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Merger dan Acquisition in Vietnam: Impact on Wealth, Quality of Governance, and Policy Implications in Emerging Markets

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ABSTRACT

Purpose: *This study aims to understand the impact of mergers and acquisitions (M&A) in Vietnam, with a particular focus on the differences between acquiring and target firms. It also considers institutional, regulatory, and macroeconomic variables that may influence the outcomes.*

Method: *The study analysed twenty relevant articles published between 2015 and 2025 using a descriptive-analytical literature review method. These articles were assessed comparatively and thematically to identify elements, differences, and variables influencing the wealth effects of M&A in Vietnam.*

Findings: *The study reveals that due to acquisition premiums, target shareholders often experience unusually positive returns, while acquiring shareholders tend to see neutral or negative returns—supporting agency theory. Moderating factors include foreign investors, information asymmetry, regulatory uncertainty, and transaction characteristics such as deal size and cross-border nature.*

Implication: *To improve M&A outcomes in emerging markets, better corporate governance, clearer regulations, and greater market transparency are essential. Practitioners also recommend that policymakers prioritize macroeconomic stabilization and investor protection mechanisms, while emphasizing post-merger integration and thorough due diligence.*

Originality: *This study integrates various theoretical perspectives and highlights underexplored areas such as institutional quality and asymmetric market efficiency. It also provides a recent literature synthesis on the wealth effects of M&A in Vietnam.*

Keywords: *Mergers and Acquisitions, Corporate Management, Wealth Effect, Emerging Markets*

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1. INTRODUCTION

Many companies adopt mergers and acquisitions (M&A) strategies to expand markets, improve operational efficiency, and create added value for shareholders. In financial literature, the wealth effect of M&A is a key metric to assess how effectively such operations generate financial benefits for acquiring and target firms. Global studies indicate that M&A impacts are not uniform—target firm shareholders often gain more than those of the acquiring firms (Fahlevi et al., 2025).

M&A activity in Vietnam has increased alongside economic reforms, international trade liberalization, and state-owned enterprise privatization. Vietnam's accession to the WTO and various free trade agreements (FTAs) has attracted foreign investment, further intensifying M&A dynamics (Hoang et al., 2025). However, research findings on M&A's wealth effects in Vietnam remain inconsistent. While some studies suggest foreign acquisitions yield abnormal gains for target firms, others highlight negative effects due to unclear regulations, synergy ambiguity, or poor governance.

The diversity of findings suggests that M&A wealth effects in Vietnam cannot be generalized. Financial institutions, capital market stability, and transaction characteristics all present unique contextual challenges (Ma et al., 2012). Moreover, understanding how M&A transactions contribute to sustainable business practices is crucial. Agreements that prioritize sustainability can enhance management, promote long-term efficiency, and create greater social value.

Therefore, this study aims to review various studies on M&A wealth effects in Vietnam to provide a more comprehensive understanding of their impact on firm value. It also explores how M&A activity can contribute to sustainable economic growth in emerging markets—positioning M&A not just as a business expansion strategy, but as a step toward more stable, transparent, and competitive economic development.

2. LITERATURE REVIEW

2.1. Overview of the Literature

Many companies adopt merger and acquisition (M&A) strategies to expand markets, improve operational efficiency, and create added value for shareholders. The wealth effect—also known as "wealth impact"—is a key indicator in financial literature to assess how M&A activities benefit acquiring and target firms. Since stock prices reflect investor expectations regarding synergy prospects and post-merger performance, wealth effects are typically measured through abnormal returns during the transaction announcement period (Khoa Bui et al., 2025).

According to synergy theory, M&A can create a combined value greater than the sum of the individual firms' pre-merger values (Tarigan & Michelle, 2022). However, empirical findings show that this impact is not always symmetrical. Target firm shareholders typically gain significantly from acquisition premiums, while acquiring firm shareholders often experience minimal, neutral, or even negative effects. Agency theory, which emphasizes that managerial decisions in acquisitions may not align with shareholder interests, and information asymmetry theory, which highlights unequal access to financial and strategic data between acquirer and target, both support this phenomenon.

Globally, a study by Pham et al. (2024) examined the impact of the EU-Vietnam Free Trade Agreement (EVFTA) announcement on Vietnam's stock market from 2010 to 2020. They found that over 50% of sectors responded directly to the EVFTA announcement, with 14 sectors reacting negatively and only 6 positively. This suggests that Vietnam's stock market is highly sensitive to external news, and international integration can trigger investor uncertainty and skepticism—similar to cross-border M&A transactions, where investors often respond cautiously to perceived risks.

More specifically, Nguyen (2025) investigated 847 cross-border M&A announcements involving Vietnamese public companies from 2005 to 2017. He found asymmetric patterns in market efficiency. Cross-border M&A announcements generated more uncertainty than domestic deals. Market responses varied based on deal size, acquirer origin, and target firm characteristics. This study shows that Vietnam's capital market is less effective in processing M&A data, making wealth effects highly dependent on internal and external factors.

2.2. Relevant Theories

Several theoretical frameworks explain M&A phenomena. Synergy theory posits that the combined value of two firms post-merger should exceed their individual pre-merger values. Synergies may arise from cost savings, increased market power, and resource optimization. For example, partnerships with foreign firms offering technological advantages can benefit local businesses with strong distribution networks. However, not all M&A transactions yield effective synergies (Carril-Caccia, 2025).

Agency theory suggests that managerial interests often influence M&A decisions, which may not align with shareholder goals. Managers may pursue acquisitions to boost personal influence, increase compensation, or follow industry trends—sometimes leading to suboptimal decisions (Tarigan & Michelle, 2022).

Information asymmetry theory argues that one party typically holds more complete information about financial conditions, prospects, and risks in an M&A transaction. This imbalance can lead to mispricing and lost potential gains for one side.

2.3. Global Research Findings

Worldwide studies on M&A's impact on shareholder wealth reveal consistent patterns. Acquiring firm shareholders often gain little or even lose value, while target firm shareholders typically benefit from acquisition premiums. These findings align with synergy theory and agency theory, which explain the need for premiums and the potential misalignment of managerial incentives.

Cross-country research also shows that operational synergy is not the only factor influencing capital market reactions to M&A announcements. Institutional conditions, economic openness, and regulatory systems significantly shape market responses. For instance, Pham et al. (2024) found that Vietnam's stock market reacted negatively to the EVFTA announcement, suggesting that increased trade openness and international integration may cause short-term uncertainty rather than immediate benefits. These findings highlight that market reactions to M&A are context-dependent and influenced by external factors such as policy stability, investor confidence, and legal protection mechanisms.

2.4. Research Gap

Divergent findings across studies indicate that M&A wealth effects in Vietnam cannot be generalized. Institutional factors—such as capital market transparency and investor legal protection—play a crucial role in shaping M&A outcomes. Additionally, transaction characteristics like cross-border nature, firm size, and industry sector are key moderating variables. This study contributes by reviewing existing literature and re-examining whether M&A activity in Vietnam truly creates shareholder value, and how the effects differ between acquiring and target firms.

3. RESEARCH METHOD

3.1. Research Design

This study adopts a descriptive-analytical literature review approach. The choice of this method aligns with the primary objective of the research: to critically examine various studies discussing the wealth effects of mergers and acquisitions (M&A), with a specific focus on Vietnam as an emerging market (Ridwan et al., 2021). The literature review approach enables the researchers to:

a) Identify existing research findings on M&A in both global and Vietnamese markets
b) Analyze previous studies comparatively to uncover similarities, differences, and emerging trends
c) Synthesize information to gain a more comprehensive understanding of M&A's impact on shareholder wealth
d) Reveal research gaps that remain open for future investigation

Thus, this method is relevant to the research question, which emphasizes "how wealth effects of M&A are formed in emerging markets like Vietnam and what factors influence them." As emphasized by Ridwan et al. (2021), a literature review is not merely a summary—it also analyzes patterns, methodological differences, and the contributions of previous studies.

3.2. Literature Selection and Acquisition

The literature selection process was conducted systematically by searching academic articles through online databases, particularly Google Scholar and ResearchGate, which provide access to reputable international and national publications. To ensure the relevance of the study, the researchers established several inclusion criteria: articles must have been published between 2015 and 2025, contain key terms such as "Wealth Effects," "M&A," and "Merger & Acquisition," and substantively discuss the impact of M&A on capital markets, firm value, or shareholder wealth.

Table 1. Number of Literature Search Results

Database	Observation Date	Period	Keywords	Total
Google Scholar and ResearchGate	14 September 2025	2015 - 2025	Merger & Acquisition, M&A, Wealth Effects	30
	24 September 2025	2015 - 2025	Eliminate articles that are not on topic/keyword	10
		Total Article		20

Source: Previous Research

Articles identified in the initial search were further screened by reviewing their titles, abstracts, methodologies, and main findings to ensure alignment with the research focus. As a result of this filtering process, 40 articles met the eligibility criteria. These selected articles were then analysed in depth to identify their contributions, key findings, and limitations. These articles formed the foundation for the literature review, comparative analysis, and hypothesis development in this study. The final selection yielded 20 articles that met all criteria (see Table 1). These articles were thoroughly reviewed and analyzed to serve as the basis for answering the research questions.

3.3. Data Analysis Technique

Data analysis in this study was conducted using thematic and comparative approaches on the selected articles. The first stage involved categorization—grouping the literature based on research scope (global or Vietnam), type of M&A transaction (domestic or cross-border), and analytical methods used. This was followed by content analysis, examining research objectives, methodologies, key findings, and influencing factors such as capital market conditions, regulations, and the role of foreign investors.

The results of this analysis were then compared to identify similarities, differences, and trends in studies related to M&A wealth effects. This synthesis provided a comprehensive picture of the consistency and inconsistency in previous findings. From this synthesis, research gaps were identified—for example, the lack of studies emphasizing institutional factors and the characteristics of emerging markets. These findings formed the basis for hypothesis formulation and contributed to both theoretical and practical understanding of M&A phenomena in Vietnam.

4. RESULTS AND DISCUSSION

4.1. Results

A summary of the 20 articles that met the criteria is outlined in Table 2.

Table 2. Summary of Articles on Merger and Acquisition in Vietnam.

No.	Title and Author	Results
1	The Effect of Partial Merger & Acquisition Activities on Target Firm's Performance: A Case Study from Banking and Finance Industry in Vietnam. Cao Thi Huyen Trang, Dang Ngoc Hung, Nguyen Thi Thu Thuy, Vu Viet Thang, Le Quoc Huy, and Chi Thi Huyen. (2016).	This paper examines twenty-five partial M&A transactions in Vietnam's banking and financial sector from 2005 to 2013. The results show that regulatory restrictions led to the majority of transactions being partial acquisitions. However, contrary to theoretical predictions, partial acquisitions negatively impacted the performance of target companies, as indicated by a decline in ROE, ROA, and EPS. This suggests that, although the purpose of partial M&A in Vietnam is often based on a desire to cooperate and support each other, the non-controlling ownership structure makes the impact on target company performance less than ideal, and may even be detrimental.
2	Impact of Mergers and Acquisitions on the Financial Performance of Vietnamese Firms. Cao Thi Huyen Trang, Dang Ngoc Hung, Nguyen Thi Thu Thuy, Vu Viet Thang, Le Quoc Huy, and Chi Thi Huyen. (2024).	The study found that economic sanctions reduced bilateral M&A: from the sanctioning country to the sanctioned country by 13.5%, and vice versa by 11%. The impact was strongest in the third to sixth years, particularly if sanctions were imposed by coalitions, between lower-middle-income countries, and covered trade, finance, and travel, with declines of up to 55–76%. After sanctions were lifted, M&A returned to normal. These findings confirm that broad, collective sanctions have the strongest negative effect on M&A.
3	Serial Acquisitions: A Case Study of Saigon - Hanoi Commercial Joint Stock Bank. Nguyen Thu Thuy & Ha Thi Huyen Ngoc (2017).	This paper examines the serial acquisition strategy undertaken by Saigon–Hanoi Commercial Joint Stock Bank (SHB). The results show that SHB's acquisition process aligns with recognized successful acquisition practices in the literature. SHB can learn from previous acquisition experiences and from other companies, enabling the serial acquisition strategy to not only expand its business scale but also enhance its long-term competitiveness. Despite its inherent risks, this strategy is considered effective for rapid growth when supported by appropriate target selection and systematic acquisition experience management.
4	Drivers of Merger and Acquisition Activities in Vietnam: Insights from Targets' Perspectives and Deal Characteristics	This study examined 674 M&A transactions and demonstrated the role of corporate governance and transaction characteristics. The likelihood of a full acquisition tends to be reduced by an independent board and CEO quality, while success is enhanced by substantial blockholder ownership. Voluntary agreements are

No.	Title and Author	Results
	Khoa Bui, Tu Le, and Thanh Ngo (2025).	crucial for a smooth transaction.
5	Macroeconomic factors affecting merger and acquisition activity in Vietnam Quyet Nguyen (2022).	This article analyzes the macroeconomic factors influencing M&A activity in Vietnam using quantitative methods. The results show that in the long run, M&A is influenced by money supply, economic growth, and political risk. Meanwhile, in the short run, factors such as tax burden and institutional and regulatory quality are more dominant. These findings emphasize that political stability, a clear legal framework, and a healthy economic climate are essential prerequisites for M&A growth in Vietnam.
6	Control of Emerging-Market Target, Abnormal Stock Return: Evidence in Vietnam Quyen Van & Vy Tran (2023)	This study finds that acquisitions of Vietnamese companies by firms from developed countries provide significant benefits to the acquirer's shareholders. The transfer of control to foreign parties, particularly from developed markets, generates measurable positive abnormal returns. This suggests that firms from developed countries can create greater value by leveraging their managerial and technological advantages when entering emerging markets like Vietnam.
7	Mergers and Acquisitions Activities in Vietnam Consumer Goods Sector 2000 – 2022 and The Role of Advisors Minh-Ha Luong, Thanh Trung Nguyen (2024)	After Vietnam joined the WTO in 2007, the consumer goods sector saw a surge in M&A transactions. However, domestic companies still dominate small- to medium-sized transactions. Share purchases and acquisitions are common examples, while other types of transactions, such as mergers or spin-offs, are rare. Furthermore, the role of consultants in M&A transactions in this sector remains largely limited to large-value deals. The main obstacle to M&A development in Vietnam stems from stringent regulations, necessitating policy relaxation and a more conducive legal environment for successful transactions.
8	Asymmetric Market Efficiency in Vietnam's Emerging Capital Markets: Panel Data Evidence from Cross-Border M&A Announcement Effects on Stock Volatility Dynamics Emily Nguyen (2025).	This study examines how cross-border M&A announcements impact the Vietnamese capital market. The results show that, compared to domestic transactions, there is increased stock volatility. Market reactions vary depending on the acquirer's country of origin, transaction size, and the method used. This volatility persists over time, suggesting that the Vietnamese market has not yet fully utilized all information.
9	The effects of information disclosure regulation on stock markets: Evidence from Vietnam Trang Cam Hoang, Huy Phamb, Vikash Ramiahc, Imad Moosad, Danh Vinh Lea (2020).	This study examines how a series of events impact disclosure regulations at the sectoral and firm levels in emerging markets, discusses a series of important disclosure regulations in the Vietnamese stock market, and analyzes the reactions of sectoral firms compared to the reactions of the two largest stock exchanges in Vietnam. The results of this study indicate that if sectoral firms in Vietnam have anticipated the presence of regulatory parts in disclosure regulations, sectoral reactions are found to tend to be negative in the short period before the regulatory event which is inversely proportional to the post-regulatory event reactions which tend to be positive, while it is found that the reactions between the two largest Vietnamese stock markets Hanoi Stock Exchange (HOSE) and Ho Chi Minh Stock Exchange (HNX) show different reactions, in addition to changes in short-term systematic risk within the sectoral scope.
10	Mergers and acquisitions: CEO duality, operating performance, and stock returns in Vietnam Nga Pham, K.B. Oha, Richard Pech (2015).	This study uses data from 2005–2012 to investigate the causes and impacts of mergers and acquisitions (M&A) in Vietnam. The findings indicate that Vietnamese firms typically undertake M&A to expand their markets, enhance business diversification, and improve operational efficiency. However, the impact of M&A announcements on the acquiring firm is small and insignificant. This aligns with global findings that target shareholders typically generate greater returns than acquirer shareholders. Overall, this study suggests that M&A in Vietnam generates greater returns for the target firm. A domestic market strategy must be developed and implemented to be successful.
11	Wealth Effects of Bank Mergers	Data from seven countries, from 1998 to 2005, is used to examine

No.	Title and Author	Results
	and Acquisitions in Asian Emerging Markets Jianyu Ma, Jose A. Pagan, Yun Chu (2012).	how bank mergers and acquisitions (M&As) impact emerging Asian markets. The study uses different specifications for M&As (between banks with similar activities) and diversified M&As (between banks with different activities). The results show that bank M&A announcements generally result in positive cumulative abnormal returns (CAR) in the long term. Furthermore, bank size influences abnormal returns, albeit insignificantly, as larger banks tend to experience less market reaction than smaller banks. Overall, the study suggests that Asian markets do not clearly differentiate between types of bank M&As and that the resulting gains are smaller than in non-financial industries.
12	Vietnam Inbound M&A Activity: The Role of Government Policy and Regulatory Environment Hosseini, Thu & Trang (2017).	Two major waves of M&A transactions entered Vietnam: (2008–2013 and 2014–2018), each with a total transaction value of approximately US$15–20 billion. The study indicates that two main factors driving this were legal reform and the state-owned enterprise privatization (equitization) program. Economic openness (WTO, FTA) and multinational investment were also linked in this study. While the article provides a basis for further research, it does not assess the financial impact of M&A on national economic performance or company valuation.
13	The Impact of Policy Uncertainty on Stock Liquidity in Vietnam's MA Market Dang Huu Man & Nguyen Manh Toan (2023)	Research shows that policy uncertainty reduces the liquidity of target companies' shares in Vietnam's mergers and acquisitions market. Uncertainty breeds market skepticism, increases the risk of transaction failure, and reduces liquidity. During this period of uncertainty, companies are advised to increase information transparency.
14	Synergies in Merger Acquisition: A Case Study of SMEs in Vietnam Bui Hong Diep & Tung Tran Anh (2020).	Based on data on the performance of Vietnamese small and medium enterprises (SMEs) before and after mergers, it was found that only two of the eleven key performance indicators improved, six remained stable, and three declined. M&A outcomes fell short of expectations due to the lack of tangible synergy measures before and after the merger. For M&A success, it is crucial to establish cross-functional teams and focus on back-office processes, distribution, purchase consolidation, and excess position synergies.
15	Impact of Partial MA Deals on the Performance of Target Firms in the Banking and Finance Industry in Vietnam Cao Kien, Le Thai Phong, Anh TTK (2016).	According to a study of 25 partial M&A transactions in Vietnam's banking and financial industry, the profitability (ROE, ROA, and EPS) of target companies declined significantly after acquisition. Due to regulatory restrictions, most transactions were conducted collaboratively rather than through foreign domination. Conversely, foreign investor participation gradually improved the financial performance and cooperation of target companies. For M&A to yield significant benefits, participants should strengthen synergy strategies and prepare for integration.
16	Information environment and strategy of mergers and acquisitions: Evidence from Vietnamese companies' deals Nguyen Thi Hong Nham, Vu Thang Thinh, and Duong Nu Quy Dan (2024)	In the Vietnamese M&A market, this paper investigates the relationship between acquirers' strategic decisions and target firms' internal information. Using data from 674 M&A transactions (2005–2020), the study finds that the clearer the target firm's internal information, the more likely the acquirer is to acquire a majority stake. Furthermore, highly transparent targets are more likely to be selected by foreign acquirers. These results suggest that information quality, such as financial statement disclosure and stock liquidity, is crucial for strategic decision-making and successful acquisitions. Furthermore, these findings encourage companies and regulators to increase transparency to boost investor confidence.
17	Domestic and cross-border effect of acquisition announcements: A short-term study for developed and emerging countries Florian Ottoa, Joelson Oliveira Sampaiob, Vinicius Augusto Brunassi Silvac (2020).	This study examines how acquisition announcements affect firm value in developed and developing countries. Using data from 624 acquisition announcements from 14 countries from 1997 to 2015, the study finds that acquisition announcements typically provide superior short-term returns. In developed countries, domestic acquisitions generate more profits than cross-border acquisitions; however, in developing countries, cross-border acquisitions tend to decrease firm value. Results are also influenced by the quality

No.	Title and Author	Results
		of the acquired country's institutions; buying into countries with weak institutions is profitable, while buying into countries with strong institutions is less profitable. Overall, the results indicate that the impact of M&A is significantly influenced by the market context and institutional elements; this finding contradicts the common belief that shareholders suffer losses as a result of acquisitions.
18	When the Poor Buy the Rich: New Evidence on Wealth Effects of Cross-Border Acquisitions Hong-Hai Ho, Thi-Hanh Vu, Ngoc-Tien Dao, Manh-Tung Ho, and Quan-Hoang Vuong (2019).	The impact of cross-border acquisitions of emerging market firms into developed countries is the focus of this study. Results generated using propensity score matching and difference-in-differences methods on data from 1990–2010 indicate that cross-border acquisitions tend to negatively impact shareholders welfare of acquired firms from developing countries. This finding contradicts some literature that emphasizes the positive effects of M&A and suggests that factors such as payment method, acquisition experience, and ownership structure are not sufficient to mitigate the negative effects. In short, when "poor firms buy rich ones" expand, the value of shareholders' investments in emerging markets may be threatened.
19	M&A Advisors in Vietnam Emerging Market 2000 – 2022 Minh-Ha Luong (2023).	Local consultants are very limited, and foreign firms dominate Vietnam's M&A advisory services. Due to complex regulations, only 10% of the thousands of transactions from 2000–2022 involved external consultants. While key obstacles include limited experience, legal risks, and an inefficient market, there is significant opportunity for the future growth of local consultants.
20	The effects of free trade agreements on the stock market: Evidence from Vietnam Huy Pham, Priyantha Mudalige, Hanh Le, Mai Bui, Van Nguyen, Vikash Ramiah, Tuan Chu, Tuan Hung Vu (2024).	This paper evaluates the Vietnamese stock market's reaction to several announcements related to the EU-Vietnam Free Trade Agreement (EVFTA), which will run from 2010 to 2020. Using event study methods and abnormal return measurements, the authors found that most stock market sectors showed negative reactions when news of the EVFTA emerged. This is despite the fact that theoretically, free trade agreements are expected to bring economic benefits. The results indicate that investors were more skeptical due to concerns about new risks, foreign competition, and implementation uncertainty. While some sectors did benefit, these were fewer than those negatively impacted. This study suggests that the capital market does not automatically interpret trade policies as good news, and that risk factors and investor perceptions play a significant role in determining market reactions.

Source: Previous Research – Authors' Summary

4.2. Discussion

Based on Table 2, studies on M&A wealth effects in Vietnam reveal complex dynamics (Figure 1). As an emerging market with evolving regulations, Vietnam presents a unique context for understanding M&A impacts. Nguyen's (2025) study of 847 cross-border M&A announcements involving Vietnamese public firms (2005–2017) found asymmetric market efficiency. Cross-border deals triggered abnormal volatility far greater than domestic transactions. Market reactions were strongly influenced by deal characteristics such as acquirer origin, transaction size, and target firm profile. These findings suggest Vietnam's capital market is not fully efficient in processing M&A information, leading to asymmetric investor responses.

Furthermore, Nguyen (2025) emphasized that foreign investors significantly affect market dynamics, though not always positively. Their presence may spark optimism due to expectations of technology transfer and improved governance, but also heightens uncertainty due to regulatory ambiguity, cultural differences, and limited transparency. This aligns with Pham et al. (2024), who found Vietnam's stock market highly vulnerable to external announcements, such as international trade agreements, which often trigger negative sectoral responses.

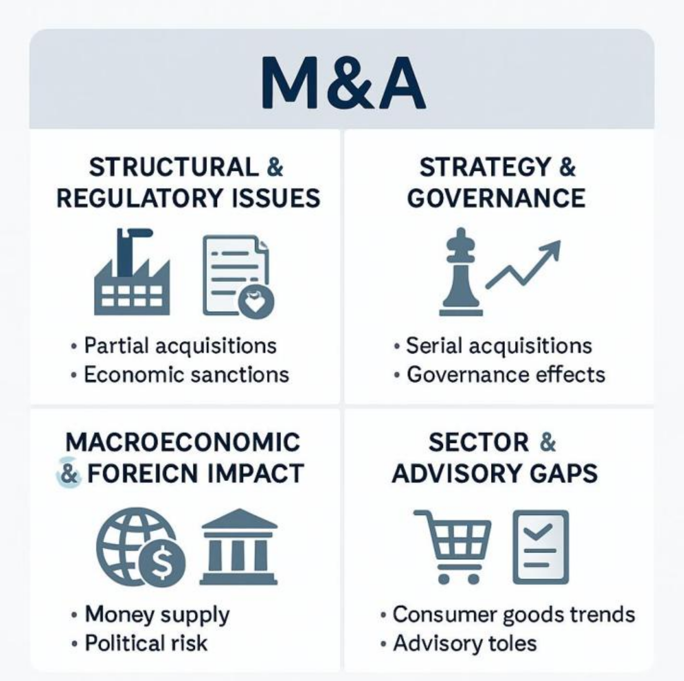

Figure 1. Factors of M&A in Vietnam
Source: Google Gemini AI (2025)

Combining both studies, it's clear that M&A wealth effects in Vietnam are not uniform. Regulatory uncertainty, poor corporate governance, and market volatility make M&A outcomes highly dependent on transaction specifics and investor profiles. Therefore, generalizing M&A's positive or negative impact in Vietnam requires caution and contextual understanding of institutional and capital market characteristics.

Wealth Effect on Target Firms

Most studies support the notion that shareholders of target firms experience abnormal gains following M&A announcements. This phenomenon aligns with synergy theory, where anticipated market synergies increase the valuation of the target firm. Additionally, the acquisition premium offered by the acquiring firm reflects the necessity for target shareholders to be compensated in order to approve the transaction.

However, different outcomes were found in partial acquisitions within the banking and finance sector (Cao Dinh Kien et al., 2016). Post-transaction, ROE, ROA, and EPS declined, indicating that minority ownership does not provide effective control and fails to enhance performance. This suggests that not all types of M&A are beneficial; control mechanisms and ownership structures are critical to ensuring value creation.

Impact on Acquiring Firms

Market reactions to acquiring firms tend to be small, neutral, or negative—especially in complex cross-border transactions. These results support Agency Theory, which emphasizes that M&A decisions are sometimes driven by managerial interests rather than shareholder value creation.

The case of "when the poor buy the rich" (Minh-Ha, 2023) illustrates the risks when firms from developing countries acquire companies from developed nations. Concerns over financial burden, cross-cultural integration risks, and potential synergy failure lead to negative market responses. This underscores the importance of thorough feasibility analysis and financing strategy before undertaking cross-border acquisitions.

Macroeconomic and Regulatory Factors

Quyet (2022) found that political stability, economic growth, and money supply positively influence M&A volume in the long term. Conversely, policy uncertainty and poor institutional quality hinder transactions. When governments tighten regulations or maintain unclear policies, target stock liquidity declines (Dang & Toan, 2023), increasing the risk of deal failure.

From a capital market perspective, Emily Nguyen (2025) identified asymmetric market efficiency, indicating that Vietnam's market is not yet fully capable of processing information quickly and rationally. High stock volatility following M&A announcements reflects information asymmetry.

Role of Foreign Investors and Global Integration

Vietnam's M&A market is heavily influenced by foreign investors. On one hand, they generate positive expectations due to anticipated improvements in governance, capital inflow, and technology transfer. Quyen Van (2023) even found that acquirers from developed countries received abnormal gains.

However, other studies by Hoang et al. (2020) revealed that rising risk perceptions and foreign competition can lead to adverse reactions. Trade liberalization and international agreements may trigger market unease. In other words, the market responds cautiously to M&A news involving foreign parties, highlighting the need for policies that clarify legal frameworks and protect investors to reduce uncertainty.

Governance, Transparency, and Information Quality

It is evident that M&A success depends on corporate governance quality and information transparency. Transactions involving highly transparent targets are more likely to result in majority ownership by acquirers and receive positive market responses (Nham et al., 2024). This underscores the importance of reducing information asymmetry to achieve expected synergies.

Overall, findings from this literature synthesis show that the economic value of a transaction is not the sole determinant of M&A success in Vietnam. Governance quality, information transparency, macroeconomic stability, and organizational readiness for post-merger integration also play vital roles. These insights provide a strong foundation for the theoretical, practical, and policy recommendations.

5. CONCLUSION

Based on the analysis and discussion, it can be concluded that the patterns of mergers and acquisitions (M&A) in Vietnam are highly diverse and influenced by transaction context, corporate governance quality, regulatory frameworks, and macroeconomic conditions. Most studies support the notion that shareholders of target firms gain abnormal returns, while shareholders of acquiring firms tend to receive modest or even negative effects—especially in high-risk or partial acquisitions.

Furthermore, previous research indicates that policy uncertainty and limited transparency are major obstacles that lead to long-term market volatility or adverse reactions. In contrast, transactions conducted with high information transparency, well-planned post-merger integration, and consistent regulatory support tend to yield better outcomes.

5.1. Implications

Theoretical Implications

This study confirms that Synergy Theory remains relevant in explaining the abnormal positive returns for target firms, while Agency Theory helps clarify the neutral or negative outcomes for acquirers. Additionally, the findings reinforce Information Asymmetry Theory, as information quality proves to be a key factor influencing market reactions to M&A announcements. The study also contributes recent evidence (2015–2025) that comprehensively illustrates the wealth effect patterns of M&A in emerging markets.

Practical Implications

The results highlight several critical considerations for companies, emphasizing the importance of conducting thorough assessments to ensure strategic fit and synergy potential, developing clear post-merger integration plans to fully realize the benefits of mergers and acquisitions, and avoiding acquisitions driven solely by expansion motives that lack a focus on long-term value creation.

These findings suggest that investors should perform deep analysis before reacting to M&A announcements, considering governance quality, acquirer origin, and industry sector. There is also significant opportunity for consultants and practitioners to offer professional guidance that makes M&A transactions more targeted and reduces failure risk.

Policy Implications
This research encourages policymakers and regulators to improve transparency in Vietnam's capital markets while simplifying M&A approval processes to ensure legal certainty and strengthen protections for minority investors. Additionally, it highlights the importance of enhancing macroeconomic stability to foster a favorable investment climate for M&A activity. By addressing these key areas, policymakers can create a more robust environment that supports sustainable growth and attracts investment.

5.2. Limitations
While this study provides a comprehensive overview of mergers and acquisitions (M&A) in Vietnam, it is not without limitations. As a literature review, its findings are inherently dependent on the quality, depth, and methodological rigor of the selected articles. The absence of direct empirical testing means that the conclusions drawn are interpretive and based on secondary analysis rather than firsthand data.

Additionally, the geographic scope of the study is limited to Vietnam, which presents a unique institutional and regulatory context. As such, caution should be exercised when attempting to generalize these findings to other emerging markets, where legal frameworks, investor behavior, and market maturity may differ significantly.

Another limitation lies in the temporal scope of the data. Most of the reviewed literature is based on studies conducted before 2023, which may not fully capture the evolving dynamics of the post-pandemic economy, recent legal reforms, or shifting geopolitical conditions. These factors could significantly influence M&A trends and outcomes, suggesting the need for ongoing research that reflects more current developments.

Abbreviations
M&A: Merger & Acquisition, FTA: Free Trade Agreement, WTO: World Trade Organization, EVTA: European Union-Vietnam Free Trade Agreement, BUMN: Badan Usaha Milik Negara, ROE: Return on Equity, ROA: Return on Assets, EPS: Earnings per Share, CAR: Cumulative Abnormal Return.

Authors' contribution
Each author contributed equally to the research and writing the manuscript.

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