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MHM VIETNAM

Newsletter

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VIETNAM LEGAL UPDATE

National list of projects being promoted for foreign investment for the period of 2021-2025

On 1 November 2021, the Prime Minister of Vietnam issued Decision No. 1831/QĐ-TTg on promulgating the national list of projects being promoted for foreign investment for the period of 2021-2025 (the "List of Projects"). The Decision was issued pursuant to Resolution No. 58/NQ-CP of the Government dated 27 April 2020 to promulgate the Government Action Plan to implement Resolution No. 50-NQ/TW of the Politburo dated 20 August 2019 on providing the orientation to complete institutions and policies, improve the quality and effectiveness of foreign investment cooperation by 2030. The List of Projects is one of the key milestones specified in the 2020 Government Action Plan to ensure Vietnam is able to effectively cooperate to facilitate foreign investment. The details of each project will be the subject of further elaboration by the Ministry of Planning and Investment in coordination with the relevant local authorities.

The List of Projects gives guidance on the expectations of the Government of Vietnam regarding foreign investment, and so will be a useful guide for foreign investors interested in investing in infrastructure projects in Vietnam.

157 projects are listed in the List of Projects in total, classified into nine investment areas: (i) transportation infrastructure; (ii) industrial parks and economic zone infrastructure; (iii) energy infrastructure; (iv) information technology infrastructure; (v) waste and wastewater treatment systems; (vi) education and health infrastructure; (vii) cultural, sports, and tourism infrastructure; (viii) agriculture, forestry and aquaculture; and (ix) manufacturing infrastructure. Among these, some examples of noteworthy projects are as follows:

1. Metro Line 4

Metro Line 4 has a length of 36.2 kilometers, and transports passengers along the most densely populated areas of Ho Chi Minh City, through the Ben Thanh area along the North-South axis.

Total investment capital: US\$4,570 million

Investment form: Official Development Assistance (“ODA”), Public-Private Partnership (“PPP”)

Contact address: The Management Authority for Urban Railways of Ho Chi Minh City, 29 Le Quy Don, Ward 7, District 3, Ho Chi Minh City

2. Metro Line 3a

Metro Line 3a has a length of 19.58 kilometers, and transports passengers along the most densely populated areas of Ho Chi Minh City with the routes and directions of Ben Thanh – Pham ngu Lao – Cong Hoa – Hung Vuong – Kinh Duong Vuong – Tan Kien Depot – Tan Kien Station.

Total investment capital: US\$1,820 million

Investment form: ODA, PPP

Contact address: The Management Authority for Urban Railways of Ho Chi Minh City, 29 Le Quy Don, Ward 7, District 3, Ho Chi Minh City

3. Metro Line 2 – Phase 2

Metro Line 2 – Phase 2 has a length of 9.1 kilometers, and transport passengers from Ben Thanh – The Thiem and Tham Luong – Tay Ninh Bus station.

Total investment capital: US\$1,820 million

Investment form: ODA, PPP

Contact address: The Management Authority for Urban Railways of Ho Chi Minh City, 29 Le Quy Don, Ward 7, District 3, Ho Chi Minh City

¹ Pursuant to the Law on Investment 2020, besides foreign investors, a Vietnamese company will also be subject to the same investment requirements, conditions and procedures as foreign investors upon their establishment and investment in other Vietnamese corporations or investment in form of a BCC contract if such company falls into any one of the following cases:

- (a) More than 50% of its charter capital is held by a foreign investor(s), or in case such company is a partnership, a majority of partners of such partnership is foreign individuals;
- (b) More than 50% of its charter capital is held by a company(s) prescribed in sub-clause (a) above; and
- (c) More than 50% of its charter capital is held by a foreign investor(s) and a company(s) prescribed in sub-clause (a) above.

That is, a Vietnamese company which is subject to the same investment requirements, conditions and procedures as foreign investors as discussed above is regarded as a “deemed” foreign investor for the purpose of this Legal Update.

4. Trang Bom - Hoa Hung railway, Thong Nhat railway line

This 39.07 kilometer railway will pass through Dong Nai Province, Binh Duong Province, and Ho Chi Minh City, and is intended to reduce traffic jams and accidents in urban areas.

Total investment capital: US\$2,977 million

Investment form: PPP

Contact address: Department of Public - Private Partnership, Ministry of Transport, 80 Tran Hung Dao, Hoan Kiem District, Hanoi

5. Ring Road 4

The road is 32.5 kilometers long and has eight lanes, running through three districts in Long An Province: Ben Luc, Can Duoc, and Can Giuoc.

Total investment capital: US\$586 million

Investment form: PPP

Contact address: Department of Transport of Long An Province, No. 66 Hung Vuong, Ward 2, Tan An, Long An

6. Gas Power Plant Project

This power plant project will be located in Hon La Economic Zone, Quang Trach District, Quang Binh Province, and will generate electricity using LPG, with the goal of promoting the growth of the province's energy industry.

The project is 100-200 hta in size, and is proposed to have a capacity of 3,000 MW.

Total investment capital: US\$4,000 million

Investment form: 100 per cent foreign-invested or joint venture entity

Contact address: Department of Planning and Investment of Quang Binh Province, Road 23/8, Dong Hoi City, Quang Binh Province

7. Gas pipeline from Bao Vang gas field to Quang Tri

This gas pipeline is proposed to connect the Bao Vang gas field to Quang Tri Province, supplying gas to a 340 MW gas-fired thermal power plant invested in the Southeast Economic Zone of Quang Tri Province by Gazprom EP International BV. The pipeline will be 120 kilometers long, 16 inches wide, and have a capacity of 2-3 billion m³/year.

Total investment capital: US\$216 million

Investment form: 100 per cent foreign-invested or joint venture entity

Contact address: Department of Industry and Trade of Quang Tri Province, 313 Hung Vuong, Dong Ha City, Quang Tri Province

8. Wind power plant in Tuy Duc District

This wind power plant project will be located in the communes of Quang Truc, Dak Buk So and Dak Rti of Dak Nong Province. The plant's operations will include electricity generation, transmission and distribution. The capacity of the wind power plant is proposed to be 500 MWp.

Total investment capital: US\$740 million

Investment form: 100 per cent foreign-invested entity

Contact address: People's Committee of Dak Nong Province, Duong 23 Thang 3, Gia Nghia City, Dak Nong Province

9. Solar power plant in Krong No District

This wind power plant project will be located in the communes of Duc Xuyen, Buon Choah, Quang Phu, Dak Dro, and Nam Da of Dak Nong Province. The plant's operations will include electricity generation, transmission and distribution. The capacity of the wind power plant is proposed to be 800 MWp.

Total investment capital: US\$520 million

Investment form: 100 per cent foreign-invested entity

Contact address: People's Committee of Dak Nong Province, Duong 23 Thang 3, Gia Nghia City, Dak Nong Province

10. Developing and operating the infrastructure of Northern Ben Luc Industrial Zone

Investing, developing and commercially operating the industrial zone located at the North of Ben Luc District, Long An Province with the land area of 1,500 ha.

Total investment capital: US\$1,740 million

Investment form: 100 per cent foreign-invested or joint venture

Contact address: Long An Province's Management Authority for Economic Zones at 65 B, Chau Van Giac street, Ward 2, Tan An City, Long An Province.

11. Developing and operating the infrastructure of Ninh Co Economic Zone

Investing, developing and commercially operating the economic zone located at Hai Hau District, Nghia Hung District in Nam Dinh Province with the land area of 13,950 ha.

Total investment capital: US\$1,000 million

Investment form: 100 per cent foreign-invested or joint venture

Contact address: Nam Dinh Province's Department of Planning and Investment at 172 Han Thuyen Street, Nam Dinh City, Nam Dinh Province.

12. Developing and operating the infrastructure of Hoa Ninh Industrial Park

Investing, developing and commercially operating the industrial zone at Hoa Ninh Commune, Hoa Vang District, Da Nang City with the land area of 400.02 ha.

Total investment capital: US\$265 million

Investment form: international bidding to select investor

Contact address: Management Board of High-Tech Zone and Industrial Zones of Da Nang at Lot A17, Trung Tam Street, High-Tech Zone, Hoa Lien Commune, Hoa Vang District, Da Nang City.

13. Eco-tourism urban area to the East of Tam Dao

Investing and developing the East Tam Dao eco-tourism urban area with the land area of 5,619 ha. The main functional areas include (i) eco-urban zone (including commercial and service malls, newly developed ecological zones), (ii) eco-tourism, leisure and entertainment site, (iii) cultural tourism site (water park, art garden), (iv) theme amusement park (sport park, golf court), and (v) agricultural tourism site.

Total investment capital: US\$1,610 million

Investment form: all forms

Contact address: Department of Construction of Thai Nguyen Province at Nguyen Du Street, Trung Vuong Ward, Thai Nguyen City.

14. Complex comprising high-class services, commercial spaces, resort, entertainment facilities and a smart city

The complex, comprising high-class services, commercial spaces, resort, entertainment facilities and a smart city and high-tech agricultural project in My Loc District, Nam Dinh Province will cover an area of 1,500 hectares.

Total investment capital: US\$1,300 million

Investment form: 100 per cent foreign-invested or joint venture entity

Contact address: Department of Planning and Investment of Nam Dinh Province, 172 Han Thuyen, Nam Dinh City, Nam Dinh Province.

If you have any questions or would like further details regarding the matters discussed above, please contact our lawyers listed in left-hand column of the first page.

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