VIETNAM – NEWS AND REGULATIONS

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# BANKING & FINANCE

**Public capital disbursement in April posts high growth**

*VNE*

**The disbursed capital reaching $1.84 billion, up 60% against the first quarter.**

The disbursement of public investment capital in April was estimated at over VND48.2 trillion ($1.84 billion), accounting for 37.5% of the total disbursement in the first 4 months of the year, and equivalent to 60% of the total disbursement in the first quarter, according to the Ministry of Finance (MoF).

The figure brings the total amount of public capital disbursement in the first four months of the year to more than VND128.5 trillion ($4.92 billion), equivalent to 14.32% of the annual plan and 15.56% of the target set by the Prime Minister.

The MoF reported that 10 ministries and government agencies and 35 centrally-run localities registered disbursement rates higher than the national average.

Total public investment capital for 2025 is estimated at over VND923 trillion ($35.3 billion).

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**For sustainable finance development**

*VNE*

**Green and sustainable finance is no longer simply an option for Vietnam as it shifts towards a low-carbon economy and strives to meet its development targets.**

Vietnam’s green and sustainable finance market remain in its early stages of development. Delays in issuing legal frameworks and the absence of strong incentives to channel capital into sustainable sectors remain persistent challenges that have yet to be effectively addressed.

Speaking at a recent seminar, Mr. Thomas Jacobs, Country Manager of the International Finance Corporation (IFC) for Vietnam, Cambodia, and Laos, emphasized that for Vietnam to achieve high-income status by 2045, a shift towards a low-carbon economy is essential. In this transition, green and sustainable finance is not just an option, it is a fundamental pillar for ensuring long-term growth and competitiveness.

**Progress made, but challenges remain**

According to Mr. Jacobs, Vietnam faces significant risks from climate change, posing major challenges to its goal of becoming a high-income nation by 2045. Numerous environmental reports highlight the threats the country must confront, including rising temperatures and droughts in the north, typhoons and flooding in the central region, and saltwater intrusion in the Mekong Delta, the country’s agricultural heartland.

The Vietnam Country Climate and Development Report by the World Bank estimates that Vietnam will need to mobilize $368 billion for climate action by 2040, with $184 billion expected to come from the private sector.

Mr. Nguyen Tung Anh, Senior Manager, Credit Risk Research and Head of Sustainable Finance Services at FiinRatings, noted that green finance is gradually taking root. According to the credit rating agency, green credit has grown consistently and significantly since 2015, with an impressive surge from 2020 onwards, reaching an estimated VND679 trillion ($27.16 billion) as of the end of 2024. Compared to the overall credit growth rate of 12-15 per cent annually from 2018 to 2024, green credit has expanded at a much faster pace, with some years, such as 2018 and 2021, recording growth of up to 30 per cent.

Leading banks such as VietinBank, ACB, Agribank, and MB are not only embracing the green finance trend but are also proactively developing their own standards for green lending. These initiatives create greater flexibility in financing mechanisms and expand access to green capital. BIDV, for example, has introduced a green project portfolio with preferential interest rates and exchange rates while gradually phasing out credit for high-carbon-emitting industries such as steel, cement, and fertilizers. Similarly, VietinBank and ACB have introduced sustainable finance frameworks, demonstrating both their commitment and the broader transformation of Vietnam’s financial sector towards sustainability.

Vietnam’s green bond market is also showing encouraging signs. Data from FiinRatings indicates that the issuance of sustainable bonds (GSS) has surged in recent years, reaching an estimated VND6.875 trillion ($275 million) in 2024, up from VND2.5 trillion ($100 million) in 2023.

Beyond existing sustainable investment funds, new investment models are emerging, offering more options for investors focused on sustainable finance. A key milestone in this space is Eastspring’s EVESG Fund, which conducted Vietnam’s first independent ESG (environmental, social, and governance) fund assessment.

Despite this momentum, Mr. Jacobs cautioned that the pace of green finance adoption in Vietnam remains sluggish, with no significant breakthroughs as yet.

**Key step for sustainable finance**

Vietnam has yet to establish a comprehensive green taxonomy, leaving a crucial gap in the country’s sustainable finance framework. According to Mr. Tung Anh, the availability of professionals with strong expertise in ESG and green finance remains limited, as these emerging requirements demand interdisciplinary knowledge spanning finance, engineering, environmental science, and regulatory compliance. Additionally, the absence of a clear legal framework and limited in-house expertise pose risks for businesses, including accusations of “greenwashing”.

Experts emphasize that establishing a green taxonomy in Vietnam is crucial for transitioning to a sustainable, low-carbon, and climate-resilient economy. A green taxonomy provides a standardized and harmonized approach to defining and identifying sustainable activities. Vietnam’s national green taxonomy must address domestic needs while aligning with international investor expectations. This ensures that national priorities are met without creating additional barriers to cross-border sustainable capital flows. Regulatory oversight of such classifications will also play a key role in supporting green credit.

According to Decree No. 08/2022/ND-CP, the Ministry of Natural Resources and Environment (now the Ministry of Agriculture and Environment) was required to submit the national green taxonomy to the government by December 31, 2022. However, it remains in draft form and has yet to be officially issued. Moreover, experts highlight that high costs deter many businesses from entering the green finance market.

Issuing green bonds involves not only working with issuance advisory firms but also undergoing complex verification processes. Companies must secure third-party validation of their compliance with green bond frameworks and, depending on the nature of the project, may also require experts to assess green products or sustainable buildings. Notably, green bond interest rates do not significantly differ from conventional bonds, while issuance costs are considerably higher.

To develop Vietnam’s green bond market and other labeled bonds, experts recommend that government agencies establish clear guidelines for issuance, certification, and reporting while also introducing incentive policies to encourage issuance and investment. Experts also suggest that the Vietnamese Government consider issuing “green government bonds” as a model to provide a strong foundation for the domestic labeled bond market.

Additionally, international collaboration within sustainable finance networks can be leveraged to support Vietnam’s efforts to advance its sustainable financial market. Participation in these networks can enhance knowledge-sharing, promote best practices, increase awareness among stakeholders, foster policy commitments, and build capacity across relevant sectors.

Unlocking the potential of sustainable financial markets requires addressing complex challenges. Analysts recommend that policymakers prioritize actions strategically and accelerate implementation to unlock capital flows for sustainable growth.

*"According to data, while the banking system holds up to 80 per cent of domestic savings, only 5.4 per cent of that is allocated to climate-related projects. Additionally, the total issuance of green, social, and sustainability bonds from 2016 to 2024 reached only $1.4 billion; a modest figure compared to its potential."Mr. Thomas Jacobs, Country Manager of the International Finance Corporation (IFC) for Vietnam, Cambodia, and Laos*

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# ECONOMY

**Vietnam records dramatic growth after 50 years of reunification: Nikkei Asia**

*VNP*

***Vietnam's GDP per capita was 4,535 USD in 2024. The Government aims to achieve over 7,500 USD in GDP per capita by 2030 and become a high-income country by 2045.***

Nikkei Asia on May 5 published a mega story by journalist Atsushi Tomiyama, analysing the impressive economic growth that Vietnam has achieved thanks to its renovation efforts.

The article cited data from the International Monetary Fund (IMF) showing that Vietnam's gross domestic product, in local currency terms, was 51 times larger in 2024 than in 1994, the highest growth rate among ASEAN members.

Vietnam's economic success is attributed mainly to the “Doi Moi” (Renewal) policy launched at the 6th National Party Congress in 1986. The article said that these renovation efforts began to generate positive results in the second half of the 1990s.

The article cited Party General Secretary To Lam’s address at the grand celebration of the 50th anniversary of the liberation of the South and the national reunification (May 30, 1975-2025). Specifically, Lam called on Vietnamese people to build upon the spirit of the great victory in the spring of 1975, and the values and triumphs over the past 40 years under 'Doi Moi' to reap greater triumphs and forge new miracles in the new era.

With the policy, Vietnam has witnessed a number of other important events in recent decades such as obtaining the US lifting of economic sanctions against Vietnam in 1994, opening the door to trade and investment from Western countries; joining ASEAN in 1995; joining the World Trade Organisation (WTO) in 2007; and the opening of Samsung's large-scale mobile phone factory in 2009.

Nikkei Asia also highlighted the impressive results that foreign companies have achieved when investing in Vietnam.

Samsung – a corporation with registered capital of 23.2 billion USD in Vietnam – has become the largest foreign investor in the country. In 2024, Samsung Vietnam recorded revenue of 62.5 billion USD, including 54.4 billion USD from exports. This figure accounted for 13.4% of Vietnam's total export turnover.

Since the 2010s, Vietnam has reaped the benefits of being at the forefront of the manufacturing shift, epitomised by Apple, the article said.

According to a list the tech giant began publishing in 2012, the company’s suppliers in Vietnam grew from 12 in 2015 to 35 in 2024, the largest in Southeast Asia. Thailand came second with 24 suppliers.

A cluster of related industries has emerged, with electronic components now leading Vietnam’s exports. The article argues that Vietnam is certain to become richer in the medium to long term, citing IMF data as saying that Vietnam's GDP per capita was 4,535 USD in 2024. The Government aims to achieve over 7,500 USD in GDP per capita by 2030 and become a high-income country by 2045.

The author commented that after overcoming the painful war, Vietnam is learning from the past and looking towards the future.

At the reunification celebration on April 30, the Party chief called for "closing the past, respecting differences, and looking forward to the future", the Nikkei Asia.

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**Vietnam to become second-largest economy in Southeast Asia by 2036: CEBR**

*VNA*

The Center for Economic and Business Research (CEBR), in its report “World Economic League Table 2022”, forecasts that Vietnam will become the second-largest economy in Southeast Asia after Indonesia and the 20th-largest economy in the world by 2036.

The report pointed out that, as of 2021, Vietnam was estimated to have a purchasing power parity adjusted GDP per capita of US$11,608.

It said Vietnam's economic growth story has been nothing short of a miracle, with the Doi Moi reform in the mid-1980's, coupled with favorable global trends, enabling the nation to achieve rapid economic growth and propelling the country from a poor economy to a lower-middle-class one.

Vietnam aspires to attain a high-income status by 2045. For this to happen, it must grow at an annual average rate of approximately 5% per capita.

Nonetheless, it faces key challenges on its path to becoming a high-income country. With global trade declining and its population ageing, it needs to improve its policy implementation performance drastically, particularly in sectors that will be severely affected by automation and climate change.

Between 2021 and 2036, CEBR forecasts that the position of Vietnam in the World Economic League Table will improve considerably, with its ranking rising from 41st to 20th by 2036.

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# INVESTMENT

**Key advantages still front of mind for American investors**

*VIR*

American investors are still keen to pour money into many sectors across Vietnam, but continuing tariff uncertainty may still need to be cleared up before they can move full steam ahead.

Powerful US groups gathered the Innovation and Private Capital Summit organised in late April in Hanoi to discuss fresh business opportunities.

Disclosing the company’s strategy for Vietnam, Nvidia vice president Steven Truong said, “Our goals are to focus on strategic spearheads for the country, including smart manufacturing, smart transport to deal with traffic jams, and healthcare. As Vietnam attracts many world-class manufacturing enterprises such as Samsung, Apple and others, the successful development of smart factories is extremely important.”

In late 2024, Nvidia announced that it will open a research and development centre and an AI data centre, expanding employment prospects for locals.

“There will be hundreds or thousands of companies in the near future that will succeed as quickly as the likes of VinBrain. This is the aspiration and dream not only of myself but also of the entire Nvidia Vietnam team,” Truong added.

At the event, Hiren Krishnani, investor relations director for Corporate Platforms at American stock exchange Nasdaq, also looked into working with Vietnamese firms.

“There are clear benefits to Vietnamese companies or Southeast Asian companies doing business in the United States. One of the biggest factors is valuation and liquidity. Being listed on our exchange can bring together analysts and big companies, so there are a lot of benefits when joining the world’s largest capital market.”

Warburg Pincus is also building new plans in Vietnam, according to CEO Jeffrey David Perlman. “The success of projects in Vietnam, including Ho Tram in Ba Ria-Vung Tau and the Metropole Hotel in Hanoi, will be symbols of success in cooperation between the two countries. The fund’s leaders and I will continue to support and advise Vietnamese ministries and sectors on tariff solutions that benefit the people and businesses of the two countries,” he said.

Warburg Pincus boasts over $80 billion worth of assets under its management. Since 2013, it has invested more than $2 billion in Vietnam, creating more than 40,000 jobs.

According to investors, there are several key factors driving their ambitions in the local market. They include the young workforce with an average age lower than the US and Europe, a strong network of more than five million overseas Vietnamese living and working abroad, and the nation’s STEM education capabilities.

“Assuming we can attract only 0.1 per cent of the five million overseas nationals, Vietnam could have 5,000 people returning to develop an entire ecosystem of resources with young people in the country,” said Truong of Nvidia.

Some of the most well-known American players have been to Vietnam to study or expand projects here. In March, the biggest-ever delegation of 60 US companies sought new investment opportunities, including Pacifico Energy, Meta, Boeing, Dow Chemical, Apple, Intel, Coca-Cola, Nike, and Amazon. US businesses are interested in making investment and expansion in green and digital transformation, energy, semiconductors, AI, aviation, finance, telecoms, healthcare, food processing, consumer goods manufacturing, and more.

The International Monetary Fund on April 22 predicted that the global economy would slow down sharply this year, due to the impact of US tariff policy, along with a wave of global instability. It forecast global growth will slow to 2.8 per cent this year, half a percentage point lower than their January forecast.

In an effort to ease the negative impacts, Prime Minister Pham Minh Chinh on April 22 chaired a meeting with relevant ministries and agencies on preparing for negotiations, promoting balanced, stable, and sustainable trade relations with the US.

Dr. Phung Duc Tung, director of the Mekong Development Research Institute, said that investment inflows from the US may shift to other countries in Asia.

“Vietnam needs to negotiate tariffs at a level that can compete with countries in the Southeast Asian region and India. That will be the premise for attracting foreign investment,” Tung said.

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**Sumitomo to transfer 50 per cent of its equity interest in Van Phong Power Company Limited**

*VIR*

Sumitomo Corporation announced on May 1 that it will transfer 50 per cent of its equity interest in Van Phong Power Co., Ltd. (VPCL), a wholly owned subsidiary.

Through VPCL, [Sumitomo](https://vir.com.vn/search_enginer.html?p=search&q=Sumitomo) has been investing in Van Phong 1 Coal-Fired Power Plant in Vietnam. VPCL is classified as a specified subsidiary of Sumitomo. As a result of this decision, VPCL is expected to be reclassified from a consolidated subsidiary to an equity-method affiliate subject to satisfaction of certain customary closing conditions.

Sumitomo established VPCL in 2018, and VPCL commenced construction of the coal-fired power plant in 2019 and achieved commercial operations in 2024. The power generation business of VPCL plays a key role as an important base load to enrich lives and industries in Vietnam, where electricity demand continues to increase rapidly with economic growth.

Going forward, Sumitomo will continue to provide stable energy supply that is essential for the economic and industrial development of local communities, while shifting its resources towards power generation with lower environmental impacts.

Van Phong 1 Coal-Fired Power Plant is designed to supply about 8.5 billion kWh per year to the nationa grid, equivalent to 3 per cent of Vietnam's total capacity. This is the largest foreign-invested project in Khanh Hoa province.

The plant is invested in the form of build–operate–transfer model under a contract signed by the Ministry of Industry and Trade. The venture will be handed over to the government after 25 years of operation.

A consortium of its contractors includes IHI Corporation, Toshiba ESSC, CTCI Corporation, and Doosan Heavy Industries & Corporation.

Besides Van Phong 1, Sumitomo has also engaged in the Phu My 2.2 thermal power plant in Ba Ria-Vung Tau province, with a capacity of 715MW and a total investment of $400 million. It is the first undertaking awarded through an international tender fully funded by foreign investors, including France's EDF, Japan's JERA, and Sumitomo. On February 4, EVN took over the running of Phu My 2.2 after 20 years of operations.

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# PROPERTY

**Infrastructure boom drives real estate market growth**

*VIR*

The remarkable development in transport infrastructure is driving the takeoff of the real estate market in Vietnam. On April 19 alone, a raft of key undertakings were kicked off across the country.

Vingroup broke ground on the Vinhomes Green Paradise coastal urban tourism initiative in Can Gio district of Ho Chi Minh City. According to the developer, Vinhomes Green Paradise will cost $18 billion, span 2,870 hectares, and accommodate up to 230,000 people.

On the same day, Hanoi commenced construction of an intersection between Ring Road 3.5 and Thang Long Boulevard in Hoai Duc district, with a total investment of nearly $100 million.

Meanwhile, Thanh Hoa People’s Committee began the second phase of Nam Song Ma Avenue, which extends from Quang Hung ward to the end of Quang Tam ward. The 5.6km undertaking is expected to be completed by the end of 2026.

Construction of the T2 terminal at Dong Hoi Airport in the central province of Quang Binh also started, with a total investment of $70 million. The initiative, led by Vietnam Airports Corporation, involves the construction of a terminal spanning 12,000sq.m, parking spaces and green areas. The T2 terminal, designed to handle three million domestic passengers per year, is expected to be operational by the end of this year.

According to the Ministry of Construction, with the goal of completing construction of 3,000km of expressways by the end of 2025, major projects such as the North-South Expressway, another route connecting the eastern and southwestern regions, and key routes linking the northwest and Central Highlands are being implemented.

This ministry, together with local authorities and the Vietnam Expressway Investment and Development Corporation, are implementing 28 projects that seek to be completed by the end of 2025. By 2030, the total length of expressways in Vietnam will reach 5,000km.

In Ho Chi Minh City, metro line 1 from Ben Thanh to Suoi Tien began commercial operations at the end of December 2024. Additionally, the Thu Thiem area in Thu Duc city is emerging as a new urban development centre, with important infrastructure projects such as bridges and tunnels.

The Thu Thiem pedestrian bridge started construction in April, and other bridges connecting to districts 4 and 7 are in the pipeline. The 48-km metro line 2 from Ben Thanh to Tham Luong is also expected to start construction at the end of 2025 and be completed in 2030.

In the southern province of Dong Nai, the Xuan Que-Song Nhan Industrial Park is benefiting from infrastructure development, thanks to its location near major projects like the North-South Expressway and upcoming Long Thanh International Airport.

According to Avison Young’s forecast, in 2025, Ho Chi Minh City will have about 50,000 apartments from 17 new projects.

Some notable projects to be launched include the Masteri Grand View tower complex in Global City, developed by Masterise Homes, King Crown Infinity by BCG Land, and The Gio Riverside by An Gia Group.

Sales are expected to rise due to investment and asset accumulation demand. Furthermore, improvements in transport infrastructure will provide strong momentum to support demand for residential projects in Ho Chi Minh City and surrounding areas.

Duong Tong, a real estate broker, stated that since the beginning of the year, the number of customers purchasing apartments in Ho Chi Minh City, Dong Nai, and Binh Duong has been increasing, and liquidity is very promising.

“This prospects will be clearer when the Metro Line 1 extending from Suoi Tien in Ho Chi Minh City to Binh Duong New City, is expected to begin construction in 2027 and be operational in 2031,” Tong said. “The quick connectivity between Ho Chi Minh City and Binh Duong, combined with the commercial potential from transport infrastructure, promises significant price increases for real estate in the region.”

As infrastructure continues to develop rapidly, areas surrounding major projects such as the Long Thanh Internatonal Airport in Dong Nai province, Thu Thiem Bridge, and Ring Road 3 of Ho Chi Minh City are attracting the attention of investors and homebuyers.

These areas are becoming hotspots, contributing to the growing demand for real estate, from residential properties to commercial, industrial, and resort projects.

According to Hoang Hung, a real estate broker in Ho Chi Minh City, in addition to increasing real estate value, the modernisation of transport infrastructure also attracts investors and residents to move to suburban areas.

“Developed infrastructure helps expand urban space, alleviating pressure on the city centre. Areas once considered far from the centre, such as Dong Anh and Hoai Duc in Hanoi, Cu Chi and Nha Be in Ho Chi Minh City, or neighbouring areas like Binh Duong and Dong Nai, are now becoming hotspots due to better connections,” Hung said.

Moreover, infrastructure development leads to population movement, increasing demand for housing. Many urban areas have been invested along new routes, particularly fuelling the trend of real estate investment anticipating infrastructure development, he added.

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| *Assoc. Prof. Dr. Tran Dinh Thien Former director Vietnam Institute of Economics**Can Gio, a remote district of Ho Chi Minh City, has long been considered one of the most disadvantaged and distant areas of the city. However, with the launch of the coastal mega tourism urban a port, a metro line, and a bridge, Can Gio is proving its potential for a significant transformation.**Strategically located on the vital waterway route from the East Sea to Ho Chi Minh City, Can Gio boasts numerous advantages in marine economy, ecotourism, and renewable energy. These factors are key to promoting sustainable development while also ensuring national defence and security. However, for many years, Can Gio has been viewed as a remote and less-developed region of the city.**The idea of transforming Can Gio into an ecotourism and leisure urban area has been envisioned for over 30 years and has now been concretised in Ho Chi Minh City’s development plan towards 2030 and beyond. The launching of the Can Gio coastal tourism urban project by Vingroup in April marks the first step in this major change.**The need for a coastal urban area in Can Gio is not a new concept. Decades ago, Ho Chi Minh City had plans to develop along the coast, but these plans were never realise due to the lack of connectivity between the island and the city centre.**As the country’s largest economic engine and a special urban area, Ho Chi Minh City requires a maritime-focused development strategy, especially as the city explores regional integration with Binh Duong and Ba Ria-Vung Tau provinces.**The construction of the coastal tourism urban area and many other infrastructure ventures in Can Gio will not only boost Ho Chi Minh City’s development, but also have a broader impact nationwide. They will become driving forces, propelling the southern coastline towards modernity, integration, and high-tech applications.**Can Gio will become a hub for attracting human, financial, and technological resources. This is not just a standalone project, it is a strategic national undertaking. It will also benefit from other large-scale programmes currently being implemented in Ho Chi Minh City, forming a powerful and comprehensive development cluster.**Moreover, it demonstrates the critical role of the private economic sector in driving growth. It can be seen as a source of national pride and affirms the correctness of the Party and state’s strategy of placing trust in the private sector to accelerate economic development.**However, to enable the private sector to fully realise its potential, conducive mechanisms, powers, and development space must be created.* |

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| *80 key infrastructure projects launched nationwide to mark 50 years since reunification**On April 19 at the newly launched Terminal T3 of Tan Son Nhat International Airport in Ho Chi Minh City, Prime Minister Pham Minh Chinh presided over the groundbreaking and inauguration ceremony of major national projects and key infrastructure works in celebration of 50 years since national reunification.**Participating at various sites across the country were former Politburo members, high ranking officials, and local authorities.**The ceremony was conducted in both in-person and online formats, simultaneously connecting across all three main regions, from the main site in Ho Chi Minh City to each of the project locations.**According to ministries, sectors, and local authorities, 80 projects are being launched or inaugurated during this occasion, with a total investment of approximately $17.8 billion.**Of this, $12.2 billion is allocated for new groundbreaking projects, and $5.6 million for completed projects. State budget contributions amount to $7.4 million, while $10.4 million comes from non-budgetary sources.**These include 40 transport infrastructure projects, 12 industrial and civil construction projects, 12 education projects, nine socio-cultural initiatives, five public health projects, and two irrigation works.**In his address, PM Chinh, invoking the spirit of speed and boldness from the historic April days of 1975, officially declared the commencement and completion of the nationally significant and strategic projects led by both central and local governments, to be realised in 2025.* |

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**Vietnamese café takes over prime HCMC spot where Starbucks once paid $29,000 a month**

*VE*

A Vietnamese coffee shop has taken over a prime retail space on Han Thuyen Street in Ho Chi Minh City’s District 1, eight months after Starbucks closed its high-end store there.

Adoré – World Coffee is now leasing the three-story building for VND700 million per month—slightly below the VND750 million (around US$29,000) Starbucks had previously paid. Despite the drop, the rent remains nearly twice the average for the area, which is considered a prime location in Vietnams’ biggest city.

The property has a frontage of more than eight meters and nice views from the upper floors, explaining its high price, according to property analysts.

Brokers say it took eight months for the Han Thuyen building owner to find a new tenant because HCMC has an abundant supply of property in its downtown areawith many buildings remaining vacant for months.

The owners of such buildings do not often rush to find tenants but prefer to keep rents high.

Starbucks has meanwhile found [a new location in Bitexco Financial Tower](https://e.vnexpress.net/news/business/companies/starbucks-eyes-new-flagship-hcmc-location-with-39-000-monthly-rent-4832377.html), a landmark building, for its premium store concept.

Its new store measures 500 square meters, and, with commercial space in the tower’s lower floors costing around $150 per square meter, is paying some $75,000 a month before discounts for long-term tenants.

Starbucks plan to open another premium store in HCMC in July at a "downtown" location.

*VnExpress* has learned that the location is likely to be Diamond Plaza, 300 meters away from Han Thuyen Street.

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

## A new era for energy sector

*VNE*

Vietnam has adjusted its Power Development Plan and issued various legal instruments as it readies the energy sector for a new era of development.

The National Assembly (NA) has set an ambitious goal of 8 per cent economic growth in 2025 and double-digit growth from 2026 to 2030. To realize this vision, a key driving force will be energy, particularly electricity and sustainable, green energy sources. The Vietnam Economic Association (VEA) and the Vietnam Clean Energy Association, in partnership with Vietnam Economic Times / VnEconomy / Tap chi Kinh te Viet Nam, recently organized the Vietnam Energy Forum 2025, with the theme “Green and Clean Energy Towards a New Economic Era: Solutions to Promote the Development of New Energy Sources in Vietnam.” The event sparked meaningful discussions about the existing energy landscape and the exciting potential of renewable, green, and clean energy for Vietnam’s future.

**‘Lifeblood’ of the economy**

In his opening address, Dr. Chu Van Lam, Permanent Vice President of the VEA and Chairman of the Editorial Board at Vietnam Economic Times, emphasized the urgency of developing renewable, green, and clean energy. To meet economic growth targets of over 8 per cent in 2025 and strive for double-digit growth during the period from 2026 onwards, and to respond to strategic changes in operational methods, which include education, labor, and production, primarily based on digital platforms, it is essential to adjust and plan the necessary resources more effectively. One of the most fundamental and vital resources is electricity and green, clean energy sources. To meet urgent development goals, the demand for electricity has been calculated by management agencies and experts as increasing by 12-16 per cent annually.

From a practical perspective, especially the need for electricity to support economic development, the Party, State, NA, and government have paid significant attention in recent years to developing energy sources. This is reflected in strategic orientation documents such as Politburo Resolution No. 55-NQ/TW, issued on February 11, 2020, which outlines Vietnam’s National Energy Development Strategy to 2030 with a Vision to 2045.

On May 15, 2023, the Prime Minister issued Decision No. 500/QD-TTg, approving the National Power Development Plan for 2021-2030, with a Vision for 2050 (PDP8). The plan outlines specific directions for developing energy sources, particularly prioritizing the development of renewable, green, and clean energy.

In particular, in the context of needing acceleration and breakthroughs to propel the country into a “New Era - The era of the nation’s rise”, on November 25, 2024, the 13th Central Committee of the Communist Party of Vietnam agreed to restart the Ninh Thuan Nuclear Power Project in the south-central region and continue researching Vietnam’s nuclear energy program to ensure national energy security, meet socio-economic development goals, enhance scientific and technological capacity, and contribute to sustainable national development.

Furthermore, on November 30, 2024, during the 8th session of the 15th National Assembly, the NA officially passed the amended Law on Electricity, replacing the Law on Electricity 2004. The Law on Electricity 2024, effective from February 1, 2025, is expected to resolve existing difficulties and obstacles in the power industry, ensure electricity energy security, aim for net-zero emissions, and contribute to the sustainable and efficient development of the electricity sector, ensuring sufficient electricity supply for socio-economic development and people’s daily life.

Most recently, on March 3, 2025, the government issued Decree No. 58/2025/ND-CP, providing detailed regulations on several provisions of the Law on Electricity related to the development of renewable and new energy. This Decree is an important step in promoting sustainable development in the electricity sector, ensuring energy security, and minimizing environmental impact. It also serves as a positive signal for investors in the renewable energy sector in Vietnam.

**Challenges and strategic directions**

While numerous mechanisms and policies have been introduced, discussions at the recent Forum highlighted that the development of renewable, green, and clean energy in Vietnam is currently facing significant challenges. Mr. Nguyen Anh Tuan, Vice President and General Secretary of the Vietnam Energy Association, pointed out the real risk of an electricity shortage between 2026 and 2028. This concern arises from the slow pace of electricity generation, coupled with the stagnation in the expansion of renewable energy sources.

Mr. Tuan highlighted four reasons behind this. First, the slow implementation of plans. Second, the delayed resolution of projects continues to be an issue. Third, while offshore wind energy regulations have become clearer, they remain insufficient for effective deployment. As a result, no offshore wind projects have been launched as yet, threatening the target of reaching 6,000 MW by 2030. Finally, although there is a direction to transition from coal-fired thermal power to gas-fired power, progress has been slow.

To address these obstacles in developing renewable and clean energy, on December 31, 2024, the Prime Minister issued Decision No. 1710/QD-TTg approving the task of adjusting the PDP8.

On February 19, 2025, the Council for Appraisal of the Adjustment of PDP8 unanimously approved the adjusted plan. This outlines an additional 27,747-80,819 MW of electricity generation capacity, up from the original PDP8. Notably, the adjusted plan includes the addition of the Ninh Thuan 1 and 2 Nuclear Power Plants, with a total capacity of 6,000-6,400 MW, expected to be operational between 2030 and 2035. The system will need to add approximately 4,500-5,000 MW of nuclear power in the north and around 3,000 MW in the central region by 2050, mostly in the form of small modular reactors (SMR) to provide base load power for the system.

Mr. Tuan emphasized that the adjusted PDP8 significantly increases the scale of solar and wind energy capacity, presenting a promising opportunity for investors. The pricing of electricity will vary by region, reflecting the investment signals and production costs. The draft also introduces significant expansion of pumped storage hydropower, battery storage, and flexible power sources. This opens up ample investment opportunities in new services like ancillary services for the power system and the production of new fuels, such as green hydrogen and ammonia.

To accelerate implementation, Mr. Tuan recommended quickly finalizing regulatory documents, including the amended Law on Atomic Energy and the Law on Energy Efficiency and Conservation. For subordinate documents, regulations on flexible power source pricing, pumped storage hydropower pricing, and the development of renewable and new energy sources should be issued to support their growth.

Experts attending the forum agreed that Vietnam is at a critical juncture with a major opportunity to develop green and clean energy, ensuring energy security and sustainable development. However, to successfully achieve this goal, close collaboration between the government, businesses, citizens, and professional associations is essential. With strong political will, coordinated action across ministries, and active private sector involvement both domestically and internationally, renewable and new energy will become a solid foundation, driving economic and social growth in the new era while aligning with sustainable development.

*1. Total power capacity according to the adjusted PDP8 approved by the Council for Appraisal of the Adjustment of the PDP8*

*The total power capacity to meet domestic demand by 2030 (excluding exports, co-generation, and risky thermal power) is 183,291-236,363 MW. This includes:*

*- Thermal power from coal: 31,055 MW (16.9-13.1%);*

*- Thermal power using domestic gas: 10,861 MW (5.9-4.6%);*

*- Thermal power using imported LNG: 8,824 MW (4.8-3.7%); and*

*- Hydropower: 33,294-34,667 MW (18.2-14.7%);*

*For renewable energy, biomass, waste-to-energy, geothermal power, storage, and flexible power sources:*

*- Onshore wind power: 27,791-28,058 MW (13.2-14.4%);*

*- Solar power (including concentrated solar power and rooftop solar): 46,459-73,416 MW (25.3-31.1%);*

*- Biomass, waste-to-energy, and geothermal power: 2,979-4,881 MW (1.6-2.1%);*

*- Energy storage: 12,394-22,271 MW (6.8-9.4%); and*

*- Flexible power: 2,000-3,000 MW (1.1-1.3%);*

*Regarding electricity imports, exports, and nuclear power development:*

*- Imported power: 9,360 MW (5.1-4.0% of total power capacity);*

*- Projected electricity exports: 5,000-10,000 MW; and*

*- Nuclear power: 6,000-6,400 MW, to be operational in 2030-2035;*

*2. Total installed power capacity by 2050, under the adjusted PDP8*

*- Nuclear power: 9,800 MW (1.2% of total power capacity);*

*- Thermal power from coal: 0 MW;*

*- Other thermal power: 124,374 MW (14.6% of total power capacity), including combined-cycle gas turbines + domestic gas, LNG conversion + new LNG combined-cycle gas turbines + flexible power sources;*

*- Biomass, waste, and other energy sources: 6,364 MW (0.7% of total power capacity);*

*- Hydropower: 37,154 MW (4.4% of total power capacity);*

*- Onshore and nearshore wind power: 96,645 MW (11.3% of total power capacity);*

*- Offshore wind power: 138,639 MW (16.3% of total power capacity);*

*- Concentrated solar power: 157,976 MW (18.5% of total power capacity);*

*- Rooftop solar power: 98,620 MW (16.2% of total power capacity);*

*- Pumped storage hydropower and battery storage: 112,769 MW (13.2% of total power capacity); and*

*- Imports: 30,391 MW (3.6% of total power capacity);*

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**Quang Tri approves $39 million wind power project**

*VNE*

**The project has a capacity of 26 MW.**

The People’s Committee of central Quang Tri province has approved the investment policy for SCI Huong Viet wind power project in Huong Hoa district.

The project has an estimated investment capital of over VND1 trillion ($39 million) and a capacity of 26 MW.

Construction is scheduled to commence in the fourth quarter of 2025 and the project is expected to be put into commercial operation in the fourth quarter of 2026.

With huge wind potential, Quang Tri is planned to have 31 wind power projects with a total capacity of 1,177 MW. Currently, there are 20 operational wind farms with a total capacity of over 742MW in the province.

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# LEGAL

**New economic policies take effect from May, 2025**

*VNE*

**New regulations cover statistical classification by economic sectors, foreign investors' purchase of shares of Vietnamese credit institutions, and petroleum trading.**

- Circular 07/2025/TT-BKHDT (Circular 07), issued by the Ministry of Planning and Investment (now the Ministry of Finance) on February 13, 2025, providing regulations on statistical classification according to economic types,  will takes effect from May 1, 2025.

The Circular aims to establish a unified statistical classification system for economic units, serving state statistical activities. This classification helps identify and categorize economic units with similar characteristics into corresponding economic types, providing a basis for accurate and efficient collection, analysis, and reporting of economic data.

The statistical classification system by economic type is divided into two levels:

+ Level 1 comprises four economic types namely State-owned economy, collective economy, private economy and FDI economy.

+ Level 2 consists of 17 economic types, each coded with two digits corresponding to Level 1.

- Circular 18/2025/TT-BCT issued by the Ministry of Industry and Trade on March 13, 2025, which supplements regulations on the mechanism for managing gasoline prices, will take effect from May 2, 2025.

Based on data on factors that make up gasoline prices in line with regulations and opinions participating in managing gasoline prices of the Ministry of Finance in writing, the Ministry of Industry and Trade announces the basic price and the selling price of gasoline.

In case necessary, in order to ensure the supply of gasoline for the domestic market, the Ministry of Industry and Trade shall specify the progress of importing and purchasing gasoline domestically or adjust the total minimum gasoline source for traders to implement.

Petroleum traders, petroleum distributors with petroleum warehouses owned by other petroleum traders for lease are responsible for reporting quarterly on the situation of warehouse use and lease according to the issued form to the Ministry of Industry and Trade and the Department of Industry and Trade at the warehouse lenders before the 10th of the first month of the following period.

- Under Decree No. 69/2025/ND-CP, amending several provisions of Decree No. 01/2014/ND-CP regarding foreign investment in Vietnamese financial institutions, foreign investors could only buy treasury stocks which were purchased by credit institutions before January 1, 2021.

Total foreign ownership in Vietnamese commercial banks is capped at 30 per cent, with some exceptions, while that in non-bank credit institutions is no more than 50 per cent.

In special cases involving weak or troubled financial institutions, the Prime Minister is in charge of deciding on ownership percentage of a foreign organization or a strategic foreign investor.

The new decree also paves the way for foreign ownership in commercial banks undergoing mandatory transfers to exceed 30 per cent but not surpass 49 per cent of charter capital, provided the bank is not majority state-owned.

If foreign investors surpass the regulated thresholds, they must reduce their ownership percentage within six months to comply with the limits.

The decree will come into effect on May 19.

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**New regulations on regulatory sandbox mechanism in banking sector**

*VNE*

**The new regulations outlined in Government Decree No. 94/2025/ND-CP, dated April 29, 2025, which will take effect from July 1.**

The Government has issued Decree No. 94/2025/ND-CP on regulatory sandbox mechanism in the banking sector.

The  Decree, which was dated April 29, 2025, and will take effect on July 1, 2025,   covers regulations on the regulatory sandbox mechanism in the banking sector for the deployment .of new products, services, and business models via the application of financial technology or fintech,  according to the Government News.

Fintech solutions eligible for testing under the sandbox mechanism include:

a) Credit scoring;

b) Data sharing via open application programming interfaces (Open API);

c) Peer-to-peer (P2P) lending.

The Decree shall be applicable for the following entities: Credit institutions and foreign bank branches as defined under the Law on Credit Institutions (excluding those involved in P2P lending); Fintech companies; Competent state authorities; Customers and other organizations and individuals related to the sandbox mechanism.

The mechanism aims to promote innovation and modernization in the banking sector, thereby helping to achieve the goal of financial inclusion for individuals and businesses towards a transparent, convenient, safe, efficient, and low-cost manner.

It also creates an experimental environment to assess the risks, costs, and benefits of Fintech solutions and supports the development and creation of Fintech solutions that align with market needs, legal framework, and regulatory requirements.

It also targets to minimize the risks faced by customers when using Fintech solutions provided by organizations participating in the sandbox.

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