

**DECREE
PROVIDING
AREA MINIMUM WAGE RATES FOR VIETNAMESE EMPLOYEES
WORKING FOR ENTERPRISES WITH FOREIGN OWNED CAPITAL,
FOREIGN BODIES AND ORGANIZATIONS, INTERNATIONAL ORGANIZATIONS
AND FOR FOREIGN INDIVIDUALS IN VIETNAM**

The Government

Pursuant to the *Law on Organization of the Government* dated 25 December 2001;

Pursuant to the *Labour Code* dated 23 June 1994, the *Law on Amendment of the Labour Code* dated 2 April 2002, and the *Law on Amendment of the Labour Code* dated 29 June 2006;

Pursuant to Resolution 56-2006-NQ-QH11 of Legislature X1 of the National Assembly dated 29 June 2006 on the socio-economic developmental master plan for the five year period 2006 - 2010;

Having considered the proposal of the Minister of Labour, War Invalids and Social Affairs;

Decrees:

Article 1

To regulate the area minimum wage rate to be used to pay employees doing the most basic work in normal working conditions for enterprises with foreign owned capital, foreign bodies and organizations, international organizations and foreign individuals in Vietnam (hereinafter collectively referred to as *enterprises*), which shall be implemented as from 1 January 2009, as follows:

1. One million two hundred thousand (1,200,000) Vietnamese dong per month, applicable to enterprises operating in Area I.
2. One million eighty thousand (1,080,000) Vietnamese dong per month, applicable to enterprises operating in Area II.
3. Nine hundred and fifty thousand (950,000) Vietnamese dong per month, applicable to enterprises operating in Area III.
4. Nine hundred and twenty thousand (920,000) Vietnamese dong per month, applicable to enterprises operating in Area IV.

The Appendix to this Decree contains the List of Areas I, II, III and IV.

Article 2

1. The area minimum wage rates stipulated in article 1 of this Decree shall be used as the basis for calculating wage scales, wage tables and all types of allowances; for calculating wage rates recorded in labour contracts, and for implementing other regimes formulated by enterprises and promulgated by them in accordance with authority as provided in the law on labour.
2. The lowest wage rate payable to employees who have passed vocational training courses (including employees who have been trained by the enterprise which employs them) must be at least seven (7) per cent higher than the area minimum wage rates stipulated in article 1 of this Decree.
3. Enterprises are encouraged to pay higher minimum wage rates than those stipulated in article 1 of this Decree.
4. Enterprises shall amend the wages stipulated in labour contracts for compliance with the area minimum wage rates stipulated in article 1 of this Decree.

Article 3

1. The Government shall amend the area minimum wage rates stipulated in article 1 of this Decree depending on the economic growth rate, the cost of living index, and labour supply and demand in each period.
2. The Ministry of Labour, War Invalids and Social Affairs shall, after consultation with the Vietnam General Confederation of Labour, representatives of employers and relevant ministries and branches, make submissions to the Government for amendment of the area minimum wage rates stipulated in clause 1 of this article.

Article 4

This Decree shall be of full force and effect as from 1 January 2009. The following is hereby repealed: Decree 168-2007-ND-CP of the Government dated 16 November 2007 providing minimum wage rates for Vietnamese employees working in enterprises with foreign owned capital, foreign bodies and organizations, international organizations and for foreign individuals in Vietnam.

Article 5

Ministers, heads of ministerial equivalent bodies, heads of Government bodies, and chairmen of people's committees of provinces and cities under central authority shall be responsible for implementation of this Decree.

For the Government
Prime Minister
NGUYEN TAN DUNG

APPENDIX

LIST OF MINIMUM WAGE RATE AREAS

(Issued with Decree 111-2008-ND-CP of the Government dated 10 October 2008)

1. Area I, comprising:

- Inner city districts¹ of Hanoi and Ha Dong City of Hanoi.
- Inner city districts of Ho Chi Minh City.

2. Area II, comprising:

- Outer city districts of Hanoi being Gia Lam, Dong Anh, Soc Son, Thanh Tri, Tu Liem, Thuong Tin, Hoai Duc, Dan Phuong, Thach That, Quoc Oai, and Son Tay City of Hanoi.
- Outer city districts of Ho Chi Minh City.
- Inner city and outer city districts of Hai Phong City being Thuy Nguyen and An Duong.
- Inner city and outer city districts of Da Nang City.
- Inner city districts of Can Tho City being Ninh Kieu and Binh Thuy.
- Ha Long City in the province of Quang Ninh.
- Bien Hoa City, Long Khanh township, and the rural districts of Nhon Trach, Long Thanh, Vinh Cuu and Trang Bom in the province of Dong Nai.
- Thu Dau Mot township, and the rural districts of Thuan An, Di An, Ben Cat and Tan Uyen in the province of Binh Duong.
- Vung Tau City and the rural district of Tan Thanh in the province of Ba Ria - Vung Tau.

3. Area III, comprising:

- Cities in provinces (except for cities in provinces listed in Area II).
- The remaining outer city districts of Hanoi.
- Bac Ninh City, Tu Son township, and the rural districts of Que Vo, Tien Du and Yen Phong in the province of Bac Ninh.
- Bac Giang City and the rural districts of Viet Yen and Yen Dung in the province of Bac Giang.
- Hung Yen township, and the rural districts of My Hao, Van Lam, Van Giang and Yen My in the province of Hung Yen.

¹ Allens Arthur Robinson footnote: An alternative translation of "inner city districts" is "urban districts"; and an alternative translation of "outer city districts" is "rural districts".

- Hai Duong City, and the rural districts of Cam Giang, Nam Sach, Chi Linh, Kim Thanh and Kinh Mon in the province of Hai Duong.
- Vinh Yen City and Phuc Yen township in the province of Vinh Phuc.
- The remaining outer city districts of Hai Phong City.
- Mong Cai City and the townships of Uong Bi and Cam Pha in the province of Quang Ninh.
- Da Lat City and Bao Loc township in the province of Lam Dong.
- Nha Trang City and Cam Ranh township in the province of Khanh Hoa.
- The rural district of Trang Bang in the province of Tay Ninh.
- The remaining outer city districts in the province of Binh Duong.
- The remaining outer city districts in the province of Dong Nai.
- Tan An township, and the rural districts of Duc Hoa, Ben Luc and Can Duoc in the province of Long An.
- The remaining inner and outer city districts of Can Tho City.
- Ba Ria township, and the rural districts of Chau Duc, Long Dien, Dat Do and Xuyen Moc in the province of Ba Ria - Vung Tau.

4. Area IV, comprising:

- All remaining areas.
