VIETNAM – NEWS AND REGULATIONS

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## TOP NEWS

## LEGAL ALERT ON THE DRAFT OF THE AMENDED LAW ON BANKRUPTCY

*Dr. Oliver Massmann – Duane Morris Vietnam LLC*

On 4 February 2025, the latest Draft of the Amended Law on Bankruptcy (“**Draft**”) was published by the People’s Supreme Court (“**SPC**”) for public comments. The Draft is prepared to supersede the current Law on Law on Bankruptcy No. 51/2014/QH13 dated 19 June 2014 (“**Bankruptcy Law 2014**”) and introduces several significant changes that may impact the bankruptcy procedures based on the implementation of the Bankruptcy Law 2014 from its effective date until now. The initial public comments period is set to last until 25 February 2025 and the expected date for submission of the finalized draft is COB May 2025 while the expected effective date for the amended law on bankruptcy is 2026.

The key highlights of the Draft are as follows:

**1. Fundamental principles for the law on bankruptcy**

Fundamental of the law on bankruptcy was added to the Draft. The principles are (i) transparency in rehabilitation procedures and declaration of bankruptcy; (ii) fairness in dividing bankruptcy assets; and (iii) maximization of the value of bankruptcy assets.

**2. Conditions for Insolvency:**

Two scenarios are set out in the Draft with regarding to insolvent entities. Accordingly, an insolvent entities, under the Draft, can be either

Scenario 1 (newly proposed scenario): Entities being unable to pay due debt for six (06) months from the due date, except for cases of force majeure or objective obstacles.

Scenario 2 (same as the Bankruptcy Law 2014): Entities being unable to pay due debt for three (03) months from the due date.

According to the report attached to the Draft (“**Report**”), the period of 3 months of the Bankruptcy Law 2014 is considered to be too short for a life cycle of an enterprise and the period of 6 months should be more suitable. Thus, a new period of 6 months is proposed by the SPC for further comments by the public.

**3. Specialized Bankruptcy Courts**

According to the Draft and the Report, to comply with the new Law on Organization of People’s Court dated 2024, specialized courts are regulated to handle all bankruptcy cases, and judges will focus on guiding parties in evidence collection. This is a significant change from the current Bankruptcy Law 2014, which designates district or provincial-level courts to manage bankruptcy cases. According to the Draft, the specialized courts will be tasked with handling cases while (i) people’s high court will review the request against the decisions on (i1) commencement of bankruptcy procedures and (i2) declaration of bankruptcy of the specialized courts; and (ii) SPC will review the request against the decisions of the people’s high courts. Further, according to the Draft, relevant tasks regarding bankruptcy procedures such as serving documents, submitting applications, paying fees, meetings and creditors’ meeting are regulated to be handled via online platform. Such platform is expected to be developed by the SPC in the near future.

**4.** **Asset Preservation Measures**

Three (03) new measures for assets preservation measures are provided in the Draft as follows:

(i) temporary suspension of debt payments inconsistent with the rehabilitation plan;

(ii) temporary cessation of payments to pension and death funds; and

(iii) temporary suspension of foreign travel for legal representatives.

**5. Mediation Procedures**

Mediation procedure is introduced in the Draft as a new procedure for the rehabilitation/bankruptcy procedures. Accordingly, the liquidator is responsible for mediating on the rehabilitation plan, disputes, and complaints related to the assets of enterprises and cooperatives, and reporting the mediation results to the judge.

**6.** **New Rehabilitation Procedures**

Under the current Bankruptcy Law 2014, rehabilitation is integrated into the bankruptcy proceedings and is applicable to insolvent entities.

However, the Draft introduces separate procedures for rehabilitation, making them available to entities at risk of being insolvent - businesses that, if it undertakes the payment of due debts within the next 06 months or debts that have already become due but not more than 06 months from the date of filing a request to initiate rehabilitation procedures, will severely affect its business operations.

The procedures for rehabilitation are set out, generally, as below:

**1st Procedure**. Authorized representative to submit an application to the specialized court.

**2nd Procedure**. Within 03 working days from the date of receipt of the request to open rehabilitation procedures, the Chief Justice of the specialized court shall assign a Judge or a Panel of Judges consisting of 03 Judges to resolve the request to open rehabilitation procedures.

**3rd Procedure**. Within 03 working days from the assignment date, the assigned Judge shall review the application to determine whether the next procedure can be carried out or other actions from relevant parties (i.e. amendment of the application, transfer of application to another specialized court, return of application) must be taken.

**4th Procedure**. Negotiation between the entities at risk of being insolvent and its creditors. The result of the negotiation will directly affect the handling of rehabilitation of the specialized court (i.e. to continue handling or to suspend the case).

**5th Procedure**. Specialized Court to accept the application and to commence the rehabilitation procedure.

**6th Procedure**. Within 2 or 3 months from the commencement date, a plan for rehabilitation must be developed by all relevant parties and such a plan must be approved in the creditors’ meeting and carried out according to the following scenario:

**Scenario 1**: Within five (5) years from the approval date of the creditors’ meeting

**Scenario 2**: Within the timeline as set out in the creditors’ meeting. In case the creditors’ meeting could not agree on a timeline, the plan for rehabilitation will be carried out within three (3) years from approval date of the creditors’ meeting.

**7. Application for bankruptcy procedures**

According to the Draft, secured creditors can now file bankruptcy requests if secured assets no longer exist.

**8. Foreign Bankruptcy**

Under the Draft, Vietnamese courts can assist with foreign bankruptcy proceedings, e.g., verify, inventory, value, liquidate and recover the assets of enterprises relevant to foreign bankruptcy proceedings. Further, detailed provisions for recognizing and enforcing foreign courts' judgments on bankruptcy are introduced in the Draft. The Draft introduces notable provisions such as authority of courts in Vietnam and certain cases where bankruptcy decisions of foreign courts are not recognized in Vietnam.

**9. Transitional provisions**

According to Article 181 of the draft Bankruptcy Law, which serves as a transitional provision for handling ongoing bankruptcy cases, any bankruptcy case initiated under the Bankruptcy Law 2014 but not yet reaching the stage of issuance of a bankruptcy decision by a competent court will be subject to the new law on bankruptcy.

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# BANKING & FINANCE

**Banks’ charter capital surges by 15.23% to $33 billion**

*VNS*

**NCB’s charter capital surged from VNĐ5.6 trillion to VNĐ11.78 trillion, while Techcombank’s charter capital increased sharply from more than VNĐ35.2 trillion to nearly VNĐ70.66 trillion.**

Despite difficulties of the market, many domestic commercial banks increased capital in 2024, bringing the total charter capital of 28 banks as of December 31, 2024 to VNĐ823.52 trillion (US$33 billion), an increase of 15.23 per cent compared to the end of 2023.

Of 28 banks, 16 banks had a charter capital of more than $1 billion, one more than in 2023, according to the banks' financial reports.

Up to 20 out of 28 commercial banks increased their charter capital in 2024. Of which, two banks, including NCB and Techcombank, recorded the strongest growth in charter capital compared to 2023, at 110 per cent and 100 per cent, respectively.

Specifically, NCB's charter capital surged from VNĐ5.6 trillion to VNĐ11.78 trillion, while Techcombank's charter capital increased sharply from more than VNĐ35.2 trillion to nearly VNĐ70.66 trillion. The rise helped NCB improve its position from the 23rd in 2023 to within the top 20 banks with the largest charter capital in 2024.

Techcombank also took a big step forward, from 11th to second place among the banks with the largest charter capital in the country’s banking system.

In addition to NCB and Techcombank, other banks with the highest growth rate in terms of charter capital includes VietBank (up 49.46 per cent), PGBank (up 40 per cent), MSB (up 30 per cent) and Nam A Bank (up 29.73 per cent).

Although VPBank did not increase its charter capital last year, it still maintained its position as the number one bank with a charter capital of nearly VNĐ79.34 trillion. Of which, 13 individual shareholders and 4 institutional shareholders hold one per cent or more of VPBank's charter capital.

The top ten commercial banks with the largest charter capital currently include VPBank, Techcombank, BIDV with nearly VNĐ68.98 trillion (up 21 per cent), Vietcombank with VNĐ55.89 trillion (unchanged), VietinBank with VNĐ53.67 trillion (unchanged), MB with VNĐ53.06 trillion (up 1.77 per cent), Agribank with VNĐ51.62 trillion (up 25 per cent), ACB with nearly VNĐ44.67 trillion (up 15 per cent), SHB with VNĐ38.07 trillion (up 1.16 per cent) and HDBank with more than VNĐ35.1 trillion (up 20.72 per cent).

According to experts, the need to raise charter capital stems from requirements of improving the capital adequacy ratio (CAR), increasing the risk provision ratio, rising medium and long-term capital sources and promoting investment in technology.

Banking analyst Nguyễn Trí Hiếu said though the CAR of Vietnamese banks has improved, it still hasn't reached international standards and the average level comparative with the banking industry in the region, with the CAR of Vietnamese banks still below that of other banks in the region.

Hiếu said, many banks in Việt Nam have not fully implemented the pillars of international banking standard Basel II, while some countries in the region have applied Basel III or part of it, so increasing charter capital is considered necessary to improve financial capacity and ensure the stability of the Vietnamese banking system.

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**Central bank cuts interest rate on bills for first time in 2025**

*VNS*

According to data from the financial data provider Wichart, the SBV issued VNĐ19.6 trillion of bills in the past week. The interest rate on the bills decreased by 0.1 percentage point, from 4 per cent to 3.9 per cent on February 14.

The State Bank of Vietnam (SBV) has reduced the interest rate on bills for the first time in 2025.

According to data from the financial data provider Wichart, the SBV issued VNĐ19.6 trillion of bills in the past week. The interest rate on the bills decreased by 0.1 percentage point, from 4 per cent to 3.9 per cent on February 14.

In the interbank market, overnight interest rates have also decreased from 5.54 per cent to 4.25 per cent, and interest rates for terms from one week to one month have also declined to 4.45 per cent and 4.67 per cent, respectively.

According to experts, though the pressure on foreign exchange rate is lowering, the SBV will continue to issue bills as needed to control the exchange rate as long as the risk of a rising rate persists.

To cool down the exchange rate, the SBV can also take measures to keep interbank interest rates at a high threshold to ensure the interest rate gap between the Vietnamese *đồng* and the US dollar in the future.

The USD/VNĐ exchange rate has gradually decreased since January. On the interbank market, the US dollar was traded at VNĐ25,085 on January 24, 2024 (the last working day of January before the country started the Lunar New Year holiday), a decrease of 1.6 per cent compared to the end of 2024.

Some factors that helped the exchange rate cool down include the SBV’s sale of US dollars under forward contracts, a decrease in the dollar index (DXY) and the country’s rising foreign currency supply from remittance sources.

Commenting on the exchange rate, Viet Capital Securities Company (VCSC) analysts forecast a number of factors that may put pressure on the USD/VNĐ exchange rate this month. First, abundant liquidity in the banking system can reduce interbank interest rates and put pressure on the exchange rate. Secondly, the SBV on February 11 increased the dollar selling rate by 1 per cent to VNĐ25,698 from VNĐ25,450 per dollar. Finally, demand for US dollars from the State Treasury has increased, as it has to pay for dollar-denominated bonds.

However, VCSC analysts believe that rising foreign currency supply from FDI, remittances and trade surplus can help support the USD/VNĐ exchange rate.

Tiền Phong Securities (TPS) forecasts that the USD/VNĐ exchange rate will continue to see increasing pressure this year and may reach VNĐ26,000 per dollar by the end of the year, especially as the US Federal Reserve slows its interest rate cuts. Meanwhile the stronger dollar may reduce the attractiveness of the Vietnamese market for international investors.

However, TPS experts noted that based on the Government's strong economic growth orientation this year and the world’s unstable political and trade situation, the scenario in which the USD/VNĐ exchange rate is limited to VNĐ26,000 per dollar can be seen as positive.

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# ECONOMY

**Vietnamese exports to US reached $10 billion in January**

*VNS*

**The US remains Việt Nam’s largest export market, with an estimated trade value of US$10 billion in January.**

Exports to major markets declined across the board in January, according to the Ministry of Industry and Trade.

The US remains Việt Nam's largest export market, with an estimated trade value of US$10 billion in January. However, the figure was down 2.1 per cent over the same period in 2024.

Last year, the US was also Việt Nam’s top export partner, with key exports including electronics, textiles, footwear and agricultural products.

China followed with an export value of $4.6 billion, but it was the only major market to record high growth, surging by 25.2 per cent.

Việt Nam’s total import-export turnover in January was estimated at $63.15 billion, down nearly 11 per cent from the previous month and 4 per cent year-on-year.

The primary reason for this decline was the lower number of working days in January 2025 compared to January 2024.

Specifically, total export turnover reached $33 billion, a 7 per cent decrease from the previous month. The domestic economic sector contributed 29 per cent of total exports, while the foreign-invested sector accounted for 71 per cent.

Seven product categories achieved export values exceeding $1 billion in the first month of this year, including electronics, computers and components, mobile phones and accessories, and machinery, equipment, tools and spare parts.

In terms of export structure, all three major sectors – agriculture, forestry and fisheries, processed industrial goods, and fuels and minerals – declined year-on-year, with respective decreases of 8.7 per cent, 3.4 per cent and 35.5 per cent.

However, some key export items experienced double-digit growth, including iron and steel products (up 14.1 per cent), and computers, electronic products and components (up 13.3 per cent).

The total import value in January reached $30.06 billion, down nearly 3 per cent year-on-year. Notably, three product categories recorded import values exceeding $1 billion, namely electronics, computers and components, machinery, equipment, tools and spare parts, and textiles.

China remains Việt Nam’s largest supplier of goods, with an estimated import turnover of $11.6 billion, down 2.2 per cent from the same period in 2024.

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**Vietnam exports over 160,000 tons of rubber in January**

*VNE*

## Total export revenue estimated at $298 million.

Vietnam exported 160,632 tons of rubber in January, earning $298.68 million, according to the General Department of Vietnam Customs.

The figure represents a year-on-year decline of 23.7% in volume but an increase of 0.6% in value.

The revenue growth is attributed to the increasing export price which stood at $1,859 per ton, surging 32% compared to the same period last year.

China remains the largest rubber importer of Vietnam with 126,384 tons, worth $233.3 million, accounting for 78.7% of the total volume and 78.1% of the toal value. It was followed by Malaysia with 6,605 tons.

Last year, Vietnam exported 2 million tons of rubber, gaining $3.4 billion.

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# INVESTMENT

**SK Group eyes investments in LNG, hydrogen, and data centres**

*VIR*

South Korean conglomerate SK Group is looking to develop large-scale liquefied natural gas (LNG) power plants, AI-ready data centres, hydrogen energy, and small modular nuclear reactors.

The information was shared by Chey Tae-won, chairman of SK Group, at a meeting with Party General Secretary To Lam on February 14.

He said, "SK Group boasts the world's leading capacity in the energy sector. Thus, the group is looking to partner with Vietnam for energy projects coupled with developing spearhead sectors such as LNG infrastructure, hydrogen energy, and small modular nuclear reactors.

"SK Group also is keen on potential projects related to AI-ready data centres, high-tech agriculture, and logistics," he added.

Party General Secretary To Lam lauded SK Group's plans to deploy new projects in Vietnam in line with the country's socioeconomic development orientation. The general secretary proposed SK Group collaborate closely with local agencies and localities to accelerate project implementation.

Also on the same day, the SK Group chairman met with Prime Minister Pham Minh Chinh. He highlighted SK Group's proposed development of large-scale LNG power plants. Based on this foundation, the group will build energy centres in association with developing AI, logistics, hydrogen, environmentally friendly agriculture, and innovation.

The chairman affirmed, "These projects will have a positive impact, contributing to Vietnam's socioeconomic development, ensuring electricity, developing key industries, attracting investments, reducing CO2 emissions, and creating jobs. These initiatives can also improve the trade balance between Vietnam and many of its major economic partners through the import of raw materials."

In addition, SK Group is looking to strengthen collaboration with the National Innovation Centre (NIC) through workforce training programmes, hydrogen research, and AI, alongside a forum for South Korean economic and academic circles in Hanoi.

The prime minister hopes SK Group will continue to partner with NIC to ensure more efficient operations while supporting the NIC and Vietnam to develop an ecosystem of science, innovation, and digital transformation.

SK Group has 200 subsidiaries with a market capitalisation of nearly $200 billion, ranking second in Korea. Last year, the group posted a revenue of more than $150 billion.

In Vietnam, SK Group has invested $3.5 billion across various sectors and established subsidiaries in priority areas, including a $500 million high-tech biodegradable materials plant.

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**Yamato Holdings eyes investments in Vietnam's logistics and transportation sector**

*VIR*

Yamato Holdings, one of Japan's largest door-to-door delivery companies, is looking at investing in Vietnam's logistics and transportation sector.

On February 17, Prime Minister Pham Minh Chinh hosted a meeting with Nagao Yutaka, president of Yamato Holdings.

[Yamato Holdings](https://vir.com.vn/search_enginer.html?p=search&q=Japanese%20company) holds approximately 46 per cent of Japan’s home delivery market, and has 7,000 offices across 23 countries, with an annual revenue of $10 billion.

Yutaka noted that, "Vietnam is a potential market for Yamato Holdings, so we hope to receive favourable conditions during our operations in the country. While Japan is facing an ageing population, including ageing drivers. Yamato Holdings is looking to invest in a professional driving training centre in Vietnam to supply labour to the Japanese market."

"This will be coupled with the establishment of an AI research lab to research and apply AI, big data, and digital transformation in the transportation industry. The group hopes to contribute to the development of transportation and logistics for the semiconductor industry, alongside the fast-paced and sustainable growth of Vietnam," he added.

He also revealed plans to team up with Vietnamese partners to expand investments in semiconductor supply chain development and other key industries.

Prime Minister Chinh lauded the group's ongoing projects in partnership with FPT Corporation, which will contribute to the development of Vietnam's logistics sector and cement the two nations' economic ties.

"Vietnam boasts advantages and potential for different kinds of transportation thanks to a market of 100 million people, a network of 17 free trade agreements signed with 60 economies, an import-export turnover of $800 billion, and a fast-growing e-commerce market. Vietnam has set a target of achieving double-digit growth in the upcoming years," the prime minister noted.

Logistics costs remain high in Vietnam, accounting for 17-18 per cent of GDP. Vietnam identifies transport infrastructure as one of three strategic breakthroughs to reduce logistics costs, increase competitiveness, and diversify markets and supply chains. Thanks to its strategic location in the most vibrant trading area in the world, Vietnam has the advantage of becoming an important regional freight and logistics hub.

The PM asked Yamato Holdings to facilitate investment attraction in Vietnam's logistics industry, promote financial and green development funding from Japan, and partner with Vietnamese institutions to train high-quality human resources, particularly for the logistics sector.

He also recommended Yamato Holdings to work with relevant ministries and agencies to research and develop logistics centres in northern provinces, such as Bac Ninh and Bac Giang. The Japanese company's investment should extend beyond the logistics sector to areas where it has expertise, such as finance, insurance, and IT.

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# PROPERTY

**80% of HCMC new apartments to be priced above $2,500 per square meter**

*VE*

Some 10,000 new apartments are expected to hit the HCMC market this year, 80% of them priced above VND65 million (US$2,540) per square meter.

The rest of them will be priced from VND50 million, according to property consultancy Savills.

An earlier forecast by another property services firm, One Housing, said there would be 10,000-12,000 new units for sale this year, 88% of them priced at VND60 million or higher.

Some 70% of the total supply will be in Thu Duc City in the east.

A dearth of [new supply](https://e.vnexpress.net/news/business/property/hcmc-new-apartment-supply-to-remain-scarce-in-2025-4804310.html) has been an ongoing phenomenon in Vietnam’s biggest city for years.

Most of the upcoming supply will be in old projects implementing their next phases.

Some outlying districts have a few projects that are awaiting licenses. Prices have generally been going up sharply.

Last year the average price in the primary market was VND84 million per square meter, up 15% compared from 2023, according to One Housing.

Giang Huynh, head of research at Savills, said the decline of the affordable segment is robbing young people and low-income workers of the opportunity to own a home.

People are increasingly moving to outlying districts as prices surge in the city, she said, but added that even in non-central areas it is difficult to find a reasonably priced unit.

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**Hunt for more land intensifies for real estate developers**

*VIR*

Real estate players are actively setting up and implementing ventures in order to expand available land and prepare for a new development period.

HAUS Da Lat, possessing a prime location in front of the Xuan Huong Lake, will start construction this week. Invested by BTS Bernina and Terne Holdings from Singapore, the complex will include three luxury buildings, 68 sky villas, sky mansions with long-term ownership, and the first InterContinental branded commercial centre and resort in the Central Highlands province of Lam Dong.

In mid-January, T&T Group and CPG Corporation Singapore proposed to build an airport and logistics urban complex across 3,400 hectares in the central province of Quang Tri.

According to consultants CPG Corporation Singapore, the industrial production ecosystem, seaport logistics, and energy complex with large-scale industrial area will utilise the economic competitiveness of the east of Quang Tri based on maritime transport.

In addition, air transport will help improve competitiveness for industrial production and manufacturing, time-sensitive products, and exports.

Ha Sy Dong, Acting Chairman of Quang Tri People’s Committee, said the plans will maximise the advantages and potential of the locality.

According to Dong, the committee agreed with the idea, but investors were requested to absorb comments from provincial leaders, departments, sectors, and units to complete the plans in the spirit of closely following the legal basis and outlines to be consistent with general development planning.

“If there is good planning, there will be good development. I request consulting unit and investors to pay attention to ideas that must be feasible,” Dong said.

Quang Tri also in January received a proposal from Sam Holdings JSC to build a high-end residential, resort, sports, and entertainment complex in Gio Linh district. It will be a mixed-use resort, high-end residential area, and a golf course complex with investment of $4.1 billion.

Also in January, Tan Hoang Minh Hotel and Service Trading Company were looking to research Bau Sen ecotourism resort in the neighbouring province of Quang Binh. With estimated capital of $600 million, the complex is expected to be a high-class resort combining commercial and service buildings, villas, hotels, restaurants, parks, and golf courses.

In recent years, a series of major groups have been active in pouring money into collecting land plots and buying projects, such as DIC Holdings, Vinhomes, and Nam Long Group.

According to Nguyen Thanh Huong, investment director of Nam Long Group, this investor now has about 700ha of land reserve, mainly concentrated in Ho Chi Minh City and satellite cities. However, to ensure long-term growth, Nam Long is further expanding its available land.

“We are applying many different approaches to develop more land plots. One of the key solutions is to buy existing projects that already have suitable land area. In addition, we are considering participating in converting land use purposes from existing projects and researching a new option to participate in the auction of land use rights,” Huong said.

Similarly, Dat Xanh Group said it is constantly looking for opportunities and expanding its clean land reserve. Dat Xanh is looking for 100-200ha across the country. It also plans possible mergers of existing projects with potential to develop housing to meet realistic needs. Its immediate goal is to collect more available land in the southern provinces of Binh Phuoc and Dong Nai.

According to vice chairman of Hanoi Real Estate Club Nguyen The Diep, the revised laws on land, housing, and real estate business have encouraged real estate groups to utilise land expansion for strategic reasons, including ensuring supply for the future and benefiting from land value increases.

“Businesses with large land reserves will have a competitive advantage and flexibility in new development strategies, meeting market needs without having to depend on third parties. At the same time, this also helps limit the risk of market fluctuations,” Diep said.

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

**NA approves resolution on special policies for Ninh Thuan nuclear power project**

*VNE*

**The NA has authorized negotiations with partners that have signed international treaties, as well as with other potential partners to implement the projects.**

The National Assembly (NA) on February 19 approved a resolution on special mechanisms and policies for the Ninh Thuan nuclear power project.

The resolution takes effect immediately upon its approval.

The resolution outlines special mechanisms and policies for the Ninh Thuan 1 Nuclear Power Plant and the Ninh Thuan 2 Nuclear Power Plant, both span a total area of 1,642ha in the south-central province of Ninh Thuan.

Under the resolution, the NA has authorized negotiations with partners that have signed international treaties, as well as with other potential partners, to establish international agreements on cooperation, construction and credit financing for the project. These negotiations will take place in parallel with the approval process for investment policy adjustments and project approvals.

According to the resolution, the Prime Minister will allow the project investors to select contractors.

A direct contracting method under a streamlined process will be applied to the turnkey package for the construction of the main power plant, with contractors designated in international agreements.

This streamlined direct contracting process will also apply to key consulting services during both the investment preparation and project implementation phases.

It will also be used for evaluating technology, safety, security and nuclear regulatory compliance throughout the investment and construction phases of the Ninh Thuan nuclear power projects.

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**EVN signs construction contract for Bac Ai Pumped Storage Hydropower Plant**

*VIR*

Vietnam Electricity (EVN) and a consortium of contractors signed a deal on February 13 for the construction and installation of Bac Ai Pumped Storage Hydropower Plant.

The consortium includes Lung Lo Construction Corporation, Song Da Corporation, LILAMA 10 JSC, SCI E&C JSC, Construction JSC 47, Truong Son Construction Corporation, and Vietnam Construction and Import - Export Joint Stock Corporation.

[The Bac Ai Pumped Storage Hydropower Plant Project](https://vir.com.vn/search_enginer.html?p=search&q=Bac%20Ai%20hydropower&s_cond=1&f_d=&t_d=14-02-2025) is included on a list of power projects approved by the prime minister in 2016 as part of a national development plan.

Located in Bac Ai district, Ninh Thuan province, the project will have a capacity of 1,200MW with four turbines and generators.

The project will cost an estimated VND21 trillion ($826.4 million), with capital sourced from loans and EVN. The plant is expected to start operations in December 2029, and scheduled for completion by May 2031.

The consortium won the package with a bid of VND4.33 trillion ($170.4 million).

Speaking at the signing ceremony, a representative of the EVN said, "This is the first pumped-storage hydropower project built in Vietnam and is one of EVN's key projects to be implemented in 2025."

EVN has assigned the Power Project Management Board 3 and the consortium of contractors to manage the project and organise construction to ensure compliance with quality and environmental requirements. By mobilising resources and equipment to accelerate progress, the parties will strive to complete the plant on schedule.

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# LEGAL

**New policy proposed to prevent transfer pricing, tax evasion of FDI enterprises**

*VNS*

**The ministry proposes to issue a decree on the establishment, management and use of the Investment Support Fund to stabilise the investment environment, encourage and attract strategic investors and multinational corporations.**

The Ministry of Finance has recently proposed changes to policies on foreign direct investment (FDI), including the enhancement of information comparison, to prevent transfer pricing and tax evasion.

The proposals were a response to the ministry’s report which assessed and analysed 2023 financial statements of 28,918 FDI entities, and were sent to the Prime Minister Phạm Minh Chính and Deputy Prime Minister Hồ Đức Phớc.

According to that report, the production and business performance as well as profitability of FDI enterprises in 2023 decreased compared to 2022.

Specifically, revenues fell by VNĐ9.41 quadrillion, (US$352billion) down 4.3 per cent, while their after tax profit was nearly VNĐ337.03 trillion, down 15.7 per cent. The amount paid to the State budget also decreased from nearly VNĐ197.08 trillion in 2022 to nearly VNĐ193.24 trillion in 2023.

Notably, as of December 31, 2023, the number of FDI enterprises reporting losses was 16,292 out of 28,918 enterprises, up 21.2 per cent. The number of enterprises with accumulated losses was 18,140 enterprises, up 15 per cent and the number of enterprises with equity losses was 5,091 enterprises, up 15.2 per cent.

In 2023, their loss was more than VNĐ217.46 trillion, up 32 per cent, their accumulated loss was VNĐ908.21 trillion, up 20 per cent and their negative equity was VNĐ241.56 trillion, up 29 per cent.

The Ministry of Finance concluded that although FDI capital kept growing, most of it is focused on small and medium sized projects. They are those which tend to manufacture industrial products, mainly imported components and equipment for processing and assembly, with low added value and medium-level technological lines, to take advantage of tax incentives and cheap premises and labour.

Sectors such as processing and manufacturing industry, wholesale, retail, repair of automobiles, motorbikes and other motor vehicles, real estate business activities that have made large contributions to the business performance and the State budget, are no longer considered growth drivers.

The ministry assessed FDI enterprises, which reported losses, accumulated losses and losses in equity, have continued to increase significantly in both quantity and value in many years.

The ministry noted many FDI enterprises have reported losses for many consecutive years but still expanded their investment capital. The enterprises focused on processing and manufacturing, automobile and motorbike wholesale, retail and repairing industries.

In addition, many FDI enterprises had large investment capital, high revenue and large pre-tax profits, but contributed modestly to the State budget compared to other enterprises with lower investment capital and business results.

Therefore, under the report, the Ministry of Finance recommends that the Prime Minister direct the review of investment mechanisms and policies to propose amendment or issue timely and effective investment policies.

The ministry specifically proposes strengthening information comparison to combat transfer pricing and tax evasion, as well as effectively managing revenue sources arising from production and business activities of FDI enterprises to increase revenues for the State budget.

The Government should inspect and examine operating FDI projects and strengthen management measures against FDI enterprises that are operating ineffectively or have signs of violations, causing damage to State budget revenue and negative impacts on the socio-economic conditions and the environment.

In addition, according to the ministry, investment efficiency indicators should be developed to serve as a basis for assessing the impact of FDI projects on the socio-economic conditions and the environment in order to promptly manage and prevent possible risks.

The ministry also proposes to issue a decree on the establishment, management and use of the Investment Support Fund to stabilise the investment environment, encourage and attract strategic investors and multinational corporations.

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**PM approves plan to shift from coal to clean energy**

*VNA*

**Prime Minister Pham Minh Chinh has signed Decision No. 266/QD-TTg, approving the implementation plan for the Global Coal-to-Clean Energy Transition Statement.**

The plan aligns with Vietnam’s commitment to low-carbon development and achieving net-zero emissions by 2050.  
  
It aims to mobilise domestic and international resources for power sector development, adopt co-firing technology with clean fuels to gradually reduce emissions from coal-fired plants, phase out outdated and inefficient facilities, and accelerate renewable energy expansion to ensure stable and affordable electricity supply.  
  
By 2030, Vietnam will pilot carbon capture systems at selected aging coal power plants and consider decommissioning around 540 MW of coal-fired capacity at Pha Lai and Ninh Binh if efficiency and emission reduction targets cannot be met. The plan also includes research on biomass and ammonia co-firing to lower CO2 emissions, targeting a renewable energy share of 29.2 - 37.7%. The Ninh Thuan nuclear power project is expected to be completed within five years.  
  
By 2045, Vietnam will develop at least 1,160 MW of clean energy to replace coal power and gradually transition more than 25,000 MW of coal capacity to biomass and ammonia. By 2050, all coal-fired plants will either switch to clean fuels or integrate carbon capture technology, ultimately eliminating coal use in power generation.  
  
To achieve these goals, the government will implement comprehensive measures on policy, technology, finance, international cooperation, and a just energy transition while ensuring social welfare.

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