



Hanoi, 15.08.2022

VIETNAM Business & Innovation News (May - August 2022)

General information for foreign investors and businesspeople interested in Vietnam

The **World Bank** published three interesting and substantial **new reports on Vietnam's economy**:

- The **latest "Taking Stock" report** published this month offers a 6-monthly update on the macro-economic situation and, in its second part, discusses challenges in Vietnam's tertiary education sector: [Link](#)
- Vietnam - Country Climate and Development report - **Reconciling Economic Success with Climate Risks** (July, 2022): [Link](#)
- Towards a national single use plastics roadmap in Vietnam: **Strategies and options for reducing priority single-use plastics** (25 July 2022): [Link](#)

Continuing shortage of workers: A recent survey conducted by ManpowerGroup Vietnam showed that a whopping 57% of business respondents in Vietnam find it arduous to recruit workers. Hiring is expected to stay vibrant in processing, wholesale, retail, commerce, finance, banking, consulting, construction, hospitality, entertainment, and realty. (*Bao Dan Sinh*, 11.8.2022)

See more on that topic here: [Link](#) (Source: *Retailnews* 27.7.2022)

Endemic corruption and policy impasses are holding Vietnam back (Nikkei Asia - 15 July 2022):

<https://asia.nikkei.com/Opinion/Endemic-corruption-and-policy-impasses-are-holding-Vietnam-back>

Decision 687 supporting the national development plan on a circular economy, approved by the VN Government in last June. Find out what it means for businesses here: [Link](#)

Source: *Vietnam-briefing* 15.07.2022

Extended environmental tax cut to go into effect in Vietnam. As soaring energy prices aggravate inflationary pressures, the Vietnamese national assembly further increased temporary tax cut. This relief offered to the population is contrary to the country's professed ambition to get away from fossil fuels. WB advice to select other fuel taxes (instead of the environmental one) for a cut was not followed. [Link](#) (Source: *Foreignbrief* 11.7.2022)

European investors' confidence in Vietnam's growth potential - full report can be found here: [Link](#)

(Source: *Eurocham* 04.07.2022)

As Silicon Valley welcomed Vietnam leader, Hanoi tightened tech laws

Ever more restrictive regulations in the area of IT are of concern to high-tech companies in Vietnam. [Link](#) (Source: *Nikkei Asia*, 28.6.2022)

New legislation

The Vietnamese government issued Decision 450/QĐ-TTg to promote environmental protection:

[Link](#) (*Vietnam Briefing*, 01.06.2022)

More on environmental laws in Vietnam can be found here: [Link](#) (*JDSupra*, 16.5.2022)

The National Assembly (Parliament) of Vietnam adopted the revised Insurance Business Law on 16 June 2022. Find out more here: [Link](#) (Source: Lexology 01.07.2022)

Decree 35 on the management of industrial and economic zones, promulgated by the Vietnam Government on 28.5.2022, is in effect since 15 July 2022. [Link](#) (Source: Lexology 02.07.2022)

The amended IP Law approved by Vietnam National Assembly on 16.6.2022 will take effect on January 1, 2023. A consultant's analysis: [Link](#) (Source: JDSupra 13.07.2022)

Manufacturing and other sectors

Vietnam's Emerging Cosmetics Industry: Strong Potential for Growing Market

Vietnam's cosmetics market is rather young, yet is one of the most dynamic in the region. As living standards in Vietnam grow, Vietnamese consumers are becoming more aware of personal care and beauty products besides satisfying basic needs. This market with value of up to US\$ 2.3 billion in 2021 can be potential for Swiss high-end cosmetic brands.

[Link](#) Source: VN Briefing 09.08.2022

Infrastructure

The Electricity of Vietnam (EVN) will invest more in clean energy in the years ahead to meet the rising demand for power in national development. The group has submitted to the Government its proposal on mechanisms to encourage the development of renewable energy such as wind and solar power along with storage systems.

[Link](#) Source: Vietnamplus 07.06.2022

Ho Chi Minh City eyes advanced waste-management technologies

The city generates about 9,500 tons of domestic waste each day, equivalent to about 3 million tons per year. Waste management and treatment in VN is still lagged out, opportunity for advance waste management and treatment technology.

[Link](#) Source: Vietnamplus 7.7.2022

Vietnam Public investment projects a burden for contractors. Many public investment projects are running far behind schedule and cause heavy losses to contractors' capital.

[Link](#) Source: SGGP News 11.07.2022

Vietnam's cold storage industry is forecasted to expand rapidly due to high demand, however, this expansion is limited by a scarcity of suppliers. Cold storage facilities with full services and organized cold supply chains are lacking. [Link](#) Source: VN Briefing 03.8.2022

Finance, Banking and e-economy

Whereas being one of many highest adopters of digital currencies, Vietnam is just not the friendliest jurisdiction for digital forex and block-chain companies. Based on a brand new report by native information outlet VnExpress, hundreds of digital forex companies based in Vietnam have their authorized headquarters overseas.

[Link](#) Cryptocompass 15.5.2022

Vietnamese banks' plans to raise at least \$2.8 billion of capital in 2022 to fund growth can be an opportunity for foreign investors to carve a slice of economic activity in the emerging manufacturing hub.

[Link](#) Source: SPglobal 13.06.2022

Việt Nam is among world's worst performing stock markets in the first half of 2022, both market's benchmark index and liquidity plunged sharply, with the VN-Index posting a dip of over 20 per cent, making it one of the world's worst-performing stock markets.

[Link](#) Source: Vietnamnews 04.07.2022

Swiss companies in Vietnam

Vietnam carmaker VinFast said it had appointed **Credit Suisse** to arrange the issue of offshore securities to raise \$2 billion for VinFast as a part of capital to build its planned electric vehicle factory in North Carolina and fund its U.S. expansion.

[Link](#) Source: Reuters 13.07.2022

Mediterranean Shipping Co (MSC) is involved in plans to develop Vietnam's largest box port complex. Terminal Investment Limited (TIL), MSC's port subsidiary, has tied up with Vietnam National Shipping Lines and Saigon Port, to press ahead with a massive trans-shipment hub in Can Gio, to the south of Ho Chi Minh City.

[Link](#) Source: Splash247 06.07.2022

DKSH Business Unit Technology inaugurated a scientific instrumentation laboratory at Phenikaa University in Hanoi on June 9, making it the second facility of its kind in the country. The facility aims to foster collaboration between DKSH, academia, and a range of industries to increase the output of research and innovation. Source: Thanh Nien June 10, 2022

Swedish-Swiss Firm ABB Inaugurates \$6M Electrical Distribution Hub in Vietnam

ABB Group recently put into operation a manufacturing hub for electrical distribution solutions, with a total investment of \$6 million, in Vietnam's northern province of Bac Ninh. The new factory, with a total area of 15,700 square meters, is expected to replace the current ten-year-old facility.

Source: BaoDauTu Jun 1 2022, Vietnam News Jun 3, 2022

Of potential interest to Swiss companies

Green Economy Forum & Exhibition, 28-30 Nov. 2022 in HCMC/Vietnam

Find out more here about this exhibition organized by the European Chamber of Commerce in Vietnam:

<https://eurochamvn.glueup.com/event/green-economy-forum-exhibition-gefe-2022-56987/>