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**STATE MANAGEMENT OF ECONOMIC  
CONCENTRATION IN THE RETAIL SECTOR IN  
VIETNAM**

**SUMMARY OF DOCTORAL DISSERTATION IN ECONOMICS**

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## INTRODUCTION

### 1. Rationales

Over the past decade, Vietnam has witnessed a rapid increase in economic concentration (EC) activities, particularly in the form of mergers and acquisitions (M&A). This trend is an inevitable outcome of a market economy and serves as an important instrument for enterprises to restructure, expand their scale, and enhance competitiveness. The M&A market in Vietnam has experienced strong development, with significant fluctuations in transaction value, yet it continues to demonstrate a tendency toward recovery and growth. In particular, in the retail sector—a large-scale industry with substantial growth potential—EC transactions have occurred frequently, reflecting the increasingly important role of EC in restructuring and developing the market.

However, the rising prevalence of EC in the retail sector also poses significant challenges for state management. The entry of multinational retail groups, coupled with the rapid expansion of e-commerce, has exerted considerable competitive pressure on domestic enterprises. Without an effective control mechanism, EC may result in the formation of dominant market positions, the elimination of potential competitors, and restrictions on competition, thereby directly affecting consumer interests. Although competition law has undergone important reforms in its assessment methods, in practice there remain limitations concerning evaluation criteria, database transparency, inter-agency coordination, and harmonization with international standards.

In the context of Vietnam as a socialist-oriented market economy with rapid development but persistent information asymmetries and institutional delays, the requirement to improve SM over EC in the retail sector has become increasingly urgent. For this reason, the doctoral candidate has selected the topic of the thesis entitled “State Management of Economic Concentration in the Retail Sector in Vietnam” with the aim of contributing to the development of solutions to improve and enhance the effectiveness of SM in controlling EC, thereby fostering a

competitive and healthy business environment for the retail sector in Vietnam.

## **2. Research objectives and tasks**

The thesis aims to propose solutions to improve state management of EC in the retail sector in Vietnam.

To achieve the aforementioned objective, the thesis focuses on implementing the following four main research task groups:

- *Task 1:* Research and clarify fundamental theoretical issues concerning competition, the characteristics of the retail sector, as well as the content, objectives, and principles of SM of EC in this sector; concurrently, examine relevant theories, models, and international experiences.

- *Task 2:* Review, analyze, and assess the current situation of EC activities in the retail sector in Vietnam for the period 2007–2024; elucidate the characteristics, trends, and impacts of EC cases within the retail industry.

- *Task 3:* Analyze and evaluate the current state of SM regarding EC activities in the retail sector in Vietnam, identifying the achieved results, limitations, shortcomings, and the causes of existing issues in the process of organizing the implementation of laws and policies on EC control.

- *Task 4:* Propose viewpoints, orientations, and a system of solutions to perfect SM of EC activities in the retail sector in Vietnam up to 2030, ensuring compatibility with the context of international economic integration, the digital transformation process, and the requirements for sustainable economic development.

## **3. Subject and Scope**

### ***3.1. Research subject***

This research identifies the subject of research as the SM of EC activities in the retail sector.

### ***3.2. Research scope***

- *Content scope*: The thesis examines issues related to SM in the field of EC within the retail sector, with a specialized focus on controlling competition activities in retail.

- *Spatial scope*: The thesis focuses on the SM over EC in the Vietnamese retail sector from a combined economic and legal perspective. Concurrently, it also researches the international experience of SM regarding EC in the retail sector from several countries worldwide (the United States, the European Union, Japan, and China) for comparison and to draw lessons for Vietnam.

- *Temporal scope*: The thesis focuses on the 2007-2024 period to evaluate the reality of SM over EC in Vietnam's retail sector. Alongside this, recommendations to enhance the effectiveness of SM over EC in this market are proposed for the 2025-2030 period.

#### **4. Scientific and practical significance of the thesis**

**Scientific contributions:** The thesis contributes to clarifying, systematizing, and supplementing the theoretical foundation of SM over EC in the retail sector. Specifically, it elucidates the essence, characteristics, and nature of SM of EC in this sector; it defines the objectives, principles, content, and management tools suited to the specific characteristics of the retail market within the context of a socialist-oriented market economy and international integration. Furthermore, the dissertation approaches, analyzes, and applies modern theories and models on competition, consumer welfare, and market governance to explain the relationship between EC, competition, and the regulatory role of the State. Accordingly, this research systematically supplements the theoretical corpus of competition law and the theory of state management of EC in the retail sector.

**Practical contributions:** The thesis provides an important scientific basis for the formulation, adjustment, and improvement of the SM for EC in Vietnam's retail sector. Through the analysis of the actual situation regarding EC activities and SM, focusing on the 2007-2024 period, the dissertation points out the achieved results, limitations, and their causes, thereby proposing specific viewpoints, orientations, and solutions up to 2030. The

research results offer practical reference value for the Vietnam Competition Commission (VCC) and other regulatory bodies in the development, amendment, and organization of the enforcement of competition law; concurrently, they assist retail sector enterprises in enhancing awareness, ensuring compliance with legal regulations, and behaving appropriately in EC cases.

## **5. Research methodology of the thesis**

To achieve the research objectives and answer the research questions, the thesis employs a combination of scientific research methods, detailed as follows:

### *(1) Statistical analysis method*

The dissertation uses the statistical analysis method to process, systematize, and evaluate data on EC activities in Vietnam's retail sector for the 2007–2024 period. The data, including figures on revenue, market share, transaction value, the number of EC cases, and market concentration indices (CR, HHI indices), is collected from official sources such as the General Statistics Office, the Ministry of Industry and Trade, the Vietnam Competition Commission, along with research reports from OECD, UNCTAD, ICN, and ASEAN. This method allows for the analysis of trends, scale, and the level of market concentration in retail, as well as the impact of EC on competition and consumer welfare.

### *(2) Comparative method*

The comparative method is used to analyze and contrast the SM for EC in the Vietnamese retail sector with those of typical countries (the EU, United States, Japan, South Korea, and Singapore). The comparison is conducted across aspects such as: EC notification thresholds, assessment criteria, control procedures, inter-agency coordination mechanisms, and remedial measures. Thereby, the dissertation draws lessons that can be applied to the Vietnamese context, while also highlighting differences due to institutional and market characteristics.

### *(3) Expert interview method*

The thesis uses in-depth interviews to gather opinions from experts in the field of competition law, managers at the Vietnam Competition Commission, the Ministry of Industry and Trade, as well as scholars, researchers, and practitioners in the retail sector. This method aims to extract practical experience, in-depth insights, and objective assessments of SM over EC in the retail sector.

The interviews are conducted in a semi-structured format, ensuring thematic consistency while allowing experts to express their opinions freely and comprehensively. The interview content focuses on three main groups of issues: (i) the reality of SM over EC in Vietnam's retail sector from 2007–2024; (ii) results and limitations in SM; (iii) orientations and solutions for perfecting SM towards 2030.

To ensure systematic and scientific rigor, the thesis develops a set of expert interview questions as follows:

- 1. In your opinion, does the current legal framework (the Competition Law and related documents) adequately cover all forms of EC in the retail sector? What are the most significant gaps or shortcomings currently?*
- 2. During implementation, how has the state management agency (particularly the Vietnam Competition Commission) fulfilled its role in controlling retail EC? What are the prominent difficulties and obstacles?*
- 3. In your view, what are the most positive results of SM of EC in Vietnam's retail sector in recent times?*
- 4. In your view, what are the most significant limitations in the SM of EC in the retail sector today?*
- 5. What is your assessment of the level of transparency and public disclosure of EC assessment decisions in the retail sector? How does this affect the confidence of businesses and the market?*
- 6. In the context of international integration and digital transformation, what key viewpoints and guiding principles should SM of EC in the retail sector be based on to meet development requirements?*
- 7. In your opinion, what solutions are necessary to perfect the legal framework for controlling EC in Vietnam's retail sector?*

*8. What measures should be implemented to enhance enforcement capacity, particularly in assessing EC cases in the retail sector?*

*9. What recommendations do you have for retail businesses participating in EC cases, to both ensure legal compliance and enhance competitiveness?*

Consulting experts through the above set of questions helps the thesis supplement practical evidence for scientific arguments; verify the appropriateness of the analyses and evaluations in the research; enhance the reliability and objectivity of the conclusions; and provide a basis for proposing viewpoints and solutions to perfect SM of EC in Vietnam's retail sector.

#### *(4) Deductive and inductive methods*

The deductive method is used to explain viewpoints and theories on competition, consumer welfare, and SM within EC control; while the inductive method is applied to generalize from practical cases, published research results, and expert opinions. The combination of these two methods allows the dissertation to have both a solid theoretical foundation and an accurate reflection of the management reality of EC in Vietnam's retail sector.

#### *(5) Forecasting method*

The thesis applies the forecasting method to identify trends in EC in Vietnam's retail sector up to 2030. The forecast is based on: (i) analysis of the international and domestic context; (ii) trends of integration and digital transformation in the retail industry; (iii) historical data on EC from 2007–2024. The forecast results provide a scientific basis for proposing viewpoints, orientations, and solutions to perfect state management, ensuring adaptability to new market fluctuations.

### **6. Structure of the thesis**

In addition to the Introduction, Conclusion, References, and Appendices, the thesis is structured into four chapters:

#### *Chapter 1. Literature review*



*Chapter 2. Theoretical Foundations of State Management of Economic Concentration in the Retail Sector in Vietnam*

*Chapter 3. Current Status of State Management of Economic Concentration in the Retail Sector in Vietnam*

*Chapter 4. Perspectives, Orientations, and Solutions for Improving State Management of Economic Concentration in the Retail Sector in Vietnam*

## **CHAPTER 1. LITERATURE REVIEW**

### **1. Review of previous studies**

#### ***1.1.1. Studies on economic concentration***

International research has laid the theoretical foundation for analyzing economic concentration (EC) in relation to market structure and competition. Joe S. Bain (1956), through the Structure–Conduct–Performance (SCP) model, affirmed the role of market structure and entry barriers in shaping firms’ competitive behavior. Jean Tirole (1988) advanced industrial organization theory, explaining EC as a mechanism for enhancing market power and emphasizing the necessity of regulation through competition law. The OECD (2020) highlighted the phenomenon of “killer acquisitions” and proposed ex post review mechanisms to ensure the preservation of effective competition. Sengupta and Majumdar (2019) underscored the need for cross-border cooperation in monitoring merger and acquisition (M&A) transactions, while Jones Day (2020) observed a global trend toward tighter control of EC activities. More recently, Donna and Pereira (2024) introduced a quantitative approach to assessing anti-competitive effects, reflecting a modern trend in competition law that increasingly relies on empirical evidence and econometric modeling.

### ***1.1.2. Studies on competition law and state management of economic concentration***

In Vietnam, foundational studies prior to WTO accession, such as Dang Vu Huan (1996), the Central Institute for Economic Management (2001), and the State and Law Institute (2004), established the legal basis for antimonopoly control. Following the enactment of the 2004 Competition Law, works such as Pham Thi Ngoan (2011), Nguyen Quoc Dien (2014), and Tran Thi Bao Anh (2014) analyzed merger control mechanisms and corporate acquisitions. Reports by the Vietnam Competition Authority (2012, 2014) identified shortcomings relating to notification thresholds and market share criteria. The

by Ha Ngoc Anh (2018) and subsequent studies under the 2018 Competition Law focused on assessing anti-competitive effects, combining qualitative and quantitative criteria, and recommending greater independence for the competition authority. More recently, Nguyen Van Doi (2022) added analyses of M&A grounded in political economy theory.

### ***1.1.3. Studies on state management of economic concentration in the retail sector***

From the perspective of state management, Nguyen Nhu Phat (2007) affirmed that EC is an inevitable phenomenon, and that competition law serves to control rather than prohibit it, by setting thresholds against monopolization. Research on retail, such as that of Dinh Thi Lan Chi & Nguyen Bao Linh (2017), Pham Phuong Thao (2017), Pham Thi Van Anh (2018), and Hoang Van Nhan (2021), identified limitations in both law and practice of state management, while proposing improvements to control mechanisms. Tran Manh Dung et al. (2020) analyzed the Fivimart case to draw practical lessons. Internationally, studies such as UNCTAD (2016), Hosken et al. (2012), Kaufman (2013), OECD (2019), Durand (2021), and Taylor & Warren (2021) provided empirical evidence and methodologies for defining relevant markets in retail. More recent studies by Dimitropoulos (2022),

Durand et al. (2021), and Su (2021) expanded the analysis to include online channels, buyer power, and quantitative tools (such as GUPPI and diversion ratios).

## **1.2. Research gaps**

From the systematization of the aforementioned studies, several general observations can be drawn, and certain research gaps in the field of state management of economic concentration (particularly in the retail sector) can be identified for further exploration.

*First, regarding the theoretical foundation:* Previous studies have addressed fundamental aspects of economic concentration and competition regulation, such as the Structure–Conduct–Performance (SCP) model, industrial organization theory, and perspectives on the State’s role in monopoly control. However, no study has yet developed a comprehensive theoretical framework on state management of economic concentration in the retail sector.

*Second, regarding empirical research and data:* In Vietnam, there has been no comprehensive study examining the structure of the retail market, the current situation of economic concentration in this sector, and the practices of state management of economic concentration in the Vietnamese retail industry.

*Third, regarding comparative and international experience:* Although several studies have cited foreign experiences, their approaches remain fragmented and unsystematic. There has not been any in-depth comparative analysis of state management of economic concentration in the retail sector between Vietnam and representative countries. Given the diverse contexts among nations, drawing lessons from international experience requires a thorough analysis of the legal frameworks and enforcement outcomes of competition law in different jurisdictions, followed by contextualized application to Vietnam.

### **1.3. Values inherited by the thesis and research directions**

#### ***1.3.1. Values inherited by the thesis***

The thesis inherits four principal categories of value: (i) theoretical foundations on EC and SM from earlier studies; (ii) domestic and international legal analyses of merger control; (iii) empirical data and practical insights from reports of the Vietnam Competition Authority, OECD, UNCTAD, and the UK Competition and Markets Authority (CMA); and (iv) diverse research methodologies ranging from legal analysis to comparative studies.

#### ***1.3.2. Research directions of the thesis***

Based on the review of existing studies and the identification of research gaps, the thesis outlines several key research directions aimed at addressing unresolved issues while fulfilling the objectives and scope established in the introductory section.

*From a theoretical perspective,* the thesis develops a comprehensive scientific foundation for state management of EC in the retail sector. It first systematizes and analyzes the concepts, characteristics, measurement indicators, and impacts of EC, thereby clarifying the interrelationship between EC, market structure, and the level of competition in the retail industry. The thesis further examines the concepts, objectives, principles, contents, and methods of state management over EC in retail, identifying the roles, functions, and instruments of the State in controlling EC to ensure fair competition and protect consumer welfare. On a theoretical level, the thesis applies and expands upon classical economic and legal models such as the SCP model, Monopoly Theory, Perfect Competition Theory, and the Consumer Welfare Standard, to explain the economic–legal foundations of state regulation over EC. It also undertakes a comparative study of international experiences in EC management within the retail sector across jurisdictions with advanced competition law regimes, including the United States, the European Union, Japan, and China. Through this, the thesis analyzes emerging global trends in EC regulation and

enforcement—such as impact assessment mechanisms, notification thresholds, and models of inter-agency coordination among competition authorities. By analyzing representative cases and deriving lessons learned, the thesis contributes to the theoretical enrichment and systematization of the legal and institutional framework for improving the effectiveness of state management of EC in the retail sector in Vietnam.

*From a practical perspective*, the thesis provides an in-depth analysis of the current situation of EC activities and state management practices in Vietnam’s retail sector during the period 2007–2024. Based on the SCP model, it analyzes the structure of the Vietnamese retail market across specialized subsectors to assess the level of market concentration using indicators such as CR and HHI, and examines fluctuations in market share among major domestic and foreign enterprises. The thesis also investigates business behaviors and EC trends in the retail sector, highlighting the increasing frequency of mergers and acquisitions by foreign corporations such as Central Group, Mobile World, VinCommerce, and Phuc Long, which reflect both a growing concentration trend and a shift in market competition dynamics. Furthermore, the thesis evaluates the current state of EC regulation and enforcement in retail, including the existing legal framework (the 2018 Law on Competition, Decree No. 35/2020, and related implementing instruments) and the institutional performance of the VCC. It identifies the key limitations in current state management mechanisms over EC. On that basis, the thesis establishes a solid empirical foundation for proposing perspectives, orientations, and comprehensive solutions to improve the efficiency and effectiveness of state management over EC in Vietnam’s retail sector—thereby promoting a fair, transparent, and internationally consistent competitive environment.

## **CHAPTER 2: THEORETICAL FOUNDATIONS OF STATE MANAGEMENT OF ECONOMIC CONCENTRATION IN THE RETAIL SECTOR**

### **2.1. Overview of economic concentration**

EC is understood as the consolidation of control over enterprises through mergers, consolidations, acquisitions, or joint ventures, with the potential to directly affect competition.

EC is characterized by five fundamental features: it originates from at least two independent enterprises; it is carried out through specific legal transactions; it exerts both positive and negative impacts on the market; its purpose is to obtain ownership and control; and while it is lawful, it remains subject to the control of competition law.

Through specific indices, competition authorities are able to identify risks of anti-competitive effects, market power, and barriers to entry. In terms of impact, EC enables enterprises to exploit economies of scale, optimize resources, and expand market share, but it can also lead to dominant positions, reduce consumer choice, and threaten fair competition.

### **2.2. Concept and characteristics of the retail sector**

Retailing refers to the sale of goods and/or services directly to final consumers, as recognized under both international and Vietnamese law. Its defining characteristics include: (i) serving final consumers; (ii) a highly diverse range of products; (iii) complex and independent consumer behavior; (iv) a variety of organizational models, from traditional formats to e-commerce; and (v) relatively stable demand. These features make retail a crucial sector in the economy and one that is directly connected to the protection of consumer rights and interests.

### **2.3. Overview of state management of EC in the retail sector**

State management of EC refers to the organized exercise of public authority by the State over EC transactions with the objective of ensuring a fair and competitive market environment. Its theoretical foundation is

informed by various models and theories, such as the Structure–Conduct–Performance (SCP) paradigm, monopoly theory, perfect competition theory, and the consumer welfare standard (CWS). These theories recognize that while EC may enhance efficiency, it may also harm social welfare if left unchecked.

The objectives of SM of EC in the retail sector include: safeguarding consumer welfare; controlling the buyer power of large retail groups; encouraging dynamic efficiency, innovation, and digital transformation; and ensuring the stability and sustainability of distribution systems. The guiding principles are: protection of competition and welfare; transparency and fairness; balancing interests with efficiency; inter-agency coordination; and alignment with international standards.

The substantive contents of SM are manifested at two levels:

(i) ***Law-making*** — developing a coherent legal framework that specifies notification thresholds, appraisal criteria, and transparent procedures;

(ii) ***Law enforcement*** — applying the law in practice through pre-transaction assessment, monitoring, and the imposition of remedies, together with ex-post review mechanisms to ensure long-term regulatory effectiveness..

## **2.4. International experience and lessons for vietnam**

The United States, the European Union, Japan, and China have all established rigorous competition law systems, clearly regulating notification obligations, appraisal criteria, and enforcement mechanisms for EC. These jurisdictions have increasingly extended merger control to modern retail, with particular attention to e-commerce, data, and buyer power. The general trend is toward stricter appraisal, greater transparency, enhanced inter-agency coordination, and strengthened international cooperation.

The lessons for Vietnam are the necessity of harmonizing its competition law with international standards, strengthening the

institutional capacity of regulatory authorities, expanding databases and coordination mechanisms, and updating appraisal methods for EC in the context of the digital economy.



## **CHAPTER 3:**

### **STATUS OF STATE MANAGEMENT OF ECONOMIC CONCENTRATION IN THE RETAIL SECTOR IN VIETNAM**

#### **3.1. Status of economic concentration in the retail sector in Vietnam**

##### ***3.1.1. Development of the Retail Sector in Vietnam***

Retailing in Vietnam has a long history, originating from traditional markets and street vendors, closely linked to rural life. During the feudal period, commerce was not prioritized, and markets remained small in scale. Under French colonial rule, a national merchant class emerged; however, after 1954, the distribution system became entirely state-owned, operating under a subsidy and rationing mechanism, thereby eliminating market forces.

Since the Doi Moi reforms of 1986, the economy has transitioned to a regulated market mechanism, creating conditions for private enterprise and foreign investment. Laws such as the Law on Companies, the Law on Enterprises, and the Law on Investment established the legal foundation for retail development. From 2007, when Vietnam acceded to the WTO, the retail sector entered a phase of integration, marked by the strong presence of international corporations. Total retail sales of goods and services have continued to grow, reaching VND 6.39 quadrillion in 2024. Supermarkets and shopping centers have expanded rapidly, though traditional markets still account for a significant proportion. At the same time, e-commerce has risen dramatically, with annual growth rates of 18–25%, driving a transformation toward modern retail.

##### ***3.1.2. Analysis of economic concentration under the SCP model***

###### ***3.1.2.1. Structure***

According to the Vietnam Standard Industrial Classification (VSIC), the retail sector comprises nine major groups (471–479). Between 2011 and 2023, the number of retail enterprises increased from 37,635 to 57,322, the majority being small and medium-sized enterprises (SMEs).

Sector revenue exceeded VND 1.4 quadrillion in 2023, mainly from motor fuel (473) and household equipment (475).

An analysis of concentration levels by subsector, measured through concentration ratios (CR) and the Herfindahl–Hirschman Index (HHI), reveals:

- *VSIC code 471 – Retail in non-specialized stores*: highly competitive, with CR1 under 20% and HHI below 700.

- *VSIC code 472 – Retail of food and beverages in specialized stores*: generally competitive, except in 2013 when CR1 exceeded 30% and HHI surpassed 1,000, indicating temporary concentration.

- *VSIC code 473 – Retail of motor fuel in specialized stores*: nearly perfectly competitive, with CR1 below 5% and HHI under 100 since 2015.

- *VSIC code 474 – Retail of information and communications technology equipment in specialized stores*: highly concentrated, with CR1 over 30% and HHI above 2,500, reflecting the dominance of Mobile World Investment Corporation (Cong ty Co phan Dau tu The Gioi Di Dong).

- *VSIC code 475 – Retail of household equipment in specialized stores*: maintains near-perfect competition, with CR1 below 20% and HHI under 100.

- *VSIC code 476 – Retail of cultural and recreational products in specialized stores*: competitive, with HHI below 800, though disparities exist between large and small enterprises.

- *VSIC code 477 – Retail of other goods in specialized stores*: has remained highly competitive since 2014, with CR1 below 16% and HHI under 500.

Overall, most retail subsectors in Vietnam remain highly competitive, except for information technology equipment retail, which demonstrates a concentration trend.

### 3.1.2.2. Conduct

M&A activity in Vietnam has expanded significantly since 2007, peaking in 2017 with transactions valued at USD 8.4 billion. Initially, foreign investors (Thailand, Japan, South Korea, Singapore) dominated, but since 2019, domestic enterprises such as Masan, Vingroup, Thaco, and Nova have risen in prominence. From 2021 to 2024, despite the pandemic and market volatility, hundreds of transactions continued annually, with a total value of several billion USD.

In retail, notable transactions include: BJC's acquisition of Metro; Central Group's acquisition of BigC; Aeon's purchase of shares in Fivimart; Vingroup's acquisitions of OceanMart, Maximark, and Fivimart; Masan's merger with VinCommerce and VinEco; Thaco's acquisition of E-Mart; and Sojitz's acquisition of New Viet Dairy. The recent trend shows domestic enterprises dominating transactions to consolidate market share and expand ecosystems.

### *3.1.2.3. Performance*

According to the Global Retail Development Index (GRDI), Vietnam was once ranked among the world's top ten most attractive retail markets, though it currently stands at 34th position (2023). The outlook for 2026–2030 remains positive, supported by urbanization, a rapidly expanding middle class, increased household spending, and the robust growth of e-commerce. Vietnam's retail market is projected to reach USD 488 billion by 2029, with modern retail channels and e-commerce playing an increasingly significant role.

## **3.2. Law and status of state management of economic concentration in the retail sector during the period 2007–2024**

### *3.2.1. Legal Framework*

#### *3.2.1.1. International Commitments*

Within the WTO framework, Vietnam liberalized distribution services in 2009, permitting enterprises with 100% foreign ownership, but applied the Economic Needs Test (ENT) for the establishment of second and subsequent outlets as a mechanism to control expansion.

Under the CPTPP and EVFTA, Vietnam committed to enacting comprehensive competition laws, ensuring transparency, and preventing anti-competitive practices.

#### *3.2.1.2. Domestic law*

The Competition Law plays a central role, while the Law on Enterprises, the Law on Investment, and other relevant laws perform a complementary function, together constituting a unified legal framework for EC. Specifically:

- Competition Law 2018 regulates the scope of application, notification thresholds (based on assets, turnover, transaction value, and market share), appraisal procedures (preliminary and official review), and criteria for assessing anti-competitive effects (relevant market, vertical and horizontal relationships, competitive advantages, price-increasing capacity, and elimination of competitors). It also provides for conditional clearance of EC transactions and prescribes sanctions for violations.

- The Law on Enterprises 2020 regulates consolidation, merger, share transfer, and registration procedures.

- The Law on Investment 2020 governs the acquisition of shares by foreign investors in conditional business sectors, particularly those relating to national defense and security.

### **3.3. Status of state management of EC in the retail sector in vietnam**

#### *3.3.1. General Situation*

Prior to 2016, the number of notified EC cases in retail was very limited, as the 2004 Competition Law did not comprehensively cover foreign enterprises. Since the entry into force of the 2018 Competition Law, the number of notified cases has increased, reflecting the broader scope of regulation. By 2023, VCC had appraised 183 EC cases, of which 4 were in the retail sector.

### ***3.3.2. Casestudies***

- Central Group's acquisition of BigC (2016): a transaction exceeding USD 1 billion, raising concerns about the growing power of foreign retailers. The Competition Authority determined that the transaction did not exceed the prohibition thresholds but entailed potential risks.

- Mobile World's acquisition of Tran Anh (2017): reduced the number of competitors and reinforced a dominant market position, though the transaction was not prohibited.

- VinCommerce's acquisition of Fivimart (2018): enabled Vingroup to rapidly expand its retail network, while raising concerns regarding diversification of retail channels.

- Masan's merger with VinCommerce and VinEco (2019): the largest transaction to date, creating a large-scale consumer–retail conglomerate, subject to close regulatory scrutiny.

- Masan's acquisition of Phuc Long (2021–2022): expanded operations into food and beverage, integrating into the WinMart ecosystem.

### ***3.3.3. Results and limitations of state management of economic concentration in the retail sector in Vietnam***

#### ***3.3.3.1. Results***

The promulgation and enforcement of the 2018 Competition Law marked an important step forward in merger control, contributing to a significant increase in the number of notifications and reviews compared with the earlier period. Whereas during 2010–2016 only a limited number of cases in the retail sector were notified, by 2023 the VCC had received more than 180 EC filings, including numerous transactions in the retail sector. Large-scale cases such as Masan's merger with VinCommerce and VinEco, Central Group's acquisition of Nguyen Kim, and Alibaba's investment in The CrownX were all reviewed and processed in

accordance with prescribed procedures, demonstrating that the legal framework has increasingly been applied in practice.

The rise in the number of notifications also reflects a change in awareness and compliance behavior among enterprises. At the same time, the VCC has made significant efforts to enhance transparency in the review process by issuing detailed guidelines, thereby enabling businesses to better anticipate review outcomes and reduce compliance costs. Beyond ensuring competitive order, the management of EC has also strengthened investor confidence, facilitated a favorable business environment, and enhanced the international credibility of Vietnam's retail sector.

#### *3.3.3.2. Limitations*

Despite these achievements, state management of EC in the retail sector continues to face shortcomings. First, the number of notifications remains lower than the actual number of transactions, particularly under the 2004 Competition Law, when notification thresholds were based solely on market share, leaving many large transactions outside the scope of review. Although the 2018 Competition Law introduced additional criteria such as assets, turnover, and transaction value, underreporting persists.

Second, the method of defining the relevant market remains rudimentary, relying mainly on business lines and administrative boundaries (provincial or national), without applying more sophisticated criteria such as store area, service radius, or consumer behavior. This creates the risk of inaccurate assessment of competitive effects in large-scale transactions.

Third, although conditional clearance of EC was codified in the 2018 Competition Law, no case has yet applied this mechanism in practice. Transactions with potential to establish a dominant position have generally been fully approved without accompanying remedies. This contrasts with international practice, where competition authorities

frequently impose divestiture requirements or restrictions on expansion to preserve competitive conditions.

In addition, the legal definition of EC remains narrow, failing to comprehensively capture indirect forms of concentration such as common management teams or acquisitions of standalone assets (e.g., technology, customer databases). This legal gap reduces the effectiveness of oversight in an increasingly complex market.

Another limitation is the absence of a national database on EC. Information for appraisal is mainly based on enterprise reports and secondary sources, resulting in insufficient transparency and reliability. This not only hinders regulatory authorities in forecasting and monitoring EC trends but also limits the ability of enterprises and investors to access information.

#### *3.3.3.3. Causes of Limitations*

Subjective causes include the lack of a strategic orientation in EC management, the limited analytical capacity and market investigation skills of specialized officials, and the absence of a centralized data system to support monitoring.

Objectively, competition law still contains inadequacies and has not fully converged with international practices, while enterprise compliance awareness remains limited. In addition, the statistical system is incomplete and fails to meet the detailed requirements necessary for defining the relevant market and calculating market share.

## CHAPTER 4:

### PERSPECTIVES, ORIENTATIONS, AND SOLUTIONS FOR IMPROVING STATE MANAGEMENT OF ECONOMIC CONCENTRATION IN THE RETAIL SECTOR IN VIETNAM

#### 4.1. Context affecting state management of EC in the retail sector through 2030

##### 4.1.1. International context

Over the past decade, the world has witnessed rapid and unpredictable developments, ranging from globalization and international economic integration to political crises, pandemics, and natural disasters. These changes have directly affected Vietnam's economy in general and the retail market in particular, creating new requirements for the management of EC.

*First, in terms of international economic integration:* Vietnam has acceded to the WTO, APEC, ASEM, ASEAN+3, and signed 17 free trade agreements (FTAs), including the CPTPP and the EVFTA. Deeper liberalization enables enterprises to access global markets but also means that foreign retail conglomerates can enter Vietnam aggressively through mergers and acquisitions (M&A). This heightens competitive pressure, while the capacity of domestic retailers remains limited, requiring the State to improve EC control mechanisms to ensure fairness and compliance with international commitments.

*Second, political and economic fluctuations worldwide:* Strategic competition between the United States and China, the Russia–Ukraine conflict, and the restructuring of global supply chains have affected trade and investment flows. Many countries are strengthening economic autonomy, altering capital flows and commodity demand. Vietnam is simultaneously exposed to price volatility and presented with opportunities to attract investment relocation. In this context, EC in retail has become more dynamic and complex, necessitating closer regulatory supervision.



*Third, the trend of new technologies:* The Fourth Industrial Revolution, with Big Data, artificial intelligence (AI), and blockchain, is reshaping business models and regulatory methods. Retail enterprises must continuously innovate to remain competitive, while state management agencies must adopt modern technologies in EC control, establish electronic databases, and ensure transparency and efficiency.

#### ***4.1.2. Domestic context***

Domestically, the Strategy for Domestic Trade Development to 2030 sets a target for total retail sales to grow by an average of 13–13.5% annually during 2021–2030, with domestic enterprises accounting for 85% by 2030. By 2045, e-commerce is projected to account for 15–16% of total retail revenue. To achieve these goals, the Government emphasizes creating a transparent competitive environment, preventing monopolization and anti-competitive effects, while protecting consumer rights.

*Advantages:* Vietnam attracts significant foreign direct investment (FDI), particularly in the retail sector. The presence of foreign enterprises promotes restructuring and increases EC. At the same time, the growth of the middle class, urbanization, changing consumption behavior, and the need for digital transformation drive M&A activity. The legal framework on competition has been gradually improved, providing clearer legal foundations for EC.

*Challenges:* Competition law still contains gaps (e.g., no regulation addressing situations where an individual simultaneously holds positions on boards of directors or in key management across competing enterprises, or acquisitions of intangible assets such as technology or customer lists). Enterprise compliance with the law remains limited. The VCC, though newly established, lacks sufficient data and resources, while inter-agency coordination mechanisms remain underdeveloped. These factors demand a comprehensive reform of state management to both encourage healthy EC and prevent anti-competitive impacts.

## **4.2. Perspectives and orientations for improving state management of EC in the retail sector**

### **4.2.1. Perspectives**

Based on the goal of sustainable development, four core perspectives are proposed:

- *Streamlined and effective regulatory apparatus*: The VCC must be organized efficiently, vested with adequate authority and resources, and staffed with highly qualified experts capable of assessing complex EC transactions. This is linked to administrative reform, greater independence, and transparency.

- *National competition policy*: Competition law must become a pillar of the market economy, not only regulating anti-competitive conduct but also ensuring an equal environment for all enterprises and efficient allocation of resources.

- *Integration with retail sector development and international commitments*: EC control must ensure that transactions contribute to strengthening the distribution system without reducing economic diversity. At the same time, it must adhere to the principle of non-discrimination, avoid excessive protectionism, yet safeguard the legitimate interests of domestic consumers.

- *Alignment with international practices*: Vietnam must draw on the experience of advanced competition authorities, apply modern appraisal methods (HHI, CR4, entry barrier analysis, upward pricing pressure), and adopt remedies such as divestiture or restructuring in transactions with risks of anti-competitive effects.

### **4.2.2. Orientations**

The orientations through 2030 include: (i) maintaining a transparent and modern competitive environment; (ii) strengthening coordination between the VCC and specialized regulatory agencies; (iii) enhancing awareness and compliance with competition law among enterprises; (iv) expanding international cooperation in cross-border EC

control; and (v) applying Industry 4.0 technologies in management while encouraging enterprises to adopt technological innovation to enhance competitiveness.

### **4.3. Solutions for improving state management of economic concentration in the retail sector**

#### ***4.3.1. Improving the legal framework on economic concentration in the retail sector***

Appraisal practice indicates that retail EC cases are predominantly approved, revealing limitations in the enforcement of competition law. At present, the preliminary review relies mainly on market share, the HHI, and changes in the HHI (Article 14 of Decree No. 35/2020). The criteria should be broadened already at the preliminary stage for transactions that present potential anti-competitive effects, even if they do not fall within the situations under Clause 2, Article 14. In the retail sector—where EC has intensified, particularly by FDI enterprises amid market liberalization—the VCC, beyond combined market shares, should examine competitive advantages generated by EC (notably product characteristics and production–distribution chains), the likelihood of price increases/profit-margin increases, and the risk of exclusion or deterrence of entry through input control. For EC between domestic enterprises, an incentive mechanism is warranted where transactions generate sectoral benefits, support SMEs, and strengthen international competitiveness. Appraisal should also be linked to ex post monitoring of abuses of dominance/monopoly pursuant to the 2018 Law on Competition.

#### ***4.3.2. Strengthening inter-agency coordination and international cooperation in state management of economic concentration in the retail sector***

The notification obligation must be maintained for all EC forms that meet the thresholds (Article 13 of Decree No. 35/2020), while applying a flexible review for intra-group restructurings (within a corporate group/parent–subsidiary) since the linked-group market share

does not change; consideration should be given to shortening processing timelines. Coordination between the VCC and specialized state bodies (statistics, customs, market administration, etc.) should be enhanced to improve accuracy and timeliness in assessing anti-competitive effects and to support harmonized post-clearance procedures (investment, business registration, sectoral regulation). The inter-agency consultation mechanism under the 2018 Law on Competition (15-day response period) should be employed flexibly and substantively. Internationally, OECD (2018) consultations suggest a simplified notification for cross-border EC to reduce resource burdens and foster cooperation with foreign competition authorities; although not yet incorporated into domestic law, the VCC (established in 2023) is expected to advance implementation.

#### **4.3.3. Other solutions**

##### *4.3.3.1. Developing an electronic database on economic concentration*

Establish a public electronic database structuring the full lifecycle of EC cases (review, assessment outcomes, decisions), remedying the current practice of minimal disclosure on the website. Draw on EU, US, and German practice in publishing review processes and results. Open data will enable the VCC to conduct effective statistical monitoring and oversight, receive inputs from stakeholders; assist enterprises and investors in compliance planning; and provide materials for legislation and research to improve competition law.

##### *4.3.3.2. Strengthening communication and dissemination of policies and law on state management of economic concentration in the retail sector*

Develop a dedicated communication program for retail EC in an omnichannel environment with complex vertical relationships, to reduce information asymmetries and compliance costs. Complete a “communication architecture” comprising: a portal aligned with the review cycle (pre-merger–during review–post-clearance–ex post),

sector-specific guidance (FAQs, procedural flowcharts, self-screening templates), a confidential pre-notification consultation mechanism, stakeholder feedback channels, and bilingual materials. Adopt a principle of “calibrated transparency” (protecting trade secrets) and a monitoring–evaluation index system (response counts, correct-and-complete filing rates, median review time, compliance with remedies). Benefits are multidimensional: higher filing quality, shorter processing times, greater predictability for foreign investors, calibrated public expectations, and support for institutional improvement.

#### **4.4. Recommendations for retail enterprises engaging in EC**

##### ***4.4.1. Reviewing transactional conditions***

Enterprises must clearly determine whether a transaction falls within the scope of EC under the 2018 Competition Law and Decree No. 35/2020. Particular attention should be paid to the element of “control and decisive influence” in acquisitions, given the differences between the 2018 Competition Law and the 2020 Law on Enterprises regarding voting thresholds. This inconsistency requires enterprises to exercise caution to avoid failing to notify.

Enterprises must also note that notification thresholds are not limited to the assets, revenue, or transaction value of the directly participating entities, but also extend to affiliated groups. The use of special purpose vehicles (SPVs) does not remove the notification obligation if the parent company exceeds the threshold.

##### ***4.4.2. Preparing complete and compliant notification dossiers***

EC dossiers must include all documents specified in Article 34 of the 2018 Competition Law. Missing documents prolong the review process and increase compliance costs. The dossier must contain an analysis of anti-competitive effects, including the definition of the relevant market, market shares, CR, and HHI, using reliable sources such as official statistical data. This not only facilitates VCC appraisal but also reduces risks for enterprises.

#### ***4.4.3. Enhancing legal knowledge and consulting the VCC***

Enterprises should proactively update their knowledge of the Competition Law and related legislation to correctly identify their legal obligations. In cases of uncertainty, enterprises should consult the VCC before proceeding with transactions to avoid violations. The Grab–Uber case (2018) demonstrates that failure to notify may result in severe penalties (up to 5% of turnover in the preceding financial year) and remedies such as divestiture, forced separation, or price controls.

### **CONCLUSION**

Since Vietnam’s integration into regional and global economies, economic concentration—particularly in the retail sector—has expanded significantly in both scale and frequency. While EC promotes investment and business development, it simultaneously intensifies competition, requiring effective management and control by the State. Accordingly, the study of the topic “***State management of economic concentration in the retail sector in Vietnam***” is of urgent significance, both scientifically and practically.

The dissertation has reviewed the research landscape, identified existing gaps, systematized theoretical foundations and international experience on EC management in retail, and analyzed and evaluated the current state of EC management in Vietnam, highlighting achievements as well as limitations. On this basis, the author has formulated perspectives and orientations to 2030 and proposed solutions to enhance management effectiveness, including recommendations for both the competition authority and enterprises.

Overall, the dissertation has addressed the key research questions, achieved its stated objectives, and may serve as a useful reference for regulatory authorities in controlling EC in Vietnam. However, as this remains a relatively new research field with limited prior studies, access to and exploitation of materials remain challenging. In the future, further in-depth research on EC management in the retail sector will be needed,

closely linked to the context of international integration and market transformation, to generate results that are more applicable and suited to Vietnam's practical conditions.

### LIST OF PUBLISHED WORKS

1. Bui Nguyen Anh Tuan (2025), *Economic concentration in the retail sector in Vietnam: Current status and policy recommendations*, Economic and Forecasting Magazine.
2. Bui Nguyen Anh Tuan (2025), *International Experiences and Lessons for Vietnam in Designing Remedies for Anti-Competitive Mergers*, English Finance Magazine.
3. Bui Nguyen Anh Tuan (2025), *Regulations on economic concentration control in the retail sector in Vietnam*, Journal of State Management (online).
4. Bui Nguyen Anh Tuan (2024), *International experience in state management of economic concentration activities in the retail sector and lessons for Vietnam*, Asia-Pacific Economic Journal.