VIETNAM – NEWS AND REGULATIONS

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# TOP NEWS

## Vietnam's Plan for Implementation of PDP8 – Key Highlights

*Dr. Oliver Massmann, Duane Morris Vietnam LLC*

*The Prime Minister of Vietnam on April 1, 2024 approved the Plan for Implementation of National Power Development Plan to 2030, with a vision to 2050 (“****PDP8****”). Please kindly find below our key highlights.*

On April 1, 2024, the Prime Minister issued Decision No. 262/QD-TTg approving the Plan for Implementation of PDP8 (the “**Implementation Plan**”).  Some take-aways:

* The Implementation Plan sets out specific tasks and assignments for the line ministries to coordinate and implement PDP8 from now through 2025. For example, it sets out a timeline for adoption of new prioritized regulations.
* The Implementation Plan does not provide guidelines to address existing issues and concerns over power project bankability such as identifying a mechanism for selection of investors, feed-in tariffs, regulations for encouragement of development of renewable energy projects or bankable transaction templates.
* The Implementation Plan lists important power generation projects as described further below, however we understand from sources in the Ministry of Industry and Trade ("**MOIT**") that the MOIT has not yet collected all necessary information from all provincial People’s Committees to finalize all relevant lists of power projects.

 **A.          IMPORTANT POWER GENERATION PROJECTS**

The Implementation Plan maintains the planned total capacity of important generation sources in line with PDP8.  However, schedules to the Implementation Plan list the exact expected operating years of relevant power projects (instead of the more generic year range as disclosed in PDP8) and the progress toward completion of each project.

The total important power generation projects capacity up to 2030 is approved as follows:

|  |  |
| --- | --- |
| **Generation Sources** | **Capacity** |
| Domestic gas thermal power capacity | 14,930 MW |
| LNG thermal power capacity | 22,400 MW |
| Coal-fired power capacity | 30,127 MW |
| Cogeneration power sources, power sources using residual heat, blast furnace gas, and by-products of the technology line | 2,700 MW |
| Hydropower capacity | 29,346 MW |
| Pumped storage hydropower capacity | 2,400 MW |

**B.        RENEWABLE ENERGY PROJECTS**

**1.         Wind Power Projects**

Approved capacity for offshore wind power projects is 6,000 MW by 2030 in line with PDP8.  The Implementation Plan does not list the approved offshore wind power projects.  Instead, the list allocates the approved capacity to regions of Vietnam by 2030, i.e., Northern region (2,500 MW), Southern region (1,000 MW), Southern Central region (2,000 MW) and Central Middle (500 MW).

Approved capacity of onshore wind power projects (including nearshore wind power projects) is 21,880 MW by 2030.  The Implementation Plan provides a list of onshore wind power projects with respective capacity, location, expected operation years (period) and current status.

**2.         Solar Power Projects**

Total capacity of rooftop solar power projects (for self-consumption) is increased by 2,600 MW by 2030.

There is no list of rooftop solar power projects. However, the Implementation Plan maintains the same list of solar power projects to be implemented after 2030 (but could be conducted within 2024-2030 if the electricity is self-consumed) as provided in PDP8.

**3.         Other types of power sources until 2030**

The Implementation Plan sets a target of 300 MW for flexible power sources. This target is stated as intended to take advantage of existing power grid infrastructure. The purpose is to remediate areas with potential shortages of spare capacity.

The Implementation Plan includes a decision to import approximately 5,000 MW of electricity from Laos, which can be increased to 8,000 MW when there are favorable conditions including reasonable electricity prices. The Ministry of Industry and Trade is directed to report to the Prime Minister to consider and decide on import policies and synchronous grid connection plans for each specific project.

**C.          PRIORITIZED LEGAL FRAMEWORK UNTIL 2025**

The Implementation Plan plans to develop the following laws and regulations to implement PDP8 from now through 2025:

-           Price range for power importation from Laos;

-           Power generation price ranges;

-           Direct Power Purchase Agreement mechanism;

-           Regulations for encouragement of development of rooftop solar power project for self-consumption;

-           Amended Electricity Law and Amended Law on Efficient Use of Energy; and

-           Mechanism for development of market of carbon credit.

It is worth noting that Implement Plan also assigns relevant line Ministries to review and develop other regulations to finalize the legal framework for development of power generation, renewable energy and transmission grids up to 2030 as required by PDP8.

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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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# BANKING & FINANCE

**Vietnam's State-Owned Banks Offer Lower Lending Rates than Joint Stock Counterparts**

*VET*

**Vietnam's banking sector reveals average lending interest rates, with state-owned institutions boasting narrower spreads between deposits and loans.**

As of April 1st, Vietnamese banks released their average lending interest rates. State-owned commercial banks generally offer lower rates than their joint-stock counterparts, translating into narrower spreads between lending and deposit rates.

Vietcombank, a leading state-owned bank, announced a March average lending rate of 6.4% annually. The difference between its deposit and lending rates sits at 3.4% annually. After factoring in operating expenses and capital costs, the net interest margin is reduced to 1.8% per year.

Agribank, another top state-backed financial institution, also reported March figures. It offers preferential short-term loans to government-prioritized sectors at a favorable 4% annual rate.

Standard short-term loans are at 5%, with medium and long-term at 6%. Credit card rates average 13%. Agribank's overall average lending rate is 7.47%, with an average cost of capital at 6%. This leaves them with a net interest margin of 1.47%.

Vietinbank, also state-owned, reported a 6.3% average lending rate and their spread between lending and deposit rates is 2.45% annually. Vietinbank attributes this discrepancy to the need to cover risk provisions, mandatory reserves, and other operating costs.

BIDV, another leading financial institution, reported a slightly higher 6.49% average lending rate with a 3.12% difference between lending and deposit rates.

Joint stock commercial banks generally announce higher lending rates. Techcombank's February data showed a 7.33% average interest rate for individual customers and 6.88% for businesses. This created spreads of 4.33% and 3.89% respectively.

VIB's February rates mirrored a similar pattern, with individual lending rates at 7.29% (short-term) and 8.6% (medium/long-term). Corporate lending rates averaged slightly lower at 6.83% (short-term) and 7.69% (medium/long-term). VIB's overall interest rate spread is 3.16%.

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**Central bank ready for market intervention to stabilize exchange rates: official**

*VE*

With over US$100 billion in foreign exchange reserves, the State Bank of Vietnam is ready to intervene if necessary to keep exchange rates steady, its deputy governor said.

It could also use monetary policy to manage and stabilize the foreign exchange market, Deputy Governor Dao Minh Tu said at the government meeting on Wednesday.

"The exchange rate is a crucial macroeconomic indicator, affecting the purchasing power of the Vietnamese currency and other economic policies," he said. "Therefore, the State Bank of Vietnam is committed to flexible management to ensure the exchange rate is appropriate."

Last month, the central bank mopped up VND164.3 trillion ($6.6 billion) by issuing treasury bonds to banks to strengthen the dong.

It managed to check the dollar’s appreciation, he said.

However, after the central bank stopped issuing bonds at the beginning of this month the greenback has shot up in the past few days.

On Wednesday [the dollar rose](https://e.vnexpress.net/news/markets/dollar-hits-all-time-high-4729978.html) to an unprecedented VND25,120-25,242 at banks.

It is trading on the black market at VND25,440-25,540.

Tu explained that the recent spike in the dollar’s value was because the U.S. has not yet spelled a timeline for cutting interest rates.

This has caused many currencies to depreciate against the dollar and not just the dong, he said.

Vietnam’s lower interest rates than the U.S. are also put pressure on the exchange rate, he added.

In the year to date, the dollar has appreciated by 2.87% against the dong, which however has been more resilient than many other currencies, Tu said.

The Japanese yen, for example, has declined by 7.52%, he pointed out.

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# ECONOMY

**Two scenarios for GDP growth this year: planning ministry**

*VE*

The Ministry of Planning and Investment has said what needs to be done from here on to achieve GDP growth of 6% and 6.5%, the target range for 2024.

For 6% growth, the economy needs to expand by 5.85%, 6.22% and 6.28% in the second, third and fourth quarters, Minister of Planning and Investment Nguyen Chi Dung said at a government meeting Wednesday.

For 6.5%, they have to go up to 6.32%, 6.79% and 7.08%, he said.

The scenarios are predicated on the first-quarter growth of 5.66%, the highest rate since 2020, and a steady inflation rate of 3.77%, he explained.

While his ministry leans toward the latter scenario, it acknowledges that the economy still faces certain problems and challenges, he said.

[Consumption demand](https://e.vnexpress.net/news/business/economy/hsbc-forecasts-revival-in-consumer-demand-4710983.html) grew at a slower pace than in the first quarter in 2023 and 2011-19 [before Covid], he said.

This lack of demand and high competition are the biggest challenges for manufacturing businesses this year, he said.

According to a ministry report, nearly 74,000 businesses have exit the market in the first quarter, a 23% increase year-on-year, most of them small and medium-sized enterprises.

The numbers that have temporarily shut shop and are awaiting dissolution have risen by 24.5% and 18.4%.

The aviation industry is dealing with an [aircraft shortage](https://e.vnexpress.net/news/business/companies/carriers-asked-to-develop-fleet-operation-plan-to-meet-summer-travel-demand-4727289.html), resulting in lower flight frequencies on many domestic routes, Dung said.

This has led to a surge in airfares, affecting tourism.

Bank lending interest rates have decreased, but businesses still find it difficult to access credit, the minister said.

The non-performing loans ratio was 4.79% by the end of January, more than double the 2.03% rate at the end of 2022, resulting in higher costs for the banking system.

The [cyberattack](https://e.vnexpress.net/news/markets/brokerage-vndirect-faces-cyberattack-4726213.html) on brokerage VNDirect Securities last month had a significant impact on investor sentiment, the ministry said.

It could also jeopardize the chances of the Vietnamese stock market to be upgraded from Frontier to Emerging in the FTSE Russell global classification, it added.

Prime Minister Pham Minh Chinh instructed the State Bank of Vietnam to ensure sufficient capital flows into the economy, closely monitor bad debts, further reduce lending interest rates, and have measures in place to keep exchange rates and gold prices steady.

He said the Ministry of Finance should mitigate the increasing risk of cyberattacks and get the stock market upgraded at the earliest.

Local governments need to make their best efforts to help the economy achieve the [6.5% growth target](https://e.vnexpress.net/news/business/economy/vietnam-sets-2024-gdp-growth-target-at-6-6-5-4674994.html), he added.

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**Vietnam's Economy Rises in Q1 2024 Amid Manufacturing Surge**

*VET*

**Fueled by robust growth in manufacturing and tourism, Vietnam's GDP outpaces previous years.**

Vietnam's economy exhibited remarkable strength in the first quarter of 2024, recording a GDP growth rate of 5.66% year-on-year.

This impressive performance surpassed the nation's growth rates in the first quarters of 2020-2023, signaling an economic recovery amidst global challenges. Driving this surge were the flourishing manufacturing sector and a remarkable resurgence in tourism.

**Manufacturing Might**

The manufacturing and processing industries emerged as the growth engines of Vietnam's economy, expanding by a remarkable 6.98% and contributing 1.73 percentage points to the overall GDP increase. This stellar performance can be attributed to several factors, including rising domestic consumption, increased foreign investment, and burgeoning export demand.

The industrial production index painted a vivid picture of this manufacturing boom, with 54 out of 63 provinces reporting year-on-year increases. Furthermore, the inventory index for the manufacturing sector soared by 14.1% compared to the same period last year, reflecting robust demand for goods.

The consumption index of the entire processing and manufacturing industry in the first quarter of 2024 increased by 8.2% compared to the same period in 2023, highlighting the sector's robust performance.

**Tourism Resurgence**

After years of pandemic-induced struggles, Vietnam's tourism industry staged a remarkable comeback, contributing significantly to the nation's economic resurgence. International visitor arrivals soared 72% compared to the same period last year, even surpassing pre-pandemic levels by 3.2%.

**Trade Surplus and Export Strength**

Vietnam's trade performance further bolstered the nation's economic fortunes, with total import and export turnover reaching $178.04 billion, a 15.5% year-on-year increase. Exports surged by an impressive 17%, driven by robust demand for Vietnamese goods, particularly processed industrial products.

Notably, the country's trade balance reported a surplus of $8.08 billion, a testament to the competitiveness of Vietnamese exports and the effectiveness of domestic production.

The domestic economic sector contributed $25.21 billion to total export turnover, a 26.2% increase, while the foreign-invested sector accounted for $67.85 billion, a 13.9% rise.

**Domestic Consumption Drives Growth**

Domestic consumption played a crucial role in Vietnam's economic resurgence, contributing 56.77% to overall growth. Retail sales of consumer goods and services saw an 8.2% year-on-year increase, underscoring the strength of consumer demand within the country.

**Primary Sectors Provide Steady Support to GDP Growth**

While the agriculture, forestry, and fishery sectors exhibited moderate growth, their contributions to the overall GDP increase were noteworthy. The agriculture sector increased by 2.81%, contributing 0.26 percentage points; the forestry sector grew by 4.08%, contributing 0.02 percentage points; and the fisheries sector expanded by 3.46%, contributing 0.08 percentage points.

**Inflationary Pressures**

Despite the impressive economic performance, Vietnam faced inflationary pressures, with the consumer price index (CPI) rising 3.77% year-on-year in the first quarter of 2024.

**Investment Inflows Bolster Growth Momentum**

Investment played a crucial role in Vietnam's economic growth, with realized social investment capital reaching USD 24.56 billion, a 5.2% year-on-year increase. Foreign direct investment (FDI) also contributed significantly, with FDI capital realized in Vietnam reaching $4.63 billion, a 7.1% year-on-year increase.

**Moderated Credit Growth, Booming Stock Market**

There were developments in the banking and financial sectors, with capital mobilization by credit institutions decreased by 0.76% compared to the end of 2023, while the economy's credit growth reached 0.26%. Additionally, the stock market witnessed a surge in trading activity, with the average transaction value increasing by 28.2% compared to 2023.

**Robust Revenue Growth, Controlled Spending**

Regarding the government's fiscal performance, total state budget revenue in the first quarter of 2024 reached 31.7% of the yearly estimate and was up 9.8% over the same period last year. Meanwhile, total state budget expenditure was equal to 18.6% of the yearly estimate and an 8.3% increase over the same period last year.

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# INVESTMENT

**Singapore Leads Surge in Vietnam FDI**

*VET*

**Foreign investment into Vietnam shows positive growth in the first quarter of 2024, driven by Singapore's dominance and a focus on manufacturing and real estate.**

Foreign direct investment (FDI) into Vietnam experienced a 13.4% year-on-year increase in the first three months of 2024, reaching $6.17 billion. Disbursed capital also saw a 7.1% rise to $4.63 billion.

Singapore leads the investment surge, accounting for 41.3% of total FDI, a 51.3% increase compared to the same period in 2023.

Investment primarily targets the processing and manufacturing sectors, which attracted $3.93 billion (63.6% of total FDI). The real estate sector follows, capturing $1.56 billion (25.6%). This aligns with a noticeable shift toward projects in energy, component production, electronics, and higher value-added manufacturing.

Traditional Asian partners dominate FDI in Vietnam. Along with Singapore, Hong Kong (China), China, and Japan are key investors. Notably, Singaporean investment includes a $662 million real estate project by CapitaLand Group. Geographically, Hanoi, Bac Ninh, Quang Ninh, Thai Nguyen, Ho Chi Minh City, and Dong Nai are leading investment destinations.

While overall FDI increased, average new project size has decreased, suggesting a greater number of smaller investments. Localities with strong infrastructure, skilled labor, and favorable business environments continue to attract the most FDI.

The FDI sector's sizeable trade surplus ($12.3 billion, including crude oil) is helping offset Vietnam's domestic trade deficit, contributing to an overall trade surplus of $6.7 billion for the country.

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**Taiwanese industrial PC maker Ibase Technology breaks ground on new manufacturing site in Vietnam**

*VIR*

Taiwan's IBASE Technology Inc. (TPEx: 8050), a renowned manufacturer of reliable industrial computing platforms, broke ground on its new manufacturing site in the northern province of Vinh Phuc on March 27.

This new factory will include assembly lines for six Surface Mount Technology (SMT) and Dual In-line Package (DIP), along with 10 system assembly lines. Once completed, [IBASE](https://vir.com.vn/search_enginer.html?p=search&q=Taiwan) will be able to increase its monthly Printed Circuit Board Assembly capacity by 60,000 and its monthly system assembly capacity by 30,00 for board and system-level embedded and networking products. This expansion will help the company meet the increasing demand for its products and expand its global business.

Scheduled for completion in the first quarter of 2025, the Vietnam plant will provide 18,033 square metres of manufacturing space. When combined with IBASE's existing three manufacturing sites in Taiwan, the total manufacturing space will reach 45,708sq.m. This development further demonstrates the company's commitment to delivering top-tier manufacturing solutions on a global scale.

"We have achieved a significant milestone in our company's endeavour to expand our manufacturing capabilities in Vietnam. This marks our first plant outside Taiwan and is an integral part of our long-term manufacturing roadmap aimed at providing our customers with the capacity they need for years to come, and to meet their demands for greater flexibility, efficiency, and quality," said C. S. Lin, chairman of IBASE Technology.

"The AI revolution is underway, with the adoption of AIoT devices and the power of edge computing coming together to unlock the potential of edge AI. With over 20 years of experience in the industrial PC field, IBASE has the expertise to design and manufacture edge AI computing platforms essential for today's new era. The plant in Vietnam will be instrumental to the success of our edge AI initiatives," he added.

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# PROPERTY

**Resort real estate could see 30% rise in transactions: industry association**

*VE*

Transactions involving resort real estate are likely to increase by 30% this year, according to the Vietnam Association of Realtors (VARS).

Admittedly, this growth would be from a low base after transactions fell by 93.4% from 2022 to 726 last year, VARS said in a new market report.

The increased activity this year is likely to stem from higher demand due to an [influx of foreign tourists](https://e.vnexpress.net/news/places/tourist-influx-gives-rise-to-hotel-boom-on-southeastern-island-4727627.html), it said.

In the first two months of 2024 over three million foreign tourists visited Vietnam, a 68.7% year-on-year increase.

But the lack of new supply could hinder the segment’s growth, Nguyen Van Dinh, VARS president, warned.

New resort projects face many legal issues and are unable to go on sale, he added.

According to VARS data, the segment added only 3,200 new products in 2023, a decrease of over 80% from the previous year.

The remaining inventories mainly consist of luxury beach villas and resort shophouses that are difficult to sell even with steep discounts, Dinh said.

Concurring with this, Tran Trong Vu, co-founder of SPE.R Company, said many of them were built hastily to take advantage of a booming market and did not reflect local culture, and so fail to attract tourists.

Mauro Gasparotti, director of real estate consultancy Savills Hotels, said many previous projects in the segment focused solely on large scale instead of catering to tourists’ experiences.

"This is an opportune time for developers to adjust their business models and pay more attention to sustainable development to best convey the spirit of the resort industry."

Among the coastal cities and provinces, Gasparotti expected Da Nang City to grow at the fastest pace thanks to booming international tourism, especially from South Korea.

The city receives 25 flights a day from South Korea, or more than half of all international flights**~~.~~**

With developers making efforts to [resolve legal issues](https://e.vnexpress.net/news/property/untangling-legal-knots-not-a-panacea-condotel-developers-discover-as-demand-tanks-4636413.html) and speed up projects, resort real estate supply could increase by 20% this year, with beachfront apartments accounting for 60% of it, Dinh predicted.

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**Only one apartment project approved in HCMC this year**

*VE*

The Ho Chi Minh City Department of Construction has only licensed one apartment project so far this year.

It is a high-end apartment and commercial complex in District 5, Vu Anh Dung, deputy head of the Housing and Real Estate Market Development Agency under the city Department of Construction, said at a press conference Thursday.

New apartment supply is limited with only two projects approved in 2022-23 and one so far this year, he said.

No new projects received approved for sale though his department did receive two applications seeking permission to sell in the first two months of the year, but neither met the requirements, Dung said.

"There are housing products being introduced in the market, but these were approved for sale much earlier."

Legal hurdles are severely affecting [housing supply](https://e.vnexpress.net/news/property/hcmc-commercial-housing-supply-surges-4700972.html), he said.

In recent years the department has seen many approved projects face legal issues related to land use, disqualifying them from selling, he said.

According to the HCMC Statistics Office, real estate services are showing signs of recovery.

Some real estate agencies have forecast that the housing market will see little affordable supply this year but the industrial land and office segments will improve.

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

# Japan's Mitsui announces gas field development plans

*VIR*

[Mitsui](https://vir.com.vn/search_enginer.html?p=search&q=Mitsui) & Co., Ltd. (Mitsui), through its wholly owned subsidiary Mitsui Oil Exploration Co., Ltd. (MOECO), has made a final decision and concluded related contracts with its partners regarding an upstream gas field and a pipeline linking it to a gas-fired thermal power plant.

The business partners include Vietnam's oil and gas group PetroVietnam, PetroVietnam Exploration Production Corporation Limited (PVEP), PetroVietnam Gas Joint Stock Corporation (PV Gas), and PTT Exploration and Production Public Co., Ltd. (PTTEP), a Thai national oil and gas company.

The Block B project is expected to yield stable earnings in the long term. Production capacity has been estimated at 490 million cubic feet per day, with production scheduled to begin by the end of 2026.

In addition to the development of the upstream gas field, the Block B project will include a midstream development for gas transportation. MOECO's subsidiaries will share the cost of the project, which mainly consists of offshore installations and pipeline construction, for approximately $740 million.

[Mitsui](https://vir.com.vn/search_enginer.html?p=search&q=Mitsui) has identified global energy transition as one of its key strategic initiatives in its medium-term management plan.

The Block B project will contribute to a decarbonised society through the development of gas fuelled power.

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**Nexif Ratch Energy signs an MoU for wind power in Binh Dinh**

*VIR*

Nexif Ratch Energy, a top renewable energy independent power producer in Southeast Asia, has signed an MoU with and the central province of Binh Dinh for the development of a 150MW onshore wind project in Van Canh district.

The signing took place during the Binh Dinh Investment Conference on March 29 in the presence of senior leaders of central and local government. The Binh Dinh Investment Conference serves as a platform to showcase the province’s investment potential and entice local and international investors to participate in its economic growth.

Under the terms of the MoU, [Nexif Ratch Energy](https://vir.com.vn/search_enginer.html?p=search&q=Nexif) will explore and develop the project with an estimated investment of $230 million. The project aims to output 433,500MWh of clean energy per year for local people and industries. The project is also expected to bring significant positive social and economic impact to the province, with more than 100 jobs and a VND500 billion ($20 million) VAT contribution during the construction and 15 jobs and a VND50 billion ($2 million) VAT contribution during operation.

Nexif Ratch Energy brings its extensive expertise in renewable energy project development to the table, backed by a track record of successful ventures across the region. With a focus on sustainability, innovation, and community engagement, Nexif Ratch Energy is poised to leverage its capabilities to drive positive development in Binh Dinh.

Binh Dinh, known for its rich natural resources and strategic location, presents an ideal environment for renewable energy development. By harnessing the region’s abundant renewable energy potential, the partnership aims to bolster energy security, reduce greenhouse gas emissions, and stimulate economic growth while creating new employment opportunities for local communities.

Speaking at the MoU signing event, Cyril Dissescou, CEO of Nexif Ratch Energy expressed his enthusiasm about the partnership, saying, “We are thrilled to collaborate with Binh Dinh province to unlock the full potential of renewable energy in the region. The signing of this MoU shows the strong support and cooperation between the leaders of Binh Dinh province for our project. We expect that the province will propose the plan for the provincial list of the Power Development Plan VIII implementation plan so that we can quickly implement the project.”

The signing of the MoU between Nexif Ratch Energy and Binh Dinh represents a significant step forward in Nexif Ratch Energy’s pursuit of sustainable energy solutions in Vietnam. As the country continues to embrace renewable energy as a key driver of economic growth and environmental stewardship, partnerships like this will play a pivotal role in shaping a more sustainable and resilient energy landscape for the future.

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# LEGAL

## Revised Land Law expected to drive remittances to real estate market: Experts

*VNA/VLLF*

**The Land Law (revised), which expands land use rights for overseas Vietnamese (OV) and Vietnamese citizens residing abroad, meets the aspirations of OVs and contributes to mobilizing investment resources to Vietnam at the same time.**

The Land Law (revised), which expands land use rights for overseas Vietnamese (OV) and Vietnamese citizens residing abroad, meets the aspirations of OVs and contributes to mobilizing investment resources to Vietnam at the same time, said Nguyen Duc Hieu, standing member of the National Assembly (NA) Economic Committee.

Hieu cited statistics from the State Committee for OV Affairs showing that Vietnam currently has about 6 million people living, residing and studying in 130 countries and territories, mostly developed, with about 600,000 people holding university degrees or higher.

Article 4 of the Law includes the group of the Vietnamese origin residing abroad but without the Vietnamese nationality (also known as overseas Vietnamese) as land users, providing them with full rights to land use and housing like domestic citizens and Vietnamese residing abroad who have the Vietnamese nationality, the official noted.

Article 28 also clarifies that people of the Vietnamese origin residing abroad who are permitted to enter Vietnam are allowed to buy and rent houses associated with residential land use rights, and receive residential land use rights in housing development projects, inherit the right to use residential land and other types of land in the same plot of land with houses, he said, adding that these regulations are not included in the current version.

Deputy Managing Director of Savills Vietnam Troy Griffiths commented that this change will bring more investment opportunities to real estate buyers being OVs, while creating great potential for the market thanks to direct investment capital from OVs.

He held that OVs are potential real estate investors, as many of them wish to return to the homeland or own land use rights at home.

According to the State Committee for OV Affairs, the amount of remittances to Vietnam from 1993 (the first year of remittance statistics) to the end of 2022 topped 190 billion USD, nearly equal to the amount of FDI disbursed in the same period.

Statistics from the Central Institute for Economic Management showed that in 2016, about 15-20 percent of that amount was invested directly in real estate, which was equal to about 10,000 apartments per year.

Doan Van Binh, Vice President of the Vietnam National Real Estate Association and Chairman of CEO Group, said that Vietnam should act to improve the investment environment to be ready to welcome foreigners seeking opportunities in the country.

He stressed the need for Vietnam to apply stronger measures to attract foreign investment flows to the domestic real estate market.

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## No surrender to difficulties but persistence in set targets: PM

*VNA/VLLF*

**Prime Minister Pham Minh Chinh on April 3 demanded ministries, sectors, and localities resolutely not surrender to difficulties but keep persistence in the set targets.**

He made the request while chairing the Government’s regular meeting for March and a teleconference with the 63 provinces and centrally-run cities to discuss the socio-economic situation in the first quarter and set tasks for Q2.

Officials highlighted the continued socio-economic recovery in March with results last month higher than in January and February and the Q1 performance faring better than the same period last year in most areas.

However, they also pointed out certain difficulties and challenges, including those facing production and business activities, the inflationary and foreign exchange pressure, latent risks in the financial and monetary markets and the banking system, the shortage of filling materials for road construction in the southern region, and life hardships facing some people.

Mentioning some key tasks and solutions for the coming time, PM Chinh emphasized the demand for exerting efforts to reach the growth target of 6.5 percent for 2024.

He ordered ministries, sectors, and localities to stay determined to address every difficulty and challenge, implement tasks and not to lower their guard, and protect the cadres who think big and act bold for common interest. They also need to keep the determination to improve the investment and business climate, tackle difficulties, facilitate production and business activities, and ensure people and enterprises truly gain benefits. Besides, they should show the determination to make all-out efforts to secure the best possible results in 2024.

At the same time, the PM asked for ensuring the comprehensive, drastic, and effective implementation of the tasks and solutions set by the Party Central Committee, Politburo, key leaders, National Assembly, and Government. He ordered ensuring macro-economic stability, major balances of the economy, and inflation control; ensuring the healthy development and transparency of markets like the real estate and capital ones; and ensuring sufficient conditions for implementing the new salary regime from July 1.

In addition, it is also important to ensure social welfare; security and safety; the fight against corruption, other negative phenomena and wastefulness; along with independence, sovereignty, and territorial unity and integrity.

Besides, the Government leader also asked ministries, sectors, and localities to promote economic growth in all fields during which traditional growth drivers must be renewed and new drivers boosted. Economic shift should be promoted towards green transition, digital economy, circular economy, knowledge-based economy, sharing economy, and emerging sectors. They were requested to promote the mobilization of all social resources for development investment, the facilitation of production, business and job creation, and the settlement of outstanding problems and prolonged projects.

He demanded the three strategic breakthroughs on institutional perfection, comprehensive and modern infrastructure development, and human resources development be promoted. Ministries, sectors, and localities need to promote external activities, international integration, the consolidation of Vietnam’s stature and prestige in the world, as well as the capitalization of international treaties and agreements of high-ranking leaders. Promoting national digital transformation is also a crucial task mentioned by the PM.

Assigning tasks to each ministry, sector, and locality, he told them to have a good grasp of the situation, make timely policy response, stay united, actively and effectively perform duties, and coordinate closely with one another to achieve the set targets.

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