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Vietnam Legal Ecosystem

for logistics & supply chain operators

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Introducing: Vietnam in 2025





Why Vietnam Ignored Its Own Laws to Fast-Track a Trump Family Golf Complex

As President Trump blurs the lines between politics and business — and threatens steep tariffs on trade partners — governments feel compelled to favor Trump-related projects.

Leaders | Vietnam

The man with a plan for Vietnam

A Communist Party hard man has to rescue Asia's great success story



Market Snapshot – What's happening in Vietnam?

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Administrative Reform

TWO-TIER LOCAL GOVERNMENT MODEL

EFFECTIVE FROM JULY 1, 2025



The two-tier local government model:

- Provincial level: 34 provinces and centrally-run cities
- Commune level: 3,321 commune-level administrative units



PROVINCIAL LEVEL

34 provinces and cities



6 centrally-run cities & 28 provinces

COMMUNE LEVEL

3,321 administrative units



COMMUNES, WARDS (ON THE MAINLAND), AND SPECIAL ZONES (ON ISLANDS)
2,621 communes, 687 wards, and 13 special zones

Nhan Dan

AREA AND POPULATION OF 23 MERGED PROVINCIAL ADMINISTRATIVE UNITS

(Decision No. 759/QĐ-TTg dated April 14, 2025)

At its 11th plenum, the 13th Party Central Committee reached a consensus on the policy to restructure provincial-level administrative units nationwide, reducing the total from 63 to 34, including 28 provinces and six centrally governed cities. Of the current 63 units, 11 will remain unchanged, while the remaining 52 will be merged into 23 new provincial-level administrative units.

Proposed name after mergers	Administrative - political center	Area (km ²)	Population (million people)
1 Tuyen Quang (Tuyen Quang + Ha Giang)	Tuyen Quang city	13,795.6	1.7316
2 Lao Cai (Lao Cai + Yen Bai)	Yen Bai city	13,257	1.6565
3 Thai Nguyen (Bac Kan + Thai Nguyen)	Thai Nguyen city	8,375.3	1.6945
4 Phu Tho (Vinh Phuc + Phu Tho + Hoa Binh)	Viet Tri city	9,361.4	3.6636
5 Bac Ninh (Bac Ninh + Bac Giang)	Bac Giang city	4,718.6	3.5091
6 Hung Yen (Hung Yen + Thai Binh)	Hung Yen city	2,514.8	3.2084
7 Hai Phong city (Hai Duong + Hai Phong City)	Thuy Nguyen city	3,194.7	4.1027
8 Ninh Binh (Ha Nam + Ninh Binh + Nam Dinh)	Hoa Lu city	3,942.6	3.8187
9 Quang Tri (Quang Binh + Quang Tri)	Dong Hoi city	12,700	1.584
10 Da Nang city (Da Nang city + Quang Nam)	Hai Chau district	11,859.6	2.8199
11 Quang Ngai (Kon Tum + Quang Ngai)	Quang Ngai city	14,832.6	1.8617
12 Gia Lai (Gia Lai + Binh Dinh)	Quy Nhon city	21,576.5	3.1533
13 Khanh Hoa (Ninh Thuan + Khanh Hoa)	Nha Trang city	8,555.9	1.882
14 Lam Dong (Lam Dong + Dak Nong + Binh Thuan)	Da Lat city	24,233.1	3.3244
15 Dak Lak (Dak Lak + Phu Yen)	Buon Ma Thuot city	18,096.4	2.8313
16 HCM City (Ba Ria-Vung Tau + Binh Duong + Ho Chi Minh)	District 1	6,772.6	13.6088
17 Dong Hai (Dong Nai + Binh Phuoc)	Bien Hoa city	12,737.2	4.4277
18 Tay Ninh (Tay Ninh + Long An)	Tan An city	8,536.5	2.959
19 Can Tho city (Can Tho City + Soc Trang + Hau Giang)	Ninh Kieu district	6,360.8	3.207
20 Vinh Long (Ben Tre + Vinh Long + Tra Vinh)	Vinh Long city	6,296.2	3.3674
21 Dong Thap (Tien Giang + Dong Thap)	My Tho city	5,938.7	3.3972
22 Ca Mau (Bac Lieu + Ca Mau)	Ca Mau city	7,942.4	2.1406
23 An Giang (An Giang + Kien Giang)	Rach Gia city	9,888.9	3.6792

PROVINCIAL ADMINISTRATIVE UNITS REMAIN UNCHANGED

Provinces, cities	Provinces, cities	Provinces, cities
Hanoi	Son La	Nghie An
Hue city	Lang Son	Ha Tinh
Lai Chau	Quang Ninh	Cao Bang
Dien Bien	Thanh Hoa	

infographics.vn

TTXVN Vietnam News Agency

UTILITIES ON VNeID BENEFIT CITIZENS AND BUSINESSES

(Announced at the Ministry of Public Security's VNeID utilities launching event on July 14)

To date, the Ministry of Public Security has launched 43 utilities on the VNeID platform that serve citizens and businesses, putting them at the centre. Some key achievements include:

MANY DOCUMENTS INTEGRATED INTO VNeID

- 18.7 million digital driving licences
- ~7 million vehicle registrations
- 25 million digital health insurance cards and medical records



> 1,000,000 marriage status certificates

~590,000 judicial records

BENEFITS FOR CITIZENS AND BUSINESSES

2,5 million citizens received social security payments via bank accounts

Value >910 million USD

78% of users received pension and social insurance benefits via bank accounts

+ Value >1.6 billion USD

+ Saved ~2 million USD in travel costs

182,100 digital signatures >68,200 e-wallet accounts >635,000 bank accounts

have been issued

20 million citizens

joined the 2013 Constitution revision feedback campaign via the app

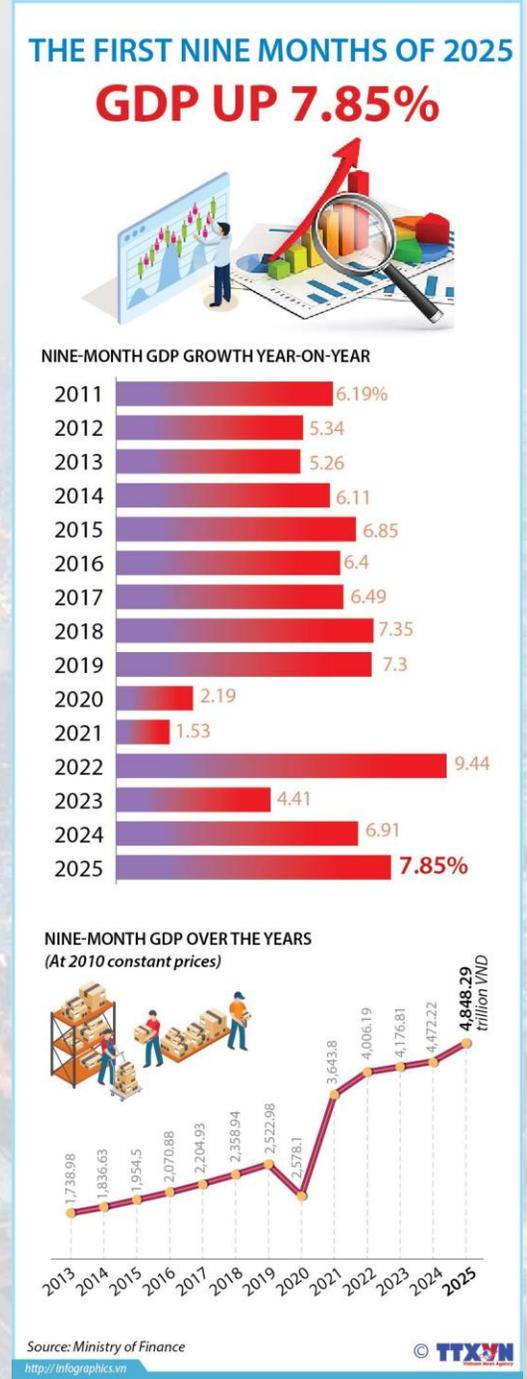
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Investment Climate in 2025

Key Indicators:

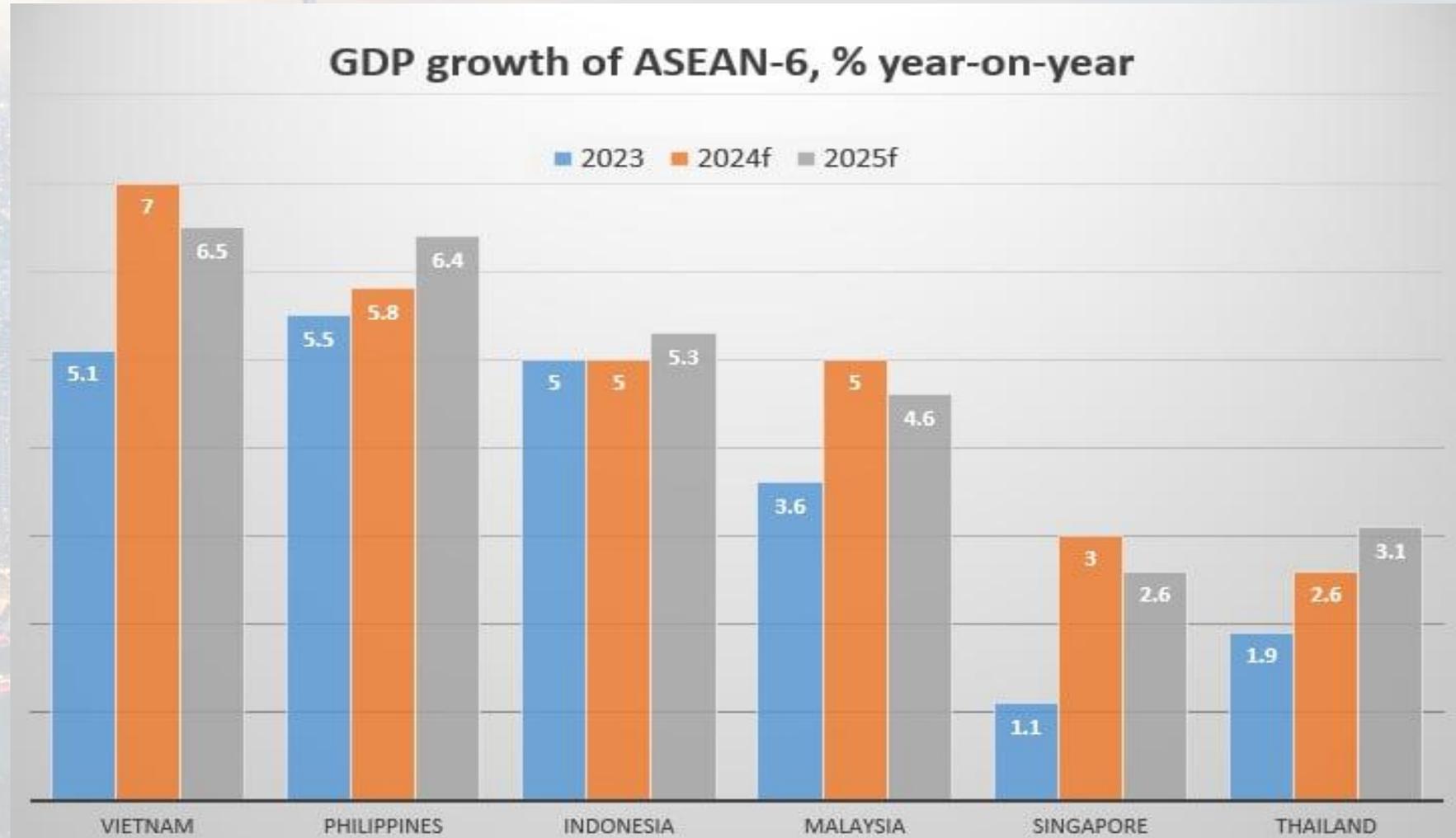
- Foreign Direct Investment (FDI)
- Trade Turnover
- GDP Growth



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Source: CEIC, HSBC forecasts

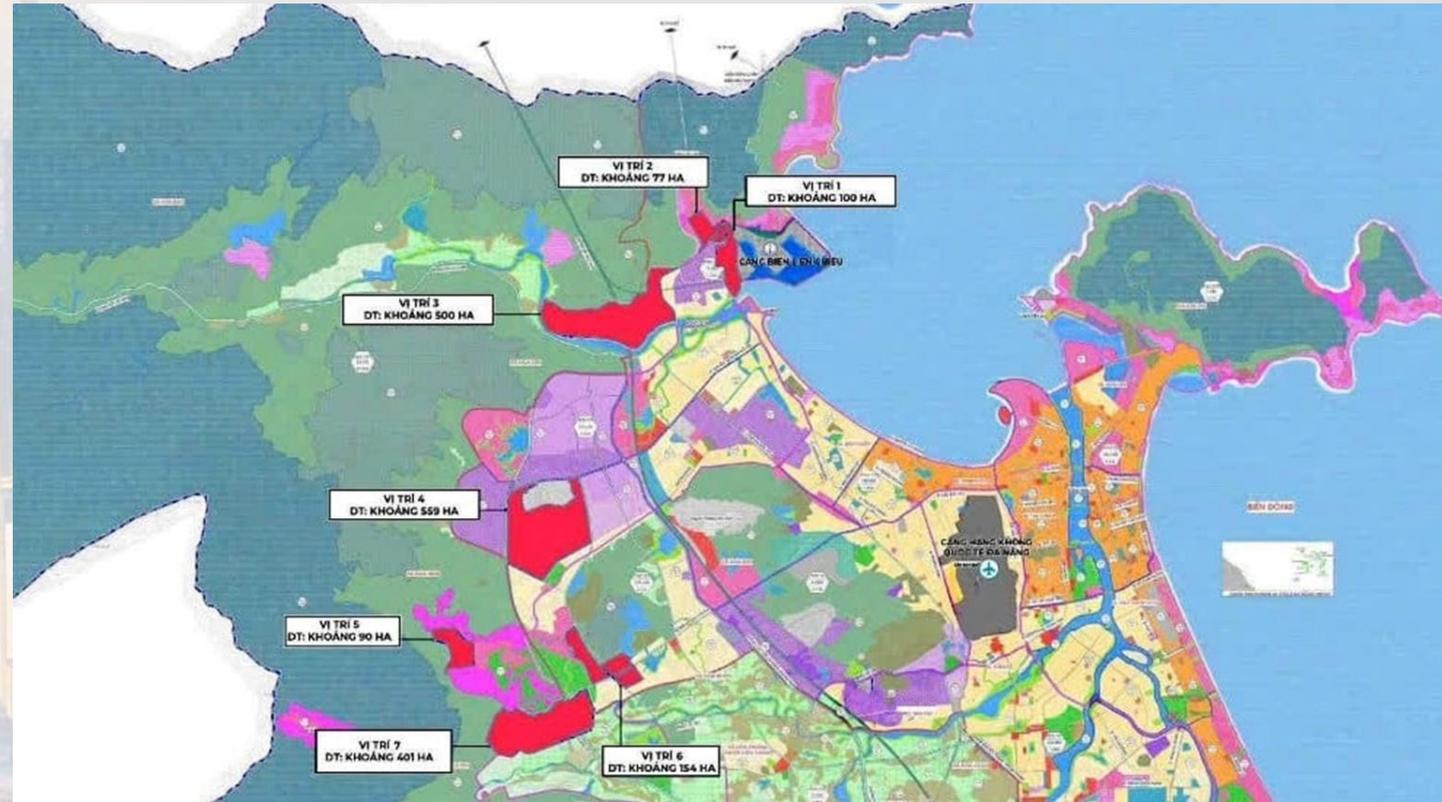
Introducing: Vietnam in 2025

- **Sweeping administrative reforms** are reshaping the country:
 - Re-distribution of administrative responsibilities
 - Re-zoning of national/provincial fabric
 - Push for digitization and procedural streamlining
 - Launch of major infrastructure projects (rail, road, airways)
- **Focus:**
 - Free Trade Zones (**FTZs**),
 - International Financial Centre (**IFC**),
 - Customs reform (example: **on-spot / domestic export**)
- **Why this matters?**
 - immediate operational & commercial impact on chains, costs & capital flows



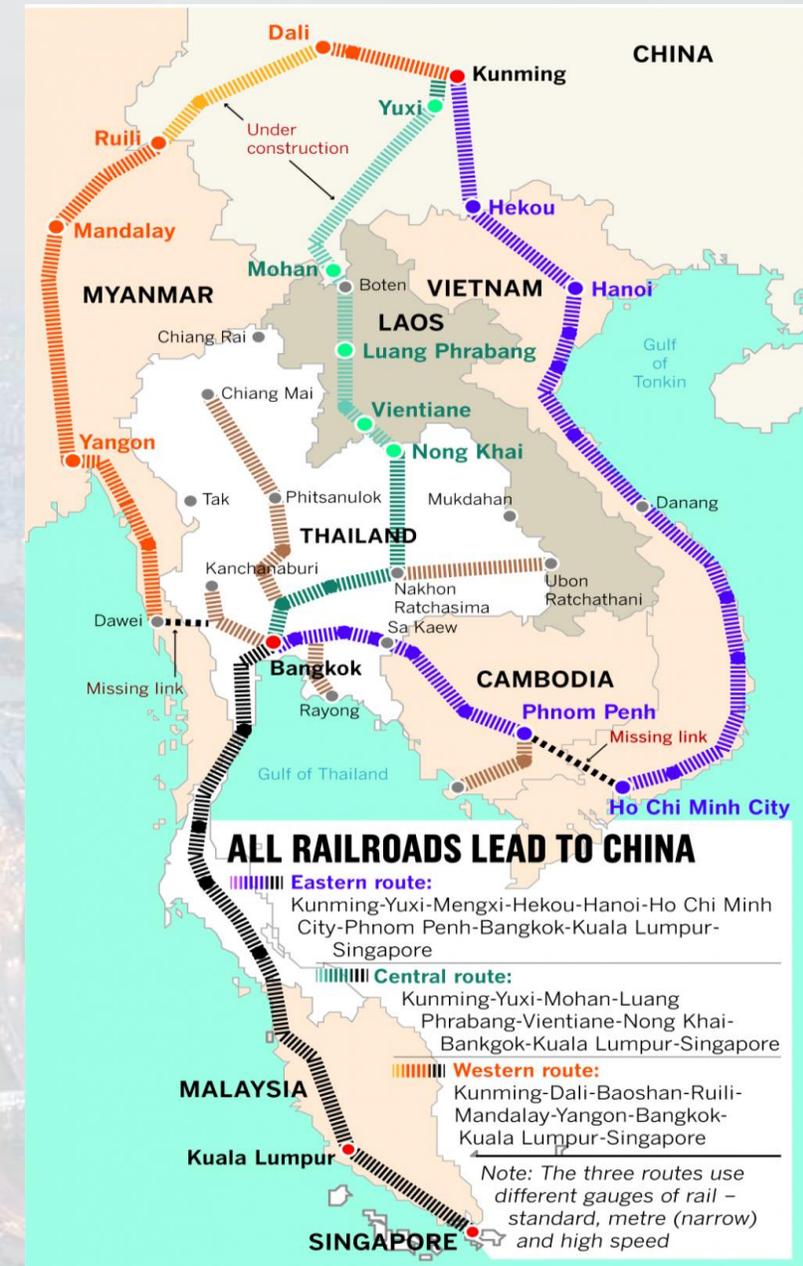
Infrastructure Revolution

- 1. Long Thành International Airport: Phase 1** (Southern gateway)
 - *Huge new air cargo capacity + multimodal links; flagship national project.*
- 2. North–South Expressway** upgrades / widening (Eastern corridor)
 - *Major road capacity increases reduces inland bottlenecks for freight flows.*
- 3. Huyện / Northern container terminal expansion** (Haiphong)
 - *Adds container handling capacity for northern gateway; essential for sea freight.*
- 4. Vũng Áng / Vân Phong / Quảng Trị port & FTZ developments**
 - *Deep-sea ports + FTZ pilots = new nodes for transshipment & bonded processing.*
- 5. Da Nang logistics hub + Vietnam's first FTZ pilots**
 - *Regional multimodal hub + FTZ incentives to attract value-added logistics.*



Infrastructure Revolution

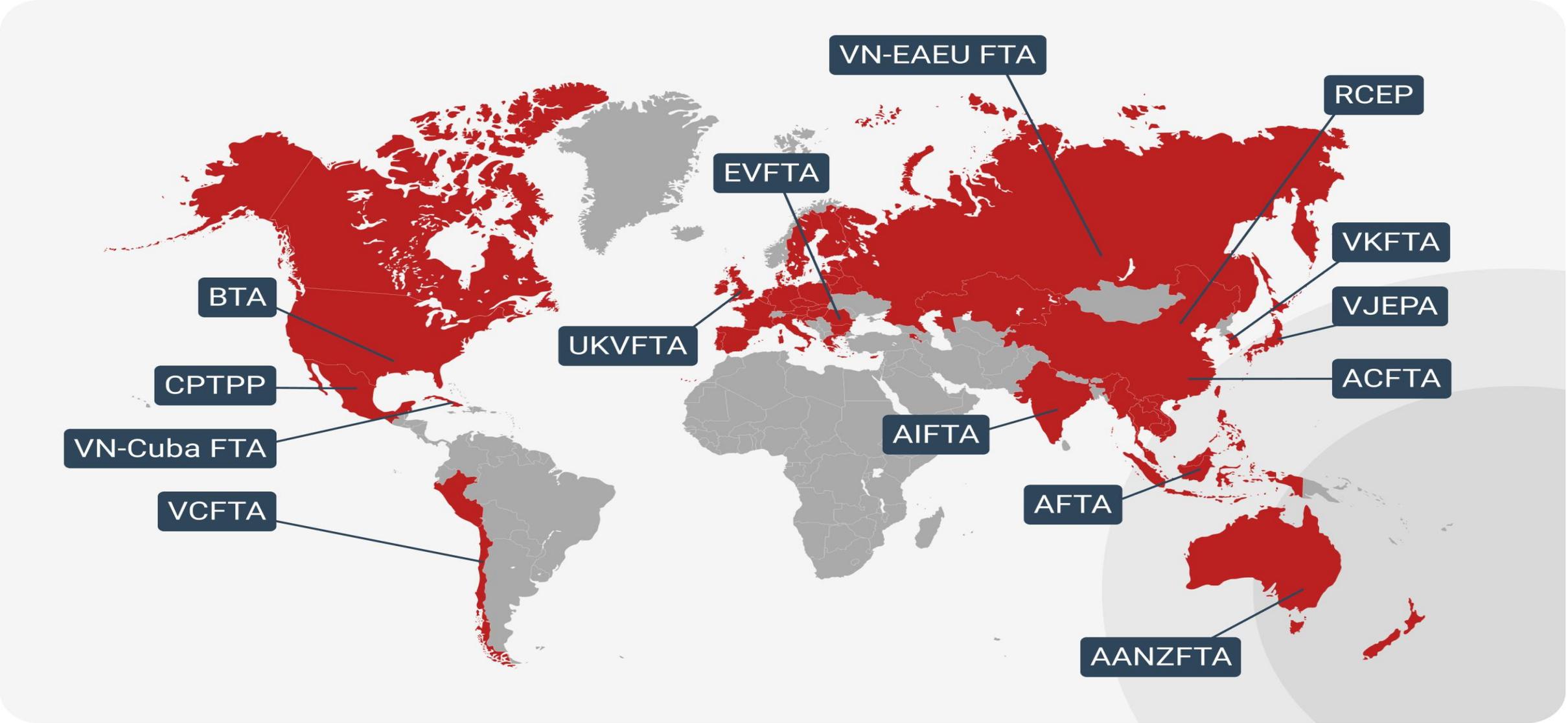
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6. **Inter-regional rail projects (new lines / upgrades; linkages & freight corridors)**
 - *Longer-term but transformational for heavy, long-haul freight movement.*



Legal Environment: Logistics & Transportation



Center of the World: Vietnam's FTAs & BTIs



Free Trade Zones: what's new?

- Government **push to create multiple FTZs** / duty-free ports (2024–25 acceleration).
- Localities (Da Nang, Quang Tri, Ha Tinh, Phu Quoc discussions) **actively proposing FTZs**.
- **Typical FTZ incentives:** duty-free import for processing, relaxed admin, tax breaks.
 - Intention to boost logistics competitiveness and attract processing/assembly investment.
 - authorities are fast-tracking FTZ plans in coastal provinces
 - Da Nang is already positioning a new FTZ with port connectivity as a logistics hub.
 - FTZs promise duty-free imports for goods intended for export and streamlined administrative procedures.
 - Direct commercial incentive for your supply-chain design: locate high-value processing, temporary warehousing or kitting activities inside FTZs to defer or eliminate import duties and simplify customs flows.
- **Caveats:**
 - administrative capacity and on-the-ground infrastructure vary by zone (not every FTZ yet delivers the promised speed;
 - customs scrutiny around origin / duty-exemption use is increasing, so compliance is paramount.

FTZs: operational implications for logistics operators

- **Shorter cash-cycle** if goods held in FTZ vs domestic bonded warehouse
- **Opportunity:** pre-assembly / light manufacturing in zone lead to lower duties on final export
- **Risk:** mismatch between FTZ paperwork and port operator processes can lead to longer dwell time
 - Moving operations into an FTZ you can materially improve cashflow
 - Duties are deferred or eliminated until goods exit to the domestic market (often they never will).
 - Delays can occur when local port or terminal operators have not yet fully integrated FTZ customs flows.
- **Example:** Da Nang's FTZ promotional material highlights the **connectivity gains**, but operators reported initial **teething problems with customs IT and quay-side handling** that caused stock dwell for days (negating some of the intended cash-flow benefit in the short term).
- **Bottom line:** FTZs are potent levers, but only if you validate the local operating ecosystem (terminal readiness, bonded trucking, local customs brokerage experience) before moving high-velocity inventory there.

International Financial Centre (IFC): essentials for logistics investors

- **IFC pilot(s):** HCMC & Da Nang (government target to operationalise quickly).
- **Expected policy levers:** FX liberalisation, capital market deepening, tax incentives for financial activities.
- **Who benefits:** large logistics/infra projects seeking international capital, PPP investors.
- **For logistics and transport:** the IFC could lower the cost of capital for large projects (port terminals, rail, logistics parks) by enabling foreign-currency capital raising and cross-listing.
- **Cheaper and more diverse funding options** make brownfield and greenfield expansions easier to finance.
- The flipside is a **near-term regulatory churn:**
 - banks and fund managers will need **new licensing and compliance frameworks;**
 - **Expect delays in approvals** for large international financing until the IFC regulatory regime stabilises.
- **Enhanced Service Offering & New Business Models?**
 - The IFC will attract fintech, digital banking, and cross-border financial services (per the action plan),
 - Logistics companies may be able to leverage the new trade ecosystem.

Customs Reform: formalising “on-spot” / domestic export

- **On-spot (OTS) transactions now explicitly regulated;** firms must file both export and import declarations for on-spot goods.
 - the single most immediate legal change for supply chains.
 - In the ‘on-spot’ export/import model goods are delivered and received in Vietnam but sold under contracts with foreign traders.
 - Under the new regime (Decree 167/2025 and Customs Law amendments), these goods must now be handled with full customs declarations and are subject to customs inspection and supervision.
- **Purpose:** remove a prior legal grey area — but adds paperwork and supervision.
 - **Benefits:** legal certainty & due process
 - **Problems:** increase of customs touchpoints, documentary checks and potential VAT/tax consequences.
- Expect longer lead times for shipments that previously moved quickly under informal OTS workflows.
 - customs expects export / import declarations (logistics operator must file twice accept customs inspection).

Q&A



Thank you for attending!



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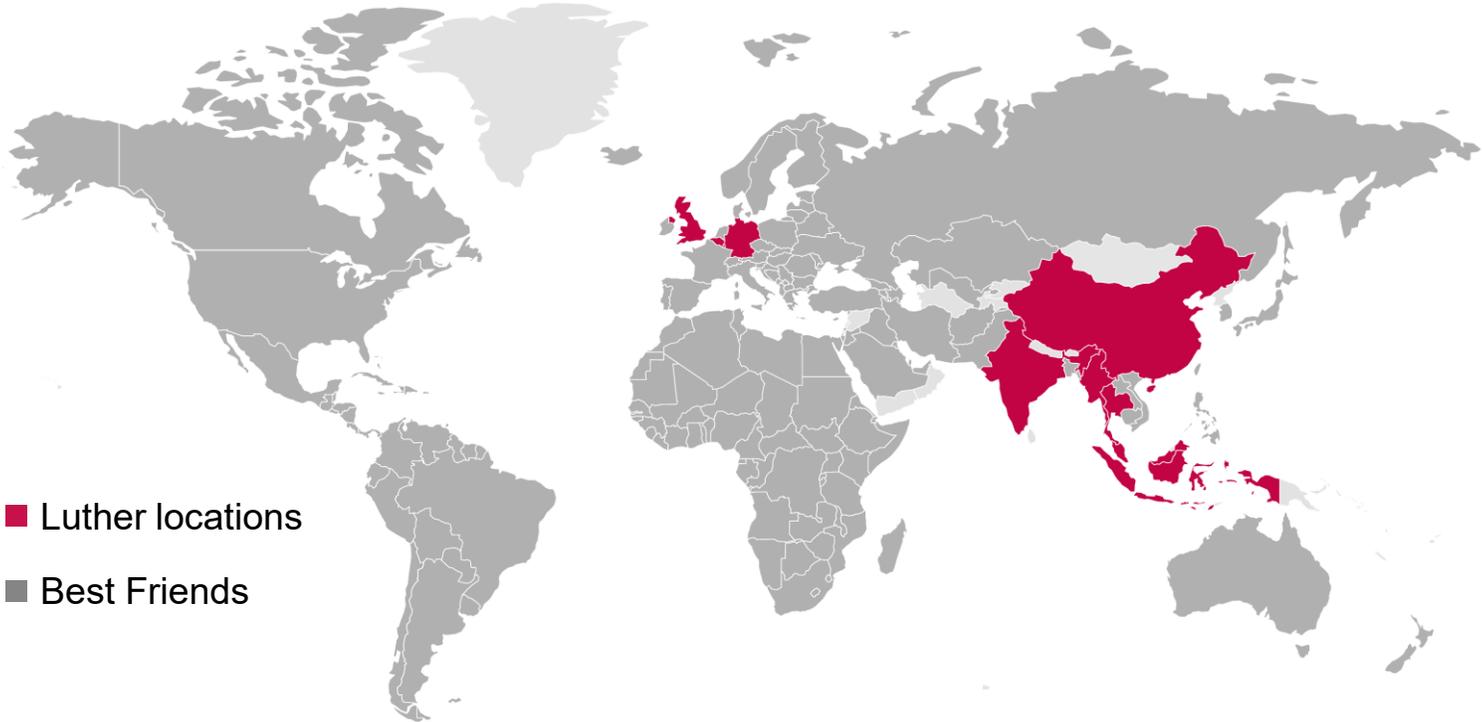
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