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• Policies •

Vietnam to Prioritize Updating Law on Social Insurance

Vietnam must prioritize updating the Law on Social Insurance, in order to develop a modern and effective labour market, Minister of Labour, War Invalids, and Social Affairs Dao Ngoc Dung ordered at a conference on January 21 to review the ministry's law building in 2020 and 2016-2020 period and preview task in 2021 and 2021-2025 term. Mr. Dung demanded that the law must follow the Communist Party of Vietnam Central Committee (CPVCC)'s Resolution 28-NQ/TW, especially on the coverage of social insurance and insurance for informal labourers. Besides, Minister Dung set other tasks on poverty standards, social policies, decree on revolution contributors, decree on representative organizations of labourers at firms, project on wage reform per the CPVCC's Resolution 27-NQ/TW, and others. (Dan Tri, MoLISA Jan 21)

National Strategy for 4th Industrial Revolution

Human resource development:

Expanding and improving the quality of undergraduate, postgraduate and vocational training programs, especially in industries serving the Fourth Industrial Revolution. Renovating and improving the quality of universal education towards increasing practical activities, especially in science, technology, engineering, and mathematics (STEM) education. Developing the internship programs in innovation support centres and start-ups. Strengthening connection for scientific research, training and production and business.

MoLISA:

Organize regular surveys and assessments on the workers' skills in line with the requirements of the Fourth Industrial Revolution and propose solutions and policies to improve the skills of the workforce. Adjust vocational training programs towards strengthening training in information technology skills, skills in applying information technology into professional activities; launch vocational training programs on priority technologies to actively participate in the Fourth Industrial Revolution. Develop re-training programs for workers to transition to jobs requiring new skills of the Fourth Industrial Revolution. Review and adjust regulations on the work permits for foreign workers with high qualifications to facilitate their work in priority technologies at innovation centres, hi-tech parks, information technology parks, and software parks of Vietnam in line with international good practices to actively participate in the Fourth Industrial Revolution. (Chinh Phu Jan 26)

Vietnam Targets toward 91.58% of Population Joining Health Insurance in 2021

The Vietnam Social Security (VSS) aims to have 91.58% of the population join health insurance this year. The sector also strives to raise the rates of labourers participating in social insurance to



35.2%, from 32.7%; and unemployment insurance to 28.5%, from 27%. (<u>en.Vietnam Plus</u>, <u>Hanoi</u> <u>Moi</u>, <u>Tap Chi Tai Chinh</u> Jan 18)

Business Sector and Labour Market

Foreign Cooperation

Vietnam, Israel Conduct Negotiation over Bilateral Labour Agreement

Vietnam and Israel on January 21 entered into virtual negotiation over a labour cooperation agreement between the two countries. During the talks, the two sides touched on policies and regulations related to labour and agreed to promote the conclusion of the negotiations and signing of the agreement at the earliest this year with a view to sending Vietnamese workers to Israel to do agriculture jobs. Israel has a high demand for foreign labourers in fields of agriculture, health, building, and restaurant. Meanwhile, Vietnam has a fertile source of diligent and well-trained labourers. (<u>Tin Tuc</u>, <u>Vietnam Plus</u> Jan 22)

Vietnam Commits Enough Supply of Skilled Labourers for Japanese Bizs: Official

The DVET, under the MoLISA, is closely cooperating with Japanese businesses in training skilled labourers and commits to meet the firms' demand for professional personnel, said DVET General Director Truong Anh Dung. The official gave the statement at a working session in Hanoi on January 20, discussing human resource preparation amid a wave of foreign investment into Vietnam. A representative for the JETRO pointed out some situations, including increasing labour costs, high turnover rate, and lack of employees in supporting industries, which hinder workforce localization of Japanese enterprises in Vietnam. Therefore, the two sides need to put forward cooperation policies concentrating on professional techniques improvement, stimulus of export of skilled labourers, and evaluation of living skills. (DVET, Bao Dan Sinh Jan 21)

IR4.0 May Kill 1/3 of Jobs in Logistics, Agro Processing in Vietnam: ADB

Industry 4.0 might destroy between a quarter and one-third of jobs in logistics and agroprocessing sectors in Vietnam, according to research by the Asian Development Bank (ADB). Nevertheless, this job reduction may generate new labour demand, thus representing positive job interests in the two fields. Mr. Andrew Jeffries, director of the Southeast Asia Energy Division at the ADB, recommended Vietnam weigh over new approaches to secure interests and social protection of semi-skilled workers, especially those who are at risk of being made redundant or need to enhance professional skills. Due to the COVID-19 fallout, Vietnam's agro-processing segment needs a tailored adjustment to fit consumer behaviour. Along with the logistics field, it should adopt e-supply chains and digital initiatives, which boost the demand for qualification and training enhancement more than ever, the ADB executive noted. Although 68% of training facilities across Vietnam reported that they have well prepared for the IR4.0, the figure is lower than that of Cambodia (73%), the Philippines (81%), and Indonesia (95%), the research indicated. (CafeF, Thuong Hieu Cong Luan, ADB, ADB Jan 20)



Pledged FDI into Vietnam May Be Higher than \$28.5B This Year: Experts

The total pledged foreign direct investment (FDI) into Vietnam may be higher than \$28.5 billion and the total disbursed FDI may exceed \$19.98 billion this year. Economists have also pointed out that Vietnam's emerging challenges are the requirements of high-skilled labourers and the synchronization of domestic supply chains. (VTV, CafeF Jan 25)

Cityland Edu Joins Switzerland's EHL to Train Hospitality Professional

Cityland Education has concluded an agreement with Switzerland-based EHL hotel school, one of the best hospitality management schools worldwide, to deploy the EHL-developed vocational education and training (VET) licensing model in Vietnam, the first of its kind in the country by far. The VET by EHL program of EHL Advisory Services is a blended skills training model based on the Swiss Competency Framework, regarded as one of the best education models in the world. (VietnamNews, BNews, Thanh Nien Jan 23)

Hong Kong Firm Starts Building \$100M Smart Device Plant in Nghe An

Nghe An province on January 21 held the groundbreaking ceremony for the smart electronic device manufacturing factory with the total investment of VND2.3 trillion (\$100 million) invested by Hong Kong-based Goertek Technology Co., Limited. The construction is scheduled to be completed and operated in June this year, providing jobs for about 30,000 labourers. (Nhan Dan Jan 21)

Japan Top Investor in Hi-tech, Industrial Parks in Vietnam's Danang City in 2020

Japan became the biggest investor in hi-tech and industrial parks in Vietnam's central coastal city of Danang last year, with 52 projects at a total registered capital of \$644.34 million, the management board of these zones in the city said on January 26. Some Japanese firms revealed that they want to select Danang city as their investment destination because they highly value human resources in the city, who operate in the information technology (IT) sector and can speak English and Japanese fluently. The Japan Business Association in Danang added that Danang city currently has a developed infrastructure system, an abundant labour forces, and various universities. (VietnamBiz Jan 26)

German Ambassador Proposes Vietnam Improve Quality of Human Resources

German Ambassador to Vietnam Guido Hildner has proposed that Vietnam should seek to improve the quality of local labour forces, revealing that the two governments will increase cooperation in the vocational training sector this year. As many as 1,000 Vietnamese postgraduate students have studied in Germany, the ambassador highlighted. He also estimated that trade cooperation between the two countries would continue developing after the signing of the EVFTA. He revealed that the two governments have also agreed to promote bilateral cooperation on (i) energy, (ii) environment, and (iii) vocational training, highlighting that the



total funding for bilateral cooperation projects would be reach EUR1 billion (\$1.21 billion). (Doanh Nghiep Hoi Nhap Jan 25)

German Firm Recruits 300 Labourers from Quang Nam Province

A German firm on January 21 held a job consultation session to recruit 300 labourers to work in the electronic spare parts production sector. This was the province's first job fair in 2021, said Mr. Vo Van Dung, director of the provincial job service centre. (<u>Dan Tri</u> Jan 21)

UNESCO's Expert Gives 2 Recommendations for Education in Vietnam

Ms. Dominique Altner, a Senior Program Specialist at the UNESCO-run International Institute for Educational Planning (IIEP), recommended two issues for developing education in Vietnam. Replying to the questions on the recommendations for Vietnam's education, the expert said that Vietnam should push the vocational training for secondary school graduates, instead of just focusing on the high school level, as well as improving the quality of vocational training to meet the demand from the labour market. (VietnamNet Jan 26)

Virus Hinders Homecoming for Tet of 193K Migrant Workers in Vietnam HCMC

Over 193,000 migrant labourers in HCMC have no intention to enjoy the coming Lunar new year (Tet holiday) at their hometowns, up 20% y/y, said Mr. Huynh Van Tuan, head of the HCMC Export Processing Zone and Industrial Park Authority (HEPZA), citing the fallout of coronavirus and natural disasters. Last year, a large number of migrant labourers who were given furloughs due to the COVID-19 pandemic visited home. Additionally, many workers want to stay back in the city to earn extra income to offset losses caused by severe floods and landslides, Mr. Tuan elaborated. According to HEPZA, the pandemic has caused 1,560 businesses citywide to lay off 14,921 employees. Of them, 133 find it hard to offer Tet bonuses while five do not pay a bonus. (CafeF, VnExpress, Doanh Nghiep Vietnam Jan 21)

Domestic News

Vietnam Has High Job Demand for IT, Banking, Insurance in 2021: Navigos

Vietnam will see high demand for recruitments for sector of information and technology (IT), banking, and life insurance, according to a recently-released report on Navigos Search. The report analysed the job demand in the fourth quarter (Q4) of 2020 and anticipated the job trends in 2021. In Q4/2020, there was a high demand for recruitment of foreign expats. Banking-finance firms pushed recruitment of foreign expats to manage the markets of their nationalities, especially Japan, South Korea, and China. Besides, IT firms boosted recruitment of European, American, and Indian staff to fulfill parts that Vietnamese staff could not do. The energy sector also sought to recruit staff from Europe, Southeast Asia, and India. The report showed that Japanese firms, especially electronics and furniture ones, resumed activities in Q4/2020, despite the COVID-19 pandemic, and boost recruitments. There was a trend of taking in staff with good





abilities in Japanese and English languages. For 2021, the trend is that industrial parks in southern localities of Binh Duong, Dong Nai, Long An, and Can Tho would receive more foreign investments, thank to Japanese firms' expansion and European, American, Chinese, and Japanese firms seeking to build factories in Vietnam. Additionally, Navigos recorded a quick recovery of recruitment in the IT industry after the COVID-19. Notably, some firms have been recruiting 1,000 IT engineers. Moreover, banks are recruiting a large number of customer care staff and IT staff to push digitalization. Besides, because of the trend of bancassurance, life insurers are pushing recruitments. (VietnamBiz, Thanh Nien, Bao Dan Sinh, Bao Dan Sinh, navigosgroup, Lao Dong Jan 25)

DVET

Vietnam Disburses VND31B from COVID-19 Relief Package of VND16T

Vietnam announced the COVID-19 relief package of VND16 trillion (\$686.7 million) for firms to borrow to pay labourers in April 2020; however, only VND31 billion has been disbursed to 207 firms to pay for 8,529 labourers. General Director Duong Quyet Thang of the Vietnam Bank for Social Policies (VBSP) made the statement at a recent conference to review the bank's performance in the last quarter of 2020. Firms blamed the harsh conditions and complicated administrative procedures of the loans for the low disbursement. (Dat Viet, CafeF, Lao Dong, VTC Jan 24)

Vietnam Generates Jobs for over 1.35M People in 2020: Dept.

Throughout 2020, Vietnam created jobs for nearly 1.35 million people, fulfilling 83% of the plan, according to the Department of Employment (DoE), under the MoLISA. Last year, the rate of trained labourers was estimated at 64.5%, up 3.3 percentage points versus 2019. By end-2020, more than 15.8 million individuals were covered by social insurance, making up 32% of people of working age; and over 13.3 million persons joined unemployment insurance, accounting for 27% of the working-age population. Last year, the COVID-19 fallout dealt a big blow to the labour market, with unpredictable unemployment, the on-record jobless rate in urban areas within the past ten years, underemployment, and pay cut. (VTV, CafeF, Nguoi Lao Dong Jan 25)

Vietnam Currently Has 24.7M Kids, 25.75% of Population

Vietnam currently has 24.78 million kids, or 25.75% of the population, reported the Department of Child Affairs, under the MoLISA, at a meeting on January 20 to review the performance in 2020 and set tasks for 2021. A survey in 2018 showed that the number of children (between five and 17 years old) working was 1.03 million, or 5.36% of all children, down 4.24 percentage points versus that in 2012. (Bao Dan Sinh, QDND, MoLISA Jan 20)

Vietnam's Agro Sector Meets/Beats All 15 Targets in 2016-2020: Minister

Vietnam's agricultural sector fulfilled and surpassed all 15 targets in the 2016-2020 period, Minister of Agriculture and Rural Development Nguyen Xuan Cuong said. Labourers in rural



areas earned an average of VND43 million (\$1,853)/person/year as of end-2020. (<u>Tap Chi Cong</u> <u>San</u> Jan 20)

Ha Giang Pushes TVET to Solve Poverty

Ha Giang province determined that TVET is the solution to poverty. In 2016-2020, Ha Giang province provided TVET to 57,458 people, boosted rate of trained labourers to 54%, provided jobs to 92,895 people. In 2020, Quang Binh district of Ha Giang hosted 33 TVET classes for 579 people and provided jobs to 3,500 labourers. (Dai Doan Ket Jan 26)

Hoa Binh Generates Jobs for 16,753 Labourers in 2020

The northern province of Hoa Binh created jobs for 16,753 people last year, which surpassed the target by 4.7%. Besides, local TVET institutes enrolled 15,895 learners, which was 2.5% above the target. The rate of trained labourers hit 56%, of which 22.64% had certificates. (<u>Bao Hoa Binh</u> Jan 20)

Hanoi Aims to Generate Jobs for 160K Labourers in 2021

Hanoi has issued Plan 17/KH-UBND, in which it set a goal of creating jobs for 160,000 labourers this year. Throughout 2021, the city strives to cut the urban unemployment rate to below 4%. The rate of trained workers citywide is aimed at 71.5%. Last year, Hanoi generated jobs for 180,578 labourers, surpassing the targeted number of 156,000 workers, Vice Chairman of the municipal People's Committee Chu Xuan Dung said. (<u>Hanoi Moi</u>)

Hanoi to Host Job Fair Recruiting over 1,000 IT Workers

Hanoi DoLISA coordinated with the Department of Employment (DoE), under the MoLISA, to host a job fair which gives 1,387 job opportunities in the Information Technology (IT) major. The job fair was held on January 21 at the Hanoi Job Service Centre and connected 15 other centres online. About 48 domestic firms joined the event and aimed to recruit workers in majors of programmers, IT, IT engineers, and designers, including 486 labourers with college and university levels, 359 technical workers and workers with intermediate qualifications, and 192 manual workers. The offered monthly wages are ranged from VND5 million to VND15 million (\$216-\$647). The DoE also launched the Employment Service Portal (ESIP) on the occasion. (Kinh Te Do Thi Jan 20)

Firms in IPs of Bac Giang Province Face Limited Local Labour Supplies

Firms in industrial parks (IPs) in Bac Giang plan to recruit 42,000 labourers in the first half of this year but they have faced limited local labour supplies, Deputy Director Nguyen Xuan Ngoc of the provincial management board of these parks said. The information was released from a meeting on January 19 between Deputy Minister Le Van Thanh of Labour, War Invalids, and Social Affairs, and local authorities in the province. The meeting took place after local





DVET

authorities licensed Foxconn, the largest supplier of U.S.-based Apple Inc, to invest \$270 million in developing a project on manufacturing iPad tablets and MacBook laptops in the locality, which is expected to lure more big techs in the locality. At the meeting, local authorities pointed out some obstacles in recruiting labourers, especially high-skilled ones, and licensing foreign workers. Deputy Minister Thanh proposed that firms should collaborate with vocational training centers to find employees. IPs in Bac Giang province has been home to 396 firms with 164,000 labourers, rising by 40,000 labourers from that in 2019. Of the total labourers, 64% are locals. Average monthly income reached VND7.5 million (\$323). (Dan Tri Jan 19)

Bac Giang Seeks to Recruit 110,000 Labourers in 2021

Bac Giang province needs to recruit 110,000 labourers in 2021, higher than 90,000 in 2020. Bac Giang currently has 6,530 firms with 272,600 labourers, up 38,000 y/y, including 383 firms within industrial parks with 163,600 labourers. Bac Giang's labour force is 1.1 million, or 62.1% of the population. The rate of trained labourers is 70%, rate of labourers with certificates is 18.6%, and unemployment rate is 3.1%. In 2020, COVID-19 impacted 163 firms and 37,093 labourers (lost or reduced jobs). (Dan Sinh Jan 20)

Ha Nam Aims to Create 17.5K Job Vacancies This Year

Ha Nam province has set a goal of generating 17,500 job vacancies and sending 1,000 labourers abroad this year, the provincial DoLISA said. Since the COVID-19 outbreak, the province has not recorded any businesses filing for bankruptcy, Director of the Ha Nam Employment Service Center Nguyen Quang Tuan said. Last year, Ha Nam created 23,300 new jobs, and more than 25,670 workers got jobs. Local authorities also issued work permits to 251 foreigners working at local enterprises. (en.Vietnam Plus Jan 19)

Thai Binh Creates Jobs for 32,600 Labourers in 2020

The northern province of Thai Binh enrolled 35,100 people for vocational training and created jobs for 32,600 labourers last year, according to the provincial DoLISA's report at a conference on January 18. (Bao Thai Binh Jan 18)

Bac Ninh Creates Jobs for 27,500 Labourers in 2020

The northern province of Bac Ninh generated jobs for 27,500 labourers in 2020, meeting 100% of the target, and reduced the unemployment rate to 1.74%. This year, the province targets to create jobs for 28,000 labourers and increase the rate of trained labourers to 76%. (Bao Dan Sinh Jan 23)

VND9B TVET Institute for People with Disabilities in Ha Tinh Left Deserted

A TVET institute with a total investment of VND9 billion in Nghi Xuan district, central Ha Tinh province has left deserted for two years. In early 2020, the facility was used as an isolation place





amid COVID-19. The provincial People's Committee has assigned the local Department of Planning and Investment to rebuild the planning for the institute to carry out the second phase of the project with an investment of VND40 billion. (<u>VnExpress</u> Jan 21)

Khanh Hoa Aims to Provide TVET to 29,450 People in 2021

The central province of Khanh Hoa has set a target to provide TVET to over 29,450 people this year, according to the provincial DoLISA. In 2020, the province provided TVET to 29,800 people, including 7,700 at the college level and 22,100 at the intermediate and regular training levels. Such training contributed to raising the trained labour rate to 80%. (Bao Khanh Hoa Jan 24)

1,000 Labourers in Dong Nai Go on Strike on Low Holiday Bonus on Jan 20

1,000 labourers of Great Kingdom Giang Dien Co., Ltd, which is based in Dong Nai province, made a labour strike on January 20 as the firm announced lower Lunar New Year (Tet Holiday 2021) bonus. The firm, which specializes in producing wooden goods for export and has about 2,000 staff, announced Tet Holiday 2021 bonuses of one-month salary, or half of those in 2020. The firm explained that COVID-19 negatively impacted its operation and hoped that labourers would understand. (Thanh Nien, Lao Dong Jan 20)

Dong Nai Focuses on TVET, Labourers' Livelihood

Dong Nai province currently has 32 industrial parks with 1,500 projects and 1.2 million labourers. The average monthly incomes of labourers are VND8 million-VND10 million. Dong Nai currently has 62 TVET units, including 12 colleges, 5 intermediate schools, 24 centres, and 21 others. Yearly, those TVET units provide 75,000 labourers. 85% of TVET graduates in Dong Nai have stable incomes, especially in jobs of electronics, electricity, and others. (Dong Nai Jan 25)

Digital Transformation Set to Contribute Quarter of Vietnam HCMC's GRDP in 2025

Digital transformation is expected to contribute 25% to Vietnam's southern metropolis of Ho Chi Minh City's gross regional domestic product (GRDP) in 2025. By 2025, the per capita income is set at \$13,000 in 2030 and \$37,000 in 2045. In the term of 2020-2025, HCMC has set 26 socio-economic development targets in five sectors, including the annual GRDP growth rate of 8% on average and average labour productivity growth of 7% yearly. (VietnamNet Jan 25)

Thu Duc College of Technology Seeks to Recruit 3,530 in 2021

Thu Duc College of Technology has announced the recruitment of 3,530 learners in 2021, including 3,260 for 24 college-level majors and 270 for 6 intermediate level majors. (Thanh Nien Jan 21)