VIETNAM – NEWS AND REGULATIONS

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# BANKING & FINANCE

**ADB to finance 23 projects with loans totaling $4bln**

*VNE*

***January 22 meeting hears of plans to finance 23 projects around Vietnam.***

The Asian Development Bank (ADB) is ready to support Vietnam’s efforts to develop a green finance market and contribute to building a sustainable economy, the ADB Director General for the Southeast Asia Department told a meeting with Deputy Minister of Finance Le Tan Can on January 22.

Mr. Winfried Wicklein said the process for securing loans is dependent on various factors, including availability and project priority, and affirmed the ADB’s commitment to accompanying Vietnam throughout the process.

He announced the bank’s plan to finance 23 projects in Vietnam, with a total value of nearly $4 billion in the 2024-2026 period. However, the feasibility of mobilizing such loans during this period is largely contingent upon the completion of domestic investment procedures.

“In the ASEAN region, the ADB has provided several loans to help countries upgrade their infrastructure, improve the environment, combat climate change, and develop multiple industries and areas of the economy,” he said. “We want to continue our cooperation with Vietnam in these areas to further strengthen bilateral relations.”

Deputy Minister Can said that over the past several years, the ADB has consistently been a crucial partner in supporting the Vietnamese Government by providing policy advice and financial resources. It has provided timely financial policy advice and technical support that assisted the Ministry of Finance (MoF) in completing institutional frameworks and tools for public financial management.

“The MoF hopes that the ADB will work closely with us to find solutions that ensure balanced mutual benefits, and accelerate the negotiation and signing of loans for projects already approved by authorized agencies in Vietnam,” he added.

The Deputy Minister emphasized that in order to achieve its development targets, Vietnam will need to access substantial financial resources. Therefore, in addition to mobilizing domestic funds, he hopes that international financial institutions like the ADB will help it access the necessary resources on as favorable terms as possible.

The MoF is now finalizing a draft proposal on green finance, as directed by the Prime Minister. It has also requested ADB assistance and advice in finalizing the legal framework and policies in regard to developing green finance, strengthening the capacity of financial institutions and businesses and connecting them with international green finance markets.

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**2023 overseas remittances to HCMC hit 10-year high**

*VNE*

Overseas remittances to Ho Chi Minh City hit $9.46 billion in 2023, a ten-year record, Mr. Nguyen Duc Lenh Deputy Director of the State Bank of Vietnam (SBV), Ho Chi Minh City Branch, has said.

The figure was a 43.3 per cent increase year-on-year and accounted for over half of Vietnam’s total remittances, Vietnam Television (VTV) News has reported.

By region, remittances from Asia accounted for the highest proportion, with 50.5 per cent, and rose 143.8 per cent compared to the end of 2022.

Mr. Lenh said remittance flows to the southern city are associated with the growing trend of local people working abroad.

Vietnam’s stable macro-economy, favorable investment and business environment, and remittance attraction policies from the government and the SBV contributed to the record increase, he added.

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# ECONOMY

**Việt Nam economy to grow by 6% in 2024: HSBC**

*VNS*

The strong inflows of Foreign Direct Investment will likely continue in 2024, buttressing Việt Nam’s manufacturing sector. The nascent recovery of the global trade cycle will boost Việt Nam’s exports. Furthermore, Việt Nam is likely to witness a gradual uptick in international tourism.

Việt Nam’s economy will grow by 6 per cent in 2024, faster than in 2023, according to economists of HSBC Vietnam.

James Cheo, Chief Investment Officer, Southeast Asia and India, Global Private Banking and Wealth, HSBC, said that the strength of the Việt Nam economy in 2024 would come from a combination of consumer and investment spending.

The strong inflows of Foreign Direct Investment will likely continue in 2024, buttressing Việt Nam’s manufacturing sector. The nascent recovery of the global trade cycle will boost Việt Nam’s exports. Furthermore, Việt Nam is likely to witness a gradual uptick in international tourism.

“Inflation is fairly stable but there could be an upside risk from higher-than-expected energy or food prices, we think that Việt Nam’s monetary authority will stay vigilant and keep policy rates on hold for this year. We forecast the Vietnamese *đồng* to move towards VNĐ24,400 against the US dollar by the end of 2024,” said Cheo.

HSBC Global Private Banking (HSBC GPB) expects the beginning of Fed rate cuts in June 2024, US soft landing, corporate earnings recovery, and solid Asia growth to improve global risk appetite and investment outlook of equity and bond markets in 2024.

For the next six months, HSBC GPB adopts a mild risk-on investment strategy with underweight on cash, mild overweight on US Treasuries and global investment grade bonds and tactical overweight on hedge funds.

“As we look ahead into 2024, we see two positive drivers supporting global financial markets. Major western central banks have done rate hikes amid continued disinflation and the US economy is heading for a soft landing. These two positive developments should support recovery of global risk appetite in 2024. Positioning for slower but positive global growth and Fed rate cuts starting in June 2024, putting cash to work in quality bonds, US and Asian equities and alternatives should deliver diverse sources of return and income to optimise portfolio performance and mitigate market volatility,” said Fan Cheuk Wan, Chief Investment Officer, Asia, Global Private Banking and Wealth, HSBC.

“We see quality bonds as the most attractive asset class for H1/2024 ahead of the first Fed rate cut. We focus on locking in still attractive yields via our overweight in US and UK government bonds and investment grade bonds across developed and emerging markets. Although global growth should remain below trend growth in 2024, the US growth engine continues to run, thanks to the resilient US consumer and government stimulus supporting investment and innovation in technology and healthcare. Equity valuations now see better fundamental support from earnings recovery that we anticipate in 2024, which provides a potential upside for stocks that can deliver on earnings expectations. We expect the global AI investment boom will extend into 2024, reinforcing our bullish view on the global, US and Asian IT sectors,” noted Fan.

“Going against the global headwinds, Asia’s robust private wealth accumulation, resilient middle-class consumers, digital transformation and green transition offer solid domestic drivers to support healthy economic growth. We forecasted that Asia ex-Japan GDP will grow 4.5 per cent in 2024, close to double the average global growth of 2.4 per cent, led by India’s 6.0 per cent, Indonesia’s 5.2 per cent, and China’s 4.9 per cent growth this year.” added Fan.

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# MPI's head highlights three strategic breakthroughs for economic development by 2030

*VNS*

Minister of Planning and Investment Nguyễn Chí Dũng discusses the pivotal role of three strategic breakthroughs - institutions, infrastructure, and human resources - in Việt Nam's vision to become a developed country with high income by 2030 and 2045.

Việt Nam aspires to evolve into a developing country with a modern industry and high average income by 2030, followed by achieving developed country status with high income by 2045. Minister of Planning and Investment Nguyễn Chí Dũng discusses with Vietnam News Agency the pivotal role of implementing three strategic breakthroughs – institutions, infrastructure, and human resources – in realising this vision.

How can we realise Việt Nam's vision of becoming a developed country with high income by 2030 and 2045?

Achieving Việt Nam's development goals for 2030 and 2045 involves overcoming significant challenges through strategic breakthroughs in institutions, infrastructure, and human resources. In the era of the Fourth Industrial Revolution (Industry 4.0), proactive nations thrive, while passivity leads to setbacks.

Among the identified breakthroughs, the institutional one stands as the foremost and pivotal foundation for subsequent successes. The implementation clarifies major relationships outlined in Party Congresses, such as the balance between stability, innovation and development, economic and political innovation and adherence to market rules while ensuring socialist orientation. Varied approaches are required for each breakthrough.

Institutional breakthrough requires continuous innovation, intertwining top-down and bottom-up approaches for practical, comprehensive and widespread effectiveness during policy implementation. Ensuring synchronisation across stages, industries, and sectors is crucial, particularly in the context of technological advancements, knowledge-based development, with people at the forefront of the digital transformation process. Human resources are pivotal for growth, productivity and overcoming the middle-income trap.

The Party emphasises synchronous and modern infrastructure development as a key aspect of the socio-economic strategy for 2021-30, aiming to enhance the system for rapid and sustainable development.

In 2024, the world economy and politics are expected to be challenging, impacting our domestic economy. Could you share how we plan to achieve socio-economic goals and support business recovery in this tough environment?

In the upcoming year, the Government aims to overcome challenges, address economic bottlenecks, and mobilise widespread investment from society. This aligns with the socio-economic development goal for 2024 and the five-year Plan 2021-2025 set by the Party Central Committee and the National Assembly.

To achieve these goals, the Ministry of Planning and Investment has suggested the  Government prioritise stimulating economic growth, maintaining macroeconomic stability, and ensuring key balances. Three growth drivers – renewing old ones and effectively utilising new avenues – are emphasised. Additionally, three strategic breakthroughs in institutions, infrastructure, and human resources are actively pursued through continual review and improvement of laws, mechanisms, and policies. Efforts focus on reducing administrative procedures, enhancing the business environment, and fostering investment.

Strategic infrastructure projects, especially in highways, airports, ports, urban and inter-regional infrastructure, digital infrastructure, social infrastructure, healthcare and education, are being expedited. Special attention is given to developing high-quality human resources, aligning with advancements in science, technology and innovation.

A substantial focus is placed on restructuring the economy, improving labour productivity, and fostering innovation, digital and green transformations. Efforts include encouraging the development of new economic models, e-commerce and border trade.

In economic diplomacy, the Government aims to attract high-quality foreign investment, particularly in emerging fields, and actively participate in multilateral forums to enhance the country's international standing and reputation.

Could you share the new developments and outcomes of public investment disbursement in 2023, considering its crucial role in driving Việt Nam's economic growth?

In 2023, substantial capital is required for the five-year plan 2021-2025, focusing on socio-economic recovery. Alongside the National Assembly's planned funds, there's an additional budget for the socio-economic recovery and development programme. The political system, guided by the Politburo, Secretariat, and with support from various entities, actively implements the 2023 public investment plan.

Positive results are evident. Public investment's structure aligns with economic restructuring, fostering balanced growth. The investment-to-GDP ratio has increased and State budget-funded investments have risen.

Public investment plays a leading role in driving economic growth, attracting resources from non-state sectors. Expected disbursement in 2023 is set to reach 95 per cent of the plan (compared to 91.42 per cent in 2022), reaching a historic high of nearly VNĐ676 trillion (US$28.2 billion), a VNĐ146 trillion increase from 2022. Institutions are continuously amended to address challenges. Improved capacities in production, services and economic infrastructure significantly contribute to economic growth and social security.

Attracting foreign direct investment (FDI) is a positive aspect of the economic landscape in 2023. Could you share your perspectives, goals and plans for attracting foreign capital flows in the near future?

In 2023, despite economic challenges, Việt Nam has achieved remarkable success in attracting foreign investment. The total registered investment capital hit a record high of $36.6 billion, a 32.1 per cent increase from 2022, reflecting strong foreign investors’ interest. This underscores Việt Nam's reputation as a stable, attractive and promising investment destination. Disbursed capital also reached a new peak at $23.18 billion, a 3.5 per cent increase from 2022.

Việt Nam's strategy for attracting foreign investment in the future involves proactive collaboration with selective investors, focusing on quality, efficiency, technology, and environmental sustainability. The emphasis is on prioritising projects with high added value, advanced technology, partnerships with domestic businesses, spillover effects, and integration into global production and supply chains.

Key investment areas include electricity, electronics, semiconductors, renewable energy, highly efficient agriculture, digital economy, digital transformation, innovation, research and development, and the establishment of a financial centre.

How should the National Innovation Centre (NIC), which came into operation last year in accordance with Resolution No. 52-NQ/TW, support Vietnamese businesses in actively engaging with the Industry 4.0?

NIC, a Ministry of Planning and Investment initiative mentioned in the XIII Congress Document, signals the Party and State's commitment to fostering innovation in the Industry 4.0. Resolution No. 52-NQ/TW outlines the goal of establishing a business-centric innovation system, aligning with the Ministry's role in advising socio-economic strategies and supporting businesses.

Operating within the Ministry's framework, NIC focuses on promoting business innovation and supporting startups. It initiates programmes for digital transformation, resource provision for innovation and entrepreneurship, and fostering connections within the startup ecosystem.

To boost Vietnamese businesses' participation in the Industry 4.0, NIC targets eight key areas: smart cities, smart factories, cyber security, digital content, environmental technology, medical technology, semiconductor industry, and green hydrogen technology, with a focus on the semiconductor industry's value chain.

The centre's facilities offer testing areas following global models, and collaboration with partners continues to provide support, consultation, and connection programs for businesses, enhancing technological capacity and facilitating digital transformation.

Regarding mechanisms and policies, the Ministry of Planning and Investment plans to propose special measures to the Government and Prime Minister, ensuring improved support for the centre's innovation and entrepreneurship initiatives.

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# INVESTMENT

**Vietnam to enjoy standout growth in 2024**

*VIR*

Vietnam’s economy is likely to continue to outperform its regional neighbours through 2024, with its manufacturing and export industries drawing significant inward investment thanks to the openness of its economy and the strength of its fundamentals.

The information was revealed in the Asia House Annual Outlook 2024 that was released on January 23. The report examines how Asia’s economies will power ahead in 2024.

According to this outlook, in the first ten months of 2023, foreign direct investment (FDI) in manufacturing projects in [Vietnam](https://vir.com.vn/search_enginer.html?p=search&q=Vietnam) stood at roughly $18 billion, or 73 per cent of the total FDI inflows registered in the same period. Additionally, foreign investors are increasingly turning to Vietnam to diversify their supply chains away from China.

The report points out that Vietnam’s digital transformation programme aims to situate its domestic tech firms as global players. Vietnam has a thriving tech startup environment and there has been significant public investment in AI.

The National Innovation Centre supports tech breakthroughs in multiple sectors, while the banking sector is very active in AI testing and application. VPBank has applied AI to currency transactions, personal credit, and digital banking, while Vietcombank has cooperated with FTP Smart Cloud to develop a customer chatbot platform, called VCB Digibot.

In 2024, AI will reshape multiple sectors in Vietnam’s economy and boost inward productive investment. By collaborating with educational institutions and participating in the development of AI infrastructure, inward investment can catalyse positive economic spill-overs – both horizontally and vertically.

As a major agricultural producer, Vietnam will benefit from inward investment in precision agriculture, AI monitoring, and analysis to optimise yields and fertiliser use. AI can also be used to collect data on soil conditions, weather, crop growth, and water usage, with sensors and drones also providing key insights. This can influence decisions on seed planting, fertilisation, pest management, and other agronomic procedures.

According to the Asia House Annual Outlook 2024, economic dynamism, resilient fundamentals, and the openness of Vietnam’s economy also augur well for its green finance ecosystem. Regulatory incentives to encourage a shift in the financing of the green economy will be key in 2024 and beyond.

The continued promotion and scaling of incentives to attract and channel green finance – with the engagement of domestic financial institutions – will spur Vietnam’s energy transition and help build resilience against climate shocks.

The Bank for Investment and Development of Vietnam became the first to issue green bonds, with the proceeds used to finance green, energy-saving, emission-reducing, and environmental protection projects. The first domestic green bond issuance in the Vietnamese capital market was scored by Moody’s.

This is also the first senior, unsecured, and unguaranteed green bond issued in Vietnam. Additional efforts to scale green bond issuance will create pathways for more issuances and deliver more depth and breadth in the green ecosystem.

Vietnam’s blended green finance initiatives – such as the Asian Development Bank blended finance loan supporting wind energy – are particularly effective in supporting Vietnam’s adaptation to climate risks and supporting renewable energy.

As is the case in neighbouring Southeast Asian economies, climate finance mechanisms need to be calibrated to mitigate risk and to promote risk-sharing, particularly when channelling sustainable finance to Vietnam’s smallholder farmers and small- and medium-sized enterprises.

Equity-based investments offer risk-sharing and risk mitigation, as well as give farmers greater financial flexibility during periods of low yields or unforeseen shocks.

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# FDI prospects off to stellar start for 2024

*VIR*

Numerous ventures worth hundreds of millions of USD are pouring into Vietnam, promising positive results in foreign investment mobilisation and contributing to economic growth for 2024.

Last week, Crystal Group, in a meeting with the northern province of Nam Dinh’s leaders, proposed a $200 million investment in a fibre, fabric, and garments facility. This is the sixth project in Vietnam for the group, which is a key supplier of popular fashion brands such as Uniqlo and Victoria’s Secret.

“This is also Crystal’s first in Vietnam to be funded on a chain scale, and promises to be our most significant achievement,” said Chan Chi Yuen, director of Financial Control in Asia and in charge of development in Vietnam at Crystal Group.

South Korean manufacturer Hyosung wants to invest an additional $2 billion in Vietnam in 2024. The information was given by Cho Huyn-sang, group vice president, during a discussion on investment opportunities in the Vietnamese market at last week’s event chaired by Prime Minister Pham Minh Chinh.

Hyosung has already invested $3.5 billion in Vietnam, present in major cities such as Hanoi, Ho Chi Minh City, Dong Nai, and Ba Ria-Vung Tau with more than 9,000 employees, and planning to increase capital to $5.5 billion this year. The vice president of Hyosung Group said that many South Korean companies want to be present in Vietnam.

“Vietnam’s strengths are the strong and effective leadership and administration of the central government, the active support of local governments, and the hard-working and serious spirit of Vietnamese people,” Hyun-sang said.

In the very first days of the new year, dozens of million-dollar projects have received investment certificates or in-principle approvals. Six such schemes, with a total capital of $390 million, received investment certificates at a conference in the central province of [Nghe An on January 13](https://vir.com.vn/nghe-an-planning-going-from-fact-to-act-108512.html).

Hai Duong province in the north has approved 27 projects, with the total capital of more than $1.5 billion. In addition to some domestic ventures, there were numerous large-scale foreign ones, such as Deli Vietnam Office Technology with $270 million; Biel Crystal Technology Manufactory with $260 million; and Boviet Hai Duong’s solar photovoltaic panel manufacturing initiative, worth $120 million.

In the southern province of Dong Nai, of the nine projects awarded investment certificates this month, there are four foreign-invested ones with the total newly registered capital of $156.4 million, and four expanding projects with additional capital of $217 million, including Nestlé, Hyosung, and Kenda.

Among them, Nestlé is putting in $100 million to raise its total investment to more than $500 million. “This is a testament to Nestlé’s long-term commitment in Vietnam,” said Binu Jacob, general director of Nestlé Vietnam.

The beginning of the year is often a time when localities organise promotion conferences or meet with foreign investors. “It has been quite exciting lately because numerous large-scale projects have been announced. This promises that 2024 will continue to be a successful year for Vietnam in attracting foreign investment,” a representative of the Foreign Investment Agency under the Ministry of Planning and Investment (MPI) said.

At the government conference with localities in early January, Deputy Prime Minister Le Minh Khai emphasised that top US microchip manufacturers have also visited Vietnam and are considering pouring money. “Vietnam is still an attractive destination for foreign investors,” he said.

Michael Kokalari, chief economist at VinaCapital, expressed his belief that Vietnam’s foreign direct investment (FDI) inflows in 2024 will be positive. “We have received a lot of information about Japanese corporations looking for opportunities to cooperate with domestic partners to pour capital into Vietnam’s real estate sector,” Kokalari said.

Vietnam’s opportunity to engage foreign investment is huge. However, there are some challenges also, including the application of the global minimum tax (GMT) since January 1, and building additional incentive mechanisms.

Recently, Intel decided to pour $25 billion into Israel. Besides being an important market for Intel, Israel provides subsidies of up to $3.2 billion, equivalent to 12.8 per cent of investment. This is said to be one of the reasons why Intel decided to invest a huge amount of money there. Previously, Intel also decided to pump $4.6 billion into Poland, and more than €30 billion in Germany, and both received huge financial support.

Competition to draw in FDI is fierce. In a report submitted to the government in early January, the MPI said that in 2024, the outlook for global investment flows may be more uncertain. “The growth of FDI inflows is getting smaller and are concentrated among countries with geopolitical links, especially in strategic fields. The implementation of the GMT and related policies in some countries may also affect FDI flows,” the ministry reported.

Administrative procedures, infrastructure, and human resources are still issues in Vietnam. In the report on the Business Confidence Index of the European Chamber of Commerce in Vietnam in the fourth quarter of 2023, chairman Gabor Fluit said that positive trends are still happening but emphasised that “Vietnam needs to resolve issues of administrative burdens, and lack of efficiency”.

Nguyen Quoc Viet, vice president of the Vietnam Institute for Economics and Policy Research, has proposed promoting both static and dynamic comparative advantages for Vietnam.

“Of these, the static advantages are abundant and much talked about: creative labour, great resources for high-tech industrial production, participation in free trade agreements, and others,” Viet said. “However, the static advantages cannot increase sharply, so we should exploit and improve the dynamic comparative advantages, including new policies, improving human resources quality, and cutting down costs for startups and innovation.”

By doing so, Vietnam will maintain FDI inflows and engage more multinational and high-tech manufacturers to produce high-value goods, instead of industries that are labour-intensive, Viet added.

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# PROPERTY

**Vietnam needs $72bln to invest in industrial zone infrastructure by 2030**

*VNE*

## Additional 120,000 ha to be developed under national planning.

Vietnam needs some $72 billion to invest in developing infrastructure for industrial zones (IZs) planned to 2030, according to the Institute for International Investment Studies (ISC).

By 2030, Vietnam will have an additional 120,000 ha of IZs, both industrial parks and export processing zones, under the national land use plan approved by the National Assembly in November 2021.

The ISC estimated that average investment needed to develop one hectare of IZ land is $600,000, based on current land prices, land compensation costs, and construction costs.

Vice Chairman of the ISC Member Council Ngo Cong Thanh told a recent meeting held to discuss the situation of IZs in Vietnam that investment cost in developing IZs is increasing rapidly.

Total investment capital for developing IZs in 2022 stood at $28 billion, he said.

As of the end of 2023, there were 414 newly-established IZs nationwide, including four export processing zones, on a total area of 89,126 ha. Of these, 293 IZs had been put into operation.

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**Hanoi plans to put 15-20 industrial clusters into operation**

*VNE*

**City’s People’s Committee has issued a development plan for industrial clusters this year.**

Hanoi plans to complete the construction of infrastructure and put into operation 15-20 industrial clusters in 2024.

This is part of an industrial cluster investment and management plan for the year that has been issued by the Hanoi People’s Committee.

Hanoi will establish or expand 10-15 industrial clusters under the plan.

The Committee will introduce mechanisms and policies to develop industrial parks to fulfill the target, including completing and incorporating the industrial cluster development plan into the Hanoi Capital Planning in the 2021-2030 period with a vision towards 2050, and call for investment in building technical infrastructure for the industrial clusters.

The capital will attract investment projects into industrial parks with completed infrastructure while adopting measures to remove obstacles and difficulties for investors in completing procedures relating to investment and land, to accelerate the construction of technical infrastructure at industrial clusters.

Focus will also be placed on managing and developing industrial clusters that have been put into operation, upgrading existing clusters and improving trade and investment promotion programs to raise occupancy.

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

**World Bank to support Ho Chi Minh City on carbon credits**

*VIR*

The opportunities and challenges presented by operating a carbon credit market in Ho Chi Minh City in line with the World Bank were the main talking points of a meeting on January 24 between Chairman of Ho Chi Minh City People's Committee Phan Van Mai and World Bank experts at an investment conference centred around green growth on January 24.

The World Bank has spent the last six months promoting the development of the carbon market as an issue of serious concern.

“At a recent meeting of national leaders in Dubai, chairman of the World Bank stated that carbon markets are an important resource to entice private finance globally and to finance developing countries like Vietnam," said Chandra Sinha, global chief climate finance expert, "This requires the participation of governments to implement the goals of the Paris conference on climate change."

Sinha also revealed that the World Bank is working with partners in Ho Chi Minh City to find opportunities for funding sources to transition to low-carbon development.

“The chairman of the World Bank sent an official letter inviting Prime Minister Pham Minh Chinh to participate in the carbon credit market at the national, provincial and city levels - wherever there is potential,” he said.

Carolyn Turk, World Bank country director in Vietnam, said, "The development of the carbon market changes every day, so the city needs up-to-date information from the World Bank about market movements and to act quickly to catch up with market trends."

Darryl Dong, business development director, International Finance Company (IFC) said, "The IFC is interested in Ho Chi Minh City and will help the city mobilise resources from the private sector as well as guide institutional changes to implement green growth projects."

IFC will also support the city in decarbonising and creating global partnerships to provide the city with sustainable financial resources to implement such projects.

Chairman Mai said, “We would like the World Bank to provide more details on identifying types of carbon credits and focus on building an overall framework for the city to enable trading on the international market.”

“The city will promote communication for businesses to accept and apply standards, and offer support to improve capacity, convert technology, and help business owners understand the system,” Mai said.

In addition to the external investment, he said the city will also spend part of its budget to mobilise large financial resources, attracting investment in sci-tech and innovation.

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**Erex to put $101 million into biomass plant in Vietnam**

*VIR*

Erex Corporation, a Japanese firm specialising in supplying electricity sourced from biomass, has just unveiled plans for a pioneering 50MW biomass power plant in the central province of Binh Dinh.

This proposal, detailed in a recent disclosure by Binh Dinh Department of Planning and Investment on January 17, aligns with Vietnam's broader strategy to combat climate change and bolster renewable energy sources.

With an estimated production capacity of 296.4 million kWh per annum, the proposed facility underscores a robust approach to green energy.

"Leveraging state-of-the-art stoker boiler technology and pure condensing steam turbines, our project promises both efficiency and environmental stewardship," an Erex representative said.

The project will require an investment of approximately VND2.4 trillion, equivalent to around $101 million.

The commitment highlights Erex's position in the region's rapidly evolving renewable sector. The selection of the project site, anticipated to span between 15 and 20 hectares, is already underway with a focus on areas that can offer optimal infrastructure connectivity and minimal ecological disruption.

"Our objective transcends energy production. We aim to curtail CO2 emissions significantly, projecting a reduction of approximately 250,695 tonnes annually," the Erex spokesperson added.

This aligns with the stringent environmental norms the plant intends to meet, including controlled emissions of dust, nitric oxide, and sulphur oxide.

As for the developmental timeline, Erex targets initiating construction by 2027, with the subsequent phases of equipment procurement and installation to follow. The plant is expected to commence commercial operations by 2030.

Erex is also collaborating with Vietnam's Energy Institute under the Ministry of Industry and Trade. This partnership involves crafting specific criteria for the project and conducting essential site-selection research.

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# LEGAL

## Protection of rights of vulnerable consumers enhanced under new law

*VLLF*

**To be effective on July 1, the new Law on Protection of Consumer Rights gives more rights to consumers while providing priority policies toward vulnerable consumers.**

To be effective on July 1, the new Law on Protection of Consumer Rights gives more rights to consumers while providing priority policies toward vulnerable consumers.

Under the Law, consumers are given the opportunity to choose a healthy and sustainable consumption environment and enjoy the State’s protection when using public services.

As specified by the Law, vulnerable consumers include elderly people, people with disabilities, children, ethnic minority people and those living in ethnic minority-inhabited areas, mountainous areas, islands, areas with difficult socio-economic conditions and areas with extremely difficult socio-economic conditions, pregnant women, women currently nursing their under-3-year infants, people suffering fatal diseases, and members of poor households.

When selling goods or providing services to vulnerable consumers, business organizations and individuals will have to secure the proper exercise of the latter’s rights.

In case a vulnerable consumer files a request for protection, the concerned business organization or individual will prioritize the receipt and processing of such request and may not forward it to a third party for resolution, unless the third party has related obligations.

Business organizations and individuals will pay compensation for damage in accordance with the civil law to vulnerable consumers in case of delaying or refusing to receive and process the latter’s requests.

In addition, the Law specifies more responsibilities of business organizations and individuals toward consumers. Particularly in special transactions such as distance transactions and cyberspace transactions, business organizations and individuals will have to comply with relevant specific regulations.

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**Digital transformation to drive circular economy**

VIR

A programme focussing on digital applications for visualising material cycles and resource efficiency and their role in advancing the circular economy in Vietnam was held on January 24 in Hanoi. It was led by the Resource and Environment Communication Center (RECC) in partnership with Japan's Environmental Renewal and Material Circulation Bureau.

The event also saw the participation of various ministries, including Natural Resources and Environment, Industry and Trade, Planning and Investment, Science and Technology, and Agriculture and Rural Development.

Representatives from the Ministry of the Environment of Japan, the Japanese Embassy in Vietnam, the Japan International Cooperation Agency (JICA) Vietnam, and the Association of Environmentally Friendly Product Manufacturers of Vietnam, along with several businesses, were also part of the initiative.

Addressing the attendees, Vu Minh Ly, deputy director of RECC, said, “The Vietnamese government has committed to achieving net-zero emissions by 2050. To fulfill this commitment, the country needs to transition its economy from linear to circular through issuing regulations related to sustainable growth models, promote recycling, and adopt resource-efficient practices.”

Ko Matsuura from the Resource Bureau of the Ministry of the Environment of Japan, said, “Japan and Vietnam signed a collaboration agreement in waste management in 2013. Now, in early 2024, the Waste-to-Energy Plant project in Bac Ninh has just been inaugurated, representing an improvement in waste management, environmental protection, and human health.”

"Japan has made significant efforts in resource and environmental management and promoting a circular economy. I believe that with our experience, technology, and expertise, we can help Vietnam improve waste management," Matsuura added

In October last year, JICA Vietnam initiated a technical support project to establish regulations for an intelligent eco-industrial park using IT in its management and operation in Ba Ria-Vung Tau province. This system can be utilised in JICA's project to promote the implementation of Decree No.35/2022/ND-CP on the management of industrial parks and economic zones.

Speaking at the programme, Akira Hiroi, Japanese Ambassador to Vietnam, said, “Waste management is currently the most critical issue internationally. Vietnam's waste volume is increasing, and current waste management and disposal models are inadequate. However, Vietnam is making efforts to shift from a linear production model that uses many resources to a circular economy that promotes sustainable resource use.”

With urbanisation, population growth, and shifting consumption patterns, Vietnam is grappling with an increasing influx of waste that putting strain on its existing disposal infrastructure. The inadequacy of current waste management systems covering collection, transportation, and disposal further compounds the environmental challenges.

In collaboration with international partners, particularly Japan, Vietnam is seeking to leverage external expertise and best practices in waste management and circular economy development. Projects and agreements with countries renowned for their advanced waste management systems demonstrate a commitment to addressing challenges and implementing sustainable solutions.

"The Japanese government hopes to contribute to Vietnam's circular economy transition through its ongoing collaborative programmes and through many future initiatives," Hiroi added.

Attendees of the event discussed the challenges inherent in introducing and implementing a smart material circulation system in industrial areas in Vietnam.

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