

Amazon denies unfair seller policy as it aims to expand in Vietnam

E-commerce giant to promote shipping service under scrutiny elsewhere

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HO CHI MINH CITY -- Amazon does not favor merchants that use its shipping service, said the company's director in Vietnam, one of the U.S. e-commerce giant's fast-growing markets for its third-party seller business.

The company was addressing concerns that have been raised by competition regulators elsewhere, who say merchants receive preferential treatment, such as higher page rankings, if they choose Fulfillment by Amazon (FBA) over other logistics options.

"Delivery is not the only deciding factor, there can be many more," said Gijae Seong, head of Amazon Global Selling in Vietnam, adding that search result rankings are affected by products' relevance, popularity, reviews and other criteria.

"It's not about FBA, it's about: 'What is it that you provide to the customer?'" Seong told reporters in a video call Tuesday.

Italy's antitrust agency fined Amazon last week for unfairly promoting FBA, a decision the company said it would appeal.

In Vietnam, Amazon and Alibaba work closely with the government to recruit businesses to export through their respective marketplaces. The country is already a manufacturing and exporting powerhouse, a trait that the e-commerce rivals are leveraging to bring more small businesses online.

Amazon's growth strategy for next year includes promoting its fulfillment service to Vietnamese vendors and giving them training, such as YouTube tutorials, Seong said. The company said growth in Vietnam is higher than in Indonesia, Thailand, Malaysia and the Philippines, but did not specify whether that growth refers to sales or the number of vendors.

"Made in Vietnam" exports rose 48% in the year through Aug. 31 for Vietnam's small and midsize companies on Amazon, the retailer said. The top-selling categories were home, kitchen, apparel, and health and personal care products.

While Vietnam's factories cranked out items for online shoppers in the U.S. and Europe as they were stuck in lockdown, Amazon does not have a local site dedicated to Vietnamese consumers. The Seattle-based tech company entered Southeast Asia's e-commerce market with the launch of amazon.sg in 2019, but "unfortunately there's no clear road map" on when it will expand beyond Singapore, Seong said.

China's Alibaba operates in Vietnam already with Lazada. Amazon and Alibaba also compete for the region's cloud services business.