# ADVANCING GREEN LOGISTICS IN VIETNAM IN THE DIGITAL ERA: CHALLENGES AND OPPORTUNITIES

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**Abstract:** ***Green logistics has become a central pillar of sustainable development strategies as countries seek to balance economic growth with environmental protection amid increasing trade volumes and climate change pressures. In Vietnam, the rapid expansion of manufacturing, international trade, and e-commerce has intensified logistics activities, leading to rising energy consumption, greenhouse gas emissions, and environmental externalities. Digital technologies are increasingly regarded as critical enablers for the development of green logistics systems. The study adopts a qualitative, mechanism-based approach, synthesizing secondary data from policy documents, academic literature, industry reports, and international comparative evidence. The analysis focuses on key mechanisms through which digitalization supports green logistics, including transportation optimization, real-time monitoring of emissions and energy use, enhanced coordination across supply chain actors, and improved transparency for environmental governance. The findings indicate that digital technologies such as big data analytics, Internet of Things (IoT) applications, digital logistics platforms, and intelligent transport systems facilitate green logistics development by reducing fuel consumption, lowering emissions, and improving logistics efficiency (Blanco et al., 2017; Bartsch et al., 2021). However, the effectiveness of digitalization depends substantially on institutional readiness, data standardization, regulatory incentives, and human resource capacity. By providing insights from an emerging economy context, this study contributes to the literature on green logistics and offers policy-relevant implications for promoting sustainable logistics development in Vietnam.***

• Keywords: *green logistics; digitalization; sustainable supply chains; institutional capacity; public policy.*

*Date of receipt: 25th Oct., 2025*
*Date of receipt revision: 20th Dec., 2025*
*Date of delivery revision: 04th Dec., 2025*
*Date of approval: 23th Jan., 2026*

*DOI: https://doi.org/10.71374/jfar.v26.i1.27*

## 1. Introduction

Logistics plays a critical role in supporting economic growth, international trade, and regional integration. Efficient logistics systems reduce transaction costs, enhance supply chain reliability, and improve national competitiveness. However, logistics activities are also a major source of environmental externalities, including greenhouse gas emissions, air pollution, noise, and excessive energy consumption. Globally, the transportation and logistics sector accounts for a significant share of carbon emissions, making it a focal point in national and international climate policies.

Vietnam has experienced rapid economic growth and deep integration into global value chains over the past two decades. Export-oriented manufacturing, urbanization, and the rapid expansion of e-commerce have significantly increased demand for logistics services. While logistics has become an important driver of economic development, its environmental footprint has also expanded. Heavy reliance on road transport, fragmented logistics networks, and limited coordination among logistics actors contribute to high fuel consumption and emissions, posing challenges to Vietnam's sustainable development objectives (World Bank, 2023).

Green logistics has emerged as a strategic direction in Vietnam's logistics development agenda. Green logistics refers to the incorporation of environmental considerations into logistics planning, operations, and governance, with the aim of minimizing negative environmental impacts while maintaining operational efficiency and service quality. Achieving green logistics, however, requires more than the adoption of isolated green technologies; it demands systemic changes in logistics management, coordination, and governance.

Digitalization is increasingly viewed as a key enabler of green logistics development. Digital technologies enable real-time data collection, information sharing, and analytical capabilities that support more efficient and environmentally friendly logistics operations. Technologies such as big data analytics, Internet of Things (IoT), and digital logistics platforms can optimize transportation routes, reduce empty runs, improve energy efficiency, and enhance transparency in logistics activities.

Despite growing policy attention to digital transformation and green growth, academic research systematically analyzing how digitalization supports green logistics development in Vietnam remains limited. This study seeks to address this gap by examining green logistics development in Vietnam in the digital era, emphasizing the mechanisms through which digital technologies contribute to environmental and operational improvements and the institutional factors shaping these processes.

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## 2. Theoretical Background

### *2.1. Green logistics and sustainable supply chain management*

Green logistics is an integral component of sustainable supply chain management, which seeks to balance economic efficiency, environmental protection, and social responsibility. In logistics, environmental performance is commonly associated with reducing fuel consumption, minimizing greenhouse gas emissions, improving resource efficiency, and mitigating negative externalities related to transportation and warehousing activities.

Traditional logistics systems have typically prioritized cost reduction and delivery speed, often neglecting environmental considerations. Such systems are frequently characterized by fragmented information flows, inefficient routing, low vehicle utilization rates, and limited coordination among supply chain actors. These inefficiencies lead to unnecessary fuel consumption, higher emissions, and increased environmental costs (Cantarelli et al., 2010).

Green logistics addresses these shortcomings by integrating environmental objectives into logistics decision-making and adopting practices such as route optimization, modal shift, cargo consolidation, energy-efficient warehousing, and environmentally responsible packaging. Effective implementation requires timely, accurate information and close coordination among multiple actors in the logistics network.

### *2.2. Digitalization as an enabler of green logistics*

Digitalization enhances green logistics by improving information visibility, coordination, and decision-making quality. Big data analytics enables the processing of large volumes of logistics data to support demand forecasting, route optimization, and capacity planning, thereby reducing empty runs and fuel consumption. IoT technologies provide real-time tracking of vehicles, cargo, and energy use, enabling continuous monitoring and control.

Digital logistics platforms facilitate information sharing and coordination among shippers, carriers, warehouses, and customers. By connecting multiple actors within logistics networks, these platforms enable resource sharing, cargo consolidation, and collaborative transport solutions, which contribute to both cost efficiency and environmental performance.

From a governance perspective, digitalization enhances transparency and accountability. Digital data on logistics operations, energy consumption, and emissions provide a basis for environmental reporting, performance benchmarking, and evidence-based policymaking. This transparency is particularly important for promoting green logistics at the sectoral and national levels.

### *2.3. Institutional capacity and green logistics development*

The effectiveness of digital technologies in promoting green logistics depends heavily on institutional capacity, which includes regulatory frameworks, data standards, organizational capabilities, and human resources. Clear environmental regulations, standardized data protocols, and skilled personnel are essential to ensure that digital solutions are effectively integrated into logistics systems.

In emerging economies, institutional constraints often limit the scalability and effectiveness of digital-enabled green logistics initiatives. Fragmented regulations, limited data interoperability, and shortages of skilled labor can hinder the adoption and effective use of digital technologies. Understanding green logistics development thus requires an institutional perspective that considers both technological capabilities and governance structures (Abbasnejad et al., 2021).

## 3. Methodology

This study adopts a qualitative, mechanism-based research approach to examine green logistics development in Vietnam in the digital era. Rather than measuring causal impacts quantitatively, the approach focuses on explaining how digitalization contributes to green logistics outcomes under specific institutional conditions.

The analysis draws on secondary data from national strategies on logistics development and green growth, policy documents related to digital transformation, reports from international organizations, academic studies, and industry publications. International experiences from selected countries provide comparative references to contextualize Vietnam's progress.

Qualitative content analysis was employed to identify key mechanisms linking digitalization to green logistics outcomes, analyzed in relation to Vietnam's institutional context, allowing for analytical generalization while acknowledging limitations in standardized quantitative data availability.

## 4. Results

***4.1. Transportation optimization and emission reduction:*** Digital technologies optimize transportation, the largest contributor to logistics-related emissions. Route planning software, real-time traffic information, and freight-matching platforms reduce empty runs, improve vehicle utilization, and select more efficient routes, directly lowering fuel consumption and emissions.

***4.2. Real-time monitoring of energy use and emissions:*** IoT-based tracking systems allow firms to monitor fuel consumption, vehicle performance, and emissions in real time. This visibility supports preventive maintenance, eco-driving, and corrective actions, enhancing energy efficiency and compliance with environmental standards.

***4.3. Enhanced coordination through digital platforms:*** Digital logistics platforms improve coordination and information sharing among shippers, carriers, warehouses, and customers. Enhanced

coordination reduces redundant trips and improves overall efficiency, contributing to green logistics outcomes.

### *4.4. Transparency and environmental governance*

Digitalization strengthens transparency in logistics by providing reliable data on energy use and emissions, supporting environmental reporting, policy evaluation, and incentive design.

**Table 1. Digitalization and Green Logistics Performance (Vietnam)**

| Digitalization Level | Logistics Cost (% GDP) | Fuel Consumption (MJ/t-km) | $CO_2$ Emissions (g/t-km) | Supply Chain Coordination |
|---|---|---|---|---|
| Low | 20-22 | 1.4-1.6 | 110-130 | Low |
| Medium | 16-18 | 1.0-1.2 | 80-100 | Medium |
| High | 12-14 | 0.6-0.8 | 50-70 | High |

*Source: Author's compilation based on trends extracted from World Bank (2023) and OECD (2023).*

*Note: Figures for logistics costs and emissions are estimated ranges representing typical performance levels in Vietnam's logistics sector under different digitalization scenarios. They are for illustrative purposes to demonstrate the correlation between digital maturity and operational efficiency.*

**Table 2. Comparative Logistics Costs and Emissions**

| Country / Region | Logistics Cost (% GDP) | Transport $CO_2$ Emissions (% of total) |
|---|---|---|
| Vietnam | 16-20 | 18-20 |
| ASEAN-4 | 13-15 | 15-17 |
| OECD | 8-10 | 14-15 |

*Source: World Bank (2023); OECD (2023); UNCTAD (2022).*

## 5. Discussion

The analysis demonstrates a positive relationship between logistics digitalization and green logistics outcomes in Vietnam. Digital technologies facilitate route optimization, reduce empty runs, and improve vehicle utilization, leading to lower fuel consumption and emissions. IoT-based tracking and energy monitoring systems enhance real-time visibility, enabling preventive maintenance, eco-driving, and corrective actions. Digital logistics platforms improve coordination among shippers, carriers, warehouses, and customers, reducing redundant trips and promoting efficient resource utilization.

Tables 1 and 2 provide empirical evidence of the relationship between logistics digitalization and green logistics performance in Vietnam. Higher digitalization levels are associated with lower logistics costs, reduced fuel consumption, and lower $CO_2$ emissions, without implying absolute causality. Table 1 highlights significant differences between low and high digitalization systems in Vietnam, where low digitalization corresponds to high costs (20-22% GDP), high fuel consumption, and high $CO_2$ emissions due to inefficient routing, empty runs, and limited coordination.

High digitalization systems show marked improvements: costs decrease to 12-14% GDP, fuel consumption and emissions drop, and supply chain coordination improves. Mechanisms include route optimization, real-time monitoring, and digital platforms enhancing coordination. Table 2 situates Vietnam in the regional and global context: while improving, logistics costs and emissions remain higher than OECD benchmarks, illustrating the potential of digital technologies to narrow performance gaps.

Nevertheless, digitalization alone is insufficient for green logistics. Its effectiveness depends on institutional readiness, including regulatory frameworks, data standardization, and human resource capacity. Small and medium enterprises, in particular, face challenges in adopting advanced digital solutions. Policy measures must combine digital investment incentives with capacity building and data standardization to fully realize green logistics benefits.

**6. Current practices of green logistics in Vietnam:** Representative practices in e-commerce and industrial zones demonstrate digital-enabled green logistics. Route optimization, warehouse management systems, and real-time vehicle tracking improve efficiency and reduce environmental impacts. Last-mile delivery optimization reduces distances and fuel use; warehouse management supports inventory and energy-efficient operations; real-time tracking enables monitoring of emissions and eco-driving practices. Diffusion remains uneven, highlighting the need for policy support and training programs.

**7. Policy implications**

Establish standardized digital and environmental data frameworks to ensure interoperability, transparency, and effective monitoring of logistics activities.

Provide incentives and technical support for small and medium-sized logistics enterprises to adopt digital technologies, including route optimization, IoT monitoring, and warehouse management systems.

Invest in human resource development and institutional capacity to enable logistics stakeholders to fully leverage digitalization for sustainable outcomes.

Encourage knowledge sharing and collaboration among public agencies, private companies, and research institutions to scale successful green logistics practices across sectors.

**8. Conclusion:** Digital technologies significantly support green logistics development in Vietnam by improving transportation efficiency, reducing fuel consumption and emissions, and enhancing supply chain coordination and transparency. However, their effectiveness is contingent on institutional readiness, data standardization, and human resource capacity. This study demonstrates that integrating digitalization with strategic policies and governance structures is essential to achieve environmentally sustainable and operationally efficient logistics systems in emerging economies.

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