMUNICATIONS TECHNOLOGY INVESTMENT
JOINT STOCK COMPANY

Add: 98 Hoang Quoc Viet, Nghia Do Ward, Hanoi
Tel: 024 3755 2050

DISTRIBUTION

Hotline: 098 289 8995
Email: phathanh@vneconomy.vn

editor.vet@gmail.com

www.facebook.com/vneconomy www.linkedin.com/company/vneconomy-vn

DIGITAL DISTRIBUTION PLATFORM



VNECONOMY ECOSYSTEM



ASKONOMY PLATFORM
THE AI TOOL BOX FOR BUSINESSES



COVER STORY (p.10 - 27)

The issue of foreign organizations and individuals purchasing housing in Vietnam has long sat at the periphery of discussions over policies concerning foreign investment attraction. While foreigners have been able to buy housing for more than a decade, uptake has been slow as related legal instruments were found to bear certain shortcomings. Revisions have been conducted and proposed changes detailed, with legal amendments set to facilitate such purchases in the hope that more foreign investment and talent will arrive on Vietnam's shores. Within the legal framework on property, renting is to be officially codified and infrastructure and urban restructuring encouraged as they relate to housing. These developments are also good news for foreigners living and working in Vietnam, whether they seek to purchase a roof over their heads or simply rent.

LEADERS

Frameworks for cooperation Party General Secretary and State President To Lam pays State visit to Denmark and official visits to the EU and Belgium from October 19-246

BANKING & FINANCE

Igniting progress Cashless payments have driven the development of a modern financial ecosystem in Vietnam28

BIZ REPORTS

Addressing problems in practice Efforts at institutional reform must allow for enterprise potential to be maximized30

Elevating cooperation further Summit takes a close look at Vietnam - US relations now and into the future34

Greater favor New Vietnam-EFTA Free Trade Agreement to give a solid boost to Norway's seafood exports to Vietnam36

Shifting dynamics E-commerce making a mark in retail but evolving customer preferences should be noted38

DIGITAL BIZ

From concept to creation Research into the deep-tech space must be turned into viable products40

Critical last link Identifying markets has become a key task for Vietnam's semiconductor industry42

PROPERTY

Increasing influence Sustainability considerations now top of mind for investors seeking industrial property44



Frameworks for cooperation

Party General Secretary and State President To Lam's European visit elevated ties with Denmark, deepened the Vietnam-EU partnership, and advanced plans to strengthen cooperation with Belgium.

From October 19 to 24, Party General Secretary and State President To Lam paid a State visit to Denmark and official visits to the EU and Belgium. Vietnam-Denmark relations were elevated to a Comprehensive Strategic Partnership during the visit, cooperation with the EU was strengthened, and a course was set for upgrading ties with Belgium.

During the six-day visit, high-level meetings, business forums, and cooperative agreements signed focused on economic connectivity, green transition, science and technology, and investment. A policy address he delivered at the University of Copenhagen outlined directions for Vietnam's cooperation with Denmark, while meetings in Brussels advanced commitments between Vietnam and the EU and Belgium.

In particular, Party General Secretary and State President To Lam delivered a policy speech at the Egmont Royal Institute for International Relations in Belgium, setting out three key messages on global strategic shifts, the convergence of Vietnam and the EU's visions, and five breakthrough areas of cooperation to deepen and strengthen Vietnam-Belgium relations in substantive terms.

Elevating Vietnam-Denmark relations

The State visit to Denmark from October 19 to 21 coincided with the 55th anniversary of diplomatic relations between the two countries and marked the first State visit to Denmark by a General Secretary of the Communist Party of Vietnam. On October 20, the two sides agreed to elevate bilateral relations from the Comprehensive Partnership established in 2013 and the Green Strategic Partnership established in 2023 to a Comprehensive Strategic Partnership.

Denmark thus became Vietnam's first comprehensive strategic partner in the Nordic region and the second EU member state to establish this level of partnership with Vietnam.

Under the joint statement issued, the two sides agreed to strengthen high-level exchanges through Party, State, government, parliamentary, and local channels; effectively implement the EU-Vietnam Free Trade Agreement (EVFTA); and make energy transition, climate action, and sustainable development long-term priorities. Cooperation in strategic infrastructure, seaports, logistics, science and technology, and digital transformation will also be advanced. Both sides welcomed Denmark's establishment of a Consulate General in Ho Chi Minh City.

In his policy address at the University of Copenhagen, entitled "From Fairy Tales

to a Horizon of Vietnam-Denmark Cooperation in a New Era," Party General Secretary and State President To Lam outlined five directions for bilateral cooperation: elevating bilateral relations; shifting from assistance to co-creation to generate new value; prioritizing science and technology, green transition and climate change response; laying a foundation through education and people-to-people exchanges; and making joint contributions to peace and sustainable development. These priorities were reflected in the joint statement, linking the policy vision to the new framework for bilateral relations.

A spirit of co-creation was a defining theme of economic cooperation. Vietnam and Denmark possess complementary strengths in markets, investment, technology, and management capabilities. Vietnam offers a destination for long-term investment and a gateway for businesses seeking to connect with ASEAN, while Denmark brings expertise in renewable energy, maritime transport, green logistics, pharmaceuticals, medical technology, and sustainable agriculture.

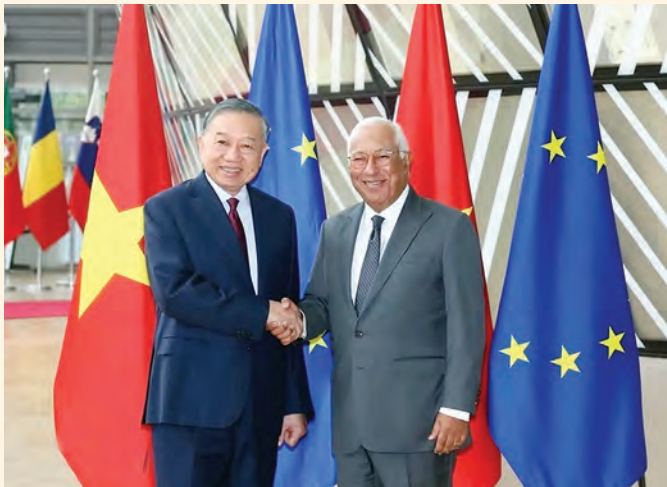
The EVFTA provides a foundation for businesses in both countries to expand trade and investment. At the Vietnam-Denmark Business Forum, Party General Secretary and State President To Lam and King Frederik X attended business networking activities. During meetings with leaders of A.P. Moller-Maersk, LEGO, Carlsberg, Pandora, Copenhagen Infra-

structure Partners (CIP), and Vestas, the Vietnamese side emphasized its commitment to creating a favorable and transparent investment environment while encouraging high-tech, environmentally-friendly projects with high added value.

Some 16 cooperative documents were exchanged, on healthcare, tourism, logistics, and energy. Agreements included cooperation between Vietnam's Hospital 19-8 and Denmark's Aalborg University Hospital on biomedical research and digital transformation in healthcare; between VinaCapital Logistics and A.P. Moller Capital on aviation logistics; and between Vietravel and Nordic Travel Associates on tourism. PetroVietnam and CIP agreed to cooperate in an offshore wind power project in Vietnam's south-central region, while PTSC M&C and Semco Maritime agreed to cooperate on offshore wind power substations.

Education, research, and people-to-people exchanges remain long-term priorities in bilateral relations. Party General Secretary and State President To Lam proposed establishing joint research groups, increasing exchanges between young scientists, supporting doctoral researchers, and sharing research infrastructure. He also called on the University of Copenhagen to explore the possibility of opening a campus in Vietnam. In addition, he met with the Denmark-Vietnam Friendship Association and Vietnamese communities in Denmark, Iceland, and southern Sweden.





Deepening European partnerships

Following his visit to Denmark, the Party General Secretary and State President arrived in Brussels for official visits to the EU and Belgium from October 21 to 24.

On October 22, he held talks with President of the European Council António Costa and President of the European Commission Ursula von der Leyen. The two sides issued a joint press statement reaffirming their commitment to deepening the Vietnam-EU Comprehensive Strategic Partnership, established in

January 2026. Key priorities include implementing the EVFTA, securing early ratification of the EU-Vietnam Investment Protection Agreement (EVIPA), and strengthening cooperation under the Global Gateway initiative and the Just Energy Transition Partnership (JETP).

The two sides also agreed to expand cooperation in critical raw materials, technology, innovation, strategic infrastructure, and the circular economy, while promoting collaboration in education, the green transition, and the blue economy.

At a high-level roundtable with prominent European and Belgian business lead-

ers, discussions focused on infrastructure, seaports, logistics, clean energy, semiconductors, high technology, and green agriculture. Party General Secretary and State President To Lam called for higher-quality cooperation, greater technological content, and stronger competitiveness, as well as deeper participation by businesses on both sides in global value chains. The roundtable also witnessed the exchange of cooperative agreements covering education, eco-industrial parks and high-tech parks, and other segments.

During his official visit to Belgium, he met with King Philippe and Queen

Mathilde, held talks with Prime Minister Bart De Wever, and worked with Belgian parliamentary leaders. Prime Minister De Wever affirmed that Vietnam was one of Belgium's top priority partners in Southeast Asia. The two sides agreed to work toward an early elevation of bilateral relations to a Strategic Partnership, establish defense and security cooperation as a new pillar, and expand economic ties in seaports, smart logistics, green energy, eco-industrial parks, and high-tech agriculture.

During meetings with Senate President Vincent Blondel and Chamber of Representatives President Peter De Roover, the Belgian side announced that the Chamber had approved the EVIPA on October 22.

The Party General Secretary and State President delivered a policy speech at the Egmont Royal Institute for International Relations entitled "Turning Vision into Action - From Political Determination to a Model for Cooperation" and met with leaders from the regions of Flanders and Wallonia.

From vision to action

The European trip brought together three frameworks for cooperation: bilateral relations with Denmark, relations between Vietnam and the EU, and Vietnam-Belgium ties. The initiatives advanced during the visit were closely aligned with Vietnam's development priorities, from the green transition and the attraction of high-quality investment to strengthening scientific and technological capabilities and deepening participation in global value chains.

From the vision of "co-creation" articulated at the University of Copenhagen to the call to "turn vision into action" at the Egmont Royal Institute, the visit conveyed a consistent strategic message. Its three central themes were the strategic shifts shaping the contemporary world, the convergence of views on strategic autonomy and green standards, and five breakthrough directions for cooperation: political trust, the digital economy, semiconductors, the green transition, and people-to-people exchanges. Together, these themes underscored an approach centered on national interests, connecting partners' strengths with Vietnam's domestic development needs, and translating political trust into tangible cooperation.

From Copenhagen to Brussels, joint statements, cooperative agreements, and high-level engagements all pointed toward the same objective: turning commitments into practical outcomes. The visit further demonstrated Vietnam's foreign policy of independence and self-reliance, multilateralization, and diversification in a new phase of national development. ■

Party General Secretary and State President To Lam and Denmark's King Frederik X witnessed the exchange of cooperative documents between Vietnam and Denmark in Copenhagen on October 20.

- An MoU on cooperation between the Vietnamese Ministry of Public Security's Hospital 19-8 and Denmark's Aalborg University Hospital on life sciences, advanced biomedicine, digital transformation in healthcare, innovation, and human resources development;
- A cooperative agreement between Vietnam's Vietravel Tourism and Denmark's Nordic Travel Associates on strategy and product development;
- An MoU between VinaCapital Logistics Holdings Ltd. and A.P. Moller Capital on cooperation in aviation logistics;
- An MoU on cooperation between the Fertilizer and Chemicals Corporation under the Vietnam National Industry-Energy Group (PetroVietnam) and Denmark's Topsoe to promote technological solutions in the fields of chemicals, fertilizers, and sustainable energy;
- A strategic cooperation agreement for 2026-2030 between PTSC M&C under the Vietnam National Industry-Energy Group (PetroVietnam) and Denmark's Semco Maritime A/S on strengthening resources and developing the global market for offshore wind substation projects;
- An MoU between Vietjet Air and Satair to expand strategic cooperation in aviation materials, supply chains, and services, supporting Vietjet's plan for fleet and operational expansion;
- An MoU on cooperation between the FPT Corporation and the Niels Bohr Institute at the University of Copenhagen, to establish a framework for research and cooperation in quantum science and information technology;
- An MoU on cooperation between the Hateco Group and APM Terminals (Maersk Group) in R&D and the operation of a railway cargo terminal in Hai Phong city;
- An MoU on cooperation between Vietnam Airlines and Copenhagen Airport to promote and strengthen cooperation in aviation and airport operations;
- An MoU on cooperation between Vietnam Airlines and the Confederation of Danish Industry to develop potentially mutually-beneficial areas of cooperation, and consideration of the possibility of Vietnam Airlines becoming a member of the Confederation of Danish Industry;
- An MoU on cooperation between Vietnam Airlines and Scandinavian Airlines System (SAS) to expand codeshare cooperation in passenger transport, cargo transport, frequent flyer programs, corporate customers, and new distribution capacity management;
- A cooperative agreement between the Vietnam National Industry-Energy Group (PetroVietnam) and Copenhagen Infrastructure Partners (CIP) on the development of the Offshore Wind Power Project 1 in Vietnam's south-central region;
- A Letter of Intent between the Hue City People's Committee and the Carlsberg Group on investment in expanding the brewery at the Phu Bai Industrial Park;
- A Letter of Intent between the Da Nang City People's Committee and the Carlsberg Group regarding Carlsberg Vietnam's investment commitment for the 2026-2030 period;
- An MoU on cooperation between the Hanoi People's Committee and the LEGO Group to implement a STEAM education cooperation project;
- An MoU on cooperation between Vietnam's Ministry of Industry and Trade and Denmark's Ministry of Climate, Energy and Utilities in the field of energy.



Home away from home

Foreigners working at FDI projects seek a level of housing and services that Vietnam is now committed to providing.

NGAN HA

Against a backdrop of global economic uncertainty, Vietnam continues to record positive results in attracting FDI. Total registered FDI exceeded \$50.36 billion in first nine months of 2026, up 76.4 per cent year-on-year. Disbursed FDI totaled \$21.07 billion, an increase of 12.1 per cent and the highest level in five years. Investment was especially concentrated in high-tech sectors, including semiconductors, electronic components, and renewable energy.

Having attracted more than \$50 billion in FDI in the first nine months, Vietnam could see full-year inflows hit \$60 billion or even higher; a level previously recorded during an earlier investment boom. However, attracting such substantial investment, particularly clean and high-quality FDI, would require Vietnam to navigate increasingly intense competition from regional economies. This means that providing ready-to-build industrial land alone may

not be enough to attract and retain major technology investors. Behind billion-dollar factories are tens of thousands of international experts and senior engineers who need more than a workplace: they need a place where they and their families can build a life.

Lessons from Bac Ninh

Bac Ninh city has been a pioneer in recognizing and gradually addressing this gap in the supporting infrastructure needed to attract foreign investment. As Vietnam's third-largest industrial hub, the northern city has become a destination for major multinational corporations such as Samsung, Amkor, Canon, Foxconn, and Sungwoo. To date, foreign investors have committed approximately \$52 billion to the city across more than 3,670 active projects. In the first nine months of this year alone, Bac Ninh approved 264 new FDI projects with total registered capital of more than \$1.677 billion.

The rapid expansion of manufacturing and electronics has triggered a substantial influx of skilled employees. Bac Ninh currently has approximately 25,000 foreign workers, which is projected to grow by 10-15 per cent annually. By 2030, the city is expected to host around 40,000 international experts and engineers. This growing population is putting increasing pressure on the local housing and accommodation market.

Mr. Hao Bei Ping, Deputy General Director of Sales at the Yuhua Vietnam Packaging Technology Co., Ltd., said he would like to live in an integrated urban development offering a range of modern amenities while working in Vietnam. If Vietnam could develop such communities near industrial parks, he said, this would give it an advantage in attracting billion-dollar projects from foreign companies.

Nevertheless, the gap between potential demand and foreign residents' access to housing raises several challenges. Homeownership can provide greater residential stability and eliminate monthly rental payments, while also offering the prospect of capital appreciation over time. Close integration between high-tech industrial parks and internationally-competitive urban ecosystems is therefore increasingly seen as a source of competitive advantage for Bac Ninh and other localities.

To address this challenge, local authorities are looking beyond industrial park expansion toward developing accommodation and residential communities based on an "all-in-one" model. These smart, green urban developments integrate a comprehensive range of amenities, including



international hospitals, schools teaching multiple grades, shopping centers, entertainment facilities, and layered green spaces.

Strengthening Vietnam's FDI competitiveness

However, providing suitable homes for international experts, as Bac Ninh is seeking to do, is only one element of a broader FDI ecosystem. To attract and retain major technology investors and realize its ambition of gradually mastering advanced technologies, Vietnam needs not only large, amenity-rich urban developments but also coordinated progress across several other critical areas.

According to Mr. Nguyen Van Toan, Vice Chairman of the Vietnam Association of Foreign Invested Enterprises (VAFIE), FDI attraction must go beyond allocating plots of land for factories. The next stage should involve planning integrated industrial, urban, and service complexes, with international education facilities, high-standard hospitals, and spaces for cross-cultural interaction. Only when foreign experts are confident that their families are well cared for can they fully contribute to their companies' development.

Though the legal framework has improved, with clearer provisions on the eligibility, conditions, and ownership rights of foreign organizations and individuals purchasing homes, implementation at the local level still faces delays and inconsistencies. Detailed guidance is therefore needed, alongside a systematic review of practical obstacles. Establishing a transparent, multilingual property exchange or data portal for foreign buyers, with

accurate connections between supply and demand, could remove information barriers that currently constrain international investment in the real estate market.

Beyond addressing obstacles to foreign property ownership, Vietnam should consider mechanisms such as golden visas linked to investment or long-term residency for high-tech professionals. As regional economies compete by fast-tracking approvals for both projects and personnel, streamlining administrative procedures, from work permits and residency visas to homeownership certificates, could give Vietnam a significant competitive advantage in attracting FDI.

Alongside greener living environments, the next generation of FDI brings stringent requirements for clean energy in production. Given the enormous electricity demands of high-tech industries such as semiconductors and data centers, ensuring access to green energy is a prerequisite for attracting investment.

Vietnam must also prepare a highly-skilled domestic workforce to complement international talent. Building local communities of international experts can encourage the exchange of experience and knowledge, helping lay the groundwork for technology transfer over time.

Finally, housing and residential developments for international experts should be planned in coordination with industry clusters, where foreign-invested and domestic enterprises can interact more easily, transfer technology, and establish local R&D centers. Such an integrated approach would help Vietnam move up the global value chain and capture greater value from its participation in the international economy. ■



To reflect practical conditions

A number of amendments are contained within the draft revised Law on Housing, including rules on homeownership by foreign organizations and individuals.

 **PHAN DUONG**

Alongside the influx of FDI, the number of foreigners working and living in Vietnam has continued to rise. Vietnam's 2026 Economic Census found that the country had 29,786 FDI enterprises as of the end of 2025, while a report reviewing the implementation of Decree No. 219/2025/ND-CP showed that 162,858 foreign workers from approximately 110 countries and territories were employed in Vietnam as of the end of last year. Technical workers accounted for the largest group, at 85,951, followed by 44,342 specialists, 22,416 managers, and 10,149 executive directors. These figures point to substantial demand for housing among foreigners living in Vietnam.

To reflect changing conditions and the country's development priorities, as well as to institutionalize new policies and orientations set by the Party and the government, the draft revised Law on Housing proposes several amendments, including changes to the rules governing homeownership in Vietnam by foreign organizations and individuals.

Policy adjustments

Vietnam first piloted a policy allowing foreigners to own homes in 2008 under Resolution No. 19/2008/QH12. The right



was subsequently formalized under the Law on Housing 2014, which took effect on July 1, 2015, and was retained in the Law on Housing 2023, which expanded eligibility and eased conditions for foreign homeownership in Vietnam.

Since the Law on Housing 2023 took effect on August 1, 2024, the number of homes owned by foreign nationals in Vietnam has risen sharply compared to previous years. According to a report from the Vietnam Association of Realtors (VARs), only slightly more than 3,000

foreigners purchased homes in Vietnam between 2015 and the end of the third quarter of 2023. Most were apartments in commercial housing projects, concentrated in major cities and provinces.

However, the Ministry of Construction (MoC)'s Report No. 356/BC-BXD, dated September 9, 2026, stated that ownership certificates were issued for approximately 6,188 homes nationwide purchased by foreign organizations and individuals.

Foreign buyers tend to favor projects with integrated planning and comprehensive amenities. This trend suggests that the homeownership policy under the Law on Housing 2023 has been implemented effectively, encouraging foreign organizations and individuals to invest in residential property in Vietnam and providing housing for those living in the country. It has also helped absorb some of the market's high-end housing supply, supported real estate market development, improved infrastructure and urban environments, and stimulated economic growth and local employment.

After more than two years of implementation, several provisions of the Law on Housing 2023 have revealed shortcomings and inconsistencies.

Regarding housing for foreigners, some stakeholders have raised concerns that the Law on Housing 2023 and the Land Law 2024 do not recognize foreign individuals as land users and do not specify how ownership certificates should be issued when a homeowner does not hold land-use rights over the underlying plot. Current legislation also lacks provisions governing land-use rights when homes are sold to foreign organizations or individuals and when foreign owners subsequently resell them to Vietnamese buyers.

This raises several practical questions. If a home is sold to a foreign buyer without transferring land-use rights, who retains

Regarding foreign ownership of residential property in Vietnam, the Ho Chi Minh City Real Estate Association has proposed amending Clause 1 and Points a and b of Clause 2, Article 9, of the draft Law on Real Estate Business, to allow the following.

- **Domestic organizations and individuals, overseas Vietnamese who are Vietnamese citizens, and foreign-invested economic organizations** may purchase, lease, or acquire housing through lease-purchase or installment payment arrangements in accordance with housing laws. They may also purchase, lease, or acquire through lease-purchase or installment payment arrangements tourist apartments, resort villas, office-apartments, adjoining commercial houses, construction works, and floor space in buildings designed for office, tourism, or accommodation purposes.
- **Foreign individuals and people of Vietnamese origin residing overseas who legally enter Vietnam** may purchase or acquire housing through lease-purchase or installment payment arrangements in accordance with housing laws. They may also purchase or acquire housing through lease-purchase or installment payment arrangements tourist apartments, office-apartments, and floor space in high-rise buildings designed for office, tourism, or accommodation purposes. The total floor space that a foreign individual may purchase must not exceed 30 per cent of the total floor space in the building offered for sale.
- **Foreign-invested economic organizations referred to in Clause 4, Article 8 of the law**, while legally operating in Vietnam, may purchase, lease, or acquire through lease-purchase or installment payment arrangements housing, tourist apartments, resort villas, office-apartments, adjoining commercial houses, construction works, and floor space in buildings designed for office, tourism, or accommodation purposes.
- **Foreign organizations legally operating in Vietnam and remaining within their lawful period of residence in the country** may lease tourist apartments, resort villas, office-apartments, adjoining commercial houses, construction works, and floor space in buildings designed for office, tourism, or accommodation purposes.

those rights? If a foreign owner without land-use rights resells the property to a Vietnamese buyer who is entitled to such rights, how should the transfer contract be handled, and how should related issues be resolved? At recent meetings, several National Assembly (NA) deputies called for a review of these provisions to ensure consistency with relevant rules under the Civil Code and the Law on Management and Use of Public Property, particularly those concerning assets established as collectively owned by the people and the handling of such assets.

Redefining foreign homeownership

Vietnam is entering a new stage of development, with ambitious targets and stricter legal requirements. As a result, certain provisions of the Law on Housing, including those governing homeownership by foreign nationals, need to be revised to reflect practical conditions and the development orientations of the Party and government. The proposed changes also aim to address existing shortcomings, improve consistency across the legal system, establish a more transparent and secure regulatory environment with lower compliance costs, improve the investment and business climate, and simplify administrative procedures.

Deputy Minister of Construction Nguyen Van Sinh said the draft had been revised to incorporate several changes. These include removing provisions on accommodation for specialists and workers outside industrial parks and in dormitories; excluding foreign workers from the group eligible to rent social housing; adjusting the rules on foreign ownership of landed houses; and revising provisions on the rights and obligations of foreign owners, as well as the handling of residential property when the ownership period expires.

The MoC had initially proposed adding rules on accommodation for these groups following feedback from several agencies. The draft had included definitions, eligibility criteria, construction investment procedures, and operational management requirements under Clause 8, Article 2, and Articles 50 and 51.

However, the NA Standing Committee and the Committee on Legal and Judicial Affairs called for careful consideration before including this type of accommodation in the draft law. They argued that the boundary between social welfare policy and commercial real estate activity remained unclear, creating a risk that the policy could be exploited or transformed into commercial property projects, potentially affecting policies on accommodation in industrial parks and social housing. The Ministry of Public



Security (MPS) also proposed removing the relevant provisions.

On the proposal to remove foreign workers from the group eligible to rent social housing, the MoC noted that Resolution No. 201/2025/QH15 allows businesses, State agencies, political organizations, socio-political organizations, and public service units to rent social housing for their own officials, civil servants, public employees, and workers, including foreign workers. The Ministry had proposed incorporating this provision into the revised law.

However, after reviewing feedback from the MPS, the MoC proposed excluding foreign workers. The police argued that foreign workers employed by businesses are largely specialists, managers, and highly-skilled technical staff whose incomes are relatively high, making them ineligible for preferential social housing policies. They also noted that separate policies already provide accommodation for workers in industrial parks.

The draft also removes the right of foreign organizations and individuals to own landed houses. Under the Law on Housing 2023, foreign owners may hold up to 250 villas or adjoining houses in an area with a population equivalent to that of a ward. If the draft is approved and takes effect, foreign organizations and individuals would no longer be allowed to own landed houses in residential projects, including villas and adjoining houses, and would be limited to apartments in housing development projects.

Another proposal in the draft allows the government to determine the foreign ownership quota for apartments, replacing the current law's explicit 30 per cent cap. Under existing rules, the Ministry of National Defense and the MPS are responsible for identifying areas where national defense and security must be safeguarded. Local authorities then use this information to determine and publicly announce which projects may be purchased by foreign buyers.



Vietnam is entering a new stage of development, with ambitious targets and stricter legal requirements. As a result, certain provisions of the Law on Housing, including those governing homeownership by foreign nationals, need to be revised to reflect practical conditions and the development orientations of the Party and government.

NA deputies have argued that this is a sensitive issue involving national defense, security, and the rights and obligations of foreign nationals in Vietnam. They called for consultations with competent authorities and consideration of whether the ownership cap should remain explicitly stated in the law.

Foreign ownership

Speaking during a group discussion on October 22, Mr. Nguyen Thanh Tam, NA Deputy from Ho Chi Minh City, said allowing foreign organizations and individuals to legally own homes could help attract investment. However, ownership limits also affect population management, territorial administration, and national defense and security, particularly in border areas, along coastlines, on islands, and near critical infrastructure.

He said a higher foreign ownership

rate should not automatically be considered a security risk, but any adjustment must be evidence-based and subject to clear oversight mechanisms. Mr. Tam therefore proposed retaining the 30 per cent cap in the law while authorizing the government to regulate how the quota is calculated, how apartment numbers are managed, how buildings with multiple sections or projects with several buildings are treated, and how subsequent transactions are monitored.

Other NA deputies called for further impact assessments of the proposal to narrow the scope of foreign homeownership, noting that it could affect Vietnam's commitments on investment and trade in services as well as the principle of protecting foreign investors' lawful assets.

In response, the MoC said removing foreign ownership of landed houses was intended to meet stricter requirements for improving the legal framework. The Ministry cited Resolution No. 21-NQ/TW from the Party Central Committee, which sets out the direction for amendments to the

Land Law and related legislation. The Resolution calls for preventing the privatization of land and prohibiting foreigners from acquiring land-use rights through any form of transfer. The proposed change would also improve consistency between housing and land legislation.

For apartments, the Land Law 2024 and the draft revised Land Law stipulate that land-use rights associated with apartment buildings are held collectively, while individual apartment owners receive ownership certificates covering their respective units. Under this framework, when an apartment is sold to a foreign organization or individual, the ownership certificate would cover the apartment itself, while the underlying land-use rights would remain collective. If the property is subsequently sold to a Vietnamese buyer, the buyer would hold apartment ownership rights linked to land-use rights in accordance with land legislation.

The draft also sets out eligibility requirements for foreign homeownership. Individuals must be permitted to enter Vietnam, while foreign organizations must be authorized to operate in the country. It also adds provisions governing the disposal of residential property when the ownership period expires.

The proposed changes would not eliminate foreign homeownership in Vietnam or necessarily tighten the numerical limit on homes sold to foreign buyers. Rather, they would narrow the types of property foreigners can own, from apartments and landed houses to apartments only.

According to the MoC, this change would have a limited impact on the housing segment serving foreign buyers because demand for homeownership among foreigners remains relatively modest and is concentrated primarily in apartments.

Since the Law on Housing 2023 took effect, foreign organizations and individuals have acquired only 1,519 apartments. Including properties acquired in previous years, the total number of homes owned by foreign organizations and individuals stands at approximately 6,000; a small figure relative to both Vietnam's foreign resident population and the country's overall housing supply. ■

Connectivity key

Better infrastructure and revitalized urban areas are tipped to drive growth in housing demand in Vietnam's major cities, especially where public transport offers convenience.

THANH XUAN



Hanoi and Ho Chi Minh City's apartment markets slowed in both new supply and transactions in the third quarter of 2026 after a period of solid growth. Buyers have become more cautious amid elevated prices and borrowing costs, while developers adjusted launch schedules and strengthened sales incentives to match actual demand.

Over the medium and long term, housing demand in major urban centers is expected to remain strong. As transport infrastructure improves and urban spaces are reconfigured, the market could gain new growth drivers, creating opportunities for projects integrated with public transport networks.

Responding to market demand

According to One Mount Group's Market Research and Customer Insights Center, Hanoi recorded 2,200 newly-launched

apartments in the third quarter of 2026, down 71 per cent quarter-on-quarter and 70 per cent year-on-year. Ho Chi Minh City, meanwhile, recorded 2,500 new launches, down 77 per cent quarter-on-quarter and 54 per cent year-on-year.

Developers adjusted launch schedules to reflect market demand following a recovery in the first half. Some released selected apartment units to gauge customer interest, while others postponed launches as reservations fell short of expectations. Supply also shifted toward the inner-city areas of both.

Transaction volumes fell even more sharply. Hanoi posted 1,700 primary market apartment transactions in the third quarter, down 76 per cent quarter-on-quarter and 83 per cent year-on-year, and Ho Chi Minh City approximately 1,600, down 83 per cent quarter-on-quarter and 72 per cent year-on-year. For the first nine months, absorption rates based on total available primary supply, including new launches and unsold inventory carried

over from previous quarters, reached just 67 per cent in Hanoi and 43 per cent in Ho Chi Minh City.

One Mount Group attributed the slowdown to buyers' caution after prices rose sharply in 2024-2025 and borrowing costs remained high. It considers Hanoi's slowdown a temporary correction following rapid market expansion from 2023 to 2025. As short-term speculators exit, owner-occupiers and long-term investors with stronger financial resources could support more stable growth. In central Ho Chi Minh City, investment demand is also expected to weaken further in the fourth quarter of 2026, while owner-occupier demand is expected to hold up and shift toward more affordable markets.

Despite falling transactions, primary market asking prices showed no corresponding adjustment in the third quarter. Average prices in central Hanoi reached VND127 million (\$4,885) per sq m, up 6 per cent quarter-on-quarter and 41 per cent year-on-year. In Ho Chi Minh City,

prices reached VND104 million (\$4,000) per sq m, up 1 per cent quarter-on-quarter and 10 per cent year-on-year.

Pressure on housing prices

Rather than cutting listed prices, developers have strengthened their competitive position through discounts and financial incentives. These include shell-condition handovers, larger discounts and gifts, extended interest rate support, and longer payment schedules to ease buyers' financial burden before handover. Such measures give buyers greater flexibility in the effective prices they pay.

However, substantial price reductions remain unlikely as development costs continue to rise, particularly for land, construction, and labor. The Vietnam Association of Realtors (VARs) has identified six main cost components: construction (45-60 per cent); land (30-35 per cent); investment procedures (10-15 per cent); financing (8-15 per cent); infrastructure (5-7 per cent); and management (2-5 per cent).

Land and construction represent the largest cost burdens, yet developers have limited room to reduce either. Most localities impose high land-use fees, while construction expenses continue to rise across labor, materials, machinery, and equipment. Addressing these pressures therefore requires macro-economic policy intervention rather than measures taken by individual developers alone.

Developers can shorten construction processes, adopt new technologies, and implement cost-saving measures, but these offer limited reductions in overall project costs. Financing is another critical factor, shaped by capital allocation policies, interest rate decisions by the State Bank of Vietnam (SBV), and lending rates at commercial banks.

Capital is currently being directed primarily toward production to support economic growth. The SBV has recently removed several real estate categories, including tourism-related properties, social housing, schools, and hospitals, from credit restrictions. However, these adjustments have not resolved financing pressures across the broader housing market.

VARs also noted that selling prices reflect developers' profit margins and can be pushed higher by short-term investors, creating speculative valuations that diverge from underlying property values. More recently, speculation has eased and purchasing demand has weakened, contributing to some moderation in prices.

Long-term housing prospects

Supply and absorption will remain key indicators as the market adjusts. Forecasts for 2026-2027 point to a period of recalibration followed by a potential recovery. Mr. Tran Minh Tien, Director of One Mount Group's Market Research and Customer Insights Center, said 2026 would see supply adjust after the sharp increase in 2025, while 2027 was expected to bring a more pronounced recovery.

Developers are likely to take a more selective approach to launches, considering legal progress, infrastructure development, and actual market absorption. Annual apartment launches in 2026-2027 are projected at 23,000-30,000 units in Hanoi and 22,000-25,000 units in Ho Chi Minh City.

Mr. Tien expects housing demand in both cities to remain strong over the medium and long term. Urban planning adjustments under a 100-year vision, combined with greater private investment in infrastructure and Transit-Oriented Development (TOD) along metro lines,

could expand development opportunities for capable developers.

In southern Vietnam, Ms. Le Hoang Lan Nhu Ngoc, Senior Director, Strategic Consulting at Cushman & Wakefield Vietnam, said projects along Ho Chi Minh City's Metro Line 1 had benefited noticeably since the line began operations. Property prices rose rapidly and transaction liquidity improved, reshaping how investors assess development locations. "Previously, investment decisions were based primarily on geographic location. Today, connectivity and travel time are increasingly important," she said.

TOD's benefits extend beyond housing to other real estate segments. As Ho Chi Minh City expands its metro network, retail properties are among the first to gain from increased foot traffic, particularly around interchange stations, central stations, and terminal stations. Higher passenger volumes can boost shopping activity, attract retail brands, and improve occupancy in nearby developments.

Office properties can also benefit from better connectivity, although a metro station alone is insufficient to establish a new office district without an existing business cluster, supporting services, and an adequate labor pool. Offices are therefore likely to benefit most at major interchanges with established economic activity or in TOD areas planned as new employment centers. Hotels can also attract more guests as improved transport links make accommodation easier to reach while keeping central destinations accessible.

Over the longer term, mixed-use developments combining housing, offices, retail, services and public amenities within walking distance of metro stations are expected to benefit the most. By sustaining pedestrian activity throughout the day, these developments can improve land-use efficiency and create more vibrant urban environments.

Ms. Do Thu Hang, Senior Director, Advisory Services at Savills Hanoi, said improved connectivity could encourage buyers to consider locations farther from city centers. Projects near metro stations or developed under the TOD model are expected to attract greater interest over the long term because of their convenient transport links.

Successful TOD requires high-capacity public transportation, including metro lines, urban railways, or Bus Rapid Transit (BRT), with effective connections across the city. Areas surrounding stations should feature higher-density, mixed-use development, supported by integrated sidewalks, cycling infrastructure, transit interchanges, and public spaces that make stations accessible through sustainable transport options. ■





Competing for foreign talent

Mr. Pham Van Thinh, Vice Chairman of the Bac Ninh City People's Committee, shares insights into housing development for foreign residents with Vietnam Economic Times / VnEconomy.

■ As Bac Ninh enters a new phase of development and seeks to attract higher-quality FDI, how would you assess the role of housing and the broader living environment in strengthening the city's competitiveness in attracting and retaining international talent?

On September 20, Resolution No. 39/2026/QH16 from the National Assembly officially took effect, establishing Bac Ninh city on the basis of the entire natural area and population of former Bac Ninh city. This new development status brings higher expectations for urban quality, governance, and the living environment.

Bac Ninh city is now one of Vietnam's major industrial production centers and FDI destinations. As of the end of September, the city had 3,720 FDI projects with total registered investment of approximately \$52.39 billion. Gross regional domestic product (GRDP) grew by an estimated 11.81 per cent in the first nine months of this year, ranking fourth among Vietnam's 34 cities and provinces. The presence of global technology and manufacturing corporations has also created a growing community of international experts, engineers, managers, and workers living and working in Bac Ninh over the long term.

The question today is therefore not simply how many apartments can be sold or leased to foreign residents. The broader question is what kind of living environment Bac Ninh needs to develop to match the scale and quality of investment it aims to attract.

As competition for investment shifts from quantity to quality, a locality's advantages can no longer be measured solely by its industrial land, factory infrastructure, or investment incentives. Its ability to attract and retain highly-skilled talent is also a key component of its competitiveness.

A company may choose a factory location based on investment criteria, but when deciding whether to relocate their families and settle in a place for the long term, international experts also consider housing, schools, healthcare, transportation, retail, green spaces, property management services, community life, and convenient, transparent access to information. Housing for foreign residents should therefore not be viewed as a niche real estate market but as part of the infrastructure needed to support economic development and attract higher-quality FDI.

■ Based on Bac Ninh's implementation of housing policies for foreigners, what progress has been made and what issues still need to be addressed?

Bac Ninh has gradually moved from policy direction to implementation in recent years. In March, the City People's Committee called for a review and public disclosure of residential projects eligible for foreign ownership.

According to land registration authorities, we have issued 498 certificates of ownership to foreign organizations and individuals. Notably, 100 per cent of applications were processed within the prescribed administrative timeframe of eight working days. The remaining applications are under review or awaiting confirmation that financial obligations have been fulfilled.

These figures demonstrate that demand for homeownership among foreign organizations and individuals in Bac Ninh is real and has translated into actual transactions and registered ownership. They also indicate that, once eligible applications reach the land registration and certificate issuance stage, processing times at the relevant authorities are not currently a major bottleneck.

The issues that need closer attention lie across the entire process before and after a transaction. Can foreign buyers easily find suitable properties? Can they identify which projects permit foreign ownership and how many units remain available within the applicable quotas? Are advisory services, transactions, and document preparation convenient? Is essential information sufficiently connected and publicly accessible to those who need it?



■ What key priorities will the city focus on to ensure the housing market for foreign residents develops in the right direction?

I believe there are four priorities. The first is to quantify demand. We need to establish how many foreign experts, managers, engineers, and workers currently live and work in the city, and which industrial parks they are concentrated in. We must also understand whether they prefer to rent or buy, whether their needs are short or long-term, what they can afford, and how demand is likely to change over the next three to five years. Without reliable data, it is difficult to make sound planning and investment decisions.

Second, assess supply accurately. This means looking beyond the number of available apartments to determine whether they are located where international workers need them and whether they offer appropriate services, property management, transportation, education, retail, and overall living standards.

Third, clearly distinguish issues by jurisdiction. Matters that the city and its departments can resolve directly should be assigned to specific agencies, with clear procedures and deadlines. Issues involving national laws or central government policies should be documented comprehensively and supported by evidence before

As of early October, 41,416 foreign nationals were registered as temporary residents in Bac Ninh city.

As of the end of September, nearly 25,000 foreign experts, managers, engineers, and highly-skilled technical workers were employed at the city's industrial parks.

being submitted as recommendations. We should not lump every difficulty together under the broad label of “mechanism-related obstacles.”

Fourth, improve access to information. The City People's Committee has already publicly disclosed project lists in accordance with regulations. The next step should be to develop a more accessible data system through which foreign residents and FDI enterprises can readily identify suitable projects, the number of units still available, ownership conditions, applicable procedures, and relevant contacts.

In practice, public disclosure is a legal requirement, but turning disclosed information into usable data is what creates value for the market. This provides a concrete foundation for exploring the development of a dedicated data portal or housing guide for foreign residents in the future. ■



Part of the package

As northern Bac Ninh city seeks higher-quality FDI, policymakers, legal experts, and industry leaders discuss how housing and living standards are becoming critical to attracting and retaining international talent.

Vietnam's real estate market has expanded rapidly alongside its economic growth, industrialization, urbanization, and rising foreign investment. However, while the domestic housing market has been buoyant, the housing segment for foreign buyers remains relatively small. According to the Ministry of Construction, a total of 6,188 homes owned by foreign organizations and individuals have been issued ownership certificates nationwide to date.

Since the Law on Housing 2023 took effect, 1,519 foreign individuals have purchased and gained ownership of apartments. These figures remain modest compared with the approximately 160,000 foreign nationals living and working in Vietnam who are eligible to purchase homes. This raises the question of why the domestic housing market has grown so strongly while the segment for foreign buyers has yet to reach its potential. Developing this market requires addressing several fundamental issues.

First is the legal framework governing foreign ownership of housing. The Law on Housing 2023 specifies the eligible entities, conditions, forms of ownership, quotas, rights, and obligations of foreign organizations and individuals purchasing homes in Vietnam. However, implementation challenges and differences in how local authorities apply the regulations require further clarification. In particular, proposed

legal amendments concerning the scope of housing available for foreign ownership should be considered carefully to ensure policy transparency and predictability.

Second is housing supply. Foreign nationals may own homes only in eligible projects and areas, subject to limits on the proportion of apartments that can be foreign-owned in each building. Beyond legal eligibility, housing must meet expectations for living space, amenities, transportation, maintenance services, and multilingual support. Assessing supply therefore requires more than counting the number of available apartments. It is also necessary to determine how well properties match actual demand in terms of location, quality, purchase and rental prices, operating costs, and rental investment potential.

Third is accurately identifying customer demand. It should not be assumed that all foreign nationals working in Vietnam want to buy homes. The decision to rent or purchase depends on length of stay, job requirements, family circumstances, budget, and investment expectations. Direct engagement with foreign residents and companies employing international workers is needed to understand their preferred housing types, locations, and occupancy periods, as well as the barriers preventing them from purchasing property.

Fourth are transaction procedures and the issuance of ownership certificates.



Professor Hoang Van Cuong

Vice President of the Vietnam Economic Association

Even Vietnamese buyers can face difficulties verifying property information, reviewing contracts, making payments, and completing legal documentation. These challenges can be greater for foreign buyers because of language barriers and unfamiliarity with administrative procedures.

Finally, the government has a responsibility to ensure a safe living environment and protect property rights. Foreign buyers need access to clear, fair, and timely dispute resolution mechanisms and legal procedures. When ownership rights are protected, market information is transparent, housing supply meets demand, and transactions become more convenient, the housing market for foreign residents will be better positioned to develop sustainably. This would also strengthen Vietnam's appeal to international experts and foreign investment. ■

Experience shows that foreign homebuyers in Vietnam tend to favor central urban areas because of their infrastructure and services. However, not all buyers need luxury housing. An engineer working in Vietnam for two years may prefer to rent near the workplace, a manager relocating with their family may prioritize schools, healthcare, and reliable property management, while a buyer may focus on legal certainty and resale potential. Housing supply must address these distinct needs.

Foreign demand for homeownership still has room to grow, potentially absorbing part of the available housing supply, improving urban services, and creating jobs. However, foreign buyers should not be treated as a guaranteed source of demand for luxury real estate. The market can develop sustainably only when properties meet genuine user needs and are operated effectively.

To capitalize on this opportunity, developers should focus on three priorities that the market has made clear. First, research customers by nationality, length of stay, family circumstances, budget, and workplace,



Dr. Nguyen Van Dinh

Vice Chairman of the Vietnam National Real Estate Association, Chairman of the Vietnam Association of Realtors (VARs)

and design projects that meet the needs of both domestic and foreign buyers. Second, engage proactively with FDI enterprises, industrial parks, and employers of foreign employees from the earliest stages of project planning. Third, establish dedicated support teams with expertise in foreign languages, law, and cross-cultural transactions.

I would also emphasize the role of real estate exchanges and brokers. Foreign buyers are at a disadvantage because of language barriers, unfamiliarity with local laws, and limited access to market information. Brokers

must do more than introduce properties. They need to explain purchase and rental conditions, ownership periods, costs, legal status, and project ownership quotas. Any information that has not been verified must be clearly identified as such, especially before a buyer pays a deposit.

In the secondary market, whether the seller is a Vietnamese individual or a foreign property owner may affect the buyer's eligibility to acquire the property under the Law on Housing. The fact that a project has remaining capacity for foreign ownership does not mean every transaction is legally permissible. A standardized pre-transaction checklist would help protect buyers, businesses, and the reputation of the brokerage profession.

At the same time, on behalf of VARs, I propose three measures: introducing a pre-transaction checklist for foreign buyers that covers buyer eligibility, project legality, ownership quotas, ownership periods, and financial obligations; training brokers in multilingual advisory services, professional ethics, and legal restrictions; and coordinating the publication of regular market surveys by location and property segment. ■

Bac Ninh currently has 20 commercial housing projects officially approved for foreign ownership, offering more than 2,900 homes. Of these, 13 projects, comprising approximately 1,100 homes, were announced before August 1, 2024, under the Law on Housing 2014. The remaining seven projects, offering approximately 1,800 homes, were announced after August 1, 2024, under the Law on Housing 2023. These projects are concentrated primarily in central urban areas.

In addition, the city has developed rental housing projects and worker accommodation facilities in industrial parks that can be leased by businesses to house their foreign experts and employees, with a total supply of more than 6,000 units.

Our review indicates that housing supply has largely taken shape across the city. However, the availability of suitable properties that foreign nationals can access and legally own remains insufficient relative to actual demand. Drawing on our experience in the State management of housing and the real estate market, we have also identified several issues requiring further attention: the legal and regulatory frame-



Mr. Nguyen Quoc An

Deputy Director of the Bac Ninh Department of Construction

work, public disclosure and foreign residents' access to information, interagency coordination, and data infrastructure.

In response to these conditions, the Department of Construction has identified four key priorities.

First, it will continue working with relevant agencies and organizations to review commercial housing projects across the city. This will involve identifying eligible projects and determining the number of homes that can legally be offered to foreign organizations and individuals. We will also assess how housing supply is distributed

relative to areas with high concentrations of foreign experts, engineers, and workers, providing a basis for recommending appropriate housing development strategies.

Second, we will explore ways to disclose information through a centralized, consistent, accessible, and regularly-updated system, enabling foreign residents, businesses, and developers to research available options independently.

Third, we will strengthen connections between housing supply and demand. Effective implementation will require coordination between government agencies, project developers, businesses employing foreign workers, and relevant organizations to understand actual needs and guide the development of suitable housing products.

Fourth, we will develop a multilingual online data portal or housing guide. This will serve as an important channel for providing essential information on housing projects, including their locations, types and scale; the number of homes eligible for foreign ownership; legal status and transaction conditions; relevant regulations and procedures; and contact details for developers and competent authorities. ■

As an FDI enterprise at the VSIP Industrial Park with more than 300 foreign employees, we currently arrange accommodation for our experts close to their workplace, primarily in apartment complexes or buildings operated on a hotel-like model. In practice, companies can choose from several options, including individual apartments, serviced apartments, long-stay hotels, or allowing experts to select their own accommodation within the company's budget and support policies. Each option has its advantages, but the key is to ensure that it meets both the experts' needs and the company's operational requirements.

In my view, housing for foreign experts is not simply an employee benefit. It directly affects human resources management, the ability to attract international talent, and the stability of business and production operations. The current challenge is not just a shortage of housing, but also a lack of suitable supply in terms of location, quality, rental costs, supporting services, and amenities. Foreign experts need secure, comfortable accommodation in a good living environment with convenient access to their workplace.

If housing is scattered across different locations, far from industrial parks, or supported by inconsistent service quality, companies face additional transportation costs, greater management demands, and more time spent resolving related issues. Renting properties across multiple locations also

increases the administrative workload, from managing contracts, deposits, and utility payments to handling property handovers, maintenance, and lease renewals, as well as coordinating legally required accommodation notifications and temporary residence registrations.

What companies need, therefore, is not simply a greater number of apartments, but a well-developed housing system that offers consistent quality, transparent information, reasonable costs, and professional services. When these conditions are met, companies can reduce indirect management costs, deploy their workforce more effi-



Ms. Vu Thi Lan Phuong

Director of External Relations, Biel Crystal Manufacturing Co.

ciently, and give foreign experts greater confidence in committing to the company over the long term. ■



Once issued a certificate of homeownership, foreign nationals generally enjoy the rights of homeowners under Vietnamese law. However, several provisions of the Law on Housing 2023 warrant particular attention.

Under Points (c) and (d), Clause 2, Article 20, foreign individuals may own homes under agreements arising from purchase, lease-purchase, gift, or inheritance transactions for a term of up to 50 years from the date the ownership certificate is issued. The ownership period may be extended once, for a further term of up to 50 years, upon request. The ownership term must be clearly stated in the certificate.

Foreign individuals married to Vietnamese citizens living in Vietnam may own homes and enjoy the same homeowner rights as Vietnamese citizens. Those married to overseas Vietnamese who are permitted to enter Vietnam may own homes and enjoy the rights of homeowners in the same manner as overseas Vietnamese.

Foreign organizations may own homes under agreements arising from purchase, lease-purchase, gift, or inheritance transactions, but the ownership period cannot exceed the term specified in the investment certificate issued to the organization, including any extensions. The ownership



period begins on the date the organization receives its homeownership certificate and must be clearly stated in that document.

Before the ownership period expires under the Law on Housing 2023, a foreign homeowner may personally or through an authorized representative gift or sell the property to an eligible buyer under Vietnamese law. If the ownership period expires without the owner selling or gifting the property, the home becomes public property.

To navigate the process of finding, purchasing, and exercising ownership rights over housing in Vietnam, foreign nationals should familiarize themselves with the Vietnamese legal system and any specific regulations applicable in their locality. Vietnam's public service system has developed significantly, with property

identification, registration, and information lookup systems now in place to facilitate public access to information.

Foreign buyers can also seek advice from consulting centers, law firms, and lawyers specializing in real estate. These professionals can explain the relevant procedures and assist with the legal steps required to establish ownership and exercise homeowner rights. If difficulties or disputes arise, foreign owners should contact competent authorities, consulting centers, or lawyers to protect their lawful rights and interests.

Vietnamese law and society uphold fairness, humanity, and the protection of legitimate rights and interests, regardless of whether a homeowner is Vietnamese or foreign. Foreign nationals should therefore feel able to seek assistance whenever necessary. ■



Mr. Le Dinh Vinh
Director of Vietthink Law Firm

Through our project development experience and interactions with foreign customers, we have identified three key factors influencing housing choices: convenient connectivity between home and work; property quality and the living environment; and financial viability, in that prices must fit buyers' budgets while rental and purchase options should offer flexibility and potential for rental income.

Housing requirements also vary across customer groups. Engineers, experts, middle managers, and senior executives each have distinct needs. In general, however, international experts and executives seek high-quality housing supported by integrated

amenities and services.

Bac Ninh's FDI profile differs from that of many other cities and provinces, as most foreign-invested enterprises and corpora-



Ms. Trang Nguyen
Standing Deputy General Director
of the TUTA Group

tions here focus on high-tech industries. As a result, workers, managers, and senior executives have higher expectations for their living standards than their counterparts in other markets.

Nevertheless, Bac Ninh faces a significant shortage of premium apartment complexes comparable to Landmark, Keangnam, and Lotte in Hanoi. This gap deserves greater attention as the city seeks to diversify housing supply and better meet the needs of foreign customers. Developing suitable housing options would not only help attract international experts and executives but also encourage them to stay and build long-term careers in Bac Ninh. ■



Ecosystem essential

Vietnam's industrial real estate market is evolving well beyond traditional factory space as investor and tenant preferences evolve.

 **PHAN NAM**

As Vietnam shifts toward higher-quality FDI in advanced technology and sustainable manufacturing, the competitiveness of its industrial parks (IPs) increasingly depends on the infrastructure, services, and living environments they offer businesses, experts, and workers. This evolution is central to Vietnam's ambition to attract more value-added investment and strengthen its position in global supply chains.

Politburo Resolution No. 10-NQ/TW, dated June 8, 2026, signals this shift by prioritizing advanced technology, innovation, and sustainable development. It calls for a more integrated investment ecosystem linking IPs with logistics infrastructure, capital markets, international financial centers, free trade zones, and economic zones. Meanwhile, amendments to the Law on Investment and Decree No. 96/2026/ND-CP aim to make the investment environment more transparent and competitive.

According to the Foreign Investment Agency at the Ministry of Finance, as Vietnam accelerates its transition to a new growth model, high-tech parks and IPs are expected to become key drivers of innovation, technology adoption, and deeper integration into global value chains.

Strengthening Vietnam's position

These changes are also creating a historic opportunity for Vietnam to attract a new wave of FDI, particularly from multinational corporations in advanced technology, green technology, smart manufacturing, carbon neutrality, and strategic supply chains. From 2021 to 2025, disbursed FDI exceeded \$158 billion. As of September 30, registered FDI in Vietnam had reached \$50.36 billion, up 76.4 per cent year-on-year, while disbursed investment totaled \$21.07 billion; the highest nine-month figure in five years. The foreign-invested sector also employs more than 5.1 million people.

Steady FDI growth, supported by major global technology companies such as Intel, Samsung, Foxconn, Amkor, and Hana Micron, alongside the more recent presence of Nvidia and Qualcomm, is reshaping Vietnam's industrial real estate market. Large-scale investments by these companies are helping transform the country from a low-cost manufacturing base into a destination for higher-quality, higher value-added, and more sustainable investment.

According to Mr. Nguyen Phuoc Thuan, Director of Industrial and Office Leasing at Cushman & Wakefield Vietnam, as foreign-invested enterprises in electronics, optical products, computers, and

According to the Ministry of Construction, several IP projects received in-principle investment approval or broke ground in the third quarter of 2026, contributing to an expansion in supply. The Index of Industrial Production (IIP) was estimated to have increased 14.8 per cent year-on-year. Rents for industrial real estate and ready-built factories also edged up, reflecting rising leasing demand and high occupancy rates in key IPs.

Hai Phong

92%

Hanoi

86%

Southern Key
Economic Zone

approximately
92%

advanced technology continue to expand production and supply chains in Vietnam, demand for industrial land, factories, and warehouses is also increasing. "In the past, Vietnam's appeal was largely associated with labor costs, land availability, and geographic location," he said. "Today, its attractiveness increasingly depends on an industrial ecosystem capable of meeting the stringent requirements of multinational corporations. Key advantages include a more open policy environment, improving interregional transport connectivity, and a growing supply of high-quality industrial real estate."

Mr. Thuan also noted that, as land availability tightens in some key markets, modern multistory factories and warehouses are emerging as a natural solution to improve land-use efficiency. While multistory factories are suitable for advanced industries such as electronics, semiconductors, medical devices, and R&D, multistory warehouses can serve logistics, e-commerce, and cold-chain operations near major consumer markets or transport hubs. In the long term, he believes, these developments would not only address land constraints but also improve the quality of Vietnam's industrial property supply.

Mr. John Campbell, Director, Head of Industrial Service, at Savills Vietnam, said that as manufacturing requirements become more complex, IPs can no longer compete solely on land prices or location. Their competitiveness increasingly depends on how effectively they help businesses establish, operate, and expand production with greater certainty.

As projects grow in scale and complexity, investors are changing how they evaluate potential sites. In addition to land costs and connectivity, they are paying closer attention to infrastructure readiness, access to skilled workers, and the conditions needed to bring factories into operation. "The market is shifting from an IP development model centered on land availability toward one focused on operational capabilities and service

ecosystems," Mr. Campbell said. "This will be a key factor shaping the competitiveness of Vietnam's industrial real estate market in the years ahead."

Three groups of factors, he continued, are becoming increasingly important in site assessments. The first is implementation timelines and delivery certainty, including power availability, connection schedules, and approval milestones. The second is the operational ecosystem, encompassing skilled labor, supplier networks, port and airport connectivity, digital infrastructure, worker services, and the IP developer's ability to provide support. The third is readiness for future needs, including expansion capacity, energy strategies, and infrastructure capable of supporting more technologically-advanced and energy-intensive manufacturing.

Sustainability and talent retention

Experts also argue that next-generation IPs must offer more than factory space. They need integrated infrastructure, including housing and amenities for domestic and international experts and workers, either within the IP or in nearby areas. Unlike previous generations of workers, employees in advanced technology, electronics, semiconductors, green manufacturing, and other knowledge-intensive industries increasingly expect high living standards. These expectations are particularly important for specialists and professionals accompanying the latest wave of FDI.

Dr. Pham Viet Thuan, Director of the Ho Chi Minh City Institute of Natural Resources and Environmental Economics, said social infrastructure, including housing, schools, hospitals and clinics, shopping centers, recreational facilities, and cultural venues, is essential to the transition from traditional IPs to eco-industrial urban areas. It is also a cornerstone of sustainable development and the retention of highly skilled workers.

Quality social infrastructure allows employees to establish stable lives, reducing turnover and the risk of workers leaving their jobs. When workers have suitable living conditions and can maintain their physical and mental well-being, they are better able to recover between shifts, supporting productivity and product quality at businesses within IPs. Providing worker housing and public amenities can also help prevent the growth of poorly maintained, unplanned rental settlements around IPs, reducing social problems and helping maintain local security and order.

Dr. Thuan said that developing integrated social infrastructure requires putting people, both workers and experts, at the center of planning and turning IPs into livable ecosystems rather than places solely for employment. He identified five key priorities.

First, industrial, urban, and service areas should be planned together from the outset. Social infrastructure cannot be left to develop spontaneously after an IP is established. Instead of allocating land exclusively for production, new projects should reserve an appropriate share of adjacent land, typically 10-20 per cent or more, for urban development, services, and social housing. Essential facilities, particularly childcare centers, markets, and health clinics, should be within easy reach on foot or by motorcycle or internal shuttle.

Second, government incentives are needed to attract investment in social infrastructure. These could include exemptions or reductions in land-use fees and rents for worker housing, schools, and hospitals in IPs, as well as corporate income tax reductions for developers participating in these segments. Preferential financing, including low-interest loans, should be available both to infrastructure developers and to workers seeking to buy or rent homes.

Third, businesses and IP developers must work together. Developers should proactively invest in foundational infra-



// Vietnam's industrial real estate market is expected to see further positive developments in the final quarter of 2026 and beyond. Numerous IP, ready-built factory, and warehouse projects are under construction or in the planning stages. By 2028, an additional 2,700-3,200 ha of industrial land and 1.7-2 million sq m of ready-built factories and warehouses are expected to enter the market, offering tenants a wider range of options."

Ms. Nguyen Hoai An
Senior Director, CBRE Vietnam
Hanoi Branch

structure, housing, and amenities to strengthen their parks' competitiveness, as demonstrated by major groups such as VSIP, Becamex, and Viglacera. Large manufacturers could also partner with developers to commission housing and childcare facilities for their own employees,

helping ensure stable demand and improve the financial viability of social infrastructure projects.

Fourth, professional management and operations are essential. Completing social infrastructure is only half the task; maintaining safe, well-managed and orderly facilities is crucial to retaining workers. This requires robust security systems coordinated with local police, as well as rental rates, service charges and childcare fees that reflect workers' average incomes. Housing options should accommodate different needs, including short-term rentals for young or single workers and long-term installment-based homeownership for those planning to remain in the area.

Fifth, local governments must provide coordinated support by shortening licensing and planning approval timelines for social infrastructure linked to IPs. They should also simplify procedures for temporary residence registration, birth registration, and school enrollment for the children of migrant workers, helping employees and their families settle into local communities.

A representative from Becamex said the group approaches industrial development with both businesses and people in mind. It has developed an IP network, including VSIP projects, while progressively upgrading its model toward eco-IPs and science and technology-oriented industrial development. Its next-generation IPs integrate ready-built factories and warehouses, data infrastructure, green energy, and business support services, enabling investors to start production and expand operations more quickly.

Alongside industrial infrastructure, Becamex invests in transport infrastructure and regional connectivity. Its approach is to develop transport links ahead of demand, improving accessibility and expanding the areas available for industrial, urban, and service development. Building on this industrial and transport foundation, the group also develops urban and service spaces to address housing needs, workplaces, and residents' quality of life.

Experts broadly agree that, at this stage of development, Vietnam must do more than improve its investment climate and prepare industrial land. It also needs to proactively develop housing in areas with coordinated infrastructure and amenities that meet the diverse needs of experts and workers, particularly international professionals. Creating attractive places to live alongside competitive industrial facilities will help support industrial growth and strengthen Vietnam's ability to attract high-quality FDI. ■





Positional shift

A range of new policies have been forthcoming as the government's focus turns to prioritizing rental housing as purchase prices remain beyond the means of most people.

PHAN NAM

Providing affordable housing for workers and lower-income households has become an increasingly pressing challenge in Vietnam as urbanization accelerates. With homeownership remaining out of reach for many and workforce mobility driving demand for flexible accommodation, the government is seeking to expand rental housing through new financing mechanisms, investment incentives, and regulatory reforms.

Against this backdrop, on October 13, Deputy Prime Minister Pham Gia Tuc chaired the first meeting of the Central Steering Committee on Housing Policy and the Real Estate Market, to discuss measures to expand social and rental housing. He said the government is positioning rental housing as a strategic priority in its efforts to better align housing supply with actual demand.

Implementation remains slow

At the meeting, Deputy Minister of Construction Nguyen Van Sinh reported that Vietnam had completed 8,314 rental housing units as of the end of the third quarter of 2026, equivalent to just 48 per cent of the annual target. Implementation remains

slow in some localities, while mobilizing investment, particularly for rental housing, continues to be challenging.

Mr. Pham Van Thinh, Vice Chairman of the Bac Ninh City People's Committee, proposed long-term preferential credit for rental housing projects and using resources from housing funds to purchase apartments in social housing developments, creating a rental housing portfolio managed by local authorities. Representatives from Hung Yen province similarly reported rising rental demand in industrial parks but limited access to investment capital.

Elsewhere, Mr. Le Anh Quan, Standing Vice Chairman of the Hai Phong City People's Committee, proposed a suitable rental pricing mechanism for housing developed with State capital. Mr. Le Hoang Chau, Chairman of the Ho Chi Minh City Real Estate Association, advocated expanding affordable commercial housing and encouraging developers to shift away from high-end projects toward more affordable homes and rental properties.

Deputy Prime Minister Tuc noted that unsold housing inventory is increasing, while credit has not been sufficiently directed toward actual housing demand. High interest rates and lending constraints continue to weigh on businesses and homebuyers, while some localities are

falling behind on social and rental housing targets. He called for greater diversification of investment and closer coordination between public and private resources.

Resolution No. 303/NQ-CP sets targets for 2026 and the 2026-2030 period. The Ministry of Construction (MoC) is tasked with reconciling housing statistics, distinguishing social housing from rental housing, and measuring progress based on completed units rather than projects that have merely broken ground. The Ministry of Agriculture and Environment, in coordination with the Ministry of Justice and the MoC, will address issues related to land legislation. The Ministry of Finance is expected to clarify the legal framework, revenue and expenditure mechanisms for housing funds, and potential funding sources. And the State Bank of Vietnam will work to improve credit access and direct financing toward social and rental housing, while the Vietnam Bank for Social Policies will provide funding and simplify lending procedures.

Local authorities must incorporate housing targets into annual development plans and assess demand by population group and location. Mr. Tuc emphasized the need for regular inspections and greater accountability among developers.

Rental housing as a market pillar

Mr. Ha Quang Hung, Deputy Director of the Department of Housing and Real Estate Market Management at the MoC, said the proposed policy framework marks a shift in how rental housing is positioned within Vietnam's housing market. The approach rests on five principles: expanding the focus beyond homeownership and commercial housing to include rental housing; developing a regulated market with transparent returns and affordable rents; integrating housing plans with regional and sectoral development; prioritizing areas linked to public transport, urban renewal, and employment centers; and diversifying funding sources by using public capital to mobilize private and long-term investment.

Localities are expected to assess demand for rental and official-duty housing, review land availability in urban areas, economic zones and industrial parks, high-tech parks, and rapidly-urbanizing areas, and prepare serviced land for development. They should also consider allocating local budget funding to rental housing projects that meet quality standards and maintain affordable rents over the long term, while making effective use of the National Housing Fund. ■



Igniting progress

Cashless payments have become an essential part of Vietnam's economy and society, driving the development of a comprehensive, modern, and secure financial ecosystem.

DOANH HOANG

The world's first monetary system began with a cashless arrangement in the form of the barter system, where goods and services were exchanged directly without any go-between. As modern history unfolded, however, the rise of the monetary intermediary created a system dependent on an instrument of exchange, with silver established as the world's first global currency and cash, banknotes, and checks finding favor after the Industrial Revolution.

A massive turning point is now occurring in the 21st century, with a shift from a cash-based system to a cashless system. A cashless society is one in which cash, in the form of physical banknotes, is not accepted. Rather, people transfer money to one another digitally.

Ideal system

According to UN Trade and Development (UNCTAD), business e-commerce sales have grown rapidly since 2016, based on

figures available across 46 developed and developing economies that generate three-quarters of global GDP. E-commerce sales in 2018 were up 8 per cent from 2017, standing at \$25.6 trillion globally and then nearly \$28 trillion in 2024. UNCTAD also estimates that 1.45 billion people, or one-quarter of the world's population aged 15 or older, made purchases online in 2018.

Fortune Business Insights, updated in October 2026, showed that the global cashless payments market size was \$139.61 billion in 2024, which was projected to grow to \$152.15 billion in 2025 and \$295.08 billion by 2032, for a compound annual growth rate (CAGR) of 9.92 per cent during the period. The cashless payments market is experiencing rapid global expansion, driven by increasing demand for digital payment solutions, shifting consumer preferences, mobile adoption, and fintech innovation.

Key players in the market include Visa, Mastercard, Apple Pay, Google Pay, Samsung Pay, and PayPal, which focus on enhancing user convenience and security while expanding contactless and mobile phone wallet

adoption and integrating value-added services, including "Buy Now, Pay Later" (BNPL).

By geography, the market is categorized into North America, Europe, Asia-Pacific, South America, and the Middle East & Africa. North America accounted for the largest share of the global market. Meanwhile, the Asia-Pacific is expected to expand at the fastest CAGR to 2032, with growth propelled by rapid digital transformation, high smartphone and internet penetration, and the explosive rise of mobile wallets and QR code-based payments.

The booming e-commerce sector in Asia-Pacific and increasing consumer preference for secure cashless payment methods further accelerate its adoption. Moreover, financial inclusion efforts and digital banking innovations are also expanding access, making Asia-Pacific the world's fastest-growing and most dynamic market.

Among Asia-Pacific markets, Vietnam is a potentially promising one due to its wide coverage area, low internet service fees, and rapid increase in the percentage of people using smart devices.

It also has a growing digital economy, driven by its rapidly-expanding e-commerce sector, and one of the highest internet penetration rates worldwide. This digital transformation has ignited progress across various sectors, with digital payments experiencing impressive growth. Once among the most cash-dependent nations in Asia, Vietnam is embracing cashless transactions at an unprecedented pace.

Evolving transactions in Vietnam

Vietnam has one of the highest cashless payment adoption rates in Southeast Asia, with the number of users expected to continue growing, fueled by the rise of many Vietnamese payment apps. While Vietnamese primarily use apps like MoMo, ZaloPay, and VNPAY, popular international options such as Apple Pay and Google Pay are also available. Additionally, Vietnam's national QR code payment (VietQR) is now widely used by local people for everything from coffee to retail. It allows payments to go directly from one bank or e-wallet account to another, making transactions fast and convenient.

On May 25, 2026, the Prime Minister signed Decision No. 928/QĐ-TTg approving the National Financial Inclusion Strategy for the 2026-2030 period, setting a number of important targets, including ensuring that, by 2030, 95 per cent of people aged 15 and above will have bank transaction accounts while the value of cashless payments will stand at 30-times GDP.

During a June seminar entitled "Smart Payments Drive Digital Finance", Deputy Prime Minister Nguyen Van Thang emphasized cashless payments not only as a convenient tool but also as a key driver of digital finance development. Vietnam, he said, has witnessed a revolution in consumer behavior

Digital payments in Vietnam

Key insights:

- Market size in 2025: \$566.8 million
- Volume and value growth of cashless payment transactions (2021-2025): 58.86% and 24.36%
- Number of individual payment accounts as of December 2025: 232 million, up 13.68% year-on-year

Online payment methods:

- Number of mobile wallet users in Vietnam (2022-2023): 33.7 million
- Most popular e-wallet among Gen Z in Vietnam (Q2 2024): MoMo
- Number of BNPL users in Vietnam (2022-2023): 14.9 million

Consumers:

- Share of consumers interested in digital banking in Vietnam (2022): 90%
- Share of consumers aware of mobile contactless payments in Vietnam (2022): 83%
- Leading reason for making e-payments among consumers in Vietnam (October 2022): Convenience

Projections

- Market size by 2034: \$1.72 billion
- CAGR (2026-2034): 13.13%



Source: Statista, IMARC, State Bank of Vietnam

and cash flow management across society. Cashless payments have now become an essential requirement in the economy and society, supporting the development of a comprehensive, modern, and secure financial ecosystem centered on serving citizens and businesses. Within this ecosystem, cashless payments have become the lifeblood of the digital economy, connecting banks with sectors such as commerce, healthcare, education, transportation, tourism, public services, and other digital platforms.

According to figures from the State Bank of Vietnam, as of the end of 2025, 88.96 per cent of citizens aged 15 and above had bank accounts. Cashless transaction volumes rose more than 42 per cent and value nearly 23 per cent. The value of cashless transactions last year reached 28-times GDP. "Therefore, the likelihood of achieving the targets set by the National Financial Inclusion Strategy for 2026-2030 is highly promising", the Deputy Prime Minister was quoted as saying. "Digital payments are a crucial condition for accelerating money circulation, expanding access to financial services, improving management efficiency, and creating momentum for dig-

ital economic growth in the new era."

Vietnam is rapidly expanding cross-border QR payment connectivity with regional partners to facilitate seamless international transactions. The National Payment Corporation of Vietnam (NAPAS) has established bilateral payment links with Thailand and Laos, and has plans to extend connectivity to China, Japan, and South Korea. In December 2025, it officially launched the Vietnam - China cross-border QR payment service in collaboration with UnionPay International, enabling Chinese tourists to pay directly at Vietnamese merchants using VietQR Global codes. This initiative promotes local currency use, supports tourism growth, and strengthens regional financial integration.

Remaining gap

Despite their potential development, cashless payments in Vietnam still face significant challenges, including disparities in access to such services between urban and rural areas, while some groups, for example the elderly and low-income earners, remain hesitant or have yet to gain access to modern payment methods. Expanding payment infrastructure, enhancing interoperability, ensuring cybersecurity, and protecting personal data have become increasingly urgent requirements amid complex high-tech crime.

For cashless payments to reach 30-times GDP by 2030, the Vietnamese Government has instructed ministries, agencies, and local authorities to accelerate the completion of regulatory frameworks, policies, and technical standards that promote the application of digital technology in banking activities and to strengthen connectivity between credit institutions, fintech companies, and financial service providers. Ultimately, inclusion will decide whether Vietnam's cashless story is only an urban success or a national achievement. ■





Addressing problems in practice

Institutional reform must enable business development and remove any and all obstacles and hindrances so that enterprise potential is maximized.

VU KHUE & SONG HA

Businesses are expected to play a growing role in Vietnam's economic development, not only by creating jobs and contributing to the State budget but also by driving innovation, boosting productivity, expanding markets, and strengthening the country's position in global value chains. Realizing this potential requires a regulatory environment that enables businesses and entrepreneurs to grow rather than constrains them with unnecessary obstacles.

This calls for a fundamental shift in institutional reform, from a focus on administrative control to one of enabling development. Through concerted efforts by the government, the National Assembly (NA), and relevant ministries and agencies, legal bottlenecks are gradually being removed to unlock business potential and mobilize resources for economic growth.

Against this backdrop, and in response to the Prime Minister's directive under Conclusion Notice No. 394/TB-VPCP, dated July 21, 2026, following a meeting between the Standing Committee of the government and the business community, the Vietnam Chamber of Commerce and Industry (VCCI) reviewed and compiled a wide range of business concerns and regulatory obstacles encountered in practice.

Resolving pressing business concerns

Reports from VCCI highlight both the scale and urgency of existing legal obstacles. Its July 2026 report identified 65 issues across multiple industries and sectors, falling under the primary responsibility of eight ministries and agencies: the Min-

istry of Agriculture and Environment (MAE), the Ministry of Finance (MoF), the Ministry of Construction (MoC), the Ministry of Industry and Trade (MoIT), the Ministry of Science and Technology (MoST) and the State Bank of Vietnam (SBV), the Ministry of Home Affairs, and the Ministry of Public Security (MPS).

In August, VCCI compiled 57 more urgent issues arising from business operations. The Chamber's review identified five root causes of persistent business obstacles.

First, conflicts and inconsistencies between sector-specific laws. Overlapping regulations are common, including between the Law on Animal Husbandry and the Law on Veterinary Medicine, the Law on Minerals and maritime legislation, and the Law on Chemicals and customs regulations. As a result, businesses may have to complete two or three rounds of proce-



dures for the same regulated activity.

Second, regulations have not kept pace with the transition to a two-tier local government system. Many responsibilities have been devolved to commune-level authorities without a corresponding increase in specialized personnel. Transitional arrangements also remain inadequate for land price lists, legal records, product labels, and business addresses.

Third, preventive controls continue to dominate many regulatory processes. Requirements for direct clinical examinations, restrictions on the validity of marketing authorizations, and specialized inspections of small-scale research chemicals impose substantial costs without commensurate improvements in regulatory effectiveness.

Fourth, retroactive legal risks and enforcement measures that overlook the substance of transactions. Businesses have faced demands to repay tax refunds already received, account freezes before land has been handed over, and penalties for circumstances beyond their control, such as shipping company errors. These issues have significantly undermined investor confidence.

Fifth, pricing mechanisms and administrative procedures have failed to keep pace with cost fluctuations and actual planning conditions. Electricity generation price frameworks, assessments of planning compliance, and transitional arrangements for existing administrative decisions have lagged behind developments on the ground.

Businesses are consequently left waiting for conditions beyond their control to be met or face the risk of having previously fulfilled obligations reassessed.

Mr. Dau Anh Tuan, Vice Secretary-General and Director of the Legal Department at VCCI, said the Chamber had been tasked with compiling business concerns and submitting them to relevant ministries and agencies ahead of the first meeting between the Standing Committee of the government and the business community during the current term.

Businesses subsequently received detailed responses to their concerns. All responses were also published on the government's official information portal and the websites of the MoF, the Ministry of Justice, and VCCI, allowing businesses and the public to assess the quality of the resolutions.

Mr. Bui Anh Tuan, Director General of the Department of Private Enterprise and Collective Economy Development at the MoF, also reported progress. During the first two months of the new coordination mechanism, the Ministry and VCCI reviewed 202 detailed business recommendations. More than 100 were fully resolved, with formal written responses issued, while nearly 100 others were accepted for consideration and added to the list of proposed amendments to upcoming legal documents.

An interagency working group comprising the MoF, its Department of Private Enterprise and Collective Economy Development, VCCI's Legal Department, and the Government Office has also been established. The group updates its data weekly, tracking recommendations by responsible agency, area of concern, relevant legal provision, and resolution status.

In areas generating frequent complaints, particularly taxation and customs, MoF leaders have instructed relevant units to contact businesses directly to clarify the underlying issues. The aim is to avoid generic responses and ensure that solutions identify both the root cause and the agency responsible.

Legislative breakthrough

At the recent "Pioneering Entrepreneurs - Enabling Government in a New Era" forum, organized by VCCI, Mr. Phan Duc Hieu, full-time member of the NA's Economic and Financial Committee, highlighted major changes in the legislative process aimed at supporting businesses and resolving their difficulties.

The NA has recently reviewed and passed an unprecedented volume of legislation. At its most recent session, it adopted more than 80 laws and resolutions; a

record in the country's legislative history.

The most notable changes concern the speed and methods of lawmaking. For the first time, the legislature completed and adopted Resolution No. 198/2025/QH15 on the private economy in just 12 days and nights. To ensure that institutional reform leads the way for development, the NA has adopted a more flexible approach involving three types of sessions: regular sessions, extra-ordinary sessions, and sessions dedicated to full-time deputies.

Legislation is also being passed on a rolling basis. Once a draft law has incorporated feedback and met quality requirements, it can be put to a vote immediately rather than being held until the end of a session. This allows policies to take effect more quickly.

Another major development is the adoption of special resolutions to address problems arising in practice. Previously, projects affected by procedural errors in land allocation could be required to restart from scratch, causing substantial waste. The NA's new approach is to hold individuals accountable for violations while allowing the projects themselves to proceed. This is intended to unlock thousands of stalled projects and return resources to the economy.

Resolution No. 206/2025/QH15 has also established an unprecedentedly-flexible mechanism for addressing obstacles in laws and decrees through resolutions from the NA Standing Committee and the government. With the mechanism in place through the end of 2027, the government has abolished thousands of unnecessary business conditions and licensing requirements in a short period, saving businesses considerable time and money.

Recent legislation further reflects a shift toward enabling development. Under the amended Law on Investment, for example, the list of projects requiring in-principle investment approval follows a transparent exclusion-based approach. Businesses need to seek approval only for projects explicitly included on the list; other projects can proceed without it. The principle that each project should require in-principle approval only once is also being applied rigorously to eliminate overlapping requirements.

In planning, the amended Law on Planning introduces a new "1+1" principle. When considering in-principle investment approval or appraising project designs, regulatory authorities need to refer only to the most directly applicable planning framework, rather than requiring compliance with multiple plans. If planning frameworks conflict, the authorities will select one under which the project can proceed while the remaining plans are adjusted in parallel. ■

One issue of particular concern to me is the role of large businesses in bringing smaller enterprises, cooperatives, and farming households into value chains. A chain made up only of large businesses cannot generate broad-based benefits. Large enterprises should serve as the core of these networks, providing technology, standards, market access, and management expertise to help smaller businesses, cooperatives, and farmers participate.

Beyond businesses' own efforts, a supportive business environment is essential for the private sector to drive growth. Businesses need a transparent, stable, and predictable legal framework to plan long-term investments. High-tech agricultural projects, in particular, require substantial capital and long investment horizons, involving land, infrastructure, raw material supply

areas, environmental management, logistics, and market development. Local authorities must therefore work alongside businesses to address bottlenecks in administrative procedures, infrastructure, and production zone planning.



Mr. Vu Manh Hung
Chairman of the Board of Directors,
Hung Nhon Group

I believe that “an enabling government, pioneering businesses, and engaged citizens” are the three pillars of a development ecosystem. Businesses cannot replace the government in building institutions, just as the government cannot replace businesses in finding markets, innovating, and taking commercial risks. Each must fulfill its role toward the shared goal of strengthening the economy’s competitiveness.

Businesses must be willing to invest for the long term, adopt new technologies, cooperate with major partners, and step outside their comfort zone. More importantly, we must build a business culture grounded in trust and integrity. This means not only keeping promises to customers but also fulfilling our responsibilities to employees, farmers, partners, communities, and our own commitments. ■

Politburo Resolution No. 68-NQ/TW on private sector development sets an important direction: making the private sector a major driver of the economy. Vietnamese entrepreneurs have strong ambitions. The challenge is turning those ambitions into investment, innovation, and sustained long-term growth.

The business community wants a more transparent, stable, and predictable operating environment with lower compliance costs. Bottlenecks involving administrative procedures, land, investment, credit, human resources, science and technology, and markets must also be addressed.

Businesses need an environment in which those who comply with the rules are protected, investment is encouraged, innovation is supported, and legitimate business risks are assessed objectively.

Based on my experience, I propose

six priorities.

First, improve the institutional framework to make the business environment more stable, transparent, and predictable, giving businesses the confidence to plan long-term investments.

Second, strengthen incentives for invest-



Mr. Bui Minh Luc
Chairman of the Board of Directors,
Hoa Binh Minh Group

ment in science and technology, digital transformation, and innovation, with practical mechanisms that encourage businesses to test and adopt new technologies.

Third, strengthen cooperation between the government, businesses, scientists, and educational institutions to better align the country’s intellectual resources with business needs.

Fourth, prioritize highly-skilled human resources, particularly those with international business expertise.

Fifth, help Vietnamese businesses expand and strengthen their international competitiveness, enabling them to lead supply chains, build Vietnamese brands, and participate more deeply in global markets.

Sixth, promote a modern Vietnamese business culture grounded in trust, legal compliance, fair competition, innovation, and social responsibility. ■

Our business focuses on treating and recycling industrial and agricultural waste. Fifteen years ago, waste treatment was a major environmental challenge in Vietnam. Today, technologies can turn ash and gypsum into construction materials, including concrete additives, lightweight bricks, and industrial mortar.

Beyond technology, businesses face major barriers involving administrative procedures, regulatory standards, and management practices. Many specialized recycling projects have no established precedents, complicating licensing and certification at the local level. Timely intervention by the NA, the government, and relevant ministries and agencies helped us overcome these hurdles and establish integrated circular industrial complexes in several cities and provinces.

However, technical standards and eco-

nomie-technical norms are still issued too slowly. Some products have taken as long as five years to receive the norms required for use in construction projects.

For the circular economy to grow, policies must be more complete and consistent. Though



Mr. Kieu Van Mat
Chairman of the Board of Directors, Song Da Cao
Cuong JSC

the government and relevant ministries and agencies have introduced measures supporting green materials and encouraging their use in public procurement, implementation still requires closer oversight and more decisive action at both the central and local levels.

Regulators should accelerate the issuance of economic-technical norms and shorten the certification process for new materials so that green products can reach the market faster. Preferential investment credit programs also need clear, detailed guidelines to make them more accessible to businesses and scientists.

The government should strengthen the role of organizations such as the VCCI in connecting stakeholders. Above all, it must consistently recognize waste as a secondary resource, making this principle a key driver of green growth. ■

Sustainable business development requires a transparent environment, fair competition, and fewer unnecessary burdens on enterprises.

Decree No. 255/2026/ND-CP on related party transactions, which took effect on July 1, 2026, and applies from the 2026 corporate income tax period, tightens several tax management rules and has created compliance challenges for many businesses.

The regulations were intended to prevent multinational corporations from using loans and related-party transactions to manipulate transfer prices and reduce taxable profits. However, Vietnamese businesses have also been significantly affected.

Phuc Sinh is wholly Vietnamese-owned and operates primarily in agricultural



Mr. Phan Minh Thong

Chairman of the Board of Directors and General Director, Phuc Sinh Corporation

exports. Coffee prices have risen by approximately 300 per cent and pepper prices by around 80 per cent. Purchasing the same volume of raw materials therefore requires

substantially more capital, forcing the company to rely on bank loans.

All companies within the group pay corporate income tax at 20 per cent. However, the rule limiting deductible interest expenses to 30 per cent of EBITDA (earnings before interest, taxes, depreciation, and amortization) leaves some interest expenses non-deductible, increasing the effective tax burden. At times, the actual tax rate has reached approximately 35.6 per cent.

This is an exceptionally high burden for a domestic business competing internationally. I hope the regulations will be reviewed and adjusted to better reflect the realities of Vietnamese businesses, particularly those that need substantial working capital to purchase raw materials for export. ■

I strongly support the principles of Resolution No. 79-NQ/TW, issued by the Politburo on January 6, 2026, on developing the State economy. The Resolution redefines the role of State-owned enterprises (SOEs), emphasizing their responsibility to lead and enable development rather than simply encompass the economy.

Though the government has made considerable efforts to improve the business environment, more needs to be done to support long-term business development. Key challenges include lengthy investment procedures, limited access to long-term financing, and shortages of technical talent. Delays increase capital costs and can cause businesses to miss market opportunities, while infrastructure and technology investments often require time to generate demand and returns.

We recommend streamlining administrative procedures and improving investment evaluation, with better coordination across requirements for investment, land, construction, environmental protection,



Mr. Le Hong Phong

Director, Quang Ngai Petroleum Services JSC (PTSC)

fire safety, and sector-specific approvals.

For pioneering State-owned enterprise projects, evaluations should consider not only financial returns but also socio-economic benefits and the capabilities developed, while accounting for capital recovery periods and risks.

Major projects should also help strengthen domestic suppliers and increase local content. Regulations should prioritize locally-manufactured equipment that meets

technical, quality, safety, and delivery requirements. Minimum domestic content ratios and implementation road maps should be established for each equipment category, incorporated into tender documents and contracts, and monitored throughout project implementation.

Contractor selection should consider life-cycle costs, maintainability, and domestic value creation. Where appropriate, projects should also support supplier development, workforce training, and technology transfer.

Finally, technical workforce development requires closer cooperation between the government, educational institutions, and businesses, particularly in central Vietnam. Priority sectors include port operations, logistics, mechanical engineering, energy, and heavy industry. Businesses can define skills requirements and provide practical training, educational institutions can align curricula with industry needs, and the government can support retraining and specialist recruitment. ■

My greatest concern is how to help more domestic businesses become Tier 1 suppliers to foreign-invested enterprises. Beyond exporting products abroad, Vietnam must also pursue “on-the-spot exports” by integrating domestic businesses more deeply into foreign-invested factories operating in the country. The challenge is to increase domestic intellectual content and value-added across these production chains.

Vietnamese businesses have a golden opportunity. Political stability and international recognition of our intellectual workforce and technical capabilities put us in a strong position. However, in the age of AI, this opportunity may last only another five to six years.

Every organization must continually reinvent itself, from the most junior employ-



Ms. Tran Thi Thu Trang

General Director, Hanel PT

ees to senior leadership, upgrading skills and adapting quickly to avoid falling behind.

Policy sandboxes for new technologies should also be prioritized, alongside the commercialization of domestically-developed products. Building a strong domestic market

will provide a foundation for Vietnamese technology companies to expand globally. Support for research, testing, and market development must continue to improve to help these businesses break through.

The Bac Ninh Semiconductor Association has also strengthened direct engagement among international semiconductor corporations, local authorities, and domestic businesses to accelerate cooperation.

Looking ahead, Vietnamese businesses should aim to sell trust and culture, not just products. A reputable national brand would help businesses grow together.

Businesses should also embrace a philosophy of five sources of positive impact: creating value for customers, employees, suppliers, the environment, and the country through their operations. ■



Elevating cooperation further

A recent summit cast its eye over the Vietnam-US relationship and debated what the future may hold.

NGOC LAN

When Vietnam and the US normalized diplomatic relations 30 years ago, bilateral trade totaled just \$450 million, according to the American Chamber of Commerce in Vietnam (AmCham Vietnam). That figure has now grown to more than \$209 billion, an increase of over 460-times. "It gave international investors the confidence to establish manufacturing operations in Vietnam while serving American customers, creating jobs, transferring technology and skills, raising incomes, and helping Vietnam move steadily up global supply chains," Mr. Mark Gillin, Chairman of the National Board of Governors of AmCham Vietnam, told the Vietnam - US Business Summit 2026 on October 14 in Hanoi. "This relationship has been successful and consequential, not only for our two countries but for many others as well."

Vietnam-US economic relations have continued to grow strongly in recent years. The comprehensive strategic partnership and deepening cooperation between the two nations reflect the complementary strengths of their respective economies. According to Deputy Minister of Industry and Trade Truong Thanh Hoai, Vietnam possesses advantages in production capacity, an abundant and youthful workforce, and the ability to integrate into international supply chains, while the US holds strengths in foundational technologies, energy, finance, innovation, and modern industrial management.

Cooperative prospects

Vietnam expects to continue policy dialogue to facilitate trade and investment while

also expanding imports of products in which the US holds a competitive advantage and for which there is demand in Vietnam, particularly in energy, machinery, high-tech equipment, and raw materials for production. "We believe that bilateral cooperation should shift its focus from expanding scale to enhancing quality, technological content, and value-added, with energy, AI, and science and technology serving as key drivers," the Deputy Minister said.

In addition, US companies contribute not only capital, technology, and advanced management expertise but also create opportunities for cooperation, supply chain integration, and capacity-building for Vietnamese businesses. Mr. Nguyen Quang Vinh, Vice Executive President of the Vietnam Chamber of Commerce and Industry (VCCI), said that prominent names such as HP and Nvidia in the technology sector,

FedEx in logistics, and Accelerate Energy in the energy sector not only bring in capital, technology, and advanced management expertise but also create numerous opportunities for collaboration, supply chain integration, and the enhancement of capabilities for Vietnamese businesses.

Mr. David Fogel, Assistant Secretary of Commerce and Director General at the US and Foreign Commercial Service, also affirmed that Vietnam is a valuable market for US businesses, thanks to growing bilateral trade, a rapidly-expanding middle class, and increasing demand for American goods and services across a wide range of sectors.

The US Department of Commerce has assisted US businesses in securing major contracts across the aerospace, defense, energy, and infrastructure sectors, with a total project value exceeding \$12 billion and a US export contract value of nearly \$11 billion. Alongside these deals, data also indicates a 57 per cent increase in US exports to Vietnam between 2020 and 2025. “Vietnam and Southeast Asia are priority markets where our team at the US Department of Commerce is focused on fostering collaboration,” said Mr. Fogel. “We look forward to working with Vietnam to bring world-class AI hardware and innovative solutions to the Vietnamese market.”

Mr. Gillin added that Vietnam and the US are currently entering a new phase of transition, referred to as “Doi Moi 2.0” (Economic Renewal 2.0). The successes achieved during the initial stage of their bilateral relationship have laid a foundation for the next era of cooperation, a period marked by Vietnam’s implementation of long-awaited reforms and the two nations moving closer toward a potential new trade agreement. “These are positive signals that open up promising prospects for future collaboration,” he said.

Priorities for the future

According to the Ministry of Industry and Trade, Vietnam seeks to strengthen cooperation with the US in the energy sector in areas such as liquefied natural gas (LNG), energy infrastructure, power transmission, smart grids, energy storage, and energy efficiency. The Ministry prioritizes the application of technology in smart manufacturing, energy management, logistics, e-commerce, and supply chains.

To turn potential into outcomes, it is essential to further enhance cooperation among regulatory bodies, business associations, and enterprises. Business associations, in particular, play a central role in converting collaborative opportunities into specific projects and tangible results. “I am confident



that the Vietnam-US partnership will continue to make significant strides forward, contributing positively to the development and prosperity of both nations,” Deputy Minister Hoai said. “This is a crucial moment for the two countries to further elevate their cooperation, effectively leverage their complementary strengths, and work toward long-term development goals.”

Additionally, VCCI has put forward three key recommendations to foster more substantive, balanced, and sustainable economic, trade, and investment relations between Vietnam and the US. While it looks forward to the continued maintenance of a stable, transparent, and highly-predictable policy environment, it is also essential to strengthen dialogue between the government and the private sector to promptly address challenges and obstacles, thereby facilitating bilateral trade and investment.

As for the US business community, VCCI encourages companies, particularly major corporations with significant technological capabilities and investment resources, to expand their direct investments in Vietnam, with an emphasis on depth, quality, value-added, and a long-term vision. Both sides should enhance collaboration in strategic, high-tech sectors such as AI, digital technology, semiconductors, green transition, energy, and other industries critical to national economic competitiveness.

Furthermore, Vietnamese enterprises need to proactively enhance their competitiveness, meet international standards, and improve their management capabilities to integrate more deeply into supply chains and generate greater value. At the same time, they should actively seek partners and expand trade and investment cooperation in the US, thereby contributing to a balanced and sustainable bilateral economic relationship. “We are confident that, with the support of both governments and the proactive efforts of the business community,

these strategic directions will be translated into concrete cooperative opportunities, investment projects, and tangible business outcomes, delivering practical benefits to both economies,” Mr. Vinh noted.

Meanwhile, Mr. Fogel expects Vietnam and the US to continue efforts toward a reciprocal trade agreement, creating conditions to rebalance the trade relationship.

Mr. Gillin added that Vietnam has significant room to improve productivity through the application of technology and AI while simultaneously cutting unnecessary costs related to regulations, logistics, customs procedures, and various uncertainties, including the reliability of power supply.

To effectively capitalize on these opportunities and navigate uncertainties, three principles should be prioritized. Adaptability requires a legal and regulatory framework flexible enough to accommodate technologies and business models that cannot yet be envisioned. Proactiveness entails fostering an environment where businesses can innovate without needing authorization at every step. And efficiency requires clear recognition that any expenditure unnecessary for regulatory compliance diminishes the resources available for innovation, productivity enhancement, and growth.

Mr. Gillin believes that over the past three decades, dialogue has enabled Vietnam and the US to reconcile differences in their respective national interests regarding trade, thereby building a successful economic relationship. “In light of the opportunities presented by AI, both nations must not only balance their respective national interests but also work together to assess the opportunities and risks of a future that neither can yet fully foresee,” he added. “To address challenges, Vietnam and the US need to strengthen cooperation in key sectors, including energy, digital technology, semiconductors, financial services, and education.” ■

Greater favor

The newly-signed Vietnam-EFTA Free Trade Agreement will, among other things, eliminate tariffs on Norwegian seafood, lowering costs for Vietnamese consumers and boosting bilateral trade.

AN CHI

On October 18 in Hanoi, in the presence of Party General Secretary and State President To Lam, Minister of Industry and Trade Le Manh Hung and representatives from the member states of the European Free Trade Association (EFTA) signed the Vietnam-EFTA Free Trade Agreement (VEFTA), opening up opportunities to boost trade between Vietnam and the four EFTA member states of Switzerland, Norway, Iceland, and Liechtenstein.

Notably, for Norway, this development is significant in terms of expanding the market for seafood exports, a category that currently accounts for the bulk of the country's total commodity exports to Vietnam. "One of the most clear-cut benefits is that the agreement will create a more level playing field for seafood products from Norway, particularly salmon," said Ambassador of Norway to Vietnam, H.E. Stein Iversen. "This is a significant sector that accounts for a large share of the bilateral trade relationship between the two countries."

Promoting bilateral trade

According to the Ministry of Industry and Trade (MoIT), trade turnover between Vietnam and Norway stood at \$644 million in the first nine months of 2026, an increase of 7.7 per cent against the same period of 2025. Of this, Vietnam's exports reached \$221 million, a 56.7 per cent rise that surpassed the total for 2025 as a whole.

The latest data from the Norwegian Seafood Council (NSC) showed that imports of Norwegian salmon into Vietnam have now exceeded 22,400 tons, a volume greater than the combined total of imports from all other major suppliers. Previously, as of February 2026, exports of fresh salmon to Vietnam had increased by 16 per cent in volume compared with the same period last year.

Frozen salmon products also saw significant growth, with volumes rising by approximately 37 per cent. Vietnam has

become the fastest-growing market for Norwegian salmon in Southeast Asia. The NSC said that once the VEFTA takes effect, Norwegian salmon will be exempt from import duties upon entry into Vietnam, while tariffs on Norwegian mackerel will be phased out over a three-year transition period.

Currently, whole Norwegian salmon is subject to a 10 per cent import duty, while salmon fillets are subject to a 15 per cent duty. Meanwhile, some other suppliers already benefit from preferential tariff treatment through various FTAs. This disparity affects the price competitiveness of Norwegian products in the Vietnamese market to some extent. According to the NSC, the elimination of import duties is expected to enhance the competitiveness of Norwegian salmon in Vietnam while providing importers with greater flexibility to optimize their business costs.

At an event showcasing Norwegian salmon at the WinMart supermarket chain in Hanoi on October 17, Ms. Astrid Bergmål,



State Secretary of the Norwegian Ministry of Foreign Affairs, said that over the past 55 years Vietnam and Norway have built a strong partnership that has evolved alongside Vietnam's own development.

Trade plays an increasingly important role in this relationship, she continued, with Norwegian salmon and seafood having become familiar staples in the Vietnamese market. "The recently signed FTA will reduce tariffs, facilitate smoother trade, and make business operations more predictable," she added. "Consequently, Norwegian seafood, especially salmon, will become more competitive in Vietnam, and I hope this will ultimately bring high-quality Norwegian salmon to the tables of Vietnamese consumers."

Ms. Åshild Nakken, Director for South-east Asia at the NSC, said the newly-signed VEFTA will lead to the elimination of import duties on Norwegian salmon and the simplification of customs procedures, thereby creating a more level playing

field for Norwegian salmon in Vietnam. "Smoother import operations will allow distributors, supermarkets, and restaurants to better plan their business activities, manage inventory, and maintain consistent supply," she noted.

During a meeting with Ms. Bergmål on October 18, Deputy Minister of Industry and Trade Luong Hoang Thai noted that the scale of bilateral trade remained modest relative to the potential of the two economies. The MoIT is working urgently to finalize the procedures required for the VEFTA to enter into force.

As Norway serves as the depositary for the agreement, Mr. Thai requested close coordination with the Norwegian side to ensure that the ratification process is completed promptly. He also proposed that Norway and the other EFTA member states develop a technical assistance program specifically designed to support implementation of the agreement, helping businesses, particularly small and medium-sized enterprises, understand their commitments and effectively leverage available incentives.

Furthermore, he suggested that both sides expand cooperation in areas such as the harvesting and processing of aquatic and agricultural products, as well as the maritime economy.

Benefiting consumers

For Vietnamese consumers, a more efficient and stable import and distribution process can help maintain the supply of Norwegian seafood while preserving its freshness and quality. Reduced trade costs may also make it easier for families seeking safe, high-quality seafood from reliable sources to access Norwegian products.

With the VEFTA, Ambassador Iversen believes that the tariff reductions under the agreement will facilitate a greater presence of Norwegian seafood products in the Vietnamese market. "This means that an increasing number of Vietnamese consumers will be able to enjoy Norwegian salmon and other high-quality seafood at more affordable prices," the Ambassador said. "Conversely, it is hoped that the people of Norway will soon be able to enjoy more of Vietnam's coffee and tropical fruit."

According to the NSC, fresh Norwegian salmon is becoming increasingly familiar among Vietnamese people. "I am delighted that Norwegian salmon has gained such popularity in Vietnam, not only for its delicious taste but also for its high nutritional value," Ms. Nakken said.

In addition, consumer trends in Vietnam are showing a clear shift toward high-



// One of the most clear-cut benefits is that the agreement will create a more level playing field for seafood products from Norway, particularly salmon. This is a significant sector that accounts for a large share of the bilateral trade relationship between the two countries."

H.E. Stein Iversen

Ambassador of Norway to Vietnam

quality products with transparent origins. One of the key factors contributing to the competitive advantage of Norwegian seafood is the rigorous quality management process implemented throughout the entire production chain.

The Norwegian Food Safety Authority conducts official oversight at every stage, from farming and production to processing, while the Institute of Marine Research carries out independent testing of farmed fish destined for the market, screening for banned substances, veterinary drug residues, and environmental contaminants. Strict attention is also paid to processing, chilling, and temperature-controlled transportation to ensure that the freshness, texture, and quality of products are maintained from Norway to distribution points, restaurants, and households in Vietnam.

In this context, strengthening consumer trust has become a key priority, anchored in factors such as consistent quality, sustainable production processes, and full traceability. Ms. Bergmål affirmed that people would notice the agreement's impact through a stronger Norwegian presence in local supermarkets, daily life, and the workplace, driven by expected growth in bilateral trade. ■



Shifting dynamics

While the growing importance of e-commerce for the retail landscape is clear to see, changing customer habits and expectations require monitoring.

DIEP LINH

Vietnam's e-commerce market continued to expand in the first nine months of 2026, with gross merchandise value (GMV) reaching VND411.7 trillion (\$15.8 billion), up 22 per cent year-on-year. According to YouNet ECI's "Vietnam E-Commerce Landscape & Customer Insights Q3/2026" report, the four major platforms - Shopee, TikTok Shop, Lazada, and Tiki - recorded 2.6 billion items sold and more than 436,000 active shops during the January-September period. In the third quarter alone, the market generated VND146.9 trillion (\$5.7 billion) in GMV, with 902.5 million items sold.

The figures underscore the growing importance of e-commerce in Vietnam's

retail landscape. However, market expansion is taking place alongside persistent cost-of-living pressures, more cautious purchasing decisions, and intensifying competition between platforms.

Changing landscape

Shopee remained Vietnam's largest e-commerce platform in the third quarter, generating VND74.4 trillion (\$2.9 billion) in GMV, up 8 per cent year-on-year. TikTok Shop followed closely, with VND70.1 trillion (\$2.7 billion), representing 60 per cent growth over the same period of 2025.

Together, the two platforms accounted for nearly 98 per cent of total GMV across the four marketplaces tracked by YouNet ECI. Their contrasting growth rates illustrate the competitive dynamics of the market: Shopee continues to benefit from its established position, while TikTok Shop is rapidly narrowing the gap. Lazada recorded VND1.9 trillion (\$76.9 million) in quarterly GMV, down 26 per cent year-on-year, while Tiki generated VND522.1 billion (\$20.1 million), up 4 per cent.

The concentration of sales on Shopee and TikTok Shop underscores the importance of platform selection for businesses seeking to reach online consumers. It also highlights the challenge facing smaller

marketplaces and sellers as competition for customer attention becomes increasingly concentrated.

The number of shops generating revenue across the four platforms rebounded by 8 per cent from the second quarter to nearly 400,000 in the third quarter. However, the total remained 9 per cent below the level recorded a year prior.

The decline was concentrated among non-Mall sellers, whose numbers fell 9 per cent year-on-year to approximately 380,000. Meanwhile, Mall shops, which include official brand stores, increased 6 per cent to approximately 19,500.

Seller performance nevertheless improved across all four platforms. Average quarterly GMV per active seller rose year-on-year, led by Shopee at VND526.4 million (\$20,246), up 25 per cent. TikTok Shop recorded the fastest growth, with average GMV per active seller increasing 52 per cent to VND315.8 million (\$12,146).

The figures suggest that a smaller seller base is generating higher average sales, though the report does not establish whether this reflects consolidation, improved productivity, or the exit of less-competitive businesses.

For smaller sellers, rising marketplace costs are adding to the pressure to remain profitable. According to a 2026 cost analysis by Hunter Agency, selling expenses extend beyond platform commissions and payment processing fees to include promotional packages, affiliate commissions, advertising, and costs associated with returned or canceled orders.

Some businesses are responding by diversifying their sales channels, combining marketplace stores with their own websites, physical outlets, and social media pages. Direct sales can give sellers greater control over pricing and customer relationships, while cross-border e-commerce offers another potential route to growth.

Consumer behavior is another important factor shaping the market. YouNet ECI's research points to growing caution among online shoppers amid inflation and rising living costs, despite strong economic growth.

Its E-commerce Consumer Confidence Index showed greater volatility in the third quarter of 2026, particularly among Gen Z consumers. Millennials and Gen Z remained cautious about current household finances, while expectations for future household income offered a more positive signal.

The survey also found that consumers were increasingly attentive to product quality. In the third quarter, 74 per cent identified product quality as a trigger for online shopping, up 22 percentage points from the second quarter. The proportion citing product price declined from 68 per cent to 67 per cent, while the share identifying dis-



Shopee remained Vietnam's largest e-commerce platform in the third quarter, generating VND74.4 trillion (\$2.9 billion) in GMV, up 8 per cent year-on-year. TikTok Shop followed closely, with VND70.1 trillion (\$2.7 billion), representing 60 per cent growth over the same period of 2025.

counts and promotions fell from 53 per cent to 46 per cent. Logistics also became a less-frequently-cited shopping trigger, falling from 32 per cent to 22 per cent.

These findings indicate that consumers are not simply seeking the lowest prices. Product quality, perceived value, and the overall shopping experience remain important considerations, even as household budgets come under pressure.

Push for sustainable growth

Despite pressure on consumer spending, fast-moving consumer goods (FMCG) remained a resilient category in Vietnam's online market. YouNet ECI reported that FMCG GMV reached approximately \$3 billion in the first nine months of 2026, up around 26 per cent year-on-year. The category ranked among the Top 2 revenue-generating categories on all four major platforms, leading on Shopee and Lazada and placing second on TikTok Shop and Tiki.

Performance varied within the category. Home care and dairy products continued

to show strong momentum, while baby care, personal care, and food experienced slower demand.

Across the broader e-commerce market, fashion and accessories remained the largest category by GMV in the third quarter, at approximately VND39.3 trillion (\$1.5 billion), up 29 per cent year-on-year. FMCG followed at VND29.4 trillion (\$1.1 billion), up 36 per cent. Beauty generated VND18.9 trillion (\$726.9 million), while home appliances and consumer electronics recorded VND18.8 trillion (\$723.1 million).

These figures highlight how purchasing priorities differ across categories. While consumers may delay discretionary purchases or become more selective about nonessential products, demand for everyday necessities can remain comparatively resilient.

However, strong category performance does not guarantee stronger results for every seller. Vietnam's e-commerce market continues to offer significant opportunities, but growth is increasingly shaped by concentrated platform competition, changing seller dynamics, and consumers who are more deliberate about how they spend.

For brands and retailers, the challenge is to translate online demand into sustainable sales by balancing price competitiveness with product quality, efficient operations, and customer loyalty. Diversifying sales channels and exploring international markets may help some businesses reduce their dependence on domestic platforms, but these strategies also require investment in technology, logistics, and brand development.

As Vietnam's digital economy expands, the next phase of e-commerce growth will depend not only on attracting more consumers online but also on how effectively platforms and businesses respond to their changing expectations. ■



From concept to creation

The recent Vietnam Innovation Summit 2026 heard from stakeholders on how best to ensure research endeavors become viable products in the deep-tech space.

NHU QUYNH

Vietnam's deep-tech (deep technology) ambitions in areas such as AI and semiconductors depend not only on access to advanced technologies but also on the ability to turn research and engineering capabilities into commercially-viable products. Achieving this will require stronger links between universities, businesses, and policymakers, alongside specialized talent, domestic supplier networks, and a clearer strategic direction.

Industry experts attending the Vietnam Innovation Summit 2026, held in Ho Chi Minh City on October 14, highlighted gaps in university-industry cooperation, shortages of experienced technical talent, and the need to align research and infrastructure investment with market demand.

Connecting the ecosystem

One of Vietnam's key challenges in developing deep-tech is turning research capabilities into commercially-viable products. Mr.

Mitchell Pham, Chair of the Marlborough Technology Association and Board Member of NZTech in New Zealand, said success depends on connecting an initial invention with the value it ultimately delivers to customers. "Technology only succeeds when you design backwards from customer value," he said, stressing that commercial applications should be considered from the outset.

Mr. Vo Trong Thu, Head of the AI Lab at GreenNode, identified misaligned incentives as a major obstacle to university-business collaboration. While universities contribute scientific knowledge and research teams, businesses provide capital, data, and practical problems to solve. However, "the incentive structures are not aligned," he said.

In the semiconductor industry, Mr. Calvin Yong, Regional Director for Hong Kong, Southeast Asia, India and Oceania at the Yole Group and Strategic Technical Advisor for the Hong Kong Printed Circuit Board Association (HKPCA), noted that deep-tech development requires an ecosystem connecting companies, suppliers, investors, and other stakeholders.

This is particularly relevant to semiconductors, which require specialized talent, supplier networks, capital, and reliable infrastructure. Beyond chip design, the industry needs expertise in design verification, equipment reliability, fabrication operations, yield management, and advanced packaging. Manufacturing also depends on uninterrupted power, ultrapure water, and tightly-controlled production environments.

Vietnam has established capabilities in assembly, testing, and packaging (ATP), alongside a growing integrated circuit design workforce. However, Mr. Yong said the country must connect these strengths more effectively with manufacturing and commercialization, identifying three priorities.

First, strengthen domestic supplier networks. Vietnam relies on imports for specialized semiconductor inputs, including electronic chemicals, silicon wafers, photoresists, and precision tooling. Developing local suppliers of cleanroom consumables, precision-machined components, and chemical delivery systems could strengthen support industries and reduce reliance on

external supply chains. This will require closer coordination between domestic enterprises, major corporations, and government agencies.

Second, build on existing strengths and move into higher-value activities. Vietnam holds potential in chip design and back-end manufacturing but lacks a mature, commercial-scale front-end wafer fabrication ecosystem. Rather than developing every stage simultaneously, the country should upgrade its existing capabilities through advanced packaging technologies, including 2.5D and 3D integration and panel-level packaging.

Third, develop senior technical talent with hands-on manufacturing experience. Though Vietnam has a growing pool of engineering graduates, it faces shortages of experienced chip architects, yield optimization specialists and advanced packaging R&D leaders with high-volume manufacturing experience. Addressing this gap will require sustained investment in in-house training, partnerships with technical universities, and continuous professional development.

Mr. Yong added that domestic anchor companies could also help upgrade industry capabilities, generate demand for local suppliers and skilled workers, and connect technology development with market needs.

From research to market

Bridging the gap between research and commercialization requires institutions that connect businesses, researchers, and investors. Mr. Vo Trong Thu cited Saigon AI Hub, established by VNG and Vietnam National University Ho Chi Minh City in 2025, as an example of this approach.

In May 2026, the hub partnered with the Google AI Futures Fund to establish

an applied AI lab in Vietnam. Its first cohort brought together nearly 60 researchers, providing computing resources, funding, and support to develop prototypes. The next phase focuses on business-identified challenges, linking research teams with practical industry needs and encouraging commercially-viable solutions.

New Zealand offers another example of industry-led development. Mr. Pham said the country's technology sector grew from its 12th-largest export industry in 2016 to its second-largest in less than a decade. Technology businesses formed specialized communities across financial technology, education, agriculture, healthcare, and the Internet of Things (IoT), subsequently coordinating through a broader industry structure to engage with policymakers.

"The industry needs to lead, with the government supporting," Mr. Pham said, noting that government participation in industry governance helps align business priorities with regulatory requirements. He cited Rocket Lab as an example of how an innovative company, supported by appropriate safety and security regulations, can help establish a new industry.

For Vietnam, this highlights the need for coordinated action across industry, research, and government. Mr. Pham also pointed to the country's emerging International Financial Center model as a potential reference for setting national objectives, establishing governance structures, and coordinating stakeholders, though its outcomes remain too early to assess.

Mr. Yong highlighted Taiwan (China)'s Industrial Technology Research Institute (ITRI) and Singapore's Agency for Science, Technology and Research (A*STAR) as examples of institutions linking research, talent development, and industry. Beyond supporting research, such organizations can facilitate technology transfer and help bring innovations to market.

He cited the Taiwan Semiconductor Manufacturing Company (TSMC) as an example of coordination between businesses, government, and research-support institutions in building a globally-competitive semiconductor industry. Vietnam, he said, needs a national semiconductor strategy that clearly defines priorities, growth drivers, and implementation measures, including capital mobilization and investment risk management.

Making customer demand the test

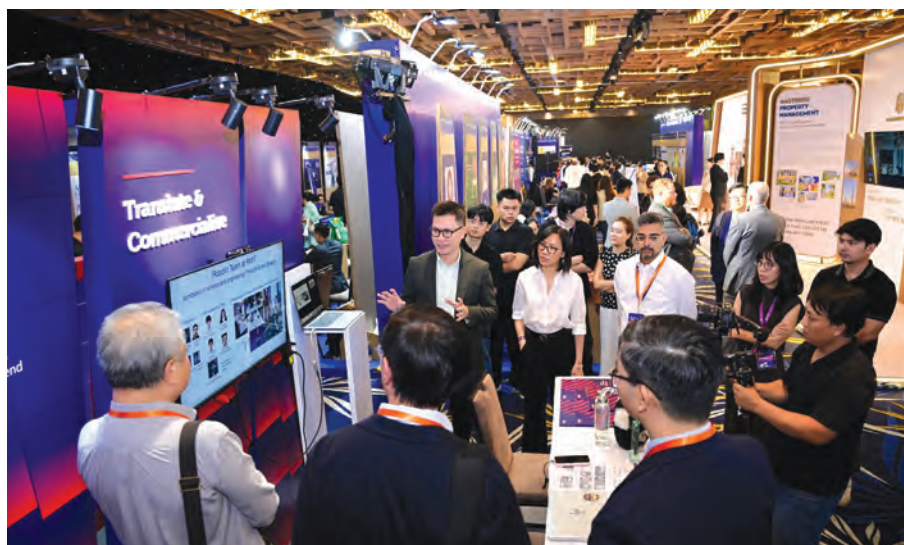
For Mr. Pham, technology development should start with a real customer problem rather than the technology itself. A customer willing to pay for a solution provides a practical test of whether it can generate commercial, economic, environmental, or social value. If the solution can be replicated for other customers, the first deployment can also become a reference case for wider adoption.

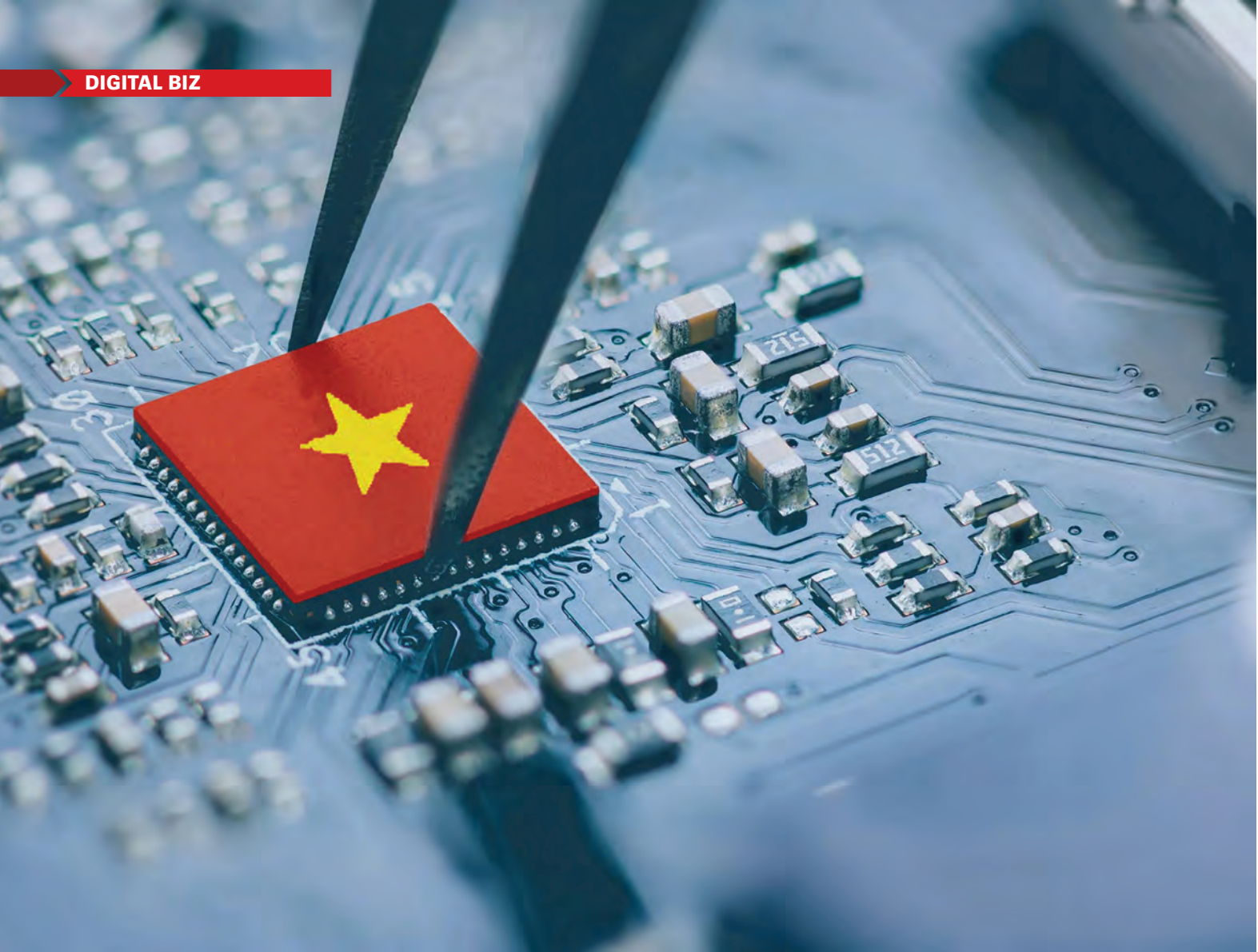
This is especially relevant to AI. Though new models continue to emerge, businesses often struggle to move from successful pilots to organization-wide deployment and measurable business results. The obstacles include systems integration, organizational implementation, business processes, and the ability to demonstrate returns on investment. Technological progress alone does not guarantee commercial impact.

Mr. Thu spoke of his ambition to make AI accessible to a wider range of Vietnamese users over the next five years, including farmers, factory workers, and small service businesses, rather than limiting its benefits to large corporations.

Achieving this requires coordination across the ecosystem. The government can create an enabling environment and stimulate initial demand by becoming the first customer for suitable solutions. Technology companies can provide infrastructure and co-develop applications, while universities train talent and help translate research into products. Early users must also test solutions and provide feedback to ensure they meet practical needs.

From applied AI research to advanced semiconductor packaging, Vietnam's opportunities differ, but the underlying challenge remains the same: connecting domestic research and engineering capabilities with market demand. The next stage of deep-tech development will depend on whether Vietnam can move beyond building research capacity toward a system that consistently turns that capacity into commercially-viable products and measurable economic value. ■





Critical last link

With an ecosystem coming together on the manufacturing side of the industry, the key task becomes finding viable markets for Vietnamese semiconductors given their still-nascent development.

HUYEN THUONG

Vietnam is seeing more domestic companies enter the semiconductor value chain, from research and design to product development. Yet a key gap remains at the downstream end: how to integrate locally-developed chips into products and manufacture them at sufficient scale.

According to the National Steering Committee for Semiconductor Industry Development, Vietnam now participates in most stages of the global semiconductor value chain, but domestic capabilities remain concentrated in chip design and packaging and testing. Data from the Ministry of Science and Technology shows that as of early 2026, Vietnam had around 50-70 chip design companies and approximately 7,000 integrated circuit design

engineers. The country had also attracted 241 FDI projects in the semiconductor sector, with total registered capital in excess of \$14.2 billion, while the semiconductor market was valued at more than \$21 billion.

Creating a market

Vietnam has also developed engineering capabilities across the design process, from concept development and architecture to integrated circuit design and specialized areas such as physical design and design for test (DFT). Some domestic companies are targeting advanced chip designs using

3nm and 2nm processes. In June, the National Center for Pilot Semiconductor Chip Manufacturing Support was launched, to connect domestic design demand with the global manufacturing ecosystem. The Law on Digital Technology Industry 2025 also introduced incentives and support for training, R&D, pilot production, and investment in chip design equipment.

These policies are helping expand domestic semiconductor design and product development capabilities. However, as the number of companies and design capabilities grows, another gap is becoming increasingly apparent: the market for chips developed by Vietnamese companies. This is not simply the final stage of the value chain, but a critical link in building the

broader semiconductor ecosystem. “Vietnam is not only about chip design, assembly and testing; there is also the question of how chips are applied in different products,” said Dr. Nguyen Van Truong, Director of Software and AI at VinMotion.

VinMotion is not a chip R&D company, he explained, but approaches the semiconductor sector as a chip user, specifically for humanoid robots targeting the services, household, and security sectors. He emphasized that alongside manufacturing capabilities, electronics development, and a high-quality workforce, Vietnam needs industries capable of using large volumes of chips, such as automotive, consumer electronics, and robotics.

The country needs to build an end-to-end value chain, from R&D through to finished products for end-users, he believes. In reality, however, a gap remains between the two ends of the supply chain. One side focuses on researching and developing chips, while companies using chips tend to choose products that are already available or proven in the market. The two sides have yet to establish a sufficiently strong link to create a cycle connecting product demand, chip development, application, and product completion.

According to Dr. Truong, closing this gap could significantly strengthen Vietnam's domestic capacity to research, develop, and use chips. Importantly, the challenge does not lie solely with chip companies. Manufacturers of end-products also need specific issues and applications that they can address jointly during the development process, rather than simply selecting components already available on the market.

Competing with proven chips

At a recent semiconductor industry event, Associate Professor Nguyen Ai Viet, Direc-

tor of the Institute of Generative AI Technology and Education (IGNITE), said Vietnam is not yet a strong brand in the global semiconductor supply chain. Therefore, “it is not the case that simply producing in Vietnam will automatically attract companies or buyers, even if the price is lower,” he emphasized.

Mr. Nguyen Phuc, Director of SoC Turnkey Solutions and Sales APAC at Global Semiconductor Microelectronics (GSME), said this is one of the key challenges facing Vietnam's semiconductor supply chain. Foreign corporations currently have a major presence across the supply chain. For Vietnamese companies to participate more deeply, however, the solution cannot come only from startups or business leaders. The broader business support ecosystem must also create opportunities for domestic companies to enter the chain.

The market currently faces a paradox: Vietnamese companies need components, but components from international suppliers are readily available, proven, and competitively-priced. As a result, switching to products from a new chip supplier is not at all straightforward.

This highlights the difference between having the capability to make chips and having a market for them. A company may be technically capable of developing a semiconductor product, but integrating that product into an existing device, production line, or operating system requires that it meet additional requirements related to reliability, cost, supply capacity, and integration.

“Vietnam is currently on the radar of many corporations, but it largely remains an alternative option - a second destination rather than a top priority,” Mr. Phuc said. “To strengthen its position, Vietnam needs to focus on improving supply chain quality, technological capabilities, and the quality of its workforce. Once these factors

improve, Vietnam can move from a backup option to a more important link in corporations' strategies.”

Balancing supply and demand

The challenge for Vietnam's semiconductor industry is not simply whether it can make a chip, but where that chip will be used, what problem it will resolve, and at what scale it can be manufactured. In other words, chip development needs to be closely connected to end-products, creating stronger links between semiconductor companies and industries that need chips.

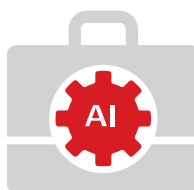
Associate Professor Viet said Vietnam has introduced a range of important policies in recent years to promote the semiconductor industry, including workforce training, research support, and efforts to strengthen technological autonomy. However, these policies still tend to reflect a supply-driven mindset.

He considers this a strategic bottleneck. In a high-tech industry such as semiconductors, creating a new product is merely a necessary condition. The sufficient condition is a stable market for that product. Without one, even heavily-funded projects may struggle to remain viable over the long term.

Vietnam therefore needs to shift its development approach from a supply-driven model toward a balance between supply and demand, the Associate Professor said. Several application areas could serve as catalysts for Vietnam's semiconductor industry. Internet of Things (IoT) devices and robotics, for example, are estimated to have the potential to create markets worth \$5-\$12 billion, while agriculture, with its significant demand for environmental sensors, could represent a market of \$1-\$3 billion.

Mr. Phuc, meanwhile, emphasized that the gap between the research lab and the factory, and between chip developers and chip users, is a critical link that must be narrowed if Vietnam is to build a semiconductor value chain with deeper participation from domestic companies.

To build a genuine semiconductor and electronics supply chain, Vietnam therefore needs domestic companies to participate in more stages of the value chain, rather than allowing most of the value to remain with foreign corporations. Developing electronics, robotics, automotive, and industrial products capable of using components developed by Vietnamese companies could provide an important source of demand, giving the domestic chip ecosystem the market it needs to grow. ■



Vietnam's Semiconductor Development Targets

- ▶ During 2024-2030, Vietnam aims to have at least 100 chip design companies, one small-scale chip fabrication plant, and 10 packaging and testing facilities.
- ▶ The semiconductor industry is targeted to generate more than \$25 billion in annual revenue, with domestic value-added accounting for around 10-15 per cent, while the country develops a workforce of more than 50,000 engineers during 2024-2030.
- ▶ During 2030-2040: the country targets having 200 chip design companies, two fabrication plants, and 15 packaging and testing facilities.
- ▶ By 2040-2050, it aims to have 300 chip design companies, three fabrication plants, and 20 packaging and testing facilities, gradually building greater autonomy in semiconductor R&D.

Source: Decision No. 1018/QĐ-TTg on Vietnam's Semiconductor Industry Development Strategy to 2030, with a vision to 2050



Increasing influence

Investor requirements for industrial property are changing as all-round sustainability comes to the fore.

▲ LINH TONG

Vietnam's next phase of industrial development will require a shift from attracting investment to strengthening the quality and resilience of the industrial value it creates. At the recent "Building Sustainable Industrial Value: From ESG Commitments to Real-World Implementation" business dialogue, held by EuroCham Vietnam and Savills Vietnam in Hanoi on October 21, industry leaders discussed how environmental, social, and governance (ESG) commitments are reshaping investor expectations, and why implementation, rather than ambition alone, will determine whether Vietnam can sustain its competitive position.

As manufacturers move toward higher-value activities and as new industries such as semiconductors and data centers emerge, the requirements for industrial property are changing. Investors increasingly look beyond land prices and labor availability to assess infrastructure reliability, energy costs, operational efficiency, and the ability

of facilities to adapt as business needs evolve. Sustainability is becoming part of this broader calculation, linking environmental performance directly to productivity, cost control, and long-term asset value.

From compliance to decision

For many multinational companies, sustainability is no longer simply a requirement to satisfy in a report or certification process. It increasingly influences where companies invest, which industrial parks they choose, and whether local suppliers can remain part of international supply chains.

Mr. John Campbell, Director, Head of Industrial Service, at Savills Vietnam, said the shift was particularly visible among large investors and companies supplying multinational manufacturers. Though smaller tenants may still regard ESG as a desirable extra rather than a business

necessity, expectations among larger occupiers are becoming more demanding. Sustainability can affect long-term operating costs and the ability to meet customers' requirements, making it increasingly relevant to investment decisions.

However, the shift does not mean Vietnam is being rejected wholesale because of sustainability concerns. Rather, investors may compare individual localities and industrial parks according to the infrastructure and environmental standards they can offer. This places greater pressure on developers to demonstrate that their facilities can support occupiers' operational needs, rather than relying solely on competitive rents or available land.

Mr. Jonathan Sourintha, Co-Chair of EuroCham's Green Growth Sector Committee and Co-Founder of Turn Green, described a broader change in corporate attitudes. Ten years ago, he said, companies paid less attention to how production was carried out. The mindset has changed, par-

ticularly since Covid-19, though businesses remain at different stages of the transition.

Some companies are primarily concerned with meeting regulatory requirements, while others are beginning to go beyond compliance and use sustainability to develop new markets. The challenge is to move more businesses toward the latter approach. For Vietnam, this means ensuring that ESG policies and commitments translate into practical improvements in the way industrial facilities are designed, built, and operated.

Operational performance

One of the most significant gaps in sustainable industrial development lies between a building's design and its day-to-day performance. A facility may be designed to meet environmental standards, but its actual performance depends on how well its systems are maintained, how efficiently resources are used, and how effectively operational problems are addressed.

Mr. Luca Vadala, Head of Integrated Facility Management Services at Savills Vietnam, argued that facility management should be considered from the earliest stages of a project rather than introduced shortly before a building is handed over. In Vietnam, facility management providers are often engaged only three or four months before handover, when many important design and construction decisions have already been made. This can make it more difficult and expensive to correct problems



// The optimal form of ESG is the least amount of input and the maximum amount of output that you're getting out of a real estate facility or a manufacturing facility."

Mr. Matthew Jackson
General Manager, Northern Vietnam,
LÔ-GOI Group

that could have been anticipated earlier.

The financial implications are substantial. An estimated 60-80 per cent of a building's lifecycle costs are associated with operation and maintenance, meaning that decisions made during design can have consequences long after construction is completed. Accessibility for maintenance, equipment selection, system integration, and the availability of technical documentation all influence whether a facility can be operated efficiently.

Early involvement also helps clarify the responsibilities of developers, landlords, tenants, and service providers. Equipment records, testing documentation, and maintenance plans should be prepared and transferred systematically, allowing operators to understand how the building is intended to function. Rather than treating sustainability as a certificate obtained at the end of construction, developers need to establish measurable operational targets and systems for tracking performance throughout the building's life.

Digitalization can support this transition. Building management systems can monitor equipment and energy consumption in real time, while computer-aided facility management and computerized maintenance management systems help organize maintenance schedules, retain records, and identify recurring problems. AI can also help detect anomalies and anticipate equipment failures, potentially reducing downtime and unnecessary energy use.

But technology does not eliminate the need for professional judgment. As Mr. Vadala explained, a decline in electricity or water consumption does not automatically indicate improved efficiency: it could also reflect lower production. Data therefore needs to be interpreted in the context of operational activity.

Business case for efficiency

For industrial property owners and occupiers, the strongest argument for sustainability may be its effect on operating performance. Mr. Matthew Jackson, General Manager, Northern Vietnam, at the L -GOI Group, emphasized that the objective should be to maximize output while minimizing the resources required to achieve it. In this view, ESG is not a separate layer added to an industrial asset, but a way to improve how the asset performs. "My theory is that the optimal form of ESG is the least amount of input and the maximum amount of output that you're getting out of a real estate facility or a manufacturing facility," he explained.

Solar panels, batteries, and other visible features, he continued, can contribute to



// ESG is increasingly becoming less of a tick-box exercise and more of a genuine requirement for certain manufacturers, particularly those with large-scale projects or major FDI investments. Incorporating sustainability at that scale saves money in the long term."

Mr. John Campbell
Director, Head of Industrial Service,
Savills Vietnam

better environmental performance, but their presence does not necessarily make a facility efficient. Poorly maintained equipment, production interruptions, and avoidable energy consumption can undermine the benefits of those investments.

The financial consequences of operational inefficiency can be significant. A power interruption or equipment failure may disrupt an entire production line, while seemingly minor problems - such as leaking pipes, drainage failures, or inadequate preventive maintenance - can accumulate into higher costs and reduced productivity. For tenants, the resulting losses can outweigh the difference between a conventional facility and one with a modest rental premium. For owners, operational performance influences the asset's attractiveness to tenants and its long-term market value.

This is why sustainability investments should be evaluated according to their practical contribution, rather than their visibility. Buying technology solely to demonstrate ESG credentials can add cost without delivering meaningful benefits. The priority should be to identify where resources are being wasted, establish measurable performance targets, and make investments that address the underlying problems.

The same principle applies to the physical design of industrial buildings. A facility that can accommodate different tenants

and uses is more likely to remain relevant as industries change. A building initially used for manufacturing might later need to combine manufacturing with warehousing or R&D. If its layout and systems cannot accommodate these changes, the owner may face expensive modifications or a shorter useful life.

Adaptability can therefore support both commercial resilience and environmental performance. Keeping an industrial asset productive for longer can reduce the need for replacement construction and the associated consumption of materials. It also helps owners protect the long-term usefulness of their investments in a market where occupier requirements are evolving.

Workforce conditions are another part of this equation. Mr. Jackson highlighted the importance of creating industrial environments that support employees, particularly in Vietnam, where many industrial workers move from rural areas to employment in manufacturing centers.

Energy and future investment

Even the most efficient industrial facility cannot compensate for an unreliable electricity supply. As Vietnam seeks to attract more sophisticated manufacturing and digital infrastructure, power availability, reliability, and cost are becoming central to its investment proposition.

Mr. Campbell identified semiconductors and data centers as important potential drivers of future industrial demand. Data center operators are examining opportunities in Vietnam, while the expansion of AI is increasing the scale of power requirements associated with digital infrastructure. These facilities can require substantially

more electricity than conventional industrial operations, making available grid capacity and reliable supply fundamental conditions for investment.

The challenge extends beyond data centers. Semiconductor manufacturing and increasing automation can also raise electricity demand, while investors must consider whether energy prices allow them to remain competitive with other production locations in Asia. A country may offer attractive labor costs and a growing industrial ecosystem, but those advantages can be undermined if electricity is expensive, unreliable, or unavailable at the scale required.

Looking toward 2030, speakers identified energy as one of the most urgent priorities for Vietnam's industrial development. Mr. Campbell emphasized the need for reliable power capacity and credible guarantees of supply, while Mr. Jackson stressed that both availability and cost would shape investment decisions. As factories adopt more automated systems, the importance of competitive and dependable electricity is likely to increase further.

Industrial property developers are already adapting to changing occupier requirements. Mr. Campbell noted a shift away from a market focused primarily on land transactions toward ready-built and customized facilities designed around tenants' specific operational needs. Industrial parks are also diversifying their offerings to accommodate logistics, distribution, R&D, data centers, and other activities alongside traditional manufacturing.

These changes reflect a broader transformation in what investors expect from an industrial location. The ability to move into a facility quickly matters, but so does the confidence that its infrastructure will support production over the long term. For Vietnam, securing the next wave of

investment will depend on matching its industrial ambitions with the energy and infrastructure required to deliver them.

Learning quickly

Vietnam has an opportunity to draw lessons from other Asian markets as it develops its industrial ecosystem. Its experience in manufacturing, combined with continuing investment in infrastructure and workforce capabilities, provides a foundation for moving into higher-value activities. Digitalization and AI could also help businesses improve productivity and adopt more advanced operating practices.

However, progress will depend on implementation. Mr. Sourintha described Vietnam as a "work in progress," noting that the country has clearer goals and regulations but still needs to accelerate the process of turning them into results. He pointed to opportunities in emerging areas such as offshore wind and the circular economy, which could create new industrial activities while supporting broader sustainability objectives.

Mr. Campbell similarly cautioned against assuming that Vietnam can automatically leapfrog other markets. The country is adapting quickly, learning from regional experience and adjusting its industrial offering, but new technologies and changing investor expectations will continue to test its readiness. Mr. Vadala added that digitalization could help Vietnam advance more rapidly than earlier industrializing economies, though success would depend on how effectively businesses incorporate these tools into everyday operations.

The priorities are interconnected: reliable and affordable energy supports investment; efficient facility management protects productivity; adaptable buildings extend asset life; and stronger logistics and waste management improve the wider industrial ecosystem. None can be addressed in isolation. Sustainable industrial development requires coordination between policymakers, developers, manufacturers, and service providers, with clear responsibilities and measurable results.

Vietnam's competitive advantage will ultimately depend not only on how much investment it attracts, but also on how well its industrial assets perform over time. ESG commitments become meaningful when they influence design decisions, maintenance practices, energy use, and workforce conditions, and when their benefits can be demonstrated through better operational results. Turning those commitments into consistent performance will be essential if Vietnam is to attract higher-value investment and build a more resilient industrial economy. ■

New FDI Wave - Key Industries

The new FDI wave ushers in new industries and facilitates the growth of high value-added production.

► Semiconductors

- Market value: \$18.2 billion in 2024
- Growth: 11.5 per cent annually
- Projected market value: \$31.4 billion by 2029
- Policy framework: Government Decision No. 1018/QĐ-TTg, approving the Strategy for Vietnam's Semiconductor Industry Development through 2030, Vision to 2050.

► Solar-Related Industries

- Chinese companies dominate Vietnam's solar market, with 60 per cent, particularly in the northern region.
- Examples: JA Solar, Jinko Solar and Trina Solar.

► Electric Vehicles (EVs)

- VAMA forecasts that Vietnam will reach:
 - + 1 million EVs by 2028
 - + 3.5 million EVs by 2040
- KPMG survey: 70 per cent of respondents are likely to buy EVs or hybrids.

► Data Centers

- Vietnam's data center market was valued at \$685 million in 2023.
- Projected market value: \$1.4 billion by 2029
- Projected compound annual growth rate (CAGR): around 13 per cent.



Source: Savills Vietnam

VnEconomy

Kinh tế
Việt Nam

VIETNAM
ECONOMIC TIMES
A PUBLICATION OF VIETNAM ECONOMIC ASSOCIATION



DIỄN ĐÀN/FORUM

PHÁT TRIỂN CÔNG NGHIỆP DẦU KHÍ VIỆT NAM ĐẢM BẢO TĂNG TRƯỞNG BỀN VỮNG

Development of Vietnam's Oil and Gas Industry:
Ensuring Sustainable Growth

Time: 1pm, October 29, 2026

Venue: 11th Floor, BMC, V.E.T Building, 98 Hoang Quoc Viet Street, Nghia Do Ward, Hanoi

Golden Media Partner



HDBank
Committed to your best returns



Experience your ultimate
dream life

*Why
hesitate?!*

HDBank Vietjet Credit Card Special Privileges

FREE 100%

annual fee
on 1st year

discount
up to **50%**

shopping, Golf
& travel services

CASH BACK

& earn loyalty point*
From buying airline
ticket



SCAN
&
APPLY NOW

*for information, please visit: www.hdbank.com.vn

► Key Features of HDBank Debit Cards



FREE cash withdrawal at more than 300 HDBank ATM



24/7 payment process at more than millions merchants



Earn interest on account balance

