### Viet Nam

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>94,596,642</td>
</tr>
<tr>
<td>Area (km²)</td>
<td>331,230</td>
</tr>
<tr>
<td>GDP per capita (USD)</td>
<td>2,365.62</td>
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<tr>
<td>TPES (Mtoe)</td>
<td>80.99</td>
</tr>
<tr>
<td>Energy intensity (toe/10³ 2010 USD)</td>
<td>0.49</td>
</tr>
<tr>
<td>CO₂ emissions - energy (MtCO₂)</td>
<td>187.10</td>
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</tbody>
</table>

**Sources:**
1. The World Bank 2017
Viet Nam’s overall risk level against the assessed areas is **low**.

Among the three EIRA risk areas, breach of State obligations and unpredictable policy and regulatory change are lower compared to discrimination between foreign and domestic investors.

Viet Nam has a good performance on three of the EIRA indicators, and a moderate performance on one indicator. Rule of law and management of decision-making processes are at 75 and 70 points. It has also received a good score (67) on foresight of policy and regulatory change, while regulatory environment and investment conditions is at 42.

On a more detailed level, Viet Nam’s overall sub-indicator performance is good. The highest-scoring sub-indicators are management and settlement of investor-State disputes and respect for property rights, both at 75. The performance on transparency is also good, with a score of 72. It is followed by communication of vision and policies with 71 points. Institutional governance and robustness of policy goals and commitments have received 69 and 63 points, respectively. Regulatory effectiveness is at 44. The lowest-scoring sub-indicator is restrictions on FDI with 40 points.

Viet Nam provides attractive conditions for investors and is working in the right direction. Attention should be given to lowering the restrictions on FDI which are currently in effect.
AREAS FOR IMPROVEMENT

To meet the ambitious carbon-reduction goals set forth in the Renewable Strategy, and in the country’s NDC, the Government should facilitate the utilisation of renewable sources. The finalisation of a dedicated national Master Plan for renewable energy could help the Government change its short-term and local approach to renewables.Additionally, the improved bankability of power-purchase agreements and more attractive feed-in tariffs, especially for wind and solar projects, will increase their viability for developers and lenders.
**INDICATOR 3**

Regulatory environment and investment conditions

**QUICK FACTS**

The Prime Minister’s Office maintains oversight of the oil and gas industry and the electricity sector.

The MOIT manages and regulates energy sector activities. The Electricity Regulatory Authority of Viet Nam (ERAV) was established under MOIT to promote a competitive power market.

Viet Nam Oil and Gas Group (PVN) is the State-owned oil and gas corporation. Its activities span all aspects of the oil and gas industry.

**STRENGTHS**

The Government is committed to replacing the vertically integrated model of a single State-owned power utility (EVN) with a fully competitive electricity market, including at the retail level. A number of independent power projects are in the planning or realisation stage, especially in the gas sector. The Government is also creating an institutional framework for the enforcement of regulations necessary to provide a level playing field between public and private investors. The MOIT and the ERAV are audited by the State Auditor. The new Competition Law, effective in July 2019, establishes the National Competition Council. It is intended to take over the role and responsibilities of the Competition Authority and the Competition Committee, which currently functions under the MOIT.

Viet Nam’s membership to ASEAN creates a favorable investment environment, which will be reinforced with the entry into force of the EU-Viet Nam FTA. In 2015, the Government adopted Resolution no. 36a/NQ-CP “On e-Government” to modernise public administration and facilitate the ease of doing business. The Resolution prioritises the development of an integrated electronic system compiling electronic documents and data, as well as the creation of the national public service portal to provide information on administrative procedures, land construction and licence granting.

**AREAS FOR IMPROVEMENT**

Despite the creation of the ERAV as a legal entity, regulatory power remains vested in the MOIT. At the same time, the oil and gas sub-sector lacks an economic, technical and safety regulator. The reinforcement of ERAV’s authority and the establishment of a similar entity in the gas industry will signal a stronger commitment to creating a competitive and transparent energy market.

Power transmission remains a publicly owned monopoly and PVN continues to dominate petroleum and hydrocarbon exploration and production activities. The ring-fencing of EVN and PVN's business functions will allow market forces to operate at the retail level and introduce new players in the oil and gas industry.

**SCORE**

42

**INDICATOR 4**

Rule of law

**QUICK FACTS**

Viet Nam has been a signatory to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards since 1995.

Viet Nam became a member of the WTO in 2007.

The 1992 Constitution as amended in 2013 protects the right to lawfully acquired property against nationalisation.

**STRENGTHS**

The Law “On Investment” provides investors the choice of approaching different fora of dispute resolution, such as the Vietnamese courts, Vietnamese arbitration or international arbitration. Judges are expected to create favourable conditions for the disputing parties and enable the amicable settlement of grievances. Decree no. 22/2017/ND-CP “On Commercial Mediation” provides detailed rules on the scope, principles, and procedures (institutional and ad hoc), as well as on the selection of the mediators. The Civil Procedure Code guarantees the enforcement of an agreement reached through mediation. The Vietnam International Arbitration Center was established to encourage alternative dispute resolution mechanisms. According to its 2018 Report, the Center’s caseload has grown considerably over the years. Law no. 02/2011/QH13 “On Complaints” sets a two-tiered system and strict timeframes for launching an appeal against administrative decisions.

Private property can be subject to forceful purchase or requisition only on grounds of national defence, security and national interest, against compensation. The domestic legal framework provides the method for determining the amount due as well as definitive timelines for the payment of the compensation. Intellectual property rights enjoy protection as a form of “investment”. According to the recently amended Law no. 07/2017/QH “On Technology Transfer” and its implementing decree, transfer of energy-related technology is promoted.

**AREAS FOR IMPROVEMENT**

Although there have been no recent cases of expropriation of foreign investment in Viet Nam, the term “public interest” in relation to forceful purchase or requisition should be clearly defined in domestic legislation. A list of activities that constitute “public interest” would provide additional clarity to investors.

**SCORE**

75