VIETNAM – NEWS AND REGULATIONS

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# BANKING & FINANCE

**VAT cut and $6.7B retirement payout approved to streamline government**

*VNN*

**The Vietnamese government plans to spend $6.7 billion on early retirement and severance packages while pushing a 2% VAT cut to support economic growth.**

Deputy Prime Minister Ho Duc Phoc announced that government spending will increase this year, with approximately $6.7 billion allocated to fund early retirement and severance packages for public officials as part of streamlining administrative operations.

On the morning of April 23, the National Assembly Standing Committee discussed a draft resolution on reducing the value-added tax (VAT).

According to the proposal, the government recommends a 2% VAT reduction for goods and services currently subject to a 10% rate, bringing it down to 8%. This policy is proposed to take effect from July 1, 2025, through December 31, 2026.

However, the reduction excludes specific sectors such as telecommunications, financial services, banking, securities, insurance, real estate, metal products, mining (except coal), and goods and services subject to special consumption tax (excluding gasoline).

The proposal also aims to expand the VAT cut to include goods and services vital to business, tourism, and consumption. These include information technology services, pre-fabricated metal products, coke, refined petroleum, chemical products, coal at the import stage, coal sold through commercial channels, and gasoline and oil.

**$1.2 billion in tuition waivers**

Deputy Prime Minister Phoc estimated that the tax cut would amount to about $9.2 billion. This year, budget spending will rise not only due to early retirement and severance payouts but also because of new policies such as free tuition - totaling around $1.2 billion - and the expansion of public health insurance.

He emphasized that the VAT reduction reflects the government's priority to support businesses in recovering from the pandemic and to stay competitive amid complex global trade tax scenarios.

“Vietnam’s VAT rate is currently less than half of what many developing countries apply. In Europe, for instance, VAT rates are typically around 19-21%, while ours is only 10%. Over the past four years, we’ve even reduced it to 8%,” Deputy Prime Minister Phoc stated.

Following the discussions, the Standing Committee of the National Assembly agreed to submit the draft resolution on VAT reduction for approval, applying it for the second half of 2025 and all of 2026 as proposed. They also requested that the drafting body incorporate the feedback provided to finalize the documents for parliamentary review and decision-making.

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**Remittances to HCM City reached $2.41 bln in Q1**

*VNE*

**Of the figure, nearly $1.76 billion transfered through remittance companies.**

Remittances to Ho Chi Minh City reached over $2.41 billion in the first quarter of the year, increasing 19.6% compared to the previous quarter.

Of the figure, the amount transfered through remittance companies stood at nearly $1.76 billion, while $655 million through commercial banks, according to Deputy Director of the State Bank of Vietnam's Region 2 Branch Nguyen Duc Lenh.

Remittances to the city from Asia continued to make up the largest share, 48.7%, up 46.1% year-on-year.

Mr. Lenh stated that there were positive factors for increasing remittances, such as the effectiveness of monetary and foreign exchange policies, a stable investment and business environment, and the development of the labor market.

Additionally, remittance companies and commercial banks provided high-quality services that create convenience for remittance recipients.

In 2024, remittances to HCM City amounted to $9.55 billion, a year-on-year rise of 0.9%.

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# ECONOMY

**PM outlines tasks to boost economic growth**

*VNE*

**Vietnam's 2025 GDP growth target expected at 8%.**

Prime Minister Pham Minh Chinh signed an official dispatch on April 22, outlining key tasks and solutions aimed at driving Vietnam’s economic growth throughout the year.

The Vietnam News Agency quoted the PM's dispatch as reporting that the priorities would be given to boosting economic growth, maintaining macroeconomic stability, controlling inflation, and guaranteeing major economic balances.

Under the dispatch, the Ministry of Finance is tasked to assess the impact of the US’s reciprocal tariff policy on Vietnam and develop fiscal support packages for enterprises and workers in the affected sectors.

The State Bank of Vietnam is directed to monitor global and regional developments, particularly policy shifts in major economies.

The PM asked for stepping up measures to connect supply and demand, encourage e-marketplaces to stimulate the consumption of domestically produced goods.

The Ministry of Industry and Trade and relevant authorities are instructed to fully exploit Vietnam’s 17 existing free trade agreements, expedite ongoing negotiations, and initiate talks on new FTAs with potential markets. Urgent talks are also to be held with US agencies to negotiate a reciprocal trade agreement that is mutually beneficial.

The directive also includes guidance on tapping into new growth drivers; making breakthroughs on science and technology development, innovation, and digital transformation; building free trade zones and international financial centers; and developing the private sector.

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**PM gives directions on key measures to boost economic growth this year**

*VNS*

To meet this year's ambitious goals, the PM stressed boosting growth, stabilising the economy, controlling inflation and ensuring key economic balances.

Prime Minister Phạm Minh Chính signed an official dispatch on April 22, outlining key tasks and solutions aimed at driving Việt Nam’s economic growth throughout the year.

The document comes amid a backdrop of increasingly complex and unpredictable global developments. It said heightened strategic competition among major powers, widespread trade wars and a deteriorating global economic outlook are posing significant challenges.

Domestically, in light of evolving realities and development demand, as proposed by the Government, the Party Central Committee and the Politburo have raised the national growth target to a minimum of 8 per cent for 2025 and to double-digit growth for subsequent years. Basing on this, the National Assembly and the Government have issued resolutions to support this revised goal.

To achieve these ambitious targets, the PM has highlighted the priorities of boosting economic growth, maintaining macroeconomic stability, controlling inflation and guaranteeing major economic balances.

He urged ministries, agencies, and localities to closely monitor international and regional developments in order to deliver timely, appropriate, and effective policy responses, while proactively developing scenarios and preparing counter-measures.

In particular, they need to quickly take flexible and efficient actions for immediate and long-term adaptation to the new US tariff policy.

The Ministry of Finance is tasked with coordinating closely with other ministries and localities to urgently finalise and submit a new draft resolution to replace the Government’s Resolution 01/NQ-CP by April 25. The new document is set to adjust GDP growth scenarios for Q2 and the rest of the year to ensure this year's GDP growth target of at least 8 per cent is achieved.

The ministry must also assess the impact of the US’s reciprocal tariff policy on Việt Nam and develop fiscal support packages for enterprises and workers in the affected sectors.

The State Bank of Vietnam is directed to monitor global and regional developments, particularly policy shifts in major economies. It must employ monetary policy tools effectively to appropriately regulate exchange rates and interest rates, ensure adequate capital supply for the economy, and maintain the stability of the monetary, foreign exchange, and gold markets as well as the safety of the credit institution system.

According to the dispatch, traditional growth drivers must continue to be renewed and promoted.

In particular, public investment disbursement ought to be accelerated toward achieving 100 per cent of the target set for this year. Preparations for the 2026–30 medium-term public investment plan must also begin, limiting the number of centrally funded projects to no more than 3,000.

Meanwhile, more large-scaled FDI projects that apply high technology and are environmentally friendly should be attracted, and obstacles to FDI firms, especially administrative procedures, be addressed in a timely manner to accelerate their projects in Việt Nam.

In terms of consumption, the PM asked for stepping up measures to connect supply and demand, encourage e-marketplaces to stimulate the consumption of domestically produced goods, launch promotional programmes nationwide, and distribute more goods to rural, border and insular areas.

Export promotion is another critical area.

The Ministry of Industry and Trade and relevant authorities are instructed to fully exploit Việt Nam’s 17 existing free trade agreements, expedite ongoing negotiations, and initiate talks on new free trade agreements (FTAs) with potential markets such as the Middle East, Africa, Latin America, Central Asia, Eastern Europe, India, Brazil, Pakistan and Egypt.

Urgent talks are also to be held with US agencies to negotiate a reciprocal trade agreement that is mutually beneficial.

The directive also includes guidance on tapping into new growth drivers; making breakthroughs on science and technology development, innovation, and digital transformation; building free trade zones and international financial centres; developing the private sector; and boosting the labour market, among many others.

It is necessary to fully mobilise all available social resources to drive national development, the Government leader affirmed.

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# INVESTMENT

**Investors increase high-tech activities**

*VIR*

Vietnam’s prioritised semiconductor and high technology industries are on the radar of foreign investors, especially those from Japan and South Korea.

Meiko Electronics, an Apple supplier, is preparing procedures for its expanded printed circuit board (PCB) manufacturing facility in the northern province of Hoa Binh. The company aims to complete the procedures for the expansion in the second quarter and finish the construction of the expanded facility by the end of the year.

Previously, a representative of the company used to share at the groundbreaking ceremony in April 2024 that the first facilities have an investment of $200 million, and would be increased to $500 million for the second phase.

The new factory in Hoa Binh will produce ultra-small, energy-efficient PCBs for the iPhone. These products will meet the increasing technological demands of Apple’s new AI applications. Once finished, they will be exported to India for the next assembly step, which is a part of Apple’s strategy to diversify the supply chain.

At the same time, the company is also accelerating the construction of a $200 million PCB factory in an industrial zone in Hoa Binh.

In early April, LG Display reportedly finalised the sale of its large LCD panel and module plant in Guangzhou to TCL’s subsidiary, China Star Optoelectronics Technology.

The final sale price was confirmed at approximately $1.54 billion, exceeding initial expectations. This transaction marks LG Display’s complete exit from the large LCD business as it focuses on advancing its OLED operations. For LG Display, this move is part of a larger restructuring effort aimed at focusing on higher-margin products amidst a competitive global display market.

A source told VIR that LG Display will spend the money earned from the deal on expanding an OLED screen manufacturing facility in Haiphong, in northern Vietnam. Early this year, the group received approval from local authorities for the expanded factory, worth $1 billion. The new investment will bring its investment in Vietnam to $5.65 billion.

The venture is one of LG’s biggest investments in Vietnam. It currently has a monthly output of 14 million OLED display product units.

Elsewhere, Ho Chi Minh City is working with consular officials from major markets to boost foreign investment inflow in the high-tech sector.

In mid-April, the Ho Chi Minh City Centre for the Fourth Industrial Revolution, in collaboration with the External Relations Department, the Department of Science and Technology, and the Management Board of Saigon High-Tech Park, held a working session with delegations from the consulates general of the United States, Japan, and South Korea in Ho Chi Minh City to exchange information, explore opportunities, and discuss cooperation in scientific and technological research, as well as attract investment in high-tech fields.

“The city seeks extensive cooperation with these parties to develop advanced high-tech industries, establish semiconductor research centres, and train high-quality personnel,” said centre director Le Truong Duy. “We hope these three countries, together with Vietnam, will establish a technology exchange platform based on a public-private partnership model that meets international standards. This platform will serve as a hub to connect and share advanced technologies among participating countries.”

Nguyen Van Toan, vice chairman of the Vietnam’s Association of Foreign-invested Enterprises, said, “Foreign investors still trust Vietnam’s investment environment. At the time, the country needs to continue boosting institutional reforms, ensure fair competition, and support businesses capable of innovation and adopting high technology.”

According to the former Ministry of Planning and Investment, by the end of 2024, Vietnam attracted 174 registered foreign-invested projects in the semiconductor industry, with a total registered capital of nearly $11.6 billion. Most major players in this industry, such as Intel, Nvidia, Marvell Technology, Samsung, CoAsia SEMI, and Renesas, are already present in Vietnam.

Prof. Vo Xuan Vinh, dean of the Institute of Business Research at the University of Economics Ho Chi Minh City, said the semiconductor production process was complex, requiring the participation of companies from multiple countries.

“Currently, foreign-invested factories in Vietnam are performing well in semiconductor packaging and testing. Developing the semiconductor industry is not the task of a single nation,” Vinh said. “Thus, in its strategy to restructure investment attraction, Vietnam should focus on the capital inflow from diverse markets such as Europe and Africa, where the potential remains vast.”

“The smartest investment attraction strategy right now is to invite US investors into Vietnam, particularly in high-tech sectors. We could even establish dedicated technology clusters or industrial areas for them. Additionally, amidst global uncertainties, attracting funding from abroad, and from new markets is essential. This will help boost trade with new markets and reduce heavy reliance on the key markets.”

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**PM urges SYRE to invest in green, circular textile industry in Việt Nam**

*VNA/VNS*

SYRE is planning a US$1 billion investment in a polyester fabric recycling complex in Binh Dinh province, with the aim of turning Việt Nam into the world’s first high-tech circular textile hub meeting US and EU sustainability standards, aligned with Việt Nam's net-zero emissions goal.

HÀ NỘI — Prime Minister Phạm Minh Chính on Wednesday hosted Susanna Campbell, Chair of Swedish textile recycling group SYRE, and Swedish Ambassador to Việt Nam Johan Ndisi, calling on SYRE to invest in developing a green and sustainable textile industry in Việt Nam.

Welcoming the SYRE delegation’s visit to explore investment opportunities in green production and the circular economy, PM Chính encouraged the firm to leverage Việt Nam's abundant textile waste and surplus materials to manufacture sustainable products, while utilising clean energy and eco-friendly inputs in the production process.

The PM hailed SYRE’s plan to invest in the south-central province of Bình Định, calling it a wise choice given the locality’s favourable business environment and well-developed infrastructure, including an airport and deep-water seaport.

He affirmed Việt Nam's pursuit of rapid yet green and sustainable development, targeting an 8 per cent growth rate this year and double-digit growth in the following years, based on science, technology, innovation, and digital transformation. To achieve this, the country seeks strong international cooperation in capital, technology, governance, and human resources.

Campbell said SYRE is accelerating efforts to expand into international markets with a focus on green transition and sustainability, especially in the textile sector. She expressed her desire to work with Việt Nam to transform the country into a global hub for circular textile production.

She added that SYRE’s manufacturing model aims to be fully circular, producing outputs equivalent to textile-grade input materials. SYRE considers Việt Nam a strategic location in the region, where the green transition is gaining momentum.

The PM noted that Việt Nam is the leading producer of renewable energy in Southeast Asia and remains committed to expanding its clean energy sector. He reiterated the country’s strong support for the EU’s strict environmental standards and its proactive implementation of green energy, circular economy practices, and sustainable textile materials in line with COP26–28 goals.

He affirmed that Việt Nam encourages high-tech foreign investment and is ready to support SYRE in operating effectively and efficiently in Việt Nam. He also expressed his wish to further deepen Việt Nam–Sweden relations through cooperation in green growth and circular economy development.

Ambassador Ndisi affirmed Sweden’s commitment to working with Việt Nam on the green transition, stressing that Swedish companies are adopting long-term investment strategies in the country. He expressed his hope that the two countries will soon elevate their bilateral ties to a new level.

SYRE is planning a US$1 billion investment in a polyester fabric recycling complex in Binh Dinh province, with the aim of turning Việt Nam into the world’s first high-tech circular textile hub meeting US and EU sustainability standards, aligned with Việt Nam's net-zero emissions goal.

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# PROPERTY

**$18 billion Vinhomes Green Paradise coastal urban megaproject kicks off**

*VIR*

Vingroup, the largest private company officially broke ground on the Vinhomes Green Paradise coastal urban tourism project in Long Hoa commune and Can Thanh town, Can Gio district, Ho Chi Minh City on April 19.

The groundbreaking ceremony was part of a nationwide initiative marking the 50th anniversary of the Liberation of the South and National Reunification (April 30, 1975), with 80 key projects launched simultaneously across the country, totalling VND450 trillion ($18 billion) in investment. These projects are expected to serve as key drivers of Vietnam’s development in a new era.

Speaking at the event, Duong Ngoc Hai, Standing Vice Chairman of Ho Chi Minh City People's Committee, emphasised the strategic significance of the project for the city’s future.

“Ho Chi Minh City is entering a new phase of development that requires innovative approaches to urban space, economic models, and quality of life. Coastal ecological urban development has been identified as a breakthrough direction aligned with the Central Party's Resolution No. 36-NQ/TW on sustainable marine economic development through 2030, with a vision to 2045,” Hai said.

According to the developer, the Vinhomes Green Paradise project will span 2,870 hectares and accommodate a population of up to 230,000 people.

It is being developed under the environmental, social, and governance (ESG) model, considered one of the most progressive urban frameworks globally.

As part of this vision, Vingroup plans to invest in an offshore wind power system located 10km from the shore to provide clean energy for the entire megacity, paving the way for a green future for the region.

The project will feature a range of world-class developments, including the “Blue Waves Theatre” designed by renowned architecture firm Gensler, the world’s largest artificial lagoon – Paradise Lagoon (443ha), the 5-star international yacht port Landmark Harbour, luxury hotels, and two 18-hole golf courses designed by golf legends Tiger Woods (West - Sunset) and Robert Trent Jones II (East - Sunrise).

A 122-ha entertainment-tourism complex will include a Safari park, a theme park modelled after Disneyland and Universal Studios, and a 30,000 square metre indoor winter wonderland – one of the top 5 in the world – featuring skating rinks, snow zones, zip lines, and more.

Vinhomes Green Paradise is also set to become a regional financial and economic centre, with over two million sq.m of commercial, office, and hotel space and a full suite of international-standard amenities.

At its heart will be a 108-story tower, ranked among the top 10 tallest buildings in the world, featuring premium office space, luxury hotels, upscale residences, and a vibrant commercial podium.

The project will also include luxury villas, high-end apartment complexes, a modern shopping centre, Michelin-starred restaurants, and world-class healthcare and education facilities.

Notably, the Vinmec Can Gio medical centre will partner with Cleveland Clinic, one of the top-ranked non-profit academic medical centres in the world. The site will also be home to Vinschool and other prestigious educational brands.

Nguyen Viet Quang, vice chairman and CEO of Vingroup, stated that urban development in Can Gio must break away from outdated models.

“We must pursue a new approach that harmonises modernity with nature, enhancing the quality of life for residents. With that vision, we aspire to build Vinhomes Green Paradise into a global ESG benchmark, proudly representing Vietnam’s leadership in sustainable development on the world stage,” Quang said.

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**Real estate heats up ahead of provincial merger plans**

*VIR*

Discussions surrounding the potential merger of administrative units in Vietnam have triggered a surge of interest and price hikes in various real estate markets.

On April 12, the issued Resolution No.60/NQ-TW outlined a significant restructuring of the country’s administrative boundaries, with the Party agreeing to a plan that will merge localities, reducing the number of provincial-level administrative units to 34.

Among the sectors expected to feel the impact, real estate is particularly sensitive to shifts in policy and planning, and the market is already reacting.

Nguyen Van Dinh, chairman of the Vietnam Association of Realtors (VARS), noted that the planned merger of provinces and cities is likely to have a positive impact on the real estate market.

“The move could streamline certain legal procedures related to project development, thereby increasing housing supply – particularly in the affordable segment – and offering more reasonable options for homebuyers,” Dinh said.

He noted that historically, every time new zoning or planning information is released, land prices in the affected areas tend to spike sharply in the short term.

However, Dinh emphasised that for real estate values to rise sustainably, growth must be grounded in solid fundamentals, namely, comprehensive development in transport infrastructure and socioeconomic conditions.

“If prices rise purely on speculative news about infrastructure or planning without real implementation, investors face significant risks of capital being locked or losses incurred,” he said.

A report from the VARS revealed that just weeks after proposals for provincial mergers were made public, land prices in several localities surged, some areas witnessing increases of up to 30 per cent in March alone.

However, actual transaction volumes only rose significantly in provinces expected to become merger hubs, where real estate prices remain relatively affordable.

According to DKRA Group, in March, land prices experienced localised spikes in a few regions.

For instance, prices in Nhon Trach district of the southern province of in Dong Nai jumped by 30–50 per cent, while Phu My and Chau Duc areas in the neighbouring province of Ba Ria–Vung Tau saw increases of 20–30 per cent. In contrast, most southern provinces recorded more modest growth, averaging around 6–8 per cent.

DKRA noted that these localised price hikes were largely driven by speculation following the news of potential provincial mergers.

An Gia Group in March launched 3,000 apartments at The Gio Riverside venture near the Hanoi Highway of Ho Chi Minh City, while Kim Oanh Group on March 14 introduce its 26-hectare K-Home New City project in Binh Duong province, which includes over 3,300 housing units, mostly dedicated to social housing.

Meanwhile, Long An province, another southern satellite city of Ho Chi Minh City, is witnessing strong momentum with large-scale developments underway.

Notably, Vingroup at the end of March began construction on Vinhomes Green City, its first integrated township project in Long An. Spanning 197ha in Duc Hoa district, the project occupies a strategic location, linking Ho Chi Minh City with the rapidly urbanising and industrialising Mekong Delta.

Vietnam’s housing supply is expected to recover significantly in the near term, aided by policy adjustments aimed at improving transparency and expediting project approvals. While Hanoi and Ho Chi Minh City remain key markets, investors are increasingly shifting their focus to satellite areas, where demand is gaining momentum on the back of merger-related expectations.

According to Tran Dat Khanh, CEO of real estate data platform Biggee, the market may see short-term price hikes fuelled by investor sentiment and hopes for favourable zoning changes. However, long-term property values will depend on finalised planning and infrastructure investments.

“Areas with clear development strategies and strong infrastructure investment will enjoy sustainable growth,” Khanh said. “By contrast, regions lacking strategic advantages or connectivity may struggle to pull in capital,” he added.

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| ***Assoc. Prof Tran Dinh Thien, former director Vietnam Institute of Economics****The consolidation of administrative units and the reclassification of urban areas represent not only an organisational restructuring effort, but also a strategic opportunity to generate new growth momentum for localities.**If implemented with the right legal foundations and clear direction, the merger of provinces and cities can do more than merely aggregate, they can synergise the fragmented strengths of smaller localities. Once effectively connected and well-organised, these localities have the potential to create combined economic power that exceeds the sum of their parts.**For instance, if Ho Chi Minh City, Vietnam’s largest economic hub, can be effectively linked with Binh Duong, a city aiming to become a global smart urban centre, and Ba Ria-Vung Tau, a key international maritime gateway, alongside Can Gio, which plays a crucial role in water resources and ecological balance, the result would be a highly promising regional development cluster.**This is how sustainable growth drivers can be built, not by simply piecing together fragmented regions, but by strategically harnessing their collective strengths.****Dao Quoc Viet, representative Real Estate Review Commune****For investors, the prospect of administrative mergers presents new profit margins, but it also demands a more prudent and strategic approach.**The announcement of potential mergers has quickly drawn widespread attention from investors across the country, especially toward provinces under consideration. Take Binh Duong as an example: the absorption rate for new projects in early 2025 reached 90 per cent, with notable participation from investors in northern Vietnam. Clearly, expectations of a price surge have prompted many to commit capital early.**The opportunities are significant. Now, with the added narrative of urban expansion, investors who select quality projects in strategic locations with strong infrastructure connectivity, such as proximity to Ho Chi Minh City or major transport routes, can expect long-term, sustainable value growth as the new city takes shape.**Notably, institutional and foreign investors may view the merger as a signal to expand their portfolios in provinces neighbouring Ho Chi Minh City which offers larger land banks than Ho Chi Minh City but remains part of the same mega-urban market.**However, the key challenge for investors is to distinguish between genuine opportunities and speculative bubbles. As noted, not every asset will rise in value simply because of a merger. Short-term speculators may face significant risks if the merger process slows or if urban planning falls short of expectations. Instead of chasing hype, investors are advised to focus on fundamental factors: location, legal transparency, project quality, and real-world utility potential.**Given this context, a diversified portfolio strategy, combining rental assets with long-term capital gain prospects, could be a safer path for investors aiming to capitalise on the merger trend in a sustainable way.****Giang Huynh, director of Research Savills Ho Chi Minh City****For the short-term impacts, the proposed provincial mergers are unlikely to directly affect the real estate market’s supply-demand balance in the near term. Both supply and demand levels remain relatively stable. The immediate impact is largely psychological, driven by investor optimism that newly merged areas will benefit from increased attention and development.**Over the long haul, mergers could have positive effects on the market. Once integrated urban planning and infrastructure development are put in place, new land reserves may become available, helping to unlock additional housing supply, particularly in the affordable segment. This could be a meaningful step toward easing the chronic housing shortage in Ho Chi Minh City.**I advised that investors should not make speculative decisions based solely on expectations surrounding the mergers. Instead, investment choices should be guided by fundamental factors such as location, project potential, and actual market demand. Mergers may provide a psychological boost, but they should not be the primary rationale for investment.**While the administrative mergers could help improve long-term housing supply, especially in the affordable segment, the short-term impacts will be mostly sentiment-driven. Investors are urged to remain grounded in market fundamentals rather than react to hype or unconfirmed expectations.* |

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

**EVN proposes offshore wind power cap at $0.15/kWh in northern Vietnam**

*VNA*

**Vietnam Electricity (EVN) has proposed a regional electricity price framework for offshore wind power projects, with the highest suggested rate in the northern region reaching 3,975.1 VND per kWh, equivalent to approximately 0.15 USD.**

According to EVN, the proposed price cap is based on input parameters developed by the Institute of Energy and updated in accordance with the Vietnam–Denmark Technology Handbook. While no detailed feasibility studies have been completed for offshore wind projects to date, preliminary calculations have been categorised by region.

Specifically, the proposed framework sets the price at 3,975.1 VND/kWh for the northern region (including Quang Ninh, Hai Phong, and Thai Binh), 3,078.9 VND/kWh for the south-central coastal region (Binh Thuan), and 3,868.5 VND/kWh for the southern region (Ba Ria – Vung Tau).

EVN stated that if the proposal is approved by its Board of Members, the price framework will be submitted to the Ministry of Industry and Trade for official consideration and promulgation.

Previously, EVN also submitted price caps for onshore wind power at 1,643.89 VND/kWh and nearshore wind power at 1,913.67 VND/kWh.

Under the recently revised Power Development Plan VIII, Vietnam aims to achieve 6,000 MW of offshore wind power capacity by 2030.

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# Tariff cuts welcomed but LNG needs policy reforms: experts

*VNA*

## *Experts stressed that a comprehensive, synchronised policy framework is needed to cover all LNG activities — from investment and infrastructure to pricing and regulation.*

The recent Government cut to preferential import tariff on liquefied natural gas (LNG) from 5% to 2% encourages the shift from fossil fuels to cleaner, more sustainable energy sources, according to industry experts and insiders.

But they said regulatory reforms must go hand-in-hand.

Dr Nguyen Quoc Thap, Chairman of the Vietnam Petroleum Association, said the tariff reduction was a strong signal to investors across the LNG value chain, from importers such as PV GAS to LNG-fired power plant developers like PV Power.

He said that the new policy would support a more balanced approach between the State, businesses, and electricity consumers, which could ultimately result in a more reasonable pricing framework.

The incentive arrives at a critical time. Under the National Power Development Plan VIII, Vietnam aims to develop 23 gas-fired power projects by 2030, including 13 using imported LNG with a total expected capacity of 22,400 MW. These projects are vital to supporting national energy security and meeting the country’s Net Zero commitment by 2050.

So far, only one imported LNG project, the Nhon Trach 3 plant developed by PV Power, has connected to the national grid. The plant reached a 50 MW capacity milestone in February and is expected to enter full commercial operation in July. Its companion, Nhon Trach 4, is also nearing completion, with the two projects now 96% complete.

To secure a long-term LNG supply, PV GAS and PV Power recently signed a 25-year contract for Nhon Trach 3 and 4. PV GAS is the only long-term LNG supplier in Vietnam, investing in terminal infrastructure to offset rapidly declining domestic gas output. The tariff cut, the firm said, would help ensure affordable supply for both power generation and industrial use.

Experts stress that a comprehensive, synchronised policy framework is needed to cover all LNG activities, from investment and infrastructure to pricing and regulation. PV GAS highlighted the lack of a volume offtake mechanism, unclear LNG-to-electricity pricing rules, and regulatory gaps that complicate project financing and commercial negotiations.

They said foreign lenders remained hesitant to support LNG projects due to their novelty in Vietnam. For financing to be viable, three key conditions must be met: minimum output guarantees (typically 70–80%), the ability to pass global LNG prices through to electricity tariffs, and access to clean land with grid connections managed by EVN.

Without power purchase agreements (PPAs) that guarantee electricity offtake, projects struggled to secure funding. Petrovietnam has warned that if LNG power is forced to compete on the open market without long-term contracts, investors will be hard to attract, especially since long-term LNG is significantly cheaper than short-term supply.

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# LEGAL

**MoF unveils reforms to Law on Bidding in draft**

*VIR*

The Ministry of Finance (MoF) released a draft law proposing significant changes to the Law on Bidding and several related laws on April 8.

The MoF has proposed that direct investor appointment should be implemented for investment and business projects in the fields of science, technology, innovation, and national digital transformation, where the project proposer is an enterprise that owns or holds strategic technology copyrights, or projects requiring continuity with enterprises that have previously implemented digital infrastructure and platforms.

In the case of domestic bidding, domestic investors may form joint ventures with [foreign investors](https://vir.com.vn/korean-groups-call-for-tax-processes-to-be-timely-ironed-out-125817.html) or engage foreign contractors as partners for bidding purposes; in such arrangements, the domestic investor must act as the lead member of the joint venture.

For tender packages of projects in the fields of sci-tech development, innovation, and national digital transformation that are subject to domestic bidding, domestic contractors may form joint ventures with foreign contractors or engage foreign subcontractors for bidding purposes; in these cases, the domestic contractor must serve as the lead member of the joint venture.

Regarding the regulations on appointment of contractors, the MoF proposes that direct appointment should be applied to tender packages under the following circumstances: urgent or emergency situations requiring immediate implementation; projects involving state secret protection; projects categorised as national key projects under a resolution of the National Assembly; projects requiring technological compatibility, copyright or intellectual property rights compliance; those involving research, experimentation, or copyright acquisition; land clearance or site preparation; cases where there is only one eligible contractor or supplier; national reserve procurement; restoration or preservation of historical or cultural relics; and other cases as stipulated by the government.

The government shall provide detailed regulations on cases, conditions, and procedures for direct appointment of contractors. During the contract negotiation process, the investor and the contractor must negotiate the contract price to ensure economic efficiency and cost savings.

Additionally, the MoF proposes that special investor selection procedures be applicable to investment and business projects that include one or more specific requirements or conditions related to: investment procedures; procedures for land allocation, land lease, or sea area allocation; procedures, methods, criteria for investor selection, and content of investment project contracts; national defence, security, foreign affairs, territorial borders, national interests, and the fulfilment of national political tasks; or projects with specific requirements for research, application, and development of science, technology, innovation, and national digital transformation, where none of the existing investor selection methods stipulated by this law can be applied.

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**Ministry ensures smooth transition in Certificates of Origin procedures**

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The Ministry of Industry and Trade (MoIT) has assigned 18 regional Export-Import Management Offices to handle the issuance of non-preferential Certificates of Origin (C/O), non-manipulation certificates (CNM), and REX code registration under the Generalised System of Preferences (GSP) of Norway and Switzerland.

This change is part of a ministry's broader effort to improve state management of origin certification and align with the newly issued Laws on Government Organisation and Local Government Organisation in 2025.

Nguyễn Anh Sơn, Director General of the Department of Foreign Trade, said the ministry is working closely with regional offices and other agencies to ensure a smooth transition. The goal is to minimise disruptions to businesses during the transition.

“This decision helps us respond to new developments in global trade and strengthens the government’s role in managing the origin of exported goods, while still complying with current legal requirements,” he said.

From 5 May 2025, MoIT-authorised offices will begin issuing 10 types of non-preferential C/Os, including Form B and CNM, and registering REX codes. These will be managed alongside the 18 types of preferential C/Os already in place.

The Department of Foreign Trade continues to coordinate with related units to implement these policies, focusing on both preventing origin fraud and making things easier for businesses.

At a recent meeting, Deputy Director General Trịnh Thị Thu Hiền stressed the importance of clear and consistent communication. She urged the Rules of Origin Division and regional offices to guide businesses carefully and thoroughly, especially when it comes to the new non-preferential C/O and REX procedures.

To support exporters during the transition, the MoIT will provide detailed instructions and hands-on assistance through its regional offices. The goal is to ensure the process is consistent, transparent, and convenient for all businesses.

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