VIETNAM – NEWS AND REGULATIONS

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# FINANCE

**Exchange rate pressure to soften by year end**

***VIR***

Experts are confident the VND-dollar exchange rate will soon soften, leveraging a raft of factors.

Last weekend, the selling price of the US dollar fetched VND24,500 per dollar at major state lender Vietcombank, up nearly 4.4 per cent compared to the outset of this year. Similarly, the central exchange rate gained more than 2 per cent correspondingly.

Senior economist Le Xuan Nghia in a talk with VIR early this month, said that the higher exchange rate in the domestic market would be proportional to that in the global market.

In the year to date, the greenback rose about 4 per cent in value globally.

Nghia noted that the US dollar remained strong as the US economy has rebounded positively thanks to robust growth of its weapons, as well as liquefied and petrochemical industries.

Many experts have the same mindset, assuming that albeit the Federal Reserve (Fed) doesn't raise the base rate in its November policy meeting, the Fed’s interest rate is at its peak in 22 years and the ‘expensive money era’ could prolong for some time now.

Phan Dung Khanh, head of Investment Advisory at Maybank Investment Bank believe the US dollar gaining in value came as the Fed could maintain its tightened monetary policy for longer.

“The Fed’s interest rate might be softened to 2.9 per cent in the next three years, meaning the US interest rate would be kept higher than the neutral interest rate at 2.5 per cent. In other words, the expensive money era could linger for at least three years more,” said Khanh.

Augmenting the US dollar in the global market and increasing speculation of the greenback in the domestic market due to the gap between VND and US dollar in the first half of this year, has underpinned a sharp rise in the VND-US dollar exchange rate.

In the past month, the central bank (SBV) has continually issued a huge volume surpassing $4.6 billion of 28-days treasury bonds to withdraw cash from the banking system, helping to narrow the gap in the interest rate between VND and US dollar-denominated deposits.

Khanh from Maybank remarked that this positive move had contributed to pushing up the interbank interest rate as well as stabilising the forex market.

Economist Le Xuan Nghia said, “SVB’s intervention by T-bond issuance is a smart move. Currently, forex supply is abundant. Moreover, the Fed is expected to begin reducing their interest rate from 2024. This will put a brake on dollar price and soother the exchange rate pressure in the forthcoming time.”

Nguyen Huu Huan, head of the Faculty of Finance at University of Economics Ho Chi Minh City, said that it was necessary for Vietnam to accept the exchange rate to lose 3-5 per cent in value to uphold exports.

The exchange rate might quickly be softened when the peak time for dollar demand has passed. In his view, there are a raft of factors underpinning exchange rate stability.

First, the trade balance in the first 10 months of this year saw a $24.61 billion trade surplus, compared to just $9.56 billion in the same period last year.

Second, disbursed foreign direct investment capital volume during the period reached an estimated $18 billion, up 2.4 per cent on-year, a record in the past five years.

In addition, inward remittance volume saw a stable growth.

Analysts at ACB Securities assume that although there is a risk to the exchange rate, the SBV has sufficient tools to maintain exchange rate and interest rate stability.

In their view, the SBV has two vehicles in the short-term: issuing T-bonds to withdraw cash or considering 3- to 6-month term dollar sell-offs for market intervention, in which, the latter is the final-case option.

From the SBV side, Deputy Governor Dao Minh Tu said that the dollar movement was proportional to that in the global market and the supply-demand situation.

“Businesses can put their mind at ease as the central bank shall act to phase out the dollar speculation mindset. The fruitful foreign reserves, growth of foreign direct investment flow and positive movements with other foreign currencies are the fundaments for a stable exchange rate,” Tu said.

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**Property development loans drive credit growth at banks**

*VNE*

Lending to property developers has been the main driver of banks’ credit growth in the first nine months of this year.

VPBank, which led the banking sector with 25.53% credit growth, saw property development loans surging 50%, equivalent to an increase of VND27 trillion (US$1.11 billion) in the first nine months, the fastest growth rate among all loan categories.

Property development accounts for 17.5% of all loans at the bank, behind household business and property purchases.

The same trend was seen at Techcombank, where property development accounted for 34.63% of all loans, an 8-percentage-point increase since the beginning of the year.

Loans to this category increased by VND50 trillion in the first nine months, the biggest expansion of all categories.

HDBank’s loan given to property developers increased by VND15 trillion, and the ratio rose from 8.5% to 12.9%.

SHB’s property development loans doubled in the period to VND66 trillion, second only to car and motorbike business loans.

The trend indicated that loans to major businesses remain a key component to credit growth, even though some banks have been looking to increase the ratio of individual loans.

Techcombank CEO Jens Lottner said that although the bank wants to increase retail loans and does not want to expand its credit categories to large businesses, the current market situation is not suitable.

"High loan interest rates are acting as barriers to small retail businesses while large corporations are able to afford the high costs," Lottner said, adding that when the situation changes the bank will prioritize retail customers.

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# ECONOMY

**Industrial production index up 0.5% in 10 months**

*VNE*

Vietnam’s index of industrial production (IIP) went up 0.5% in the first 10 months of this year with the October IIP alone rising 4.1% year-on-year, according to the General Statistics Office.

Phi Thi Huong Nga, head of the Industry and Construction Statistics Department said that although the production and business activities of enterprises in the processing, manufacturing, and mining industries are still facing difficulties, they have recovered more positively than the third quarter of 2023.

Some key industries registering increases in IIP in the first ten months of this year included rubber and plastic products (up 9.5%); tobacco (9.1%); prefabricated metal products except machinery and equipment (8.7%); metal ore exploitation (6.3%); food processing and production (6.1%); chemicals and chemical products (5.9%); water exploitation, treatment and supply (5.3%).

Meanwhile, the IIP of some manufacturing industries decreased such as other means of transport (7.3%); motor vehicles (4.1%); crude oil and natural gas exploitation (4%); other non-metallic mineral (3.7%); paper and paper products (2.7%).

According to the GSO, compared to the same period last year, 49 localities posted increases in their IIP while 14 localities saw decreases. Some localities have seen a fairly high increase in the IIP due to a sharp increase in the processing and manufacturing industry, electricity production and distribution industry including Dak Lak (36.9%), Bac Giang (18.6%), Phu Tho (16.8%), Nam Dinh (14.4%), Kien Giang (14%) and Hai Phong (13.5%)

The number of workers working in industrial enterprises as of October 1, 2023, increased by 1.0% compared to the same time last month and decreased by 1.4% compared to the same time last year.

Particularly, the number of workers in the State-owned enterprise sector remained unchanged compared to the same time last month and decreased by 0.9% year on year. However, the number of workers in non-state enterprises increased by 0.6% and decreased by 2.8% respectively; the number in foreign-invested enterprises increased by 1.2% and decreased by 0.9% respectively.

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**Rattan, bamboo, sedge, and carpet exports hit nearly US$600 million in ten months**

***VOV***

Vietnam’s exports of rattan, bamboo, sedge, and carpet during the 10-month period dropped by 14% to nearly US$600 million against the same period from last year, according to statistics released by the General Department of Vietnam Customs.

Most notably, October saw the country rake in US$60 million from exporting the products, representing an increase of 13.6% compared to the previous month.

With regard to export markets, the country’s rattan, bamboo, sedge, and carpet exports to the EU market in September reached US$11.52 million, down 20.8% compared to August and down 8.4% compared to the same period from last year.

During the nine-month period, exports of rattan, bamboo, rush, and carpet products to the EU accounted for 25.3% of the country's total export turnover with US$136.44 million, marking a drop of 14.6 % compared to the same period from last year.

Meanwhile, exports of rattan, bamboo, rush, and carpet products to the US market in September hit US$17.80 million, representing a decline of 26.7% compared to August, but up 15.2% compared to September, 2022.

Overall, the nine-month exports of the product to the United States accounted for 37.8% of the country's total export turnover with US$203.80 million, down 22.3% compared to the same period from last year.

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# INVESTMENT

**US firms push ahead with investment plans in Vietnam**

*VIR*

Many enterprises from the US are planning to make or expand investments in Vietnam, showing their intention to turn the Southeast Asian country into one of their important bases.

At their recent meetings with Prime Minister Pham Minh Chinh, Microsoft, Gates Foundation, SpaceX, Coca-Cola, and Pacifico Energy have revealed their investment and business plans in Vietnam.

After nearly 30 years, Coca-Cola has poured over 1 billion USD into the country, with three beverage factories in Hanoi, central Da Nang city, and Ho Chi Minh City. It recently launched the construction of another plant in the Mekong Delta province of Long An.

Dau tu (Vietnam Investment Review) cited James Quincey, Chairman and CEO of The Coca-Cola Company, as saying that his firm wants to expand production in the country, and plans to relocate the factories situated in residential areas and innovate technology towards sustainability.

SpaceX, a supplier of spacecraft, satellite launch and satellite communications services, is planning to invest about 500 million USD in Vietnam. It hopes to be licensed to provide the satellite internet service of Starlink in the country.

Expressing its wish to continue investing in renewable energy, Pacifico Energy has shared the idea on developing offshore wind power in the country. The biggest renewable energy investor of the US has invested in a 40MW solar power project in the south central province of Binh Thuan and a 30MW wind power one in the Mekong Delta province of Ben Tre.

Meanwhile, many members of the Semiconductor Industry Association of the US have come to Vietnam to learn about the local investment climate to prepare for chip manufacturing.

Among them, Amkor Technology has poured 1.6 billion USD into a semiconductor factory in northern Bac Ninh province. This plant is the biggest and most modern of the company around the world. The firm will also invest 1.6 billion USD into another plant in Bac Ninh between now and 2035.

Marvell and Synopsis have also said they will develop semiconductor incubation and design centres in HCM City.

The largest factory of Intel is also located in Vietnam and has been continually expanded since the firm started investment here in 2006.

Vietnam is emerging as one of chip manufacturing bases of US enterprises. Many companies from the North American country are also helping with manpower training and transfer patents to Vietnam to raise the Southeast Asian country’s role in global semiconductor supply chains, according to Dau tu.

At the investors’ conference 2023 recently held in HCM City by VinaCapital, foreign investors voiced their interest in potential industries in Vietnam such as clean and renewable energy, green production and semiconductor, especially after the Vietnam-US relations were elevated to the comprehensive strategic partnership.

Andy Ho, Chief Investment Officer of VinaCapital Group, perceived that the fall in Vietnam’s exports to the US has ended and that he hopes the number of orders will bounce back. The stable USD/VND exchange rate and the middle class expanding by 10 per cent annually will prolong consumption growth for the next over 10 years.

All these factors will help sustain the foreign investment flows into Vietnam, he noted.

Bain Capital, a private investment firm of the US, recently channelled more than 200 million USD into Masan Group via share purchases. Together with Bain Capital, other investors are also planning to negotiate with the consumer-focused conglomerate. Basing on their Masan’s capital demand and market conditions, the US enterprise can raise its investment to 500 million USD.

Barnaby Lyons, a leader of Bain Capital, said the cooperation with Masan is a strategic investment project in Vietnam, which is assessed as the fastest growing consumer market in Southeast Asia with an annual growth rate predicted at 7.7 per cent during 2022 - 2040.

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**Germany's Harting opens new production plant in Hai Duong**

*VIR*

German-based Harting, one of the world's leading manufacturers of industrial connection technologies, held a ceremony to celebrate the launch of its production plant in VSIP Industrial Park, Hai Duong province, on November 2.

The $5-million, 2,500 square-metre factory will specialise in manufacturing industrial cable of large-scale connectors for data transmission.

Philip Harting, CEO, Harting Technology Group, said, "With our newly acquired site in Vietnam, we are creating an important building block in the growth region of Southeast Asia. In Hai Duong, we are close to our customers and producing directly on site. We are reducing the delivery routes to a minimum and will record significant CO2 savings. Together with the management team, we have already set the course for further expansion."

"It is important to us that we also ensure our high-quality standards here in Vietnam," said Andreas Conrad, member of the board of Harting. "With our globally standardised processes and production facilities, we guarantee our customers the quality they are accustomed to. Whether in Germany, Romania, Mexico or now also in Vietnam - our customers can rely on Harting being at hand worldwide"

Harting currently has 44 national subsidiaries and 14 production plants around the world.

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# PROPERTY

**Expansion potential despite downturn in real estate M&As**

*VIR*

Pressured by the global downturn, in the domestic market, there were fewer merger and acquisition (M&A) transactions in Vietnam’s real estate in 2023, with a lower total value than in 2022.

The total value of real estate investment and M&A transactions temporarily calculated in the first nine months of 2023 reached $729 million, down 33 per cent compared to the same period last year due to the lack of high-value deals.

Of those that are investing, Asian investors from Singapore, Malaysia, Taiwan, and South Korea are leading the way thanks to advantages of geographical location, cultural similarities, and understanding of local laws.

Foreign investors are active in the process of hunting for projects. Recent major deals include Gamuda Land acquiring a 3.68 hectare project from Tam Luc Real Estate JSC in Thu Duc of Ho Chi Minh City in July for $315.8 million.

Singapore’s Keppel Corporation also in July announced that Keppel Land, through its wholly owned subsidiary, VN Prime Vietnam Co., Ltd., acquired a stake in ProjectCo, which will hold a retail property in Hanoi.

The project is part of a mixed-use commercial development, which is under construction and slated for completion in 2025. VN Prime will acquire a 65 per cent interest in ProjectCo for an aggregate consideration of approximately $51.2 million. Binh Minh Investment and Trading Development JSC will hold the remaining 35 per cent interest in ProjectCo.

In June, Everland Opportunities IX Limited, a real estate development firm based in Hong Kong, acquired three properties – Ibis Saigon South Hotel, Capri by Frasers in Vietnam, and Pullman Jakarta Central Park in Indonesia – from Strategic Hospitality Holdings Ltd., a subsidiary of Thai conglomerate SHREIT, for $106 million.

In industrial property, ESR Group Ltd., one of the largest asset management companies in Asia-Pacific, spent $450 million to increase its ownership in BW Industrial Development in January. This was the largest deal in the real estate market this year.

Le Xuan Dong, managing director of Market Research and Consulting at FiinGroup, said that the M&A market has witnessed some changes recently.

“In 2022, the majority of deals came from Vietnamese organisations and businesses, but since the beginning of 2023, due to difficulties that domestic businesses are facing, foreign businesses are actively rising in M&A activities,” Dong said.

“They (foreign investors) understand that this is a difficult time for the whole market, but it is also an opportunity for business expansion in this country. Therefore, the number of foreign transactions carried out increased sharply in the first half, most notably in real estate and banking,” he added.

Foreign capital flowing strongly into the real estate market is raising concerns about projects of domestic enterprises being acquired at cheap prices. However, Dong said the time of the big fish swallowing up the smaller ones had passed, and the cash flow is now tending to cooperate in investment, rather than buying and selling outright.

“The cash flow of foreign investors brings more positive than negative aspects. If we look at the competition aspect, deeper foreign participation will help promote transparency, improve quality, and diversify projects. This is also a motivation for domestic investors to strive to compete and upgrade projects when the market returns to a stable development trajectory,” Dong added.

According to the latest release from Cushman & Wakefield Vietnam, overall, 2023 transaction data shows that foreign investors still account for the majority of real estate transactions, purchases, and investment activities; while the domestic sector accounts for less than 10 per cent of the number of transactions.

“This is because domestic businesses are still facing many unfavourable factors such as the generally difficult situation of the economy, unresolved project legalities, corporate bond problems, and lack of access to capital sources,” Bui Trang, country head of Cushman & Wakefield Vietnam, told VIR.

“We conducted a survey with our Asia-Pacific clients earlier this year on which markets they were most interested in. Most of the responses are very positive regarding the investment potential of Vietnam. As the global economy is going through uncertainty, an emerging country like Vietnam has become quite a high-potential market for investment,” Trang added.

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**Affordable apartments disappearing in Hanoi, HCMC**

*VNE*

Affordable apartments accounted for more than half of the total supply in Hanoi in 2015, but now make up only 5% this year.

In HCMC, there has been no new supply in the segment so far this year. The Ministry of Construction categorizes apartments that cost VND25-35 million (US$1,030-1,440) per square meter or less as affordable.

According to the Ministry of Construction, on average, an apartment with an area of 50-60 square meters in Hanoi costs VND2.5-3 billion (or VND51 million per square meter), and in Ho Chi Minh City the average price was VND3-3.6 billion (or VND60 million per square meter) in the third quarter.

Key reasons for the gradual disappearance of affordable apartments in Hanoi and Ho Chi Minh City, according to experts, include limited land funds what does this mean, scarce housing supply, high land prices, increased construction and labor costs, and [real estate developers](https://e.vnexpress.net/news/business/economy/real-estate-developers-remain-largest-bond-issuers-4271776.html)not being interested this segment.

The population density of Hanoi and Ho Chi Minh City has increased drastically since 2015, leading to escalating demand for housing, especially affordable apartments.

However, few projects have been launched in the past two years, according to Nguyen Quoc Anh, deputy general director of real estate trading website Batdongsan.

Nguyen Hoang Nam, general director of low-cost housing developer G-Home, said for nearly a decade, the market has experienced many "land fevers," or property price bubbles, especially in the 2018-21 period, pushing land prices up several times. Higher land prices have resulted in higher total input costs for apartment construction.

"Initially, developers might want to develop the affordable housing segment for quick liquidity and early cash flow. But while they’ve waited to complete legal procedures, land prices have increased rapidly, forcing them to move to mid-range and high-end segments to reach their expected profit margin," Nam explained.

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# OIL&GAS&[ENERGY](http://tuoitrenews.vn/society)&MINING

**Thermal power ash and slag still underutilised**

*VIR*

Thermal power facilities are seeking ash and slag as a new form of infill material, but consumption is hampered by capacity constraints and outdated practices.

The Ministry of Construction (MoC) is currently evaluating the feasibility of combining thermal power ash and clinker with saline sediment to service coastal road projects.

If approved, the move will bring two significant benefits: the elimination of industrial refuse and the alleviation of difficulties in supplying materials, which is one of the primary factors delaying several transport infrastructure projects, according to Tran Phuoc Loi, deputy director of Thuan Hoa TV Company, a firm providing backfilling services for construction projects.

“Ash and slag do not have an opportunity to compete, since when developing design documents, most contractors see sand as the only solution,” Loi said.

Multiple Thuan Hoa TV projects in 2022 indicate that the quality of levelling ground made from ash and slag is comparable to that of sand. The price of one cubic metre of thermal power ash and slag is equivalent to two-thirds the price of one cubic metre of sand, but transportation costs are higher.

Nguyen Van Sinh, Deputy Minister of the MoC, said last month at a workshop, “The MoC will soon propose remedies to overcome the lack of levelling materials for transport infrastructure projects in the Mekong Delta region, particularly the North-South Highway project’s phase 2.”

Last month, the government proposed to the National Assembly that the time limit for implementing the tailored mechanism for exploiting minerals for common construction materials be extended until the end of 2024 because the majority of projects in the Mekong Delta region face difficulties in sourcing materials, particularly sand for foundations. In a March report, the MoC stated thermal power plants are attempting to use ash and slag as infill material in infrastructure projects, but only use half of that available. Vietnam’s coal-fired power facilities released an estimated 16 million tonnes of ash and slag in 2022, of which only 48 per cent was utilised.

The ministry believes that emissions of ash and slag from 29 thermal power plants in operation in Vietnam will continue to rise in the future, from approximately 16 million tonnes in 2022 to 20 million tonnes in 2025. Vietnam Electricity is unlikely to meet its 2023 goal of completely consuming 10 million tonnes of ash and slag, it has said.

As of August, the national backlog of thermal power ash and slag was approximately 48 million tonnes. Using ash and slag as an infill material is not economically and technically attractive, and many factories lack capacity to process and classify it, leading to sluggish consumption.

For example, Vinh Tan 4 thermal power plant in the south central province of Binh Thuan has an extremely sluggish consumption rate, at 1.47 million tonnes in total

“Construction companies are wary and believe ash and slag are novel materials, so they cannot use them for infill without risk,” said Pham Dinh Quang, deputy director of Vinh Tan 4.

The company has offered financial opportunities to customers, but to date has only signed contracts for consumption with two companies.

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**Electricity plans take shape for 2024**

*VIR*

The government is being urged to improve the supply of electricity for production and business activities, with warnings that power shortages could continue undermining the economy’s efforts to garner new funding from abroad.

Prime Minister Pham Minh Chinh on October 28 worked with relevant ministries and agencies, as well as Vietnam Electricity (EVN), on ensuring sufficient electricity into 2024. “No continued shortages of electricity is allowed in any cases,” the PM stressed.

He tasked the Ministry of Industry and Trade and the Commission for the Management of State Capital at Enterprises to direct and approve the EVN’s plan on formulating detailed scenarios on supplying electricity every three months, and especially during dry seasons. “All scenarios must be feasible and highly predictable,” PM Chinh noted.

The PM assigned Deputy Prime Minister Tran Hong Ha to direct ministries and sectors to tackle obstructions related to electricity supply. Anything that cannot be solved due to lack of authority must be reported to the government for consideration.

The move comes amid the upcoming dry season creating water shortages for hydroelectricity plants, and the country’s weak power transmission lines, potentially causing blackouts as was the case in some regions this summer.

“Electricity shortages are becoming increasingly serious. Supervision activities by the National Assembly Standing Committee have pointed out potential shortages for the short, medium, and long term,” said Ha Sy Dong, a National Assembly (NA) member from the central province of Quang Tri.

“The National Assembly Economic Committee has also assessed that if there are no timely solutions for meeting sufficient power, electricity shortages will surely continue in 2024, especially during hot days,” added Dong, who is also Deputy Chairman of Quang Tri People’s Committee.

He underlined the need for the government to clarify the aftermath of recent power cuts so that a clearer picture can be seen in enterprises’ feeble performance, including difficulties in accessing electricity.

“For the national socioeconomic development plan of 2024, the government said that it will ensure sufficient electricity for the whole economy. But what will be the concrete solutions? I cannot find the answer to this in the government’s report sent to the NA,” Dong said.

In the report, the government only states that “there must resolutely be no electricity shortages for business and production activities, or for household consumption”, Dong pointed out.

The government has ordered the study, formulation, and submission for approval of policies and solutions to boost the implementation of power projects.

According to Dorsati Madani, senior country economist at the World Bank in Vietnam, one of the biggest priorities is to establish a stable power transmission system so as to ensure economic stability featured with stable production and a rise in investment. “Power is vital for production in Vietnam now, and it is also a significant input for economic growth. Investors and enterprises don’t want to suffer from power shortage problems in the country. In the recent summer, sudden power cuts caused great losses of 0.3 per cent of GDP,” Madani said.

This is equivalent to around $1.4 billion, according to a World Bank report released a few months ago.

“The power sector has been an enabler of Vietnam’s fast and inclusive economic development over the past three decades. However, if power shortages and power cuts continue, Vietnam’s economic growth will continue to be undermined,” he stressed.

During May and June this year, northern Vietnam experienced recurrent power outages that affected households and enterprises on a large scale. In May, a peak demand supply deficit of 5.4GW occurred. The situation improved over June, and was resolved in July due to increased water availability.

Due to the low rainfall this year which dried up northern hydroelectric dams, severe power outages occurred in various regions of Vietnam, especially in industrial zones in the north.

Since there is no plan for new coal-fired plants despite the need for baseload expansion, the Power Development Plan VIII aims to increase power generation to 22,400MW by 2030 through liquefied natural gas/domestic gas power.

Besides this, explained Kubo Yoshitomo, senior representative at the Vietnam Office of the Japan International Cooperation Agency, the potential for additional development in hydropower generation is limited as solutions – including expansion of existing storage dams and irrigation dams – have been mostly carried out.

“Under these circumstances, renewable energy has widely been introduced on a private-sector basis, and offshore wind will be important for further expansion,” Yoshitomo said. “For the realisation of offshore wind, the establishment of a legal framework and pricing mechanism must be seriously considered as soon as possible.”

*According to EVN, Vietnam’s total produced and imported electricity output from September to the end of this year is estimated to reach 95.6-97.2 billion kWh, up by 9.9-11.8 per cent as compared to the same period last year.*

*Cumulatively for all of 2023, the country’s total produced and imported electricity output is estimated to reach 281.9-283.6 billion kWh, up 5.1-5.7 per cent on-year and hitting 99.1-99.6 per cent of the year’s approved plan.*

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# LEGAL

## Conference disseminates new regulations on entry, exit

*VNA/VLLF*

**The Ministry of Public Security’s Immigration Department held a conference in Hanoi on November 7 to disseminate the Law on amendments and supplements to several articles of the Law on Entry and Exit of Vietnamese Citizens and the Law on Entry, Exit, Transit, and Residence of Foreigners in Vietnam among foreign diplomatic missions and international organizations.**

The Ministry of Public Security’s Immigration Department held a conference in Hanoi on November 7 to disseminate the Law on amendments and supplements to several articles of the Law on Entry and Exit of Vietnamese Citizens and the Law on Entry, Exit, Transit, and Residence of Foreigners in Vietnam among foreign diplomatic missions and international organizations.

Delegates were introduced about new administrative procedures related to Vietnamese citizens, the issuance of entry permits, visas, and temporary residence permits for foreigners who are required to go through the procedures at the Ministry of Foreign Affairs, and new regulations in Vietnamese law regarding the entry, exit, transit, and residence of foreigners in Vietnam as stipulated in Law 23/2023/QH15.

The Law on amendments and supplements to several articles of the Law on Entry and Exit of Vietnamese Citizens and the Law on Entry, Exit, Transit, and Residence of Foreigners in Vietnam was approved by the Vietnamese National Assembly on August 15, 2023.

It establishes legal corridors for the entry and exit of both Vietnamese citizens and foreigners, aiming to deal with challenges that have arisen in practice. It includes provisions that promote flexibility and simplicity, with a focus on providing the most favorable conditions for foreigners entering Vietnam and Vietnamese citizens traveling abroad.

The launch of online public services, coupled with strong decentralization in the administrative procedures for foreigners by the police in various localities, has contributed to making it easier for government agencies, businesses, and individuals to handle administrative procedures related to entry and exit, thus saving travelling costs and time.

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**National programme on labour productivity improvement approved**

*VNA*

The Prime Minister on November 8 issued a decision approving the national programme on labour productivity improvement by 2030**.**

The programme sets a target of raising the average labour productivity growth by 6.5%, with that of the processing and manufacturing industry being 6.5-7%, agro-forestry-fishery 7-7.5%, and service sector 7-7.5%.

Meanwhile, the labour productivity growth rate of key economic regions and five centrally-run cities is higher than the national average in the 2022-2030 period.

The programme also highlights inititiaves to boost labour productivity, including the establishment of a national productivity committee and the organisation of policy dialogue on the issue, regular discussion with the business community, investors and labours to handle barriers to labour productivity improvement.

Additionally, the country will integrate measures to enhance labour productivity into programmes, mechanisms and policies to build digital Government, digital economy and digital society, while promoting digital transformation in every sector, field and business.

In the meantime, it will work to enhance economic restructuring to better competitive edge of sectors.

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