**Dear Friends, Colleagues and Partners,**

**May peace, happiness and prosperity**

**be yours during this Holiday Season**

**and throughout the New Year!**

**Merry Christmas and Happy New Year 2024!**

VIETNAM – NEWS AND REGULATIONS

Dear Friends,

[Thank you for your interest in this topic. You have informed me that you wish to receive this newsletter. This communication may be considered promotional in nature.] If you no longer wish to receive any promotional communications from Dr. Oliver Massmann, please respond to this email and put "UNSUBSCRIBE ALL" in the subject line. Thank you!

With Compliments

Dr. Oliver Massmann

International Attorney at Law
Certified Financial Accountant and Auditor

HEADLINES

[TOP NEWS](#_Toc154061692)

[This Asian nation is key for the US-China power struggle](#_Toc154061693)

[BANKING & FINANCE](#_Toc154061695)

[Banking industry forecasts better prospects in 2024](#_Toc154061696)

[PM seeks Japanese Mizuho Bank's aid for banking restructuring](#_Toc154061698)

[ECONOMY](#_Toc154061699)

[Industry and trade highlights of Vietnamese economy this year](#_Toc154061700)

[Economy picking up, support still needed: WB](#_Toc154061701)

[INVESTMENT](#_Toc154061703)

[PepsiCo gains permission to build food factory in Ha Nam](#_Toc154061704)

[Thai Binh unveils $2 billion LNG power plant project in Japanese deal](#_Toc154061707)

[PROPERTY](#_Toc154061708)

[CapitaLand Vietnam and UOA agree to $247 million joint project](#_Toc154061709)

[Golden prospects in Thu Duc city begin to take shape](#_Toc154061710)

[OIL&GAS&ENERGY&MINING](#_Toc154061711)

[Fitch Ratings upgraded EVN and its 6 member units to BB+](#_Toc154061712)

[VN to purchase wind power from Laos: EVN](#_Toc154061713)

[LEGAL](#_Toc154061715)

[Regional minimum wage to increase by 6 per cent next year](#_Toc154061716)

[Ministry seeks stricter online cosmetics sales rules](#_Toc154061718)

##

## TOP NEWS

**This Asian nation is key for the US-China power struggle**

*RT*

**Vietnam has found itself in the position of kingmaker, being crucial for the plans of both Beijing and Washington for Asia**

Chinese leader Xi Jinping has just paid an official visit to Vietnam, where he met with the leaders of Hanoi’s ruling Communist Party. Xi hailed the ties between the two countries and vowed to take them to the next level, while numerous business agreements were also signed.

Such a move would seem obvious given the two countries are not only neighbors, but share the same political ideology. However, their relations are more complicated than that.

Three months earlier, Vietnam was visited by US President [Joe Biden](https://www.whitehouse.gov/briefing-room/speeches-remarks/2023/09/11/remarks-by-president-biden-and-president-vo-van-thuong-of-vietnam-at-a-state-luncheon/) of all people, who succeeded in elevating America’s relationship with the South East Asian nation to a strategic partnership. Then, just weeks ago, Japan did the same thing. When looked at from this angle, Xi’s overtures to Hanoi do not look as powerful, but rather represent one of a series of voices from larger powers seeking to win hearts and minds in Vietnam, a nation of geopolitical significance which will contribute to the outcome of the power struggle in the Asia-Pacific.

Although Vietnam is a communist state, this does not mean its relationship with Beijing is amicable. While of course it is not openly antagonistic or hostile, grassroots opinion in the country is wary of China, because a great deal of Vietnamese history involves a power struggle to maintain its independence from the Chinese imperial dynasties.

Vietnam, like many Asian nations, derived a great deal of cultural, philosophical, and technological capital from China, yet its national identity has always been premised on being a distinctive nation from China and not being politically dominated by it. Ideology is not relevant here.

Vietnam recognizes that China is its most critical economic partner – on the other hand, it is striving to avoid ‘Chinese hegemony’. This is not just historical, but modern as well. In 1978, China invaded Vietnam in order to break its alliance with the Soviet Union and assert dominance over it.

[**Why are US politicians afraid of Chinese garlic?**](https://www.rt.com/news/589088-china-us-garlic-security-threat/amp/)

Not only that, the two countries also have rival claims in the South China Sea, a contested waterway with critical shipping routes and resources. From Hanoi’s considerations, this leads to a foreign policy of non-alignment which seeks to court multiple foreign powers, including the US, to maximize its own strategic benefits.

How, one may ask, can Vietnam possibly court the US given the history between the two? Can Hanoi trust Washington? Vietnam appears to be confident in its relationship with the US, despite the scale of atrocities committed during the Vietnam War, because Hanoi won that conflict on its own terms and reunified the country.

Given this, Washington is now returning to the table because it sees Vietnam as a partner to try and contain China. Sure, Hanoi has ideological and political reasons to be suspicious of it, and the White House can never be an ‘ally’, but what the US offers is a chance to accelerate Vietnam’s own economic development and also increase its military leverage in the abovementioned dispute with China.

Of course, Beijing sees this, and therefore the resulting outcome is a struggle for Hanoi’s loyalty. This means, however, that China increasingly has to offer more to be allowed to ‘be at the table’ and compete with the other powers, and also that Vietnam gets to set the terms of engagement and be ‘the kingmaker’.

From the Chinese perspective, Vietnam is in fact an important aspect of the global trade and supply chain because it provides a mask to conceal the ‘made in China’ label to get around various trade restrictions and tariffs imposed by the US. Many Chinese companies are investing in Vietnam precisely because of this, which is why Chinese trade with ASEAN as a whole [has surged](https://www.business.hsbc.com.cn/en-gb/campaigns/belt-and-road/asean-story-1) to replace trade with the US.

Chinese companies build key parts and components, ship them to their own factories in Vietnam where assembly is completed, and the product then goes to the US. It creates the deception that ‘made in China’ is going away and allows indirect Chinese trade with America to continue. Thus, the integration of the Vietnamese and Chinese economies is accelerating. This is enough to keep the peace between the two countries.

At present, given US military encirclement, China is not in a strategic position to engage in confrontation with Vietnam, which is why Xi has chosen to throw everything at it in the name of diplomacy. Keeping Vietnam as a neutral and non-hostile neighbor is thus a core priority for China, especially given the fundamental foreign policy doctrine of the US to instigate division between Beijing and its neighbors as a means of containment. Vietnam, however, simply wants the best of all worlds, and it is certainly getting it for now.

*The statements, views and opinions expressed in this column are solely those of the author and do not necessarily represent those of RT.*

[Back to Top](#_top)

#

# BANKING & FINANCE

**Banking industry forecasts better prospects in 2024**

*VNS*

The banking industry has experienced a difficult period in 2023 due to global and domestic headwinds. However, the industry outlook is forecast to be more positive next year when credit growth improves.

*Việt Nam News* reporter Thu Hà talked with banking and finance expert Nguyễn Trí Hiếu about the issue.

How do you assess the business performance of the banking industry this year?

Banking industry business performance this year has faced challenges due to the global and domestic uncertainties. Under the context of low credit demand, declining non-credit revenue and rising risks of bad debt, the growth rate of the banking industry in 2023 is estimated to be slower than last year.

Profits of many banks this year are forecast to be less positive because credit of the banking system as of November 22 this year increased by only 8.21 per cent, while profits of banks mainly come from credit growth. However, there have been notable variance in the profits of banks this year: while some large banks continued to experience double-digit growth, small banks saw a sharp downturn.

The number of firms having to close their doors in the country in the past 11 months averaged more than 14,400 per month, showing that Việt Nam's economy continues to face difficulties. Regarding monetary policy, the State Bank of Vietnam (SBV) is still looking for ways to reduce interest rates while the US Federal Reserve (Fed) continues to keep interest rates at a high level, causing a large interest rate gap between US dollar- and Vietnamese *đồng*-denominated deposits. All of these reasons will make it difficult for Việt Nam's economy to gain a breakthrough and achieve strong growth in the last quarter of this year. Therefore, the banking industry cannot expect a surge this year.

Can the banking industry meet the SBV’s 14 per cent credit growth target set early this year?

Credit demand so far this year has increased slowly in most industries. As of November 22, 2023, the credit growth of the whole banking system was only at 8.21 per cent. I forecast the credit growth this year will be at 10-12 per cent, lower than the SBV’s 14 per cent target.

However, this low credit growth rate is in line with Việt Nam’s GDP growth rate this year. The country earlier this year set a 6.5 per cent GDP growth target; to meet this GDP growth target, credit growth must also be about 14 per cent. To date this year, GDP growth is estimated to be lower than the 6.5 per cent target and will reach only about 5 per cent in 2023, so credit growth must also be lower and the 10-12 per cent credit growth rate is reasonable.

The Government has so far taken measures to boost credit, but the results have remained modest. What is the root of the problem?

Firstly, credit activities depend on the needs of the borrowers. It means the credit growth depends on the economy's ability to absorb capital. It must be said that the capital demand of the economy has declined significantly when more than 14,400 firms dissolved per month on average in the first eleven months this year.

In fact, many small- and medium-sized firms have needed capital but they cannot borrow because they do not have mortgaged assets. And if there are mortgaged assets, the value of the assets is going down so they can only borrow 70 per cent of the value of the mortgaged assets.

Secondly, banks themselves are hesitant to lend this year due to the economic difficulties. When the economy grows and trade goes smoothly, banks see the opportunity for firms to repay debts, and banks will lend. However, when the market is stagnant as this year, loans will be at risk of becoming bad debts, so banks are very cautious in lending and do not dare to lend even though they have a money surplus.

As economic difficulties are forecast to last until early 2024, to promote credit growth, the banking system needs to find plans to boost unsecured loans, instead of mainly focusing on mortgaged loans as currently.

In addition, firms generally, small ones in particular, need credit guarantees to be able to borrow to have enough capital for production and business activities. This policy will help banks promote lending.

Can you forecast the outlook of the banking industry in 2024?

As credit growth plays a key role in banks earning profits, the outlook for the banking industry next year is expected to be more positive than this year thanks to higher credit growth.

I think the credit growth next year will improve as the world’s economy recovers and exports increase. This will create more jobs and boost consumer spending, which will help business prospects of firms become more positive, and they will have higher capital demand.

The Government’s fiscal policies and the SBV’s credit policies related to lowering interest rates will also drive credit growth next year. Notably, if the Fed can keep interest rates unchanged before the US 2024 presidential election, I think the credit picture next year will get better.

As the SBV’s monetary policy is likely to be continually loosened in the end of 2023, the economy will be more positive in 2024. The SBV can continue to cut its policy rate by 0.25 basis points next year. However, Việt Nam should be careful with the monetary policy, because the country is loosening monetary policy in contrast to the world’s tightening policy. In fact, reducing interest rates has no effect on economic growth or credit growth, but it is having strong adverse impacts on the declining stock market, the increasing foreign exchange rate, and the devaluation of the Vietnamese *đồng*.

[Back to Top](#_top)

**PM seeks Japanese Mizuho Bank's aid for banking restructuring**

*VNE*

Prime Minister Pham Minh Chinh requested assistance from Mizuho, one of Japan's three largest banks, for the restructuring of Vietnam's underperforming banks.

During a meeting with Mizuho’s president Masahiko Kato on Saturday, Chinh said Vietnam is restructuring its system of credit institutions to improve the banking sector’s performance, and is looking for foreign financial institutions’ assistance in the process.

The Vietnam State Bank’s efforts to reform the five underperforming banks under special supervision – namely CBBank, OceanBank, GPBank, DongABank and SCB – are moving slowly and lacking in investors.

Aside from the banking system, the Prime Minister also hoped that the Japanese megabank could invest in Vietnam’s plan to build one million social housing units for workers and low income earners.

Mizuho is one of the top three banks in Japan, earning over US$15 billion in annual revenue and amassing over US$1,700 billion in gross assets.

The lender has offices in Hanoi and HCMC.

In 2011, Mizuho bought a 15% stake in Vietcombank for US$567 million, becoming the state-owned bank’s strategic shareholder.

[Back to Top](#_top)

#

#

# ECONOMY

**Industry and trade highlights of Vietnamese economy this year**

*VNS*

The total import and export value is estimated to total US$683 billion, a spotlight of the Vietnamese economy in the context of global slowdown.

The recovery of industrial production and trade has contributed significantly to promoting Việt Nam’s socio-economic development in the context of the global slowdown this year, according to the Ministry of Industry and Trade.

Reporting on the industry and trade achievements at the ministry’s conference on Wednesday, Deputy Miniter Phan Thị Thắng said that the added value of the industry sector is estimated to increase by 2.98 per cent for the full year, in which the processing and manufacturing industry jumps by 3.48 per cent.

“Localities have made efforts to overcome difficulties and gradually restore production. Key industrial production localities have maintained positive upward momentum, such as Bà Rịa – Vũng Tàu, Bình Dương, Vĩnh Phúc, Vĩnh Long, Quảng Ninh and HCM City,” she said.

Notably, exports are a spotlight in the context of the global slowdown.

The total import and export value is estimated to total US$683 billion. Việt Nam has run a trade surplus for eight years in a row, estimated at a record high of nearly $30 billion this year, nearly three times higher than in 2022. This contributes positively to ensuring payment balance, increasing foreign exchange reserves, stabilising exchange rates and other macroeconomic indicators, she said.

“In the context of a global slowdown and declining global aggregate demand, Việt Nam’s export has not yet recovered to the previous years’ levels, but the drops are narrowing down significantly.”

Domestic trade also saw recovery, with the total retail sales of goods and services increasing by 9.6 per cent, higher than the target set at 8-9 per cent.

Still, there are limitations, including lower-than-expected growth of the manufacturing and processing industry, which was the growth momentum in previous years.

Speaking at the conference, Deputy Prime Minister Trần Hồng Hà applauded the industry and trade achievements in a challenging context from rising global uncertainties and unpredictable world developments, which insert multi-dimensional impacts on the country’s socio-economic development.

Hà asked the ministry to identify challenges and difficulties to raise solutions towards achieving the Government’s goals for 2024.

In response, Minister of Industry and Trade Nguyễn Hồng Diên asks the focus to be on promoting innovations and improving institutional reforms.

The ministry will complete plans to implement national planning on energy and minerals and improve the legal framework to facilitate production and business and improve national competitiveness.

The restructuring of the industry and trade sector must also be enhanced in line with the transformation of growth model which is driven by science and technology and increasing productivity, competitiveness and resilience of the economy. Pilot mechanisms for emerging sectors and new business models will be developed to create new growth drivers for the economy.

Diên also said that international integration would be promoted to attract the new wave of foreign investment flow triggered by the global production shift of multinational enterprises to diversify supply chains and avoid disruptions. Priorities would be given to high-tech sectors such as chip production, renewable energy, digital infrastructure and new materials.

Support will be provided to enterprises to enhance linkage with FDI companies and to effectively take advantage of the free trade agreements to diversify markets, supply chains and promote exports.

The ministry will focus on renovating trade promotions, encouraging the combination of traditional trade and e-commerce and digital economy to exploit the largely untapped potential of the domestic market.

Việt Nam will continue to actively negotiate trade agreements with potential partners in Africa, South Asia and West Asia and South America to create new momentum for trade and investment cooperation.

Close watch would be placed on market developments to have timely and appropriate management measures and protect domestic production, he said.

[Back to Top](#_top)

**Economy picking up, support still needed: WB**

*VNS*

Việt Nam continued to show improvement in economic activities, according to the latest report by the World Bank (WB).

Việt Nam continued to show improvement in economic activities but the Government should consider extending its economic support programme into the coming year, according to the latest report by the World Bank (WB).

The WB November report on the Southeast Asian economy showed a month-on-month increase in the industrial production index of 2.7 per cent, due to the increased production of key exports such as textiles (4.4 per cent) and electric equipment (7.9 per cent).

Monthly retail sales remained flat at -0.27 per cent m/m while retail sales growth averaged 7.5 per cent y/y between August and November, well below the pre-pandemic growth rates of about 12 per cent.

Overall performance of exports and imports of goods in November remained resilient amid recovering external demand, increasing by 6.7 per cent y/y and 5.1 per cent y/y, respectively. However, cumulative exports and imports for the 11 months in 2023 were still below the same period in 2022, falling by 5.9 per cent y/y and 10.7 per cent y/y, respectively, according to WB.

Consumer Price Index (CPI) inflation remain stable at 3.5 per cent y/y in November 2023, compared with 3.6 per cent y/y in October, well below the target inflation of 4.5 per cent.

Credit growth picked up slightly in November, growing at 10.3 per cent y/y, but remained well below the credit growth target set by the State Bank of Vietnam (SBV) at 14.5 per cent and pre-COVID levels at 12-15 per cent. This performance is due to the continued weakness in private investment and investor confidence, partly associated with uncertainty about the recovery of external demand as well as the sluggish real estate market.

Meanwhile, the government budget revenue collection during the first 11 months of 2023 fell by 6.2 per cent compared with the same period of 2022, due to the slowdown in economic activities. Eleven-month cumulative public expenditure, on the other hand, accelerated by 10.6 per cent y/y, reflecting the Government’s effort to support the slowing economy.

Public investment disbursement during the first 11 months grew by 36.3 per cent y/y, and November data continued to show improvement in economic activities. Following the trend since April 2023, the monthly seasonally adjusted Industrial Production Index (IIP) registered a growth rate of 2.7 per cent m/m in November, compared to 2.8 per cent m/m in October.

IIP grew 5.8 per cent y/y in November compared to 4.4 per cent y/y in October and was just above half of the pre-COVID19 level at 9.9 per cent average during 2018-19. The improvement is due to the increased production of key exports and products such as textiles by 4.4 per cent m/m, furniture by 9.9 per cent m/m, electronics by 2.3 per cent m/m, and electric equipment by 7.9 per cent m/m, said the report.

Manufacturing production for domestic consumption such as food and beverages also expanded by 2.0 per cent m/m and 5.2 per cent m/m, respectively. These expansions mirror relatively resilient domestic consumption and continued recovery in external demand.

However, prospects remain subdued with Việt Nam's PMI staying in contractionary territory in November at 47.3, the lowest since May 2023, compared with 49.6 and 49.7 for October and September, respectively. S&P Global PMI indicated that new orders fell in November, indicating still fragile demand conditions.

The WB recommended the Vietnamese Government extend the implementation of the 2022-23 economic support programme into next year to allow its planned investments to be fully implemented, supporting aggregate demand, according to the report.

WB warned amid the economic slowdown, financial sector vulnerabilities call for continued vigilance while efforts to restore confidence and promote the development of the real estate market will be key to supporting economic stability in the short term and economic growth in the long term.

[Back to Top](#_top)

# INVESTMENT

**PepsiCo gains permission to build food factory in Ha Nam**

*VNA*

The People’s Committee of Ha Nam province on December 20 handed over an investment registration certificate to a PepsiCo food production project of the PepsiCo Vietnam Foods Company Limited to invest in Dong Van I industrial park in Duy Tien commune.

The People’s Committee of Ha Nam province on December 19 handed over an investment registration certificate to a PepsiCo food production project of the PepsiCo Vietnam Foods Company Limited to invest in Dong Van I industrial park in Duy Tien commune.

Covering an area of 80,000 sq.m, the project has a total investment capital of more than 2 trillion VND (82.2 million USD) with a capacity of over 23,000 tonnes of all kinds of snacks a year. The project is expected to complete construction in the third quarter of 2025.

Speaking at the conference, chairman of the provincial People's Committee Truong Quoc Huy said the project will actively contribute to improving the province’s industrial production value in particular and socio-economic development in general. He requested relevant departments and branches to create favourable conditions to help the company carry out administrative procedures as well as remove obstacles in the construction process.

The chairman also asked the company to focus on financial and human resources in order to implement the project on schedule and pay attention to vocational training and job creation for local labourers.

Nguyen Viet Ha, General Director of PepsiCo Vietnam Foods Company Limited, said the company will make efforts to implement the project on schedule.

The company will invest in expanding raw material areas in the locality and other northern provinces. The firm will also apply regenerative agriculture methods and digital technology, he added.

[Back to Top](#_top)

# Thai Binh unveils $2 billion LNG power plant project in Japanese deal

*VIR*

Thai Binh province announced a $2 billion LNG thermal power plant project, in collaboration with Tokyo Gas Co., Kyuden Corporation, and Truong Thanh Group, marking a major stride in Vietnamese-Japanese economic cooperation.

"Thai Binh is stepping up its game in the global investment arena," said Ngo Dong Hai, Secretary of Thai Binh Party Committee in an interview with local media on December 14.

A focal point of this initiative is the Thai Binh LNG thermal power plant project, a collaboration with an investment consortium comprising Tokyo Gas Co., Japan's Kyuden Corporation, and Vietnam's own Truong Thanh Group.

The project, with a robust capacity of 1,500 MW and a total investment pegged at around $2 billion, is set for Thai Do commune in Thai Thuy district.

Hai also detailed Thai Binh's ongoing partnership with Japan's Marubeni Corporation.

"Our collaboration with Marubeni is a strategic step in our journey towards a more sustainable energy future," he said.

Thai Binh's investment outreach is not limited to the energy sector.

During the prime minister's upcoming visit to Japan, the province is slated to host a series of meetings and investment promotion activities with various Japanese entities, aiming to ink deals for numerous significant projects.

Hai's strategy includes wooing Japanese investors to the province's high-tech agriculture sector, tapping into Japan's renowned expertise in this field and Thai Binh's untapped potential. The province currently hosts five Japanese projects, worth approximately $150 million, and Japan has consistently been a major export market for Thai Binh, contributing 13 to 17 per cent of the province's total export value annually.

The foreign direct investment (FDI) figures for Thai Binh paint a picture of rapid growth.

As per data from the Ministry of Planning and Investment, the province attracted an impressive $615 million in FDI in just the first 11 months, dwarfing the figures for the entire years of 2022 and 2021.

"This marks a significant upturn in our FDI attraction efforts," Hai said.

Before 2020, the province's annual FDI rarely breached the $100 million mark.

Highlighting the province's competitive edge, Hai mentioned its extensive land reserves earmarked for industrial development.

"Thai Binh boasts 10 industrial zones, including four within the Thai Binh Economic Zone, and 49 industrial clusters spread across its terrain, totalling nearly 3,000 hectares of development-ready land," he said.

The strategically positioned Thai Binh Economic Zone, a brainchild of the Prime Minister, encompasses over 30,583 ha. This includes 22 industrial parks spanning 8,020 ha of industrial land.

The zone's proximity to key infrastructure like the Cat Bi International Airport and Lach Huyen International Port further enhances its attractiveness to investors.

"With the establishment of new industrial zones such as Lien Ha Thai, Hai Long, and VSIP Thai Binh since 2021, we are witnessing a burgeoning industrial ecosystem in our province," Hai added.

[Back to Top](#_top)

# PROPERTY

# CapitaLand Vietnam and UOA agree to $247 million joint project

*VIR*

Malaysia-headquartered property company United Overseas Australia (UOA) announced on December 11 that its Vietnamese unit had signed a joint venture agreement with CapitaLand Vietnam Holdings (CLV) to develop a $247 million property project in Vietnam.

The agreement is the culmination of discussions between the parties pursuant to an MoU announced in 2021 to identify and acquire a suitable project for development in Vietnam.

As intended under the MoU, UOA will hold a 30 per cent stake in the joint venture entity, with CLV holding the remaining 70 per cent.

The $247 development budget will be funded by each party in proportion of their respective ownership, with UOA’s share coming to just over $74 million.

The proposed project is a mixed-use development with an initial proposal consisting of the construction of four high-rise towers comprising residential, commercial and retail spaces, one medium-rise tower comprising residential and retail space, and two low-rise towers offering residential space only.

“We look forward to being a part of this project with CapitaLand as Vietnam continues to develop and offer further opportunities for our company,” read the statement from UOA.

On its homepage, UOA introduces itself as one of the leading real-estate corporations in Malaysia. The company was founded and listed on the Australian Stock Exchange under the name United Oversea Australia Ltd in 1987, focusing on development, construction, investment, and real estate management. Since 1989, UOA has its headquarters and business operations in Kuala Lumpur.

UOA is known in Vietnam for developing a number of real estate projects in Ho Chi Minh City such as UOA Tower, MarQ, and Millennial Tower in Phu My Hung urban area.

Focusing on its core markets of Singapore, China, and Vietnam, CapitaLand's well-established real estate development capabilities spans various asset classes, including integrated developments, retail, office, lodging, residential, business parks, industrial, logistics, and data centres.

CLVs portfolio comprises one retail mall, two integrated developments, and over 13,000 quality homes across 17 residential developments in Vietnam.

In November, CapitaLand acquired an almost 19-hectare (ha) plot of land from Becamex IDC in the economic hub of Binh Duong province and announced a luxury apartment project called Lumi Hanoi, with a total investment of approximately $760 million. With a total land area of nearly 5.6 ha, the project is expected to start construction in the first quarter of 2024.

With an estimated investment capital of approximately $800 million, Sycamore, a subsidiary of CapitaLand plans to build CapitaLand’s first large-scale residential project in Vietnam with more than 460 low-rise villas and about 3,300 apartments, with a total construction area of about 593,000 sq.m.

[Back to Top](#_top)

**Golden prospects in Thu Duc city begin to take shape**

*VIR*

A series of long-awaited property projects east of Ho Chi Minh City are set to give the area a huge development boost.

The breaking of ground for the Eaton Park project is a sign of the awakening of the potential land east of Ho Chi Minh City with a series of large transforming projects such as Rach Chiec Sports Complex and the Global City.

Gamuda Land, the property arm of Malaysia’s Gamuda Berhad in December broke ground on the first high-end flagship project east of Ho Chi Minh City, namely Eaton Park.

Set to launch in the second quarter of 2024, Eaton Park is one of the outstanding projects located in the golden land plot in Thu Duc city, which is also home to other outstanding projects.

In November, Ho Chi Minh City People’s Committee Chairman Phan Van Mai assigned the city’s zoning and architecture leaders to collaborate with relevant bodies to organise a competition to choose the ideal design for Rach Chiec Sports Complex.

Located next to Eaton Park, Rach Chiec Sports Complex is another project that has waited for many years due to the difficulties in land clearance and compensation. This move is the latest green light from the city committee to wake up a project in this golden land area.

The Rach Chiec Sport Complex is in a 212 hectare land plot with six subprojects investors are interested in, including an infrastructure system, futsal and sports stadiums, outdoor velodrome and motorbike racing combined with a 50,000 seat stadium, football training institution, and services area.

Meanwhile, the nearby Global City project from Masterise Homes is in its high-seed implementation phase, with a range of construction being finished.

The Global City is a rare project in this area, with a large scale of over 117 ha. The project is designed and planned according to international standards.

Meanwhile, the long-awaited Saigon Sports City (SSC), a project that was to be jointly developed by Keppel Land and Keppel Urban Solutions, was slated to a 64-hectare integrated community-centric township situated in the area.

Envisaged to be Vietnam’s first-of-its-kind sports-oriented township, SSC is now in construction and will feature comprehensive facilities such as a one-stop lifestyle hub for sports, entertainment, shopping and dining offerings, as well as pedestrian-friendly public spaces such as a waterfront boulevard and a multipurpose town plaza.

Two major metro lines near the development will be operating soon and will provide further convenience to residents as well as drive up property values.

In recent years, Thu Duc has become a focus for investment and infrastructure development. There are signs of the city centre being shifted to new economic areas, such as with the development of Long Thanh International Airport, new schools, international hospitals, and commercial centres.

Thu Duc is a magnet with abundant growth potential, and the Ho Chi Minh City High-Tech Park will create a further premise for real estate development in the area.

Dr. Tran Nguyen Minh Hai, a real estate expert in the city, pointed out three reasons why Thu Duc will become the most attractive investment market in Ho Chi Minh City in the next two years.

“Thu Duc is a trillion-dollar infrastructure site with a series of projects that are continuously promoted for investment such as roads, bridges, and intersections. It is not hard for professional investors in the business community in the region to identify the commercial potential and advantages of long-term business development in this area, as a new opportunity to make early investments in the new centre of Ho Chi Minh City,” Hai said.

Investors believe that this area has all the elements to become a place to promote the commercial development of the region, Hai added.

Thu Duc People’s Committee predicts that in 2025 the city will welcome a wave of immigration of more than 50,000 people. By 2030, the population of the entire city could reach about 1.5 million.

[Back to Top](#_top)Bottom of Form

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

## Fitch Ratings upgraded EVN and its 6 member units to BB+

*VietnamEnergy news*

One of the three most prestigious credit rating organizations in the world - Fitch Ratings has raised the long-term issuer default rating (IDR) of the Electricity of Vietnam (EVN) and 6 member units from "BB" to "BB+"(stable outlook). Specifically, 6 member units of EVN were evaluated including:

1/ National Power Transmission Corporation (EVNNPT).

2/ Southern Power Corporation (EVNSPC).

3/ HANOI City Electricity Corporation (EVNHANOI).

4/ HOCHIMINH City Electricity Corporation (EVNHCMC)

5/ Northern Power Corporation (EVNNPC).

6/ Central Power Corporation (EVNCPC).

This rating followed the upgrade of Vietnam's long-term foreign currency IDR from "BB" to "BB+" (on December 8, 2023).

Fitch has also upgraded the senior unsecured debt ratings of EVN and EVNNPT from "BB" to "BB+".

According to Fitch Ratings: EVN's rating is on par with Vietnam's national rating according to Fitch's Government-Related Entities (GRE) rating criteria, reflecting the state's strong support ability.

The independent credit profile (SCP) of EVN is assessed at “BB”.

The ratings of EVNNPT reflected an independent credit document of "BB+", on par with the IDR of the parent company EVN.

The Ratings of 5 power corporations: EVNHANOI, EVNHCMC, EVNSPC, EVNNPC and EVNCPC - are ranked on par with the rating of the parent company – EVN, to fit with the criteria for ranking links between a parent company and member company (PSL) of the Fitch.

Fitch assessed that the overall motivation in supporting the five corporations is "high", based on "low" legality and "high" strategic and operational motivations.

Fitch highlighted all of the independent credit documents of the corporations as "BB", the same as for EVN.

The ratings of EVN, EVNNPT and 5 power corporations are directly linked to the credit quality of the parent company.

A change in assessment of Fitch on the credit quality of the respective parent company will automatically result in a change in the ratings of these entities.

[Back to Top](#_top)Bottom of Form

**VN to purchase wind power from Laos: EVN**

*VNS*

Vietnam Electricity (EVN) has submitted a document to the Ministry of Industry and Trade (MoIT) regarding the proposal to import wind power projects from the Lao People's Democratic Republic (Lao PDR) to the Quảng Trị Province.

Vietnam Electricity (EVN) has submitted a document to the Ministry of Industry and Trade (MoIT) regarding the proposal to import wind power from the Lao People's Democratic Republic (Lao PDR) to Quảng Trị Province.

EVN urged the MoIT to review and submit to the Prime Minister the proposal to import electricity from the Trường Sơn Wind Power Plant, including additional planning for transmission lines. The purchase price for electricity from this project is US$6.95 cents/kWh, equivalent to about VNĐ1,700/kWh.

The MoIT confirmed it has received a document requesting feedback from relevant ministries and localities on the proposal to purchase wind power from the plant, with a capacity of 250MW, from Bolikhamsai Province in Laos to Việt Nam, as proposed by EVN.

According to the ministry, the plant is expected to start operation in the fourth quarter of 2025.

"To import electricity from this plant to Việt Nam, a new 220kV double-circuit transmission line will be constructed, with a length of 75km from the Trường Sơn Wind Power Plant's 220kV substation connecting to the 220kV busbar at the Đô Lương 220kV substation in the central Nghệ An Province, Việt Nam," said the MoIT in an official statement.

To meet the project completion schedule in 2025, the project's investor, the Vietnam Laos Energy Investment and Development Corporation, has sent a document to EVN proposing to sell electricity from this project to Việt Nam. The investor suggests investing the entire grid connection project to connect the plant to the Việt Nam's power system using the project's funds.

In an earlier development, in a report to the MoIT, EVN stated that the governments of Laos and Việt Nam had agreed to import 1,000MW of electricity from Laos to Việt Nam by 2020. The imported electricity volume is expected to be around 3,000MW by 2025 and about 5,000MW by 2030. As of the end of October, the Prime Minister has approved the proposal to import electricity from various sources in Laos with a total capacity of 2,689MW.

"EVN has signed 19 power purchase agreements (PPA) to buy electricity from 26 Laotian power plants with a total capacity of 2,240MW. Among them, seven projects are commercially operational with a total capacity of 806MW, and it is expected that an additional 1,171MW can be put into operation by 2025," according to the MoIT.

The report indicates that, so far, the total approved capacity of electricity sources in Laos that can be imported into Việt Nam and put into operation by 2025 is only about 1,977MW, much lower than the import scale stated in the memorandum of understanding.

[Back to Top](#_top)

# LEGAL

# Regional minimum wage to increase by 6 per cent next year

*VNS*

## The National Wage Council on Wednesday gave the green light to lifting the regional minimum wage by 6 per cent next year.

The increase will be submitted to the Government for approval. If approved, the regional minimum wage increase will take effect on July 1, 2024.

According to the change, the wage in Region 1 will be adjusted from VNĐ4.68 million (US$192) to VNĐ4.96 million ($204) per month.

The 6 per cent increase is equivalent to a rise of VNĐ250,000 in Region 2, and VNĐ220,000 and 200,000 in Regions 3 and 4, respectively.

Currently, the minimum monthly salary of workers in enterprises in Region 2 is VNĐ4.16 million, in Region 3 it is VNĐ3.64 million ($149.4) and in Region 4 it is VNĐ3.25 million ($133.3).

The minimum hourly wage will also increase by 6 per cent, ranging from VNĐ16,600 to VNĐ23,800, which also depends on the region.

Region 1 covers the urban areas of Hà Nội and HCM City; Region 2 encompasses the rural areas of Hà Nội and HCM City, along with major urban areas in the country such as Cần Thơ, Đà Nẵng and Hải Phòng; Region 3 covers provincial cities and the districts of Bắc Ninh, Bắc Giang and Hải Dương provinces; and Region 4 comprises the rest of the country.

Lê Văn Thanh, deputy minister of labour, invalids and social affairs, said all members of the National Wage Council agreed upon the 6-per-cent increase. This shows difficulty sharing between enterprises and labourers.

The wage increase plan has been evaluated based on economic difficulties, world fluctuations, and complex trade barriers. The council has also taken into consideration the difficult circumstances of workers in recent times due to fluctuations in prices and businesses lacking orders.

In the latest adjustment of the regional wage minimum on July 1, 2022, the rate also increased by 6 per cent.

According to experts, increasing the regional minimum wage in 2024 is a difficult decision due to difficult economic trends, businesses lacking orders and unemployment.

Without a salary increase, it will be difficult to meet the workers’ needs in the context of inflation, while the base salary of the State sector and pensions already increased last July.

The regional minimum wage is the lowest level and is used as the basis for businesses to negotiate and pay wages to labourers. This amount applies to individuals working under the employment contract framework of the Labour Code; working within enterprises; cooperatives, farms, households, individuals, and other Vietnamese organisations that employ staff under contracts; as well as foreign organisations and individuals in Việt Nam that employ labourers.

The International Labor Organization (ILO) assesses that since 2015, Việt Nam has always increased the minimum wage stably and consistently, from $119 month to the current $168 per month. Overall, in the 2015-22 period, the minimum wage in Việt Nam increased by a total of 19.8 per cent.

In the ASEAN region, Việt Nam is one of the few countries to maintain salary increases that help increase the real value of workers.

The ILO recommends that authorities adjust minimum wages to keep up with inflation to keep the real value of wage increases for workers while measuring their needs and their families’ to promote social justice. Salary adjustments also need to be based on accurate data on inflation, economic growth, employment, solvency of businesses and labour productivity.

[Back to Top](#_top)

**Ministry seeks stricter online cosmetics sales rules**

*VNE*

The Ministry of Health has proposed new regulations to tighten the sale of cosmetics online to limit counterfeits and products of unknown origins.

The ministry suggests that the Ministry of Industry and Trade develop new rules obliging e-commerce and social media cosmetics sellers to disclose the origins and quality of their products.

The ministry highlights the current challenge in monitoring online cosmetics sales, noting the difficulty in locating sellers.

Under existing regulations, individuals are not required to register as a business when selling cosmetics via online platforms.

The health ministry believes that a more robust legal framework will not only ensure better control but also foster sustainable growth in the cosmetics sector on digital marketplaces.

Implementing these regulations may increase operational costs for businesses by approximately 2-3% per sale. To offset these additional expenses, businesses could contemplate adjusting their retail prices, it said.

[Back to Top](#_top)