VIETNAM – NEWS AND REGULATIONS

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# TOP NEWS

## Vietnam - The new law on credit institutions - What you must know:

*Dr. Oliver Massmann, Duane Morris Vietnam LLC*

On 18 January 2024, the National Assembly passed the new Law on Credit Institutions No. 32/2024/QH15 with effective from 1 July 2024(“**New Law on CIs**”). Generally, the objectives of the New Law on CIs are to fortify the resilience of the banking system, augment the independence and accountability of credit institutions, and boost the oversight, examination, and surveillance of Vietnam's banking industry.

For further details, the New Law on CIs set out sets of rules to address the issue of cross-ownership in commercial banks in Vietnam whereby strict requirements are imposed on relevant entities. At the same time, the New Law on CIs introduces the management of bad debts and restructuring where all relevant aspects, including methodology, sale and purchase, enforcement of security, etc. of bad debts are thoroughly governed in a Chapter. Regarding the issue surrounding internet banking, the New Law on CIs governed the legal framework for the operation of digital banking with sandbox program for the banking sector. All of these new regulations introduced by the New Law on CIs, in a way, strengthen the market infrastructure of Vietnam and help Vietnam to take a step further into reaching the emerging market status.

According to the MSCI Global Market Accessibility Review – Country Comparison issued on June 2023 by Morgan Stanley and the FTSE Equity Country Classification September 2023 issued on 28 September 2023 by FTSE Russell, Vietnam remains a frontier market with several indices with improvements needed where information flow and market regulations are two of them. With the new additions and regulations of the New Law on CIs, Vietnam is one step closer with the emerging market status as the market regulations will become much more developed while the investors can benefit from the better information flow as provided under the New Law on CIs. For Vietnam to reach the emerging market earlier, it is believed that the guidance documents of the New Law on CIs should focus more on the availability of relevant information and the streamlined procedure for the setup of relevant investment account.

Regarding the compatibility of this New Law on CIs with Vietnam's commitments in the EVFTA and the CPTPP, as some related banking/ financial new/ conflicting provisions in these agreements have been directly implemented in Vietnam, the adoption of the New Law on CIs does not derive from the need to bring Vietnamese laws into compliance with international commitments. In other words, in general, the New Law on CIs are introduced in the context that Vietnam's commitments in the sector have been in line with those in the CPTPP and EVFTA.

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Please do not hesitate to contact Dr. Oliver Massmann under omassmann@duanemorris.com or any other lawyer listed in our office list if you have any questions on the above. Dr. Oliver Massmann is the General Director of Duane Morris Vietnam LLC.

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# Further reforms will make Việt Nam one of Asia’s leading nations

*VNS*

Rainer Zitelmann, a German economic historian and sociologist who has written 29 books, including the latest one about the economic success of Việt Nam and Poland: “How Nations Escape Poverty, Vietnam, Poland, and the Origins of Prosperity” spoke with Việt Nam News reporter Mai Linh about how the country can become one of Asia’s leading nations.

Việt Nam has emerged as one of the fastest-growing economies in the world. The country has also risen to become a magnet for Foreign Direct Investment in the global production shift, fuelled by stable macro-economy and improved investment environment. The economic freedom in Việt Nam has also improved greatly while global rating is in decline. Rainer Zitelmann, a German economic historian and sociologist who has written 29 books, including the latest one about the economic success of Việt Nam and Poland: “*How Nations Escape Poverty, Vietnam, Poland, and the Origins of Prosperity*” spoke with *Việt Nam News* reporter Mai Linh about Vietnamese economic prospects and how the country can become one of Asia’s leading nations.

With a GDP growth rate of 5.5 per cent in 2023, Vietnamese economic growth is positive on the backdrop of a global slowdown and rising uncertainty, making the country one of the fastest growing economies in the world. The outlooks are mostly rosy. What is the momentum that helps the Vietnamese economy achieve such impressive growth?

You will be surprised, but in my opinion the most important positive factor is the mindset of the people in Việt Nam. It all started with the *Đổi Mới* (Renewal): The market economy is seen very positively in Việt Nam today.

My surveys for the book *Người giàu theo quan điểm công chúng* (*The Rich in Public Opinion*) reveal that entrepreneurs and rich people are role models for many people in Việt Nam. In Western countries today, the rich and entrepreneurs are often scapegoats for negative developments.

A country like Việt Nam, which understands the importance of the market economy and takes a positive view of entrepreneurship and wealth, is already well positioned for growth.

What’s more, unlike some countries in Africa and Asia, Việt Nam sees foreign investment as an opportunity rather than a threat. This way of thinking is reflected, for example, in the fact that Việt Nam has concluded free trade agreements with more countries than any other country in the region! That is also very positive. I was recently in Nepal, there are very long lists of restrictions on foreign investment.

What are your forecasts for the Vietnamese economy and what opportunities and challenges do you see in the future?

I expect the Vietnamese economy to grow by 6 per cent this year and I think that in the long term, Việt Nam has the chance to remain one of the fastest-growing economies in the world.

However, this depends above all on the country’s commitment to market economy reforms.

There are problems in the Vietnamese economy that need to be addressed to create room for further growth.

I would like to highlight two problems: Firstly, corruption. Of course, corruption is a widespread problem not only in Việt Nam but also in many countries globally, particularly in Africa, Russia, and Eastern Europe. While there have been some improvements in Việt Nam, the situation is still far from good.

There is only one effective way to combat corruption: reduce regulations and minimise state influence. Việt Nam must separate politics from the economy to a greater extent. Because whenever politicians and State institutions make decisions instead of allowing companies to operate independently, it creates opportunities for corruption.

The second problem is that there are still too many State-owned companies. I recommend a major new initiative to equitise State-owned companies. However, it is crucial to ensure that equitisation does not simply result in a few individuals with political connections acquiring these companies at knockdown prices.

At the Việt Nam Business Forum where Prime Minister Phạm Minh Chính met with FDI companies on March 19, foreign investors raised concerns over the complicated and time-consuming administrative procedures and the problem related to electricity shortage. How do you evaluate the investment environment of Việt Nam and how can Việt Nam improve the efficiency of regulatory environment?

These problems are not unique to Việt Nam. In Germany, the cost of electricity is exorbitant, which has prompted some companies to relocate elsewhere. The high cost of electricity in Germany is mainly the result of excessive government intervention in the energy market.

Việt Nam must not make the same mistake!

Lengthy administrative procedures are also a problem. Incidentally, long approval processes also often lead to corruption, as individuals seek to expedite the process through illicit means, such as bribery.

Việt Nam should strive for an ambitious goal, namely to become the Asian country with the most efficient and fastest administrative procedures within the next decade.

While this may seem like a daunting task, achieving this goal would undoubtedly result in a significant economic boom, and if word got around the world, Việt Nam would attract many more investors.

In the *2024 Index of Economic Freedom*, the Heritage Foundation notes that Việt Nam is one of the rising stars, contrary to the global trend, but also identifies weaknesses:

It wrote: “The overall rule of law is weak in Việt Nam. 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. Việt Nam’s overall regulatory environment is relatively well institutionalised but lacks efficiency.”

The labour market remains rigid and controlled, and informal labour activity is considerable.

I think a great signal for international investors would be the establishment of a financial hub in HCM City. Việt Nam should take Dubai as an example: Dubai generates 14 per cent of its GDP on the 0.4 square miles of its International Financial Centre! A similar project in HCM City could be a major step forward on Việt Nam’s path to a free market economy.

The Vietnamese Government has been proactively promoting foreign investments in high-tech fields with an ambition of being a global semiconductor manufacturing hub. In fact, many giant chip makers are eyeing to invest billions of dollars in Việt Nam. How can Việt Nam attract the investment influx and realise the dream and how can the country truly benefit from the investments?

Việt Nam has a great opportunity at the moment because many western countries are worried about potential disruptions in the semiconductor supply chain in the event of a Chinese attack on Taiwan. Bear in mind that Taiwan produces over 60 per cent of the world’s semiconductors and over 90 per cent of the most advanced semiconductors. This dependency has prompted countries like the US and European nations to seek ways to diversify their risk, with Việt Nam emerging as a key player in this strategy.

Companies such as Intel, Amkor, Marvell, Samsung and Infineon have already made substantial investments in Việt Nam. However, Việt Nam’s contribution to the semiconductor supply chain remains relatively small when you consider the entire value chain. Today, Việt Nam is still primarily focused on the final stages of semiconductor production (assembly, testing and packaging), which are at the less profitable end of the value chain.

You say that “Việt Nam has the chance to become one of Asia’s leading economic nations if the country continues on the path of market economy reforms”. Can you be more specific about the reforms that Việt Nam should focus on in the future?

In Việt Nam, strengthening of the rule of law is paramount. What has made Việt nam so successful in recent decades? Quite simply, more market, less state. Việt Nam must continue along this path.

While I was in Hà Nội recently, I spoke with Oliver Massmann, a German lawyer who has lived in Việt Nam for several decades.

He emphasised the positive aspects: “Việt Nam has made commitments to open its market and increase legal certainty for investors in its free trade agreements and investment protection agreements.” In this regard, Việt Nam has already made significant strides and is more advanced than many other countries.

If it wants to attract even more investment, it is essential that Việt Nam continues to implement measures that further strengthen legal certainty for domestic and foreign investors.

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# BANKING & FINANCE

**Vietnam PM Orders Urgent Review of Stock Market Systems Following Glitches**

***VNE***

*Prime Minister Pham Minh Chinh demands proactive measures to address technical failures, ensure security, and protect investor interests in the wake of trading system issues.*

Prime Minister Pham Minh Chinh has directed a comprehensive and urgent review of Vietnam's securities trading and information technology systems to prevent technical malfunctions.

The directive aims to strengthen the financial system's security and protect investor interests following recent disruptions.

The Prime Minister's Office issued Notice 122/TB-VPCP, outlining these instructions based on discussions at the 2024 Stock Market Development Conference. The Ministry of Finance will lead the review in collaboration with relevant agencies.

The Prime Minister has also called for the expedited implementation of Decision No. 1726/QD-TTg, which outlines the Stock Market Development Strategy until 2030.

Key aspects include infrastructure modernization, digital transformation, and enhanced regulatory oversight. The goal is to foster a market that aligns the interests of the state, businesses, and investors.

The State Securities Commission has been specifically tasked with a thorough examination of trading and IT systems to proactively identify risks, implement controls, and develop contingency plans. These measures are crucial to prevent future technical failures and protect financial system integrity.

The Ministry of Finance will spearhead efforts to accelerate Vietnam's stock market upgrade from "frontier" to "emerging" market status. This involves addressing bottlenecks and meeting specific upgrade criteria.

It will collaborate closely with the State Bank of Vietnam, the Ministry of Planning and Investment, and other relevant agencies to achieve this goal. Progress reports are due to the Prime Minister in June 2024.

Furthermore, the Ministry of Finance will lead the revision of Decree No. 155/2020/ND-CP to ensure stricter regulations, transparency, and alignment with international standards. The revised decree is expected by June 30, 2024.

In a move to facilitate foreign investment, the Ministry of Planning and Investment, in coordination with the Ministry of Finance, State Securities Commission, and other agencies, will revise and publicly announce limits on foreign ownership in sectors with conditional or restricted access. Updates will be available on the Ministry's bilingual website by May 2024.

Finally, the State Bank of Vietnam will work with the Ministry of Finance and State Securities Commission to simplify and expedite procedures for foreign investors opening indirect investment capital accounts.

The bank will also explore payment and clearing solutions that are safe, efficient, and compliant with both legal and market rules. These initiatives are also due for completion in May 2024.

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**Vietnam Cracks Down on Credit Card Fees After Debt Soars 1,000-Fold**

*VNE*

**Central bank orders banks to disclose all fees and interest rates upfront following a scandal where a forgotten $335 debt became $348,000 in 11 years.**

Vietnam's central bank has taken decisive action to bolster transparency in the nation's credit card industry.

The move follows a shocking Vietnam Export Import Commercial Joint Stock Bank (Eximbank) case where a man's forgotten 8.5 million Vietnamese dong ($335) debt spiraled into an 8.8 billion dong ($348,000) liability after 11 years.

The State Bank of Vietnam's (SBV) new directive, outlined in Official Dispatch 2235 dated 25 March 2024, mandates that banks fully disclose all fees, interest rates, and calculation methods related to credit cards.

Furthermore, banks are now obligated to clearly explain customers' rights and responsibilities when opening and using the cards. These measures aim to prevent future debt shock and strengthen consumer protection in Vietnam's burgeoning credit sector.

**A History of Hidden Fees and Confusion**

Recent years have seen rapid growth in credit card usage across Vietnam. However, this expansion has been marred by increasing complaints about opaque fee structures and convoluted interest calculations.

Some customers faced unexpected and burdensome debt after being unaware of ongoing charges. In one instance, a bank demanded over 63 million dong ($2,500) from a customer who claimed no knowledge of spending on his card. Other cases highlight bank staff pressuring individuals to open credit cards alongside loan applications, leading to confusion and subsequent surprise fees.

The SBV has previously implemented consumer protection regulations in the financial sector. Yet, the recent headline-grabbing debt case and mounting reports of unclear fees indicate lax enforcement of these rules. The lack of transparency has damaged public trust, potentially hindering the healthy development of Vietnam's credit market.

**No More Surprises**

The SBV's directive centers on transparency and consumer protection. Banks now have a clear mandate to disclose all fees, interest rates, and the methods by which those interest rates are calculated. This focus on upfront clarity applies especially to credit cards.

Additionally, banks are obligated to ensure customers fully understand their rights and responsibilities when using credit cards. This educational component is crucial in empowering consumers to make informed financial decisions.

**Accountability and Proactivity**

Beyond communication, the directive also emphasizes internal accountability measures within the banking sector. Institutions must review and verify that their processes align with consumer protection regulations.

Furthermore, banks are expected to play a proactive role by monitoring card activity for unusual patterns that could signal fraud or misuse. By promptly alerting customers to potential issues, banks can help minimize financial damage.

Finally, the SBV document demands that banks be responsible for educating customers about data security and fraud prevention, aiming to reduce the risk of personal information being compromised.

**Benefits are clear**

The SBV's response has the potential for far-reaching benefits. By ensuring upfront clarity on fees and interest rates, consumers will be better equipped to make informed decisions about credit card use. This could foster greater trust in the credit market, contributing to increased and more responsible adoption of credit products.

The chances of unpleasant surprises stemming from disputed debts should also decrease. Fewer legal clashes between banks and customers over disputed sums would benefit both parties.

Crucially, the SBV sends a strong message to Vietnam's financial sector: a commitment to weeding out hidden fees and questionable practices. This could discourage banks from engaging in tactics designed to ensnare customers, paving the way for a healthier credit market.

**Yet implementation challenges remain**

While promising, the directive's success hinges on robust enforcement. The SBV will need to ensure banks wholeheartedly embrace the spirit of the new regulations, not just make surface-level changes. Effective oversight will be vital.

Additionally, while banks bear significant responsibility, true consumer protection also depends on improving overall financial literacy in Vietnam. The SBV's move alone might not fully equip all consumers to grasp the finer points of credit products.

Official Dispatch 2235 represents a forceful and potentially transformative intervention to address a significant source of public mistrust in Vietnam's consumer finance landscape. By promoting transparency, the central bank aims to support the sector's long-term health. With effective implementation, it could usher in an era of sustainable credit card use built upon clear communication and consumer confidence.

The coming months will reveal whether the SBV can strike the right balance between robust enforcement and allowing Vietnam's credit card market room to evolve and compete.

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# ECONOMY

## GDP grows 5.66% in Q1

*VNA*

Vietnam's economy grew 5.66% in the first quarter compared to the same period last year, the highest for the first quarter since 2020, the General Statistics Office (GSO) announced at a press conference in Hanoi on March 29.

Vietnam's economy grew 5.66% in the first quarter compared to the same period last year, the highest

According to the GSO, the agro-forestry-fishery, industry-construction, service sectors expanded by 2.98%, 6.28%, 6.12%, contributing 6.09%, 41.68%, and 52.23% to the total Q1 GDP growth, respectively.

In her remarks, GSO General Director Nguyen Thi Huong lauded the positive gain amidst global economic instabilities, which reflects the effectiveness of management policies of the Government, ministries, sectors, and localities.

She also noted bustling trade activities, a strong tourism recovery, and high increases in export turnovers of key products.

Regarding the structure of the economy in the quarter, the agro-forestry-fishery made up 11.77%, industry-construction 35.73%, and service 43.48%.

On the utilisation of GDP, final consumption and asset accumulation increased by 4.93% and 4.69% year-on-year, contributing 56.77% and 24.07% to the overall growth rate, respectively. The export of goods and services grew by 18%, while imports rose by 17.08%, resulting in a trade surplus contribution of 19.16%.

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# Mekong Delta firms optimistic about economic outlook in 2024

*VNS*

Speaking at a meeting with VCCI members on March 28, Lam pointed to several difficulties facing enterprises in 2024, including logistics and labour costs, capital, petrol and oil prices, and unofficial costs.

Up to 75.8 per cent of surveyed businesses in the Mekong Delta region forecast that their revenues will increase and 74.1 per cent predict rises in profits, according to Nguyễn Phương Lam, director of the Vietnam Chamber of Commerce and Industry’s Mekong Delta office.

Speaking at a meeting with VCCI members on March 28, Lam pointed to several difficulties facing enterprises in 2024, including logistics and labour costs, capital, petrol and oil prices, and unofficial costs.

In face of these difficulties, Nguyễn Thái Bình from Trung An Hi-tech Farming JSC expressed his hope that the VCCI’s Mekong Delta Office will continue its support for trade and investment promotion activities, and provide updated information and consultations for businesses.

Lam said that efforts will be made to improve the business environment, increase dialogues between enterprises and local authorities, ministries and sectors, and organise business cooperation forums with key markets such as Japan, China and the Republic of Korea.

Last year, 11,381 new enterprises were established in the Mekong Delta region, but 10,514 others stopped operating or dissolve, posing a big challenge for the region. FDI inflows into the 13 localities in the region totalled US$741 million, only one quarter of the amount recorded by the northern province of Quảng Ninh.

At present, the unemployment and underemployment rate in the region is the highest in the country.

The Mekong Delta comprises Cần Thơ City and the provinces of An Giang, Đồng Tháp, Long An, Tiền Giang, Vĩnh Long, Bến Tre, Trà Vinh, Sóc Trăng, Hậu Giang, Bạc Liêu, Cà Mau and Kiên Giang.

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# INVESTMENT

**Singapore tops foreign investors in Vietnam in first quarter**

*VNA*

Singapore was the largest foreign investor in Vietnam in the year to March 20 with over 2.55 billion USD, making up 41.3% of the total foreign direct investment (FDI) registered in the country, according to the Ministry of Planning and Investment’s Foreign Investment Agency (FIA).

Singapore was the largest foreign investor in Vietnam in the year to March 20 with over 2.55 billion USD, making up 41.3 per cent of the total foreign direct investment (FDI) registered in the country, according to the Ministry of Planning and Investment’s Foreign Investment Agency (FIA).

It was followed by Hong Kong (China) with 1.05 billion USD, accounting for 17.1 per cent of the total and increasing 2.3 times compared to the same period last year.

China led 62 countries and territories investing in Vietnam in the number of new investment projects, accounting for 27.8 per cent of the total. Meanwhile, the Republic of Korea took the lead in the number of capital-added projects and contributions for share purchases, making up 23 per cent and 27.8 per cent, respectively.

Vietnam had attracted 6.17 billion USD in FDI as of March 20, a year-on-year rise of 13.4 per cent. Specifically, 644 new projects with total registered capital of 4.77 billion USD were granted investment certificates, up 23.4 per cent in the number of projects, and 57.9 per cent in value year-on-year.

A total of 934.6 million USD was registered to be added to 248 existing projects and 466.2 million USD earmarked for stake purchase and capital contribution.

The disbursed foreign investment rose by 7.1 per cent in the first quarter to reach 4.63 billion USD, a signal that the disbursement will continue the positive trend, the agency said.

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**FDI saw double-digit growth in Q1**

*VIR*

In the first quarter (Q1) of the year, foreign direct investment (FDI) hit $6.17 billion, an increase of 13.4 per cent on-year, and newly registered capital was up 58 per cent to reach $4.77 billion, while new-project registration was up over 23 per cent to 644, according to the Foreign Investment Agency (FIA), under the Ministry of Planning and Investment.

Meanwhile, adjusted registered capital contracted 22.6 per cent on-year to $934.6 million and there were 248 adjusted registered projects, up 6 per cent. The number of capital contribution and share-purchase deals was 604, down 14 per cent from a year earlier. The total value of these deals reached over $466 million, down almost 62 per cent on-year.

Investments were made across 17 out of the 21 industries in the national economic classification system. Processing and manufacturing took the lead with investments totalling $3.93 billion, accounting for 63.6 per cent of the total registered capital and a slight decrease of 1.3 per cent on-year.

Real estate ranked second, reaching over $1.58 billion, and representing 25.6 per cent of total registered capital, doubling the figure for the same period last year.

This was followed by wholesale and retail, and professional, scientific, and technological activities with registered capital of around $225 million and $190 million, respectively.

By the end of March, more than 60 countries and territories were investing in Vietnam, including Singapore, leading the pack with over $2.55 billion and accounting for 41.3 per cent of all FDI in Vietnam, an increase of more than half compared to Q1 in 2023. One of the largest Singapore-invested projects in Vietnam is the Lumi Hanoi urban area, worth $662 million. Hong Kong is in second with nearly $1.05 billion, and accounting for over 17 per cent of Vietnam's overseas investment and more than double the amount from a year ago.

The FIA said that most projects from Singapore and Hong Kong are newly registered, accounting for just under 90 and 80 per cent respectively of their investments in Q1. However, China ranks first for the sheer number of newly registered projects, and South Korea leads in additionally registered projects, capital contribution, and share-purchase deals.

Foreign investors developed projects in 42 different localities in Q1, with Hanoi receiving more than $970 million, the most of any locality, and representing almost 16 per cent of the total sum and a six-fold increase on-year. Bac Ninh province was close behind with $745 million, making up 12 per cent of the total registered capital. It was followed by Quang Ninh, Thai Nguyen, Ho Chi Minh City, and Dong Nai.

As of the end of March, there are close to 40,000 valid overseas-funded projects worth over $476 billion.

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# PROPERTY

**Vietnam Unveils Multi-million Dollar Resort Project in Ba Ria - Vung Tau**

*VNE*

## *Amidst the picturesque landscapes of Nghinh Phong cape, Vietnam's Ba Ria - Vung Tau province greenlights a groundbreaking resort venture valued at nearly $423 million, heralding a new era in high-end tourism and leisure.*

In a bid to elevate its tourism allure, the southern coastal province of Ba Ria - Vung Tau in Vietnam is set to welcome a transformative project that promises to redefine luxury hospitality against the stunning backdrop of Nghinh Phong cape.

The province's People's Committee has given the green light to a visionary venture with a staggering estimated worth of almost $423 million USD, aimed at sculpting an unparalleled nexus of leisure, entertainment, and top-tier hospitality services.

Nestled in the heart of Nghinh Phong cape area, the forthcoming high-quality tourism, entertainment, and resort service complex will span over 13.8 hectares of prime real estate, boasting a strategic location with one side bordering Ha Long road and the remaining three sides caressed by the cerulean embrace of the East Sea.

This ambitious project, slated to be executed through an auction mechanism to select investors, seeks to harness the natural allure of the region's landscape while pioneering innovative entertainment and relaxation paradigms.

With an expansive land area exceeding 138,389 square meters, the envisioned complex is poised to feature opulent 5-star hotels and upscale shopping havens, setting new benchmarks for extravagance and comfort in Vung Tau City.

The projected investment capital, hovering close to $423 million USD, underscores the magnitude of this endeavor, marking a substantial infusion of resources aimed at reshaping the tourism landscape of Ba Ria - Vung Tau.

The operational horizon of the project, spanning 50 years from the date of land use rights auction adjudication, signifies a long-term commitment to sustainable tourism development and economic vitality.

In preparation for the imminent auction, the provincial authorities have entrusted the Department of Natural Resources and Environment with meticulous scrutiny, ensuring adherence to regulatory frameworks while safeguarding the region's security and defense imperatives.

Contingency measures have been outlined to address scenarios of limited investor participation or unsuccessful auction outcomes, reflecting a proactive stance towards project realization and investment facilitation.

The project's architectural blueprint aligns seamlessly with the local zoning framework, affirming compliance with the 1/2000 Big Mountain - Small Mountain zoning plan in the Nghinh Phong cape area.

Further detailing and refinement, encapsulated in a 1/500 scale planning endeavor, await the selection of the winning investor post-auction, heralding a new chapter in Vietnam's quest for tourism excellence.

As the curtains rise on this landmark venture, all eyes are set on Ba Ria - Vung Tau, as it emerges as a beacon of premium tourism experiences in Vietnam's rich tapestry of cultural and natural splendor.

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**Ministry seeks PM approval for IP project in Ha Tinh**

*VNE*

**Total investment estimated at $541 million in north-central province’s new IP.**

The Ministry of Planning and Investment has proposed that the Prime Minister approve investment in building infrastructure at the Vinhomes Vung Ang Industrial Park (IP) in north-central Ha Tinh province.

The IP covers 964.84 ha at the Vung Ang Economic Zone.

Total investment is estimated at over VND13.27 trillion ($541 million).

Of the total, the investor, the Vinhomes IZ JSC, will contribute nearly VND2 trillion ($81.6 million) and the remainder will be mobilized from different sources.

Construction must not take any longer than six years.

The Vung Ang Economic Zone covers over 22,000 ha and has attracted more than 151 projects with combined investment of nearly VND60 trillion ($2.44 billion) since being established in 2006.

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

**Vietnam’s clean energy market opens, eyed by foreign giants**

*VNN*

**The deal of AG&P buying 49 percent of shares of LNG Cai Mep dock warehouse is expected to give a push to the renewables market, contributing to the go-green process in Vietnam.**

One week ago, Le Van Tam, CEO of Hai Linh Co Ltd, had a meeting with a garment company in Tay Ninh which runs a large factory with thousands of workers, but it is now under pressure when exporting garment products to the European market.

The problem is that its European partners want products manufactured with ‘clean energy’, but the factory is still using coal.

Tam said using LNG is a reasonable choice which suits national commitments on emissions reductions at COP 28, and helps Vietnam’s export companies satisfy requirements on using green energy set by importers.

LNG will also help ease an electricity shortage and CO2 emissions to protect the environment.

The story was related by Tam at an event taking place on March 7, when AG&P LNG, a well known downstream LNG terminal and infrastructure, a subsidiary of Nebula Energy, announced the deal of acquiring 49 percent of shares of LNG Cai Mep dock warehouse in Ba Ria – Vung Tau.

LNG Cai Mep is run by Hai Linh Co Ltd, a big petroleum distributor in Vietnam. A source from the company said the construction of the terminal has been completed and is ready for experimental run before it is put into commercial operation, slated for September 2024.

**Potential market**

LNG (Liquefied Natural Gas) is a natural gas that is liquefied when deeply refrigerated to minus 162 degrees Celsius after removing impurities. LNG mostly consists of methane, which, when burned, produces CO2 emissions 40 percent lower than coal and 30 percent lower than oil.  LNG is the cleanest fuel compared to traditional fuels.

In other countries, LNG has been used for tens of years. In Vietnam, using LNG remains unfamiliar.

Sam Abdalla, CEO of Nebula Energy and Vice President of AG&P LNG, affirmed that Nebula Energy is the first company to bring LNG to Vietnam and hopes the company will make an important contribution to Vietnam’s go-green process.

The investment value of CaiMep Terminal is estimated at $500 million, while AG&P LNG holds 49 percent of shares.

Commenting about the size of the Vietnamese renewables market, Karthik Sathyamoorthy, CEO of AG&P LNG, said that the potential is great.

The two existing dock warehouses combined still have very small capability compared with market demand, and no new dock warehouse is expected in the next 4-5 years.

Meanwhile, Vietnam has an ambitious plan on shifting to clean energy. The government has released the national energy development plan by 2030 with 10-15 million tons of LNG a year.

Of this, AG&P LNG hopes it will provide 5 million tons, starting with cooperation with Hai Linh, and then other power plants in Vietnam. It is also considering to build another LNG dock warehouse in the central region of Vietnam, together with Hai Linh.

**Green standards**

Tam of Hai Linh said this is the first joint venture between a Vietnamese business and a foreign partner in the LNG market in Vietnam. He believes that cooperation will accelerate the port and LNG dock warehouse, as well as satisfy the high demand for LNG in Vietnam.

LNG Cai Mep dock warehouse is connected with the complex of largest power plants – Phu My Industrial Zone (IZ) – with the capacity of 3.9GW. The port is located on a strategic position near Mekong Delta. There are three onshore basins with containing capacity of 220 cubic meters of LNG. There is also a delivery system which can load LNG into tanks and pump LNG to smaller ships.

LNG Cai Mep is located in an advantageous position which connects many highways and can be a reliable source of LNG supply to power plants and industries in the south.

Analysts commented that LNG Cai Mep will play an important role in strengthening Vietnam’s energy security and open a new chapter in Vietnam’s energy transition process.

The electricity demand in Vietnam is increasing together with strong socio-economic development.

Developing coal-fired power plants won’t be a reasonable solution, especially when the world has stopped developing these plants.

Vietnam cannot continue to develop hydropower plants because the potential is getting exhausted. In such conditions, LNG-fired power is the best choice.

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**Vietnam, Australia cooperate to develop offshore wind power projects**

*VNA*

Deputy Prime Minister Tran Hong Ha received Australian Ambassador to Vietnam Andrew Goledzinowski and leaders of Corio Generation of Australia’s Macquarie Group in Hanoi on March 28.

The Deputy PM hailed the proactiveness of Corio Generation and Power Generation Joint Stock Corporation 3 (EVNGENCO 3) in the implementation of an offshore windfarm project in Vietnam.

Describing it as a key project which contributes to expanding the comprehensive strategic partnership between Vietnam and Australia, and helps Vietnam realise the Just Energy Transition Partnership (JETP), the Deputy PM suggested Corio Generation focus on technology support and transfer and persify partners in the country during the process of investment in Vietnam.

For his part, Goledzinowski said a pillar of cooperation in bilateral relations is green energy transition - an area that has been strengthened between Australia and Vietnam in recent times.

Some Australian businesses are very interested in building offshore wind farms because Vietnam has great potential to develop this type of power, he continued.

Meanwhile, leaders of Corio Generation company suggested that conducive mechanisms and policies should be issued to create favourable conditions for investors in the field of renewable energy.

Corio has joined in the research and development of some renewable energy projects in Vietnam since 2019. As a member of the Glasgow Financial Alliance for Net Zero (GFANZ), the company is coordinating with other partners to mobilise resources for energy transition projects in Vietnam.

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# LEGAL

**Top legislator asks for higher operational efficiency of NA deputy delegations
*VNP***

National Assembly (NA) Chairman Vuong Dinh Hue asked NA deputy delegations to continue increasing their working capacity and enhancing their operational efficiency while delivering a speech at a conference hosted by the NA Standing Committee in Hanoi on March 28 to review operations of NA deputy delegations of provinces and centrally-run cities in 2023 and launch tasks for 2024.

The NA leader noted that last year, despite a huge workload, NA deputy delegations and NA deputies showed an active spirit in law building, effective supervision and timely decision making as well as a high sense of responsibility in building laws, deciding important matters of the country, and following up the settlement of citizens’ complaints and denunciations.

The top legislator affirmed that the highest purpose of the renovation of NA deputy delegations’ operations is to improve the quality of each deputy, initially the quality of voter meetings, and suggested the lawmakers coordinate with the Vietnam Fatherland Front in completing regulations in the work.

Regarding supervision activities, he asked the delegations to define focal points for their supervisions following the spirit of finding the roots of problems to solve them from the roots.

Meanwhile, it is necessary to deal with the overlapping in supervision activities of the NA's Council for Ethnic Affairs, NA agencies and NA deputy delegations, he underscored.

In 2024, the NA deputy delegations should concentrate on debating the adjustments and supplements to the Law on Supervision Activities of the NA and People’s Councils, he said.

Hue also stressed the need for the delegations to continue contributing ideas to further enhance the quality and efficiency of training activities for NA deputies as well as the coordination between the delegations and standing members of the People’s Councils, People’s Committees and VFF Committees as well as NA agencies.

At the launching ceremony of an emulation campaign in the lead up to the 80th anniversary of the first general election of the Vietnamese NA to be celebrated in 2026, the NA leader called on the NA deputy delegations to respond to the emulation campaign, especially the NA Standing Committee’s resolutions regarding emulation and reward activities.

According to the NA Chairman, the Party Central Committee’s Secretariat decided to organise the celebrations for the 80th anniversary of the first NA election at the national scale.

The Law on Emulation and Reward 2022 for the first time legalised emulation and reward activities of the NA, allowing the NA Standing Committee to decide the emulation and commendation work of NA agencies. The committee has issued a resolution to establish an emulation and reward council led by the NA Standing Vice Chairperson, he said.

Hue said he hoped that along with engaging in the movement by making more contributions to the NA, completing their tasks and renovating their operation methods for higher efficiency, NA deputies should popularise the movement so as calling for officials, public servants and labourers to respond to the movement./.

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# SBV approves designation of 14 important banks in 2024

*VNN*

The State Bank of Vietnam (SBV) has issued Decision No. 538/QD-NHNN approving the group of credit institutions and foreign bank branches which play an important role in the country's banking system in 2024.

Accordingly, the 14 banks included in the group are the Vietnam Bank for Agriculture and Rural Development (Agribank); Asia Commercial Bank (ACB); Lien Viet Post Joint Stock Commercial Bank (LPBank); Vietnam Joint Stock Commercial Bank for Industry and Trade (VietinBank); Bank for Investment and Development of Vietnam (BIDV); Vietnam Technological and Commercial Joint Stock Bank (Techcombank); Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank); Ho Chi Minh City Development Joint Stock Commercial Bank (HDBank);

Military Commercial Joint Stock Bank (MB); Vietnam International Commercial Joint Stock Bank (VIB); Saigon - Hanoi Commercial Joint Stock Bank (SHB); Saigon Thuong Tin Commercial Joint Stock Bank (Sacombank); Tien Phong Commercial Joint Stock Bank (TPBank); and Vietnam Prosperity Joint Stock Commercial Bank (VPBank).

The SBV demanded banking inspection and supervision agencies, as well as its branches in provinces and centrally-run cities nationwide, to closely monitor and supervise, and promptly warn of risks in the operations of the above-mentioned credit institutions to prevent systemic risks./. VNA

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