

# Port M&A in Vietnam: opportunities and pathways for foreign investors

The port sector plays a critical role in Vietnam's export-driven economy and has consistently attracted international investment. In recent years, foreign investors have increasingly favoured M&A over greenfield projects as their main way of entering the market.

This *Insight* provides an overview of Vietnam's port system, common M&A structures and key legal due diligence issues in port-related transactions.

## Vietnam port system overview

With over 3200km of coastline and extensive inland waterways, Vietnam is primed for port growth. The country boasts around 34 active seaports and 300-plus berths, stretching from North to South. Among them, Ho Chi Minh City Port, Hai Phong Port and Cai Mep Port ranked in the world's top 100 container ports by cargo throughput in 2024 (22nd, 29th and 30th respectively).

Vietnam's port sector is experiencing robust growth, with key performance indicators rising year on year. According to the Vietnam Maritime Administration, Vietnam's seaports handled an impressive 864.4 million tons of cargo in 2024—an increase of 14% on 2023—while container volume surged 21% to nearly 29.9 million TEUs (Twenty-foot Equivalent Unit). Vessel calls in 2024 reached 102,670, reinforcing Vietnam's fast-growing role in the global supply chains.

Looking ahead, Vietnam's seaport master plan sets ambitious targets of 1.5 billion tons of cargo and 54.3 million TEUs by 2030, with cargo volumes expected to grow at more than 4% per annum through to 2050. These fundamentals continue to position Vietnam as an attractive destination for investment in port infrastructure and related services. Following an earlier wave of port IPOs in 2014–15, M&A activity—highlighted by several standout deals in 2023–2024<sup>1</sup>—is expected to remain strong in the years ahead.

<sup>1</sup> Key recent deals included America LLC raising its stake in Dinh Vu Port, Toan Thang acquiring 9.83% of Sai Gon Port, PSA Cargo Solutions securing 24.9% of Sotrans (with interests in Dong Nai Port), Vietsun purchasing nearly all of Nam Hai Port, Viconship acquiring Nam Hai Dinh Vu Port, and Vietnam Maritime Corporation's divesting from Hai Phong and Cam Ranh Ports.

## Foreign ownership limitations

While foreign investment in ports is generally permitted, foreign ownership limits (**FOLs**) apply to certain port-related services. Careful deal structuring is therefore essential for success.

- **For port development, operation and management generally:** foreign investors may own up to 100% of private port companies. For public/listed port companies, foreign ownership is capped at 50%.
- **For port-related services:** certain port-related services are subject to FOLs, eg 50% for container handling services or 49% for shipping agency services. Please refer to our [Vietnam's Port Sector Overview](#) for more details.

Applicable FOLs may vary depending on the foreign investor's jurisdiction and relevant international commitments Vietnam has made. For example, for maritime vessel maintenance and repair services, WTO commitments don't provide for any specific limit, meaning authorities have discretion to decide the applicable FOL on a case-to-case basis, while the ASEAN Framework Agreement on Services expressly recognises an FOL of up to 70%.

Investors should assess the business scope and any applicable FOLs at an early stage, as these can directly impact the viability of an M&A deal.

If a company conducts multiple activities, the lowest FOL will apply. Due to this FOL issue, ports in Vietnam are usually operated by either 100% Vietnamese entities or joint ventures with minority foreign ownership, with 100% foreign-owned ports being relatively rare.

Investors should assess the business scope and any applicable FOLs at an early stage, as these can directly impact the viability of an M&A deal. Addressing foreign ownership limits may require tailored structuring solutions, including ownership arrangements, joint-venture subsidiaries and preference shares, each of which involves its own legal and commercial considerations.

## Structuring M&A deals in the port sector

Structuring share transfer transactions in Vietnam's port sector requires careful consideration of key legal issues, including:

- (a) **Onshore vs offshore transfer:** share transfer can be conducted onshore in Vietnam or offshore at the parent company level.
  - (i) **Onshore share transfer:** this option is usually adopted where the seller is a Vietnamese entity. A foreign multinational buyer may consider using an entity established in a jurisdiction that enjoys more favourable FOLs to be the buyer of record (eg from ASEAN countries).
  - (ii) **Offshore share transfer:** this option can be considered where the seller is a foreign entity and the Vietnamese target is owned by an offshore special purpose vehicle, or upstream ownership can otherwise be re-structured to enable offshore acquisition. This option can help reduce regulatory approval requirements in Vietnam (eg no M&A approval), though certain onshore approvals may still be required (eg merger filing—see further details on this [link](#)—if the relevant thresholds are met).
- (b) **Target businesses:** in practice, port operators and port-service providers—especially those subject to FOLs—may be separate entities. Investors must identify the target businesses to determine the right acquisition structure (such as to acquire up to 100% in the port operating entity and less in the port-service entity subject to a FOL).

- (c) **Public vs private targets and regulatory requirements:** the target's entity status is a key structuring consideration. Public and private acquisitions follow different regulatory regimes (and have different FOLs) which can materially affect transaction structure, process and timing. Acquisitions of public companies are typically more complex, given additional securities law requirements such as mandatory tender offers, trading band restrictions and ongoing disclosure obligations, and are generally subject to a 50% foreign ownership cap, which may not apply to an otherwise-equivalent private target.

## Common legal due diligence issues in port M&A

### Verification of port development rights

In many countries, the right to develop seaports is evidenced by way of a 'concession agreement' between the port operator and the government. This concept does not apply in Vietnam, except for projects invested in PPP form.<sup>2</sup> Instead, port development rights are established by way of approvals issued by the Vietnamese government to the investor and port operating entity. The exact approvals vary depending on when the project is developed and whether the port is 100% Vietnamese or has foreign investment, but usually include in-principle approvals, investment registration certificates<sup>3</sup> or so-called M&A approval.<sup>4</sup> These approvals set out the key details of the port project and form the basis for the port operator to apply for any necessary sub-licenses. Investors need to review approvals carefully to verify the validity of the development rights and operational parameters of the project.

### FOL Exceptions

Certain port projects established before Vietnam's accession to the WTO in 2007 may have foreign ownership levels exceeding the FOLs applicable under current law to regulated port services. These higher levels have generally been grandfathered. However, where there is a change of ownership, any increase in foreign ownership will not be permitted, and incoming foreign investors may be required to comply with prevailing FOLs rather than relying on historical exceptions.

Where a target port project has foreign ownership at a level exceeding the now-applicable FOL, investors should carefully review the project's licensing history and assess whether the historical foreign ownership level can be preserved following the proposed transaction or whether there are any potential structuring options to achieve that.

### Variety of sub-licenses

The seaport sector is highly regulated in Vietnam and requires a range of sub-licenses for construction, development and operation of seaports, jetties, access channels and navigation aids. Two important and unique sub-licenses in the seaport sector are the Seaport Opening Decision, which marks a port's commercial operation date, and Seaport Operation Certificate, which confirms the port operator's eligibility to provide specific port services. It is important to ensure the target port project has obtained all required licences, the project specifications are consistent across all licences and the licenses do not contain any legal or commercial terms that adversely impact the proposed transaction.

<sup>2</sup> PPP (Public-Private Partnership) is a form of investment based on a contract between a competent state authority and a private investor to build, operate, and manage infrastructure. In Vietnam, there is no precedent of this investment model being applied to seaport development projects.

<sup>3</sup> This approval, while not mandatory for projects wholly owned by Vietnamese investors, is often voluntarily obtained in practice.

<sup>4</sup> This applies in case the port is acquired by foreign investors previously.

## Joint venture port projects' common issues

Private port projects in Vietnam are often developed through joint ventures between a Vietnamese developer and foreign shipping line. In this model, the Vietnamese partner is usually responsible for securing licences and developing the project, while the foreign partner typically provides technical support and commits vessel and container volumes for the port. Joint venture models can give rise to numerous issues, including the following:

- **Terminal service agreement:** foreign partners often agree special incentives for their vessels (eg discounted port tariff, priority on berthing windows) or provide technical support and/or O&M services with relatively high service fees. Investors should assess during due diligence process whether existing arrangements are commercially acceptable or may need to be re-negotiated.
- **Corporate governance:** corporate governance is a key consideration in jointventure port projects. Foreign investors should expect decisionmaking processes to differ from international norms, particularly where Stateowned entities are involved. In addition to reviewing the project company's constitutional and contractual documents, investors should seek to understand the company's governance culture and how decisions are made in practice.

## Restrictions on security over land and assets attached to land

Most seaport projects in Vietnam operate on government-leased land with annual rental payment. As a result, the land itself cannot be mortgaged; only assets attached to it may be mortgaged to licensed Vietnamese banks. For key equipment such as ship-to-shore (STS) cranes, if classified as assets attached to land, security in favour of foreign lenders is generally not permitted. In practice, foreign lenders have sought to address this constraint by partnering with Vietnamese banks to structure security arrangements, although these structures remain largely untested in Vietnam.

## Port tariffs and fees

Port operators may determine the port tariffs applicable at their ports. However, tariffs for certain services (eg pilotage, wharfage, docking, berthage, container handling and towage) are subject to tariff brackets (ie tariff floor and ceiling thresholds) set by the government. In practice, port operators tend to charge the minimum rates in the tariff brackets to remain competitive. Investors should review the target port's tariff schedule to ensure compliance with the tariff brackets.

Port-related administrative fees (eg tonnage, marine safety assurance, anchoring or berthing fees) are also regulated by the government and are paid by shipping lines or cargo owners to port authorities. In practice, port operators may be asked to collect these fees on behalf of local port authorities.

## Conclusion

Despite a complex regulatory environment, opportunities for port investment in Vietnam remains promising. By understanding local practices, engaging in thorough due diligence and fostering strong relationships with Vietnamese partners, foreign investors can still seek favourable investment opportunities in this sector.

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