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E-commerce attracts foreign investment

Foreign investors made strong investments into Vietnam?s e-commerce industry in 2012, noted Nguyen Thanh Hung, vice chairman of the Vietnam E-commerce Association.

The industry in 2012 recorded the prominent capital contribution of foreign investors in local trading websites such as Wada.vn, Vn.Hao123.com (Baidu) or Tencent (Wechat), Hung said.

Investors came from many nations including Japan, Russia, China and Germany, and foreign direct investment in the e-commerce sector for the first time was bustling in Vietnam last year. In previous years, foreign companies had tended to make indirect investments by buying stakes in local websites such as Cho Dien Tu, Nhom Mua and Vat Gia via venture funds like VinaCapital or IDG.

However, Hung did not have the specific figure of total foreign investment value in the sector.

The vigorous direct foreign investment into the e-commerce industry shows the attractiveness of the local market, he noted.

The strong growth of foreign investment in local e-commerce has a great meaning to the sector?s development, Hung said.

Foreign investors not only pour money into the target companies but also bring management know-hows and modern technologies, he said. Besides, the presence of foreign investors will heat up the competition among industry insiders, thus benefiting local consumers, he clarified.

In the meantime, Hung noticed that investment into e-commerce business was fairly quiet among local companies. He ascribed the modest investment of local firms to their economic woes.
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