



# **Vietnam TVET Bulletin**

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# Vietnam Must Improve Vocational Training to Boost Workforce, Economy: Official

Improving vocational training is the key for Vietnam to boost its workforce and recover the economy, said Mr. Truong Anh Dung, general director of the DVET. He listed negative impacts of the COVID-19 pandemic on the labour market. The pandemic has partly increased the unemployment rate, forced employers to reduce the working hours of employees, and made many workers leave their jobs. Upon a high rate of vaccination, firms have boosted their activities, leading to a labour shortage. So far, the rate of people returning to work has fulfilled only 60%-70% of the demand of firms. Mr. Dung noted Vietnam's unfulfilled potential in the workforce. Vietnam is entering its golden demographics with 55 million labourers, however, only 24.6% are certified. Additionally, more and more people have become university graduates, but more and more jobs (from 12% to 25% of the total) only require below-college qualifications, leading to the country's low productivity. The official said that the DVET strives to improve vocational training in the post-pandemic era, particularly in updating the legal framework, streamlining administrative procedures, building learning courses per medium- and long-term trends, reforming recruitment and training, and others. He also noted that vocational training schools have to participate in the move by updating the training methods and courses per the market demand; adding training contents about soft skills, foreign languages, startup, and innovations; cooperating with businesses; and others. (Dan Tri Feb 3)

### Vietnam to Spend over \$284M on House Rent Allowance for Workers

Vietnam is expected to spend VND6.6 trillion (\$284.48 million) from the state budget to give accommodation rental allowance to certain workers as part of measures for labour recovery post-COVID-19 proposed by the MoLISA. Those who work at industrial parks, export and processing zones, and key economic zones will receive rental subsidies for three months, Minister Dao Ngoc Dung said. Besides, migrant workers returning to work will secure allowances that double the former group's, he added. Other support policies include offering workers low-interest production loans, helping firms borrow money from the Vietnam Bank for Social Policies to build houses for lease for workers, giving interest-free loans to businesses to pay their employees till the end of March, and continuing to assist enterprises with staff vocational training under the underway VND7.5 trillion relief package. The MoLISA will consult the government about its proposals and aid packages before February 15 to seek approval from the Standing Committee of the National Assembly. (Tien Phong, VnEconomy, Lao Dong, VTV Feb 4)

### **Vocational Training Must Push Digitalization**

Vocational training must push digitalization and the sector must let businesses play the key role in this task, said Dr. Pham Vu Quoc Binh, Vice Director General of the DVET. He reminded that





changing lessons into online format, such as via Zoom and Google meeting, is not yet digitalization. He said that digitalization must also include online learning contents, online management, and online tests. He noted a problem that the digitalization in the sector has not followed a consolidated guidance and everyone follows their own paths. (DDDN Jan 1)

### **MoLISA Sets 8 Tasks for 2022**

Minister Dao Ngoc Dung set 8 tasks for the MoLISA in 2022. Regarding labour, key tasks are anticipation of the market demand and supply, resumption of labour export in May/June, and vocational training. For vocational training, the sector must play a key role in building a high-quality workforce. It is not accidental that the government would allocate VND2 trillion for high-quality vocational training, he said. (Dan Tri, MoLISA Feb 7)

#### **DVET Sets Tasks for 2022**

On February 7, the DVET set key tasks for 2022. They are (i) improving the legal framework for vocational training, with an aim of encouraging the participation of businesses, (ii) implementing approved plans, especially vocational training development program in 2021-2030, (iii) streamlining the network of vocational training schools, (iv) consulting the role of the DVET per the government's decree of the role of the MoLISA, (v) pushing career path guidance, promotion of vocational training, and cooperation with businesses, (vi) enhancing digitalization in vocational training, and (vii) adapting to the COVID-19 pandemic. (Dan Sinh, GDNN Feb 8)

## Business Sector and Labour Market

### Foreign Cooperation

## GIZ Development Advisor at Nha Trang College of Technology Honoured by Khanh Hoa

On the evening of January 22nd, 2022, provincial Party Committee, People's Council, Khanh Hoa People's Committee, Khanh Hoa Provincial Vietnam Fatherland Front Committee had a meeting with international experts and overseas Vietnamese working in the province to wish them a Happy Têt for the Year of Tiger. On this occasion, Khanh Hoa provincial People's Committee awarded Certificates of Appreciation to 8 organizations and 5 individuals for their outstanding contributions to the provincial socio-economic development in 2021. Mr Alwin Matthias Angert – Development Advisor of Programme "Reform of TVET in Vietnam"- GIZ was one of the five persons who received the provincial Certificates of Appreciation. Mr. Alwin Matthias Angert is the Development Advisor of Automotive Technology placed at Nha Trang College of Technology to support it to develop towards a high-quality TVET institute. The Programme "Reform of TVET in Viet Nam" is commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ) and implemented by GIZ in cooperation with the DVET under the MoLISA. (TVET Jan 28)







## Vietnam Arm of Japan's Canon Faces Labour Shortage

General Director Niimura Minoru of Canon Vietnam, under Japan's Canon Inc, thematized the company's labour shortage issue with Minister Dao Ngoc Dung at a meeting on January 25 in Hanoi. The executive thanked the ministry for helping businesses, including Canon Vietnam, overcome COVID-19, adding that the company sustains Lunar New Year (Tet) bonuses for its employees this year. In reply, Minister Dung suggested the Japanese firm work with JHL manpower supply group to employ trained workers via a project on the recruitment of 30,000 highly skilled workers co-implemented by the MoLISA and JHL. (Bao Dan Sinh, MoLISA Jan 25)

### Taiwan to Reopen to Vietnamese Workers on Feb 15

Taiwan will officially reopen to workers and caregivers from four countries, including Vietnam, starting February 15, its Central Epidemic Command Centre (CECC) announced on February 7. Migrant workers must be fully vaccinated and undergo a 14-day quarantine at hotels, followed by seven days of self-health monitoring before heading to work. Taiwan has issued an entry ban on foreign arrivals since May 2021 over the surge of COVID-19 cases. (VnExpress Feb 8)

### Domestic News

### Firms in Vietnam Plan to Recruit 700,000 People in 2022

Firms in Vietnam, especially the ones in major economic hubs, plan to recruit 700,000 people in 2022, according to surveys of the MoLISA. The MoLISA added that labour shortage is unlikely in early 2022, but later in the first quarter (Q1) or early Q2, as firms resume their full operations. Minister of Labour, War Invalids and Social Affairs Dao Ngoc Dung said the labour supply can fulfil 85% of the demand in the post-Lunar New Year (Tet) holiday. He stressed that labour shortage is unlikely, but the main problem is the lack of high-quality labourers. He urged businesses and vocational training schools to cooperate to solve the issue. About the lingering impacts of the COVID-19 pandemic on the labour market, Deputy Minister Le Van Thanh suggested businesses and the local authorities cooperate to implement support packages for firms and ensure the welfare and health of labourers in the new normalcy. (VOV, Bao Dan Sinh, Tap Chi Mat Tran, Thoi Dai Feb 7)

### Vietnam's Post-Tet Labour Market May Face 10%-15% Payroll Shortage

Vietnam's labour market is predicted to suffer between 10% and 15% payroll shortage after the Lunar New Year (Tet) holiday, lower than the annual level of 20%, said Minister of Labour, War Invalids and Social Affairs Dao Ngoc Dung. As of end-2021, the labour market basically bounced back with 95% of the workforce from industrial parks and export and processing zones getting back to work, Minister Dung added. This year, the ministry gives priority to reviving and developing the employment market with a series of measures. (Lao Dong, VnEconomy, VOV Jan 30)







### Vietnam Licenses 13,004 New Firms in Jan, up 28.9% y/y: GSO

Vietnam licensed 13,004 new firms in January, up 28.9% y/y, with their total registered capital of VND192.37 trillion (\$8.29 billion), up 24% y/y, the government-run General Statistics Office (GSO) said in its latest monthly report. The average registered capital of a new firm in January fell by 3.7% y/y to VND14.8 billion, the agency said, noting that the new firms used 77,082 labourers this month, down 33.5% y/y. (GSO, Bao Quoc Te, CafeF, BNews Feb 6)

## Vietnam Aims for Agro-Forestry-Fisheries Growth of 2.5%-3%/Year by 2030

Vietnam is targeting to achieve an annual growth of 2.5%-3% in the agro-forestry-fisheries sector by 2030, according to a strategy approved by the Prime Minister late last month. By that end, the country aims for a yearly expansion of 5.5%-6% in infield labour productivity and 5%-6% in agro-forestry-fisheries export increase. The rate of agricultural labourers is expected to account for under 20% of the total workforce and the proportion of trained agro workers is set at above 70%. (Luat Viet Nam)

### **Banking Industry Forecasts Large-Scale Recruitment Demand**

In a recent report on recruitment demand for middle and senior personnel in Vietnam's market, Navigos Group said that forecast signals in 2022 show that large-scale recruitment demand in the banking sector would continue to increase. The report also said information and communication technologies (ICT) was still an exciting industry in the recruitment market. ICT is an industry that has not been affected much by the pandemic, thus this industry was still vibrant for recruitment demand. In Q1 2022, recruitment in the FMCG industry will flourish again as businesses begin to use new budgets. (VietnamNet, Nguoi Lao Dong Jan 21)

#### Hanoi Aims to Create Jobs for 160,000 Labourers in 2022

The capital city of Hanoi targets to create jobs for 160,000 labourers, reduce the urban unemployment rate to under 4%, and increase the trained labour rate to 72.2%, according to Plan 34/KH-UBND approved by the municipal People's Committee. (<u>Dan Sinh</u> Feb 7)

#### Hanoi Aims to Enroll 224,500 into Local TVET Institutes in 2022

The network of 380 TVET institutes in the capital city of Hanoi target to enrol 224,500 learners in 2022 and ensure 80% of graduated learners to get jobs. Last year, local TVET institutes trained 220,500 people, or 100% of target. (Hanoi Moi Jan 28)

### Over 5K Workers of Foreign-invested Firm in Nghe An Go on Strike

More than 5,000 workers staged a stoppage at the foreign-invested footwear company Viet Glory in Nghe An province to demand higher wages and seniority allowances on February 7, the very





first day they went back to work after the Lunar New Year (Tet) holiday. Many strikers complained that their current wages and seniority allowance are too low to make ends meet. This is the second time that Viet Glory workers have come out on strike for higher wages and other allowances, following the 2021 Tet strike. (<u>Tuoi Tre</u>, <u>Bao Nghe An</u> Feb 7)

### 63 Firms Need 6,850 Labourers in Ha Tinh in Feb

Sixty-three firms inside and outside central Ha Tinh province are in need of 6,850 labourers in February, mostly for jobs of apparel, business, construction, electronics, and maintenance. Of the figure, firms need 6,631 manual workers, 160 at the college level, and 59 at the university level. (Bao Ha Tinh Feb 8)

### Thua Thien-Hue Aims to Create Jobs for 16,300 Labourers in 2022

Central Thua Thien-Hue province targets to create jobs for 16,300 labourers, keep the urban unemployment rate at under 2.3%, increase the trained labour rate to 68%, and reduce the rural labour rate to 25.6% by the end of this year. (Dan Sinh Feb 4)

### Quang Nam Targets to Send 5K Workers Abroad in 2022-2025

Quang Nam province sets a goal of sending 5,000 people overseas to work under contract in 2022-2025. Of these, 85% will be taken to Japan and the remainders will come to South Korea, Japan, and other markets. (Dan Sinh Feb 8)

#### HCMC to Have Maximum 55.6K Job Vacancies after Tet

Ho Chi Minh City is estimated to have between 44,800 and 55,600 job vacancies after Lunar New Year (Tet) holiday, according to a survey released by the HCMC Human Resources Forecast and Labour Market Information (FALMI) Centre on January 25. Sectors that will see a high demand for workers include commerce, personal services, consultation, science research, information technology, textiles and footwear, tourism, and others. Demand for trained workers is set to make up 86.39%. (VnEconomy Jan 26)

## Over 80% of Workers at Some Factories in Binh Duong Back to Work after Tet

Some factories in Binh Duong have recorded over 80% of their workers back to work after the Lunar New Year, or Tet holiday 2022. At Vietnam-Singapore Industrial Park (VSIP), 315 out of 384 businesses have resumed operation, with 135,817 workers returning to work as of February 7. Some firms with a high proportion of labourers back to work included Apparel Far Eastern Vietnam Company Limited with 4,368 out of 5,200 workers, or 84%; and Shyang Hung Cheng with 6,650, or 83%. (Lao Dong Feb 7)

Firms in Binh Duong Need 50,000 Labourers after Tet





Firms in southern industrial hub of Binh Duong province are in urgent need of 40,000-50,000 labourers after Tet holiday, mostly manual workers with monthly salary of VND5 million-VND8 million. Some positions of specialists, highly-skilled workers, and technicians have salary offer of up to VND15 million/month. Some sectors with high labour recruitment demand include footwear, apparel, electronics, food, and trade-services. Currently, most local firms have resumed operation with an average of 60% of labourers back to work. (Dan Tri Feb 7)