VIETNAM – NEWS AND REGULATIONS

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# FINANCE

# Vietnam limits shadow investment package sales at banks

*VNE*

The Ministry of Finance has prohibited banks from selling insurers’ investment packages two months before and after customers take loans to prohibit lenders from tricking borrowers into buying them.

The new regulation, which was included in a recent circular, applies to the sale of insurance policies linked with investment packages. Some of these packages offer high interest rates but also include high risks as the customers’ money will be spent on stocks and bonds.

The ministry decision came after significant numbers of banking customers began complaining that they unknowingly bought insurance policies when they thought they were either getting loans or depositing money at interest.

Many customers have said that they were led to believe they were putting their money in the banks as deposits with high interest rates and only found out later that the bank had mis-informed them into actually buying insurance policies that include investment package instead.

In an effort to tighten regulations in the insurance sector, the ministry has also ordered bank employees to make a record of their conversation with customers whenever they consult about an insurance policy that includes an investment package.

Many customers have lost money when the investment packages tanked in the bad economy. Many who have figured out that they had been duped canceled the policies within or after the first year. And even if they didn’t lose on the investment, they lost on the insurance plan’s sign-up cost, fees and premiums.

[Insurance companies](https://e.vnexpress.net/news/business/industries/authorities-order-insurance-companies-to-review-operations-4594874.html)need to conduct regular quality examinations at banks to see how bank employees are selling their policies, the ministry says.

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**Doors to bank credit remain closed, developers complain**

*VNE*

Property developers are facing hurdles in accessing bank credit, including bureaucracy and high interest rates, but some lenders deny any serious issues.

In a meeting hosted by the Ministry of Construction and joined by bank representatives on November 13, leaders of Vinhomes, Novaland, Hung Thinh Group and other property developers stated their dissatisfaction with banks due to a large number of unresolved credit issues.

Vinhomes chairman Pham Thieu Hoa said that one of the biggest problems the company is facing is that banks do not accept stocks, equipment or asset rights as collateral.

They also tend to undervalue property collateral, he said, adding that [property developers](https://e.vnexpress.net/news/data-speaks/property-developers-again-turn-to-banks-lending-soars-4664748.html) still have to pay high interests for loans as banks remain skeptical in giving funds to the property sector.

Only companies that are willing to bear high interest rates can borrow, he added.

Nguyen Quoc Hiep, chairman of apartment building developer GPInvest, said that banks should bring down their interest rates and reduce the amount of paperwork required in reviewing loan applications.

Nguyen Van Cuong, deputy chairman of Hung Thinh Group, a developer of residential and resort projects in the south, said that the government should lift credit growth caps for banks that are giving property developers loans.

Banks should simplify the loan review and approval process and should also give loans to construction material suppliers and construction firms to speed up project development, he added.

Banks, however, said that they are not the cause of the problems.

Nguyen Duc Vinh, CEO of VPBank, said that lenders are now "afraid" to give the sector more loans.

"Property developers should look at themselves to see if they are really healthy. Many of them have bought many projects earlier but are not willing to sell them now as they fear loss," he said.

The recent crisis in the property sector, which is partly caused by a decline of confidence in bonds, has caused interest rates to surge.

"We lent a property developer money for a project but the company just kept it idle for three years. Property developers need the government to untangle legal knots so they can get permits to develop their projects," Vinh added.

Responding to requests to simplify loan approvals, Pham Nhu Anh, CEO of MB, said that banks need to comply with regulations in reviewing loan applications, and banks can help speed up the process by giving them all the positive and negative information about the projects they are working on.

"Developers often show us their best information on themselves, but we often have to dig deep for the negative facts. We need to cooperate to speed up the process."

Pham Quang Dung, CEO of Vietcombank, said that[interest rates](https://e.vnexpress.net/news/markets/deposit-interest-rates-fall-to-6-4673911.html) have dropped in recent months and banks are looking for borrowers, especially healthy businesses, but many property developers have a high bad debt ratio.

Deputy CEO of Techcombank Phung Quang Hung and VPBank CEO Vinh proposed that the government reduce the risk weight of the property sector, which is currently at 200%, to help it recover

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# ECONOMY

## Fitch Ratings optimistic about Vietnam's economic growth

*VNA*

Credit ratings agency Fitch Ratings on Thursday forecast Vietnam’s GDP growth to accelerate to 6.3% in 2024 and 7.0% in 2025.

Domestic fiscal and monetary policies have pivoted to provide growing support to the economy, the agency said.

It noted that the country’s growth slowed to 4.3% in the first nine months of this year amid weak external demand and lingering headwinds in the domestic property sector.

Earlier, Standard Chartered Bank maintained robust 2024 GDP growth forecast of 6.7% for Vietnam in its latest macro-economic updates about the Southeast Asian nation.

Experts from the International Monetary Fund (IMF) also expressed their optimism about the medium-term prospects, with the national GDP growth predicted to reach 5.8% in 2024 and 6.9% in 2025.

The 15th National Assembly (NA) on November 9 adopted a resolution on the socio-economic development plan for 2024, which sets a target of 6.0 - 6.5% growth in GDP for the year, as part of its ongoing sixth sitting.

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**Coffee exports reach nearly $4.1 billion this year**

***VNS***

Việt Nam's coffee export turnover reached US$4.08 billion in the 2022-23 crop year, a year-on-year increase of 3.4 per cent, driven by the highest coffee export prices in the last 30 years.

In a conference to review the 2022-23 crop year and launch tasks for the next one, Chairman of the Vietnam Coffee Cocoa Association (Vicofa) Nguyễn Nam said the 2022-23 crop year (from October 2022 to September 2023) had more disadvantages than advantages, but Việt Nam's coffee export value hit the highest level in history, thanks in rising prices amid supply shortages, and the dynamism and efforts of local coffee farmers and businesses.

Việt Nam exported nearly 1.7 million tonnes of coffee in the 2022-23 crop year, a decrease of 4.5 per cent compared to the 2021-22 crop year.

However, the country’s average coffee export price reached $2,451 per tonne, up 5.5 per cent over the previous crop year.

The coffee industry mainly exports raw products. Deeply processed coffee accounts for less than 10 per cent of total output and is mainly consumed domestically.

Coffee exports are mainly still Robusta coffee at 1.5 million tonnes worth $3.2 billion. Arabica green coffee export reached 41,500 tonnes with turnover of $169 million, and decaffeinated green coffee export reached 36,000 tonnes with turnover of $136 million.

Roasted and soluble coffee exports were about 90,000 tonnes with turnover of $510 million, accounting for 5.4 per cent in volume and 12.5 per cent in value ​​of total coffee exports in the 2022-23 crop year.

Nguyễn Quang Bình, a coffee market expert, said coffee prices for the 2023-24 crop year are predicted to stay at a high level.

Roasters around the world are buying inventory and demand is expected to increase. “Therefore, coffee prices have no chance of going down, especially Arabica coffee,” he said.

The price of Arabica coffee has increased from 140 US cents per pound to 175 US cents per pound, and continues to increase.

In the 2022-23 crop year, Germany was the largest coffee export market of Việt Nam with 219,000 tonnes, followed by Italy with 156,000 tonnes, the US with 143,000 tonnes, Japan with 112,000 tonnes, Russia with 107,000 tonnes, Spain with 100,000 tonnes, Belgium with 73,000 tonnes, and Algeria with 64,000 tonnes.

According to Vicofa, the 2023-24 coffee crop year will be harvested later than the previous crop year.

Some localities, such as Gia Lai, Kon Tum and Sơn La provinces, will harvest coffee earlier in late October, early November and the last full harvest will be in December 2023.

Việt Nam mainly exported robusta in the 2021-22 crop year with a volume of 1.5 million tonnes, worth $2.97 billion.

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# INVESTMENT

# Marubeni Corporation will continue to invest billions of dollars to scale up its operations in the Vietnamese market

*VIR*

Marubeni Corporation will continue to invest billions of dollars to scale up its operations in the Vietnamese market.

The information was shared during a working session between Prime Minister Pham Minh Chinh and president and CEO of Marubeni Corporation Masumi Kakinoki in Hanoi on November 13.

Kakinoki said, "[Marubeni](https://vir.com.vn/search_enginer.html?p=search&q=Marubeni) Corporation has been present in Vietnam since 1991. So far, the corporation has invested $593 million here, creating jobs for 7,500 people. The corporation is engaged in import-export activities, the development of thermal power and industrial plants, food processing, and textile factories."

He added, "Vietnam is one of our most important markets in Asia. Marubeni Corporation plans to invest billions of dollars with a focus on energy, processing, exports, and infrastructure development. We hope the government will direct its ministries and local authorities to facilitate the implementation of these projects."

PM Chinh welcomed the upcoming development plan, including the O Mon II Thermal Power Plant, the Quang Ninh Liquefied Natural Gas Power project, wind farms, solar power, industrial parks, food processing factories, timber products, raw materials for export, and smart city projects.

The PM requested Marubeni Corporation to bolster trade promotion and its networking activities while promoting the export of industrial, agricultural, and seafood products. He asked the corporation to support the linkage of supply chains between Vietnam and Japan, further increasing the nation's participation in global value chains.

In addition, the PM also suggested that the corporation should coordinate closely with Vietnamese partners to promote cooperation on alternative energy sources such as wind power, solar, and biomass to facilitate Vietnam's transition to green, clean, and sustainable energy.

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# Jardine Cycle & Carriage invests $350 million in THACO

*VIR*

Truong Hai Corporation (THACO Group) – one of Vietnam’s largest privately held conglomerates - successfully issued bonds totalling approximately $350 million on November 14, marking the largest single bond offering in Vietnam since the beginning of the year.

Each bond has a face value of VND1 billion (approximately $42,200) and carries an interest rate of 6 per cent per annum, maturing on November 14, 2028, a term of five years.

A source familiar with the matter told VIR that Jardine Cycle & Carriage Limited – a Singapore-based entity - participated in the private placement by subscribing to convertible bonds valued at $350 million.

Jardine Cycle & Carriage, a key regional investment holding entity of Jardine Matheson Group, is publicly traded on the Singapore Exchange Mainboard. It is also a part of the Straits Times Index and the MSCI Singapore Index, with Jardines holding a 76 per cent stake in the group.

In 2008, Jardine Cycle & Carriage Limited acquired a 20.5 per cent stake in THACO, with its shareholding now having increased to 26.6 per cent.

In addition to its partnership with THACO, Jardine Cycle & Carriage Limited also collaborates with other prominent brands, including Vinamilk and REE.

The fresh issuance positions THACO as the second-largest corporate bond issuer in Vietnam this year, trailing only Capitaland Tower, which issued bonds worth VND12.25 trillion (approximately $516 million).

THACO has three bond issuances still in circulation, totalling VND6.4 trillion (approximately $270 million), all with five-year terms and interest rates ranging from 8 to 9.8 per cent per annum.

In the first half of the year, THACO paid nearly VND296 billion (approximately $12.5 million) in bond interest.

In the same period, THACO reported a post-tax profit of over VND1trillion (approximately $45 million), a 78 per cent decrease compared to the same period last year. Consequently, the return on equity fell to 2.12 per cent.

As of the end of June, THACO's equity stood at over VND50 trillion (approximately $2.1 billion), an increase of nearly VND 1.5 trillion (approximately $63.3 million) over six months.

THACO's total assets reached nearly VND165 trillion (approximately $7 billion), surpassing VinFast, Masan Group, PV Gas, and closely trailing behind Hoa Phat Group.

THACO Group is actively engaged in negotiations with foreign investors for the divestment of a 10 per cent stake in its automotive arm, THACO Auto, a move that aligns with the much-anticipated initial public offering on the stock market. Ho Chi Minh City Securities Corporation, THACO’s financial advisor, has been working on this plan.

Last October, China’s Shandong Heavy Industry Group Co., Ltd. and THACO Group signed a strategic collaboration agreement in Hong Kong, underlining Vietnam's pivotal role as a strategic market in Southeast Asia for the next 5 -10 years.

As Vietnam's largest automotive company, THACO's scope encompasses manufacturing, assembly, distribution, retail, and aftersales services for commercial and passenger vehicles.

The company represents international brands like BMW, Kia, Mazda, MINI, Peugeot, FOTON, and FUSO.

Beyond the automotive sector, THACO is also involved in residential and commercial property development along with agricultural activities in Vietnam, Laos, and Cambodia. The group also extends its reach to logistics, offering warehousing, freight forwarding, and seaport services.

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# PROPERTY

## Singapore's Sunray Woodcraft Construction aims to acquire Hotel Telegraph

*VIR*

A related entity to Singapore's Sunray Woodcraft Construction (Sunray) is reportedly assessing the acquisition of Hotel Telegraph from Viva Land, a Vietnamese property developer.

"An entity related to contractor Sunray Woodcraft Construction, which is controlled by Tan Teng Huat and family, is in due diligence to buy the 134-key Hotel Telegraph at the corner of Robinson Road and Boon Tat Street from Viva Land," cited Mingtiandi on November 11.

Founded in 1987, Sunray Woodcraft Construction Pte Ltd. is an established Singapore brand specialising in commercial interior fit-out, with business activities spanning across Singapore and Asia.

The deal is estimated to be valued between approximately $125 million - $133 million.

Hotel Telegraph, situated at the intersection of Robinson and Boon Tat streets in Singapore, was acquired by Viva Land in May 2022 for 240 million SGD (about $173 million). The transaction at the time was hailed as a benchmark for Singapore's hotel market. Following the acquisition, Viva Land rebranded SO/Singapore to Hotel Telegraph.

According to Mingtiandi, Viva Land could potentially incur a loss of around $51.42 million, equivalent to a 30 per cent loss, if the deal goes through. Previously, Viva Land had reportedly put the hotel on the market for 200 million SGD (around $146.9 million).

Meanwhile, another member of the Sunray family currently holds a 10 per cent stake in a joint venture that acquired the office complex at 39 Robinson Road - adjacent to Hotel Telegraph - from Viva Land earlier this year.

The transaction value is reported to around $293.2 million, 20 per cent lower than the record-breaking $367.3 million paid by Viva Land for the property in 2020.

Viva Land, reportedly linked to Eric Chu, husband of Truong My Lan, chairwoman of Van Thinh Phat Group, has been in the spotlight in recent months.

In February, Chu sold a development site in Hong Kong's Quarry Bay for $55.46 million, which represented a 36 per cent mark-down from what he had paid in acquiring the property in 2018.

In June, Chu was reported to have sold a hotel on King's Road in Hong Kong’s Tin Hau area, taking a 40 per cent hit from the 2017 purchase price, and let go of a luxury villa in Sun Hung Kai’s Severn 8 project on the Peak.

Truong My Lan was arrested following several irregularities in bond issuance in late 2022.

Viva Land, originally known as Circus Power, primarily operates in the real estate sector.

Established in 2020, with headquarters in Hanoi, Ho Chi Minh City, and Singapore, Viva Land is chaired by Chen Lian Pang, with Eddie Lim as CEO.

Currently, Viva Land owns and operates several projects on prime land in Hanoi and Ho Chi Minh City, including Saigon One Tower in District 1, One Central Saigon at the centre of District 1, Capital Place in Lieu Giai, Hanoi, Tuan Chau Island in Halong city, and Landmark Haiphong in Haiphong.

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**Mini warehouses becoming popular in HCMC as small online sellers thrive**

*VNE*

Mini warehouses, where space is leased in cubic meters rather than square meters, are becoming increasingly popular in HCMC as housing space shrinks and online sales boom.

Thu, owner of AOB store, an importer of South Korean cosmetics for online sales, rents 12 cubic meters of space at a mini warehouse on Vo Nguyen Giap Street in Thu Duc City for VND5 million (US$208) a month.

She chose to rent there for one year due to the flexibility and good price it offered.

She said: "Cosmetics products do not take up space, and when packed in boxes can be stacked on top of each other. I can sit in the warehouse or a shared office and prepare the goods."

The facility has cheap shared storage and more expensive private space with drawers of 1-23 cubic meters size. Lessees can keep the warehouse key and go in and out by themselves around the clock.

Tuan Anh has rented two cubic meters at a mini[warehouse](https://e.vnexpress.net/news/property/warehouse-demand-soars-but-supply-modest-4664452.html) for the last three years to store golf equipment and some household items.

He said: "I chose the mini warehouse because I am familiar with this model."

He knew about this model while living in the U.S., he said.

Leasing storage space by cubic meters is common in the U.S. and western Europe but relatively new in Vietnam after making an appearance only five years ago.

According to Indian market research company Mordor Intelligence, the industry is likely to grow at 4.1% a year in 2021-26.

Aric Austin, founder and CEO of MyStorage, which has four storage facilities in HCMC and the southern Dong Nai Province with a total area of 2,000 square meters and 3,000 customers, said his company’s revenues are growing at 55-80% a year.

"In the last two years the market has had 4-5 more competitors, and so we have upgraded online booking services, operating software, security, and temperature control."

The competition includes Saigon Storage, TITAN Containers, Extra Space Asia Corporate, and KingKho Mini Storage.

Analysts and industry insiders expect the mini warehouse lease model to grow strongly.

Mordor Intelligence expected more individuals to rent space by the cubic meter due to the growing urbanization in Vietnam.

Denser urban populations mean living space is shrinking and becoming more expensive.

HCMC and Hanoi have an average area of 74 square meters per housing unit compared with 92 in the U.K. and 185 in the U.S.

Another driving force behind the mini warehouse boom is the mushrooming of small and micro enterprises that need to save on warehouse rentals.

Many of them are in e-commerce like Thu, the cosmetics seller.

Austin said e-commerce has contributed to his company’s success.

MyStorage has opened livestream rooms in its self-storage facility in HCMC. It is now preparing to expand to Hanoi and Da Nang.

John Campbell, associate director and head of industrial services at Savills Vietnam, said: "We see that land availability for logistics in HCMC is becoming increasingly scarce. As the area becomes smaller, logistics operators will tend to build taller warehouses, and leasing by the cubic meter will further develop."

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

# Sao Do Group and CME Solar Company to invest in rooftop solar in Nam Dinh Vu IP

*VIR*

In pursuit of the government's sustainable development objectives, Sao Do Group and CME Solar Investment JSC (CME Solar) have joined forces to invest in a rooftop solar power system within Nam Dinh Vu Industrial Park (IP) in Haiphong.

The collaboration, announced during the signing ceremony on November 9, marks a promising alliance between Sao Do Group-a diverse economic enterprise with extensive development experience in Haiphong-and CME Solar Company, a leading developer of green energy in Vietnam.

The primary objective of this collaboration is to support businesses within Nam Dinh Vu IP in accessing and utilising clean power sources with optimal cost efficiency. The total estimated solar power capacity for the entire Nam Dinh Vu IP is projected to exceed 1GWp so both parties aim to achieve up to 50 MWp in the first phase by the middle of 2024, 200MWp in 2025 and to get 700MWp in 2030. This initiative also targets a reduction in CO2 emissions, making a significant contribution to the sustainable development of the IP.

## **Green energy transformation**

Spanning 1,329 hectares, Nam Dinh Vu IP holds a prime location in the Haiphong Economic Zone, making it highly appealing to investors.

Nam Dinh Vu Industrial Park has successfully attracted more than 65 domestic and international companies from countries such as Japan, Korea, China, Germany, France, and Singapore from different sectors like garments, furniture and electronics.

Sao Do Group, a prominent investor in industrial parks in Haiphong, is committed to investing in renewable energy for the development of green and ecological IPs.

In collaboration with CME Solar, they are deploying solar power systems within the industrial park. This not only alleviates pressure on the national electricity system, particularly during peak dry seasons, but also aligns with foreign-invested enterprises' increasing adoption of renewable energy.

Businesses within Nam Dinh Vu IP have collectively signed a cooperation agreement to advance green development, prioritising environmentally friendly technologies and the deployment of renewable energy in their production and business operations.

Nguyen Thanh Phuong, general director of Sao Do Group said, "Converting to green energy is an effective solution, especially with a reliable partner like CME Solar to deploy and develop rooftop solar power systems in Nam Dinh Vu. We hope that businesses and factories in the industrial park can access power sources at competitive prices, save costs, and support us in achieving the 2050 net carbon target."

## **CME Solar – Trusted partner in sustainability**

As a collaborator for numerous domestic and international enterprises, including Foxconn, LG Innotek Haiphong, and Song Hong Garment, CME Solar solidifies its position as Vietnam's trusted partner in green energy developer. Through this strategic cooperation agreement with Sao Do, CME Solar continues to play a pivotal role as a renewable platform in Vietnam and regions.

CME Solar is the preferred partner for solar energy projects in Vietnam, well-known for a number of key advantages emphasized by CEO Chung Dieu Tuan.

Firstly, the company places a strong emphasis on Technical and Quality Assurance, ensuring safety and sustainability in strict compliance with domestic and international standards. Secondly, it is renowned for Efficient Project Management, marked by rapid progress, a profound understanding of the Vietnamese market, and unwavering commitment to project timelines. Lastly, the in-house Comprehensive Operations and Maintenance approach involves the team from the project's design stage, ensuring optimal functionality and maintenance through a dedicated central monitoring system. This commitment to excellence has led Sao Do to choose CME Solar as a partner.

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**EVN calculated and developed the power generation price framework for wind and solar energy projects**

*VietnamEnergy*

The Electricity of Vietnam (EVN) has just issued a document to request the Electricity Power Trading Company (EPTC) to calculate and develop a power generation price framework for the wind and solar power projects according to the method of developing a power generation price frame of the Ministry of Industry and Trade (MOIT).

Previously, EVN received document No. 7695/BCT-DTDL, dated November 2, 2023, from MOIT on developing a power generation price framework applicable to various types of power projects. Implementing this direction, on November 9, 2023, EVN requested EPTC to calculate and develop a power generation price framework (may hire consultants if necessary) for the solar power projects (ground-mounted solar power, floating solar power), wind power projects (inland wind, sea and offshore wind power projects) in accordance with Circular No. 19/2023/TT-BCT dated November 1, 2023 of MOIT stipulating methods of developing the electricity generation price framework for wind and solar power projects.

As we all know, before issuing Circular No. 19, MOIT carried out the public opinions comments on the Government Electronic Information Portal and a number of official electronic information sites on this content.

In principle, developing prices for wind and solar power projects is to solve values from the minimum value (0 VND/kWh) to the maximum value and that would issue annually. The electricity generation prices for a standard wind and solar power projects is calculated by the average fixed price plus fixed operating and maintaining price.

On the method, the price calculation formula bases on relevant parameters (the fixed investing, operating, maintaining costs, interest for electricity exchanging).

As for the method of developing the electricity generation price framework (similar to the method of developing the price framework applied to transitional projects specified in Circular No. 15/2022/TT-BCT), the only difference on parameter selection for electing input parameters to calculate price framework, concreting as follows:

Firstly: Parameters of installed capacity, project economic life, debt repayment period, equity/loan ratio, profit margin, standard distribution coefficient corresponding to expected electricity for wind power, regulated ions in Circular No. 15/2022/TT-BCT.

Secondly: The investment rate parameters, foreign currency loan ratio, O&M cost ratio and calculated parameters for the standard average power output over in many years of wind and solar power projects that selected on the basis of consulting data from consulting organizations to ensure universality and update of data from around the world, instead of using past data of power projects.

Thirdly: Domestic and foreign currency loan interest rates are determined according to statistical data of credit institutions. As for the order of developing and promulgating the power generation price framework: Before November 1 every year, EVN is responsible for calculating, or may hire a consultant to select a standard set of parameters for standard wind and solar power projects and calculate the electricity generation prices of standard wind and solar power projects according to regulations.

Proposing to select the parameters for standard wind and solar power projects to calculate the power generation price frame and prepare documents to calculate the power generation price framework for the solar power projects (ground-mounted, floating solar power projects) and the wind power projects (on land, at sea, offshore) according to prescribed in Article 11 of this Circular and submitted to MOIT for approval.

Within 5 working days (from the date of receiving the document for calculating the electricity generation price framework mentioned in Point b, Clause 2 of this Article), the Electricity Regulatory Authority is responsible for checking the details of the document content and calculating the fullness of the document.

In necessary case, the Electricity Regulatory Authority shall issue a written request to EVN to amend, supplement, or clarify the contents in the document. But no later than 15 working days (from the date of receiving the request to amend, supplement, or clarify the contents in the records of the Electricity Regulatory Authority), EVN is responsible for sending a written explanation report. Present the content in the document upon request.

In case of receiving a valid document and a report explaining and clarifying the contents of EVN's document, within 20 working days (from the date of receiving the document), the Electricity Regulatory Authority is responsible for organizing to appraise the electricity generation price framework submitted by EVN.

In the necessary case, the Electricity Regulatory Authority will organize for taking opinions on the electricity generation price framework through the Advisory Council established by MOIT, no later than 15 working days (from the date of organizing the appraisal of the electricity generation price framework ).The Electricity Regulatory Authority is responsible for submitting to the Minister of Industry and Trade for approval of the electricity generation price framework for this type of solar power projects (land and floating solar power projects) and wind power projects (onshore, at sea, offshore projects for the next year and will announce on the website of the Electricity Regulatory Authority. In case the next year's electricity generation price framework has not been announced, it is allowed to temporarily apply the most recently effective electricity generation price framework.

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# LEGAL

## State Capital Investment Corporation development strategy approved

*VNA*

Deputy Prime Minister Le Minh Khai has signed a decision approving the development strategy of the State Capital Investment Corporation (SCIC) until 2030 with a vision to 2035, as well as the business and investment plan of the firm until 2025, aiming to turn it into a financial investment organisation with the leading equity scale in Vietnam.

Under the SCIC development strategy until 2030 with a vision to 2035, the corporation will focus on receiving, equitising, restructuring, and selling capital in state-owned enterprises (SOE) without the need for the State to hold capital, while effectively performing the role of an institution and tool of the Government to support and promote the process of restructuring, and reshuffling SOEs to improve their operational efficiency.

The SCIC will be strengthened to ensure its financial and governance resources for its tasks of capital investment and business, investing and developing large-scale and important projects, supporting the country’s economic growth.

Capital business activities of the SCIC will be made following the market mechanism and tasks assigned by the Government, according to the strategy which underlined the orientation of step by step transforming the corporation’s operational model into a professional investment organisation.

The strategy sets specific operational goals for the corporation in particular periods. From now to 2025, the corporation will concentrate on supporting and promoting the process of restructuring, reshuffling and renovating SOEs, while investing and trading capital according to market mechanisms in industries and fields that bring benefits and the SCIC has advantages without a limitation of investment areas.

At the same time, it will make capital investment following political tasks assigned by the Government and the Prime Minister, focusing on key sectors that the State needs to control, or engaging in supporting the settlement of financial difficulties in enterprises due to financial crisis or force majeure.

In the 2026-2030 period, it will concentrate resources to promote capital investment and business activities, focusing on investing in infrastructure projects, large and important projects in accordance with the socio-economic development strategy of the country in each stage.

In the 2031-2035 period, the SCIC will operate in the model of a professional financial investment organisation, serving as the Government’s tool and channel to invest in the economy.

Under the business and investment plan until 2025, it will focus on investing in key areas and projects, as well as sectors and projects that prove effective and attract investment from the society and foreign investors, including high technology, digital economy, energy, key infrastructure projects, smart cities, health care, pharmaceuticals, finance – banking, and high-tech agriculture. It will also invest in groups, corporations and commercial banks.

Meanwhile, the SCIC will pour more capital into major and effective businesses with high potential, along with areas of innovation, contributing to transforming the economy’s growth model basing on science and technology. The corporation will also invest capital in sectors and areas directed by the Government and the Prime Minister using Government capital or capital mobilised by itself.

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**Proposed mixed tax regime on beer must be carefully studied: experts**

***VNS***

The proposed mixed tax regime needs to be considered to ensure fairness among producers of different business scales, especially in the beer industry, according to the Việt Nam Association of Financial Investors (VAFI).

VAFI was commenting on the Ministry of Finance’s proposal for amending the Law on Special Consumption Tax which aimed to raise the excise taxes to increase the selling prices of products by at least 10 per cent to limit consumption, protect health, increase budget revenue and create a fair and transparent business environment for enterprises.

Under the ministry’s proposal, two options were raised. In the first option, the taxation method of a relative tax rate would be kept unchanged, but the rate would be increased following an appropriate roadmap in accordance with the call of the World Health Organisation.

In the second option, a combined tax regime would be applied, in which a relative tax rate and an absolute tax would be applied at the same time.

VAFI, in a recent document sent to the Prime Minister and relevant ministries, stated that for the beer industry, which was subject to the excise tax, the mixed tax regime might create unfairness. Companies holding dominant market shares, mostly foreign-invested, would benefit more in terms of taxation and competition, pushing local beer producers into difficulty.

The association pointed out that most beer products have low alcohol content, with 99 per cent consumed in Việt Nam ranging from 4 per cent to 5.3 per cent.

VAFI’s analysis showed that the beer producer holding the largest market share in Việt Nam, estimated at 38 per cent in volume and 51 per cent in revenue, would have to pay the lowest special consumption tax rate if a mixed tax regime were applied.

“The mixed tax regime would create unfairness among producers in the beer industry, pushing small ones into loss and leaving no resources for expansion. Worse, this would create conditions for the big one to gain a monopoly in the market,” said VAFI’s Deputy Chairman Nguyễn Hoàng Hải.

Hải mentioned that 30 out of 38 member countries of the Organisation for Economic Co-operation and Development (OECD) applied a lower absolute tax on small and medium-sized beer producers, together with progressive taxation based on consumption output. The absolute tax on small and medium ones was only around 60 per cent of the highest tax for big ones.

A relative tax rate was the most feasible, simplest, and fairest, according to Hải.

Sharing the same viewpoint, National Assembly Deputy Phạm Văn Thịnh stated that in the current context, the existing taxation method was appropriate.

Thịnh emphasised that any tax policy must ensure the fairness principle for every enterprise, regardless of size, urging careful consideration for the most appropriate taxation method for each development stage.

From a different perspective, Nguyễn Thường Lạng from the National Economic University said that many countries around the world were applying a mixed tax regime on alcohol products, including Singapore, the Philippines, Thailand, the Republic of Korea, and Japan.

The mixed tax regime would work better in achieving the Government's target of reducing alcohol consumption, he said. An absolute tax would encourage producers to invest in improving product quality with lower alcohol content instead of focusing on lowering production costs, without paying attention to product quality.

According to Nguyễn Văn Việt, Chairman of the Việt Nam Beer – Alcohol – Beverage Association, the beer industry had been seriously affected by social distancing measures due to the COVID-19 pandemic and suffered additional impacts from the Government’s Decree 100/2019/NĐ-CP, which prohibited driving a vehicle after consuming alcoholic beverages.

A report by VIRAC Research said that Decree 100 would continue to be a barrier to the recovery of the beer industry in 2023, not to mention other factors such as rising input materials' prices.

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