

# Vietnam News Brief\*

An update on minimum salary in Vietnam

20 October 2008

## MINIMUM SALARY INCREASED FROM 1 JANUARY 2009

On 10 October 2009, the Vietnamese Government issued Decree 110 and Decree 111 increasing the minimum salary for Vietnamese employees. These Decrees will be effective from 1 January 2009.

The minimum salary will increase from VND 540,000 to VND 650,000 per month for employees of the government, Stated owned enterprises and domestic enterprises.

The minimum salary for Vietnamese employees working for foreign invested enterprises will be determined according to four levels (previously this was three) depending on the location of the enterprise as follows:

	Current regulations	Effective 1 January 2009
<ul style="list-style-type: none"> <li>▪ Urban districts of Ho Chi Minh City and Hanoi</li> <li>▪ Ha Dong City of Hanoi</li> </ul>	VND 1 million	VND 1,200,000 (approx US\$72.72)
<ul style="list-style-type: none"> <li>▪ Certain rural districts of Hanoi (e.g. Gia Lam, Dong Anh, etc.)</li> <li>▪ Rural districts of Ho Chi Minh City and Hai Phong</li> <li>▪ Certain districts of surrounding provinces such as Hai Phong, Quang Ninh, Vung Tau, Binh Duong, Dong Nai etc.</li> </ul>	VND 900,000	VND 1,080,000 (approx US\$65.45)
<ul style="list-style-type: none"> <li>▪ Other districts of Hanoi</li> <li>▪ Certain districts of Bac Ninh, Bac Giang, Hung Yen, Hai Duong, Vinh Phuc, Khanh Hoa, Can Tho, Vung Tau, etc.</li> </ul>		VND950,000 (approx US\$57.57)
Other localities which are not defined above	VND800,000	VND920,000 (approx. US\$55.75)

In addition to the impact this will have on the salaries of workers, the minimum salary has implications for social insurance contributions and benefits.

This publication is intended for general guidance only and should not form the basis of specific decisions. Please contact us for further information and details of our services. In Ho Chi Minh City: contact David Fitzgerald, Richard Irwin, Jean Loi, Sira Intarakumthornchai (Tax), Phan Thi Thuy Duong (Legal), Kenji Murayama (Japanese Business), Seong Ryong Cho (Korean Business) Ian Lydall (Assurance), Steve Gaskill (Advisory) at phone (84-8) 8230796, fax (84-8) 8251947. In Ha Noi: contact Dinh Thi Quynh Van (Tax), Le Anh Tuan (Legal), Yamagishi Akemi (Japanese Business), Nguyen Phi Lan (Audit), Marc de Pauw (Advisory) at phone (84-4) 9462246, fax (84-4) 9460705.