

Vietnam Ride-Hailing - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2024 - 2029)

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Abstracts

The Vietnam Ride-Hailing Market size is estimated at USD 0.88 billion in 2024, and is expected to reach USD 2.16 billion by 2029, growing at a CAGR of 19.5% during the forecast period (2024-2029).

With Vietnam's rapidly growing urban population, the lack of public transportation options, and increasing traffic congestion, the demand for private modes of transportation has gone up in recent years. Consumers' increasing preference toward availing private transportation for traveling purposes owing to the rising need for convenience in personal mobility and the growing number of tourists in Vietnam serve as major determinants for the growth of the ride-hailing market in Vietnam.

Additionally, the rise in travel and tourism and the emergence of a young and tech-savvy population have further fueled the adoption of ride-hailing services. Platforms like Xanh SM, Grab, and Gojek are emerging as dominant players in the digital side of Vietnam's ride-hailing market.

Moreover, the ride-hailing and delivery markets are becoming increasingly competitive as increasing smartphone usage fuels demand for digital services. Seeing the demand, industry players are focusing on new service launches and investments to expand their rides, delivery, and digital financial services, as well as new ventures into new markets and segments of the consumer and transportation sectors. For instance:

Key Highlights

In December 2023, Xanh SM officially announced the launch of Xanh Express delivery

service on its Xanh SM application, which is offered through electric motorbikes. The service was deployed simultaneously in five provinces and cities operating the Xanh SM Bike Service.

Vietnam Ride Hailing Market Trends

Passenger Cars will Continue to be the Largest Segment

The growing urban population and increasing disposable incomes have led to a rise in demand for convenient transportation options, particularly among urban commuters and young professionals. Passenger cars offer a comfortable and personalized mode of transportation, catering to the preferences of Vietnamese consumers.

Hatchbacks, sedans, SUVs/MPVs, and luxury cars are the various types of passenger cars offered by the major ride-hailing players in the market. Among them, sedans covered most of the market share in the car-based ride-hailing market in 2023. Additionally, the growing adoption of electric cars across Vietnam positively impacts the ride-hailing market.

In Vietnam, the sales volume of passenger vehicles was about 284 thousand units in 2022. In the same year, total car sales reached about 358 thousand units.

Further, the increasing penetration of smartphones and mobile apps aids consumers in accessing ride-hailing services and booking passenger cars on the go. With just a few taps on their smartphones, passengers can easily hail a ride, track their driver's location in real time, and pay for their trip electronically. This enhances the overall convenience and accessibility of ride-hailing services.

In 2023, Vietnam's internet coverage reached nearly 80%. Internet usage in Vietnam is predominantly mobile-based, with a high smartphone penetration rate.

Moreover, the rapid expansion of green mobility across the country and demand for ride-hailing services are likely to boost the market's growth during the forecast period. Several players in the country are establishing various business strategies to cater to market shares. For instance:

In October 2023, the GSM Green and Smart Mobility JSC company from Vietnam brought 150 VinFast electric vehicles to penetrate the Lao market, laying the groundwork for launching its electric taxi service under the brand Xanh SM.

With the factors mentioned above, the passenger cars segment is expected to observe major growth during the forecast period.

Ho Chi Minh City was the Largest Market for Ride-hailing in Vietnam

Over the past decade, app-based driving services like ride-hailing and delivery have become integral to business, employment, and daily life in Ho Chi Minh City. The city has the largest population in Vietnam, which offers a significant consumer base for ride-hailing companies.

The city is witnessing a significant growth in traffic congestion. According to the Office of the National Traffic Safety Committee, traffic jams cause a loss of around USD 6 billion in Ho Chi Minh City each year. Moreover, the city's population is anticipated to grow considerably during the forecast period. The city is also expected to witness a significant growth in internet connectivity due to the increasing population. For instance,

In 2022, according to the General Statistics Office of Vietnam, the average population in Ho Chi Minh City amounted to approximately 9.38 million people. The Department of Information and Communication estimates that by 2025, 90% of the population will have broadband internet connectivity in Ho Chi Minh City. Internet penetration in the country will have a subsequent positive impact on ride-hailing services over the forecast period.

The government in the country is encouraging the adoption of electric vehicles, which is a pivotal measure to combat transport challenges. The government also aims to reduce greenhouse gas emissions, alleviate traffic congestion, and improve overall urban living conditions. These efforts mitigate the effects of climate change and create a conducive environment for expanding ride-hailing services in the city.

VinFast, a company listed on the Nasdaq, is actively promoting the adoption of electric vehicles (EVs) within Vietnamese ride-hailing industry. VinFast offers discounts and no-interest loans on electric motorbikes to boost EV usage. However, investors are scrutinizing the company's ability to scale up its EV shipments and achieve profitability amid these initiatives.

Based on such instances, the Ho Chi Minh City segment of the market studied is likely to dominate the market during the forecast period.

Vietnam Ride-hailing Industry Overview

The Vietnamese ride-hailing market is moderately consolidated, with players like Grab Holdings Inc., Xanh SM (GSM JSC), Be Group JSC, Go-Viet, and FastGo in Vietnam. The greatest threat to Grab Holdings Inc. in the future may come from Xanh SM, Vietnam's first-ever pure electric taxi company. Xanh SM has been aggressively expanding its market foothold due to its strong partnership growth. The company has partnered with several taxi firms across Vietnam, including Lado Taxi, S?n Nam, Thanh Ha Transport, ASV Airport Taxi, En Vang, and Taxi Xanh Sapa.

Several players in the market studied are engaged in mergers, strategic partnerships, and new product and service launches to stay ahead of the competition. For instance:

In July 2023, Grab Holdings declared its intention to acquire the entire shareholding of Trans-cab Holdings. This acquisition, encompassing Trans-cab's taxi and car rental operations, maintenance workshop, and fuel pump activities, was executed through Grab's subsidiary.

Additional Benefits:

The market estimate (ME) sheet in Excel format

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