



Market Report

INDUSTRIAL SNAPSHOT

*3rd Week of August, 2025
[11th August - 17th August 2025]*



INTRODUCTION

Dear esteemed readers,

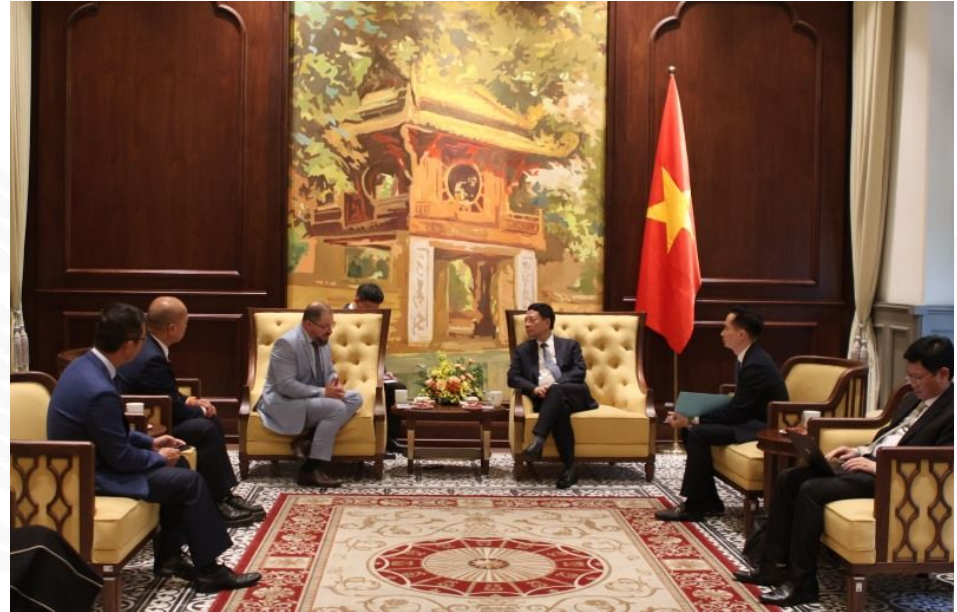
CNCTech Industrial is pleased to introduce our 'Industrial Snapshot' section – your go-to source for the latest information and in-depth analysis on Vietnam's industrial sector and industrial real estate market. We understand that making informed investment decisions requires a deep understanding of the market. Therefore, our team has compiled and analyzed key information, including macroeconomic trends, market overviews, noteworthy projects, the industrial and logistics ecosystem, as well as the most recent investment support policies. We hope that this information will serve as a valuable resource, assisting you in making effective investment decisions.

[1]

Vietnam Emerges as Qualcomm's Global R&D Hub Amid Strategic Tech Investment Surge

In a major development for Southeast Asia's tech landscape, Qualcomm has designated Vietnam as a global Research & Development (R&D) hub—widely seen as a key node in the company's AI and semiconductor strategy. This move aligns with Vietnam's shift in FDI policy, now favoring technology transfer and innovation over mere capital contribution, with incentives including significant tax rebates for high-tech and R&D investments.

At the launch of the AI R&D center in Hanoi—Qualcomm's third-largest outside the U.S.—Government leaders, including the Deputy Minister of Science & Technology, emphasized the alignment of the new facility with national priorities in semiconductors, AI, and digital transformation



The center will focus on generative and agentic AI applications across sectors such as smartphones, XR, automotive tech, and IoT, underscoring a shared vision of fostering local talent and technological ecosystems.

With a robust STEM workforce and renewed FDI policies, Vietnam is strategically positioned to become a regional innovation and manufacturing hub. The Qualcomm investment not only reinforces this trajectory but also signals growing confidence from global tech players in the country's potential.



[2]

Vietnam's Industrial Real Estate Emerges as a Global “Factory” Amid Record FDI Inflows

Vietnam's industrial real estate sector is rapidly solidifying its reputation as an attractive global manufacturing hub. According to Phạm Nguyễn Toàn, Vice Chairman of the Vietnam Real Estate Association, surging global supply chain shifts—particularly amid escalating U.S.–China trade tensions—are driving foreign direct investment (FDI) into the country's manufacturing landscape. In the first half of 2025, Vietnam recorded a landmark FDI registration of over USD 21.5 billion, a 32.6% year-on-year increase and the highest level since 2009. Realized FDI reached USD 11.7 billion, up 8.1%, reinforcing Vietnam's status as a top-tier investment destination among developing economies.



This influx is fueling unprecedented demand for high-quality industrial land, while mergers and acquisitions accelerate amid expansion of the supporting industrial ecosystem—especially in sectors with high value-added processes. However, industry leaders caution that competing ASEAN economies may erode Vietnam’s advantage unless domestic efforts to modernize industrial parks, improve logistics infrastructure, and scale sustainable business models gain pace. Key challenges include slow ESG implementation, inadequate industrial-grade utility services, and policy gaps at the factory level. Clearer differentiation between domestic and foreign developer models is also needed to refine regulations and ensure equitable growth.



[3]

Vietnam Eases Industrial Park Access for SMEs and Startups

Vietnam is moving to expand opportunities for small and medium-sized enterprises (SMEs), tech firms, and startups within industrial zones. A new draft decree, tied to Resolution 198, requires each industrial or economic park to reserve at least 20 hectares—or 5% of its area—for smaller businesses, with local budgets covering at least 30% of rental costs.

The policy aims to fix long-standing mismatches: industrial parks often impose minimum lots of 2–3 hectares, far exceeding the modest needs of most startups. This has left many firms waiting up to a year for suitable space, slowing innovation and growth.



Officials from the Ministry of Finance confirmed that the amendments will be submitted to the government this month. Meanwhile, private developers are also stepping in. CNCTech, for example, has allocated 10 hectares in Nam Bình Xuyên Green Park for startups and advocated the use of regulatory “sandboxes” to allow trial-and-error models—an approach already reflected in Vietnam’s Law on Science, Technology, and Innovation.

These measures mark a significant shift in Vietnam’s industrial real estate, fostering a more supportive ecosystem for innovation-driven enterprises.



[4] Post-Merger Boom: Phú Thọ Records Exceptional Industrial Output Growth

Phú Thọ province is experiencing a remarkable surge in industrial production following the recent administrative merger of Bạch Hạc, Việt Trì, and Phú Thọ city. According to the General Statistics Office, Vietnam's overall Industrial Production Index (IIP) rose by 8.6% year-on-year over the first seven months of 2025. Phú Thọ, however, far outpaced the national average with an impressive 25.7% increase, leading all provinces in industrial growth.

The dynamism stems chiefly from robust performance in the manufacturing sector, where Phú Thọ recorded a staggering 26.9% growth in IIP—second only to Quảng Ninh province.



Source: tapchitaichinh.vn

This industrial momentum significantly fuels local economic advancement: Phú Thọ's economy grew 10.09% in the first half of 2025 (ranking sixth among provinces nationwide), supported by a 15.32% rise in the industrial and construction sectors, which alone contributed over seven percentage points to GRDP.

Reflecting this surge, provincial authorities have set an annual IIP growth target of 10.3% for 2025 and are coordinating with relevant agencies to drive production through targeted policy and investment actions.

Phú Thọ's post-merger acceleration underscores how strategic administrative reforms and industrial consolidation can catalyze regional economic transformation—making the province a compelling case study for investors and policy planners alike.



[5] Favorable Macroeconomics Boost Business Confidence as Vietnam Reforms Regulatory Targets

Vietnamese businesses are seizing momentum from improving macroeconomic conditions, prompting many to proactively adjust their annual business targets upward. Officials note that reinforcing confidence in the country's economic recovery is enabling firms across sectors to view the remainder of the year as a “golden opportunity” to rebound after a challenging period.

Key policy developments are supporting this optimism. Circular 14/2025, designed to gradually relax credit growth limits under Basel III, aims to unlock more financing for businesses. Concurrently, revisions to the Land Law are expected to simplify land valuation processes and streamline project approvals—factors critical to industrial and investment planning.



Market performance echoes this sentiment. Publicly listed companies such as Gelex and HAGL have raised their revenue and profit targets, while BCE is following suit, though it remains closely watched for actual delivery.

Analysts also highlight that broader reforms are bolstering growth projections. The government recently lifted its GDP growth target range to 8.3–8.5%, underlining confidence in sustained expansion. Meanwhile, the PMI index climbed to 52.4 in July, its highest level in nearly a year, driven by surging new orders and higher production volumes.

Together, these trends illustrate how a supportive policy environment and robust macroeconomic indicators are empowering Vietnamese businesses to accelerate growth and strategize for long-term gains.



[6]

Ho Chi Minh City Pushes Green FDI for Sustainable, High-Quality Growth

Ho Chi Minh City is recalibrating its investment strategy with a strong emphasis on attracting “green” foreign direct investment (FDI) that aligns with ESG (Environmental, Social, Governance) standards—a hallmark of its transition from traditional industrial expansion to sustainable, inclusive development.

FDI “xanh” is positioned as a dual catalyst that drives economic growth while reducing emissions and safeguarding the environment. The city is prioritizing projects that incorporate clean technology, efficient resource management, and transparent sustainability reporting. These investments are expected to enhance domestic governance capability and elevate Ho Chi Minh City’s stature as a green economic hub in the region.



To support this shift, municipal leaders are crafting a selective, ESG-focused policy ecosystem. This includes promoting clean industrial initiatives, renewable energy, green transportation infrastructure, and circular economy models. Effective governance is also being fortified through proposed inter-agency coordination led by the People's Committee, transparent project tracking, and performance accountability mechanisms—such as publishing processing times and FDI green project catalogs with administrative penalties for delays.

By fostering a high-quality, sustainable FDI environment, Ho Chi Minh City aims to secure long-term industrial resilience and reinforce its regional leadership in green economic development.



[7]

Vietnam Marks Historic Milestone with Five Major FDI Launches in One Day

Vietnam witnessed an unprecedented surge in foreign direct investment (FDI) as five large-scale projects—collectively worth over VND 54,000 billion (approx. USD 2.25 billion)—were simultaneously inaugurated across the country on August 19, 2025, to commemorate the nation's 80th National Day. This strategic rollout, coordinated by the Government Office and Ministry of Construction, featured projects across Thanh Hóa, Hanoi, Quảng Ninh, and Ninh Bình, signaling a coordinated push for industrial advancement and innovation.

Among the standout investments is the Bắc Hà Nội Smart City project—a joint venture between BRG Group (Vietnam) and Japan's Sumitomo. Valued at USD 4.2 billion, this development will roll out in five phases and eventually host a 108-story financial tower (639 m tall) and a range of mixed-use residential and commercial facilities.



Thanh Hóa featured two industrial projects: the WHA Smart Technology Industrial Park (178.5 ha, VND 1,320 billion) and the Cofo Vietnam radial tire plant (32.5 ha, VND 1,493 billion), both slated for launch. In Quảng Ninh, a Tonly Electronics smart device manufacturing facility and a PepsiCo food production plant were also inaugurated on the same day.

This alignment of FDI activities reflects Vietnam’s accelerating momentum in attracting high-value, innovation-driven investments. The synchronized nature of these inaugurations highlights strategic government planning tied to national milestones—underscoring confidence in Vietnam’s long-term growth trajectory and investment climate.



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**THANK
YOU**