

Viet Nam	
Policy responses	
Containment	<ul style="list-style-type: none"> <li>• With experience gained from dealing with the 2003 SARS and 2009 H1N1 pandemics, Viet Nam's government started organizing its response in January — as soon as reports began trickling in from Wuhan, China, where the virus is believed to have originated. The country quickly came up with a variety of tactics, including widespread quarantining and aggressive contact tracing. It has also won praise from the World Health Organization and the CDC for its transparency in dealing with the crisis</li> <li>• On 31 March 2020, Vietnamese government ordered a nationwide isolation of 15 days from 1 to 15 April.</li> <li>• On 23 April 2020, Vietnamese government lifted social isolation rule, subsequently allowing re-opening of non-essential services including restaurants. On the same day, schools across the country could be re-opened, with dates varying per each province and city case. From 9 May, cinemas were reopened.</li> <li>• Viet Nam's very low number of cases and no deaths, as of 11 June, is a result of rigorous and large-scale monitoring, widespread testing, and regular temperature scans at airports and public venues.</li> <li>• Viet Nam has also displayed leadership in innovation by inventing and exporting affordable rapid-testing kits and by installing disinfection chambers to eliminate community transmission in clinics and other places where people queue.</li> <li>• Since April 29, more frequent domestic flights and local trains have been introduced to connect big cities and provinces and up to 50 percent of public transportation is resumed while that can be fully operated in low risk provinces.</li> <li>• By the end of March, Viet Nam had banned all international and domestic flights. The government locked down the country on April 1. Vietnam's borders still remain closed to international tourists.</li> <li>• On 11 May, Vietnamese government started a nationwide tourism campaign, to increase domestic demand for travelling and promote domestic tourism</li> <li>• In July there was an uptick in cases in the tourist city of Danang, which has since spread to other cities. The surge in cases has nearly doubled Vietnam's case count, and Vietnam recorded its first handful of deaths since the start of the pandemic. The Government's response has been swift, evacuating the city of Danang. While the epicenter of the outbreak is under control; however, new cases continues to exceed the recovery rate.</li> <li>• Danang on August 11 announced that it was extending its social distancing measures indefinitely.</li> <li>• With the second-largest outbreak after Danang, Quang Nam Province on August 13 suspended non-essential services until further notice.</li> <li>• 25 Sep. All activities including the opening of bars and clubs allowed to resume in Da Nang after it controlled the pandemic.</li> <li>• 26 Feb 2021. Ho Chi Minh City authorities would reopen most non-</li> </ul>

	<p>essential businesses from 1 March 2021, such as restaurants, movie theaters, wedding centers, and tourist monuments/museums, however, bars, night clubs, karaoke parlors, gyms, and pool table services will remain closed for now.</p> <ul style="list-style-type: none"> <li>• 8 Mar 2021. Vietnam started vaccinations beginning with front-line workers and health care staff in 13 cities and provinces that have had an outbreak.</li> <li>• Internet and online gaming parlors as well as interprovincial bus routes in Hanoi were allowed to resume operations from 16 March 2021. However, bars, nightclubs, and karaoke parlors will remain closed until further notice.</li> <li>• 22 Mar 2021. Ho Chi Minh City authorities allowed the reopening of bars, nightclubs, and karaoke parlors from March 19 but with preventive measures.</li> </ul>
Fiscal	<ul style="list-style-type: none"> <li>• Viet Nam assisted companies struggling amid the coronavirus outbreak with tax breaks, delayed tax payments and reductions in land lease fees. The assistance package totaled \$1.16 billion.</li> <li>• In early April, the government announced plans for a \$2.6 billion fiscal package to support those most affected by the pandemic. Under the new package, those displaced from their jobs will receive about \$76 per month through June, low-income households will collect about \$42 per month, and those who “rendered services to the state during the revolution” will be sent about \$22 a month.</li> <li>• The government will also delay collecting and estimated \$7.6 billion in value-added tax, corporate income tax, and land rent from various businesses and households for five months starting from April.</li> <li>• Ho Chi Minh City on August 17 allocated \$26 million in financial support to over 500,000 individuals impacted by Covid-19, including workers laid off or on unpaid leave.</li> </ul>
Monetary/financial	<ul style="list-style-type: none"> <li>• Effective Mar.17, the State Bank of Viet Nam (SBV) cut benchmark policy rates by 50-100 bps, the short-term deposit rates cap by 25-30 bps, and the short term lending rates cap for priority sectors by 50 bps; raised its remuneration rates on required VND reserves by 20 bps, and also raised interest rates by the same amount on Viet Nam Deposit Insurance, Social Policy Bank, Viet Nam Development Bank, People Credit Funds and micro-finance institutions’ deposits at the SBV.</li> <li>• The State Bank of Viet Nam (SBV) has issued a directive for credit institutions and commercial banks to manage cash flow, liquidity, debt, and interest rates</li> <li>• The authorities announced a credit package totaling VND 285 trillion (about 3.8 percent of GDP) from the banking sector for affected firms and households. This is time-bound from Jan. 23 to 3 months after the Prime Minister’s announcement of the ending of Covid-19 epidemic.</li> <li>• October 1, the State Bank of Vietnam (SBV) cut its benchmark policy rates by 50 bps, the third time in the year</li> <li>• March 4, 2021, the Prime Minister signed Directive No.11/CT-TTg on urgent actions to support business and social security. The most notable points of this Directive are that the Prime Minister instructed</li> </ul>

	<p>the State Bank of Vietnam (SBV), to launch a credit support package amounting to VND 250 trillion (approx. \$10.5 billion) for businesses, and instructed the Ministry of Finance to offer a support package of VND 30 trillion (approx. \$1.2 billion) for solving business difficulties and ensuring social security.</p>
Trade measures <sup>1</sup>	<p><b>Restrictive:</b></p> <ul style="list-style-type: none"> <li>July 23: Vietnam bans trade in live wild animals and wildlife products to prevent future pandemics.</li> </ul> <p><b>Liberalizing:</b></p> <ul style="list-style-type: none"> <li>List of goods eligible for import tax exemption for the prevention and control of acute respiratory infections.</li> <li>Temporary elimination of import tariffs on non-woven fabrics for the production of protection clothing.</li> <li>Components imported to manufacture ventilators are exempt from import tax in order to control and contain the COVID-19 epidemic.</li> </ul>
SME measures <sup>2</sup> (last update 22 January 2021)	<p><b>Tax exemption and tax reduction:</b></p> <ul style="list-style-type: none"> <li>The government (i) reduced taxes by a total of VND 80 trillion, which includes VAT, CIT and personal income tax; (ii) exempted business registration taxes for the first three years of establishment of SMEs and the first year of establishment of family businesses; and (iii) implemented preferential tariffs on key projects.</li> </ul> <p><b>Deferral of tax payment:</b></p> <ul style="list-style-type: none"> <li>The government (i) extended payments of VAT and CIT for household and individual businesses to 31 December 2020 and payments of land use fees for five months from 31 May 2020 (applies to transportation, warehouse, accommodation and catering, education, medical services, parts supply industry, agriculture, forestry and fishery, food processing, textile and clothing, and construction industries); and (ii) deferred payments of pension funds and survivorship funds of affected companies and workers for one year, and there will be no interest penalty during the period.</li> </ul> <p><b>Other fiscal support:</b></p> <ul style="list-style-type: none"> <li>The Ministry of Industry and Trade (MOIT) (i) reduced electricity prices by 10 per cent from April to June 2020, and the support was expected to reach VND 10 trillion and (ii) streamlined inspection of corporate taxation and customs audits.</li> </ul> <p><b>Loan support:</b></p> <ul style="list-style-type: none"> <li>The State Bank of Vietnam (SBV) lowered the priority department's short-term loan interest rate limit by 50 basis points.</li> <li>The Vietnam Social Policy Bank (VBSP) provided preferential loans of VND 16.2 trillion and waived interest on the loans to allow</li> </ul>

<sup>1</sup> <https://www.macmap.org/covid19>

<sup>2</sup> <https://vietnamnews.vn/economy/684933/pm-approves-decree-on-postponement-of-tax-and-land-use-fee-payments.html>

	<p>companies to pay the wages of temporarily suspended workers.</p> <ul style="list-style-type: none"> <li>As of mid- July, banks have registered a credit package totaling VND 300 trillion at lower interest rates.</li> </ul> <p><b>Deferral of loan repayment:</b></p> <ul style="list-style-type: none"> <li>The government announced that it will reschedule repayments, forgive and reduce existing debt interest through banks, and waive and reduce fees to support affected companies and families.</li> </ul> <p><b>Employment support:</b></p> <ul style="list-style-type: none"> <li>The Vietnam Social Policy Bank (VBSP) provided preferential loans of VND 16.2 trillion and waived interest on the loans to allow companies to pay the wages of temporarily suspended workers.</li> </ul>
Other policy measures	<ul style="list-style-type: none"> <li>Since April 29, temporarily cutting electricity prices by a maximum of 10 percent for 3 months to support firms and households. The support is estimated at approximately VND 11 trillion (nearly 0.1 percent of GDP).</li> </ul>

## References

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