VIETNAM – NEWS AND REGULATIONS

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# TOP NEWS

## Vietnam ‘has been a development success story’: World Bank

*WhashingtonExaminer*

While [economic](https://www.washingtonexaminer.com/tag/economy/) freedom is declining around the world, [Vietnam](https://www.washingtonexaminer.com/tag/vietnam/) is bucking the general trend. The country still has a lot of work to do to join the ranks of economically free countries, but it is moving in the right direction. No other country of comparable size has made such strong gains in the [Index of Economic Freedom](https://www.heritage.org/index/) in recent decades.

“Vietnam has been a development success story,” according to an April 2023 [report](https://www.worldbank.org/en/country/vietnam/overview) from the World Bank. “Economic reforms since the launch of Đổi Mới in 1986, coupled with beneficial global trends, have helped propel Vietnam from being one of the world’s poorest nations to a middle-income economy in one generation. Between 2002 and 2022, GDP per capita increased 3.6 times, reaching almost US$3,700. Poverty rates (US$3.65/day, 2017 PPP) declined from 14 percent in 2010 to 3.8 in 2020.”

The International Monetary Fund forecasts that Vietnam’s gross domestic product will increase by 5.8% in 2024, placing it second in the region.

Vietnam’s economy is projected to grow by 6% this year, rebounding from a slowdown in 2023, driven by the expectation of export recovery, as per the January update from the Association of Southeast Asian Nations-Plus Three Macroeconomic Research Office.

“We anticipate this positive momentum to continue in the coming year, projecting a growth rate of 6 percent,” AMRO chief economist Hoe Ee Khor said. “While this is slightly lower than the official target, we attribute it to a more moderate pace of export recovery.”

With a growth forecast of 6% in 2024, Vietnam ranked third in AMRO’s 2024 GDP growth forecast, trailing the Philippines, with 6.3%, and Cambodia, with 6.2%.

Growth in Vietnam no longer revolves solely around agriculture as it has positioned itself in high-tech fields, including Industry 4.0, semiconductor chips, AI, and hydrogen, and is attracting international capital. Foreign direct investment amounted to [$36.6 billion in 2023](https://hanoitimes.vn/bright-prospects-for-vietnams-economy-in-2024-326036.html).

How can Vietnam continue making economic progress? In the 2024 Index of Economic Freedom, the Heritage Foundation notes that Vietnam is one of the rising stars, contrary to the global trend, but also identifies [weaknesses](https://www.heritage.org/index/pages/country-pages/vietnam#:~:text=Status&text=Vietnam's%20economic%20freedom%20score%20is,in%20the%20Asia%2DPacific%20region): “The overall rule of law is weak in Vietnam. The country’s property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.

“Vietnam’s overall regulatory environment is relatively well institutionalized but lacks efficiency,” it adds.

However, Oliver Massmann, partner at Duane Morris Vietnam LLC, sees progress in strengthening the rule of law: “Positive recent developments include the new Credit Law. On January 18, 2024, Vietnam’s National Assembly passed a new Law on Credit Institutions, providing greater protection against embezzlement and introducing more precise requirements for banks in crisis. Above all, the law simplifies approval procedures, an improvement sorely needed in Vietnam (as elsewhere in the world). The reform of land law is another positive aspect. Land prices should now be based more on market principles.”

Another positive aspect, according to Massmann: “Vietnam has made commitments to open its market and increase legal certainty for investors in its free trade agreements and investment protection agreements. … The ISDS Investor State Dispute Settlement and Government Procurement Agreement stipulates that judgments against Vietnam can be enforced abroad without the Vietnamese government being able to object.” This would be unthinkable in China, for example.

The Heritage Foundation also cites the level of taxation and public debt as positive features: “The top individual income tax rate is 35 percent, and the top corporate tax rate is 20 percent. The tax burden equals 18.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 20.1 percent and -1.3 percent of GDP. Public debt amounts to 35.3 percent of GDP.”

What can Vietnam still improve? The proportion of state-owned enterprises there remains far too high, and further privatizations are urgently needed. Labor law also needs to be reformed, as there are too many regulations.

Professor Andreas Stoffers, director of the Friedrich Naumann Foundation in Hanoi, highlights the fight against corruption. Although progress has been made, he says, the situation is still less than satisfactory. Stoffers also suggests setting up a financial hub in Ho Chi Minh City, a move that is already discussed. Vietnam should take Dubai as an example: Dubai generates 14% of its GDP on the 0.4 square miles of its International Financial Center. A similar project in Ho Chi Minh City could be a major step forward on Vietnam’s path to a free market economy.

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## VIETNAM - LEGAL ALERT ON CIRCULAR PROVIDING REGULATIONS ON METHOD TO FORMULATE POWER GENERATING TARIFF RANGES

*Dr. Oliver Massmann, Duane Morris Vietnam LLC*

On 1 November 2023, the Ministry of Industry and Trade (***MOIT***) issued Circular No. 19/2023/TT-BCT providing regulations on the method to formulate power generating tariff ranges for solar and wind power plants (***Circular 19***). In general, Circular 19 outlines guidelines for determining annual electricity generation price frameworks for ground-mounted and floating solar power plants and onshore, nearshore and offshore wind power plants (not including transitional power projects) and lays out the steps for creating and implementing the tariff ranges and outlines the responsibilities of investors, regulatory bodies, and pertinent parties like Vietnam Electricity (***EVN***). Circular 19 came into force on 19 December 2023 and, accordingly, the first tariff ranges should be promulgated by the MOIT by the end of 2024 for year 2025.

While Circular 19 is one of the set of rules the MOIT is working on to put the Power Development Plan VIII (PDP 8) to life, the MOIT and the Government are still working hard on the same. More specifically, on 1 March 2024, the MOIT, again, submitted another draft on the Implementation Plan for the Power Development Plan 8 as requested by the Government on 29 February 2024 under Report No. 1346/TTr-BCT. It is worth noting that the draft is still structured with two phases implementation which the Government rejected before. At the (almost) same time, On 4 March, MOIT signed a Decision to set up the Drafting Committee and Editing Team for the Electricity Law revision. The Draft Amended Law on Electricity (***Draft Law***) is on track for public consultation by the end of March 2024. Once reviewed by MOJ, the Draft Law will be submitted to the Government for consideration and decision whether to submit the finalized the Draft Law to the National Assembly. As statted in the MOIT’s work plan, the submission of the Draft Law to the Government is scheduled to happen in July 2024. This submission, if endorsed by the Government, must occur no later than 30 days before the opening of the 8th session of the 15th National Assembly, which takes place in October 2024. It is expected that all of the relevant regulations under the Circular 19 and the PDP 8 will become much clearer and enforceable after the issuance of the Implementation Plan and the Amended Law on Electricity.

For further details, Circular 19 regulates the following key provisions:

**1. Methods for determining pricing framework**

Circular 19 lays out the formula for determining the upper limit of the tariff range (the “**Ceiling Price**”). Every year, the MOIT will establish and publish Ceiling Price for every category of power plant, using a formula specified in Circular 19. Overall, the method for solar and wind power plants follows the same general structure: the Ceiling Price will be determined by applying the Standard Power Plant's generation cost, which will be determined using either actual or hypothetical data and the methodology specified in Circular 19. In which:

·         Standard Power Plant is regulated as a solar or wind power plant (i) being implemented in line with the Power Development Plan; (ii) has investor(s) selected for the project; (iii) has common capacity; (iv) has not entered into any Power Purchase Agreement; (v) is representative of the relevant technology/system. Since Circular 19 is silent on the definition of "common" or "representative" for the aforementioned purposes, it is likely up to EVN's judgment. EVN is tasked under Circular 19 with choosing Standard Power Plants.

·         Tariff range: There will be separated tariff ranges for each region of Vietnam with regard to solar power projects developed by reference to the average irradiation levels in each different region. Every year, the MOIT will develop and publish official tariff ranges. The most recent tariff ranges may be temporarily in effect if the tariff ranges for a certan year are not published in a timely manner.

·         Ceiling Price: The Ceiling Price is calculated with the formula as below

**P = FC + FOMC**

*In which:*

**P**: power generating tariff (Dong/kWh);

**FC**: average fixed costs (Dong/kWh); and

**FOMC**: fixed O&M costs (Dong/kWh).

while

                                                                                                               I.            Average Fixed Costs (***FC***): Circular 19 introduces a formula for determining the average fixed costs of a Standard Power Plant. This component serves the purpose of investment recovery and is derived from annual converted investment capital and the projected *average* electrical energy delivered by the Standard Power Plant over time.

Generally, FC is calculated according to the (not including VAT) for construction of the Standard Power Plant, calculated per year (in Vietnamese Dong) (***TC***) and the average projected delivered power for a number of years of the Standard Power Plant (***E***) as follows:

                             **TC**

**FC** = ------------

                              **E**

and

                                                                                                             II.            Fixed Operation and Maintenance Costs (***FOMC***): This element, serving to recover major repair costs and annual operation and maintenance expenses, is determined through a formula considering the fixed total cost for operation and maintenance of the power plant and the average forecast annual electrical energy delivery.

FOMC are calculated in accordance with the following formula:

          **TCFOMC**

**FOMCMT** = ------------

          **E**

whereby **TCFOMC**is the total fixed O&M costs of the Standard Power Plant is calculated based on the investment rate (Dong/kWp), the total installed capacity of the Standard Power Plant and the ratio of the fixed O&M costs over the total investment capital costs for each type of power plant, based on data provided by consultants engaged by EVN.

**2. Step-by-step procedure for promulgation of tariff ranges**

**Step 1**: By 1 November each year, EVN must (i) propose the selection Standard Power Plants; (ii) carry out calculation or hire a consulting firm to select a set of parameters and to calculate the Ceiling Price; (iii) set up an application dossier and submit the same to the Electricity Regulatory Authority of Vietnam (***ERAV***).

**Step 2**: After receiving the dossier from EVN, ERAV has five working days to review it for validity and appropriateness. If required, ERAV will submit a request for EVN to amend, add to, or clarify the application's content. EVN is required to provide an explanatory report as requested by ERAV within 15 working days of the request date. ERAV will arrange for an evaluation of the tariff ranges that EVN has recommended if the dossier is legitimate and the explanatory report is adequate, and this will happen within 20 working days of the dossier's arrival. If required, ERAV may confer with the impacted parties (such as pertinent solar or wind power facilities) or an advisory board formed by the MOIT.

**Step 3**: ERAV is required to suggest that the MOIT take into consideration approving the Tariff Ranges for the following year and post them on ERAV's website within 15 working days after the appraisal date. The most recent tariff ranges may be temporarily in effect if the tariff ranges for the next year are not announced in time.

**3. Conclusion and recommended action plan**

The stated goal of MOIT Circular 19 is to offer a clear and methodical process for establishing pricing frameworks for wind and solar power generation after the FiT regime. The goals of Circular 19's standards are to guarantee sustainability, efficiency, and justice in the nation's growth of renewable energy projects. The Circular seeks to lay a strong basis for the sustained expansion of Vietnam's solar and wind power industries by defining precise rules and processes. Although these are admirable and significant objectives, there is still much to be decided in order to facilitate the development of greenfield projects, most notably regarding investor selection restrictions and PPA conditions.

With regard to investment into the power sector of Vietnam, it is highly recommended that investors make necessary moves as soon as possible to reap benefits from the PDP 8 and its guiding documents, i.e. Circular 19. Regarding foreign investment protection vis-a-vis Vietnam Government, the Investor State Dispute Settlement (ISDS) will ensure highest standards of legal certainty and enforceability and protection for foreign investors in Vietnam. We recommend foreign investors to carefully select the special purpose vehicle (***SPV***) to represent its investment in Vietnam to enjoy the legal certainty given by the ISDS mechanism since it is going to be applied under the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (***CPTPP***). Under such provision of the CPTPP, for investment related disputes, the investors have the right to bring claims to the host country by means of international arbitration. The arbitration proceedings shall be made public as a matter of transparency in conflict cases.

In addition, all decision of the ISDS tribunal is directly enforceable in Vietnam and offshore against Vietnam. That is a level of legal certainty that never existed before in Vietnam. It is a game changer for bankability of transactions. By setting up entities falling under the protection of ISDS mechanism under the CPTPP, investors can enjoy maximum legal protection from the CPTPP while investing in power sector in Vietnam.

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Please do not hesitate to contact Dr. Oliver Massmann under omassmann@duanemorris.com if you have any questions or want to know more details on the above. Dr. Oliver Massmann is the General Director of Duane Morris Vietnam LLC.

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# BANKING & FINANCE

**US Export Bank, Vietnam Development Bank Sign $500M Green Finance Deal**

*VE*

**Memorandum of Understanding aims to boost US exports for infrastructure and climate adaptation projects in Vietnam.**

Leaders of the Export-Import Bank of the United States (EXIM) and the Vietnam Development Bank (VDB) have signed a $500 million Memorandum of Understanding (MOU).

The agreement will support US exports to Vietnam, specifically targeting green infrastructure, climate adaptation, and broader green economy transitions.

“The MOU we signed demonstrates our shared commitment to strengthening the U.S.-Vietnam commercial relationship and dedication to creating opportunities that strengthen the economies of both our nations,” stated EXIM President and Chair Reta Jo Lewis.

“We are excited to collaboratively seek financing opportunities to advance mutually beneficial projects and support U.S. exporters looking to do business in Vietnam.”

VDB Chairman Mr. Le Van Hoan lauded the MOU as furthering the US-Vietnam Comprehensive Strategic Partnership. "This... lays the foundation for collaboration and helps both our institutions to fulfill the tasks entrusted by our governments," he said.

EXIM will work with the VDB to pinpoint potential infrastructure and renewable energy projects that accelerate Vietnam's green transition. The agreement signals US support for Vietnam's ambitious climate goals and the energy transition needed to achieve them.

As the US's official export credit agency, EXIM backs US jobs by facilitating exports. Its financing tools include insurance, loan guarantees, and direct loans. EXIM plays a key role in boosting US competitiveness by supporting American exporters and their supply chains.

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## Banks aspire to join billion-dollar profit club

*VNA*

With profits exceeding 20 trillion VND (833 billion USD) in 2023, many banks are eyeing to join the billion-dollar profit club this year.

Several major banks have cautiously set profit targets, albeit still in the billion-dollar range, while others aim to nearly double their growth pending approval at annual shareholder meetings.

Vietcombank has revealed a targeted increase of at least 10% in pre-tax profit, while MB Bank - the third-highest profit earner in the industry - is working toward a 10% profit growth to reach 28 trillion VND.

Luu Hoai Son, the head of the planning and marketing department at MB Bank, stated that the bank expects a higher credit growth rate than the 16% set by the State Bank of Vietnam (SBV). Based on this, the pre-tax profit is projected to rise by 10% compared to the previous year.

Meanwhile, ACB and HDBank anticipate their pre-tax profits to be 10% and more than 20% higher, respectively.

Although BIDV and VietinBank have yet to announce their targets, it is unlikely the figures will be lower than those achieved last year.

The ACB Board of Directors said it believes that with the government's solutions to help ease difficulties in the real estate and corporate bond markets, the economy may recover this year. However, the toughest challenge is still the non-performing loans.

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# ECONOMY

**South Korea to pump ODA loans to Vietnam by 50% more**

*VNE*

South Korea is set to increase its Official Development Assistance loans to Vietnam by 50% from last year to $52 million this year.

"The South Korean government and the Korea International Cooperation Agency highly values Vietnam," KOICA president Chang Won-sam told Deputy Prime Minister Tran Luu Quang Tuesday.

In June 2023, South Korea President Yoon Suk-yeol promised to let Vietnam borrow $200 million in ODA from 2024 to 2027 in the areas of environment, healthcare, education and digital transformation.

South Korea will also pay attention to Vietnam’s needs and initiate projects accordingly.

KOICA, established in 1991, oversees the management of non-refundable aid projects by the South Korean Government.

The South Korean government, through KOICA, has provided $600 million in loans to Vietnam.

Deputy PM Quang said that South Korea has been giving Vietnam the most effective and fastest loans. He wants South Korea to increase aid in digital transformation and innovation.

He proposed an aid for connecting the rural of Dien Bien Province in northern Vietnam with the national grid, which is estimated to cost $20 million.

South Korea tops Vietnam’s foreign direct investment with an accumulated registered capital of $86 billion. It ranked third in bilateral trade at $76 billion last year.

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**2024 garment & textile exports expected at $44bln**

*VNE*

**Export value in Jan-Feb rose 15 per cent to $5.2 billion.**

Vietnam’s garment and textile industry targets posting export revenue of $44 billion this year, for a 9 per cent increase compared to 2023.

Figures from the General Statistics Office show that the sector recorded export value of $5.2 billion in the opening two months of the year, a year-on-year rise of 15 per cent.

Garments and textiles also ranked fourth among products with the highest export turnover.

Export value last year stood at $40.3 billion, down 9.2 per cent against 2022.

Apart from traditional markets, Vietnam has exported garment and textile products to Canada, China, the UK, Australia, Russia, Thailand, and India.

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# INVESTMENT

**Vietnam ranks in top 5 favourite investment destinations among Asia’s emerging and developing countries**

*VIR*

Vietnam has ranked in the top five favourite investment destinations among Asia's emerging and developing economies, according to the Global Opportunity Index.

The US' Milken Institute released the Global Opportunity Index (GOI) on March 5. The GOI remains a strong predictor of capital movements 10 years after its inception. The index alone explains 64.7 per cent of the variation in per capita foreign direct investment ([FDI](https://vir.com.vn/search_enginer.html?p=search&q=FDI%20)) inflows and 51.7 per cent of per capita portfolio inflows to countries across the world. The 2024 GOI report provides a global overview of countries' attractiveness and capital inflows.

Accordingly, Vietnam placed 65th in this year's ranking globally. Meanwhile, among Asian emerging and developing (E&D) economies, Vietnam proved an investor favourite and ranked 5th in the region, trailing behind Malaysia, Thailand, China, and Indonesia.

Over the past few years, Vietnam has become popular among foreign investors. According to the Ministry of Planning and Investment, Vietnam lured as much as $36.61 billion in foreign direct investment (FDI) capital in 2023, up 32.1 per cent on-year. Realised FDI rose 3.5 per cent from a year ago to hit $23.18 billion, a record level. In the first two months of 2024, FDI inflows into Vietnam totalled $4.29 billion, up 38.6 per cent compared to the same period in 2023.

“While advanced economies provide stability, investors seeking high-growth returns continue to show interest in emerging and developing economies,” said Maggie Switek, senior director at the Milken Institute and co-author of the report.

E&D Asia attracted more than half of the total capital flowing into E&D economies between 2018 and 2022. However, with growing tensions between the United States and China, capital inflows to E&D Asia dropped sharply by 75.4 per cent during 2022.

This year, Denmark claimed the top ranking, followed by Sweden and Finland. The US gained one spot on the index, moving up to fourth position.

To create the index, the Milken Institute evaluates investment opportunities through 100 variables organised into five categories and 14 sub-categories. The five major categories are: Business Perception, Financial Services, International Standards & Policy, Economic Fundamentals, and Institutional Frameworks.

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**Victory Giant Technology to invest $800 million in Bac Ninh**

*VIR*

# Victory Giant Technology is to invest in a high-precision, printed circuit boards project in the northern province of Bac Ninh, according Vuong Quoc Tuan, standing Deputy Chairman of Bac Ninh People's Committee following a meeting at the Chinese manufacturer's factory in Guangdong province on March 19, during Tuan's visit to the country.

Victory Giant Technology specialises in the research and development, production, and sales of high-precision, printed circuit boards. Its products are widely applied in computers, aerospace, automotive electronics, communications, consumer electronics, industrial control, and medical equipment. It has established long-term and stable partnerships with more than 160 major companies around the world.

The Chinese firm has decided to invest in a 10-hectare factory in Vietnam-Singapore Industrial Park (VSIP) Bac Ninh 2, with an investment totalling $800 million.

The project is slated to begin production in mid-2025, with support from Bac Ninh to facilitate implementation.

"Victory Giant Technology is a reputable Chinese group specialising in the production of electronic components and semiconductors using some of the world's most-advanced technology," said Tuan.

"This project will make Bac Ninh the leader in Vietnam’s electronics manufacturing industry, and the province will assist the group in implementing the next steps and create the best possible environment for the project to go into operation as soon as possible," he added.

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# PROPERTY

**Foreigners buying apartments in Vietnam await price rises to profit**

*VNE*

A majority of foreigners purchasing apartments in Vietnam, particularly in Hanoi and Ho Chi Minh City, are doing so with the anticipation of price increases, and only a few are renting out their properties, according to CBRE.

In its "Two Decades of Vietnam's Urban Development" report issued on March 8, CBRE Vietnam said 2015 saw the introduction of a new law permitting foreigners to purchase residential apartments, helping to diversify the buyer landscape.

The report cited data from Vietnam’s Ministry of Construction showing that 3,000 foreign buyers were recorded in Vietnam from 2015 to the third quarter of last year.

According to the report, 90% of them are condominium buyers and 75% came from Asian markets, including China, Hong Kong, South Korea, Taiwan, Singapore.

CBRE said "buying and holding for capital appreciation remains the most popular strategy for foreigners purchasing residential real estate in Vietnam. Some buyers may opt to let properties as a temporary options while they wait for sales prices to climb."

Starting in 2015, the government began removing barriers to foreigners' acquisition of real estate.

The Housing Law 2014, which came into effect in 2015, permitted any foreigner allowed to enter Vietnam to purchase residential properties in the country.

While there remains no limit on the number of individual units a foreigner can buy in Vietnam, there is a cap on the percentage of foreign ownership in an individual project. This is set at a maximum of 30% per residential building or no more than 250 landed properties in an administrative unit.

Leasehold tenures are set at 50 years and are extendable subject to applicable law but cannot exceed an additional 49 years or be converted to freehold tenure should the foreign owner have a Vietnamese spouse.

Following the easing of foreign property ownership laws, investors from certain regions have become predominant in Vietnam's housing market. This surge is attributed to several factors: geographical closeness to Vietnam, the established presence of major real estate developers from these areas within Vietnam, and the promising outlook for property value escalation in Vietnam compared to their domestic markets, which have previously seen significant price surges.

CBRE report said very few non-Vietnamese, mainly long-term residents, purchase residential real estate for self-use.

In terms of product type, foreign buyers have displayed strong demand for condominiums, especially units in high-end developments in big cities such as HCMC and Hanoi. Well-located and affordable condominiums with potential for strong price growth have also been the subject of interest from foreign investors, it said.

Savills also said in its Asia-Pacific Investment Quarterly report that Vietnam and its real estate market still saw growing interest from foreign investors in the fourth quarter of 2023.

It reported increasing attraction of Vietnam's real estate market to foreign investors, with rising interest from Indian, Hong Kong, and Singaporean clients.

It said many foreign investors are looking for more opportunities, focusing on the housing segment in Hanoi, HCMC and Da Nang.

These are markets with a variety of high-quality properties and attractive rental yields. Savills predicts that, when new laws are applied, information about investment opportunities will be more transparent, promoting greater FDI in real estate.

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**Developers hunt for land availability**

*VIR*

Real estate businesses are on the hunt for land across the country to develop urban and resort projects.

Last week, the Department of Planning and Investment of Long An province in the Mekong Delta region announced that a joint venture between Vinhomes and Vietnam Investment Group, which registered to implement the new Phuoc Vinh Tay urban area in Can Giuoc district.

This project is expected to be located in a 1,000-hectare plot and will have a population of about 90,000 people. Long An also approved Green City Development, a subsidiary of Vinhomes, as an investor in the Duc Hoa-Hau Nghia urban area project, with registered capital of more than $1.15 billion.

Novaland also proposed investing in a tourism-resort complex of nearly 450ha in Mui Yen of the south-central province of Binh Thuan, with expected capital of $2.5 billion.

Meanwhile, many non-core real estate businesses such as steel manufacturers Hoa Sen and Hoa Phat, as well as “shrimp king” Minh Phu, are entering real estate to prepare for a new market cycle.

Last month, Hoa Sen Group established Hoa Sen Saigon JSC, which has a charter capital of $4.1 million, operating mainly in real estate in Ho Chi Minh City. After establishment, Hoa Sen announced that it was looking for assets worth up to $125 million to develop offices, a commercial centre, and housing.

The shrimp-farmer Minh Phu Group also announced plans to expand into real estate by adding the real estate business into its portfolio of business. Last week, it announced plans to build social housing projects in the southernmost province of Ca Mau, where its factories are based. With investment of more than $26.2 million, the project is expected to provide accommodation for about 4,000 people.

With Hoa Phat Group returning to the real estate race in early 2023, it has taken steps to collect land in many localities. This includes two urban projects in the northern provinces of Hung Yen and Phu Tho worth over $415 million. Apart from those, Hoa Phat has proposed to invest in hundreds of hectares in Khanh Hoa, Quang Ngai, Quang Tri, Hai Duong, Can Tho, Thua Thien-Hue, Phu Yen, and Dak Nong provinces.

TCO Holdings JSC, which operates in the transport sector, also plans to enter the real estate market. Last month, TCO approved a comprehensive restructuring, including renaming and redirecting operations. Thereby, the business will focus on developing transportation, logistics, agriculture, food and its supporting industries, and real estate.

TCO aims to expand into developing industrial and agricultural real estate and carrying out potential merger and acquisition deals. It has also established TCO Real Estate JSC with a charter capital of $4 million.

Phenikaa Group, through Nam Hung JSC, also entered the field in February when launching the Endless Skyline Westlake office, hotel, and luxury apartment complex project in Tay Ho district in Hanoi.

The project has 27 floors and provides over 350 serviced, residential, and hotel apartments to the market. Phenikaa acquired the Endless Skyline Westlake project from Song Kim Company in 2020.

Real estate expert Tran Khanh Quang said, “Up to 95 per cent of businesses are thirsty for money, while prices of land are continuously decreasing. Therefore, this is an opportunity for investors who have financial sources in hand to jump in and acquire real estate projects. Notably, non-core businesses of real estate with strong financial potential are actively encroaching in the field, creating momentum for existing ones.”

Vo Hong Thang, director of Consulting Services and Project Development at DKRA Group, added that there would be investors leaving the market after a fierce competitive period, but others with potential would rise strongly and lead the development of real estate in the next stage.

“This makes the market more competitive and end-users such as house buyers will benefit with an increasing fund of houses and affordable prices,” Thang said.

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

**The Mitsui company wishes to participate in the pilot offshore wind power projects that EVN assigned**

*Vietnamenergy*

In Hanoi, Deputy General Director of Electricity of Vietnam (EVN) Nguyen Tai Anh just had a working meeting with the Mitsui Company (Japan) led by the Deputy General Director of Block 1 (Asia), Sales Department for infrastructure projects, a Member of Hai Long Project Management Board - Mr. Ryo Zushiden.

Exchanged at the meeting, Mitsui proposed participating in several offshore wind power projects that EVN was assigned to pilot.

According to Mr. Ryo Zushiden: On this business trip to Vietnam, Mitsui wishes to learn and update information on the orientation development of offshore wind power in Vietnam, especially some pilot offshore wind power projects by EVN. At the same time, Mr. Ryo Zushiden expressed his desire to seek cooperation opportunities between Mitsui - EVN and EVN member units in the future; and share the difficulties and challenges that Vietnam's electricity industry is facing in the process of developing offshore wind power projects that Mitsui can support, as a foreign investor.

EVN Deputy General Director Nguyen Tai Anh welcomed Mitsui's policy and hoped that Mitsui would research and discuss investment and cooperation opportunities in Vietnam's energy sector in general, as well as the offshore wind power projects in Vietnam in particular.

For information about the electricity demand situation in Vietnam, Mr. Nguyen Tai Anh informed some contents in Power Development Planning VIII that Mitsui is interested in. Specifically, in PDP VIII (period 2021 - 2030,and vision to 2050), the total capacity of offshore wind power projects will be about 6,000 MW. It can increase (in the case of rapid technology development, electricity prices will increase and transmission costs will be reasonable).

EVN leaders also said that the challenges and difficulties for developing offshore wind power projects in Vietnam such as specific technical and technological properties, large investment scale, the investment processes and procedures complicated... Therefore, realizing the set goals for offshore wind power projects is also a huge challenge for Vietnam's electricity industry.

With the experience that Mitsui has gained in this field, EVN hopes to have the opportunity to cooperate with Mitsui based on strictly implementing regulations in Vietnam.

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**Dutch firm extends partnership with PTSC G&S to support Vietnam's offshore wind sector**

*VIR*

Dutch offshore survey firm Fugro announced on March that it has extended its MoU with Vietnam's PTSC Geos & Subsea Services Co., Ltd (PTSC G&S) to meet Vietnam’s strong demand for geophysical, geotechnical and metocean data services.

Under the two-year agreement, Fugro’s full range of marine site characterisation services and PTSC G&S’s local surveying capabilities will support Vietnam’s growing [offshore wind industry](https://vir.com.vn/search_enginer.html?p=search&q=offshore%20wind%20farm&s_cond=1&f_d=&t_d=13-03-2024).

The extended MoU represents a milestone in Fugro and PTSC G&S’s partnership, which was set up in 2011, and reflects both parties’ commitment to support the country’s developing offshore wind industry and ambitious offshore wind targets, as published in the 8th Power Development Plan (PDP8) in 2023. These include an initial target of approximately 6 GW of offshore wind energy by 2030, and 70 GW to 91.5 GW by 2050, which is critical for the country to achieve its goal of carbon neutral by 2050.

Jerry Paisley, Fugro’s regional strategic sales and marketing director, said, “Vietnam holds tremendous potential for offshore wind power and, after over a decade of working here with our local partner, PTSC G&S, we’re thrilled to be unlocking geo-data insights to help develop Vietnam’s offshore wind market.”

Truong Tuan Nghia, director of PTSC G&S, said, "With over four decades of experience serving the Vietnamese and wider Southeast Asian market, we’re pleased to be extending our agreement with Fugro so we can carry on delivering comprehensive geophysical, geotechnical and metocean surveys to our valued clients across Vietnam’s energy industry.”

Fugro is the world’s leading geo-data specialist, collecting and analysing comprehensive information about the Earth and the structures built upon it. Adopting an integrated approach that incorporates acquisition and analysis of geo-data and related advice, Fugro provides solutions.

Meanwhile, PTSC G&S, a subsidiary of PetroVietnam Technical Services Corporation (PTSC), is an experienced contractor in providing a comprehensive range of survey and associated services for the oil and gas industry.

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# LEGAL

## Zero-tolerance policy for driving under alcohol influence affirmed in draft law

*VNS/VLLF*

**The National Assembly Standing Committee on March 15 discussed the draft law on Traffic Order and Safety, which will maintain the zero-tolerance policy for driving under the influence of alcohol.**

The National Assembly Standing Committee on March 15 discussed the draft law on Traffic Order and Safety, which will maintain the zero-tolerance policy for driving under the influence of alcohol.

This policy aligns with the 2019 Law on Prevention and Control of Harms of Liquor and Beer Abuse (Clause 6, Article 5).

Previous discussions on the draft traffic safety and order law mulled two options regarding the driver’s blood alcohol level.

The first option is a total ban on vehicle control for drivers with any positive level of blood alcohol concentration (BAC).

Reports show that the policy has brought in encouraging results since it was enacted as part of the 2019 Law on Prevention and Control of Harms of Liquor and Beer Abuse, with a decrease in traffic accidents caused by drunk driving.

Regarding the endogenously produced ethanol that may result in a positive reading on breathalyzers, policymakers said there is not sufficient evidence to back this hypothesis and suggested that additional blood testing can be used for confirmation.

They also note that this is a strict policy that will affect the drinking habits of a portion of the population, especially in several local festivals, and will reduce alcohol consumption which in turn influence the production, import-export and distribution of alcoholic beverages in the country.

The second option considers allowing motorbike control for drivers whose BAC is less than 50 milligrams per 100 milliliters of blood, or 0.25 milligrams per 1 liter of breath. If this option is selected, Clause 6 of Article 5 in the 2019 Law on Prevention and Control of Harms of Liquor and Beer Abuse also needs to be amended for compliance.

While additional assessment to determine the lowest level of BAC allowed is required, this option is said to be similar to the current regulations in many other countries and will maintain the economic benefits of alcoholic beverages.

However, policymakers are concerned that this regulation will increase the number of drunk driving accidents and pose feasibility challenges in law enactment.

In agreement with the Government, the NA Committee on Defense and Security agrees to submit Option 1 to the NA to protect people’s lives and social resources.

Le Thi Nga, head of the NA Committee on Justice, said that following the promulgation of the Law on Prevention and Control of Harms of Liquor and Beer Abuse, a culture of no alcohol while driving has taken shape among the people.

Sharing the same perspective, the chief of the NA Commission on Delegate Affairs Nguyen Thi Thanh agreed that the well-received policy has become a norm and contributes to limiting traffic accidents caused by alcohol influence.

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## Banks basically disclose lending rate information on websites

*VNS*

Commercial banks have basically published information on lending interest rates on their websites, according to the direction of the Prime Minister, the State Bank of Vietnam (SBV) said.

In addition to the lending interest rates, the banks have also disclosed the interest rate gap of deposits and loans, as well as the lending interest rates for preferential credit packages.

As one of the first banks to publicly disclose lending interest rates on its website, BIDV, currently the bank with the leading lending market share in the banking system with VNĐ1.74 quadrillion, currently lists the average lending interest rate in March 2024 at 6.49 per cent per year.

The gap between BIDV's average lending interest rate and its average capital mobilisation interest rate is 3.12 per cent per year.

Similarly, TPBank announced an average lending interest rate of 7.76 per cent per year, of which the average lending interest rate for individual customers and corporate customers is 8.85 per cent and 7.34 per cent, respectively.

The average interest rate difference between deposits and loans at TPBank is 3.75 per cent.

A number of other banks have also publicly announced the average lending interest rates and loan package information such as VIB, Sacombank, ACB, ABBank, LPBank and BacABank.

The SBV required commercial banks to disclose information about lending interest rates before April 1 this year, given the banking system's declining credit. According to the SBV, the banking system's credit as of February 16 this year decreased by 1 percent compared to the end of last year.

Experts are concerned about the credit decrease in the first two months of 2024 because this year's conditions are different from the previous years, as the SBV assigned the year’s entire credit growth quota of 15 per cent for commercial banks right in the first month of this year, instead of only allocating a part of the quota at the beginning of the year as previously.

Early this month the SBV also sent an official dispatch to credit institutions stating that despite the application of supporting policies to boost credit from the beginning of the year, credit growth this year is still quite low compared to recent years.

To boost credit growth, the SBV requested credit institutions to firmly implement effective credit growth solutions right from the beginning of the year. Credit must focus on production, business and the Government’s priority sectors, as those are the country’s economic growth drivers. Banks also need to strictly control credit for potentially risky sectors to ensure safe and effective operations.

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