VIETNAM – NEWS AND REGULATIONS

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#

# BANKING & FINANCE

# First banks to open 2025 shareholder meeting season with ambitious goals

*BIZHUB/VNS*

The first banks VIB, Nam A Bank and NCB will open the 2025 shareholder meeting season with strong growth targets this week.

VIB will be the first bank holding its annual general meeting of shareholders (AGM) on March 27 in HCM City. The bank aims to achieve a pre-tax profit of VNĐ11.02 trillion this year, up 22 per cent over last year.

To achieve the target, in 2025, VIB strives to increase total outstanding loans by 22 per cent to VNĐ395.8 trillion and capital mobilisation by 26 per cent to VNĐ377.3 trillion, while controlling the bad debt ratio below three per cent. The bank also aims to bring total assets to VNĐ600.35 trillion this year, up 22 per cent compared to 2024.

This year, VIB plans to pay a maximum cash dividend of seven per cent, equivalent to more than VNĐ2.08 trillion.

Nam A Bank (NAB) plans to hold its AGM on March 28 in the highland city of Đà Lạt. In 2025, the bank aims to have total assets of VNĐ270 trillion, up 10 per cent, outstanding loans of VNĐ194 trillion, up 16 per cent and bring in capital mobilisation of VNĐ209 trillion, up 17 per cent. The bank’s bad debt ratio is expected not to exceed 2.5 per cent.

Nam A Bank’s consolidated pre-tax profit target of VNĐ5 trillion in 2025 is calculated on the basis that the bank reaches the planned credit growth rate and in accordance with the regulations of the State Bank of Vietnam (SBV) while ensuring safety ratios according to current regulations of the SBV and operating under stable macroeconomic conditions.

Regarding the capital increase plan in 2025, Nam A Bank plans to increase its charter capital in 2025 by a maximum of more than VNĐ4.28 trillion to more than VNĐ18 trillion (VND 18,007 billion).

Accordingly, Nam A Bank plans to issue an additional 343.1 million shares to raise its charter capital by more than VNĐ3.43 trillion.

In addition, the bank will issue 85 million ESOP shares to employees at a price of VNĐ10,000 per share, which have a transfer restriction of 100 per cent in the first year and 50 per cent in the following year.

In addition, Nam A Bank will also issue private convertible bonds of up to VNĐ2 trillion from the third quarter of 2025 to the first quarter of 2026.

Meanwhile, the AGM of NCB will take place on March 29 in Hà Nội.

According to the NCB’s plans, in 2025, the bank aims to increase total assets by 14.6 per cent to VNĐ135.5 trillion. The bank forecasts that outstanding loans will surge by 30 per cent to nearly VNĐ92.53 trillion, while they plan to raise capital by 23.2 per cent.

Regarding the plan to increase charter capital, in 2025, NCB plans to issue 700 million individual shares to increase charter capital by VNĐ7 trillion to VNĐ18.78 trillion. The offer price is not lower than VNĐ10,000 per share, and the privately issued shares are restricted from transfer within one year. The expected issuance time is from the second quarter to the fourth quarter of 2025, after being approved by the State Bank of Vietnam and the State Securities Commission.

At the AGM, the NCB will elect seven members of the board of directors and five members of the supervisory board for the 2025-2030 term according to the new standards of the amended Law on Credit Institutions.

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**A mechanism proposed to manage cryptocurrency exchanges**

*VNN*

**A pilot program for issuing and trading cryptocurrencies and digital assets to be oversighted Ministry of Finance, Ministry of Public Security, and State Bank of Vietnam.**

A pilot program for issuing and trading cryptocurrencies and digital assets has been proposed by the Ministry of Finance, with oversight from three key agencies: The Ministry of Finance, the Ministry of Public Security, and the State Bank of Vietnam, according to a report released by the Vietnam News Agency on March 24.

Under a draft resolution it has submitted to the Government, the Ministry of Finance proposed a pilot program for the issue and trading of cryptocurrencies and digital assets, alongside a mechanism for coordinated oversight involving three key agencies including the Ministry of Finance, the Ministry of Public Security and the State Bank of Vietnam.

The State-run news agency quoted Mr. Bui Hoang Hai, Vice Chairman of the State Securities Commission, under the Ministry of Finance, as stating on March 20 that the purpose of the coordinated framework is to strictly monitor cryptocurrency exchange activities, minimize risks and ensure financial security.

According to Mr. Hai, cryptocurrencies and digital assets are rapidly developing sectors that carry significant risks for both investors and the broader market. As such, the pilot will be implemented on a limited scale and under strict regulatory supervision. This approach mirrors international practices aimed at mitigating money laundering, terrorism financing and other illegal activities.

Currently, Vietnam lacks clear definitions of cryptocurrency and digital assets, and no legal framework exists to regulate the trading or business activities involved. Existing regulations only cover electronic money that is tied to fiat currency (a type of government-issued currency that is not backed by a precious metal, such as gold or silver) such as prepaid cards or e-wallets.

Due to the absence of a legal framework, authorities are unable to implement appropriate tax policies. However, should cryptocurrencies be recognized as legal assets, they could fall under existing tax regimes, including value-added tax and both corporate and personal income tax.

In reality, many Vietnamese start-ups have opted to register in jurisdictions, such as Singapore and the United States, only to return and operate domestically. This has resulted in tax revenue losses and a weakening of Vietnam’s competitive edge in the digital asset arena. Establishing a legal framework would help define and value digital assets, thereby improving transparency and enabling enterprises to access bank credit and secure investment more easily.

According to the Vietnam Blockchain Association (VBA), around 17 million Vietnamese held digital assets in 2024, ranking the country in seventh place globally. However, the total volume of cryptocurrency flowing into Vietnam last year reached $105 billion, down from $120 billion in 2023.

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# ECONOMY

**Vietnam eyes one million more businesses by 2030**

*SGT*

*Vietnam wants to have at least one million more businesses by 2030, especially small and medium-sized enterprises (SMEs).*

Prime Minister Pham Minh Chinh has signed a new directive aimed at promoting the growth of SMEs.

Directive 10 highlights the vital role of the private sector, particularly SMEs that account for 98% of all businesses nationwide, contribute over 50% of GDP, 30% of state revenue, and provide over 40 million jobs. However, the sector continues to face structural and regulatory barriers that hinder sustainable growth, reported the Government news website (baochinhphu.vn).

To address these challenges, the directive calls on ministries, agencies, and local governments to implement coordinated measures to enhance SME development in terms of quantity, quality, and efficiency. Key areas of support include innovation, digital transformation, green growth, and deeper integration into global value chains.

The Government aims to streamline administrative procedures and improve the regulatory environment. By 2025, it targets a 30% reduction in approval time, compliance cost, and unnecessary business conditions. It also plans to shift from pre-inspections to post-inspections with stronger oversight.

The Ministry of Finance has been tasked with drafting amendments to key business, tax, and budget laws, along with a legal framework for digital assets and digital currencies. Other ministries are preparing laws on science, technology, and industrial development, including a proposed law on strategic industrial products.

The directive emphasizes public investment efficiency, urging agencies to disburse over 95% of the 2025 budget. Priority will be given to strategic infrastructure projects such as the North-South high-speed railway, urban rail systems, and international ports, while encouraging major corporations to support SME growth.

The Government also plans to simplify tax procedures and boost access to finance through the SME Development Fund. The central bank will maintain flexible monetary policy and focus credit on productive sectors while tightening controls on high-risk lending.

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**Thành Công Group inaugurates first automobile manufacturing plant in Quảng Ninh**

*VNS*

This is the first automobile manufacturing plant in Quảng Ninh, a major milestone for both the province and Việt Nam’s automotive industry.

Vietnamese automaker Thành Công Group officially inaugurated its Thành Công Việt Hưng automobile manufacturing plant on March 26 at Việt Hưng Industrial Park in Hạ Long city in the northern province of Quảng Ninh.

The event was attended by Vice Chairman of the National Assembly Vũ Hồng Thanh and Deputy Prime Minister Bùi Thanh Sơn.

This is the first automobile manufacturing plant in Quảng Ninh, a major milestone for both the province and Việt Nam’s automotive industry. Following the inauguration, the plant will commence operations, focusing on the production and assembly of commercial vehicles under the Skoda brand - one of the oldest automobile manufacturers from the Czech Republic.

The Thành Công Việt Hưng plant is the centrepiece of the Thành Công Việt Hưng Automotive and Supporting Industries Complex, an advanced industrial hub designed to become one of Việt Nam’s leading automotive production centres. Covering 36.5 hectares, the plant boasts a designed capacity of 120,000 vehicles per year.

The plant features state-of-the-art production workshops, including welding, painting, and assembly lines, all equipped with high levels of automation and cutting-edge global automotive technologies. Its intelligent data management system ensures efficiency and strict quality control, aligning with international standards.

Its construction began in early 2023 and by late 2024, trial operations had commenced. After 25 months of development, the plant is fully completed and ready for production. To ensure smooth operations, Thành Công has also invested in logistics infrastructure, a wastewater treatment facility, and a 1.5 km-long test track designed to simulate various real-world driving conditions.

The first model, Skoda Kushaq, is set to hit the domestic market in the second quarter of 2025. The plant is expected to create thousands of jobs, boost Quảng Ninh’s economy and position Việt Nam’s automotive industry as a stronger player in the global supply chain.

At the inauguration ceremony, Minister of Industry and Trade Nguyễn Hồng Diên reaffirmed the Government’s commitment to advancing key industries like automotive manufacturing as part of Việt Nam’s long-term industrialisation strategy. He highlighted ongoing efforts to attract investment in large-scale, high-tech automotive projects and to foster stronger ties between domestic and international manufacturers.

Diên expressed his confidence that Thành Công’s new plant, built according to international standards, would drive the industry forward, generate employment and enhance Việt Nam’s manufacturing competitiveness. He also reiterated the ministry’s support in helping automotive businesses expand production and integrate into global supply chains.

Chairman of the Quảng Ninh provincial People's Committee Phạm Đức Ấn underscored the project’s significance, calling it a prime example of successful collaboration between Việt Nam’s private sector and global industrial leaders. He noted that such partnership will help Việt Nam deepen its integration into international supply chains, boosting both local economic growth and national industrial self-sufficiency.

With Quảng Ninh targeting a 14 per cent economic growth rate in 2025, surpassing the national target by 2 per cent, ensuring the Thành Công Việt Hưng plant enters full-scale production as planned will be a key factor in achieving this goal, he said.

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# INVESTMENT

**PDSI Group from UAE proposes $2.6 bln project in Binh Thuan**

*VNE*

**The proposed complex spans approximately 425 ha and encompasses a variety of components, including luxury resort hotels, high-end residential areas, a hospital, an international school, and two international-standard golf courses**

Binh Thuan province authorities on March 26 held a meeting with the PDSI Group (headquartered in Dubai, UAE) to discuss plans for a Service Complex project, according to a report from Radio the Voice of Vietnam.

During the meeting, Mr. Peter Dalkeith Scott, Chairman of PDSI Group, elaborated on the company’s vision for the project. After conducting thorough surveys and research, the group submitted a formal request to the Provincial People's Committee in November 2024 to gain approval for their ambitious plan.

The proposed complex spans approximately 425 ha in the Tien Thanh commune, Phan Thiet city, and encompasses a variety of components, including luxury resort hotels, high-end residential areas, a hospital, an international school, and two international-standard golf courses. The total estimated investment for the project is around $2.6 billion.

If the proposed investment is approved, phase 1 of the project will cover approximately 180 ha with an initial investment of VND25 trillion ($979 million).

Speaking at the meeting, Mr. Do Huu Huy, Chairman of the Provincial People's Committee, highlighted the potential feasibility of the project: "The province highly values the feasibility of the proposal. I urge PDSI Group to finalize their survey dossier in accordance with the provincial Department of Finance's guidelines."

"The Department of Finance, along with relevant units and particularly Phan Thiet city, must proactively collaborate on this matter. Thorough reviews of land funds, project scale, objectives, and overlapping plans are essential to ensure seamless implementation," he noted.

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**$423 million investment capital approved for Quang Ngai Seaport area**

*VNE*

**By 2030, Quang Ngai Seaport is projected to handle between 47.2 million and 48.2 million tons of cargo and accommodate 1.13 million to 1.26 million passengers.**

The Ministry of Construction has officially approved a detailed development plan for the land and water areas of Quang Ngai Seaport for the period 2021-2030, with a vision toward 2050.

The investment capital required for the seaport system by 2030 is estimated at VND 10.83 trillion ($423.54 million), including VND 2.87 trillion ($112.24 million) for public maritime infrastructure and VND 7.96 trillion ($311.3 million) for port terminal development, specifically for cargo handling services.

Quang Ngai Seaport comprises multiple port clusters, including Dung Quat Terminal, Sa Ky Terminal, My A Terminal, and Ben Dinh Terminal (Ly Son Island), alongside other potential ports aligned with the Dung Quat Economic Zone development strategy.

These facilities are expected to enhance connectivity between the mainland and Ly Son Island, foster regional trade, and drive local socio-economic growth. The plan also outlines anchorage areas, cargo transshipment zones, and storm shelters to ensure the seaport’s long-term operational efficiency.

By 2030, Quang Ngai Seaport is projected to handle between 47.2 million and 48.2 million tons of cargo (excluding shipments from new or expanded steel production projects) and accommodate 1.13 million to 1.26 million passengers.

The port infrastructure will consist of 11 terminals with a total of 41 berths, stretching 8,251.5 meters in length (excluding additional ports under development). The plan includes expanding port capacity to support an annual cargo growth rate of 4.5 per cent to 5.5 per cent until 2050.

The infrastructure plan for 2030 ensures that existing navigational channels remain accessible to vessels of up to 200,000 tons. If additional funding from socialized investment sources is mobilized, maritime waterways may be upgraded to align with planned port expansion projects.

Additionally, the transportation network will be strategically integrated, connecting roadways, railways, inland waterways, and coastal routes in accordance with the approved national infrastructure framework.

The plan also details several specialized port facilities, including the Dung Quat Shipyard Terminal, featuring a 420m outfitting pier capable of receiving ships of up to 300,000 tons without cargo (or larger if conditions permit), as well as two material import berths totaling 292m in length for vessels up to 10,000 tons.

Other facilities include a yacht marina for tourism, government-operated berths, research, training, and maritime service docks, and auxiliary terminals designed to support cargo collection and distribution via water routes. Additional functional areas such as pilotage zones, quarantine stations in Dung Quat, Sa Ky, and Ly Son island are also included in the development plan.

Regarding land use, the Quang Ngai Seaport development area will require approximately 217 hectares by 2030, excluding industrial zones and logistics hubs linked to the port. Meanwhile, the total water surface area designated for the seaport system will cover approximately 28,650 hectares, which includes all regulated maritime zones within the port’s jurisdiction.

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# PROPERTY

**HCMC office rents at 5-year high driven by rising demand**

*VE*

Premium office rents in HCMC reached a five-year high of US$67 per square meter on average last year after rising by 2.2% from 2023.

Across all grades (affordable, mid-range and premium), the average rent rose by 1.6% to $36, according to property consultancy JLL Vietnam.

Data from market researcher Knight Frank confirms the rising trend, showing prime office rents grew by 3% last year to $61.

Occupancy rates in new office buildings were 88-90%, it said.

Another property consultancy, Savills, said the HCMC office market has seen a steady increase in rentals over the past decade.

Last year, across all grades, they increased by 2-3% but demand remained strong as indicated by occupancy rates of above 89%.

Trang Le, CEO of JLL Vietnam, said recovery in demand from both domestic and international businesses has been a key driver, allowing premium office landlords to confidently hike prices.

Last year the vacancy rate dropped to just 6% at premium buildings and 12% across the market, she added.

Japanese companies have been active in securing office space, accounting for 19% of the more than 75 companies that signed new lease agreements in HCMC, JLL data shows.

Vietnamese businesses were in second place, with South Korean and American firms close behind.

The information technology and communications sector led the demand for office space (accounting for 30% of the total absorbed area), followed by the finance and banking, retail and pharmaceutical industries.

Will Tran, senior director of office leasing advisory at JLL Vietnam, said the rising rentals were also driven by the launch of new premium buildings with stringent standards and "green" certification.

Buildings developed with "green" standards incur higher construction costs, which in turn lead to higher rentals, he explained.

Le said the upward trend is unlikely to slow down in the short term, given the limited increase in future supply in the central area.

This year HCMC is expected to have around 71,000 square meters of office space for lease – a relatively modest amount that is likely to be fully absorbed in the short term.

Trang Bui, CEO of property services firm Cushman & Wakefield, said office rentals in HCMC are likely to rise by 5% this year, driven by active office expansion.

The two new urban areas, Thu Thiem and Phu My Hung, are set to become new office hubs.

From 2026 the market is expected to stabilize, with growth potentially slowing to 0.4-0.5% per year. Demand for office space will continue to come from key industries such as information technology, banking, manufacturing, insurance, and logistics, she added.

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**CapitaLand Development unveils Orchard Heights in Binh Duong**

*VIR*

The launch of the Orchard Heights mock-up apartment, part of the Sycamore project by CapitaLand Development, attracted significant attention in the Binh Duong market last week—currently one of the strongest-performing real estate areas in the south.

As CapitaLand Development’s first large-scale housing development in Binh Duong New City, Sycamore has quickly affirmed its strategic role, drawing both homebuyers and investors with its distinctive value proposition.

Orchard Heights offers a modern, sustainable living experience where natural elements blend seamlessly with high-end amenities. With the message “Live the full adventure,” the project targets those who enjoy exploration, new experiences, and vibrant daily living.

Situated at the gateway to Binh Duong New City, Orchard Heights features ceramic sculptures in warm terracotta tones, celebrating local craftsmanship and the heritage of the region’s pottery traditions. A multi-dimensional green space—complete with hanging gardens, landscaped zones, and the internal swimming pool—creates the feeling of a tropical oasis within the urban core.

The development includes nine themed facilities designed to meet residents’ needs while inspiring a spirit of discovery. Each amenity is thoughtfully designed to reflect the project’s adventurous spirit and CapitaLand Development’s commitment to crafting exceptional living environments.

Orchard Heights offers 436 units, including two- and three-bedroom apartments, duplexes, and penthouses, ranging from 75 to 311 sq.m. All units are designed to optimise ventilation and natural light, enhancing comfort and wellbeing.

Of particular note, Orchard Heights is the only project in the area to feature duplex units (130–161sq.m) and four exclusive apartments with balconies directly connected to the swimming pool.

CapitaLand Development also introduced its three-bedroom model apartment—an ideal layout for modern young families. The unit maximises space, light, and airflow to create an open and comfortable living environment.

All apartments are delivered fully furnished with premium equipment, including temperature-controlled glass, energy-efficient air conditioning and water heaters, built-in kitchen cabinets and wardrobes, fireproof doors with smart locks and video call features, and high-end sanitary ware and bathtubs from international brands.

Beyond its prime location and potential for capital appreciation, Orchard Heights sets a new benchmark for upper-middle-class living, combining a secure residential model, comprehensive amenities, and refined design standards.

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

**Energy tech enterprises play pivotal role with innovation**

*VIR*

Vietnam’s energy transition plan is drawing acute interest from foreign funds, with more investments bestowed on local firms.

In early March, SmartSolar become the latest Vietnam-based energy tech company securing a $1.85 million seed funding from Picus Capital and 2degrees, with additional backing from Iterative. The company offers an innovative zero-upfront-cost business model enabling small- and medium-sized enterprises (SMEs) across Southeast Asia to rapidly adopt rooftop solar solutions, removing financial barriers to clean energy transitions.

After six months of launching, SmartSolar has installed nearly 1MWp of capacity across various SMEs in Vietnam. The company will use the fresh funding to scale up its operations locally and expand its footprint across Southeast Asia.

The company’s long-term objective goes beyond installations, with plans to create a comprehensive EnergyTech platform that will enable SMEs to smoothly shift to renewable energy.

Soren Wiberg Holm, venture lead at 2degrees, said, “We consider the market for solar in Vietnam at an inflection point, with surging local demand, favourable natural conditions, and strong policy tailwinds. SmartSolar directly addresses what is perhaps one of the largest barriers to solar adoption by SMEs in the region – access to upfront capital.”

“We have deep, deep conviction that the SmartSolar team is positioned to build financing infrastructure to power the transition to clean energy in not just Vietnam, but ultimately the entire region,” Holm added.

In early February, Clime Capital made an investment in Ampotech, a Singapore-based energy management solution provider with operations in Vietnam. This investment, facilitated through the Southeast Asia Clean Energy Fund II, will support Ampotech’s regional Southeast Asia expansion with an initial focus on market growth in Vietnam, Indonesia, and also the Philippines.

Ampotech platform, using smart Internet of Things solutions and AI support, optimises energy usage in large buildings, factories, and infrastructure, helping reduce energy costs, ensure energy security, and contribute to Vietnam’s carbon reduction and sustainability goals.

Jessica Tran, Clime Capital’s country manager in Vietnam, said, “Ampotech and energy tech companies are playing a pivotal role in transforming Southeast Asian countries’ energy landscape by leveraging innovation and technology to drive the transition to clean, sustainable energy.”

Ampotech and others are introducing cutting-edge solutions such as AI-enabled platforms that optimise energy management in large-scale infrastructures, multi-construction builds environment including office buildings, factories, logistics facilities. This innovation helps businesses reduce energy consumption, lower operational costs, and increase energy efficiency.

“With growing demand for energy infrastructure to support economic development, technology-driven companies are helping Vietnam modernise its energy sector and shift towards renewable energy sources,” Tran said.

Indeed, more foreign funds and financial institutions are ramping up their support to Vietnam’s energy transition efforts.

On March 12, the European Investment Bank (EIB), the financing arm of the European Union, reaffirmed its commitment to deepening cooperation with the State Bank of Vietnam on sustainable finance through technical assistance under the EIB’s Greening Financial Systems programme (see Page 6).

On March 6, net-zero solutions provider Banpu NEXT signed a deal with SolarBK, a Vietnamese clean energy company, to establish a joint venture named Esco NEXT to continue expanding the scale of renewable energy in Vietnam. In the first phase, Esco NEXT targets to deploy at least 390MW of rooftop solar power within the first few years.

James Rama Phataminviphas, group senior vice president for Strategic Investment and Partnership at Banpu NEXT, said, “This strategic partnership is a key milestone in our renewable business to accelerating the growth of our solar rooftop portfolio in Vietnam. We see Vietnam as a potential renewable market, and we believe that this joint venture can strengthen our business growth and ecosystem while contributing to the country’s net-zero goal.”

In January, Vietnam’s CME Solar secured $20 million investment from Emerging Africa & Asia Infrastructure Fund (EAAIF) to develop a pipeline of rooftop solar projects for companies in Vietnam, aiming to reach over 260MWp of projects.

Esther Chan, fund manager of EAAIF, said Vietnam was a standout example of a dynamic, resilient growth market in Asia, with 6.5 per cent growth forecast in 2025 and 2026, up from 5 per cent in 2023.

“We also find Vietnam an attractive place to invest because of the quality of companies and management we find in the country,” Chan said. “In Asia, there is a $1.7 trillion annual infrastructure investment opportunity. EAAIF is poised to capitalise on this potential to drive growth, rapidly enhance climate-resilient infrastructure, and support communities in adapting to climate change.”

Also in January, Mirova, an affiliate of Natixis Investment Managers, announced its investment in Ecoligo, a global solar commercial and industrial player. This marks the first investment by Mirova Gigaton Fund in Vietnam, with a commitment of $10 million in senior debt financing. The investment aims to finance a portfolio of greenfield solar rooftop projects.

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**Approval of TKV Development Strategy to 2030, with an Orientation to 2045**

*Vietnamenergy*

Deputy Prime Minister Bùi Thanh Sơn signed Decision No. 625/QĐ-TTg approving the Development Strategy of the Vietnam National Coal-Mineral Industries Holding Corporation (TKV) to 2030, with an orientation to 2045 (TKV Development Strategy).

**General Objectives of the Strategy:**

1. Develop the Vietnam National Coal-Mineral Industries Corporation (TKV) into a strong economic corporation, playing a crucial role in the development of the state economy.

2. Maintain its key position as one of the three pillars of the energy sector, contributing to ensuring national energy security.

3. Conduct sustainable mining operations with long-term investment planning in line with Vietnam’s commitment to achieving net-zero emissions by 2050.

The corporation operates under market mechanisms, with economic efficiency as the primary evaluation criterion, ensuring autonomy, self-responsibility, and fair competition with other economic sectors in accordance with the law.

Build a modern, highly specialized organizational, management, and governance model, applying advanced science and technology, and promoting mechanization (CGH), automation (TĐH), and digital transformation (CĐS). Develop a high-quality workforce, upholding the tradition of "Discipline and Solidarity." Gradually implement innovation and creativity in production and business activities based on core industries and related sectors, by the Group's charter and operational regulations.

**Development Orientation for Production and Business Sectors:**

1. Coal Industry Development Orientation

- Exploration as a Priority: exploration must always take the lead, ensuring reliable assessments of existing coal reserves to support mining design. Strengthen exploration of new mines to secure a stable and long-term resource base for TKV’s coal production and the coal industry as a whole.

- Advanced Exploration Technology: Innovate and apply advanced exploration technologies, especially in geologically complex and deep areas. Continue seeking partners to research and select suitable exploration technologies and methods for surveying the Red River Coal Basin.

- Sustainable and Efficient Mining:

+ Underground Mining: Develop and maintain large-output underground mines based on the principles of "Green Mine, Modern Mine, High-Output Mine, Safe Mine."

+ Open-Pit Mining: Improve the stripping ratio according to economic, technical, and planning conditions while optimizing waste disposal through maximum utilization of internal dump sites.

- Mine Integration and Resource Optimization: Consolidate small-output mines with suitable geological, geographical, and infrastructure conditions into large-scale mines for improved efficiency. Ensure safe, economical, and efficient extraction of assigned coal resources, including reserves in protective pillars of infrastructure and remaining coal after underground mining operations have ceased. Develop sustainable and efficient coal production strategies, ensuring long-term industry stability and business profitability.

2. Development Orientation for the Mineral and Metallurgical Industry

- Elevating the Mineral Industry to Match the Coal Industry: Strengthen resource exploration and invest in new mines to ensure sustainable resource development. Diversify ore/concentrate supply sources through joint mining ventures and imports to secure stable raw material supplies for mineral processing plants. Maintain efficient production in existing mining and processing complexes.

- Leading Bauxite-Alumina-Aluminum Production: TKV will oversee the entire value chain, from bauxite exploration and mining to alumina and aluminum production, driving the development of Vietnam’s aluminum industry. Expand the Tân Rai and Nhân Cơ Alumina Complexes to an annual capacity of 2.0 million tons of alumina per complex. Invest in the Đắk Nông 2 Bauxite-Alumina-Aluminum Complex, with an annual capacity of 2.0 million tons of alumina and 0.5 million tons of aluminum. Develop a new aluminum electrolysis plant in Lâm Đồng with a 0.5 million tons/year capacity. Aim to complete the Đắk Nông 2 Aluminum Electrolysis Plant by 2030, enhancing deep processing and positioning Đắk Nông as the national aluminum industry hub.

- Deep Processing for High-Value Products: Develop advanced mineral processing technologies to create high-value products; Explore investment in a steel billet production plant in Hà Tĩnh, contingent on government approval for the Thạch Khê iron ore mining and processing project. Invest in factories for producing rare earth oxides, ultrafine zircon, pigment, sponge titanium/metallic titanium, and deep-processed products from cathode copper.

- Technology Innovation and Environmental Sustainability: Strengthen research, technology transfer, and adoption of advanced technologies in exploration, mining, and processing. Upgrade equipment and processing methods for various mineral types while ensuring environmental protection.

- Develop integrated mining and processing complexes for bauxite (Tây Nguyên), titanium (Bình Thuận), rare earths (Lai Châu), chromite (Thanh Hóa), and copper (Lào Cai) with modern technology and advanced equipment. Implement mine rehabilitation and environmental restoration after mining activities, integrating green development projects to support economic and social growth while promoting eco-friendly industries.

- Diversify mineral products to suit the needs of the consumer market, expand investment forms, research and investment cooperation; maximize the value of the coal - mineral - metallurgy interconnected model to form a TKV ecosystem in line with the circular economic development orientation: Coal - electricity - metallurgy...

3. Orientation for the development of the electricity industry:

- Renovate, upgrade, and innovate the technology of existing coal-fired power plants to take advantage of low-quality coal resources, and complete investment projects in the Power Plan VIII.

- Implement fuel conversion according to a suitable roadmap associated with modernizing production and managing advanced power plants; apply emission reduction technologies and green technologies in line with the world's technology development trends. Orientate to implement fuel conversion to biomass and ammonia for coal-fired thermal power plants that have been in operation for 20 years when the cost is suitable and there is a full legal corridor...

4. Orientation for the development of industrial explosives and chemicals:

- Continue to develop core products such as industrial explosives, explosive precursors and service product chains. Develop production of some other explosive precursors such as Sodium nitrate (NaNCh)... Research and production, gradually replace imported raw materials and supplies (ammonia-NH3...) to serve production lines: Ammonium nitrate, underground emulsion, bulk emulsion, green energy conversion...

- Invest in fertilizer production, participate in the production chain of supplying basic chemical products used in the mining and processing industry of minerals, petrochemicals; water treatment industry, production of detergents, liquid caustic soda, and some other auxiliary products for agriculture and accompanying preparations to bring chemical revenue closer to the main product.

- Expanding the export market for industrial explosives, explosive precursors and drilling, blasting, and mining services to regional countries such as Laos, Cambodia, Indonesia...

**Orientation for developing the business model and organization of TKV:**

1. Orientation for developing the business model of TKV:

Linking business with production to create a value chain for mining, processing coal - minerals, producing electricity, metallurgy, industrial explosives, and logistics services in line with the circular economic model through the use of renewable energy, eliminating the use of toxic chemicals, reusing and recycling waste (waste soil and rock, treated wastewater, industrial waste...) as raw materials for infrastructure and industrial development; along with extensive development, enhancing in-depth development by applying new, advanced and modern technologies. Gradually moving towards connecting the 3 main production and business sub-sectors of TKV: "Coal - electricity - metallurgy".

2. Development Orientation for the Parent Company - TKV

Maintaining a Hybrid Operating Model: The Parent Company - TKV will continue to operate under a hybrid model, carrying out both financial investment functions and direct production and business activities. Assign specific roles to subsidiaries handling processing, warehousing, logistics, and coal trading to enhance proactive coal consumption and import operations. Implement the equitization (privatization) of the Parent Company - TKV at an appropriate time, following the Government-approved schedule.

3. Development Orientation for the Organizational Model of Subsidiaries:

Maintain 100% ownership or majority controlling shares in subsidiaries engaged in core business sectors and industries related to TKV’s main operations.

4. Reorganization to improve the operational efficiency of member units:

Consolidate to increase the scale of some coal production joint stock companies with adjacent geographical locations and resources; reorganize research institutes according to the research-manufacturing-technology transfer model; reorganize investment consulting, design, supervision, and project management units in a streamlined and professional direction; reorganize geological exploration companies to form strong enough companies to conduct survey and exploration activities for coal and minerals at home and abroad.

Divestment of investments in subsidiaries and affiliated companies that are ineffective or not suitable for development orientation in the coming period.

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# LEGAL

**Continued 2% VAT reduction suggested**

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**Upon approval, the VAT reduction will be extended from July 1, 2025 until the end of 2026.**

The Ministry of Finance (MoF) is seeking public comments on a draft resolution proposing a 2% reduction in value-added tax (VAT) to stimulate consumption, support businesses and promote economic growth, according to a report from the Vietnam News Agency (VNA).

The proposal suggests extending the 2% VAT reduction from July 1, 2025, until the end of 2026.

As VET has reported, under resolutions adopted by the National Assembly, 2% VAT reduction has been applied to goods and services originally taxed at 10% since 2022 until June 30, 2025, with exception of key sectors such as telecommunications, finance, banking, securities, insurance, real estate, metal products and mining (except coal).

Goods and services subject to special consumption tax, except gasoline, are also not subject to VAT reduction.

VNA further reported that the MoF’s draft expands the list of eligible items for VAT reduction, including washing machines, microwaves, data processing services and prefabricated metal products including barrels, tanks and boilers. Additionally, gasoline and oil are proposed to receive tax cuts due to their critical role in production, consumption and overall macroeconomic stability.

According to the MoF, reducing VAT will lower the cost of goods and services, boosting production, business expansion and help job creation. The policy is also expected to benefit consumers directly by reducing the cost of essential goods and services, thereby improving living standards.

The MoF forecasts that the proposed VAT reduction will lead to a decrease in State budget revenue of more than VND121.74 trillion ($4.8 billion).

The ministry added that the VAT reduction policy, implemented since 2022 to aid post-pandemic recovery, has provided support worth VND123.8 trillion (more than $4.8 billion) over the past three years.

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**Vietnam cuts import taxes to balance US trade deficit**

*VNN*

**The Ministry of Finance proposes major tax reductions on goods like cars and agricultural products to enhance trade relations with the US.**

The ministry is gathering public feedback on a draft decree amending Decree 26/2023/ND-CP, issued on May 31, 2023, to adjust tariff rates. The proposed changes aim to harmonize and rationalize tax rates through an expedited procedure, with completion expected by March 2025.

**Efforts to address trade imbalance with the US**

The United States remains Vietnam's largest export market, accounting for 30% of the country’s total exports. In 2024, bilateral trade between the two countries exceeded USD 132 billion.

Vietnam’s exports to the US reached nearly USD 119 billion, up 23.3% from the same period in 2023, while imports from the US rose to USD 15 billion, up 7.3%.

This trade imbalance resulted in a US deficit of approximately USD 104 billion, over seven times the value of US imports from Vietnam.

The US has long expressed concerns over the trade deficit with Vietnam, particularly since 2019, when both countries initiated a joint action plan aimed at achieving a balanced and sustainable trade relationship.

**Lowering import tariffs to boost trade fairness**

The Ministry of Finance noted that most import tariffs applied by Vietnam are significantly higher than those imposed by the US. The ministry has therefore proposed reducing the Most Favored Nation (MFN) tariff on several product groups to ensure fair treatment among Vietnam’s comprehensive strategic partners.

For instance, the draft decree proposes cutting the MFN import tax on various items, including:

Automobiles (HS codes 8703.23.63, 8703.23.57, 8703.24.51): from 64% and 45% to a unified rate of 32%.
Ethanol: from 10% to 5%.
Frozen chicken thighs: from 20% to 15%.
Pistachios: from 15% to 5%.
Almonds: from 10% to 5%.
Fresh apples: from 8% to 5%.
Sweet cherries: from 10% to 5%.
Raisins: from 12% to 5%.
Wood and wood products (HS codes 44.21, 94.01, and 94.03): from 20% and 25% to 5%.
Liquefied natural gas (LNG): from 5% to 2%.
Ethane: introduced with a tax rate of 0%.
The decree will take effect upon signing.

**Promoting diverse imports and consumer benefits**

Nguyen Quoc Hung, Director of the Department of Tax Policy and Management (Ministry of Finance), stated that the draft decree aims to balance trade with strategic partners and encourage businesses to diversify imported goods, boosting consumer purchasing power. The revised tax rates will also help simplify procedures and make tax compliance easier.

The Ministry of Finance emphasized that the adjusted rates will not fall below those stipulated in Vietnam’s free trade agreements and will maintain consistency in tax rates for goods of similar nature to prevent commercial fraud and reduce difficulties in tax classification and calculation.

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