VIETNAM – NEWS AND REGULATIONS

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# BANKING & FINANCE

**VAT refunds worth $1.12 bln in Q1**

*VET*

**Export activities accounting for the largest share.**

Tax agencies issued decisions to refund Value Added Tax (VAT) for businesses totaling nearly over VN29.2 trillion ($1.12 billion) as of March 23 this year, according to the Ministry of Finance.

The figure represents a year-on-year increase of 8%.

In terms of tax-refunded sectors, exports accounted for the largest share, with over VND26.1 trillion (over $1 billion) or 89% of the total, and surging 6% compared to the same period last year.

Meanwhile, investment projects got a refund of more than VND2.92 trillion ($112 million), accounting for 10% of the total and up 39% year-on-year.

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**HCM City banking sector to bolster enterprise support to offset US tariff impacts: central bank**

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The HCM City banking sector will help businesses overcome the impacts of the new US tariffs on their exports as part of broader macroeconomic measures initiated by the Government and the city, according to the State Bank of Vietnam.

The US announced on April 2, effective April 9, a 46 per cent reciprocal tariff on Vietnamese goods, which came as a big shock to exporters.

Nguyễn Đức Lệnh, deputy director of the State Bank of Vietnam’s Region 2 branch in HCM City, emphasised the urgent need for practical support for businesses, particularly exporters, who are most affected by the new tariffs, with a focus on reducing operational costs, improving the business environment, and enhancing access to capital and banking services.

He said the banking sector would implement the central bank’s policies related to monetary management, credit and interest rates, ensuring stable and low-cost financing for businesses.

Exporters will continue to get short-term loans in the đồng at below 4 per cent interest as part of the central bank’s five priority sectors, the others being small and medium-sized enterprises, agriculture and rural development, high-tech industries, and supporting industries.

Lệnh said banks would also expand preferential loan packages.

A dedicated credit package for the forestry and seafood sectors, with interest at 1–2 per cent lower than regular rates, will help enterprises navigate external shocks and maintain operations.

The city would strengthen the bank-business connection programme to enable the latter to access capital and other banking services, Lệnh said.

The disbursement of preferential credit would be accelerated and target the right beneficiaries, he added.

Export-import companies will also receive advisory support on hedging and using foreign exchange derivatives to meet legitimate currency needs and reduce risks from market volatility.

A Q1 survey by the HCM City Union of Business Associations (HUBA) highlighted the challenges businesses are facing.

Some 50 per cent reported being negatively affected by declining consumer demand, 39 per cent lacked working capital, 38 per cent struggled with rising input costs, and 37 per cent did not have new orders.

They also cited recruitment difficulties, increasing land rentals and high taxes and fees.

While 69.5 per cent of companies saw higher revenues in Q1, 39 per cent reported lower profits due to rising production costs.

To address these issues, HUBA has proposed several solutions, including improving access to capital as nearly 60 per cent of surveyed businesses seek credit support and reduced interest rates.

The businesses also called for administrative reform, wanting authorities to do away with at least 30 per cent of procedures, streamline investment licensing, speed up processing times, and accelerate digital transformation to reduce time and costs.

HUBA called for measures to stimulate domestic consumption and boost public spending.

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# ECONOMY

**ADB projects Vietnam's GDP growth in 2025**

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**After a strong GDP growth of 7.1 per cent in 2024, Vietnam's economic expansion is expected to moderate to 6.6 per cent in 2025 and further ease to 6.5 per cent in 2026.**

At a press conference announcing the Asian Development Outlook (ADO), held in Hanoi on April 9 by the Asian Development Bank (ADB) Vietnam Resident Mission,  ADB forecast that Vietnam’s GDP would grow by 6.6 per cent in 2025 and 6.5 per cent in 2026.

According to the report, global trade tensions may negatively impact Vietnam’s export-oriented manufacturing sector this year. Although Vietnam’s total import-export turnover in the first quarter of 2025 reached $202.52 billion, up 13.7 per cent year-on-year, the ADB projects that trade growth will slow to around 7 per cent in both 2025 and 2026.

The country’s industrial sector is forecast to decelerate, with growth estimated at 7 per cent only in 2025.

In addition, pressures from global geopolitical tensions, rising domestic consumption, and the government’s push to accelerate public investment disbursement are expected to drive inflation rate up to 4 per cent in 2025 and 4.2 per cent in 2026.

Forecasts on GDP growth and inflation rate of Vietnam in 2025 and 2026. (Sources: National Statistics Office of Vietnam and ADB's estimates).

According to Mr. Shantanu Chakraborty, ADB’s Country Director for Vietnam, strong trade performance, a rebound in export manufacturing, and robust foreign direct investment (FDI) inflows were the main drivers of Vietnam’s economic growth in 2024.

“However, the new US tariff policy and ongoing global uncertainties could pose significant challenges to Vietnam’s growth this year,” he stated.

Specifically, the international economic landscape is undergoing profound changes, with various risks such as escalating tariffs, retaliatory measures, the prolonged Russia–Ukraine conflict, and persistent instability in the Middle East.

Economic slowdown in two of Vietnam’s key trading partners, namely  China and the United States, may further impact the country’s economic outlook. These external headwinds could hinder the pace of global recovery in the short to medium term, particularly for export-reliant economies like Vietnam.

Regarding FDI trends, Mr. Nguyen Ba Hung, ADB’s Chief Economist in Vietnam, noted that the imposition of US tariffs on Vietnam’s export could cause hesitation among investors and slow their investment activities in Vietnam, thereby affecting FDI inflows in the near future.

In order to mitigate growth risks in 2025, Mr. Hung suggested Vietnam focus on stimulating domestic demand by increasing public spending on infrastructure, technology, and innovation. This approach would not only enhance the competitiveness of domestic enterprises but also strengthen Vietnam’s appeal to foreign investors.

ADB’s experts also recommended that Vietnam continue to enhance its value-added role in global supply chains to reduce economic risks. “Global supply chains involving FDI enterprises in Vietnam will form an important foundation for the country to diversify its export markets amid shrinking international demand,” Mr. Chakraborty remarked.

Furthermore, ADB experts acknowledged that the Vietnamese government has undertaken comprehensive institutional reforms to improve governance efficiency and promote economic growth. If these reforms are implemented more comprehensively, they will further support the development of the private sector, strengthen macroeconomic stability, and foster more sustainable growth for Vietnam in the medium to long term.

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## Double-digit growth – a challenging target

*VET*

**Vietnam will face a number of hurdles as it strives to post double-digit growth in the years ahead, including low public investment efficiency, global trade tensions, and capital misallocation in key sectors.**

In order to achieve its ambitious goal of at least 8 per cent economic growth in 2025 and set the stage for double-digit growth in subsequent years, Vietnam must tackle a host of key challenges, from enhancing the efficiency of domestic resources to navigating global economic shifts.

With a strong 7.09 per cent growth rate recorded in 2024, it has outperformed most regional economies. International organizations project this momentum to continue through 2025 and 2026, provided the country seizes opportunities in exports, investment, and structural reforms.

**Limited workforce**

Amid the global economic uncertainties, international organizations remain cautious in forecasting Vietnam’s growth outlook.

Most recently, on March 12, the World Bank (WB) projected that the country would post GDP growth of only 6.8 per cent this year and 6.5 per cent next. While slightly more optimistic, UOB bank’s forecast still places Vietnam’s GDP growth at just 7 per cent this year and 7.4 per cent next. The feasibility of posting over 10 per cent economic growth in the time ahead has now become a topic of keen interest.

To reach its ambitious target, Vietnam aims to follow the development model of South Korea and Japan from 20-30 years ago, as they are countries with cultural similarities to Vietnam but are decades ahead in economic development. However, unlike the two East Asian countries, Vietnam faces significant challenges in expanding its workforce to sustain domestic economic activities.

Vietnam has already passed the midpoint of its demographic dividend period, with only about 10-15 years left before its population ages and its workforce begins to shrink in number. The country’s workforce is currently growing at just 1 per cent or so each year; a rate insufficient to drive strong economic expansion or boost domestic consumption.

In contrast, East Asian economies that recorded remarkable 10-12 per cent growth also maintained stable workforce growth of 3-4 per cent each year for two decades. This steady increase in workforce, combined with rising income levels and consumption, fueled their rapid economic acceleration. Vietnam experienced similar workforce growth between 1995 and 2010 but was unable to fully capitalize on the opportunity for an economic breakthrough.

Beyond the issue of workforce size, Vietnam’s workplace productivity remains significantly lower than in major regional and global economies. According to AFA Capital, the country’s workforce productivity per hour stands at just $6.40; the lowest among ASEAN’s six largest economies. The figure is just over half of Indonesia’s and a mere 10 per cent of Singapore’s. Without a substantial increase in workplace productivity, Vietnam will struggle to achieve the economic transformation envisioned by the government.

Maximizing investment efficiency

Beyond workforce dynamics, experts have also highlighted investment efficiency as a critical factor in determining whether Vietnam can achieve its growth targets. Public investment disbursement in Vietnam remained low last year. According to the Ministry of Finance, cumulative disbursement since the beginning of 2024 to December 31 stood at VND548.57 trillion ($21.94 billion), reaching just 72.9 per cent of the planned VND752.48 trillion ($30.10 billion) and 80.32 per cent of the Prime Minister’s allocated target. Many experts argue that, aside from concerns over investment quality, Vietnam’s public investment efficiency remains suboptimal.

In addition to public investment, private capital is also considered to be inefficiently allocated. Up to 70 per cent of private sector investment is currently directed towards the real estate market, leading to capital shortages in other key economic sectors.

Moreover, credit growth in recent years has not been particularly strong. At the same time, lending to the real estate sector is rising at double the rate of housing credit growth. This uneven resource allocation poses the risk of higher inflation. When excessive liquidity enters the market without a corresponding rise in material wealth, prices surge, affecting overall market stability. In the long run, an over-concentration of investment in real estate could create an economic bubble, threatening to slow growth across other sectors of Vietnam’s economy.

Global trade tensions

Beyond effectively utilizing its internal resources, Vietnam, a highly export-dependent economy, must also adapt to policy shifts and geopolitical tensions worldwide. After achieving record trade turnover of $786.29 billion in 2024, Vietnam’s exports and imports must grow at 12 per cent to meet its GDP growth target for 2025.

Though UOB believes Vietnam can achieve its growth goals, it argues that exports and manufacturing alone will not be sufficient to drive economic expansion. Its economy is highly open, with exports accounting for approximately 90 per cent of GDP in 2024; the second-highest in ASEAN, after Singapore (174 per cent), and ahead of Malaysia (69 per cent). However, this high level of openness also makes Vietnam more vulnerable to global trade disruptions and conflicts, especially as US President Donald Trump focuses on addressing perceived trade imbalances. The US’s trade deficit with Vietnam has nearly quadrupled since 2016, reaching $124 billion in 2024.

Additionally, escalating trade disputes between major economies threaten to slow Vietnam’s export growth. According to Mr. Tran Nhu Tung, Chairman of the Thanh Cong Textile Garment Investment Trading JSC and Vice Chairman of the Vietnam Textile and Apparel Association (VITAS), though order volumes grew slightly in the opening two months of 2025, the textile and garment industry remains at risk due to global trade volatility. The US is Vietnam’s most crucial market, accounting for over 40 per cent of its textile and garment exports.

“Tariffs are the biggest concern for Vietnam’s textile industry this year,” he warned. “After China, Vietnam is the second-largest textile exporter to the US. However, most raw materials for the sector in Vietnam are imported from China. If the US perceives Vietnam as merely a transit point for Chinese goods, tariffs could be imposed, creating significant challenges for our industry.”

During the economic boom of East Asian nations, the world was entering into an era of globalization. Each country took on a role in the global economy, increasing overall workplace efficiency and fueling rapid consumption growth. This era, lasting 40-50 years, enabled countries like Japan, South Korea, and China to achieve remarkable economic leaps forward. However, Vietnam’s decision to embark on its own “New era - The era of the nation’s rise” comes at a time when globalization is showing signs of reversal, making it more challenging for the country to achieve its growth objectives.

Solutions for economic breakthroughs

Given the risks, experts have proposed several solutions to help Vietnam achieve high economic growth in the years to come.

The first is to enhance and improve the quality of public investment. According to a recent report from UOB, Vietnam’s capital investment rate has remained at around 30 per cent of GDP for at least a decade. Meanwhile, China’s total investment consistently exceeded 40 per cent of GDP during this period. This indicates that Vietnam is investing at a lower level than its northern neighbor, suggesting space for increased public investment, especially as the government aims for double-digit growth.

The second solution is to accelerate digital transformation and adopt AI technologies. With a young population exposed to technology from an early age, Vietnam is well-positioned to integrate these advancements across various economic sectors. The application of high technology and AI will enhance productivity, reduce pressure on the workforce, and strengthen Vietnam’s competitiveness against major global economies.

The third solution is to improve institutional frameworks to unlock private sector potential. Experts note that the private sector often operates more efficiently than State-owned enterprises (SOEs). Unlocking this segment of the economy is crucial as Vietnam seeks to sustain high GDP growth and increase its chance of achieving double-digit growth in the years ahead.

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# INVESTMENT

**Lego opens its 'most environmentally sustainable' plant in Binh Duong**

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Lego Manufacturing Vietnam, the company’s sixth factory worldwide and second in Asia, opened in Vietnam Singapore Industrial Park (VSIP) in Binh Duong province on April 9.

With investment of around $1.3 billion to support long-term growth in the region, it is also Lego Group’s most environmentally sustainable factory to date.

Niels B. Christiansen, CEO of Lego Group, said, "This state-of-the-art site reflects our commitment to sustainable growth and innovation, while bringing more Lego play experiences to children and our fans in the Asia-Pacific region through increased manufacturing capacity."

"This factory meets the highest quality standards and is designed for sustainability. We’re on track for all of its energy to come from renewable sources. We’re also very pleased with the quality and skill of the local workforce. The precision required in producing our products is extremely high with tolerances as fine as a tenth of a human hair, and that demands top-tier equipment and highly skilled labour, which is a major reason for our confidence in this factory’s long-term success."

Lego Manufacturing Vietnam is expected to run on 100 per cent renewable energy by early 2026. In addition to the factory’s own 12,400 rooftop solar panels, the company on April 9 announced a landmark agreement with VSIP for an energy centre on adjacent land.

The energy centre will house the first battery storage solution of its scale in Vietnam and will be operational by the end of 2025. Remaining renewable energy needs will be met through power purchase agreements.

Carsten Rasmussen, COO of Lego Group, said, "The use of battery storage solutions and power purchase agreements to increase renewable energy is not just a first for Lego Group but among the first for any company in Vietnam. I am thankful for the collaboration we have had in establishing frameworks and policies that can serve other companies looking to increase their own use of renewable energy."

The factory is also home to Lego Group’s first LEED Platinum certified buildings. Both its administrative building and play pavilion, a play space for children, are certified LEED Platinum, while the moulding, packing, and warehousing buildings are certified LEED Gold.

LEGO Manufacturing Vietnam is also the first Lego factory to exclusively produce paper-based pre-pack bags.

The plant serves as a flagship for Lego Group’s Future Factory Workplace concept, creating an inspiring and inclusive workplace where everyone feels valued and proud. The concept includes green and healthy work environments, play spaces, local community engagement in factories, and facilities such as prayer and lactation rooms, wellbeing rooms, indoor and outdoor break rooms, and wheelchair accessibility.

Guided by its mission to inspire and develop the builders of tomorrow, Lego Group has partnered with local government, community organisations, non-governmental organisations, and charities to ensure children in Vietnam benefit from greater learning through play opportunities.

Lego Group is also set to open a regional distribution centre in Dong Nai province later this year as part of its strategy to increase flexibility and agility in its supply chain network. The centre has started ramping up operations, with the first inbound and outbound shipments underway. It will be the company’s second distribution centre in Asia and will be operated by Kuehne+Nagel.

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## Hanoi attracts $1.4 bln in FDI in Q1 2025

VET

***In March 2025 alone, the capital city attracted $312.7 million in FDI.***

Hanoi continues to affirm its status as an attractive destination for foreign investors, attracting $1.415 billion in foreign direct investment (FDI) capital in 2025’s first quarter, a 49.5% increase compared to the same period in 2024.

Specifically, 81 new projects were registered with a total capital of $29 million; 34 projects underwent capital increases, totaling $1.165 billion; and 83 instances of foreign investors contributing capital and purchasing shares amounted to $221 million.

In March alone, the capital city attracted $312.7 million in FDI. This includes 29 newly licensed projects with total registered capital of $9.1 million, nine instances of adjusted investment capital amounting to an additional $126.2 million, and 27 cases of foreign investors contributing capital and purchasing shares worth $177.4 million.

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# PROPERTY

**Ho Chi Minh City apartment prices hit record highs**

*VIR*

Apartment prices in Ho Chi Minh City have reached an all-time high, averaging more than $4,690 per square metre in the first quarter of 2025, a 47 per cent increase on-year, according to a market report released by real estate consultancy Cushman & Wakefield on April 8.

Compared to the previous quarter alone, prices rose 28 per cent, driven largely by the launch of new luxury and high-end projects, all priced above VND100 million ($,4000 per sq.m). These developments were launched by major real estate firms such as Masterise Homes, Vinhomes, Gamuda Land, and CapitaLand.

“The consistent price hikes are a direct result of the dominance of premium and luxury apartment launches in Q1,” said Trang Bui, country head of Cushman & Wakefield Vietnam. “These projects have significantly elevated the city’s overall price level,” she said.

New supply remains concentrated in the east and central districts with a strong focus on high-end developments, accounting for 53 per cent of total market supply. Mid-range housing, priced around VND60 million ($2,400) per sq.m, remains limited and is mostly found in the south and west, which represent 19 and 15 per cent of new supply, respectively.

However, soaring prices have weighed heavily on buyer demand. The number of successfully sold units in Q1 fell by 58 per cent on-quarter, with only 1,100 transactions recorded, a sharp decline in liquidity reflecting the widening mismatch between supply and demand.

“Despite efforts from developers to boost sales, including payment deferrals of up to three years and discounts ranging from 10 to 25 per cent, buyer appetite remains subdued,” said Trang.

Knight Frank Vietnam’s data shows the city’s average apartment price reached nearly $3,650 per sq.m in Q1, a 12 per cent on-year increase, while transactions dropped 47 per cent compared to the last quarter of 2024.

In the remaining quarters of 2025, approximately 5,900 new units are expected to enter the Ho Chi Minh City apartment market. In the next three years, HCMC is forecasted to welcome around 56,000 units. Demand is projected to recover after reaching its bottom in 2023, while selling prices should rise steadily thanks to supply expanding to suburban areas, bringing more diversity and affordability.

By 2028, Ho Chi Minh City’s overall selling price is expected to be nearly $4,300 per sq.m.

"The apartment market in Ho Chi Minh City is experiencing a slow recovery as new supply remains limited. While demand has been slow, reputable projects are still achieving positive sales, particularly in satellite areas, as buyers seek more affordable options amid supply shortages and legal obstacles. Looking ahead, the market is expected to recover, driven by a new legal framework and the development of numerous infrastructure projects," said Son Hoang, valuation and advisory associate director at Knight Frank Vietnam.

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**Southern Dong Nai province plans commercial center in Long Thanh**

*VIR*

*Auction is scheduled to take place from October 9 to October 11.*

The People's Committee of the southern province of Dong Nai has issued a plan for establishing a detailed 1/500 scale construction plan for the 77.28-ha Commercial, Service, and Residential Center (the project) in Long Duc Commune, Long Thanh District.

The detailed construction plan will serve an auction process for the implementation of the project.

Under this plan, the People's Committee requires relevant units to clearly define responsibilities and enhance coordination among departments, sectors, and localities in order to ensure that the documentation is prepared, appraised, and approved in compliance with legal regulations, achieving quality and feasibility upon implementation.

Additionally, the Provincial People's Committee also issued a schedule for outlining tasks and implementation timeline to serve the auction process for land plots for housing development under the project.

The establishment, appraisal, and approval of the detailed 1/500 scale construction plan are scheduled for completion between April 1 and August 1.

The auction process is scheduled to take place from October 9 to October 11.

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

**Vietnamese startups drive growth in circular economy**

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After more than seven months, the “Towards Zero Waste Accelerator” concluded with a high-profile Demo Day on April 4, where 10 selected green startups pitched their circular business models to over 100 consultants, businesses, and organisations in Ho Chi Minh City.

The initiative is supported by the German Federal Ministry for Economic Cooperation and Development (BMZ) through the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), under the global “Go Circular” programme. BambuUP and Schoolab Asia are the local implementing partners in Vietnam.

Speaking at the event, Mirra Nagy, manager for the Vietnam component of the “Go Circular” initiative, said the accelerator builds on GIZ’s global experience in supporting circular economy initiatives.

“It is also part of the long-standing collaboration between Vietnam and Germany, which celebrates 50 years of diplomatic ties this year. The startups at this event exemplify creativity, commitment, and resilience, redesigning how we produce and consume for a sustainable future. These founders represent a wide range of circular business models, from waste reduction to sustainable supply chains and new economic approaches, addressing diverse sectors such as plastics, textiles, organics, and electronics,” Nagy said.

The Towards Zero Waste Accelerator is a comprehensive, hands-on programme designed to scale up pioneering solutions contributing to Vietnam's circular economy.

Out of more than 100 applications, 10 startups were selected for their innovative work in reducing textile, plastic, and organic waste across sectors including agriculture and fisheries.

These startups received personalised, one-on-one mentorship to refine their products, improve market fit, and accelerate growth in support of Vietnam’s green transition. Along the way, founders strengthened their business skills, secured strategic partnerships, and evaluated the social and environmental impacts of their solutions.

The Demo Day marked a key milestone, with the selected startups presenting their progress to investors, government representatives, and industry leaders. Held in collaboration with Saigon Innovation Hub under the Ho Chi Minh City Department of Science and Technology, the event also featured five standout startups from the Green Innovation Contest.

A Crowd-Rating activity allowed attendees to vote for their favourite startup pitch. Following 15 presentations, the three startups awarded “Most Popular Sustainable Startup at Demo Day” were Wesolife, Enfarm, and Lemit Foods. Wesolife offers a technology using electrolysis to produce chlorine from seawater, providing safe, chemical-free water treatment for shrimp farmers. Enfarm provides an AI-based soil sensor solution that reduces fertiliser waste and improves farming productivity while minimising environmental impact. Lemit Foods is a food-tech venture turning young jackfruit into high-value plant-based products such as jackfruit pate and spring rolls.

Several cooperation agreements were signed during the event, focusing on reducing textile waste and improving market access for organic waste solutions.

Nguyen Huong Quynh, CEO of BambuUP, one of the programme’s implementing partners, highlighted the initiative’s achievements.

“From 120 applications, 10 innovative solutions were selected from seven provinces and cities, including five women-led projects. Over the course of the programme, 16 in-depth workshops were conducted, reaching more than 880,000 people through social media,” Quynh said.

With the Demo Day, the Towards Zero Waste Accelerator officially concluded its core activities in Vietnam, making a notable contribution to the promotion of circular business models and the sustainable development of the country’s economy.

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# Việt Nam Oil and Gas Group renamed Việt Nam National Industry - Energy Group

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With this new name, Petrovietnam reaffirms that it is no longer solely a traditional oil and gas enterprise. It now positions itself as a national hub for industrial development, service innovation and energy security, and is committed to sustainable development, technological modernisation and ensuring energy stability for the nation.

The Việt Nam Oil and Gas Group (Petrovietnam) on April 9 officially announced its transformation into the Việt Nam National Industry - Energy Group with the same abbreviated English name of Petrovietnam, marking a pivotal step in its strategic evolution.

At a ceremony held the same day, Deputy Prime Minister Bùi Thanh Sơn presented the Prime Minister’s decision on the change of the group's name to Lê Mạnh Hùng, Chairman of the Petrovietnam Members’ Council, and General Director Lê Ngọc Sơn.

The transition followed the Politburo's Conclusion No 76-KL/TW dated April 24, 2024, which emphasised the importance of leveraging Việt Nam’s oil and gas sector in developing new and renewable energy industries such as offshore wind power for export and production of hydrogen and ammonia. The conclusion also laid out a clear direction for Petrovietnam to transform into a comprehensive national industry and energy group.

In line with this vision and in response to global energy transition trends, Petrovietnam began a symbolic rebranding process during its year-end review conference in December 2024, attended by Prime Minister Phạm Minh Chính, Government leaders and key officials from relevant ministries.

Since then, the group has moved quickly to develop a new strategic roadmap, build a refreshed brand and complete all necessary legal procedures for operating under its new name. Petrovietnam’s future growth will be anchored in three strategic pillars: energy, industry, and services, with energy remaining at the core of its mission.

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The renaming also aligns with Petrovietnam’s structure and strategic direction with the Politburo’s long-term vision, global energy transformation trends and Việt Nam’s pledge to achieve net-zero emissions by 2050.

This name change marks an historic milestone for Petrovietnam, celebrating over 50 years of development and more than six decades of petroleum industry tradition. It also underscores the group’s strong commitment to transforming its development strategy and operational model, reinforcing its role as a leading, State-owned driver in Việt Nam’s industrial and energy sector.

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# LEGAL

**Tax reforms under discussion**

*VET*

**A number of draft laws on tax matters recently went before the National Assembly Standing Committee for consideration and comment.**

During its 43rd session on March 10 and 11, the National Assembly (NA) Standing Committee gave opinions on five draft laws, including the amended Law on Product and Goods Quality, the amended Law on Railways, the Law on Personal Data Protection, the Law on State of Emergency, and the Law on Participation in United Nations Peacekeeping Forces.

The Standing Committee also gave opinions on explaining, accepting, and revising three draft laws, including the amended Law on Special Consumption Tax (SCT), the amended Law on Corporate Income Tax, and the Law on Management and Investment of State Capital in Enterprises. These revisions are expected to play a crucial role in shaping tax policies that align with Vietnam’s ambitious goal of achieving double-digit economic growth in the years to come.

**Aligning with growth targets**

The proposed amendments to the Law on Corporate Income Tax have drawn significant attention, given their potential impact on businesses, the investment climate, and overall economic development. Recognized as highly-complex legislation, it directly affects the corporate sector, production, and the broader socio-economic landscape.

A recent report summarizing key feedback and revisions highlights several areas of consensus between the reviewing and drafting agencies. They agreed to incorporate recommendations from NA deputies on key issues, such as taxable entities, tax exempt income, tax assessment periods, deductible expenses, and tax rules for foreign organizations without a presence in Vietnam.

One of the most debated aspects of the amendment is a proposed provision that would allow real estate businesses to offset profits from property transactions (including project transfers) against losses from other business activities.

This has sparked concerns that such a mechanism could be exploited, enabling companies to minimize their tax obligations on real estate transactions by deliberately offsetting them with losses from unrelated business activities, some of which may be short-lived ventures registered solely for this purpose.

The NA’s Economic and Financial Committee has cautioned that such a provision could significantly reduce corporate income tax revenue from the real estate sector in the years ahead. To prevent potential loopholes and policy abuse, the committee has called for a thorough risk assessment.

During the discussions, Mr. Hoang Thanh Tung, Chairman of the Legal and Judicial Committee, emphasized that the draft law prioritizes corporate income tax incentives over other tax laws. He urged a comprehensive review of Vietnam’s existing legal framework to ensure consistency and clarity in tax policies.

NA Vice Chairman Nguyen Khac Dinh stressed the need for a holistic approach to tax reform. He pointed out that the current draft does not yet account for Vietnam’s economic growth targets of at least 8 per cent in 2025 and double-digit growth in subsequent years, as set by the Party Central Committee and the NA. He called for a reassessment to ensure tax policies effectively support these development goals.

NA Chairman Tran Thanh Man called for close collaboration between the Economic and Financial Committee and the drafting agency to conduct a comprehensive impact assessment, particularly regarding State budget revenue. “Tax policies must strike a balance - driving economic growth, maintaining macro-economic stability, controlling inflation, and ensuring social security,” he emphasized. “A thriving business sector is the backbone of national progress, and any tax reform must carefully consider its impact on State revenue. The goal is to sustain revenue streams, enforce fair and effective tax collection, avoid excessive taxation, and prevent tax evasion through policy loopholes.”

**Reassessing excise tax policies**

The NA is currently reviewing proposed amendments to the Law on SCT, with Chairman Man emphasizing the significance of these revisions, which have drawn widespread attention from the business community. He stressed that the amendment process must be thorough and well-founded, ensuring effective management while promoting economic growth.

As discussions continue on tax rates for tobacco, alcohol, sugary beverages, pickup trucks, and hybrid vehicles, the Chairman called on the Ministry of Finance and relevant agencies to engage further with ministries, the Vietnam Chamber of Commerce and Industry (VCCI), and business associations. He urged them to gather more data to support the proposed tax adjustments, with findings to be presented at the next NA session. He also requested a detailed assessment of how these tax adjustments would impact production volumes, pricing, and the proportion of tax within retail prices. Additionally, he emphasized the need for concrete evidence on how tax policies would affect consumption, ensuring a data-driven and well-substantiated report for the NA.

Speaking on the broader taxation strategy, he highlighted the importance of balancing public health protection with economic development. Tax policies, he noted, should not hinder normal business operations but instead align with international practices while remaining suitable for Vietnam’s economic conditions.

Several NA deputies expressed opposition to maintaining excise tax on fuel and air conditioners with a capacity below 90,000 BTU. Many argued that these products are no longer considered luxury items but essential household necessities. Standing Vice Chairwoman of the Committee on Petitions and Oversight Le Thi Nga pointed out that applying excise tax to these goods contradicts the tax’s original purpose, which is to target luxury products. She added that concerns over this issue had been raised multiple times in discussions but had yet to be adequately addressed.

Chairman of the Legal and Judicial Committee Hoang Thanh Tung also supported the removal of an excise tax on fuel and air conditioners. He noted that fuel is already subject to various taxes, including environmental protection tax, value added tax (VAT), and import tax, making an additional excise tax redundant. Regarding air conditioners, he pointed out that most households now own one or two units, making it unreasonable to continue taxing them as luxury goods. He called for a careful reassessment of the tax policy to reflect the changing nature of these products in modern households.

In a related development, the NA Standing Committee unanimously approved a government proposal to reduce land rental fees by 30 per cent for 2024, extending the policy implemented in 2023. This move is expected to have minimal impact on State budget revenue while providing significant support for businesses as they recover and expand operations. It is also seen as a key initiative in Vietnam’s broader economic strategy, aiming for at least 8 per cent growth in 2025 and double-digit growth in the following years.

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**Visa incentives proposed for celebrities and investors entering Vietnam**

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**The government considers special visa policies for high-profile travelers to boost tourism and growth.**

Vietnam is evaluating the implementation of a more flexible and convenient visa policy for tourists, including visa exemptions - particularly short-term - aimed at attracting high-profile individuals such as renowned artists, famous athletes, and billionaires.

Prime Minister Pham Minh Chinh and NVIDIA CEO Jensen Huang photographed with international tourists in Hanoi’s Old Quarter in late 2024. Photo: Nhat Bac

On April 10, Prime Minister Pham Minh Chinh signed Directive No. 34 to promote tourism development and ensure double-digit economic growth.

In the directive, the Prime Minister instructed the Ministry of Public Security, Ministry of National Defense, and Ministry of Foreign Affairs to coordinate with the Ministry of Culture, Sports and Tourism to propose user-friendly visa policies.

These may include full visa exemptions for tourists, especially those entering Vietnam under tourism stimulus programs or to attend cultural diplomacy events by invitation from ministers or heads of governmental bodies.

The Prime Minister also emphasized the importance of designing favorable visa policies for specific groups, including researchers, artists, world-renowned athletes, experts, scientists, investors, and billionaires visiting Vietnam for tourism or for involvement in national projects or initiatives.

Vietnam's tourism sector has largely rebounded since the COVID-19 pandemic, showing impressive growth and emerging as a bright spot in the country’s broader socio-economic development.

In 2024, Vietnam welcomed 17.6 million international tourists, a 39% increase year-on-year. Domestic tourists reached 110 million, up 1.6%, while total tourism revenue reached approximately VND 840 trillion (around USD 33.2 billion), a 24% rise from 2023.

During the first quarter of 2025, international arrivals surpassed 6 million - the highest quarterly figure ever recorded - marking a 29.6% increase compared to Q1 2024 and affirming Vietnam's growing appeal as a global destination.

For 2025, Vietnam aims to welcome 22–23 million international tourists, serve 130 million domestic travelers, and achieve tourism revenue growth of 12–13% compared to 2024.

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