VIETNAM – NEWS AND REGULATIONS

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# TOP NEWS

## VIETNAM - WORK PERMITS AND APPLICATION - WHAT YOU MUST KNOW:

*Dr. Oliver Massmann, Duane Morris Vietnam LLC*

**Q1 - Cases of work permit exemption**

There are a number of cases of work permit exemption under Labor Code 2019 and Government’s Decree 152/2020/NĐ-CP dated 30 December 2020 (*Decree 152*), as amended by Decree No. 70/2023/NĐ-CP dated 18 September 2023.

We would like to generally summarize as below. We are pleased to comment and advise on a case by case basis subject to the comprehensive review of your specific circumstance.

|  |  |  |
| --- | --- | --- |
| No. | Circumstances of work permit exemption | Legal basis |
| 1 | Owner or capital contributor of a limited liability company with a capital contribution value of at least 3 billion dong | Article 154.1 Labor Code 2019 and Article 7.1 Decree 152 |
| 2 | Chairperson or a member of the Board of Directors of a joint-stock company a capital contribution value of at least 3 billion dong | Article 154.2 Labor Code 2019 and Article 7.2 Decree 152 |
| 3 | Manager of a representative office, project or the person in charge of the operation of an international organizations or a foreign non-governmental organization in Vietnam | Article 154.3 Labor Code 2019 |
| 4 | Entering Vietnam for a period of less than 03 months to do marketing of a service. | Article 154.4 Labor Code 2019 |
| 5 | Entering Vietnam for a period of less than 03 months to a resolve complicated technical or technological issue which (i) affects or threatens to affect business operation and (ii) cannot be resolved by Vietnamese experts or any other foreign experts currently in Vietnam. | Article 154.5 Labor Code 2019 |
| 6 | A foreign lawyer who has been granted a lawyer’s practicing certificate in Vietnam in accordance with the Law on Lawyers. | Article 154.6 Labor Code 2019 |
| 7 | In one of the cases specified in an international treaty to which the Socialist Republic of Vietnam is a signatory. | Article 154.7 Labor Code 2019 |
| 8 | Getting married with a Vietnamese citizen and wishes to reside in Vietnam. | Article 154.8 Labor Code 2019 |
| 9 | An intra-company transferee within 11 sectors in the schedule of commitments in services between Vietnam and WTO, including: business services, communication services, construction services, distribution services, educational services, environmental services, financial services, health services, tourism services, recreational and cultural services, and transport services. | Article 7.3 Decree 152 |
| 10 | Entering Vietnam to provide professional and engineering consulting services or perform other tasks intended for research, formulation, appraisal, supervision, evaluation, management and execution of programs and projects using official development assistance (ODA) in accordance with regulations or agreement in international treaties on ODA signed between the competent authorities of Vietnam and foreign countries. | Article 7.4 Decree 152 |
| 11 | Granted with a communication and journalism practicing certificate in Vietnam by the Ministry of Foreign Affairs as per the law. | Article 7.5 Decree 152 |
| 12 | Sent by a foreign competent authority or organization to Vietnam to teach or to work as a manager or executive director at an international school under management of a foreign diplomatic mission or an intergovernmental organization; or of a facility established under an agreement to which Vietnam is a signatory. | Article 7.6 Decree 152 |
| 13 | A volunteer as specified as an unpaid expat who voluntarily works in Vietnam to implement an international treaty to which the Socialist Republic of Vietnam is a signatory with certification of a foreign diplomatic mission or international organization in Vietnam*.* | Article 3.2 and Article 7.7 Decree 152 |
| 14 | Entering Vietnam to hold the position of a manager, executive, expert or technical worker for a period of work of less than 30 days and up to 3 times a year. | Article 7.8 Decree 152 |
| 15 | Entering Vietnam to implement an international agreement to which a central or provincial authority is a signatory as per the law. | Article 7.9 Decree 152 |
| 16 | Student studying at a foreign school or training institution which has a probation agreement with an agency, organization or enterprise in Vietnam; or a probationer or apprentice on a Vietnam sea-going ship. | Article 7.10 Decree 152 |
| 17 | A relative of a member of foreign representative body in Vietnam | Article 7.11 Decree 152 |
| 18 | Obtaining an official passport to work for a regulatory agency, political organization, or socio-political organization. | Article 7.12 Decree 152 |
| 19 | Being in charge of establishing a Vietnam-based commercial presence. | Article 7.13 Decree 152 |
| 20 | Certified by the Ministry of Education and Training as a expat entering Vietnam to do the following work:a) Teaching, researching;b) Working as a manager, executive director, principal, vice principal of an educational institution proposed to be established in Vietnam by a foreign diplomatic mission or an intergovernmental organization. | Article 7.14 Decree 152 |

**Q2 - How to get work permit exemption certificate in Vietnam**

We would like to summarize the step by step procedure to obtain a work permit exemption certificate as below.

|  |  |  |
| --- | --- | --- |
| Step 1 | Obtaining Approval of demand on employing foreign employees | - Must be done at least 15 days before the expat’s commencement date.- The employer shall prepare the registration form for its demand on using expats and submit the same with provincial PC/ DOLISA. |
| Step 2 | Preparing and submitting documents for applying for work permit exemption certificate | Application preparation:- Request form for confirming the foreign employee is eligible for work permit exemption (standard form);- Original or certified copy of [Vietnam health check](https://www.vietnam-visa.com/health-certificate/); or certified translation of the legalized health check if issued abroad;- Original or certified copy of Pre-Approval of Demand on using foreign employees (obtained in step 1), if required;- Certified copy of valid passport;- Proof of eligibility for work permit exemption (01 original or 01 certified copy. Documents issued in foreign countries should be legalized and translated into Vietnamese and in accordance with regulations of Vietnam).Application submission:- Must be submitted to MOLISA or DOLISA at least 10 days before the expat’s commencement date. |
| Step 3 | Receiving Result | - After 5 working days of receiving full valid documents, MOLISA/ DOLISA shall issue a work permit exemption certificate or reject to issue the work permit exemption certificate with express reasons of rejection. - Validity of a work permit exemption certificate is up to 2 years.  |

*Note: There exist a couple of circumstance where a work permit exemption certificate is not required, e.g. an expat getting married with a Vietnamese citizen and wishes to reside in Vietnam. Should it be the case, the employer’s sole obligation is to submit a notice to DOLISA on the candidate description at least 3 days before the expat’s commencement date.*

**Q3 - How to obtain work permit in Vietnam**

**1. Cases where work permit is required**

Except for exempted cases, foreign nationals working in Vietnam in one of the following forms must apply for a Work Permit (Article 2.1 Decree 152):

* Performing a labor contract.
* Internal transfer within an enterprise.
* Performing various contracts or agreements related to economics, commerce, finance, banking, insurance, science and technology, culture, sports, education, vocational education, and health.
* Service providers under contract.
* Offering services.
* Working for foreign non-governmental organizations or international organizations permitted to operate in Vietnam.
* Volunteers.
* Individuals responsible for establishing commercial presence.
* Managers, executive directors, specialists, and technical workers.
* Participating in the implementation of packages and projects in Vietnam.
* Family members of foreign representatives in Vietnam allowed to work in Vietnam according to international agreements to which Vietnam is a member.
* **Some notes related to work permits:**
1. The maximum duration of a work permit is 2 years, and in case of extension, it can only be extended once for a maximum duration of 2 years. (Article 155 of the Labor Code)
2. The duration of the labor contract for expats in Vietnam shall not exceed the duration of the work permit. (Clause 2, Article 151 of the Labor Code)
3. Expats must present their work permit upon request by a competent state authority. (Clause 1, Article 153 of the Labor Code)
4. One of the important conditions for reissuance and extension of the work permit is that it must still be valid. (Articles 12 and 16 of Decree 152). If an employer wants to extend a work permit for a expat, they must carry out the extension procedures at least 5 days and no more than 45 days before the expiration of the work permit. (Clause 1, Article 16 of Decree 152).

**2. Procedures for the applicable of a work permit**

* **Implementation Steps:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Step** | **Party in charge** | **Work to do** | **Authority** | **Statutory Timeline** |
| 1 | The employer | Prepare and submit an application using standard form | Ministry of Labor, War Invalids and Social Affairs or the local Department of Labor, War Invalids and Social Affairs | At least 15 working days before the expat is expected to start working for the employer |
| 2 | Applicant (i.e. the employer/the expat/authorized person) | Prepare and submit a dossier including:* Written request for the issuance of a work permit for expat under standard form
* Health certificate
* Criminal record check of the expat
* Approval of Demand on using expats
* Notarized copy of the expat's passport and visa
* Document proving the position of manager, executive director, specialist, technical worker, or teacher
* Two photos, size 4x6 cm, white background, no glasses
* Other related documents of the expat based on the specific form of working (i.e. document from foreign enterprise sending the expat, contracts specified the working of the expat, service contract duly executed between Vietnamese party and foreign party, certificate of foreign organization permitted to operate under the laws of Vietnam)
 | Ministry of Labor, War Invalids and Social Affairs or Department of Labor, War Invalids and Social Affairs. | At least 15 working days before the expat is expected to start working for the employer |
| 3 | Ministry of Labor, War Invalids and Social Affairs or local Department of Labor, War Invalids and Social Affairs | Review the dossier and issue the work permit (where applicable) | Ministry of Labor, War Invalids and Social Affairs or local Department of Labor, War Invalids and Social Affairs. | Within 5 working days from the date of receipt of a complete work permit application dossier.In case the dossier needs supplementation or modification, a written response stating the reasons must be provided. |

* **Fees:** As prescribed in Circular No. 85/2019/TT-BTC dated November 29, 2019, by the Ministry of Finance guiding the fees and charges under the authority of the Provincial People's Council.

**Q4 - If a foreigner is investor, how to get investor visa in Vietnam. Please inform required documents and process.**

Pursuant to the Law on Entry, Exit, Transit, and Residence of Foreigners in Vietnam, dated 14 June 2014 (as amended and supplemented from time to time), there are four (4) types of Investor Visa in Vietnam:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Types | Validity | Requirements | Benefits |
| 1 | Visa ĐT1 | Maximum 5 years | - Issued to foreign investors in Vietnam and representatives of foreign organizations investing in Vietnam and contributing capital of VND 100 billion or more or investing in business lines benefitting from investment incentives, in administrative divisions benefitting from investment incentives decided by the Government. | - Apply for a [Vietnam temporary card](https://www.vietnam-visa.com/vietnam-temporary-residence-card/) which is valid for up to 10 years,- Sponsor their spouse/children to get [Vietnam TT visa](https://www.vietnam-visa.com/dependent-visa/) if their visa is symbolized as DT1, DT2 or DT3, and- Extend the visa following this [visa extension instruction](https://www.vietnam-visa.com/vietnam-visa-extension/). |
| 2 | Visa ĐT2 | Maximum 5 years | - Issued to foreign investors in Vietnam and representatives of foreign organizations investing in Vietnam and contributing capital of VND 50 billion to less than VND 100 billion or investing in business lines benefitting from investment incentives treatment decided by the Government. |
| 3 | Visa ĐT3 | Maximum 3 years | - Issued to foreign investors in Vietnam and representatives of foreign organizations investing in Vietnam and contributing capital of VND 3 billion to less than VND 50 billion. |
| 4 | Visa ĐT4 | Maximum12 months | - Issued to foreign investors in Vietnam and representatives of foreign organizations investing in Vietnam and contributing capital of less than VND 3 billion. | N/A |

We would like to generally summarize the licensing process as below.

We are pleased to comment and advise on a case by case basis subject to the comprehensive review of your specific circumstance.

|  |  |
| --- | --- |
| INVESTOR RESIDING IN VIETNAM | INVESTOR NOT RESIDING IN VIETNAM |
| 1. Application preparation- 01 notarized copy of business license and/or investment license- Written introduction of legal seal and signature of competent persons of the organization (NA16)- 01 notarized copy of Investment Certification- Original copy of a valid passport and a valid visa/temporary residence card- Application form for Vietnamese visa and temporary residence extension. | 1. Application preparation - Official Request for examining and approving foreigners entering the country (form NA2 as defined in Circular No. 04/2015/TT-BCA dated 5 January 2015.- 01 notarized copy of business license and/or investment license- Written introduction of legal seal and signature of competent persons of the organization (NA16)- 01 copy of the Foreign Investor’s passport- 01 notarized copy of Investment Certification |
| 2. Application submissionThe documents then will be sent to one of the following addresses:- Hanoi Immigration Authority: 44-46 Tran Phu Street, Ba Dinh District, Hanoi.- Ho Chi Minh City Immigration Authority: 333-335-337 Nguyen Trai Street, District 1, HCMCAfter that, the Investor shall receive a note on when to receive the result. | 2. Application submissionThe documents then will be sent to one of the following addresses:- Hanoi Immigration Authority: 44-46 Tran Phu Street, Ba Dinh District, Hanoi.- Ho Chi Minh City Immigration Authority: 333-335-337 Nguyen Trai Street, District 1, HCMCThe Investors’ Company shall scan the documents and send them to the foreign investors. The Investors then will need:- a valid original passport with at least 2 blank pages.- 02 4x6 images of themselves- Copies of all the required documents as mentioned- Visa Application FormAfter that, so as to earn the Investor Visa, depending on the foreign investors, the documents can be turned in at:- Embassy/Consulate of the Socialist Republic of Vietnam, or- Registered Vietnam Entry border gateThe process would take place for approximately 5 working days since the Investors’ enterprise submits all the required documents. |

**Q5 - What to do after the issuance of work permit?**

Employer and Expat to enter into Vietnam-law labor contract.

Term of labor contract must be in line with the term of the issued work permit.

The employer shall send the signed lab or contract to the competent authority that issued that work permit. The labor contract shall be the original copy or a certified true copy. Penalty of up to 6M VND (equivalent to US$ 250) shall apply in case of failure to follow this obligation.

**Q6 - Is there an indefinite-term labor contract for expat employees?**

Local employees: First fixed-term labor contract of up to 36 months -> Second fixed-term labor contract of up to 36 months -> Indefinite-term labor contract.

Expat employees: Multiple fixed term labor contracts. Term of labor contract must be in line with term of issued work permit.

**Q7 - If the foreign investor is retired (> 60 years old), can he/she legally live in Vietnam by investor visa?**

Yes.

The term ‘foreign investor’ as defined in clause 19 Article 3 of the Law on Investment dated 17 June 2020, are individual who are holding a foreign nationality or an organization established under foreign laws and carrying our business investment activities in Vietnam.

As far as our awareness, there are no statutory restriction on age of foreign investor. As such, a foreign individual investor who is beyond the statutory retirement age can legally reside in Vietnam provided that he/she manages to obtain (i) a validly effective investor visa or (ii) a validly effective temporary resident card (*TRC*) marked with symbol ‘ĐT’.

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Please do not hesitate to contact Dr. Oliver Massmann under omassmann@duanemorris.com 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

**Over $1.13 bln raised from G-bonds in February**

*VET*

**The Hanoi Stock Exchange successfully organised 16 bond auctions last month.**

The Hanoi Stock Exchange (HNX) successfully organised 16 Government bond auctions in February, raising VND29.129 trillion ($1.13 billion) for the State Treasury.

The figure brings the total value of Government bond issuances through HNX auctions in the first two months of the year to VND45.11 trillion ($1.75 billion), fulfilling 41% of the first-quarter target and 9% of the annual plan for 2025.

In February, the auctions offered 10-year, 15-year, and 30-year terms. The 10-year bonds saw the highest share of the total issuance at 96%, or approximately over VND27.96 trillion ($1.08 billion).

The interest rates for Government bonds at the end of February were 2.97%, 3.00%, and 3.28% for the 10-year, 15-year, and 30-year bonds, respectively, showing a slight increase of 0.03-0.14% per annum compared to the end of January.

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**Over 12 banks cut deposit interest rate**

*VET*

***Some of the banks reducing the rate by up to 0.7 percentage point.***

More than 12 banks have cut deposit interest rates in response to the Prime Minister’s direction to lower rates to help achieve the Government’s 8% growth target in 2025, according to State Bank of Vietnam (SBV) Deputy Governor Dao Minh Tu.

Some of the banks have reduced the rate by up to 0.7 percentage point, he said at the regular Government meeting held in Hanoi on February 5.

Earlier, on February 24, Prime Minister Pham Minh Chinh signed a Dispatch, requiring the SBV to enhance measures to reduce interest rates.

Mr. Tu said the central bank will continue tighten supervision over interest rate to ensure the proactiveness of commercial banks and support businesses.

Last year, the average loan interest rate dropped 1.1% compared to the end of 2023.

The SBV has recently asked credit institutions to strictly observe directions of the Government, the Prime Minister and the central bank to take measures to stabilize the deposit interest rate, contributing to stabilizing the financial market, he said.

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# ECONOMY

**Vietnam to become major economic hub in Southeast Asia: PM**

*VnExpress, VNA*

Vietnam aims to grow into a major economic, trade and investment hub in Southeast Asia by 2030, according to Prime Minister Pham Minh Chinh.

"Vietnam will build and develop itself into a major economic, trade, and investment hub in Southeast Asia from now until 2030," the Prime Minister said at a dialogue with 16 major European corporations and enterprises on Sunday.

The PM chaired the dialogue to boost cooperation and investment, aiming to achieve a growth rate of at least 8% this year, paving the way for double-digit growth in the years ahead.

The European Union (EU)'s investment in Vietnam now tops US$30.4 billion, ranking as the sixth largest foreign investor in Vietnam. Two-way trade hit $68.5 billion last year.

European representatives praised Vietnam's business and investment climate, highlighting recent regulatory reforms that have improved transparency, clarity, and decisiveness in the legal framework for investors.

A recent survey revealed that 75% of European enterprises recommend Vietnam as a key investment hub, reflecting strong confidence in the country’s economic potential.

European enterprises expressed their commitments to long-term operations in Vietnam, pledging to work closely with the Vietnamese Government, ministries and agencies to draw more international investors to the country.

Vietnam needs to ramp up global promotion efforts to attract tourism and investment, improving its national competitiveness and global brand presence, they said.

Chinh praised the EU’s support for Vietnam’s development, especially in the fields of economy, investment, and trade. He acknowledged Europe’s shared commitment to the Vietnamese people’s pursuit of freedom and prosperity.

He highlighted Vietnam’s strategic advantages, including its large population, a prime geopolitical position in Asia’s growth region, and a stable, peaceful environment conducive to development. These factors, he said, make Vietnam an ideal hub for production, business, and exports.

PM Chinh affirmed Vietnam’s readiness to welcome high-level EU leaders for substantive visits aimed at fostering a more favorable environment for European businesses and improving Vietnam’s investment and business climate.

The PM called on EU businesses to expand their operations in Vietnam, positioning the country as a key production and supply chain hub. He reassured European investors of Vietnam’s commitment to providing opportunities, trust, and necessary conditions, making the nation a safe and beneficial investment destination.

He stated that Vietnam remains steadfast in maintaining independence, sovereignty, territorial integrity, political stability, social order, and legal stability, ensuring a secure and stable business environment for European enterprises.

PM Chinh also urged stronger collaboration between European businesses and their Vietnamese counterparts to assist the latter’s supply chain integration, market diversification, and turning into a long-term production and business hub for the EU. The leader also encouraged the European partners to engage in consultancy serving Vietnam’s institutional building and policymaking.

The PM called on the European business community to advocate for the swift ratification of the EU-Vietnam Investment Protection Agreement (EVIPA) by nine remaining EU member states, as well as the European Commission (EC)’s lifting the IUU "yellow card" against Vietnamese seafood exports.

He called for their participation in the country’s project to grow 1 million hectares of low-emission rice in the Mekong Delta, and support for the EU’s continued official development assistance (ODA) for Vietnam through bilateral cooperation channels.

The Vietnamese Government is committed to ensuring the foreign-invested sector remains a vital part of the national economy, while safeguarding the legitimate rights and interests of enterprises, PM Chinh affirmed.

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**Ministry proposes solutions to achieve 12% export growth target**

*VNS*

Minister of Industry and Trade Nguyễn Hồng Diên has issued a directive regarding several solutions to develop markets, manage import activities, and achieve an export growth rate of 12 per cent this year.

According to the directive, in 2025, Việt Nam has favourable opportunities for continued export growth thanks to global economic recovery, controlled inflation, and the expansion of export markets in line with tariff reductions under Free Trade Agreements (FTAs). However, there are still many challenges, such as the increasing trend of protectionism in importing countries, fierce competition with goods from other exporting nations, and the potential for trade wars that could disrupt supply chains and narrow export markets.

In this context, achieving the target of more than 12 per cent export growth and a trade surplus of US$30 billion in 2025 will require high determination, significant efforts, and decisive action from all industry associations, and businesses.

Therefore, the ministry will focus on implementing effective solutions to bring into full play competitive advantages and seize opportunities by promoting and supporting businesses and industry associations in effectively exploiting traditional markets that still hold significant potential.

At the same time, it will proactively research, advise on negotiations and signing of cooperation agreements with new markets, and fully exploit opportunities from key and strategic markets.

To realise this goal, Diên called for more efforts to remove obstacles for businesses, support production, and boost exports.

He requested the Department of Foreign Market Development to closely monitor and promptly update information regarding the import and export situation, as well as any changes in economic and trade policies in the markets under its responsibility, especially key markets such as the US, China, and the European Union.

In addition, the ministry will intensify policy dialogues to address difficulties and barriers faced by Vietnamese imports and exports, and push forward negotiations to sign new agreements on trade, as well as related agreements, to open up markets for various types of fruit.

The Foreign Trade Agency was required to coordinate with relevant departments and units to develop logistics services, and enhance the utilisation of logistics centres abroad to promote the export and import of Vietnamese goods with international markets.

It was also asked to work with the Department of Foreign Market Development to closely monitor the import and export situation at border gates, work with relevant authorities to implement timely measures to prevent congestion there, and popularise new policies related to cross-border trade and encourage businesses to export goods to China through official channels.

The minister urged the Trade Remedies Authority to enhance dissemination of Việt Nam's laws on trade defence measures to raise awareness and understanding among businesses on how to effectively use trade defence tools. This will help protect the rights and legitimate interests of businesses against unfair trade practices by foreign exporters or respond to the rapid and sudden increase in imported goods to control imports.

Meanwhile, the Domestic Market Management and Development Department was asked to intensify market inspections and control, combat illegal activities related to counterfeit goods, intellectual property infringements, and smuggled goods. It was also requested to coordinate with relevant agencies to implement policies to develop the distribution system, and promote the implementation of tasks associated with the "Vietnamese people prioritise using Vietnamese goods" campaign.

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# INVESTMENT

**FDI fuels Vietnam’s momentum to reach double-digit economic growth**

*VIR*

According to the General Statistics Office (GSO), Vietnam secured 38.23 billion USD in FDI last year, positioning itself among the top 15 developing countries for FDI inflows. Notably, the disbursement of FDI capital hit a record high of 25.35 billion USD, up 9.4 per cent from the previous year. The influx has contributed significantly to Vietnam's position as a regional leader in economic growth.

Hanoi - Vietnam's impressive economic growth in 2024 was fueled by contributions from various sectors, with foreign direct investment (FDI) playing a pivotal role. As the country aims to achieve a growth rate of at least 8 per cent in 2025 and double-digit growth in subsequent years, the contributions from the FDI sector need to be amplified.

Vietnam in top 15 destinations for FDI

According to the General Statistics Office (GSO), Vietnam secured 38.23 billion USD in FDI last year, positioning itself among the top 15 developing countries for FDI inflows. Notably, the disbursement of FDI capital hit a record high of 25.35 billion USD, up 9.4 per cent from the previous year. The influx has contributed significantly to Vietnam's position as a regional leader in economic growth.

Deputy Prime Minister Nguyen Chi Dung said the FDI sector has left a significant milestone in bolstering Vietnam’s collaboration with global tech giants such as NVIDIA in R&D activities, technology transfer, and high-quality human resources development to capitalise on semiconductor and AI’s potential, helping deliver on the country’s targets in the new era.

FDI has shared the investment burden in a context where state budget resources remain limited and spread across various priorities. Besides generating millions of jobs, the sector has boosted exports, expanded international economic relations, and enhanced Vietnam's competitiveness in global economic integration. It currently accounts for over 70 per cent of the country's total export turnover.

The sector has actually emerged as one of the main drivers of Vietnam's economic growth, with its influence extending deeply into the country's socio-economic landscape. Against the backdrop, it is necessary to identify strengths and weaknesses to enhance the sector’s effectiveness and contributions.

With a view to realising the target of luring some 150-200 billion USD in FDI for 2021-2025, and 200-300 billion USD for 2026-2030, measures need to be taken to settle several existing issues within the FDI sector, including cases of non-compliance with Vietnamese laws, violations of environmental protection regulations, labour and wage infractions, and tax evasion.

Besides, transfer pricing has become increasingly sophisticated, raising questions about why some FDI enterprises report losses while simultaneously proposing expansion of their investments in Vietnam. Although regulatory authorities have identified and penalised many companies, combating transfer pricing remains challenging.

Improvements for enhanced attractiveness

Experts proposed several ways to enhance FDI's impact on Vietnam's economic growth, laying stress on the significance of maintaining preferential policies to lure the capital and making them more transparent, attractive, and competitive. They held that FDI policies should be selective, with priority given to quality, efficiency, technology, and environmental protection. Furthermore, administrative reforms should enhance support for the FDI sector while management should be tightened with proactive post-inspection measures, creating conditions for investors to shorten preparation and implementation time of projects.

They also suggested that Vietnam should prioritise projects featuring advanced and clean technologies, modern governance, high added value, spillover effects, and global connectivity between production and supply chains. Additionally, the country should continue negotiating and signing free trade agreements to create a favourable environment for foreign trade, thereby attracting FDI to launch production for export in Vietnam.

Vietnam is gradually shifting towards enhancing FDI quality by focusing on selective, proactive attraction of high-tech, environmentally friendly projects in spearhead sectors. Notably, in recent years, Vietnam has identified semiconductors and AI as two strategic industries to drive national development.

Deputy Director of the National Innovation Centre (NIC) Vo Xuan Hoai said that Vietnam has proactively developed a domestic semiconductor ecosystem and created a favourable legal corridor to welcome global enterprises.

He said Vietnam has made impressive progress in semiconductor cooperation with the US, the Republic of Korea (RoK), Japan, Taiwan (China), and Europe. Last year, the NIC announced its partnership with NVIDIA, a major chip and AI corporation, to set up an AI R&D Centre and an AI Data Centre.

The Vietnamese Government is planning to train some 50,000 semiconductor engineers by 2030 to meet the increasing demand of this strategic sector.

To enhance the capacity for genuine and effective evaluation and control of the FDI sector's contribution to the economy, the Prime Minister recently issued a decision establishing criteria for evaluating the effectiveness of foreign investment in Vietnam. Notable among these are 29 economic indicators measuring important factors such as budget contributions, profit before tax, profit margins, and linkages between FDI enterprises and domestic companies.

In another move, the Government issued a decree on the establishment, management, and use of the Investment Support Fund, affirming its commitment to to promoting high-tech enterprises, particularly in semiconductors and AI. This initiative not only serves as an important driver for enhancing competitiveness but also helps Vietnam integrate more deeply into the international market.

Director General of the RoK-based Hana Micron, Inc. Lee Dong-Chul said that Vietnam has become an attractive destination for high-tech enterprises on the back of the Government’s strong support, sound infrastructure, and high-quality human resources at rational costs.

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**Quang Nam woos over $1.56 billion in investments**

*VIR*

The central province of Quang Nam granted investment certificates and research agreements to several projects across its industrial parks (IPs) on March 5 worth over VND40 trillion ($1.56 billion).

Six ventures have been awarded investment certificates by [Quang Nam](https://vir.com.vn/search_enginer.html?p=search&q=Quang%20Nam). South Korean firms have received two of these, with Kyung Rim Tech Co., Ltd. set to fund an auto-parts assembly in Dien Nam Dien Ngoc IP worth VND146 billion ($5.7 million). Meanwhile, Oriental Commerce Vina Co., Ltd. will manufacture supporting products for the packaging industry in Tam Thang IP to the tune of VND186 billion ($7.3 million).

China's Standard Track Co., Ltd. will spend VND58 billion ($2.3 million) on building a household appliances factory in Tam Thang 2 IP, while Hong Kong-based Portillo Estudio Ltd. will construct a ready-built warehouse costing VND216 billion ($8.5 million) in Dien Nam Dien Ngoc IP.

Tucai SA from Spain also received an investment certificate to manufacture flexible connectors with an investment of over VND187 billion ($7.3 million). Likewise, Vietnamese corporation Thaco Auto was approved to develop its research and development centre valued at VND292 billion ($11.5 million) at Chu Lai Truong Hai Automobile Mechanical IP.

In addition, Quang Nam also signed agreements on investment research for four different initiatives.

Thaco will spend over VND7.2 trillion ($282.4 million) researching methods of dredging the Cua Lo channel to accommodate 50,000-tonne ships, while Capella Quang Nam JSC will inject over VND600 billion ($23.5 million) on infrastructure for the expansion of Tam Thang IP 2.

Meanwhile, Viet Phuong Investment Group will research investment in the infrastructure of Bac Thang Binh 1 and Bac Thang Binh 2 IPs, utilising more than VND6.5 trillion ($255 million), and Hoi An South Development Ltd will continue to invest more than $1 billion in Phase 2 of Hoiana Resort & Golf.

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# PROPERTY

**Real estate sees growth opportunities thanks to thriving retail sector**

*VNA*

Positive factors seen in Vietnam’s retail sector would bring opportunities for the domestic real estate market. The Ministry of Industry and Trade forecasts that in 2025, the retail market is projected to reach 350 billion USD, contributing 59 per cent of the total state budget.

Positive factors seen in Vietnam’s retail sector would bring opportunities for the domestic real estate market, according to experts.

The Ministry of Industry and Trade forecasts that in 2025, the retail market is projected to reach 350 billion USD, contributing 59 per cent of the total state budget.

The retail sector is experiencing positive growth, driven by government initiatives to stimulate domestic consumption, support business activities, and expand the local market.

Key growth factors include a large and young population, an expanding middle class, rising young affluent consumers, the rapid growth of e-commerce, increasing tourists, and strong investment from global brands.

A survey by Savills Vietnam found that compared to Thailand, Indonesia, or Singapore, Vietnam’s retail market is still developing. However, it has made significant strides post-COVID-19.

Previously, many Vietnamese consumers preferred shopping abroad, especially in Bangkok, due to the strong presence of international brands.

As domestic demand rises, more global brands recognise the potential for expansion in Vietnam. With a young population and strong purchasing power, the country is becoming an attractive destination for major retail corporations.

Over the period 2025–2030, the market is expected to post stronger growth, positioning Vietnam as a key competitor among leading markets in the region.

Meanwhile, the total retail supply in major cities like Hanoi and Ho Chi Minh City remained stable the fourth quarter of 2024.

In HCM City, total supply increased by 1per cent quarter-on-quarter and 6 per cent year-on-year.

Similarly, Hanoi’s retail supply remained stable quarterly, with a 2 per cent increase year-on-year. Shopping malls continued to dominate the market, accounting for 63 per cent of the total supply.

The market also saw the emergence and expansion of new-generation retail centres, integrating diverse amenities to enhance customer experiences.

Matthew Powell, Director of Savills Hanoi, said that consumers are entering 2025 with a cautious mindset, as evidenced by the consumer confidence index remaining at 54 per cent. Furthermore, 41per cent of consumers show a decline in savings. Inflation continues to shape shopping behaviour, driving spending towards essential categories such as education, food, and healthcare, while non-essential purchases see a downturn.

Consumers are also becoming increasingly price-sensitive, prioritising promotions and cost-effective shopping options. However, a segment remains willing to pay for premium products, particularly beauty, fashion, and personal electronics.

These shifts pose significant challenges for retailers in maintaining purchasing power and adjusting their business strategies. Experts suggest that brands must balance price optimisation, enhancing customer experience, and tapping into the premium consumer segment.

Hoang Nguyet Minh, Senior Director of Commercial Leasing Department under Savills Hanoi, said Hanoi continues to strengthen its position as a retail hotspot, with several new shopping centres set to launch.

Following the success of Lotte Mall in 2023, 2025 will see the opening of Hanoi Centre by Keppel, which is expected to deliver similar results. The market will further heat up in 2026 Thiso Mall and Toshin at Starlake.

Investments from leading corporations such as Aeon, Lotte, and Keppel will attract more international brands and drive consumer spending, contributing to the strong growth of Hanoi’s retail market in 2025-2026.

Regarding the southern market, Tu Thi Hong An, Senior Director of Commercial Leasing at Savills HCM City, commented: “Due to a shortage of new supply, the southern retail market has seen strong growth driven by diversification in sales channels and the influence of technology and consumer trends. Shopping malls continue to maintain high occupancy rates.

However, they must remain dynamic and innovative through ongoing renovations to stay competitive in a crowded retail landscape. This is a key driver for major shopping centres and introduces appealing business models and services for consumers”.

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**Construction of social housing project kicks off in Hanoi**

*VET*

Construction of an apartment complex, which includes 1,104 social housing units, kicked off in Hanoi’s Dong Anh district on March 3.

It is expected to be completed in the third quarter of 2026, and will meet the housing requirements for over 3,900 people.

The CT3 complex is part of the Thang Long Green City social housing project at Kim Chung Urban Area.

The project spans nearly 3.7 ha, comprising three high-rise buildings in the CT3 complex and an additional building in CT4, totaling 1,588 units. Total investment capital is estimated at VND1.6 trillion ($62.2 million).

The project is invested by the Hanoi Housing Development and Investment Corporation (Handico) and Viglacera Corporation.

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

**PV GAS and PV Power agree to supply LNG to Nhon Trach 3 and 4**

*VIR*

PetroVietnam Gas Corporation (PV GAS) and PetroVietnam Power Corporation (PV Power) announced on March 2 that the corporations are contracted to supply liquefied natural gas (LNG) for the commercial operation of Nhon Trach 3 and Nhon Trach 4 power plants.

PV GAS already agreed to supply [LNG](https://vir.com.vn/search_enginer.html?p=search&q=LNG&s_cond=1&f_d=&t_d=03-03-2025) for the trial operation of Nhon Trach 3 and Nhon Trach 4 in a deal signed last year, and will now, along with PV Power, supply gas for the entire operation of these two power plants for the next 25 years.

The power plants at Nhon Trach 3 and Nhon Trach 4, a result of $1.4 billion in investment, are key national projects with a total capacity of 1,624 MW, and are located in Ong Keo Industrial Park in Dong Nai province. Once fully operational, they will provide about nine billion kWh of electricity per year to the national grid.

Nhon Trach 3 Power Plant is slated to be put into operation in July, while Nhon Trach 4 is expected to start operation in October.

The signing of this supply contract supports PV GAS' claim to be one of the top LNG players in Vietnam, showing how the company is capable of meeting the country's increasing demand for clean energy.

Meanwhile, this represents an initial success for PV Power's investments in large-scale power projects. The company is converting a number of power plants from natural gas to LNG.

The two corporations have implemented a roadmap to make imported LNG the main fuel source for gas-fired power plants in Vietnam, gradually replacing the rapidly declining natural gas source in the southeast region.

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# CME Solar starts installing rooftop solar power system at Estec Vina factory

*VIR*

On February 26, the CME-Vista joint venture announced the implementation of a rooftop solar energy system at the Estec Vina factory.

Starting on February 21, this is the first renewable energy initiative to install infrastructure at the Estec Vina factory - a Korean Estec Group subsidiary in Vietnam-Singapore Industrial Park I (VSIP I), Binh Duong province.

The rooftop solar scheme at Estec Vina, developed by the CME-Vista joint venture, is expected to generate 2,086MWh of electricity annually.

Based on Vietnam’s certified CO2 emission factor of 0.6766, this undertaking is anticipated to reduce approximately 1,411 tonnes of CO2 emissions per year. The installation adheres strictly to design, legal, construction, and operational safety standards established by the CME-Vista joint venture.

For Estec Vina, transitioning to renewable energy, particularly rooftop solar, is considered the fastest and most effective solution to enhance its competitiveness in exporting products to Europe, Japan, the United States, India, and other key markets.

Estec Vina is a leading manufacturer in the consumer electronics sector, with an annual production capacity of 60 million products serving both domestic and international markets. The company is also a key supplier for global brands such as Samsung, Sony, Alpine, LG, Panasonic, Kia-Hyundai, Yamaha, and Harman.

According to McKinsey estimates, by 2030, carbon tax risks for export-oriented industries in Vietnam could reach $10-30 billion. Transitioning to green energy production will help Vietnam maintain its export competitiveness and drive deeper emissions reductions.

Vietnam is among the six countries most affected by climate change globally, and has committed to achieving net-zero emissions by 2050 and reducing methane emissions by 30 per cent by 2030.

To realise these commitments, the prime minister has emphasised that the country's COP26 pledges align with its economic restructuring plans and the global trends of green, circular, and digital economies.

Chung Dieu Tuan, CEO of CME Solar and CEO of the CME-Vista joint venture said,"With Vietnam's net-zero commitment, businesses must transition to renewable energy. CME Solar and the CME-Vista joint venture are setting ambitious goals while staying true to our core values in renewable energy development."

In August 2024, CME Solar Investment JSC and Vista C&I Global (a subsidiary of Samsung C&T) signed a joint venture agreement to collaborate on rooftop solar energy development in Vietnam.

This joint venture marks a significant milestone and supports Vietnamese businesses in transitioning towards a low-carbon economy. Through this partnership, CME-Vista will continue to strengthen its position as a leading foreign-invested enterprise, pioneering advanced technologies and innovative solutions for the green transformation of Vietnam’s economy.

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# LEGAL

**Government extends registration fee exemption for EVs**

*VET*

***The fees being exempted from March 1, 2025 until February 28, 2027.***

Under a government decree issued recently, the exemption of registration fees for electric cars (EVs) has been extended from March 1, 2025 to February 28, 2027.

Earlier, the Ministry of Finance had proposed to extend the exemption of the fees through February 28, 2027, instead of February 28 this year as initially scheduled.

The ministry said the registration fee exemption will contribute to developing the market, the EV industry and other auxiliary industries as well as generating jobs for workers.

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**Finance ministry proposes 30% land lease fee cut for 2025**

*VET*

*The move aims to support people and businesses in improving production and business, and to create momentum for economic development.*

The Ministry of Finance is seeking comments on a draft Decree stipulating a 30% reduction in land lease fees in 2025 to support people and businesses in developing production and business, as directed by the Government in Resolution 233/NQ-CP dated December 10, 2024.

The draft Decree proposes a 30% reduction in land lease fees for subjects specified in Article 4 of the Land Law who are directly leased land by the State under a land lease decision, a land lease contract, or  certificate of land use rights and ownership of assets attached to land issued by a competent State agency, effective in 2025, in the form of annual land lease payments.

This regulation is also applicable to cases where land users are not eligible for exemption or reduction of land lease fees or have exceeded the period of exemption or reduction. It also applies to land users currently receiving reductions in land lease fees under the provisions of the Land Law and other relevant laws.

Regarding the draft Decree, in Resolution No 233/NQ-CP the Government stated that the goal for 2025 is to achieve a growth rate of 8% while maintaining macroeconomic stability, controlling inflation, and ensuring the major balances of the economy.

To support people and businesses in improving production and business, and to create momentum for economic development, the Ministry of Finance needs to continue studying and proposing policies on the exemption, reduction, and extension of taxes, fees, charges, and land lease fees to competent authorities.

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