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# Vietnam TVET Bulletin

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## • Policies •

### Vietnam Plans to Increase Pension for 8 Groups from 2022

The MoLISA is drafting a plan of increasing the monthly retirement pension and support by 15%, to at least VND2.5 million (\$107), for eight groups from January 1, 2022. The eight groups are (i) officials, civil servants, public employees, military officials, police officials already receive retirement pension, (ii) officials per Decrees 92/2009, 34/2019, 121/2003, and 09/1998, (iii) people with lost working abilities, (iv) official per the government's Decision 130/CP dated June 1975 and Decision 111-HDBT dated October 1981, (v) soldiers per Decree 142/2008, (vi) police officials per Decision 53/2010/QD-TTg, (vii) military, police officials per Decision 62/2011/QD-TTg, and (viii) labourers receiving monthly pension for occupational accidents, diseases. The move follows the plan of increasing basic wages. (NDH, VietnamNet, Nguoi Lao Dong, Bao Dan Sinh May 5)

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### Vietnam to Update Penalties on Labour Violations

Vietnam's Prime Minister has asked the MoLISA to update the government's Decree 28/2020/ND-CP on penalties against violations in labour, social insurance, bringing Vietnamese people abroad to work. The update follows the implementation of the International Labour Organization (ILO)'s Convention 98. The MoLISA is ordered to update the rules to fix and prevent labour discrimination against labourers' organizations, collective labour agreement, and others. The deadline is in 2021-2022. Besides, the MoLISA has another task of issuing detailed rules of implementing the Labour Code 2019, particularly contents about collective labour agreement, labourers' organizations, solutions to labour conflicts, and others. The deadline is in 2020-2021. (BNews, Bao Chinh Phu, Hanoi Moi, Thu Vien Phap Luat May 10)

#### Vietnam Labour Confederation Demands Safety for Labourers amid COVID-19

The Vietnam General Confederation of Labour (VGCL) has demanded its units to stay vigilant and raise the awareness to protect labourers, amid the complicated developments of the COVID-19 pandemic. The VGCL asked units to let labourers work without any complacency in preventing COVID-19; closely follow anti-COVID-19 rules, especially rule of wearing facemasks; beware of illegal immigrants and inform the authorities; and timely inform the authorities of any COVID-19 suspicious cases. The confederation also asked units to build plans of responding to, taking care of, and not discriminating COVID-19 patients; and to closely monitor and manage quarantine of expatriates. (<u>Tuoi Tre, Tin Tuc, QDND</u>) May 7)

#### DoLAB Asks Bizs to Check Labourers' Virus-19 Infection Risks before Sending abroad





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The DoLAB, under the MoLISA, has asked labour export firms to check labourers' COVID-19 infection risks before sending them abroad. The DoLAB made the request amid the new complicated developments of the pandemic in many countries worldwide, especially in Asian countries near and bordering Vietnam. (Nguoi Lao Dong, VnEconomy, Dang Cong San, Dan Tri May 9)

#### 39 Localities in Vietnam Close School due to COVID-19 as of May 10

As of May 10, 39 out of 63 localities in Vietnam have suspended schools and let students stay home due to the complicated developments of the COVID-19 pandemic. They are Ba Ria-Vung Tau, Bac Giang, Bac Lieu, Bac Ninh, Can Tho, Danang, Dak Lak, Dien Bien, Dong Nai, Hanoi, Ha Nam, Ha Tinh, Hai Duong, Haiphong, Hau Giang, Hoa Binh, Hung Yen, Khanh Hoa, Kon Tum, Lam Dong, Lao Cai, Nam Dinh, Nghe An, Ninh Binh, Phu Tho, Phu Yen, Quang Binh, Quang Nam, Quang Ngai, Quang Ninh, Quang Tri, Soc Trang, Thai Binh, Thai Nguyen, Thanh Hoa, Thua Thien-Hue, Ho Chi Minh City, Vinh Phuc, and Yen Bai. Furthermore, 12 localities let students take early summer vacations to prevent the pandemic, including Vinh Long, Binh Dinh, Lai Chau, An Giang, Bac Lieu, Thanh Hoa, Phu Tho, Son La, Nam Dinh, Dong Thap, Tay Ninh, and Tra Vinh. (VnExpress, Nguoi Lao Dong, VTC, Zing May 11)

#### **MoLISA Appoints New Staff of TVET**

The MoLISA on April 29 held a ceremony to appoint Mr. Nguyen Quang Viet as head of the DVET's Appraisal Department and Mr. Tran Minh Thinh as head of the Teachers' Department. (Dan Sinh May 5)

#### Vietnam Records 8,380 Labour Accidents in 2020

Vietnam recorded 8,380 labour accidents with 8,610 victims and damages of VND6 trillion (\$257.64 million) in 2020, according to the MoLISA. Of which, the number of fatal accidents was 919 with 966 deaths and 1,897 injuries. However, there were only 17 accidents, which were later prosecuted, fixed, and compensated labourers. Employers and employees accounted for 44.97% and 23.85% of mistakes leading to labour accidents. Other causes were traffic accidents, other people, and other factors. (VnEconomy, VnEconomy May 5)

#### Business Sector and Labour Market

#### Foreign Cooperation

#### Vietnam Joins ASEAN's Workshop on Gender Equality on May 4

Deputy Minister of Labour, War Invalids and Social Affairs Nguyen Thi Ha on May 4 attended and delivered her opening speech at the virtual training workshop of ASEAN Guideline on Gender Mainstream into Labour and Employer Policies towards Decent Work for all. The event was co-hosted by Vietnam's MoLISA and the ASEAN-Korea Cooperation Fund (AKCF),







featuring the online participation of the ASEAN Secretariat, representatives in charge of labourers and women of ASEAN countries, officials from the International Labour Organization (ILO), the UN Women in Asia-Pacific region, and others organizations and agencies. Speaking at the event, Ms. Ha praised the cooperation and assistance of the AKCF, the ILO, and the UN Women for commitments with Vietnam and ASEAN in promoting gender quality, especially in the labour sector at the national and regional level. (Bao Dan Sinh, Tuoi Tre, Nhan Dan May 4)

#### **Officials of Vietnam, South Korea Discuss Labour Cooperation**

South Korean Ambassador to Vietnam Park Noh Wan and Deputy Minister of Labour, War Invalids, and Social Affairs Le Van Thanh on May 10 had meeting to discuss labour cooperation, including labourers of one nation working in the other. Towards the 30th anniversary of the bilateral ties, Mr. Park proposed both sides extend the current memorandum of understanding (MoU) on labour cooperation and sign an agreement on social insurance. In reply, Deputy Minister Thanh stressed that COVID-19 negatively impacts traveling between the two nations, not the bilateral ties. He also hailed South Korea for doubling the quota for Vietnamese labourers in South Korea per Employment Permit System (EPS) program. Regarding problems in paperwork for South Korean experts in Vietnam, Mr. Thanh emphasized that the legal framework is the Labour Code 2019 and the government's Decree 152/2020/ND-CP. He urged the South Korean side to send profiles to the ministry for processing. (Bao Dan Sinh, MoLISA, Lao Dong Xa Hoi May 10)

#### Samsung to Operate R&D Centre in Vietnam by End-2022: General Director

Samsung Vietnam expected to inaugurate and operate a Research and Development (R&D) centre in Vietnam by the end of 2022, General Director of Samsung Vietnam Choi Joo Ho said at the meeting with Vietnamese Minister of Science and Technology Huynh Thanh Dat last week. He also noted that with the total budget of \$220 million and started in March last year, the construction has been currently completed about 31%. The general director said that besides developing software for mobile phones, the R&D centre will expand research on the Fourth Industrial Revolution (Industry 4.0) technology such as 5G, smart factories, and artificial intelligence (AI). Samsung will also partner with Vietnamese universities and train talents, he said. Mr. Choi Joo Ho hoped that the MoST would facilitate Samsung Vietnam in policy mechanisms, human resources, and others. For his part, Minister Dat praised Samsung Vietnam's efforts in supporting its science and technology operations, as well as its investment in the R&D centre's building in Vietnam. He asked Samsung to foster the coordination of the company with Vietnam universities and research institutions, and share its information and experiences in managing research projects. (MoST May 7)

#### Dong Thap to Send 62 Labourers to Work in Japan

The southern province of Dong Thap has recruited 62 labourers to work in Japan. They will learn about working-abroad orientations at end-2021 and then work in the field of food processing, packaging in Japan for three years. (<u>Dan Sinh</u> May 6)



Domestic News

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#### Minister Dao Ngoc Dung Stresses Significance of Digital Transformation in TVET Sector

Minister of Labour, War Invalids and Social Affairs Dao Ngoc Dung, at a meeting on May 7, stressed the significance of digital transformation in the TVET sector. Minister Dung noted that digital transformation will play a core role in TVET activities and directly affect participants. (MoLISA May 7)

#### **Vocational College Suggests Methods to Boost Finance of Colleges in Vietnam**

Vietnam should be more determined in boosting the financial quality of TVET colleges, especially industrial ones, in order to match the society's demand in vocational training, said Mr. Tran Dai Nghiep from Hung Yen Industrial College. He listed problems that only 4%-5% of industrial TVET colleges in Vietnam have financial autonomy and fulfil the training qualities. Mr. Nghiep noted that the government and local authorities should be more forceful in merging and dissolving ineffective TVET colleges, in order to allocate more resources to other parts of TVET. He also suggested that the National Assembly and the Government should be more forceful in rating TVET projects and then halting ineffective ones, to a bid to allocate more funds for TVET colleges to borrow to improve themselves. Mr. Nghiep added that the Government, the Ministry of Finance, and the State Bank of Vietnam should boost lending for TVET learners, especially the ones planning to work abroad. Besides, he recommended that the authorities should switch from financing TVET units to financing TVET learners. (Tap Chi Tai Chinh May 9)

#### Structure of Vietnam's Vocational Training Ineffective: Expert

The structure of Vietnam's vocational training sector, especially colleges, is ineffective; and colleges should qualify as part of higher education, said Dr. Tran Duc Canh, former admissions advisor to Harvard University. Dr. Canh said that the authorities have been slow at updating vocational training per the socioeconomic development and businesses' demand. For solutions, he suggested that the sector should embrace the participation of businesses, let localities conduct their own plans, and build a system of responsibility and transparency for the sector. Vietnam currently has over 1,900 vocational training units, including colleges, schools, and centres. (Giao Duc Thoi Dai May 8)

#### 9+ Training Model Brings Benefits to Secondary School Graduates

The 9+ training model, which is popular in developed countries such as Japan, Germany, and Singapore, has been more widely applied in Vietnam, helping categorize labourers right at the secondary school level and ease career competition for students. (<u>Tuoi Tre</u> May 7)

#### **Firms Support TVET Institutes in Training Learners**





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Firms across Vietnam in 2020 received over 52,000 students to do internship and supported the building and amendments of curricular at all levels. 229 firms promised to receive 12,300 learners and recruited over 16,000 graduates. Besides, firms granted VND8 billion for training equipment and materials for TVET institutes. (VOV May 9)

#### Vietnam Bank for Social Policies Disburses VND43B of VND16T Package: SBV

Vietnam Bank for Social Policies (VBSP), one of the two social policy banks under the government, has so far disbursed only VND43 billion (\$1.86 million) out of a soft loan package worth VND16 trillion for those firms which borrow to pay wages for labourers due to the impacts of COVID-19. The VBSP disbursed such funds for wages for 11,276 labourers, who had jobs ceased due to the pandemic. (Tuoi Tre May 9)

#### 40% of Facebook-based SMEs in Vietnam Furlough Staff in Feb over COVID-19

As many as 40% of small-and medium-sized enterprises (SMEs) operating in Facebook in Vietnam laid off their staff in February due to the COVID-19 fallout, while the average global rate was 30%, according to the State of Small Business report conducted by Facebook. In addition, 27% of Facebook-based SMEs in Vietnam furloughed all of their employees. Among dissolved firms in Vietnam, 20% of them were run by women and 25% owned by males. The report indicated that 78% of Vietnam-based SMEs with business on Facebook are operational or operating with revenues. However, 62% of them reported that their sale revenues earned in February were lower than those recorded in the same month last year and pre-pandemic. The survey showed that 19% of respondents said they could face challenges about their cash flow and that 24% were concerned about the falling demand of customers. In a more optimistic aspect, 18% of Facebook-based SMEs revealed that they re-employed labourers who were dismissed pre-pandemic over the past three months. Additionally, around 25% reported increases in revenue compared to the same period last year, and 55% sounded confident about continued operation for at least next six months with the ongoing plague. (ICT News May 7)

#### **Apparel Firms in Dire Need of Labourers on Abundant Orders**

Vietnamese apparel firms have been in a dire need of labourers as orders for export are abundant, thus they have recruited low-skilled labourers or even no-skilled labourers. Mr. Pham Xuan Hong, chairman of Saigon3 Group Investment Development Joint Stock Company-chairman of Ho Chi Minh City Association of Garments, Textiles, Embroidery and Knitting, said that all members of the association are facing a serious shortage of labourers as they suck labourers last year due to a lack of orders. Besides, a part of labourers have found other jobs in new industrial zones/projects. Similarly, Ninh Binh Garment Export Joint Stock Company has had enough orders until September, but is worrying about labour shortage. Garment 10 Corporation - Joint Stock Company is also facing difficulties in recruiting labourers to fulfil orders for the second quarter (Q2) and the whole year revenue target. (Cong Thuong May 6)



#### Pharmacity Aims for 5K Stores in Vietnam, Earning \$1.5B in Revenue by 2025

Pharmacity Pharmacy JSC (Pharmacity) has set a goal to open 5,000 stores more across Vietnam and book revenue of \$1.5 billion in the next five years. The pharmaceutical retailer also aims to generate jobs for more than 20,000 people, versus its current figure of 3,500 employees. (NDH, CafeBiz, Cong Thuong May 5)

#### Lao Cai Province to Level up TVET to Meet Market Demand

The northern province of Lao Cai will focus on enhancing TVET to serve sectors of local strengths, said Mr. Dinh Van Tho, deputy director of the provincial DoLISA. Specifically, the province will shift labourers in the agricultural and rural development sector to non-agro sectors, such as mining and mineral processing, with higher incomes and more stable jobs, contributing to reducing poverty. (Dan Tri May 11)

#### Ha Nam Boosts COVID-19 Prevention among Labourers at Local IZs

The northern province of Ha Nam has strengthened the fight against the COVID-19 pandemic among labourers at local industrial zones (IZs). Currently, the province has seven out of eight IZs operating, with over 65,000 labourers, 35% of them are from other localities. (<u>Nhan Dan</u> May 10)

#### Hai Duong Province Grants PM's Decisions on Investment Policy for 4 IZ Projects

Hai Duong province has granted the prime minister's decisions on investment policy for four industrial zone (IZ) projects, covering a total area of 760 hectares. They are the 180-hectare An Phat IZ, the 214.57-hectare Phuc Dien IZ, the 197.94-hectare Gia Loc IZ, and the 164.98-hectare Kim Thanh IZ. Until now, the prime minister approved the establishment of 18 IZs in Hai Duong with a total area of 3,517 hectares, including 14 set-up ones covering 2,567 hectares. Among them, 11 IZs with a total area of 1,732 hectares are operating with an occupancy rate of 82%. They have attracted 12 projects with a combined registered capital of VND9.12 trillion (\$393.1 million). So far, the IZs in Hai Duong province have attracted over 300 projects, including 235 foreign-invested ones worth \$4.7 billion from 21 nations and territories and 64 domestic ones worth VND17.67 trillion. Those projects create jobs for 108,000 labourers and contribute VND1.7 trillion to the state budget annually. (Cong Thuong May 10)

#### Thanh Hoa Province Oks \$107.8M Pig Farm Project

The People's Committee in Thanh Hoa province has given an in-principle nod to a local firm to conduct a pig farm project with a total investment of VND2.5 trillion (\$107.8 million). It is set to use 150 labourers and operate in 50 years. (VietnamBiz, Truyen Hinh Thanh Hoa May 7)

#### HCMC Postpones Job Skill Competition for Grade-11 Students due to COVID-19





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The DoET of HCMC on May 7 announced the suspension of a job skill competition for grade-11 students, which was earlier scheduled for May 15, due to impacts of the COVID-19 pandemic. The competition attracted registrations from 65,377 students. (<u>Tuoi Tre</u> May 7)

### HCMC's TVET Institutes Shift to Online Teaching-Learning amid COVID-19

TVET institutes in Ho Chi Minh City have shifted to online teaching-learning methods amid COVID-19 resurgence. The move came after the municipal People's Committee on May 6 directed the suspension of in-person teaching-learning activities from May 10. (<u>Dan Tri</u> May 9, <u>DVET</u> May 10)

### **Dong Thap Province to Prioritize TVET for Labourers Hit by COVID-19**

The People's Committee in the southern province of Dong Thap has required TVET institutes to prioritize training and retraining for labourers hit by COVID-19 and those of poor households, revolutionary contributors. (<u>Dan Sinh</u> May 11)