VIETNAM – NEWS AND REGULATIONS

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Dr. Oliver Massmann

International Attorney at Law
Certified Financial Accountant and Auditor

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# TOP NEWS

## VIETNAM - OFFSHORE WIND ENERGY - ELECTRICITY GENERATION PRICE APPROVED

*Dr. Oliver Massmann - Duane Morris Vietnam*

On 26 June 2025, the Ministry of Industry and Trade (MOIT) issued Decision No. 1824/QD-BCT approving the electricity generation price framework for offshore wind power projects in 2025 (“**Decision 1824**”). Decision 1824 sets out ceiling tariffs for offshore wind power projects in different regions, reflecting the differences in investment and operating conditions. According to Decision 1824, the ceiling tariffs of offshore wind power projects are as below:

|  |  |  |  |
| --- | --- | --- | --- |
| **Regions** | **North region** | **Southern region** | **South Central region** |
| **Ceiling tariffs** | VND3,975.1/kWh, equivalent to 15.49 US cents/kWh | VND3,868.5/kWh, equivalent to 15.07 US cents/kWh | VND3,078.9/kWh, equivalent to 11.99 US cents/kWh |

It is worth noting that these ceiling tariffs match the previous proposal of Electricity Vietnam (EVN). According to EVN, the development of the electricity generation price framework is based on the calculation of the average investment rate for offshore wind power development in Vietnam, currently estimated at VND93,565 million per kW, equivalent to VND93 billion per MW, according to the exchange rate of VND25,450/USD. According to Decision 1824, EVN and offshore wind power generators will sign power purchase agreements on the basis of compliance with the price framework as set out by the MOIT.

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Please do not hesitate to contact Dr. Oliver Massmann under omassmann@duanemorris.com if you have any questions on the above. Dr. Oliver Massmann is the General Director of Duane Morris Vietnam LLC.

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# BANKING & FINANCE

# Central bank cuts lending rate for social housing buyers

*VNE*

**The interest rate of 5.9% per year is applied from July 1 to December 31, 2025.**

The State Bank of Vietnam (SBV) has cut preferential interest rates to support young people purchasing social housing.

According to the central bank’s Document issued on June 24, individuals under 35 taking loans to purchase social housing will benefit from an annual interest rate of 5.9% during the first five years from the disbursement date.

Previously, the applicable rate until June 30 was 6.1% per year.

The new rate is applied from July 1 until December 31, 2025.

The rate is 2 percentage points lower than the average medium- and long-term lending rate in VND of the four state-owned commercial banks (Agribank, BIDV, Vietcombank and VietinBank).

For the following ten years, the rate will remain 1 percentage point lower than the same benchmark rate.

On the same day, the central bank also set preferential lending rates for loans governed by the Government's Resolution 33/NQ-CP on the development of social housing, worker housing, and the renovation and reconstruction of old apartment blocks. Specifically, buyers of homes in these projects will be eligible for loans at an interest rate of 5.9% per year, while project developers will be offered loans at 6.4% per year.

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**Public investment capital disbursement reaches $10.2 bln in H1**

*VNE*

**The disbursement equivalent to 32.5% of the target assigned by the Prime Minister.**

Vietnam’s public investment efforts are gaining significant results, with total capital disbursed in the first six months of 2025 estimated at over VND268.1 trillion ($10.23 billion), according to a new report from the Ministry of Finance (MoF).

The figure accounted for 29.6% of the yearly plan and 32.5% of the target assigned by the Prime Minister, marking a stronger pace than the same period last year when disbursement stood at 26.4% of the plan and 28.2% of the Government’s allocation.

During the period, 10 ministries and central agencies, and 37 provinces and centrally-run cities (these are former provinces and cities before the announcement of the merger of local administrative units on June 30, 2025) recorded disbursement rates meeting or exceeding the national average.

Exceptional disbursement rates were seen in such localities as Phu Tho (85.7%), Ha Tinh (75.6%), Lao Cai (66.6%), Thai Nguyen (51%), and Nam Dinh (50.4%).

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# ECONOMY

**Việt Nam targets $3.3 billion in rubber exports this year**

*VNS*

To reach the export target, the rubber sector needs to focus on various measures tailored to each key market such as the European Union (EU), with an emphasis on high-quality products that comply with the EU Deforestation Regulation (EUDR), starting in 2026.

To achieve its 2025 rubber export target of US$3.3 billion – down 4.6 per cent from 2024, Việt Nam needs to strive to earn $2.1 billion in the second half of this year, according to the Ministry of Agriculture and Environment (MAE).

The export revenue in the first six months is estimated at $1.2 billion, statistics show.

The MAE said the rubber sector needs to focus on various measures tailored to each key market such as the European Union (EU), with an emphasis on high-quality products that comply with the EU Deforestation Regulation (EUDR), starting in 2026.

The EU remains a strategic market, accounting for 7.4 per cent of Việt Nam’s total rubber export value. Notably, 95 per cent of the rubber exports to the EU are high-value-added products. However, maintaining and expanding the market share in the EU will require strict compliance with the EUDR, which mandates full traceability and assurance that production does not contribute to deforestation.

Việt Nam's rubber supply chain is still complex, with 63 per cent of raw materials sourced from smallholders and 37 per cent from large-scale plantations. Imported rubber, mainly from Cambodia and to a lesser extent from Laos, also contributes to the domestic processing supply.

According to Forest Trends expert Nguyễn Vinh Quang, ensuring EUDR compliance will require strict monitoring of imported raw materials, down to each cultivation plot.

Efforts are underway to develop EUDR-compliant production models. Large-scaled plantations under the Vietnam Rubber Group are leading in standardisation, while several private companies such as Mai Vĩnh, Việt Sing, and Thuận Lợi are working closely with smallholders and purchasing agents to establish traceable and legal supply chains.

These compliant rubber products are already being exported to the EU at premiums of $150–300 per tonne compared to conventional rubber.

"Demand is increasing. We’re planning to expand production to satisfy the market,” said Đặng Thị Hoa Mai, Director of the Mai Vĩnh Company.

Phan Trần Hồng Vân of the Vietnam Rubber Association (VRA) affirmed the association’s commitment to supporting stakeholders in meeting the EUDR and other global market requirements, adding international cooperation and shared experience will be key to building a sustainable and transparent rubber supply chain.

Experts also emphasised the need for technical and financial support for private companies and smallholders, as well as the development of a unified national traceability platform. Public-private partnerships should be expanded to strengthen connections between domestic producers and major markets such as China, the US, and the EU.

The MAE said it is also encouraging innovation in processing and quality improvement to help Vietnamese rubber products penetrate mid- and high-end segments in markets like Spain and Italy, especially in fashion and home goods.

It will also support businesses in building brands and achieving international certificates such as the Forest Stewardship Council (FSC) one for sustainable management, contributing to expanding market share and enhancing the position of the Vietnamese rubber industry in the international market.

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**Coffee exports reach historic $5.5B milestone**

*VE*

Vietnam’s coffee exports in the first six months were worth US$5.5 billion for the first time ever though global prices have plummeted.

The figure is double from the same period last year, and even higher than the $5.4 billion recorded in the whole of last year, according to the Ministry of Agriculture and Environment.

This means the coffee industry has achieved its full-year exports target within the first half.

Domestic prices too have crashed. Green coffee bean prices in the Central Highlands fell to VND94,500 (US$3.62) per kilogram Monday, the lowest this year and 30% down from this year’s peak of VND135,400 in March.

Globally, robusta coffee prices for July delivery fell by 30.9% to $3,661 per ton and September delivery to $3,593, the steepest fall in over a year.

The jump in exports has been due to large orders from key markets like the U.S., Europe, Japan, South Korea, and China.

The ministry credited this to a strategic focus on high-value products such as specialty, instant and deeply processed coffees.

It expected whole-year exports to rise by 37% to $7.5 billion.

The U.S. remained the main market for Vietnam’s processed and specialty coffees, particularly instant and high-end varieties.

But the ministry cautioned that some U.S. buyers are exploring alternative suppliers, urging companies to strengthen their competitiveness.

Northeast Asia, including Japan, China and South Korea, is emerging as a major market for Vietnamese robusta, and new markets such as the Philippines and Thailand also show high potential for growth.

But inadequate supply could be a hurdle, according to industry insiders.

Nguyen Nam Hai, chairman of the Vietnam Coffee Cocoa Association, attributed the [recent price drop](https://e.vnexpress.net/news/business/economy/vietnam-coffee-prices-drop-14-in-a-week-as-global-rates-hit-lowest-level-of-the-year-4905216.html) to external factors, primarily Brazil’s bumper harvest and Indonesia’s large inventories and a stronger U.S. dollar, prompting speculators to cash in profits and pressure the coffee market.

"If prices continue to decline, the next crop cycle could be affected as farmers cut back on investments, impacting yield and quality."

To sustain exports, the agriculture ministry recommended prioritizing high-value processed products, expansion into new export markets and proactively adopting measures to navigate global economic uncertainties.

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# INVESTMENT

**Singapore group Makara Capital eyes to mobilize up to $7B for Vietnam investment**

*VNA*

Singapore conglomerate Makara Capital Partners is poised to mobilize $5-7 billion for investment in various projects across Vietnam.

Its chairman and CEO Ali Ijaz Ahmad and other company leaders expressed the interest in Vietnam at a meeting with Prime Minister Pham Minh Chinh in Hanoi Wednesday.

The leaders said the group is a major player in Singapore, operating in fund and asset management, investment, financial structuring, and advisory services. They emphasized that the company has thoroughly studied the Vietnamese market and strongly believes in the country’s strategic development direction, long-term vision, and growth aspirations.

The group is actively promoting an investment project to develop a biopharmaceutical industrial park in the northern province of Hung Yen. In addition, it is engaging with relevant Vietnamese agencies and localities to collaborate on energy and infrastructure projects, support bank restructuring efforts, and participate in the development of an international financial center in Vietnam.

These initiatives could mobilize an estimated total investment of between US$5 and $7 billion.

Prime Minister Pham Minh Chinh asked Makara Capital Partners to promptly make investment decisions and expand operations in Vietnam, particularly in priority sectors, in the spirit of "working together, benefiting together, winning together, and sharing joy and happiness."

Chinh reiterated the Vietnamese Government’s commitment to accompanying and facilitating effective and successful investments by the group in the country. He affirmed that Vietnam guarantees the legitimate rights and interests of investors based on three principles: codifying regulations into law, aligning with market mechanisms, and harmonizing regulations with international standards.

He welcomed Makara Capital’s interest and affirmed that the sectors the group is targeting such as biopharmaceuticals and international financial center development align with Vietnam’s priorities for fast, green, and sustainable development.

He briefed the guests on Vietnam’s socio-economic development strategy, foreign and national defense policies. He noted that Vietnam is pursuing three strategic breakthroughs namely institutional reform, infrastructure development, and human resource training.

At the same time, the country is undergoing a "revolution" in administrative structure, organizing the two-tier local administration model, and implementing four key resolutions for rapid and sustainable growth, he added.

Vietnam is targeting a GDP growth of at least [8% this year](https://e.vnexpress.net/news/business/economy/vietnam-stands-firm-on-8-gdp-growth-goal-4873043.html) and double-digit expansion in subsequent years, striving to become a high-income developed nation by 2045.

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**Provincial mergers strengthen appeal to foreign investors**

*VNS*

Following provincial mergers, many localities are expected to capitalise on their consolidated strengths and resources to enhance their appeal to foreign direct investment (FDI), driving broader socio-economic development across the regions.

**Competing to attract FDI**

On June 30, localities across Việt Nam announced resolutions on the merger of administrative units, marking a significant step in the country's efforts to streamline governance and promote regional development. Following the restructuring, Việt Nam now comprises 34 provinces and centrally-governed cities.

More than a routine administrative reform, the mergers are viewed as a strategic move to create localities with greater scale, connectivity and development potential.

Experts believe the newly formed administrative units could serve as new growth poles on the national economic map and provide a stronger foundation for attracting FDI.

As of the end of May 2025, HCM City led the country in cumulative FDI, with registered capital totaling over US$59.72 billion. Other provinces in the top 10 include Hà Nội ($45.37 billion), Bình Dương ($42.85 billion), Đồng Nai ($38.86 billion), Bà Rịa-Vũng Tàu ($38.19 billion), Hải Phòng ($32.96 billion), Bắc Ninh ($32.26 billion), Quảng Ninh ($16.44 billion), Thanh Hóa ($15.77 billion), and Long An ($14.56 billion).

However, looking at FDI inflows during the first five months of 2025, Hà Nội led the way, followed by Bắc Ninh, HCM City, Đồng Nai, Bà Rịa-Vũng Tàu, Hà Nam, Hải Phòng, Hưng Yên, Long An, and Tây Ninh.

After June 30, the provincial rankings for FDI are expected to undergo significant shifts, though HCM City is expected to maintain its top position as the country’s economic powerhouse.

With the merger of Bình Dương and Bà Rịa-Vũng Tàu into HCM City, the combined registered FDI capital now totals approximately $143.28 billion, representing nearly 28 per cent of the total FDI registered in Việt Nam. Bình Dương contributes an additional $42.85 billion, while Bà Rịa-Vũng Tàu adds $38.19 billion, further strengthening HCM City’s competitive advantage in attracting foreign investment.

This large-scale merger positions HCM City to continue leading the nation in FDI attraction, backed by greater scale and enhanced regional connectivity, experts have said.

The historic mergers also create fresh opportunities for other localities. Bắc Ninh and Bắc Giang, for example, are expected to rise substantially in the rankings. Currently, Bắc Ninh ranks seventh with cumulative FDI, while Bắc Giang sits at 11th with over $13.8 billion. Combined, their FDI capital will exceed $46 billion, surpassing Quảng Ninh, which currently attracts $16.44 billion and ranks eighth, as well as Thanh Hóa and Long An.

Meanwhile, Hải Phòng’s merger with Hải Dương, which adds $11.53 billion in registered capital, will raise the total FDI attraction to over $44.48 billion, positioning it close to Hà Nội and securing a strong spot among the country’s top investment hubs.

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| --- |
| Workers at a Jia Hsin Co factory in Long An Province produce a batch of foam slippers for export. — VNA/VNS Photo |

**Teaming up to lure FDI**

Analysts said that the administrative mergers are doing more than redrawing maps- they are unlocking new potential for localities to attract FDI and accelerate socio-economic development across the country.

A prime example is the merger of Bắc Ninh and Bắc Giang. Bắc Ninh has long been recognised as a hub for major foreign investors like Samsung, Canon, Foxconn, and Goertek. Meanwhile, Bắc Giang, a relatively new player in the FDI landscape, has made remarkable strides in recent years. Thanks to proactive leadership, improvements in the business environment, and comprehensive provincial planning, Bắc Giang has transformed into a magnet for leading global technology corporations, including HanaMicron, Foxconn and Luxshare.

At the 26th Conference of the 19th Bắc Giang Provincial Party Committee held on June 26, Party Secretary Nguyễn Văn Gấu emphasised the importance of preparing for the administrative merger. This milestone is expected to catalyse the new administrative unit’s ability to swift drive GRDP growth and boost investment.

In the first half of 2025, Bắc Giang recorded an impressive GRDP growth rate of 14.04 per cent, ranking among the highest nationwide. Bắc Ninh also posted strong growth at 9.18 per cent.

The synergy between the two, combined with dynamic local leadership, positions the new merged locality, named Bắc Ninh, to become the electronics and semiconductor capital of the North, analysts said.

Meanwhile, Hưng Yên is emerging as a promising investment destination, buoyed by high-profile projects like the billion-dollar Trump Organization development and key industrial initiatives such as Sumitomo Group’s Thăng Long II Industrial Park. The neighbouring province of Thái Bình, merged with Hưng Yên, also attracts investors, including the 2023 investment by Compal Group - Apple’s manufacturing partner - with a $260 million project.

Similarly, Phú Thọ - traditionally a modest investment destination - is gaining momentum with major projects like those from BYD Group. Its merger with Vĩnh Phúc, which hosts renowned companies such as Honda, Toyota, and Piaggio, has created a strong combined investment hub poised for future growth.

In the south, HCM City’s expanded strength following its merger with Bình Dương and Bà Rịa-Vũng Tàu is complemented by new opportunities in Đồng Nai (merged with Bình Phước) and Tây Ninh (merged with Long An). These localities are expected to become powerful magnets for foreign investment.

Experts noted that while combined scale and resources will enhance localities’ appeal, successful FDI attraction will require ongoing efforts.

Improving the investment climate, upgrading infrastructure, securing land and human resources, and accelerating planning processes will be critical. With these measures, the merged provinces will be better equipped to attract and sustain foreign investment flows, they said.

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# PROPERTY

**Free Trade Zone to be established in Hai Phong city**

*VNE*

*The National Assembly has approved a resolution on special mechanisms and policies for development of the northern port city..*

The National Assembly on June 27 approved a resolution on several pilot special mechanisms and policies for the development of northern Hai Phong City, including a free trade zone (FTZ).

The projected FTZ is allowed to pilot special mechanisms and policies to attract investment and spur exports and research and development activities.

It would include several functional areas such as a production zone, a port and port logistics zone, a commercial and services zone, along with other types of functional zones in accordance with legal regulations.

Businesses operating in the FTZ are entitled to various incentives in terms of administrative procedures, work permits, land use fees and tax.

The resolution also outlines other special policies to accelerate the development of Hai Phong, including a venture fund to invest in high-tech enterprises and startups.

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**Long An and Tay Ninh lead push for sustainable industry in south**

*VIR*

The planned merger of Long An and Tay Ninh provinces marks a major turning point for southern Vietnam’s industrial map, paving the way for a more modern and sustainable development model.

As the southern key economic region shifts towards green growth and enhanced regional integration, eco-industrial parks like [Prodezi](https://vir.com.vn/search_enginer.html?p=search&q=Prodezi) are emerging as strategic players. They stand to benefit from changes in administrative boundaries and infrastructure development, as well as from aligning with the global shift towards sustainable industrial solutions, enhancing their appeal to a new wave of foreign investment.

Under its development plan for 2021-2030, with a vision towards 2050, Tay Ninh is aiming for rapid, comprehensive, and sustainable growth, with industry and services, especially tourism, serving as key economic drivers. According to the 11th Provincial Party Congress, Tay Ninh is targeting the industrial-construction sector to make up 51-52 per cent of its economic structure by the end of the year.

Long An, meanwhile, ranks third nationally in terms of industrial park (IP) development, behind only Dong Nai and Binh Duong. By 2030, the province is expected to host 51 IPs spanning over 12,433 hectares, making it second in Vietnam by total IP area. In 2024, Long An also ranked third nationwide in the Provincial Competitiveness Index, reflecting its concerted efforts to improve the investment climate.

Both provinces are seeing rapid industrial growth and share a common vision: transitioning from traditional manufacturing to high-tech, low-emission, eco-industrial models. Their merger creates an opportunity to establish a major new industrial hub at the western gateway of Ho Chi Minh City, an integrated region spanning 8,500 square kilometres and nearly three million people.

This newly formed interprovincial area will enjoy significant infrastructure investment, including major highways like Ho Chi Minh City – Trung Luong, Ben Luc – Long Thanh, and Ho Chi Minh City's ringrRoads 3 and 4. In addition, 14 new intra-regional roads in southern Tay Ninh are under development to connect industrial clusters, residential areas, and Long An International Port, a 2,000-ha deep-sea port that is becoming a major logistics hub for the Mekong Delta. These transport links enable the optimisation of regional supply chains and allow each industrial zone to specialise and coordinate within a broader ecosystem.

Within this context, the western gateway to Ho Chi Minh City is emerging as a key connector between Tay Ninh’s high-tech manufacturing zones and the logistics and processing centre of Long An, positioning itself as a critical node in the regional industrial network.

Prodezi’s competitive edge

Located in Ben Luc district, Long An, Prodezi IP sits at the heart of this gateway. Designed as an eco-industrial park, Prodezi not only aligns with the sustainable development vision of the newly merged Tay Ninh – Long An area, but also meets the evolving expectations of next-generation investors amid a global shift towards green transition.

Prodezi is among the few IPs currently being developed from the ground up as an eco-industrial park, a model that emphasises environmental sustainability, resource and energy efficiency, and minimised waste and emissions. The park aims to source 20 per cent of its energy from rooftop solar power, treat 100 per cent of its wastewater to meet national standards (reusing 25 per cent), and pursue international green building certifications.

Companies in the park are encouraged to adopt industrial symbiosis, where businesses share and repurpose resources and waste to cut costs and improve efficiency. Partnerships with global firms such as Toho Gas, Chitose, and TA Vital are laying the foundation for symbiotic relationships in energy, wastewater treatment, and organic waste recycling. Once occupancy reaches a critical mass, Prodezi will implement cluster-based symbiosis across industries, building green factories within a resilient industrial ecosystem that is less dependent on external resources and more adaptable to global supply chain disruptions.

The Long An – Tay Ninh merger brings together complementary strengths in production capacity, logistics infrastructure, and skilled labour. Thanks to its strategic location at the intersection of industrial and logistics corridors, Prodezi is well-positioned to capitalise on these synergies.

For manufacturers, Prodezi offers seamless access to Tay Ninh’s raw material zones and Long An’s seaports, facilitating efficient supply chains across the Southeast region. With ample land and improving infrastructure, the park is also ideal for developing distribution centres, smart warehouses, and supply chain support services, enhancing logistics performance.

Following the merger, the region is poised to become one of the first in the Mekong Delta to adopt a province-wide eco-industrial planning model. Projects like Prodezi are well positioned to attract high-tech and sustainability-driven investors looking for green, stable investment destinations.

Spanning 400ha, Prodezi aims to host hundreds of manufacturers and support service providers with a projected total investment of $800 million to $1.5 billion.

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

# Japanese firm to develop renewable energy in Vietnam

***VNE***

## The move demonstrates its commitment to supporting Vietnam in its goal of achieving net-zero emissions and promoting sustainable development.

The Japanese corporation Hioki, a manufacturer of electrical test and measuring solutions, has officially announced the establishment of its Vietnamese subsidiary, Hioki Electric Vietnam.

The move demonstrates its commitment to supporting Vietnam in its goal of achieving net-zero emissions and promoting sustainable development.

Since its commitment at the COP26 conference to achieve net-zero emissions by 2050, the Vietnamese government has intensified the implementation of numerous measures and actions to promote a green energy transition. As a result, Vietnam has increasingly become a promising market, attracting waves of investment and participation of international companies, particularly in the renewable energy and sustainable development sectors.

Mr. Takahiro Okazawa, President of Hioki Corporation, shared that Vietnam is the 11th country where the corporation has established a subsidiary.

"We consider the Vietnamese market a key market with strong future growth potential, thanks to the efforts of both the government and the private sector to promote carbon neutrality, coupled with the rising wave of investment and entry from foreign companies," he said.

Specifically, he added, in the future, the corporation aims to contribute to the creation and development of power sources from renewable energy, rather than fossil fuels, not only in Japan but also in many other countries, including Vietnam.

The first step is to expand the sales network in the Vietnamese market, because as the President of Hioki said, because many global companies, for instance those from China, South Korea, the US, and Europe, are currently entering the Vietnamese market.

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**EVN and KfW Sign Loan Agreement for Tri An Hydropower Plant Expansion Project**

*Vietnamwenergy*

On June 24, 2025, in Frankfurt (Federal Republic of Germany), Vietnam Electricity (EVN) and the German Development Bank (KfW) signed a loan agreement worth EUR 65 million for the Tri An Hydropower Plant Expansion Project. This is the first project for which EVN has received direct financing from KfW without a government guarantee, marking a significant milestone in enhancing EVN’s financial credibility and its ability to access international capital markets.

The Tri An Hydropower Plant Expansion Project, invested by Vietnam Electricity (EVN), is being implemented in Dong Nai Province. It is the final hydropower project in the cascade system along the Dong Nai River before the river flows into Ho Chi Minh City. The plant has a designed capacity of 200 MW and is constructed in parallel with the existing Tri An Hydropower Plant. The project aims to enhance the efficiency of water resource utilization, add capacity to the national power system, and contribute to reducing greenhouse gas emissions.

The investment objective of the Tri An Hydropower Plant Expansion Project is to contribute to ensuring a stable and cost-effective electricity supply, while being environmentally and socially sustainable, aligning with Vietnam’s power sector's sustainable development orientation.

The project is being implemented in full compliance with Vietnamese legal regulations, meets current technical standards, and adheres to international engineering practices, as well as environmental and social standards, by KfW’s Sustainability Guidelines, as the lending institution.

The signing of this loan agreement marks a significant milestone in the implementation of the Tri An Hydropower Plant Expansion Project and further strengthens the long-standing, effective partnership between Vietnam Electricity (EVN) and the German Development Bank (KfW) in advancing sustainable energy development.

KfW is one of the largest development banks in the Federal Republic of Germany. In Vietnam, EVN is considered one of KfW’s most important and strategic partners. Since 2009, KfW has signed nine financing agreements with EVN, including both ODA loans and non-repayable grants, with a total value of up to EUR 891.5 million. Of these, six projects have been completed and disbursed, making significant contributions to the modernization of Vietnam’s energy infrastructure and the country’s green transition.

For upcoming projects, KfW has committed approximately EUR 800 million, including ODA funding, concessional loans, and non-sovereign loans to support EVN and its subsidiary corporations in implementing new energy projects shortly.

The key milestones of the Tri An Hydropower Plant Expansion Project are expected as follows:

* June 2025: Commencement of construction for the main components of the project.
* Q3 2027: Commercial operation of Unit 1.
* Q4 2027: Commissioning of Unit 2 and completion of the entire project.

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# LEGAL

**Legislative overhaul aims to boost public investment and efficiency**

*VIR*

The National Assembly approved a comprehensive legislative act amending eight major laws on June 25 in a concerted effort to remove legal bottlenecks, enhance governance flexibility, and accelerate project implementation across critical sectors.

The landmark legislative act, commonly referred to as the ‘one law amending eight laws’, received overwhelming support from legislators.

It introduces revisions and supplements to the Law on Public Procurement, the Law on Investment under the Public-Private Partnership Model (PPP Law), the Law on Customs, the Law on Value-Added Tax, the Law on Export and Import Duties, the Law on Investment, the Law on Public Investment, and the Law on Management and Use of Public Assets.

The amended legislation is scheduled to take effect on July 1.

Presenting the bill before the National Assembly, Minister of Finance Nguyen Van Thang noted that key amendments to the Law on Public Procurement are designed to grant greater autonomy to state-owned enterprises (SOEs) in procurement activities, specifically for projects that do not use state budget funds.

“SOEs are now allowed to independently determine their contractor selection methods, provided transparency, effectiveness, and accountability are maintained."

"For projects that involve state funding, all procurement activities, regardless of the implementing entity, must still adhere strictly to the Law on Public Procurement,” said Thang.

The landmark law also strengthens oversight mechanisms, aiming to balance SOEs’ autonomy with risk prevention and efficient capital use.

Furthermore, the law grants project owners expanded authority to select simplified procurement methods such as direct appointment, ordering, and special-case selection.

Traditional methods like open bidding and competitive offers remain available, with selection tailored to the scale and nature of each contract.

The scope for applying direct appointment has also been broadened. Meanwhile, the government is tasked with issuing detailed regulations on other procurement methods, a move that is expected to help shorten timelines for public project implementation.

Amendments to the PPP Law introduce more flexible revenue-sharing mechanisms between the state and private investors in build-operate-transfer (BOT), build-transfer-operate (BTO), and build-own-operate (BOO) projects.

Accordingly, if actual revenues exceed 110–125 per cent of projections under the approved financial plan, investors must share 50 per cent of the excess with the state, after adjustments to service fees, pricing, and contract duration.

The specific rate will be determined through negotiation with competent authorities and subject to audit by the State Audit Office.

Conversely, if actual revenues fall to 75-90 per cent of projected levels, the state will cover 50 per cent of the shortfall. However, this loss-sharing mechanism does not apply when the financial plan has been adjusted based on return on equity, loan interest rates, or unfeasible debt repayment terms agreed post-contract.

For PPP projects in science and technology, the law provides further incentives. Investors will not be required to share any revenue surplus for the first three years of operation.

Moreover, if actual revenues fall below projections during this initial phase, the state will entirely compensate the shortfall.

This exceptional policy is aligned with Resolution No. 57-NQ/TW of the Politburo on [the breakthroughs](https://vir.com.vn/resilient-and-strategic-breakthroughs-99366.html) in the development of science, technology, innovation, and national digital transformation.

Among the key updates to the Law on Investment is the delegation of authority to provincial people’s committees to approve investment proposals for seven specific types of projects, which previously required the prime minister’s approval.

These include the construction of new airports or terminals with a capacity of at least one million tonnes per year; investment in commercial air transport services; construction of special seaports or ports with investment from $92 million; oil and gas processing projects; housing or urban area development projects covering at least 50 hectares or accommodating at least 15,000 residents; projects using land plots of 100ha or more; or smaller-scale projects with populations exceeding 10,000 residents.

The government is expected to issue a decree providing detailed guidance for implementation, with an emphasis on streamlining administrative procedures for investment approval and issuance of investment registration certificates.

Minister Thang noted that ministries and agencies have been instructed to eliminate at least 30 per cent of unnecessary business and investment conditions, paving the way for a more efficient and investor-friendly business environment.

Experts have praised the comprehensive amendment of eight interrelated laws under a single legislative act as a strategic move, aligned with the country’s broader institutional reform agenda.

It is also seen as crucial for boosting the disbursement of public investment, a key priority for Vietnam’s economic growth.

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**Personal ID numbers to be used as tax codes starting from July 1**

*VNE*

***This change aligns with international trends, where each citizen has a single, lifelong identification number linked to their administrative transactions and financial obligations.***

Starting from July 1, personal identification number of a citizen issued under the Law on Identification is used as his or her tax code.

This means that all individuals, including salaried employees, sole proprietors, business households, and dependents, will use their personal identification number as their sole tax identification number. This change aligns with international trends, where each citizen has a single, lifelong identification number linked to their administrative transactions and financial obligations.

According to a guidance from the tax authority, for taxpayers who have not yet been issued a tax code, the process is as follows: Business households that require tax registration along with their business registration will complete the procedure at the business registration agency as per current regulations. Meanwhile, individuals and household representatives (not classified as business households) must complete tax registration procedures before any tax liability arises.

When registering, taxpayers must accurately declare three key pieces of information: full name, date of birth, and personal identification number. This information must match the data in the National Population Database. From the moment a business household registration certificate is issued or the information is confirmed as a match, the personal identification number will officially be used as the tax code.

For individuals who were issued a tax code before July 1, 2025, if their information is already consistent with the National Population Database, the tax authority will automatically transition to using their personal identification number. This will not require any additional administrative procedures from citizens.

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