





Vietnam TVET Bulletin

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• Policies •

Vietnam Gov't Issues Resolution on Supporting Firms amid COVID

On September 9, the Vietnamese government issued Resolution 105/NQ-CP on supporting firms, cooperatives, and household businesses as the number of daily new coronavirus infections remained high. The government put forward four tasks, namely (i) facilitate the operations of firms, cooperatives, and household businesses in line with anti-pandemic measures, (ii) ensure the stable production and the smooth transportation of goods, as well as cope with the supply chain disruptions, (iii) cut costs and offer more financial support packages for firms, cooperatives, and household businesses, and (iv) create favorable conditions for laborers and experts, including foreign ones. (Bao Chinh Phu, Chinh Phu, NLD, Tuoi Tre Sep 9)

Vietnam Vocational Training Seeks to Teach 7 High School Subjects

The vocational training system in Vietnam seeks to teach seven high school subjects, in order to facilitate learners to advance their learning careers. The DVET, under the MoLISA, hosted a conference on September 8 to discuss a draft decree for such subjects. The current draft decree lets vocational training schools teach four high school subjects, which limits the opportunities of vocational training learners to advance to colleges or universities. Mr. Truong Anh Dung, general director of the DVET, said that the decree would give clear details in the minimum amount of high school knowledge to advance to colleges. He also urged vocational training learners not to solely focus on stepping up their learning careers to colleges. At the event, participants urged the MoLISA and the Ministry of Education and Training to cooperate to fix the issues. (Bao Dan Sinh, Dan Tri, TVET Sep 9)

Over 98% of Vietnamese High School Students Pass Graduation Exams in 2021

98.6% of Vietnamese students joining the national high school examination in the two phases in July and August have been qualified for graduation, up 0.2% y/y, according to the Ministry of Education and Training (MoET). Due to the COVID-19 pandemic, Vietnam held two phases of the national graduation exam, with more than 981,700 candidates joining the first phase on July 7-8 and over 11,600 others in the second one on August 6-7. The MoET also granted special graduation to 12,000 students this year. Besides, the rate of secondary school learners advancing to high schools is 97.5%. (Tuyen Giao, VietnamNet Sep 5)

Vietnam to Utilize State Budget to Increase Basic Salary from July 2022

Vietnam will increase the basic salary, which is a part of the formula to calculate salary of people under state payroll, from July 2022 and the country will utilize the state budget 2022 to facilitate the change, per the National Assembly's resolution No. 1 on state budget 2022. The basic salary



DVET

is set to go up from VND1.49 million (\$65.46) per month to VND1.6 million (\$70.17). Originally, the change was set for July 2020 but COVID-19 pandemic hurt the economy and forced the authorities to delay such raise. The raise is expected to cost VND252 trillion. (<u>Hanoi</u> <u>Times</u>, <u>Thanh Tra</u> Sep 13)

Business Sector and Labour Market

Foreign Cooperation

Vietnam Aims to Build 3 High-Quality Vocational Centers for Industry 4.0

Vietnam plans to build three high-quality vocational training centers in three regions of the nations, in order to fulfill the demand for high-quality workforce of the fourth Industrial Revolution. The Directorate of Vocational Education and Training (DVET), under the Ministry of Labor, War Invalids, and Social Affairs (MoLISA), and the Program Reform of Technical and Vocational Education and Training (TVET) in Vietnam, run by the German Agency for International Cooperation (GIZ), co-hosted an online conference on September 10 to discuss experiences in such construction. Vietnam targets to build three high-quality centers and 70 high-quality colleges in 2025. The three to-be-built centers are based on three colleges in Hanoi, Quang Ngai province, and Ho Chi Minh City. Dr. Juergen Hartwig, director of the GIZ's TVET program, introduced the model of such 1,000 centers in Germany. (Thanh Nien, Bao Dan Sinh, VietnamNet, TVET, TVET 1, Bao Chinh Phu Sep 11)

Vietnamese NA Chairman Meets with 3 Top Finnish Leaders on Sep 10

Chairman of the Vietnamese National Assembly (NA) Vuong Dinh Hue had separate meetings with Finnish Prime Minister, President, and Parliament Speaker on September 10, as part of his trip to Europe on September 6-11. Having talked with Finnish PM Sanna Marin, NA Chairman Hue stated that Vietnam wants to comprehensively foster relations with Finland in numerous areas, including startup ecosystem, sustainable development, high-technology, telecommunication, renewable energy, sewage treatment, transport, digital transformation, green and circular economy, innovation, among others. He requested Finland to offer more scholarships to Vietnam and help with high-quality human resources training, adding that young Vietnamese labor force can meet the demand of the European nation. In reply, PM Sanna Marin affirmed that her country stays willing to collaborate with Vietnam in carrying out vocational education programs and training for teachers of both sides. (Bao Quoc Te, Bao Quoc Te 1, Bao Quoc Te 2, VTV, Quoc Hoi, Quoc Hoi 1, Quoc Hoi 2, NLD, SGGP, SGGP 1, VietnamNet, Thanh Nien, BNews, BNews 1, VnEconomy Sep 11)

Vietnam NA Chair Meets Presidents of EC, EP to Boost Ties

Vietnamese National Assembly Chair Vuong Dinh Hue had separate meetings with European Council (EC) President Charles Michel and European Parliament (EP) President David Sasoli in Belgium on September 8 to discuss ways to promote cooperation. Mr. Hue hoped to receive more EU support in sustainable development, digital economy, green economy, high-quality







labor force training, and increase cooperation with the EU in dealing with climate change, including droughts in the Mekong river. (<u>Bao Quoc Te</u>, <u>SGGP</u>, <u>NLD</u>, <u>VTV</u>, <u>Vietnam Plus</u>, <u>Bao Dan Toc</u>, <u>SGGP 1</u>, <u>VTV 1</u> Sep 9)

Vietnam Sends 41,383 Laborers Abroad in Jan-Jul 2021

Vietnam sent 41,383 laborers abroad in the first seven months of 2021, including 14,912 females and reaching 45.98% of that plan for 2021, according to the Department of Overseas Labor Management (DoLAB), under the MoLISA. The figure was 781 in July, or 40.44% of that in July 2020. Taiwan was the most popular destination with 19,300; followed by Japan with 18,819. Other popular destinations are South Korea, Romania, Hungary, and Singapore. (Lao Dong, NLD Sep 8)

DVET Launches Project of Rating TVET per International Standards

The DVET, the British Council, and Ecctis have launched a Qualifications Benchmarking project. The project will rate the Vietnamese Qualifications Framework (VQF) per the standards of the UK's Regulated Qualifications Framework (RQF) and the European Qualifications Framework (EQF). It aims to improve the quality of TVET courses in Vietnam by connecting with TVET standards of the UK and the EU. The project is run at five colleges in Vietnam, namely Hanoi College of Mechanical and Electrical Engineering, Bac Giang Viet-Han Technology Vocational College, Hue Tourism College, Ba Ria-Vung Tau College of Technology, and Dalat Vocational Training College. (Dan Tri Sep 13)

Vietnam Sends 200 Caregiver Candidates to Japan on Sep 9-10

Vietnam sent 200 caregiver candidates to Japan on September 9-10, amid COVID-19 pandemic. The candidates are the 8th intake per the Vietnam-Japan Economic Partnership Agreement (VJEPA). The candidates will learn advance caregiver courses in Japan before employment. Since 2012, the program has selected and set 1,900 caregiver candidates to Japan. The next (9th) intake is learning Japanese language and is scheduled to go to Japan in mid-2022. (Dan Viet, Vietnam Plus Sep 14)

Domestic News

Vietnam's Rail Revenue Dwindles 33.6% y/y to Lowest Level of \$4.9M in Aug

Vietnam's railway revenue hit a record low of VND114.7 billion (\$4.9 million) in August, 89.5% of the target and down 33.6% y/y, the state-run Vietnam Railways (VNR) announced. Between September 1 and December 31, 2021, 25% of VNR indirect staff will be having their labor contract suspended. More than 1,600 director employees are expected to get their contracts disrupted in the period as well. (CafeF, VTV, Cong Luan, Bao Dan Sinh, Tin Tuc)



COVID-19 Throws 2.5M Workers in Southern Vietnam out of Work as of Late Aug

The devastating fourth COVID-19 wave left nearly 2.5 million laborers in 19 southern localities in Vietnam unemployed as of late August, accounting for 70% of the total jobless nationwide, according to a special team for coronavirus curtailment of the MoLISA. The pandemic has also brought business operations to a standstill. COVID-19 epicenter Ho Chi Minh City reported 23,000 firms with operation suspension and more than 625,000 laborers with job losses. Nearby Binh Duong province, which has been home to 50,000 enterprises with over 1.2 million workers, is in short of laborers since the pandemic troubles recruitment. From June to August, the COVID-19 pandemic caused 10,000 enterprises in the Mekong Delta region to shut down and 90% of businesses in the region to pause operations, stated Mr. Nguyen Phuong Lam, director of the Can Tho branch of the Vietnam Chamber of Commerce and Industry (VCCI). Regarding labor forecast for the rest of this year, HCMC may have between 127,000 and 147,000 job vacancies. Meanwhile, Binh Duong province is predicted to witness a vibrant labor market post-COVID-19. (<u>Tin Tuc, Vietnam Plus, CAND</u> Sep 11)

76% of European Firms in Vietnam Report Poor Performance over Past 3 Months

76% of 2,000 member enterprises of the European Chamber of Commerce (EuroCham) in Vietnam reported bad business performance over the past three months, according to the latest Business Climate Index (BCI) report conducted by EuroCham. According to the survey, 29% reported "extremely bad" business outcomes, and only 7% had good performance during the spell. EU firms in Vietnam also find it challenging to sustain factory sleepovers due to high costs and their laborers' mental health, the survey indicated. (Bao Giao Thong Sep 10)

Vietnam Remains Attractive Destination for EU Investors: Diplomats

Vietnam has been still an attractive destination for EU investors in the future and they want to continue their business activities in Vietnam for the long term, EU ambassadors and executives said at a meeting with Prime Minister Pham Minh Chinh in Hanoi on September 9. At the meeting, many EU firms rated Vietnam's anti-pandemic measures as being in the right direction but hoped local authorities to carry out these measures more effectively. PM Chinh added that the government has prioritized the coronavirus vaccination for laborers at industrial, processing, and hi-tech parks, who are working in the supply chains of foreign firms, including EU ones. (VTV, Tuoi Tre, TBTCVN Sep 10)

Samsung, LG to Employ Thousands of Workers in Vietnam

South Korean electronics giants Samsung and LG are both investing heavily in Vietnam, leading to the recruitment of thousands of employees in the Southeast Asian country. Samsung has invested \$230 million to build a research and development (R&D) center in Hanoi, the biggest of its kind in Southeast Asia, and expected to be operational in 2022. The company will employ between 2,200 and 3,000 employees for the center. Meanwhile, LG Electronics has raised investment in its plant in Vietnam's northern Haiphong City to \$3.25 billion with a plan to





expand production of OLED TV panels. It is set to add 5,000 new jobs with the project expansion in Vietnam. Samsung has poured \$17.5 billion in investment in Vietnam to date, creating jobs for over 170,000 local laborers. (<u>CafeF</u>, <u>www.digitimes.com</u> Sep 9)

HCMC Needs VND22.3T for Economic Recovery: University

Ho Chi Minh City needs VND22.3 trillion (\$957.1 million), or 1.7% of its regional gross domestic product (GRDP), for economic recovery, according to a research team of Vietnam National University HCMC. Dr. Pham Thi Thanh Xuan, a member of the research team, said that the support can include sub-packages for social welfare of the people, education, help for small businesses and household businesses, assistance for businesses, and investment stimulation. In particular, the package for businesses aim to help employments, update jobs for laborers, reduce laborers streamlining and pushing recruitment (especially the ones leaving HCMC during social distancing). (Nha Dau Tu Sep 8)

80% of Footwear Firms in Southern Vietnam Halt Operations due to COVID

About 80% of footwear firms in Vietnam's southern region had to suspend operations as localities are implementing the prolonged social distancing measures under the prime minister's Directive 16, according to the Vietnam Leather, Footwear and Handbag Association (LEFASO). Meanwhile, footwear firms in the central and northern regions have operated at 50%-70% of their capacity due to social distancing orders and a shortage of laborers. (Hai Quan Online, MOIT Sep 8)

62% in Nearly 70K Polled Laborers in Vietnam out of Work: Survey

42,754 people in 69,132 polled laborers in Vietnam, or 62%, are unemployed at present, according to a survey co-conducted by the Prime Minister's Private Sector Development Research Board (Board IV) and local newswire VnExpress on August 1-8. The survey showed that 69.4% of respondents at age of 31-45 are out of work while the rates for people aged 16-30 and 40-60 are 16.3% and 13.2%, respectively. The building sector witnessed the highest jobless rate that represented 66.8% of answers, followed by services area with 63%, agro-fisheries industries with 59.4%, and industry field with 48.4%. Out of the unemployed, 50% reported enough savings to last one month, 37% with savings to last for under three months, 8.6% with savings to survive for below six months, and only 4.4% reported sufficient savings to last for over six months. Nearly 40% of the jobless said they did not receive any assistance. According to the survey, 48.2% of the unemployed said they could not find jobs in the time to come, 25% would seek jobs in other companies, and 21% eyed online sale. (Saigon Times, Vietnam Plus Sep 8)

DVET Launches Campaign of Overcoming COVID-19 Pandemic

The DVET has launched a campaign of uniting to overcome COVID-19 pandemic. Localities and TVET units are asked to prepared plans to deal with COVID-19, prepare the facilities and





human resources to change the operating status, and make suggestions to handle COVID-19. The campaign began on September 9 and will end upon the end of the pandemic. (Dan Sinh Sep 13)

Firm Succeeds in Manufacturing Controller of CNC Milling Machine

Hiep Phat Mechatronics has succeeded in manufacturing controller of CNC milling machine. The firm said that they can manufacture the product at a cost of 25%-30% lower than imported ones. (<u>Khoa Hoc Phat Trien</u> Sep 9)

Firms in HCMC, Binh Duong Worry about Worker Shortage

As workers had to leave HCMC, Binh Duong, Dong Nai, and others due to COVID-19 pandemic, firms in those localities are now worrying about worker shortage upon resumption of production. The biggest problems belong to sector of apparel, footwear, wood, and others. (Zing Sep 8)

Solidarity – Bright Spot in Vietnam's Fight Against Covid-19 Pandemic: ADB

ADB's Country Director for Vietnam Andrew Jeffries told The Hanoi Times his impression on Vietnam's efforts against the Covid-19 pandemic, in which the people's solidarity has been shining throughout. Favourable conditions need to be created for Vietnamese enterprises to participate more deeply in the supply chains of foreign-invested enterprises in Vietnam. In addition, it is very important to promote vocational training to have a high-quality and skilled workforce meeting the labour market's increasingly sophisticated demands. (Hanoi Times Sep 3)

Vietnam Should Not Lockdown, Reopen Its Economy Repeatedly: USABC

Repeatedly locking down and reopening the economy is not the suitable anti-COVID-19 methods anymore, said Deputy Regional Managing Director and Vietnam Representative for the US-ASEAN Business Council (USABC) Vu Tu Thanh. He added that Vietnam's methods of factory sleepover might be considered forced labor and fixed routes between factories and accommodations did not succeed. (VnEconomy Sep 11)

Thua Thien-Hue Creates Jobs for 26K Returnees from COVID-19-hit Areas

Thua Thien-Hue has planned to help 26,000 native people returning from COVID-19-hit places with job opportunities. Of these, over 16,000 laborers want to take vocational learning and secure loans for job generation, and 9,791 expect to be offered jobs. Other 1,431 workers want to get vocational training, 342 have demand to work abroad under contract, and 4,618 want to get loans. (Dan Sinh Sep 12)

Some Firms in Quang Ninh Hard up for Skilled Laborers





DVET

Several enterprises in Viet Hung industrial park in Quang Ninh province is facing difficulties in employing skilled workers. Weitai Ha Long., Ltd and Weili Viet Nam Textile Company Limited said in a meeting with the provincial DoLISA that the firms need to recruit 630 laborers aged between 18 and 45 but have yet to reach the target due to laborers' lack of professional skills and experience. Participants discussed some measures for the issue, including cooperation between companies and TVET facilities and provision of training, retraining to laborers. (Dan Tri Sep 10)

Quang Binh Creates Jobs for 13K Laborers in Q3

Quang Binh province is estimated to have generated jobs for 13,000 workers in the third quarter (Q3) of this year, completing 70% of the year target, according to the provincial DoLISA. Of these, 1,900 have been selected to work abroad under contracts. However, during Q3, the province is likely to have reported 7,750 laborers with job suspension or losses. As of September 4, Quang Binh allocated VND1.9 billion in support of 449 laborers with unpaid leave or job losses and VND11.3 billion to 7,556 jobless non-contract workers. It aided VND21.9 billion to 21,942 disadvantaged native laborers in southern localities. (Dan Sinh)

IPs, EZs in Haiphong Aim to Have 300K Workers in Next 5 Yrs

Industrial parks (IPs) and economic zones (EZs) in Haiphong aims to have 300,000 laborers in the next five years and by 2030. The demand for workers with high management qualifications is expected to stand at 10,000 people, or 4% of the total. Technical and trained laborers are set to reach 120,000, while the remaining 150,000 are general workers. Currently, IPs and EZs citywide are home to 157,900 Vietnamese laborers and 4,100 foreign workers. The average income stand at VND10.5 million per month. (Hai Phong Sep 12)

Dak Nong Offers Jobs for 12,000 Laborers in Jan-Aug

In the first eight months of this year, Dak Nong province created jobs for over 12,000 workers, reaching 67.32% of the target. During the period, the province offered vocational training to more than 3,600 people, equivalent to 90.97% of the plan. Chairman of the provincial People's Committee Ho Van Muoi said the province will concentrate on mobilizing resources for TVET in the time to come. (Dan Tri Sep 8 GDNN, Dak Nong Sep 10)