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# Vietnam TVET Bulletin

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# • Policies •

## MoLISA, 4 Agencies Sign Agreement on Labour Development

On April 12, the MoLISA and four labour-related agencies signed an agreement on helping employers and employees and developing the labour market as the country's economic recovery is underway upon the control of the COVID-19 pandemic. The four agencies are the Vietnam General Confederation of Labour (VGCL), the head of labour unions in the country; the Vietnam Social Security; the Vietnam Chamber of Commerce and Industry (VCCI); and the Vietnam Association of Small and Medium Enterprises (VINASME). The parties agreed on five tasks. First, they will review COVID-19 support for labourers and further support for necessary cases. Second, they will focus on implementing the prime minister's program on developing the labour market until 2030, with a goal of 60% of labourers covered by social insurance. Third, they will cooperate to prepare and implement the prime minister's decision on supporting house rents for workers. Fourth, the VCCI and the VINASME cooperate to run the program on training to improve skills of labourers. The MoLISA, the VGCL, the VCCI, and the VINASME collaborated to study flexible wage formula. Fifth, the MoLISA consults the National Assembly in updating the Law on Social Insurance 2014. Sides must also cooperate to handle profiteers of social insurance. (Tuoi Tre, Thanh Nien, Dan Tri, MoLISA Apr 13)

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## 8 Associations Propose Vietnam PM Defer Planned Minimum Wage Hike

Eight associations have called on the prime minister to postpone the 6% increase in minimum wage, which is planned to take effect on July 1, arguing that embattled businesses may be unable to afford to give workers a raise after having grappled with COVID-19 over the past two years. The petitioners are the Vietnam Association of Seafood Exporters and Producers, the Vietnam Textile and Apparel Association, the Vietnam Electronic Industries Association, the Food and Foodstuff Association of Ho Chi Minh City, the Vietnam Timber and Forest Product Association, the Vietnam Plastics Association, and the Vietnam Association of Motorcycle Manufacturers. The eight associations recommended rescheduling the planned minimum wage hike to January 1, 2023, to give enterprises time to properly prepare for the raise. They warned that the planned increase implementation could force firms to cancel contracts due to heavy labour costs, while a 1.84% y/y jump in the consumer price index in 2021 seems not to exert considerable impacts on workers. (CafeF, VnExpress, QDND, BNews, VTV, CafeBiz, Tin Tuc Apr 17)

## Vietnam, ILO Help Electronics Firms Improve Working Conditions

The Vietnam Chamber of Commerce and Industry (VCCI) and the International Labour Organization (ILO) have launched an advisory program to support electronics manufacturers in improving working conditions and industrial relations at the workplace. The program, themed







"Towards a sustainable and resilient electronics industry in Vietnam," is funded by the European Union (EU) and some donors with technical assistance from Better Work Vietnam. Participants will receive a package of advisory services worth \$15,000 for comprehensive improvement, including compliance advisory services from ILO-trained consultants, 20 slots in standard and elective courses, three quarterly seminars tailored to electronics manufacturers, support for self-diagnosis and needs identification, four sessions for key compliance staff, and e-learning courses. (Dan Sinh Apr 19)

## Vietnam Has 426 Firms Licensed for Sending Labourers abroad as of Apr

Vietnam had 426 firms licensed to send workers overseas and one had its license suspended as of April 2022. (Luat Vietnam Apr 13)

## Business Sector and Labour Market

#### Foreign Cooperation

## **GIZ Holds Annual Review and Technical Exchange Workshop**

On April 7-8, 24 participants who are rectors and vice-rectors of 11 partner colleges and representatives of the Vietnamese-German Programme "Reform of Technical and Vocational Education and Training (TVET) in Viet Nam"-GIZ, gathered in the Annual Review and Technical Exchange Workshop to review the implementation of our joint activities in 2021 and identify the key activities for 2022 in Ho Chi Minh City. In the workshop, an overview of implementation results for joint activities between the Programme "Reform of TVET in Vietnam"-GIZ and the 11 partner colleges were presented, learned lessons were discussed and recommendations for further improvement of implementation efficiency were finalized. The leaders of the colleges and key personnel of the project also discussed and concluded key activities for the 11 partner colleges in 2022, including: (i) Implementing the 7 German-standard modular training programmes in Mechatronics, Metal Cutting, Industrial Electronics. Construction Mechanics, Sewage and Wastewater Treatment, Electronics of Energy and Building Technology and Mechanics of Sanitary, Heating, and Climate Technology; (ii) Supporting the colleges to work towards the criteria for high-quality schools; (iii) Developing capacity for teaching and management staff members; (iv) Strengthening the efficiency and capacity of cooperation with the business sector, with a focus on the Industry Advisory Boards, in-company trainers, and in-company training phases; (v) Strengthening the efficiency and participation of the colleges in the existing DPPP; (vi) Implementing short further training courses and Covid-19 Mitigation courses; and (vii) Other topic-based activities. In addition, leaders of the colleges and representatives of the Programme "Reform of TVET in Vietnam"-GIZ also discuss about measures to enhance communication, compliance, and coordination efficiency among the colleges and between the colleges and the Programme. Speaking about the Annual Review Meeting and Technical Exchange, Mr. Nguyen Duc Luu, director of Bac Ninh College of Industry emphasized "This is a very important opportunity for us to learn from each other and learn from what we have done. The technical exchanges among the colleges and between the colleges and GIZ help us to strengthen our cooperation and implementation





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efficiency greatly." The Programme "Reform of TVET in Viet Nam" is commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ) and implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) in cooperation with the DVET under the Vietnamese MoLISA. (<u>TVET</u> Apr 19)

## Australia Gives Vietnam \$10.3M for Logistics Vocational Training in 2021-2025

The Australian government will fund Vietnam an additional AUD13.8 million (\$10.3 million) via the Vietnam-Australia Partnership for Human Resource Development (Aus4Skills) program to sharpen the skills of the logistics workforce in 2021-2025. The funding was announced under the second phase of the Aus4Skills-funded vocational training project, kicked off by the Vietnamese MoLISA and the Australian Embassy in Vietnam on April 14 morning. The project will promote the engagement of logistics enterprises in vocational education and offer professional training and logistics occupations to females and people with disabilities. Australia pledges ongoing assistance for Vietnam with development, including improving its workforce's skills, said a representative from the Australian Embassy. Since 2017, the Aus4Skills program has benefited over 5,300 vocational students in Vietnam. (<u>Tin Tuc</u>, <u>Dan Tri</u>, <u>Dien Dan Doanh Nghiep</u> Apr 14)

## Vietnam Seeks to Enhance Education Ties with Switzerland, Germany

Vietnamese Minister of Education and Training Nguyen Kim Son received Mr. Philipp Rösler, First Honorary Consul of Vietnam in Switzerland cum former Vice-Chancellor of Germany, on April 13 to promote the education cooperation between Vietnam and Switzerland and Germany. Applauding the ongoing relationship and cooperation between Vietnam and Switzerland over the past 50 years, Minister Son expected that Vietnam would further partner with Switzerland and Germany on education-training and science-technology cooperation. Mr. Son proposed Mr. Philipp Rösler connect universities in Switzerland and Germany with Vietnamese peers, as well as pay attention to the collaboration in scientific research and technology-engineering training among countries. Besides, the Vietnamese minister hoped that the German and Swiss sides would support Vietnam in vocational training and scientist and student exchanges. In reply, Mr. Philipp Rösler informed delegates on the idea of establishing vocational training institutions to promote vocational education and training in Vietnam based on Germany's experiences. He also recommended Vietnam promote vocational training along with digital transformation promotion. He also announced the signings between Vietnam's FPT University and Switzerland's Schaffhausen Institute of Technology (SIT) and Germany's Jacobs University Bremen on April 12, targeting to foster the student exchange and establish research centres. (Giao Duc Thoi Dai, MoET Apr 13)

## Vietnam, Hungary Eye Conclusion of Labour Cooperation Pact in 2022

Vietnam and Hungary will promote negotiations for a deal on the two-way exchange of workers that could be reached this year, officials have agreed. This is the main subject of discussion between Vietnamese Minister of Labour, War Invalids and Social Affairs Dao Ngoc Dung and





Hungarian Ambassador to Vietnam Öry Csaba on April 13 in Hanoi. Hungary currently has a high demand for foreign workers in automobile industry, nursing, hospitality, and construction, the diplomat said, mentioning several issues related to the sending of Vietnamese workers to Hungary. He also lauded the upcoming visit by Minister Dung to Hungary. The Vietnamese official, in reply, recommended Hungary involve in vocational training in Vietnam via a partnership between Hungarian employers and Vietnam-based vocational schools. Hungary is now home to some 800 Vietnamese workers. Vietnam sent 2,455 workers abroad in the first quarter of this year, including 99 to Hungary, according to the ministry-run Department of Overseas Labour (DoLAB). (Bao Dan Sinh, MoLISA Apr 14)

## 20 South Korea Investors Plan to Pour \$4B in Haiphong This Year: HEZA

Twenty South Korean investors plan to invest \$2 billion-\$4 billion into Vietnam's northern city of Haiphong this year, according to the Haiphong Economic Zone Authority (HEZA). The HEZA released the information at a recent investment conference in Haiphong to attract more South Korean investment. The event, held by the Management Board of Haiphong Economic Zone and the Foreign Investment Agency under the Ministry of Planning and Investment, drew over 200 South Korean firms. The twenty South Korean investors plan to lease around 200 hectares of land for their projects in Haiphong and expect to create 10,000-12,000 jobs, the HEZA noted. (CafeF, VietnamBiz, Vietnam Plus English, VnExpress Apr 17)

#### Domestic News

## 200 Firms Register to Deploy Training per Vietnam's COVID-19 Support Package

Nearly 200 firms have registered to deploy training for 100,000 labourers per Vietnam's COVID-19 support package (the Government's Resolution 68 dated July 1, 2021) as of March 2022, with an estimated budget of VND500 billion (\$21.55 million). Mr. Truong Anh Dung, general director of the DVET under the MoLISA, made the statement at a meeting of the MoLISA to review the deployment. Mr. Truong Anh Dung added that among those firms, 48 have sent applications for 10,000 labourers with a budget of VND70 billion. About the slow progress, Mr. Truong Anh Dung said restrictions during the COVID-19 pandemic stalled the deployment. He added another reason that large and foreign-invested firms are not interested in the package or were discouraged by the administrative procedures. Addressing the event, Minister Dao Ngoc Dung set four solutions. First, all relevant agencies must approve delivered applications by June 30. Second, heads of municipal DoLISAs must directly handle the projects. Third, relevant authorities must push the dissemination of the program. Fourth, vocational training and firms must boost the cooperation in training and handling payments and procedures. (Dan Tri, MoLISA, ANTD, Bao Dan Sinh Apr 13)

## Vietnam Labour Market Recovering, Yet to Reach Pre-COVID-19 Level: Expert

Vietnam's labour market has been recovering since the first quarter (Q1) of 2022; however it has yet to return to the pre-COVID-19 level and has yet to become sustainable, said Mr. Nguyen Huy Minh, an official from the General Statistics Office (GSO). Mr. Minh pointed out problems of





the labour market. The labour participation increased 500,000 head q/q in Q1/2022 but was 403,300 lower versus Q1/2019. The employment increased fast, but most of the growth belonged to labourers without contracts in the agriculture-forestry-fisheries sector. Besides, the number of labourers in autarky rose 700,000 versus those in previous years. Mr. Minh expected the labour market to soon return to the pre-pandemic level, per the country's recovery package, the policy of adapting to the pandemic with high vaccination rate, and better control of the disease. He noted a chronic problem that firms are facing a shortage of qualified staff while many people in

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Vietnam remain unemployed. Regarding the decision to increase the minimum zonal wages by 6% from July 1, Mr. Minh lauded the decision. He expected 90% of firms would follow the decision, except for 10%, which had already paid beyond the minimum levels. (<u>Kinh Te va Du</u> Bao Apr 15)

## Vietnam Records 64 Strikes in Q1, down 3% y/y: VGCL

Vietnam logged 64 strikes in the first quarter (Q1) of this year, which declined by two cases compared to the same period last year, or down 3% y/y, according to the Vietnam General Confederation of Labour (VGCL). Most of the strikes were staged for higher wages and benefits. Of those walkouts, 18 broke out associated with labour support offerings per the government's Resolution 68/NQ-CP. (Lao Dong Apr 18)

## Vietnamese Labourers Prioritize Bonuses among Benefits: Navigos

Besides wages, Vietnamese labourers consider bonuses (mostly during the Tet holiday), also known as 13th-month salary, the most important benefits, according to a survey of Navigos Group, one of the most popular job platforms in the country. The survey collected data from 6,800 job candidates in 27 sectors and reviewed the salary in 2021 and labourers' expectations for 2022. Other key benefits include medical benefits, health and wellness programs, flexible working hours, and transportation allowance. Regarding bonuses, the average bonuses of one-month wage were the most popular with 40.5% of the respondents, followed by two-month-wage bonuses with 22%. The survey showed that 33% were happy with the benefits of their firms, 46.2% were satisfied, and 21% were unsatisfied. Regarding retain of staff, the most important factors are working environment, colleagues, and job stability. Other factors are wage, working location, career development. About choice of new jobs, the biggest factor is wages. (Bao Dan Sinh, Lao Dong, Tin Nhanh Chung Khoan, Navigos Group, Navigos Group Apr 15)

## Vietnam Strives to Develop Collective Economy, Cooperatives: President

Developments of collective economy and cooperatives are essential and play a key and longterm role in Vietnam's socialist-oriented market economy, said President Nguyen Xuan Phuc. Collective economy and cooperative in Vietnam remain lacklustre and have yet to fulfil goals. President Phuc said five methods to improve those economic models. First, relevant agencies must push the dissemination and educational units must provide training related to those models. Second, relevant agencies must update the legal framework, in order to let cooperatives operate similar to enterprises and have better autonomy, with specific terms to distinguish agricultural







and non-agricultural cooperatives; and to let the state management focus more on facilitation and setting policies. Third, the State must issue specific programs to improve the models, such as vocational training for high-quality labourers, application of modern technology, easier access to capital, easier tax policies, and others. Fourth, the Vietnam Cooperative Alliance must update its organization in managing, pushing, and protecting beneficiaries. And fifth, the local authorities and the Vietnam Fatherland Front must facilitate cooperatives and collective economy. (Lao Dong, QDND, VietnamNet Apr 13)

## Vietnam's Tourism Industry Reeling from Staff Shortage

As Vietnam's tourism industry is ready to take off over reopening after a two-year standstill, it is grappling with a shortfall of workers after having lost a host of talents due to uncertainty and massive layoffs. Ms. Chau Thi Hoang Mai, director general at Alba Hotels, located in central Hue city, said COVID-19 displaced 30%-40% of its staff, who have switched to other careers with stable incomes. As the peak tourism season approaches, the hotel is looking for seasonal workers to fill the vacancies. Mr. Nguyen Hong Hai from Hanoi-based five-star hotel De L'Opera reported a 40% slump in employees compared with the pre-pandemic period. Getting former employees back is not easy and takes a lot of convincing since some of them no longer want to suffer from ambiguity and expect higher wages for returning, which are unable to be afforded by enterprises at the moment, he said. The labour shortage is posing problems for travel company Hanoitourist, its Deputy Director Le Hong Thai said, adding that the firm finds it challenging to recruit an additional 15% of its payroll. According to the Ministry of Culture, Sports and Tourism, the tourism industry shed between 70% and 80% of its employees in 2020 after fears about virus transmission shuttered borders. (Zing News, VnExpress, VietnamNet Apr 14)

## Vietnam's Fisheries Exporters Full or Orders, Facing Labour Scarcity

Fisheries exporters in Vietnam's agricultural hub of Mekong Delta have been full of orders thanks to demand recovery, but they are struggling with a scarcity of labourers. Hau Giang province-based Cafatex Fishery Joint Stock Corporation has gained orders until the end of the second quarter (Q2), but the firm has found it hard to recruit 300-500 workers, said its General Director Nguyen Van Kich. Similarly, Dong Thap province-based TG Fishery Holdings Corporation has exported around 200 containers of fisheries to China, the United States, and the EU. However, it is facing a lack of labourers as a majority of local workers have returned to industrial hubs, said Mr. Ong Hang Van, deputy director general of the firm. The demand for labourers is expected to continue rising sharply in the time to come as fisheries exports are projected to keep uptrend, according to the Vietnam Association of Seafood Exporters and Producers (VASEP). To deal with the problem, some firms have replaced manual workers with automation and machines, as well as improved benefits for workers. (Cong Thuong Apr 13)

## Vietnam Aims to Have 30 High-quality TVET Institutes in Southern Region





Vietnam is targeting to have 30 high-quality TVET institutes and two national centres for highquality vocational training. (<u>Dan Sinh</u> Apr 15)

## Hanoi College for Electro-Mechanics Inks Personnel Supply Deal with CBAM

On April 14, Hanoi College for Electro-Mechanics (HCEM) inked a human resources supply agreement with College for Business and Administration for Managers (CBAM). (Dan Sinh Apr 15)

## Hanoi's Career Fair Offers over 1,000 Vacancies to People with Disabilities

A career fair in Hanoi capital city on April 14 attracted the participation of 34 firms with 1,022 job vacancies for labourers with disabilities. (Petro Times Apr 14)

## Hanoi Metro Recruits 438 Workers for Nhon-Hanoi Station Urban Railway Project

Hanoi Metro Co.,Ltd. is recruiting 438 workers to operate Nhon-Hanoi station urban railway project. The recruitment will last between April 18 and June 30 while an exam will take place in the second-third quarter. Selected candidates will join training and then work for monthly salary of VND6.5 million-VND13 million. (Vietnam Plus Apr 18)

## Firms in Ha Tinh Need over 6,200 Labourers, Facing Hitches in Recruitment

As many as 52 firms based in central Ha Tinh province announced the recruitment of 6,201 labourers in early April. However, they are facing hurdles in the recruitment due to a shortage of local workers. (Bao Ha Tinh Apr 15)

## Quang Binh Sends Agriculture-related Workers to South Korea for 1st Time

Quang Binh has for first time sent seasonal workers to South Korea in agricultural field. As many as 42 labourers arrived in South Korea on April 18 and will work in Gyeongsangbuk province for five months. South Korea may recruit between 100 and 300 more workers from Quang Binh for the next period. (NLD Apr 19)

## Thua Thien-Hue Aims to Send 2,000 Labourers Abroad in 2022

Central Thua Thien-Hue province aims to send 2,000 labourers to work overseas in 2022. Last year, the province's labour exporting activities were hurt by COVID-19, thus meeting only 27.3% of the target. (Dan Sinh Apr 14)

## Thua Thien-Hue Aims for 50%-58% of Labourers Getting Certifications by 2025

Central Thua Thien-Hue province has set a target that 50%-58% of local labourers will get certifications by 2025 and the sector will attract 40%-45% of students finishing secondary



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schools and high schools. Besides, some local TVET institutes will approach national and ASEAN standards. (<u>Dan Sinh</u> Apr 17)

## HCMC's Career Fair Offers 5,000 Job Vacancies to Students

A career fair on April 17 at University of Economics HCMC (UEH), the 24<sup>th</sup> edition so far this year, attracted the participation of 42 firms with 5,000 job vacancies. (<u>Dan Sinh</u> Apr 17)

## HCMC Collects \$2.9B in Social Insurance Payments as of End-2021

Vietnam's southern economic hub of Ho Chi Minh City collected VND67.28 trillion (\$2.9 billion) in social insurance payments as of end-2021, according to the municipal Social Security. The city logged some 2.9 million people covered by compulsory social insurance, over 51,000 buying voluntary social insurance, 2.24 million persons covered by unemployment insurance, and 8.1 million people purchasing health insurance. As of the end of last year, the total debt of social, health, and unemployment insurance stood at more than VND3.7 trillion. In the first quarter of this year, about 37,000 people in the city claimed one-off social insurance allowances, up 19% y/y, which is vexing the local government. (Thanh Nien Apr 17)

## HCMC to Spend \$4.3M in Aid of 200K Disadvantaged Workers by End-2021

Ho Chi Minh City is expected to spend VND100 billion (\$4.3 million) in support of 200,000 disadvantaged workers and those having occupational accidents by the end of this year. Beneficiaries will receive gifts, job offerings, and vocational training. (<u>Dan Tri</u> Apr 19)

## Dong Thap's Career Fair Offers 10,000 Job Vacancies

A career fair in southern Dong Thap province on April 12, the seventh so far this year, attracted the participation of 20 firms with over 10,000 vacancies, along with 1,500 posts for labourers to work in Japan. The vacancies are in fields of fisheries, apparel, footwear, agro, delivery, sales, equipment operation, electrics, and engineering. (Dan Sinh Apr 13)

#### Ben Tre Aims to Send 2,000 Labourers Abroad Yearly in 2020-2025

Southern Ben Tre province targets to send 2,000 labourers overseas annually in 2020-2025. The target is being hindered by COVID-19, thus the provincial DoLISA has rolled out measures to boost the activity. (Dan Sinh Apr 17)