

LIST OF BUSINESS LINES ELIGIBLE FOR SPECIAL INVESTMENT INCENTIVES AND INVESTMENT INCENTIVES

(Promulgated together with the Government's Decree No. 118/2015/ND-CP dated November 12, 2015)

A. BUSINESS LINES ELIGIBLE FOR SPECIAL INVESTMENT INCENTIVES

I. HIGH TECHNOLOGY, INFORMATION TECHNOLOGY, ANCILLARY INDUSTRIES

1. Application of high technologies on the List of high technologies given priority under the Prime Minister's decisions.
2. Production of products on the list of hi-tech products given priority under the Prime Minister's decisions.
3. Production of ancillary industry products under the Prime Minister's decisions.
4. Development of high technologies and high technology enterprises; venture investment in high technology development; application, research and development of high technology according to regulations of law on high technology; manufacturing of biotechnology products.
5. Production of software products, digital products, key information technology products, software service, information security services, information protection service according to regulations of law on information technology.
6. Production of renewable energy, clean energy, and waste-to-energy production.
7. Manufacture of composite materials, light building materials, and rare materials.

II. AGRICULTURE

1. Cultivation, protection, and development of forests.
2. Farming, processing, preserving agriculture, forestry, and aquaculture products.
3. Production, breeding, cross-breeding plant varieties, animal breeds, and aquatic breeds.
4. Salt production, extraction, and refinement.
5. Offshore fishing combined with advanced fishing methods; fishing logistics services; construction of shipyards and ship-building.
6. Rescue services at sea.

III. ENVIRONMENTAL PROTECTION, INFRASTRUCTURE CONSTRUCTION

1. Concentrated waste collection, treatment, recycling, and reuse.

2. Construction, operation of infrastructure of industrial parks, export-processing zones, hi-tech zones, and specialized areas in economic zones.
3. Development of water plants, power plants, water supply and drainage system; bridges, roads, railroads, airports, seaports, river ports; airfields, train stations, and other particularly important infrastructural works decided by the Prime Minister.
4. Development of public transportation in urban areas.
5. Construction, management, and operation of rural markets.

IV. CULTURE, SOCIETY, SPORTS, HEALTHCARE

1. Construction of social houses and relocation housing.
2. Investment in epidemic prevention facilities.
3. Research and development of preparation technology and biotechnology for production of new medicines.
4. Production of medicines ingredients and essential medicines, medicines for prevention and treatment of sexually transmitted diseases, vaccines, biological, herbal medicines, oriental medicines; medicines whose patents are about to expire or relevant proprietary medicines; application of advanced technology and biotechnology to production of medicines for humans according to international GMP standards; production of primary packages of medicines.
5. Investment in manufacture of methadone.
6. Investment in centers for high-performance sports, sports training centers for the disabled; construction of sports facilities having training and competition equipment suitable for used at international competitions; professional sports training facilities.
7. Investment in geriatric centers, psychiatry centers, centers for treatment of dioxin patients, centers for caring elders, the disabled, orphans, and homeless children.
8. Investment in Social Treatment – Education – Labor centers; rehabilitation centers smoking cessation centers; HIV/AIDS treatment centers.
9. Investment in national museums, ethnic culture centers; traditional theatre groups; theatres, film

studios, film production facilities, film development facilities; fine art – photography exhibition centers; production, repair of traditional musical instruments, maintenance of ethnic museums and art schools; facilities and trade villages for introduction and development of traditional trades.

B. BUSINESS LINES ELIGIBLE FOR INVESTMENT INCENTIVES

I. SCIENCE AND TECHNOLOGY, ELECTRONICS, MECHANICS, MATERIAL PRODUCTION, INFORMATION TECHNOLOGY

1. Production of products on the list of key mechanical products under the Prime Minister's decisions.
2. Investment in research and development.
3. Production of steel billets from iron ore, high-grade steel, alloys.
4. Production of coke and activated carbon.
5. Production of energy-saving products.
6. Production of petrochemical products, pharmaceutical-chemical products, technical plastic – rubber components.
7. Production of products with at least 30% added value (according to instructions of the Ministry of Planning and Investment).
8. Production of automobiles, automobile parts, ship-building.
9. Production of electronic components and electronic clusters other than those specified in List A of this Appendix.
10. Production of farming machines, equipment, components, machines serving agriculture, forestry, aquaculture, salt production, food processing machines, and irrigation equipment other than those specified in List A of this Appendix.
11. Production of materials to replace asbestos.

II. AGRICULTURE

1. Cultivating, gathering, processing herbs; protection of genetic resources, rare and special herbs.
2. Production, processing of animal feeds.
3. Technological services related to cultivation, breeding, aquaculture, protection of plants and animals.
4. Construction, upgrade or slaughterhouses; industrial preservation and processing poultry and livestock.
5. Development of material areas serving processing industry.
6. Fishing.

III. ENVIRONMENTAL PROTECTION, INFRASTRUCTURE CONSTRUCTION

1. Construction and development of infrastructure of industrial complexes.
2. Construction of apartment buildings for workers in industrial parks, export-processing zones, hi-tech zones, economic zones; construction of dormitories for students and houses for beneficiaries of incentive policies; construction of urban areas (including kindergartens, schools, hospitals) serving workers.
3. Recovery of oil spill, landslide, dyke, riverbank, seashore, dam, reservoir erosion, and other environmental emergencies; application of technology to minimization of greenhouse gas emission.
4. Investment in operation of exhibition centers, logistics centers, warehouses, supermarkets, shopping malls.

IV. EDUCATION, CULTURE, SOCIETY, SPORTS, HEALTHCARE

1. Investment in operation of infrastructure of educational institutions, development of non-public educational institutions, including preschool education, compulsory education, and vocational education.
2. Production of medical equipment, construction of warehouses for preservation of pharmaceuticals and reserve of medicines for humans in case of disasters, epidemics.
3. Manufacture of ingredients of medicines and pesticides; drugs for animals and aquatic organisms.
4. Investment in biological testing facilities, bioavailability assessment, pharmaceutical facilities that meet good practice standards for manufacturing, preservation, testing, clinical trial of medicines.
5. Investment in research into scientific foundation of traditional medicines and establishment of standards for testing traditional medicines.
6. Investment in sports centers, stadiums, swimming pools; facilities for production, repair sports equipment.
7. Investment in public libraries and cinemas.
8. Investment in construction of cemeteries, crematories.

V. OTHER BUSINESS LINES

1. People's credit funds and microfinance institutions.

**POLICIES ON INCENTIVES IN INDUSTRIAL PARKS, ECONOMIC ZONES
QUANG NINH PROVINCE**

Incentives	Industrial parks ¹	Economic zones ²
Corporate income tax	<ul style="list-style-type: none"> - Tax rate of 20%. - Tax exemption, reduction period: Being exempted from tax in 02 years, reduction of due taxes by 50% for the subsequent 04 years applied to incomes from implementation of new investment projects in the industrial parks (with the exception of Cai Lan and Viet Hung Industrial Parks) - In cases of projects within one of the sectors 3as provided for in sections b, c, d, đ Article 15, Decree No. 218/2013/ND-CP dated 26/12/2013 detailing and guiding the implementation of Law on Corporate Income Tax, a preferential tax rate of 10% in 15 years shall be applied to corporate incomes from implementation of new investment projects, being exempted from taxes in 04 years, reduction of due taxes by 50% for the subsequent 09 years. 	<ul style="list-style-type: none"> - Preferential tax rate of 10% in 15 years is applied to corporate incomes from implementation of new investment projects within the Economic zones. Duration of preferential tax rate application is continuously calculated from the first year in which corporate has income from new investment project. - Tax exemption, reduction period: Being exempted from tax in 04 years, reduction of due taxes by 50% for the subsequent 09 years. Duration of tax exemption, reduction is continuously calculated from the first year in which corporate has income from new investment project eligible for tax incentives, in case of no taxable income in the first three years, duration of tax exemption, reduction shall be calculated from the fourth year in which corporate has income from new investment project.
Import Export Tax	<ul style="list-style-type: none"> - Exemption of import-export tax for (1) Goods imported for processing, processed products exported under processing contracts (Detailed list as provided in Article 10, Decree No. 134/2016/ND-CP dated 01/9/2016); (ii) Goods exported for processing, processed products imported under processing contracts (Detailed list as provided in Article 11, Decree No. 134/2016/ND-CP dated 01/9/2016); (iii) Raw materials, supplies, components, semi-finished products, finished products imported for the production of export goods – Only the import tax is exempted (Detailed list as provided in Article 12, Decree No. 134/2016/ND-CP dated 01/9/2016) - Exemption from import tax on goods imported to create fixed assets for beneficiaries of investment incentives, including: (1) Machines, equipment; accessories, components, knocked-down parts and spare parts for assembly in complete sets or used in synchronization with machinery and equipment; Materials and supplies used for the manufacture of machinery and equipment or for the manufacture of accessories, components, knocked-down parts, spare parts of machinery and equipment; (2) Specialized transport means in technological lines directly used for project's production activities; (3) Construction materials which could not be locally manufactured. Investment projects implemented in areas eligible for investment incentives yet whose business lines are not eligible for investment incentives shall be exempted from tax imposed upon imported goods to create fixed assets for production purposes of the project eligible for investment incentives. 	
	Exemption of import tax for a period of 5 years from the commencement of production of raw materials, supplies and components which cannot be locally manufactured for production activities of the investment project eligible for special investment incentives	Exemption of import tax for a period of 5 years from the commencement of production of raw materials, supplies and components which cannot be locally manufactured and being imported for production activities of the investment project

Incentives	Industrial parks ¹	Economic zones ²
Land rent		<ul style="list-style-type: none"> - Land rent is exempted during basic construction but shall not exceed 03 years from the date of decision by competent state authority approving for land leasing (not including cases of investment in construction, renovation and expansion of production/business facilities) - Land rent exemption after exemption during basic construction period is as follows: (i) Van Don Economic Zone, Bac Phong Sinh Border Gate Economic Zone, Mong Cai Border Gate Economic Zone (part located within Hai Ha district): 13 years for projects not including in List eligible for investment incentives; 17 years for projects including in List eligible for investment incentives; (ii) Hoanh Mo – Dong Van Border Gate Economic Zone: 15 years for projects not including in List eligible for investment incentives; 19 years for projects including in List eligible for investment incentives; (iii) Mong Cai Border Gate Economic Zone (part located within Mong Cai city): 11 years for projects not including in List eligible for investment incentives; 15 years for projects including in List eligible for investment incentives - Exemption from land rent, water surface rent during the entire lease term for (i) Investment projects eligible for special investment incentives; (ii) Projects which invest in construction of workers' and laborers' quarters in the Economic Zone or sub-rent land from investor for construction and operation of Economic zone's infrastructure to comply with planning approved by competent state authority; investor is not allowed to include land rent into the housing rent; (iii) Land for construction of public works by public service bodies in the Economic Zone; (iv) Land for construction of repair/maintenance stations, parking lots for the purposes of public passenger transport in the Economic zone under legal provisions on road transport; (v) Land for construction of water supply works in the Economic zone
Non-agricultural land use tax		Exempted
Personal income tax		Reduction of income tax by 50% for persons whose incomes are taxable, including both Vietnamese and foreigners working in the economic zone.

***Notes:**

- (1) Industrial parks within the province, with the exception of Hai Yen Industrial Park and Hai Ha Seaport – Industrial Park.
- (2) Economic zones include coastal economic zones, border gate economic zones, Hai Yen Industrial Park and Hai Ha Seaport – Industrial Park
- (3) Investment projects of the following sectors: (i) Scientific research and technological development; hi-tech applications within the list of high technologies prioritized for investment and development under provisions of Law on High Technology; high tech nursery, high tech enterprise incubation; venture capital for development of high technologies included in high technologies prioritized for development under provisions of Law on High Technology; investment in construction- operation of facilities for high tech nursery, high tech enterprise incubation; investment in development of water plants, power plants, water supply and drainage system; bridges, roads, railways; airports, seaports, river ports; air strips, Railway stations and other infrastructure works of special importance decided by the Prime Minister; manufacturing software products; production of composite materials, light construction materials and rare and precious materials; production of renewable energy, clean energy, energy from waste disposal; development of biotechnology (ii) Corporate incomes from the implementation of new investment projects in the field of environmental protection, including: Manufacture of equipment for environmental pollution treatment, equipment for environmental monitoring and analysis; pollution treatment and environmental protection; collection and treatment of wastewater, waste gas, solid waste; recycling and reuse of waste; (iii) High-tech enterprises, agricultural enterprises applying high technologies; (iv) Corporate incomes from implementation of new investment projects in the field of production (with the exception of projects on production of goods eligible for excise taxes, mining projects) which meet one of the following two criteria: The project has a minimum investment capital of 6 thousand billion dong, disbursement is completed within 3 years from the date of being issued with investment permit and has total revenue of 10 thousand billion dong/year at a date not later than 3 years from the year in which revenues first incurred or Project has a minimum investment capital of 6 thousand billion dong, disbursement is completed within 3 years from the date of being issued with investment permit and uses over 3,000 employees at the date no later than 3 years from the year in which revenues first incurred.

REFERENCES

ELECTRICITY PRICE

No.	Item	Electricity price VND/KWH
Wholesale electricity price for industrial parks		
Wholesale price at voltage level 110 kV of substation 110kV/35-ss-10-6 kV		
Total installed capacity of the transformer > 100 MVA		
1	Normal hours	1,325
1.1	Off-peak hours	846
1.2	Peak hours	2,407
Total installed capacity of the transformer from 50 MVA to 100 MVA		
2	Normal hours	1,330
2.1	Off-peak hours	820
2.2	Peak hours	2,395
Total installed capacity of the transformer lower than 50 MVA		
3	Normal hours	1,324
3.1	Off-peak hours	818
3.2	Peak hours	2,379

No.	Item	Electricity price VND/KWH
Retail electricity price for production facilities		
Voltage level from 110Kv and above		
1	Normal hours	1,388
1.1	Off-peak hours	869
1.2	Peak hours	2,459
Voltage level from 22 Kv to under 110 Kv		
2	Normal hours	1,405
2.1	Off-peak hours	902
2.2	Peak hours	2,556
Voltage level from 6 Kv to under 22 Kv		
3	Normal hours	1,453
3.1	Off-peak hours	934
3.2	Peak hours	2,637
Voltage level under 6 Kv		
4	Normal hours	1,518
4.1	Off-peak hours	983
4.2	Peak hours	2,735

WATER PRICE

Usage	Price, VAT not included (dongs/m3)	Price, VAT included (dongs/m3)
Material production	12.200	12,810
Services, tourism, construction	16.900	17,745

MINIMUM WAGE

No.	Location	Minimum wage
01	Industrial Parks: Cai Lan, Viet Hung, Hai Yen	VND 3,530,000/month
	Mong Cai Border Gate Economic zone (Part located in Mong Cai city)	
02	Industrial Parks: Dong Mai, Mac Dynasty Lagoon Service – Industrial Park Song Khoai, Dong Trieu	VND 3,090,000/month
03	Hai Ha Seaport – Industrial Park	
	Van Don Economic Zone	VND 2,660,000/ month
	Border Gate Economic Zones: Mong Cai (Part located in Hai Ha district); Bac Phong Sinh, Hoanh Mo – Dong Van	

SUPPORT AND INVESTMENT PRIORITIZATION POLICIES IN INDUSTRIAL PARKS, ECONOMIC ZONES OF QUANG NINH PROVINCE

INVESTMENT SUPPORT POLICIES FOR INDUSTRIAL PARK INVESTORS

Land rental incentives:

Land rent unit for projects which invest in infrastructure of the industrial park shall be calculated at the lowest rental rate which is 0.5% multiply (x) by land price for land rent calculation.

Policy on land for residential construction and resettlement:

- Industrial park's infrastructure investor shall be assigned by the province with additional reasonable land area to invest in the construction of resettlement areas, workers' quarters and logistics service center for the Industrial park on the basis of being in accordance with construction plans approved by competent body; in case of which there is no construction planning for the area, it shall be considered to introduce Industrial park's infrastructure investor to appropriate location, convenient for investment in construction of Industrial park's infrastructure.

- Projects which invest in construction and operation of Industrial park's infrastructure whose area is from 100 ha and above shall be given priority for investment in operation of urban areas or residential - socio service infrastructure areas outside and adjacent to the Industrial park with respective areas from 30% to 50% of the Industrial park's area (Investor must meet the requirements of current legal provisions on real estate business and regulations of the Provincial People's Committee on conditions for selection of investor for implementation of urban area's infrastructure operation project within Quang Ninh province).

Ground clearance cost support policy

- Industrial park investor shall be supported from provincial budget in form of 30% advance payment for compensation, ground clearance, resettlement costs under plan for compensation, support, resettlement approved by competent body and Industrial park investor is obliged to return the above-mentioned amount to the provincial budget after sublease to secondary investor but not later than 12 months from the date of being assigned with cleared ground. Industrial park investor shall be advanced with the support amount mentioned above only when payment progress has been fulfilled at least 50% according to approved payment schedule.

- Before the completion of annual budget estimates of the province (before the 31st October of the previous year), Industrial park investors must specifically register their needs for advance capital from provincial budget

for compensation, ground clearance, resettlement so that the province can balance and decide on allocation of capital to each project.

Quang Ninh Economic Zone Authority shall be in charge of urging Industrial park's infrastructure investors to return the amount advanced by provincial budget for ground clearance as provided for.

Support for construction of wastewater treatment system in the Industrial park:

After complete construction of wastewater treatment system, Industrial park investor shall be supported by the province with an amount equivalent to 30% of total investment capital for the wastewater treatment system of each Industrial park, but such support amount shall not exceed 30 billion dong.

Other incentives:

Industrial park investor shall be provided, free of charge, with information on construction planning and cadastral map for the purposes of project implementation.

SUPPORT POLICY FOR SECONDARY INVESTORS

Support on vocational training:

New investment projects or projects on production expansion in the Industrial park shall be supported by the province with short-term vocational training costs for employees inside and outside the province who work in the Industrial park for the first two (02) years from the date of being issued with Certificate of Investment. The support for short-term vocational training costs shall be carried out via vocational training institutes.

Support for initial short-term vocational training for those industries whose training time is under 03 months is equivalent to 50% of general minimum wage/month. As for those industries whose training time is from 03 months to under 01 year (vocational elementary level), the support shall be equivalent to 50% of general minimum wage/month and shall not exceed an amount equivalent to 3 times the general minimum wage/training course at the maximum.

Support for commercial and investment promotion:

Enterprises inside the Industrial park which are approved by People's Committee of the province to participate in investment and commercial promotion conferences held by the province shall be supported with commercial and investment promotion costs as follows:

- Support amount equivalent to 50% of the cost for renting booths and directly related costs for the enterprises to participate in national and international fairs. The maximum support shall not exceed 20 million dong/time/year/enterprise.
- Support amount equivalent to 50% of the transport costs for an enterprise owner to participate in commercial and investment promotion program of the province.

Technology transfer support

Being entitled to support for the implementation of advanced management systems, support for establishment of industrial property rights and support for participation in technology and equipment markets, brand fairs

Support for cost of announcing the establishment of enterprise and product advertisement costs on the Web Portal of Quang Ninh province and the website of Quang Ninh Economic Zone Authority

- Secondary enterprises shall be exempted from costs for enterprise establishment announcement, notification of business line supplement as provided for by Law on Enterprises on Web Portal of Quang Ninh province and the website of Quang Ninh Economic Zone Authority
- Enterprises participating in product advertisement on Web Portal of Quang Ninh province and the website of Quang Ninh Economic Zone Authority shall be reduced by 15% against the total value of advertisement contract.

INVESTMENT PRIORITIZATION POLICIES IN INDUSTRIAL PARKS, ECONOMIC ZONES

Projects investing in construction of technical and social infrastructures within the Economic Zones, projects investing in construction of technical infrastructure inside and outside the limits of Industrial Parks including: (1) Roads; power supply

system; water drainage and supply; compensation, ground clearance; (2) Compensation, ground clearance and construction of technical and social infrastructures for workers' quarters and the resettlement areas for those whose land use rights within the Economic zones are reclaimed; (3) Concentrated solid waste treatment area and concentrated wastewater treatment system of the Industrial park, non-tariff area inside the Economic zone (Including waste water drainage system, concentrated wastewater treatment station); (4) Connection of infrastructure works inside the Industrial park, Economic zone; vocational training institutes; medical facilities; schools and other public works to meet the needs of Industrial park, Economic zone development are designated as key projects which must be given with prioritized resources from provincial budget in annual capital investment allocation plan.

Provincial People's Committee shall consider and decide on investment priorities for each specific project after reaching agreement with the standing body of the provincial People's Council and report it to the provincial People's Council at the nearest session.

IMPLEMENTATION

Quang Ninh Economic Zone Authority is the focal point to receive and support the processing of investment procedures in the Economic zones, Industrial parks under the "one gate, on the spot" scheme, and being obliged:

1. To announce in a public, transparent manner information on procedures and to guide the investors to compile dossier for investment in Industrial parks, Economic zones.
2. To provide free of charge information, forms relating to the making of application for issuance of investment decisions, certificates of investment registration under appropriate competence.
3. To coordinate with the authorities to quickly and conveniently handle all administrative procedures related to production and business activities in Industrial parks or Economic zones for the enterprises.