



**30<sup>+</sup>** YEARS  
IN VIETNAM  
& CAMBODIA

**Vietnam M&A 2024:**

# **Blossoming Opportunities Rooted in Solid Foundations**

**KPMG in Vietnam**

—

November 2024

# 2024 Vietnam M&A Highlights



**3.2** US\$ billion

9M2024 M&A transaction value



**88%**

of deal value contributed by Real Estate, Consumer Staples, and Industrials

**BUY** ←  
**SELL** →

**220+**

number of closed M&A deals in 9M2024



**56.3** US\$ million

average M&A deal value on disclosed transactions in 9M2024



**45.9%**

YoY growth of 9M2024 M&A transaction value



**982** US\$ million

largest deal closed in 9M2024



# Market overview in 9M2024: Domestic megadeals drive Vietnam's M&A uptick despite of SEA market stagnation

## Vietnam's M&A market shows positive signs amidst SEA slowdown

Despite regional interest rate easing and accommodative monetary policies to boost up economic growth, M&A across SEA has largely stagnated so far this year.

Transaction volumes and values across the region remained muted, which was influenced by a combination of global and regional challenges, thus dampening investor sentiment and dealmaking.

Both year-to-date (YTD) and year-over-year (YoY) metrics reflected these subdued transaction levels still, highlighting that, while economic growth drivers remain intact, cautious investor sentiment continues to constrain M&A in SEA at large.

Nonetheless, in 9M2024, Vietnam made some gains in M&A deal value, which surged 45.9% YoY (vs. 11.3% YoY decline in combined deal value of Thailand, Indonesia, Malaysia, Singapore and Philippines) despite an 11.6% decline in transaction volume.

This growth was mainly fueled by several domestic megadeals, underscoring local large corporates' strategic restructuring and optimization to focus on core businesses amidst a challenging operating environment.

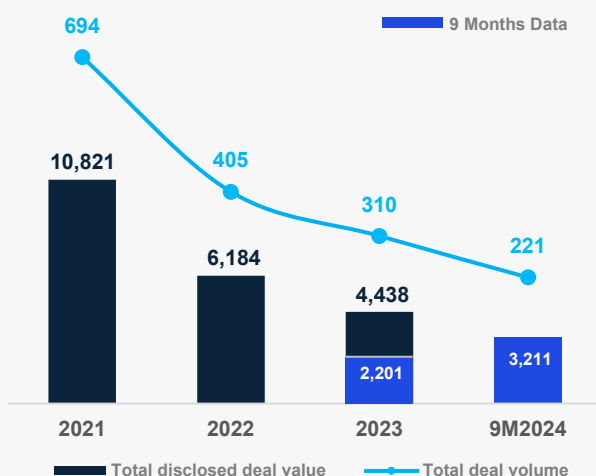
Notably, Vingroup closed 2 large transactions, with combined stated value at roughly US\$ 1.4 billion, accounting for almost half of the market's deal value in 9M2024. Without these 2 deals, deal value in Vietnam would be 18.7% decrease YoY.

Overall, the top 10 transactions collectively account for approximately US\$2.8 billion, or about 87% of the total disclosed deal value. In comparison to the past three years, the average deal size for disclosed transactions saw a notable increase, reaching US\$56.3 million per transaction in 9M2024 as large deals dominate the market.

It is worth noting that the values of many of smaller deals remain undisclosed.

### Total deal value and volume

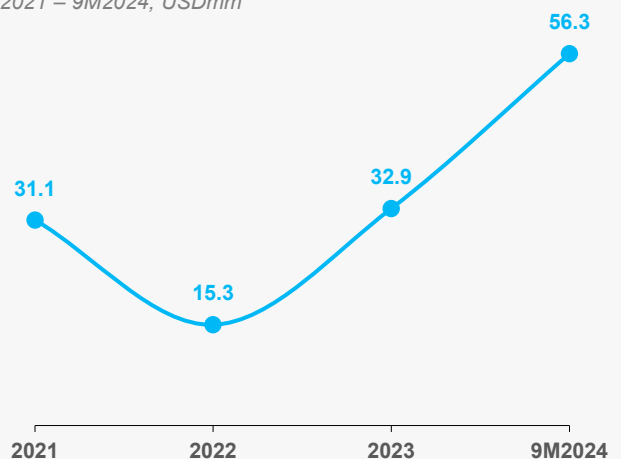
2021 – 9M2024, USDmm



Sources: Capital IQ, KPMG Analysis

### Average value on disclosed deals\*

2021 – 9M2024, USDmm



Sources: Capital IQ, VIR, KPMG Analysis

\*Average value on disclosed deals is based on value and volume of transactions with reported values only

# From expansion to consolidation: Domestic investors reclaim lead in dealmaking

Starting in 2020, domestic investors spurred a surge in market value and transaction volume as they focused on expanding market share and enhancing vertical integration. This intense period of capital mobilization continued until late 2022, when domestic investors' activities reached a peak, securing the largest share with deal values exceeding US\$1.3 billion.

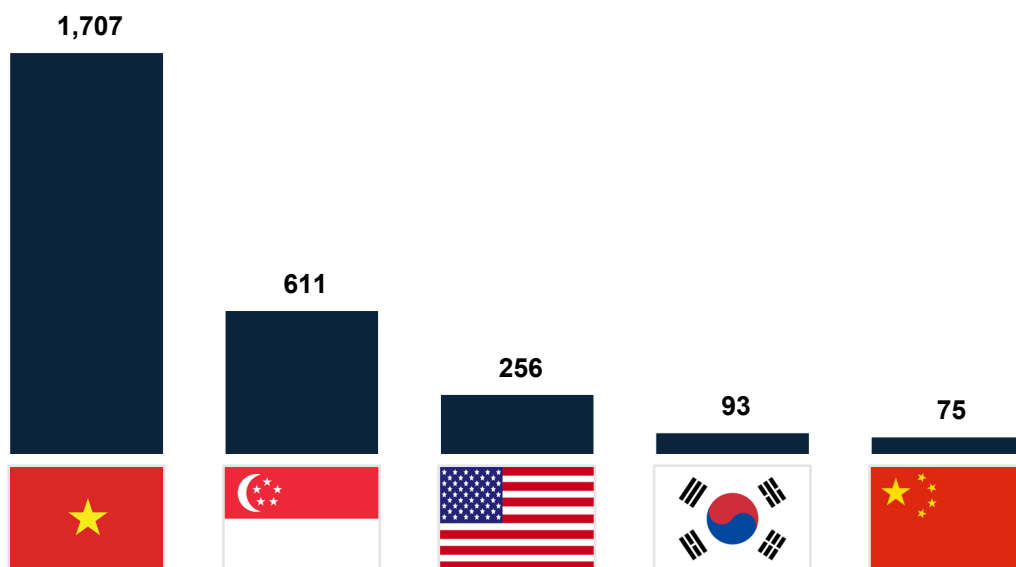
In 2023, however, domestic investors turned defensive and reassessed their strategies while foreign investors took up all the top 5 spots by deal value. Japan, Singapore, and the US were among the most active foreign investors as they accounted for the majority of the total reported deal value.

In 9M2024, it is quite interesting that domestic investors retook the major role in Vietnam's M&A market, accounting for 53% of the total disclosed deal value alone. Domestic deal value is roughly double the next top 4 foreign countries combined. This is a result of business restructuring among local players and indicates a strategic focus on business consolidation and recalibration within the domestic market. Furthermore, such trend shows that foreign investors are likely exercising a more careful approach to dealmaking in Vietnam.



## Ranking of top 5 investors by value - 9M2024

9M2024, USDmm



Sources: Capital IQ, KPMG Analysis

# Notable deals in 9M2024

## Domestic investors drive megadeals throughout the year

Domestic investors spearheaded the surge in Vietnam's M&A market in 9M2024, driving high-value transactions that have significantly contributed to the YoY growth. Key sectors that attracted domestic investment included real estate, industrials and consumer goods.

- The largest deal of the year thus far, with stated value at US\$982 million, involved a group of Vietnam-based companies acquiring a 55% stake in Vingroup's subsidiary SDI Investment and Trade Development Company, which holds an indirect 41.5% ownership in Vincom Retail, from Vingroup JSC.
- The Real Estate sector contributed the second largest deal where Becamex Infrastructure Development JSC transferred a residential project worth US\$553 million in Binh Duong to Sycamore Limited, a subsidiary of CapitalLand Group from Singapore.
- The Consumer Staples sector saw a sizeable deal in which US-based Bain Capital invested US\$255 million in Masan Group through a private placement. Additionally, Masan Group bought back the US\$200 million stake in VinCommerce General Commercial Services JSC from SK South-East Asia Investment.
- In the Industrial sector, VinFast Auto Ltd. signed a sale and purchase agreement to acquire VinES Energy Solutions Joint Stock Company from Pham Nhat Vuong for US\$440 million.
- Sizable deals ranging from US\$40-112 million also took place in the Industrials and Information Technology sectors.

## Top 10 largest deals in 9M2024

Name of deals	Sector	Buyers/Investors	Sellers	Value (USDmm)
<b>SDI Investment and Trade Development Company</b>	Real Estate	<i>Thien Phuc Business Investment and Development, Falcon Business Investment and Development, Emerald Business Investment and Development, NP Business Investment Company</i>	<i>Vingroup JSC</i>	<b>982.0</b>
<b>Residential project in Binh Duong</b>	Real Estate	<i>Sycamore Limited</i>	<i>Becamex Infrastructure Development JSC</i>	<b>553.0</b>
<b>VinES Energy Solutions JSC</b>	Industrials	<i>VinFast Auto Ltd</i>	<i>Pham Nhat Vuong</i>	<b>440.2</b>
<b>Masan Group</b>	Consumer Staples	<i>Bain Capital Private Equity, LP</i>	<i>Masan Group</i>	<b>254.7</b>
<b>VinCommerce General Commercial Services JSC</b>	Consumer Staples	<i>Masan Group</i>	<i>SK South-East Asia Investment</i>	<b>200.0</b>
<b>Khang Dien House Trading and Investment JSC</b>	Real Estate	<i>Undisclosed</i>	<i>Khang Dien House Trading and Investment JSC</i>	<b>117.3</b>
<b>Ho Chi Minh City Infrastructure Investment JSC</b>	Industrials	<i>Undisclosed</i>	<i>Ho Chi Minh City Infrastructure Investment JSC</i>	<b>111.7</b>
<b>Advance Tyre Co., Ltd.</b>	Consumer Discretionary	<i>Guizhou Advance Tyre Investment Co., Ltd.</i>	-	<b>58.1</b>
<b>Hana Micron Vina Co., Ltd</b>	Industrials	<i>HANA Micron Inc</i>	<i>Hana Micron Vina Co., Ltd</i>	<b>49.8</b>
<b>Fushan Technology Limited Liability Company</b>	Information Technology	<i>Undisclosed</i>	<i>Fushan Technology Limited Liability Company</i>	<b>42.4</b>

# Sector breakdown in 9M2024 and outlook

## Real Estate and Consumer Staples dominate deal value

Deal activity remained robust in Real Estate (53%), Consumer Staples (14%), and Industrials (21%) which together accounted for 88% of deal value in 9M2024 and claimed all five largest transactions in 9M2024.

Compared to last year in terms deal value, Consumer Staples and Industrial sector replaced Financial Services and Health Care as the largest contributors, while Real Estate maintained a significant share in dealmaking with the top spot this year.

The heightened level of deal activity in the Real Estate, Consumer Staples and Industrial sectors underscores a deliberate shift toward business restructuring. This trend reflects a strategic emphasis on consolidation of operational priorities, aimed at strengthening competitiveness and adapting to changing market dynamics.

## Sectors benefiting from favorable policies are expected to boost future M&A activities

Deal activity is expected to increase across key sectors such as technology and real estate, fueled by supportive policies.

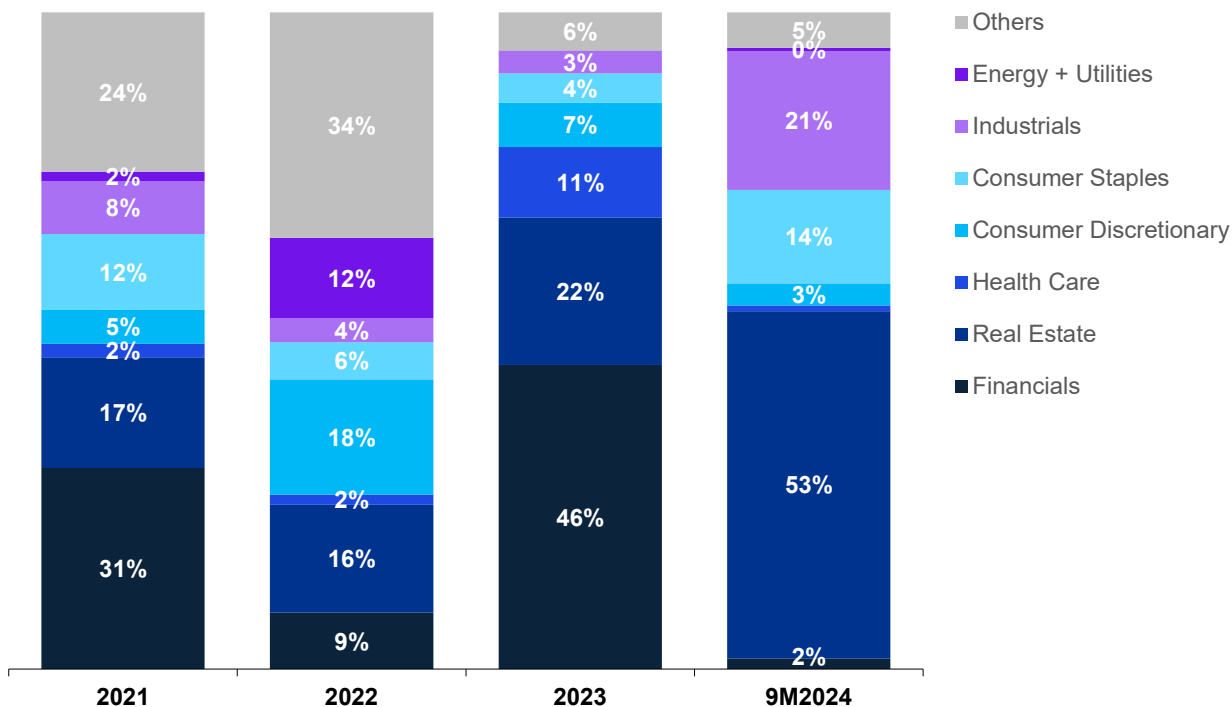
Investment patterns are shifting toward technology and tech-enabled services, projected to account for a significant share of M&A transactions by 2025. This trend is driven by government initiatives and proactive reforms, including tax incentives for high-tech industries and optimized foreign investment processes that have reduced obstacles for international investors.

Additionally, the real estate market is likely to gain stronger momentum as the corporate bond market eases, coinciding with the enforcement of the new Land Law.

This new legislation will clarify land pricing methodologies and introduce updated regulations on land use, bringing greater transparency to the market. As the sector gradually recovers, domestic demand is expected to strengthen with both investors and consumers regaining confidence.

## M&A Value Breakdown by Sector

2021 – 9M2024



Sources: Capital IQ, KPMG Analysis





# Unlocking M&A value in Vietnam: Top deal considerations for today market

In Vietnam's evolving M&A landscape, a comprehensive and multifaceted approach has become essential for deal success, reflecting both local market dynamics and global standards. Due diligence now extends beyond financials to incorporate commercial, legal, and ESG (Environmental, Social, and Governance) factors, allowing buyers to make strategic, sustainable acquisition decisions.

Valuation approaches are also shifting, with greater emphasis on long-term growth potential, resilience, and sustainability, moving beyond traditional asset-based methods. Additionally, M&A transactions can be enriched through tech-powered value creation, leveraging proprietary technologies that drive deeper commercial and market intelligence. These technologies efficiently manage, process, and analyze data, enabling granular insights into unit economics and operational performance. This level of intelligence not only enhances operational efficiency and customer relationship management but also justifies elevated valuations that investors are increasingly prioritizing.

Legal compliance remains vital, especially for larger deals meeting the Vietnam Competition Commission (VCC) thresholds, where the VCC rigorously examines both ownership structures and practical control factors to ensure competitive balance. Together, these considerations ensure that M&A transactions in Vietnam are robust, strategically aligned, and ethically grounded.

# Beyond the balance sheet: Securing deal success with comprehensive due diligence

In today's dynamic and uncertain market, M&A due diligence has evolved into a thorough, multi-dimensional process. Particularly in regions like Vietnam and Southeast Asia, where growth remains robust yet sensitive to international shifts, buyers are intensifying their examination of targets to confirm financial resilience, market strength, compliance, and sustainability. A comprehensive approach now underpins each transaction, encompassing financial health, commercial viability, legal stability, and ESG considerations. This expanded scope helps buyers make informed and strategic acquisition decisions.

Financial due diligence today goes well beyond traditional analysis. Buyers examine cash flow resilience and the capacity to meet obligations under various economic conditions, understanding that reliable liquidity is crucial. Debt sustainability also plays a significant role, especially as rising interest rates place additional pressure on leveraged targets. Buyers scrutinize revenue diversification and quality, assessing customer concentration and credit risk, as well as cost structures to confirm sustainable profitability and evaluate any recent cost-saving measures that may impact long-term efficiency.

Commercial due diligence has also become data-driven, centering on market position and adaptability. Buyers look closely at the target's industry growth potential, competitive edge, and ability to maintain market share amid shifting customer demands or technological advances. The adaptability of a target's products or services is crucial, particularly in rapidly changing industries, as it reflects the company's ability to meet evolving consumer expectations and stay competitive.

Legal due diligence is now essential in identifying compliance risks and potential liabilities. Buyers analyze the target's adherence to industry regulations, especially in sectors with high regulatory oversight like finance and energy. They also evaluate key contracts with customers, suppliers, and employees to identify any terms that may impact integration or carry hidden costs. Additionally, litigation exposure and intellectual property rights are thoroughly reviewed, particularly in technology-driven transactions, where IP assets are key to valuation.

ESG considerations have also taken on increasing importance, as buyers and investors increasingly prioritize sustainability and socially responsible practices. Environmental assessments now include the target's compliance with environmental standards and exposure to climate-related risks. Social factors, such as labor practices and community relations, are also weighed, as companies demonstrating strong social responsibility reduce reputational and compliance risks. Governance structures are closely reviewed to ensure transparency and accountability align with modern investor expectations.

In a complex market, M&A requires a holistic due diligence approach to identify risks and verify a target's growth potential. Financial, commercial, legal, and ESG factors are integrated to ensure acquisitions align with strategic and ethical goals, creating long-term value. For buyers in Vietnam, this comprehensive framework is crucial to navigating an evolving market with confidence and clarity.





# Value decoded: Why valuation matters and what matters in valuation

Valuations require scrutiny, as pre-downturn assessments may not accurately reflect the current market reality. Buyers consider adjusting valuations based on recent financial trends and stress-test forecasts under various economic scenarios to gauge resilience. Understanding the sustainability of the company's revenue growth, cost structure, and any dependence on high-risk markets or sectors is crucial to assessing future performance potential. Cash flow projections should be conservative, with contingency plans for further economic decline.

The acquisition price or share ratio in a merger often plays a critical role in determining the success or failure of an M&A transaction. Essentially, whether a deal is beneficial or dilutive to shareholders largely hinges on the transaction price. In Vietnam, dealmakers are becoming more adept at identifying and quantifying the key factors that influence value.

Dealmakers in Vietnam have become increasingly sophisticated not only in the identification of relevant factors, but also in quantifying their impact on value.

The starting point of the analysis rests on a good understanding of the target's asset base, historical financial performance and current market position, ideally obtained through a professionally performed financial and commercial due diligence. However, value is increasingly about prospects rather than past results, especially in terms of the business model's cash flow and profit sustainability. Reliable financial projections are crucial in a forward-looking valuation model.

A major challenge in valuing an operating business lies in accurately assessing financial projections. Benchmarking against the target's historical financials, adjusted for one-off effects, if necessary, is just one part of the process. Businesses operate in a rapidly changing environment, so forecasts should account for observable trends, such as technological disruptions, regulatory shifts, and competitive landscape changes.

Attention is also shifting to off-balance sheet intangible assets, like intellectual property, brand value, and customer relationships, and assessing the long-term sustainability of a business model, often viewed through the lens of ESG.

Identifying the target's intangible assets properly is not only important for the decision-making about the transaction, but also for the subsequent financial reporting. The quantification of the goodwill paid requires a financial reporting exercise, referred to as "purchase price allocation" or short "PPA". Increasingly, buyers pay explicit attention to the future impact of the acquisition on their financial reporting, especially the amount of goodwill the transaction will bring to the consolidated balance sheet – an analysis called "pre-deal PPA".

How to appropriately reflect ESG factors in valuation models is a trending topic among transaction parties, investors, valuation practitioners and academics. Especially in markets like Vietnam, limitations in relevant information are often a considerable obstacle. Although sources for data on ESG factors are still emerging, it is important to form an explicit view on how ESG-related trends and regulations may affect a business in the medium and long term.

As the Vietnam's M&A market matures, transaction pricing is turning away from pure negotiation or one-sided focus on assets on the balance sheet towards holistic valuation models which explicitly factor in value drivers, sustainability and long-term growth prospects of the target's business.



# Navigating M&A in uncertain times: Enhancing deal value through strategic insights and technology

The M&A landscape in 2023-24 is marked by a period of economic uncertainty, geopolitical volatility, and rapid shifts in market dynamics. These factors have dramatically reshaped the priorities of both buyers and sellers, who must now navigate a more complex, risk-laden environment. The shifting market conditions are driving a fundamental reassessment of deal-making strategies, with an increased emphasis on securing long-term value creation amidst uncertain economic forecasts.

In today's volatile market, dealmaking demands meticulous attention to detail and agility. Investors are increasingly cautious, requiring comprehensive analysis and compelling justifications as they evaluate a target company's operational efficiency and strategic alignment. Traditional key performance indicators (KPIs) are often insufficient in this environment, failing to capture the nuanced performance drivers needed to assess a company's resilience and potential. The cautious investment approach also stems from weakened sales and customer portfolios, which place considerable pressure on profitability and liquidity, eroding corporate value—especially in an environment where fluctuating economic conditions make management's business projections less reliable.

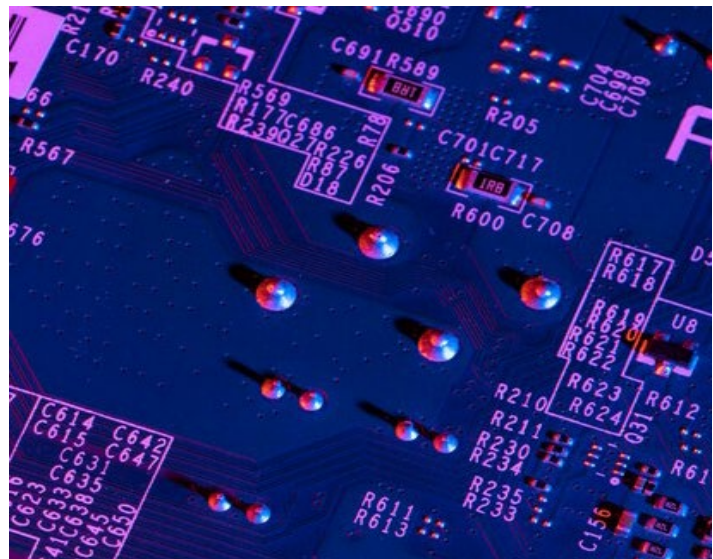
An increasing concern about post-deal business operations is also recognized among investors and sellers, as rapid changes in market conditions have caused many business practices to no longer align with the new post-deal operating environment. Furthermore, the process of business and synergy planning post-deal is challenged by persistent uncertainty surrounding long-term demand trends.

These challenges have driven a trend toward embedding value creation assessments in the pre-deal process, enabling a comprehensive understanding of the target's current business landscape and key profit drivers. Enhanced operational visibility and transparency equip buyers and sellers to make timely, informed decisions throughout the transaction. Over the past three years, KPMG has noted a growing demand from both buy-side and sell-side stakeholders to integrate value creation assessments into traditional M&A and due diligence frameworks.

Value creation enhances the M&A process through a comprehensive analysis of operational efficiency, spanning from the high-level company and business unit structure to the granular details of suppliers, customers, and SKUs. This approach combines extensive data analysis, which delves deeply into transactional data from multiple sources, with a thorough review of operational processes and policies to validate initial findings. The insights reveal underperforming areas and highlight opportunities for profitability and cash flow improvements.

Thus, deal value can be enhanced through rapid revenue and operational efficiency initiatives prior to the deal, or through a comprehensive transformation plan post-deal. Given the limited timeframe and large volume of transactions and data, value creation is typically supported by advanced technology and data analytics, enabling rapid insights at deal speed. These technologies serve not only as diagnostic tools but also as mechanisms for monitoring, continuously assessing performance, and tracking the benefits and savings delivered throughout the deal cycle—pre-, during, and post-deal.

With this approach, value creation is expected to play a pivotal role in not only enhancing the overall value of the deal but also in driving sustainable, long-term success post-transaction.



# Bridging law and practice in merger control: The gap between regulations and VCC's review process

In Vietnam, enterprises undertaking mergers and acquisitions or economic concentration transactions are under statutory requirement to notify the Vietnam Competition Commission (“VCC”) if they meet specific thresholds as prescribed in the Law on Competition 2018 and its implementing Decree No. 35/2020/ND-CP, which includes corporate assets value, revenue, M&A transaction value, or market share.

The merger control regime in Vietnam operates on a pre-closing and suspensory basis, which means that economic concentration transactions subject to VCC approval (“EC transaction”) can only go through upon receiving clearance from the VCC.

The primary goal of the VCC regarding the clearance of EC transaction is to safeguard competition and ensure a free-market economy in Vietnam. Therefore, the VCC’s appraisal of EC transactions is subject to complex and detailed assessment of the operation of enterprises participating in the EC transaction, and in many cases, for practical reasons, goes beyond statutory boundaries. One of such instances is the assessment of “control and/or domination”.

Under the Law on Competition and its supporting decree, “Control and/or domination” refer to the controlling or dominating of another enterprise or a business line of another enterprise under certain scenarios:

1. The acquirer receives the ownership interest that constitutes more than 50% of the acquiree's charter capital or more than 50% of the acquiree’s total voting shares;
2. The acquirer holds the right to own or use more than 50% of the acquiree’s total assets, out of all or a single business sector or industry of that acquiree;
3. The acquirer has one of the following rights:
  - i. Directly or indirectly making decisions on appointment, dismissal or discharge from office of most or all of members of the Governing Board, the president of the Board of Directors, director or general director of the acquiree;
  - ii. Making decisions on revisions or modifications to the acquiree’s corporate charter;
  - iii. Making decisions on the acquiree’s important business matters, including its form of business organization; its business activities, location, approaches; changes in its business size and activities or industries; its forms and methods of mobilization, distribution and investment of its capital.

Given the above, the statutory or “de jure” definition of “control and/or domination” focuses on the formal ownership and corporate governance rights of an enterprise, rather than the actual operations of the enterprise.





# Bridging law and practice in merger control: The gap between regulations and VCC's review process

Nevertheless, based on practical observation, the VCC will go beyond the organizational structure in their appraisal to determine if an enterprise is de facto independent or controlled by another organization by means beyond statutory frameworks. VCC will likely consider one or a combination of the following (non-exhaustive) criteria in their assessment:

## 1. Commercial agreements

The VCC may request the EC parties to provide their primary commercial contract(s) with other third parties or affiliate entities, to identify if these entities may exert any kind of influence onto the EC parties which could be deemed as indirect controls. For instance, the ability of third party's personnel to exert significant controls over operation of a particular EC party (i.e., the third party's personnel could supervise part of or the whole operation of the EC party via the performance of the commercial contract, such as material sourcing, production process, quality assurance, etc.) will likely be flagged by the VCC as a form of control or domination.

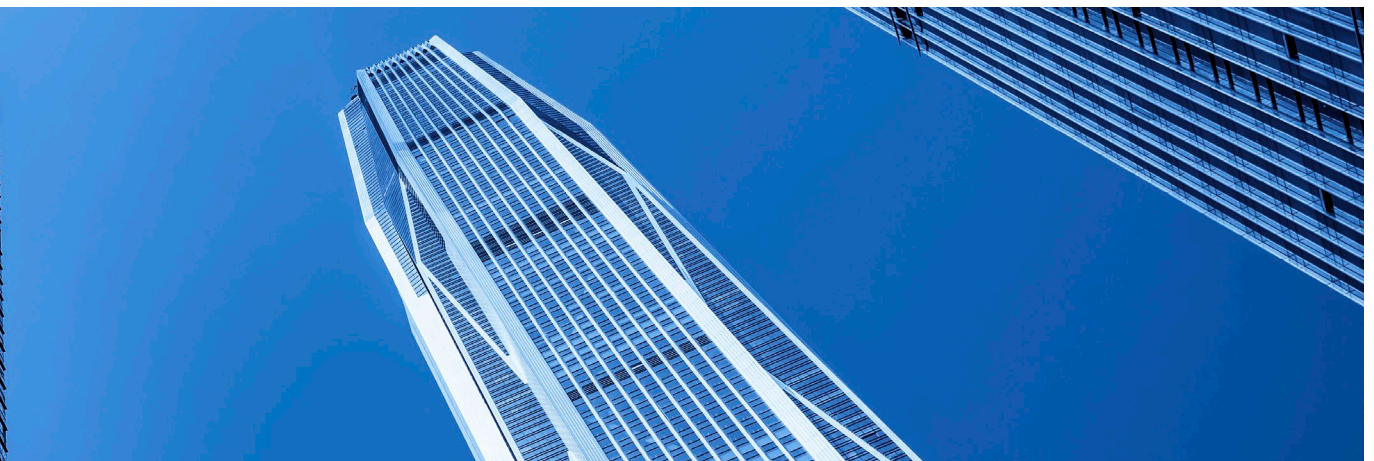
## 2. Operational activities

The VCC may examine the operational activities of an EC party via its financial statement, list of

products/services, and determine if there is any stakeholder who could significantly influence the operation of the EC party. For instance, if an EC party has a small client portfolio, and only provides products/services to a number of major clients, there are concerns that the client may have the power to influence an EC party via the commercial relationship with the EC party. This scenario is prevalent in cases where a third party accounts for over 50% of the total revenues of an EC party.

In any case, the VCC may likely identify criteria where an EC party business or corporate decision could potentially be influenced by a third party and take such criteria into account during their appraisal of any EC transaction. While such process is not explicitly defined in Vietnam competition regulations, the VCC can and will take such extensive measures if they have legitimate concerns that potential anti-competitive behaviors may arise from a particular EC transaction which threaten the free trade principles and harm Vietnamese consumers.

It is imperative for enterprises to be aware of this consideration and conduct thorough due diligence during the preparation process to ensure smooth and timely appraisal of their EC transaction by the VCC.



# Seeds of success: Vietnam's promising potential and prospects for M&A

Vietnam's M&A landscape is underpinned by solid economic fundamentals, strategic reforms, and a forward-looking digital transformation agenda. Consistent GDP growth, effective inflation control, and an expanding middle class have made Vietnam a compelling destination for investors.

Vietnam's FDI in 2024 has shown resilience and growth, reaching \$27.26 billion by October, a 1.9% YoY increase per the GSO, demonstrating sustained investor confidence in the country's economic potential. The manufacturing and processing sector continues to dominate, capturing over 64% of total FDI inflows, underscoring Vietnam's growing role as a key regional production hub.

Its growing integration into global supply chains, particularly in electronics and manufacturing, along with the government's National Digital Transformation Program, which aims for the digital economy to contribute up to 30% of GDP by 2030, signals Vietnam's commitment to a tech-driven future. Furthermore, a young, adaptable workforce adds to its appeal, while investor-friendly reforms, tax incentives, and streamlined investment procedures foster a welcoming climate for foreign capital.

This combination of resilience, growth, and forward-thinking policies makes Vietnam an increasingly attractive M&A hub across both established industries and emerging high-tech sectors.



Sources: GSO, KPMG Analysis



# Macroeconomic fundamentals: The backbone of Vietnam's M&A potential

Vietnam's stable macroeconomic landscape is fueling its growing M&A market. With steady GDP growth, controlled inflation, and rising incomes, Vietnam shines among emerging markets, attracting interest from regional and global investors.

Over the past decade, Vietnam averaged 6% annual GDP growth, proving resilient amid global trade shifts, evolving manufacturing demands, and the COVID-19 pandemic. For 2024, the economy is projected to grow by 6.1%-7.0% by various sources, signaling robust continued growth. The government also anticipates FDI to reach US\$39-40 billion in 2024 (6.5%-9.0% YoY growth). Vietnam's role in global supply chains, notably in electronics, textiles, and agriculture, boosts exports, creating a fertile ground for both FDI and M&A activity.

In 2025, the IMF forecasts Vietnam's GDP growth at 6.1%, outpacing China (4.5%), Indonesia (5.1%), Thailand (3.0%), and Malaysia (4.4%), which demonstrates Vietnam's resilience and competitive edge in growth within the region.

Vietnam's inflation management has crafted a stable environment for long-term investments, particularly in real estate, consumer goods, and manufacturing. By controlling inflation, Vietnam encourages both domestic and foreign investors to commit long-term, supporting sustainable growth.

Income levels are also rising, with GDP per capita up from US\$2,587 in 2018 to S&P's Global Ratings' projection of US\$4,580 in 2024, signaling a burgeoning consumer base with increasing purchasing power. This base, along with urbanization and improving living standards, will likely drive demand in key consumer sectors like retail, food and beverage, and e-commerce. Recognizing this consumption potential, foreign investors are drawn to Vietnamese companies as acquisition targets, offering direct access to a growing affluent customer base.

Vietnam's macroeconomic stability, strategic reforms, and welcoming investment environment establish it as a rising M&A market in Asia, primed to attract more investment and emerge as a significant regional player.

Sources: GSO, S&P, HSBC, IMF, World Bank, The Foreign Investment Agency, KPMG Analysis





# The power of people and policy: Prospects for Vietnam's tech- focused growth

Vietnam's long-term outlook is driven by its ambition to become a regional technology hub. Strategic factors such as the government's commitment to innovation, workforce upskilling, and policies promoting technological advancement all play crucial roles in supporting the country's technology vision.

Particularly, Vietnam's shift to a tech-driven economy has gained momentum with the "National Digital Transformation Program" launched since 2020. This program envisions a digitally integrated economy, targeting the digital economy to contribute 30% of GDP by 2030. Its priorities include upgrading digital infrastructure, enhancing digital literacy, and fostering innovation in key sectors.

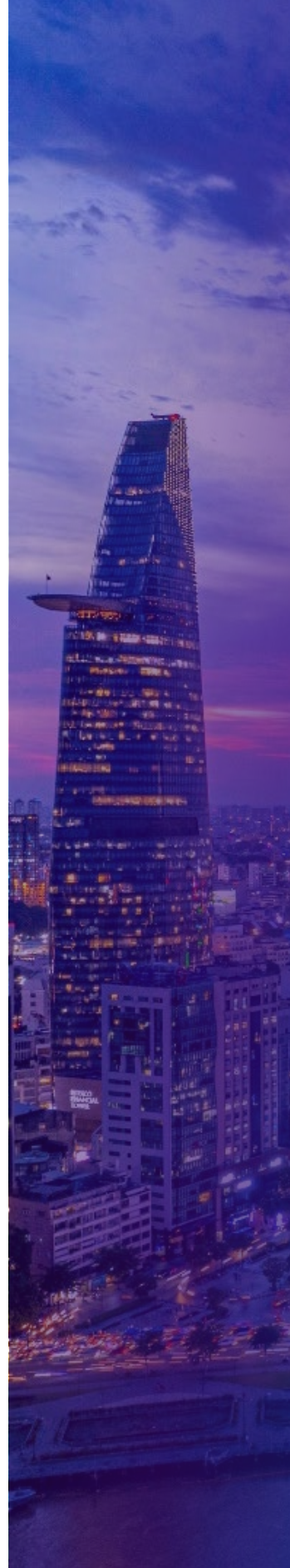
With a projected median age of 33.1 in 2024, Vietnam has a demographic advantage over older regional peers like Thailand (41.5) and China (40.2). Combined with wages ~50% lower than China's, this youthful, cost-effective workforce boosts Vietnam's appeal for foreign investors in manufacturing, technology, and innovation, positioning the country as an attractive hub for both traditional and high-tech sectors.

Vietnamese workers are also recognized for their adaptability and rapid embrace of new technologies, essential traits as the nation advances toward becoming a tech hub. The country's workforce climbed 21 spots to rank 75th in the 2024 Global Talent Competitiveness Index, reflecting progress in skill development and workforce agility.

The government has also fostered a business-friendly environment for foreign investors. Policies like tax incentives for high-tech industries and streamlined investment procedures have lowered entry barriers. The 2021 Law on Investment simplified business registration and expedited approvals, while new public-private partnership (PPP) regulations have opened further opportunities, particularly in infrastructure and technology.

These reforms have bolstered investor confidence and facilitated capital inflows into critical sectors that will drive Vietnam's long-term economic growth.

Sources: IMF, World Bank, INSEAD, CIA World Fact Book, Savills, KPMG Analysis





# Momentum in motion

Vietnam's M&A landscape in the remaining months of 2024 and 2025 presents an increasingly compelling opportunity for investors navigating an evolving regional dynamic. While deal activity in 2024 may proceed with measured caution amid global economic pressures, the foundational elements of growth are clearly taking shape.

Key sectors such as real estate, manufacturing, technology, and consumer goods demonstrate robust potential, drawing interest from both strategic acquirers and private equity firms who recognize the underlying resilience of these industries.

The current environment suggests a disciplined optimism, as investors recalibrate their strategies to leverage Vietnam's steady economic fundamentals and its supportive macroeconomic framework.

As we move into 2025, a shift in momentum is expected, with previously deferred transactions likely to return to the forefront, driven by renewed investor confidence in Vietnam's stable economic outlook and proactive government policies.

Japan, South Korea, Singapore, and the US, which had the most dealmaking activities in Vietnam in the past, are expected to return from 2025 onward.

Tax incentives, regulatory reforms, and strategic support for high-growth sectors are not simply symbolic—they are concrete, value-enhancing measures that position Vietnam as an increasingly attractive market for cross-border capital. Combined with a strong focus on infrastructure development and digital modernization, these initiatives are setting Vietnam on course to become a focal point for M&A activity in Southeast Asia.

This alignment of economic stability, policy clarity, and sectoral growth potential offers a powerful narrative for investors seeking durable, long-term returns in one of Asia's most dynamic markets.

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