



Vietnam TVET Bulletin

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Vietnam PM Calls for Int'l Financial Support in Labour Market Development

Vietnamese Prime Minister Pham Minh Chinh has appealed for continued financial and technical support from international organizations to develop the country's labour market. PM Chinh made the call while chairing a national conference on August 20 in Hanoi, which aimed to seek ways to advance the sustainable development of the labour market. Speaking of the current labour market, Mr. Chinh indicated that a large number of high-quality workers with training abroad do not want to return to Vietnam for work, and there has been a shift of workforce from the public sector to the private sector. Average wages and competitiveness of Vietnamese workers abroad remain low in comparison with those of several other countries, he added. He also said residents in several localities resort to migration, and workers at industrial parks still find it hard to acquire affordable housing. Given the situation, the prime minister called for training and salary reform and development of a labour market information system, employment service centres, vocational training establishments, and social welfare. The PM suggested building a modern and transparent labour market governance system, strengthening the digitalization of labour administration in connection with population management, and diversifying credit sources for job creation, especially for vulnerable persons in remote and mountainous areas. He recommended building a mechanism to encourage appropriate labour distribution, creating jobs rural and mountainous areas, and assisting workers in industrial parks and urban areas with affordable housing. The government chief asked for a comprehensive renovation of vocational training and education and mobilization of resources for manpower development. (Bao Quoc Te, Tuoi Tre, Bao Chinh Phu, Vietnam Plus, Nhan Dan, QDND, Lao Dong, MoLISA Aug 20)

Vietnam Highly Prioritize to Develop High-Quality Human Resources for Agro: PM

The Party and the State of Vietnam always pay attention to developing high-quality human resources for agriculture, as well as startups and innovation, Prime Minister Pham Minh Chinh reaffirmed while attending an innovation event and job fair at the Vietnam National University of Agriculture (VNUA) in Hanoi on August 17. In his remark, the PM underlined that Vietnamese agricultural entrepreneurship must be based on three pillars, namely (i) training to improve startup capabilities, (ii) creating a startup environment, and (iii) providing capital and legal assistance for people who want to start a business. He also called on the VNUA and other higher education facilities to research the current demand of the labour market to adjust their curricula and training methodology while continuously improving training and scientific research quality. PM Chinh proposed further developing an innovation ecosystem and encouraging the students' entrepreneurship, besides urging businesses and entrepreneurs to enhance coordination with higher education establishments, actively engage in the training process, and facilitate students to improve their skills. On the same day, Mr. Chinh had a working session with officials, experts, and scientists of the VNUA, focusing on improving quality training, providing





preferential benefits for teachers and staff, and strengthening international cooperation. (<u>Dang Cong San</u>, <u>Lao Dong Thu Do</u>, <u>Bao Dan Toc</u>, <u>QDND</u>, <u>Tien Phong</u>, <u>Giao Duc Thoi Dai</u>, <u>Bao Chinh Phu</u>, <u>VOV World</u>, <u>Bao Chinh Phu</u> 1, <u>MoET</u>, <u>VTV</u>, <u>SGGP Aug</u> 17)

Experts Propose Gov't Lower Taxes for Firms Providing TVET to Labourers

Some experts have proposed the government reduce taxes for firms if they can prove that they have provided TVET to labourers. Mr. Dang Minh Truong, chairman of Sun Group, tipped the government issue preferential tax policies to connect TVET and businesses, as well as disbursement policies to boost the State's support to businesses in providing TVET to and upping skills of labourers. Mr. Nguyen Van Than, chairman of the Vietnam Association of Small and Medium Enterprises, suggested lowering taxes to firms proving TVET activities to labourers, instead of the current preferential rule for firms forming professional TVET unit per the Vocational Training Law. (VOV Aug 21)

TVET Schools Adopt Flexible Training Post-Pandemic

Many TVET schools in Vietnam are striving to adopt training programs in a flexible manner to help students get theoretical and practical learning after two years of pandemic. According to the MoLISA, TVET system attracts 28% of graduates from high schools, nearly triple that of 2015. (VTV Aug 23)

• Business Sector and Labour Market •

Foreign Cooperation

UN Vows Help for Vietnam Ministry with Social Welfare, Labour Development

The UN is disposed to assist the Vietnamese Ministry of Labour, War Invalids and Social Affairs with social welfare and labour market development, said UN Resident Coordinator in Vietnam Pauline Tamesis in a meeting with Minister Dao Ngoc Dung on August 16 in Hanoi. The UN senior official made five recommendations to the Vietnamese ministry about social protection and workforce development post-pandemic, namely:(i) keeping promoting policies and investment mechanisms to improve a working environment with high productivity; (ii) improving the supply of basic social services to people, especially the underprivileged; (iii) expanding social protection to not only respond to sudden crises but also ensure sustainability; (iv) adopting and stepping up digital technologies in social welfare provision; and (v) promoting creative solutions to replicate pilot projects for sustainable poverty reduction. In reply, Minister Dung welcomed proposals by the UN coordinator, adding that Vietnam is working on laws on social insurance, the elderly, gender equality, and domestic violence prevention and control. The country mulls amending the law on people with disabilities to help them access basic social welfare, Mr. Dung added. He looked to the UN Resident Coordinator Office to keep on backing the ministry with its missions. (Bao Dan Sinh, Nhan Dan, Lao Dong Xa Hoi, Dan Tri Aug 17)





Nike Supplier Pouchen Increasingly Taps Vietnamese Staff for Managerial Role

Taiwanese-invested footwear maker Pouchen Vietnam, a Nike contract supplier, is strengthening training for Vietnamese staff to gradually take over the managerial positions from foreign experts, said General Director of the company Tsai Wen Tsung. The executive made his statement at a meeting with Vietnamese Minister of Labour, War Invalids and Social Affairs Dao Ngoc Dung on August 18 in Hanoi. This year, Pouchen Vietnam has appointed local staff for the deputy department leadership and plans to put them in the division head positions next year, he added. Lauding the firm's manpower plan, Minister Dung said the Vietnamese government always facilitates foreign investors to do business in the country. The Vietnamese official asked Pouchen Vietnam to sustain a harmonious relationship with employees, improve skills for workers, and ensure benefits for them. Pouchen Vietnam has eight plants in five Vietnamese localities, supporting jobs for local 130,000 workers. Its revenue has so far almost returned to the 2019 pre-pandemic level. (Dan Tri, MoLISA, Lao Dong Xa Hoi Aug 18)

Vietnam Looks to Continue Joining ITUC-AP's Talks on Labour Policies in Region

Vietnam wishes to continue receiving invitation from the International Trade Union Confederation-Asia Pacific (ITUC-AP) to attend regional thematic seminars on promoting labour policies related to social welfare, basic wages, and immigration, said Mr. Tran Thanh Hai, standing vice chairman of the Vietnam General Confederation of Labour (VGCL). Mr. Hai made his statement while receiving Mr. Patuan Samosir, senior director, at the Organising and Projects Department of ITUC-AP, on August 18 in Hanoi. He requested ITUC-AP to finance young Vietnamese trade union officers to partake in the young leadership training programs in Asia-Pacific. The Vietnamese official proposed ITUC-AP, VGCL, and the Lao Federation of Trade Unions (LFTU) replace the trilateral consultation meetings held in 2008-2018 with thematic seminars that will be staged in Singapore, Laos, and Vietnam on a rotation basis. For his part, the ITUC-AP senior official welcomed proposals by the Vietnamese side, expecting cooperation with Vietnam in developing young trade union members. (Lao Dong, Cong Doan Aug 18)

Taiwan Foxconn to Lease 50Ha of Land in Vietnam for \$300M Project

Taiwan's Foxconn Technology Group has sealed a memorandum of understanding (MoU) on releasing 50.5 hectares of land in Quang Chau industrial park in Vietnam's northern province of Bac Giang. Under the deal with KinhBac City Development Holding Corporation (HOSE: KBC) and Saigon-Bac Giang Industrial Park JSC (SBG), Foxconn plans to invest \$300 million in its project in the IP. The project is expected to create 30,000 jobs and is a part of Foxconn's plan to expand investment in Bac Giang province. (Kinh Bac City Aug 16)

BIDV to Lend VND4.6T to VSIP III in Vietnam Binh Duong

Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV, HOSE: BID) will provide a loan of VND4.6 trillion, or around \$200 million, for the construction of VSIP III





in Vietnam's southern province of Binh Duong. On August 22, BIDV and Vietnam-Singapore Industrial Park JV. Co., Ltd (VSIP) signed a credit contract. The VSIP III is designed to cover 1,000 hectares in Tan Uyen township and Tan Lap commune in Bac Tan Uyen district and is expected to create 43,000-45,000 jobs. It is designed to attract projects in all sectors, especially high-tech industries. (Dau Tu, Vietnam Plus, PLO, SGGP Aug 22)

VKBIA, Lam Dong's Bao Loc College Cooperate in Manpower Development

The Vietnam-Korea Experts and Intellectuals Association (VKEIA), a member of the Vietnam-Korea Businessmen and Investment Association (VKBIA), and Bao Loc College of Technology and Economics held a workshop on education, training, and skilled workforce development on August 22. During the conference, VKBIA and the college agreed to join hands to develop some TVET programs in line with demand from industrial and hi-tech agricultural sectors in both Vietnam and South Korea. (VOV Aug 22)

Vietnam, Austria Share High Demand for TVET

Vietnamese Ambassador to Austria Nguyen Trung Kien said both Vietnam and Austria have high demand for TVET. However, Vietnam's big workforce remains mostly unskilled, barely self-disciplined, and incompetent of foreign languages, Ambassador Kien said, stressing the crucial task of promoting TVET for industrialization and modernization. (VOV Aug 17)

2 Suspects Prosecuted for Illegally Bringing Vietnamese to Cambodia

The investigation security agency in Vietnam's southern An Giang province has prosecuted and detained two suspects for illegally bringing Vietnamese nationals to Cambodia for forced labour. The two suspects, namely Nguyen Thi Le, born 1980, and Le Van Danh, born 1988, were found related to six persons in a group of 42 people escaping from a Cambodian casino on August 18. Reportedly, Le earned VND300,000 (\$13) for each person delivered to Cambodia. She paid Danh VND100,000 for each person brought to the neighbouring country successfully. So far, the provincial security force has determined four human trafficking rings related to the 42 Vietnamese escapees from Cambodia. (NLD, SGGP, CAND, VietnamNet, PLO, Tuoi Tre, Zing News, Thuong Truong, Bao Giao Thong, VOV Aug 22)

Domestic News

Vocational Training in Vietnam Must Focus on Digital Skills: Official

Vocational training in Vietnam must focus on training digital skills for learners, amid the Industry 4.0, said Mr. Truong Anh Dung, general director of the Directorate of Vocational Education and Training (DVET). Mr. Dung made the statement at a workshop on enhancing the leadership of the Communist Party of Vietnam on vocational training. The event was co-hosted by the DVET and the German Development Cooperation Agency (GIZ) in Hanoi on August 16. Mr. Dung emphasized that vocational training is the best path to improve the workforce the country's economy. He added that a draft directive on the leadership of the Communist Party of Vietnam Central Committee (CPVCC) Secretariat on vocational training has been completed. Mr. Dung stressed that vocational training in Vietnam is piloting many schemes, such as support





in training for secondary school graduates, high school graduates advancing to vocational training, specialized training per localities' conditions. He noted that such schemes should be conducted under the leadership of the CPV. (<u>Tin Tuc</u>, <u>Dan Tri</u> Aug 17)

Development of Labour Market Crucial for Vietnam's Econ Growth: SBV Governor

The development of the labour market is vital for the economic growth of a country, and ensuring workers' actual income at suitable level is essential because the high inflation is like a tax that affects their lives, said Ms. Nguyen Thi Hong, governor of the State Bank of Vietnam (SBV). Ms. Hong made her statement at the teleconference themed "Developing a flexible, modern, sustainable, and integrated labour market," hosted by Prime Minister Pham Minh Chinh on August 20. The SBV governor proposed multiple general solutions to push the growth of the local labour market, including boosting vocational training, ensuring favourable conditions for workers, building housing policies, and connecting the labour supply and demand. Besides, the SBV is also coordinating with related agencies to implement consumer loans for workers in industrial zones and will extend the model in the future. (CafeF, VnExpress, Tai Chinh Doanh Nghiep, VietnamBiz, Zing News Aug 21)

89% of Surveyed Businesses in Vietnam to Step up Hiring for Rest of 2022: Navigos

Vietnam's labour market is expected to stay vibrant for the rest of this year as a whopping 89% of local firms reported their plan to ramp up employment, according to a survey conducted by Navigos Group, among the most popular job websites in Vietnam. The survey, covering over 400 enterprises and 3,000 job seekers, indicated that the recruitment demand of firms with a workforce of between 300 and 1,000 staff will jump 50%-60%. Meanwhile, the employment demand of companies with 100-300 employees and under 100 staff is expected to rise 10%-40% and 50%-60%, respectively. Besides, 56% of business respondents said they will increase wages to retain talents. In the first half of this year, nearly 87% of local establishments find it hard to recruit workers over the wave of employees' resignations. The report said that the labour shortage is on up upward trend in Hanoi and Ho Chi Minh City with respective deficiency rates of 23% and 15%. Regarding reasons for resignations, over 20% of questioned job seekers said they want to take a career break before doing new jobs, more than 18% intend to do their own business or part-time jobs, and close to 12% are in no rush to look for new jobs. (CafeF, VTV, Tuoi Tre, PLO Aug 18)

88% of Firms in Vietnam Seek to Recruit More or Retain Talents: Survey

As many as 61% and 27% of surveyed firms in Vietnam seek to recruit more staff or retain staff, respectively, or 88% in total, according to a survey conducted by ManpowerGroup Vietnam as to employment trends in the third and fourth quarters of this year. The figure was lower than 95% in the first two quarters of this year. Businesses blamed the Ukraine-Russia conflict, high inflation, high prices of energy, and trend of lower consumption for cautious business operation. ManpowerGroup conducted the survey with over 100 employers in 21 sectors. The sectors with the highest recruitment demand were manufacturing and processing with 19% of the total firms,





wholesale and retail with 12.7%, banking-finance with 9.5%, consultation with 9.5%, and others. Besides, the survey stressed the weak foreign language proficiency and soft skills of Vietnamese workers. As many as 24% of firms said below 50% of workers can use English. Additionally, the survey showed that the average monthly wages of Vietnamese workers were about \$300, much lower than the regional average of \$1,992 and the global average of \$2,114. (VnEconomy, CafeF, Doanh Nghiep Hoi Nhap, Tuoi Tre, Lao Dong Aug 22)

Vietnam Hanoi Creates Jobs for over 153K Persons in Jan-Aug, up 33.7% v/v

Vietnam's capital city of Hanoi is estimated to have supported jobs for 153,523 workers in the first eight months of this year, up 33.7% y/y and reaching 96% of the year target. Of those, 1,300 persons have been sent abroad to work under contract. As of August 20, the Hanoi Center for Employment Service held 168 job fairs featuring 4,656 employers, and 12,895 were recruited through the events. During the eight-month period, the local government decided to give VND1.19 trillion (\$51.4 million) in unemployment benefits to 45,277 workers and VND4.52 billion in vocational tuition fees to 1,013 people. It has issued work licenses to 7,299 expats, including 2,237 executives and managers, 4,050 experts, and 1,012 technical workers. (Hanoi Moi, Nhan Dan, Cong Luan Aug 21)

TVET Institutes in Hanoi Enrol 172,423 Learners in Jan-Aug, up 161.37% y/y

TVET institutes in the capital city of Hanoi are estimated to have enrolled 172,423 learners in the first eight months of this year, fulfilling 76.8% of the year's target and rising 161.37% y/y, according to the municipal DoLISA. Besides, 131,104 learners have graduated in the period. The city is aiming to meet the target of raising the trained labour rate to 72.2% by end-2022. Currently, Hanoi houses 355 TVET institutes. (Dan Sinh, Lao Dong Aug 22)

Firms in Ninh Binh Province Need 27K Labourers

136 firms in northern Ninh Binh province are in need of nearly 27,000 labourers, but the local labour market has fulfilled a small part due to a lack of on-site labourers and high-skilled labourers. On August 19, the provincial DoLISA hosted a career fair with the participation of 19 firms with a total of 5,200 job vacancies, as well as 2,600 positions for abroad jobs, mostly in South Korea, Japan, and Taiwan. (Vietnam Plus Aug 19)

Hai Duong Province Spends VND683.4B on Improving TVET Facilities in 2016-2021

Northern Hai Duong province spent VND683.4 billion (\$29.4 million) on building facilities and purchasing equipment for local TVET institutes in 2016-2021. The capital included VND492.5 billion from the state budget, VND21.6 billion from the local budget, and the rest from crowdfunding. (Bao Hai Duong Aug 18)

Thanh Hoa Province Struggles to Prevent Natives from Overstaying in South Korea





The central province of Thanh Hoa is unable to persuade around 900 workers to return home instead of staying on illegally in South Korea. Of 6,000 Thanh Hoa residents that have gone to work in South Korea, 900 have either stayed in the country after their working visa expired or breached contracts to work for other companies, said Le Dinh Tung, deputy head of the province's DoLISA. The province's Dong Son and Hoang Hoa districts have been stopped from recruiting labourers to work in South Korea. Tung said the relatively high payment offered by firms in South Korea is why migrant workers choose to overstay or break the contract they'd signed despite knowing that it is illegal. In some cases, the payment is 7-10 times higher than in Vietnam, he said. They cannot find jobs with similar remuneration after they return to Vietnam. Currently, over 32,000 labourers from Thanh Hoa province are working abroad, mainly in Taiwan, Japan, South Korea, the Middle East, and others. Annually, they send home \$120 million-\$150 million. (Cong Thuong Aug 17)

Quang Nam Province Aims to Enrol 24,000 TVET Learners Yearly in 2022-2025

Central Quang Nam province has set a target to enrol 24,000 people into TVET annually in 2022-2025. In the period, 30% of secondary school graduates are expected to join TVET. (<u>Dan Tri</u> Aug 18)

Quy Nhon College of Engineering-Technology Celebrates 60th Anniversary of Foundation

Quy Nhon College of Engineering and Technology in Binh Dinh province celebrated the 60th anniversary of foundation and received the state-awarded second-class Labour Medal on August 20. During the past time, the college provided training to millions of skilled workers in supply to the central and Central Highlands regions. It offer training of seven key occupations, namely mechatronics, Industrial electrical and industrial electronics; welding, metal cutting; automotive technology and information technology. (Thanh Nien Aug 20)

Private Conglomerate Vingroup to Establish Silicon Valley in Vietnam

Vietnam's biggest private conglomerate Vingroup JSC (HOSE: VIC) will establish a global intellectual connection centre, towards a "Silicon Valley," in central Khanh Hoa province in the next three years to attract and gather the world's elite, said Vingroup General Director Nguyen Viet Quang. The Vingroup executive unveiled the plan during a conference on developing the labour market chaired by Prime Minister Pham Minh Chinh late last week. In his remark, Mr. Quang informed that Vingroup aims to expand its personnel to around 150,000 people in the next two years from the current 45,000. The corporation also expects to recruit 100,000 employees in the period, of whom 20% have university degrees or higher, while 10% will be sent to VinFast factories and business facilities in the U.S. and Europe, he said. Highlighting three major fields of Vingroup of technology and industry, trade and services, and charity, Mr. Quang attributed that the corporation plans to build 500,000 social houses and a series of construction projects in northern Quang Ninh province, central Khanh Hoa province, and southern Ho Chi Minh City in the next five years. The firm will also open a new battery factory in central Ha Tinh province and expand the production of an electric car plant in northern Haiphong City in the period, which





expects to recruit about 80,000-100,000 workers. He wished to receive support from the government, localities, the Ministry of Labour, War Invalids and Social Affairs (MoLISA), and the Ministry of Education and Training (MoET) in employee recruitment, vowing that the corporation would provide the best benefits for workers. (Thanh Nien, Thanh Nien 1, VietTimes, NDH, VietnamBiz, Tuoi Tre, VietnamFinance, Sputnik News Aug 20)

Thaco Wants to Build \$2.2B Bauxite-Aluminium Complex in Lam Dong

Truong Hai Auto Corporation (Thaco; OTC: THA) has proposed Vietnam's Central Highlands province of Lam Dong give an in-principle nod to build a bauxite-aluminium complex in Bao Loc city and Bao Lam district with a total investment of VND50 trillion (\$2.16 billion). The project will include a 500-hectare bauxite plant with a capacity of 3.2 million tons of ore per year, a 500-hectare aluminium factory with a capacity of 1.3 million tons per year, and a 150-hectare aluminium production facility with a capacity of 300,000 tons per year. It is expected to create jobs for nearly 5,000 labourers and contribute VND3 trillion to the state budget annually. (Zing Aug 19)

Dak Nong's TVET Remains Unattractive to Students

The TVET system of Dak Nong province remains unattractive to students due to inadequate infrastructure and teaching staff as well as limited resources, Deputy Director of DoLISA Hoang Viet Nam said. The province has been using state budget to support tuition fees for students of public TVET facilities till end-2025 while those from private ones are excluded from the benefit. (Dan Tri Aug 18)

HCMC Plans IT Workforce Development in 2022-2025

The People's Committee of Ho Chi Minh City (HCMC) has announced an action plan on information and technology workforce development in 2022-2025. The city aims to provide training to manpower in digital transformation, communications for state management, IT, IT leadership, and cybersecurity leadership. (Dan Sinh Aug 22)

Soc Trang Province Aims to Create Jobs for 6K Labourers of Poor Families by 2025

Southern Soc Trang province has set a target to create jobs for 6,000 labourers and provide TVET to 3,500 people of poor and near-poor families yearly by 2025. (Lao Dong Aug 18)