

COMMUNIST PARTY OF VIETNAM

9th
NATIONAL
CONGRESS
DOCUMENTS



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PUBLISHER'S NOTE

The 9th National Congress of the Communist Party of Vietnam was convened from 19th to 22nd April 2001 in Hanoi. It was attended by 1,168 delegates representing 2,479,717 Party members of the Party organizations in 61 provinces and centrally-governed cities across the country, and various branches.

The foreign guests of the Congress included 35 delegations of the Communist, workers', left wing or ruling Parties of 30 countries. Over 150 foreign journalists were present at the Congress.

This Congress taking place in the first year of the 21st century and the new millennium is of particular importance. It had been prepared thoroughly in regard of both the documents to be discussed and adopted and the personnel for the new leadership. The following may be regarded as some new features of this Congress in comparison with the previous ones.

Two months before the start of the Congress, the documents were made known through the mass media for all social strata of Vietnamese including those living overseas to discuss in a broad manner. Many conferences were held in various localities of the

country to collect comments on them. The Documents Preparing Commission received over million opinions and suggestions regarding the documents, which were recapitulated in a volume as large as the documents themselves.

The candidates for the new leadership of the Party were nominated and considered at the grass-roots level and were decided by secret ballot. Furthermore, their status had been reviewed even at their places of residence.

The Party Statutes include more stricter and detailed stipulations. The office of General Secretary of the Party shall not be held by anybody for more than two consecutive terms. The Secretariat of the Party Central Committee will be restored in replacement of the Politburo Standing Board. When Party leaders, including Party Central Committee members, have reached retirement age, their office will be automatically terminated.

The 9th Congress of the Party focused on 10 major groups of issues as follows:

- Vietnam in the 20th century and prospects in the 21st century.
- The situation of the country in the last five years and main lessons of the 15 years of renovation.
- The path toward socialism in our country.
- Socio-economic development policy and strategy.
- Education and training; scientific and technological development, and building of an advanced culture deeply imbued with national identity.

- Enhancement of national defense and security.
- Foreign relations expansion and proactive international economic integration.
- Promotion of the great national unity strength.
- Acceleration of reform of State organization and operation, promotion of democracy and enhancement of legislation.
- Building and rectification of the Party, improvement of its leadership capacity and fighting calibre.

The Congress adopted the following documents: Strategy for socio-economic development in the period 2001-2010 and five-year plan for socio-economic development from 2001 to 2005.

It also selected a new Party Central Committee consisting of 150 members (the previous Party Central Committee was made up of 170 members), a Politburo of 15 members (the previous Politburo: 17), a Secretariat of 9 members and a Party Control Committee of 9 members. Mr. Nông Đức Mạnh, member of the Standing Board of the 8th Politburo, Chairman of the National Assembly, was elected as Party General Secretary.

This collection of the documents of the 9th Party Congress (Party Statutes excluded) published by Thế Giới in English, Chinese, French, Russian and Spanish are intended to provide foreign readers with an insight into the line and policies of the Communist Party of Vietnam.

Thế Giới Publishers

SPEECH TO OPEN THE 9TH PARTY CONGRESS

*(Delivered by Mr. Trần Đức Lương, member of the
Standing Board of the Politburo of the 8th Party
Central Committee, on 19th April 2001)*

Distinguished Presidium,

Distinguished Guests,

Ladies and Gentlemen,

Today, 19th April 2001, we solemnly commence the 9th National Congress of the Communist Party of Vietnam.

On behalf of the Congress's Presidium, I would like to extend the warmest welcome to the 1,168 delegates, eminent Party members elected by Party Congresses at various echelons, who represent the intellect, political mettle and solidarity strength of the Party. They have brought to the Congress the will, confidence and aspiration of the whole Party, army and people in this historically significant moment, when the whole nation is confidently stepping into the 21st century under the banner of national independence and socialism.

Our Congress warmly welcomes and sincerely thanks the international delegations who have come to us with deep friendship, fighting solidarity, cooperation and mutual confidence, in a common effort to strive for peace, national independence, democracy, and social progress.

Our Congress warmly welcomes the Advisors, former Advisors to the Party Central Committee, former Politburo members, former Party Central Committee Secretaries, former Party Central Committee members; former National Assembly Vice Chairpersons, former Deputy Prime Ministers; veteran revolutionaries, Vietnamese heroic mothers, and representatives of workers, farmers, intellectuals, and patriotic personalities who have made precious contributions to the national revolution.

The Congress warmly welcomes the delegates representing the young generation of the nation who are full of strong will and talent.

With boundless pride and admiration for President Hồ Chí Minh, our Congress respectfully commemorates Him, the great leader of the Party and nation, the hero of national liberation, and the prominent man of culture of world significance. He left to the whole Party and nation a precious heritage—Hồ Chí Minh Thought which, combined with Marxism-Leninism, constitutes the ideological foundation and the lodestar for all actions of the Party and Vietnamese Revolution. In this moment of paramount importance, each Party member deeply bears in mind President Hồ Chí Minh's teaching: "Ours is a ruling Party. Each Party member and cadre must truly be imbued with revolutionary ethics, must be truly industrious, thrifty, honest, righteous, public-minded, and selfless, must keep our Party truly transparent, must be worthy of being the leader and the loyal servant of the people."

Let the Congress stand in one-minute silence in memory of those beloved Party members, cadres, soldiers and people who have fallen for the cause of national construction and defense, in memory of comrades Nguyễn Văn Linh, former Party General

Secretary, Phạm Văn Đồng, former Advisor to the Party Central Committee, Đoàn Khuê and Nguyễn Đình Tứ, Politburo members, Nguyễn Văn Rốp, Đinh Hữu Khóa, Bùi Hữu Hải, Hoàng Thừa, Đào Trọng Lịch, Lê Văn Tu, Lương Công Đoàn, Võ Nhân Huân, Party Central Committee members, who have passed away since the 8th Congress.

Distinguished Congress,

The 9th Party Congress is held at a moment of historical significance. Mankind has stepped into the 21st century. The Vietnamese people and country have passed a century of hard but glorious struggles to regain national independence and freedom, to unify the country, and have started socialist construction. The 20th century is the century of brilliant feats and victories of historical and epochal significance. These great victories include the August 1945 Revolution which gave birth to the first State of workers and peasants in Southeast Asia; the sacred resistance wars which defeated brutal colonialists and imperialists, liberated our country and firmly defended our Fatherland. Furthermore, the great achievements gained in the postwar cause of national reconstruction and socialist-oriented national comprehensive renovation over the last years have created a new strength and standing for the Vietnamese revolution and extremely important premises for our nation to step into a new stage of development, intensifying modernization and industrialization aiming at successfully constructing and steadily protecting the Socialist Homeland of Vietnam.

Entering the new period, the Vietnamese revolution is facing both great opportunities, dangers and challenges that we cannot think little of. The vital issue for us in the new period is how to grasp and make full use of the opportunities, hold back the

dangers and overcome the challenges to strongly push up the Vietnamese revolution in the spirit of revolutionary attack.

The historical task of the 9th Party Congress is to review the distance that the Vietnamese revolution has covered over the last 71 years, to sum up the five years of implementation of the 8th Congress's Resolution, 15 years of renovation and 10 years of carrying out the Socio-Economic Strategy. The Congress should draw profound lessons of experience, and on this basis, develop and perfect the line and map out a strategy for national development for the first two decades of the 21st century. The Congress will also review the Party's leadership, draw up orientations and tasks for building our Party so that it can live up to the new requirements of the nation in the new period: amend and supplement the Party Statutes, elect a new Party Central Committee which should be truly representative in regard of political quality and revolutionary morality, be intellectually capable and competent to successfully carry out the 9th Congress's Resolution.

Distinguished Congress,

For many months now, localities and units at home as well as overseas Vietnamese have ebulliently emulated to record great achievements to welcome the Congress. Particularly, all social strata have made whole-hearted contributions to the draft documents to be submitted by the 8th Party Central Committee to this Congress. Therefore, it can be said that the documents we see today are the crystallization of the intellect of the whole Party, army and people.

Our Congress acclaims the brilliant achievements gained in the movement of patriotic emulation by all echelons, branches,

localities, and units. The Congress warmly welcomes and sincerely thanks the Fatherland Front, all echelons, branches, mass organizations, the intelligentsia, patriotic and religious personalities, ethnic groups, overseas Vietnamese, and international friends for their whole-hearted and intelligence-inbued contributions to the success of the Congress.

The 9th Party Congress is the congress of **intellect, democracy, solidarity and renovation**, which shows the iron will and great hope of the whole nation.

The 9th Party Congress is a historical landmark marking the new period of development of the Vietnamese revolution when we are bringing into play the strength of the whole nation, continuing renovation, and pushing up national industrialization and modernization for the sake of a Vietnam of rich people, powerful country, and equal, democratic, and civilized society to steadily step towards socialism.

In that profound spirit and confidence, I declare the opening of the 9th National Congress of the Communist Party of Vietnam.

I wish the Congress good success.

**TO PROMOTE THE ENTIRE NATION'S
STRENGTH, CONTINUE WITH THE RENEWAL
PROCESS, STEP UP INDUSTRIALIZATION AND
MODERNIZATION, BUILD AND SAFEGUARD
THE SOCIALIST VIETNAMESE HOMELAND**

*(Political Report of the Party Central Committee, 8th Tenure,
to the 9th National Congress)*

The 9th National Congress of the Party convenes at a time of great significance. The 20th century has come to an end. The 21st century has just started. Our entire Party and people have experienced 5 years of implementation of the Resolution of the 8th Party Congress, 10 years of execution of the 1991-2000 Strategy for socio-economic stabilization and development, and 15 years of renewal.

The 9th Congress is to review and evaluate the past achievements and shortcomings, make decisions for the coming period, strive to raise the leadership and fighting capacity of the Party, motivate and promote the strength of the whole nation, continue with the renewal process, step up industrialization and modernization, build and safeguard the socialist Vietnamese Homeland, and advance assuredly into the new century.

I. VIETNAM IN THE 20TH CENTURY AND PROSPECTS IN THE 21ST CENTURY

The 20th century has left extremely profound imprints in the history of mankind. It is a century of fastest ever advance of science and technology, with material production increasing

dozens of times compared with the previous century; and of vigorous economic development intertwined with major crises of world capitalism and the acute rich-poor polarization among countries and regions. It is a century with two bloody world wars and hundreds of armed conflicts. It is also a century that witnessed a far-reaching revolutionary movement on a world scale, with the victory of the Russian October Revolution - a great revolution that ushered in the era of transition from capitalism to socialism; the victory of the socialist revolution in a series of countries of Europe, Asia and Latin American; and the liberation of most colonies; the development of the international communist and workers' movement and the movements for peace and democracy, despite the regression of extant socialism in the last decade.

For our country, the 20th century has been one of great changes, of glorious struggle to regain national independence, freedom and unity, and build socialism, and one of historic and epoch-making exploits and victories.

From the end of the 19th century to the initial decades of the 20th century, our people time and again rose up against colonialism. Following the Văn Thân and Cần Vương movements, patriotic movements unfolded valiantly during the first three decades of the 20th century, from the Yên Thế uprising and the Đông Du, Đông Kinh Nghĩa Thục and Duy Tân movements to the Yên Bái uprising, etc., but all failed for lack of a judicious political line.

In 1930, succeeding to the Vietnam Revolutionary Youth League and predecessor communist organizations, the

Communist Party of Vietnam came into being, marking a turn of the Vietnamese revolution. Over the 71 years of its build-up and growth, the Party has led our people to great victories:

First, the triumph of the 1945 August Revolution and the founding of the Democratic Republic of Vietnam. This was the aggregate outcome of the revolutionary movements that had developed uninterruptedly throughout the 15 years following the founding of the Party, from the Xô Viết Nghệ Tĩnh High Tide and the 1936-1939 democratic movement to the 1939-1945 national liberation movement, although at times drowned in blood. The colonial and semi-feudal regime in our country was wiped out, and a new era emerged, that of national independence closely linked with socialism.

Second, the triumph of the glorious wars of resistance for national liberation and defense, victories over colonialism and neo-colonialism, accomplishment of the people's national democratic revolution, reunification of the Homeland, and advance of the whole country toward socialism, making an important contribution to the struggle of the world people for peace, national independence, democracy and social progress.

Third, the success of the renewal process and the country's gradual transition to socialism. Inheriting the achievements and experiences of socialist construction in the North during the war and in the first years following the country's reunification, and after countless probes and experiments with the people's initiatives, our Party mapped out the renewal policy and led its implementation, to ensure socialist construction and national defense in conformity with Vietnamese reality and the new international conjuncture.

In the process of leading the revolution, our Party has at times committed mistakes and shortcomings; but it has conducted serious self-criticism, actively mended mistakes, and drawn valuable lessons.

With the successes recorded in the 20th century, ours has been turned from a colonial and semi-feudal country to an independent and free nation developing along the socialist line, with broad international relations and an increasingly important status in the region and the world. Once slaves, our people have become masters of the country and society. Once a poor and backward economy, our country has embarked upon the period of stepped-up industrialization and modernization.

We are proud of our nation – a heroic, intelligent and creative nation; we are proud of our Party – the Communist Party of Vietnam founded, led and forged by President Hồ Chí Minh– that had fought with devotion and made sacrifices for national independence and freedom and the people's well being.

The 21st century will see more changes. Science and technology will make leaps forward. Knowledge-based economy will play an ever more remarkable role in the process of development of productive forces. Economic globalization represents an objective trend involving more and more countries; this trend, dominated by a number of developed countries and transnational capitalist economic corporations, is fraught with contradictions, containing both positive and negative aspects, both cooperation and struggle. The basic contradictions in the world, manifested in various forms and to different extents, still exist and develop, growing more profound in certain respects. National struggle and class struggle continue to unfold with acuteness. The world is confronted with many global issues

which cannot be solved by any single country without multilateral cooperation, such as environmental protection, control of population boom, repulse of perilous epidemics, combat against international crimes, etc. Contemporary capitalism is holding superiority in funds, science, technology and markets; yet it cannot overcome the inherent contradictions, especially those between the growing socialized character of the productive forces and the capitalist private ownership of the means of production, and between developed capitalist countries and developing countries. Independent nations will intensify the struggle to choose and decide upon their own path of development. World socialism, learning from lessons of success and failure and prompted by the aspirations and awakening of nations, has conditions and capabilities to generate a new development. Following the law of evolution of history, mankind will certainly attain socialism.

For the few decades to come, there is little likeliness for a world war. But, local wars, armed conflicts, ethnic and religious strifes, arms race, intervention, subversion and terrorism will still occur in many places, increasingly complicated in nature. Peace, cooperation and development remain a major trend, reflecting a pressing demand of states and nations. The struggle for peace, national independence, democracy, people's well being, and social progress and equity will make new forward strides. Southeast Asia and Asia-Pacific regions, after the financial-economic crisis, have capacities for dynamic development, but potentially destabilizing factors remain.

Those new traits in the international and regional situation bear a strong impact on the situation of the country. There are ahead of us both *major opportunities and major challenges*.

Coupled with previous successes in national construction and defense, the great and very important achievements of the 15 years of renewal have increased significantly our country's vantage position and strength. The material-technical foundations of the economy have been enhanced. The country still possesses enormous potential in terms of natural resources and labour. Our people are endowed with fine qualities. The socio-political situation remains basically stable. The peaceful environment, international cooperation and integration, and positive trends in the world are creating conditions for us to continue promoting internal synergy and comparative advantages, attracting external resources-capital, new technologies, managerial experience, and expanding markets to the benefit of industrialization and modernization. Such are major opportunities.

At the same time, our country has to cope with many challenges. The four dangers once pointed out by our Party - our economy falling further behind many countries in the region and the world, deviation from the socialist orientation, corruption and bureaucratism, and "peaceful evolution" attempts by hostile forces - remain in existence, unfolding complicatedly, intertwined and interacting, none of them could be underestimated. It should be underlined that corruption and degradation in political integrity, morality and lifestyle of not a small segment of Party officials and members are hindering the implementation of Party guidelines, decisions and policies, causing resentment among the population and eroding their trust; and that ours remains an economically underdeveloped country where the people's living standards are still low, while international competition is becoming increasingly fierce; if we do not rapidly surge ahead, we will lag even further behind economically.

To seize opportunities, surmount challenges, and develop vigorously in the new period, such is for our Party and people an issue of vital significance. The 20th century has been for our nation one of valiant struggle and glorious victory. The 21st century will be for our people one of more and major successes in building socialism and defending the Homeland, thus helping ours keep abreast of developed countries in the world.

II. THE SITUATION OF THE COUNTRY IN THE LAST FIVE YEARS AND MAIN LESSONS OF THE 15 YEARS OF RENOVATION

The 8th Party Congress laid down the following tasks for the 1996-2000 period: to achieve a rapid, highly effective and sustainable economic growth along with solution to pressing social problems, ensure national defense and security, improve the people's living conditions, and increase accumulation from within the economy, thus creating solid premises for a higher measure of development at the beginning of the 21st century.

Over the past five years, beside certain favorable conditions, our country has met with numerous difficulties: the inherent weaknesses of the economy, successive sizeable natural calamities, the financial-economic crisis in a number of Asian countries, and the complicated world and regional situation. In such circumstances, our entire Party and people devotedly implemented the 8th Congress Resolution, and **recorded important achievements:**

The economy has grown fairly well. Gross Domestic Product (GDP) has increased by 7% annually on the average. Agriculture has developed continuously, especially food production. Aquatic

cultivation and exploitation have been expanded. Industrial production has maintained an average yearly increase of 13.5%. The infrastructure system: post and telecommunications, roads, bridges, ports, airports, electricity, water conservancy, etc. has been enhanced. Services, export and import have also developed. In 2000, the downward trend in economic growth rate was halted, and the principal plan targets were either fulfilled or overfulfilled.

Progress has been made in the cultural and social fields; and the people's life has enjoyed continued improvement. Education and training have developed in terms of scope and material base. The people's intellectual level and the quality of human resources have been raised. Our country has attained the national standards for illiteracy eradication and primary education universalization. Positive changes have been registered in social sciences and humanities, as well in natural and technological sciences, bringing them closer to socio-economic development. Activities in the fields of culture, literature and arts, press and publication have contributed actively to motivating the entire population to participate in national construction and defense, in the improvement of knowledge and the quality of life. The essential needs of the population regarding food, shelter, clothing, healthcare, clean water, domestic electricity, education, movement, recreation, etc., have been met more adequately. Sports and physical training movements have developed; certain branches have scored high records at home and abroad. Greater efforts have been made in public health care.

Employment has been provided to over 1.2 million people annually. Hunger eradication and poverty alleviation nationwide have harvested outstanding results highly

appreciated by world opinion. Many achievements have been obtained in population control and family planning, resulting in a United Nations award. Activities namely "remembering the source while drinking water", "paying debts of gratitude", taking care of revolutionary veterans, persons with meritorious services rendered to the country, Heroic Mothers, war invalids and families of fallen soldiers" have been expanded, drawing in people of various strata, public agencies, mass organizations and business enterprises. People throughout the country have made donations in material wealth and labor as relief to compatriots in areas struck by serious natural disasters; taken part in numerous humanitarian-charity activities in favor of Agent Orange victims, the disabled, the supportless elderly, and children in extremely difficult situations.

The socio-political situation has been in the main stable; and national defense and security enhanced. The people's armed forces have discharged well the tasks of defending national independence, sovereignty and territorial integrity, and ensuring national security. The aggregate strength of the all-people national defense and people's security, particularly in strategic areas, border regions, the sea and islands, has been promoted. The armed forces and public security forces have been organizationally streamlined to keep up with new demands. Progress has been made in combining national defense and security with economic development and external relations.

Attention has been given to Party building and rectification, and the political system consolidated. Many Central Committee resolutions have outlined decisions and measures to consolidate the Party politically, ideologically, organizationally and in terms of personnel, and to enhance its leadership role. The Party as a

whole has launched a Party building and rectification campaign, conducting self-criticism and criticism in the spirit of the Resolution of the 6th Central Committee Plenum (session 2), 8th tenure. The State machinery has been further built and perfected and a step has been taken in reforming the administrative apparatus. The Fatherland Front and mass organizations have continued innovating their operations in content and mode alike. The people's right to be their own masters in various aspects has been promoted; as first steps, a number of policies and regulations guaranteeing the people's democratic rights, primarily at the grassroots level, have been implemented.

External relations have been constantly broadened, and international economic integration proactively effected, yielding many good results. Our country has strengthened relations of friendship and multifaceted cooperation with socialist countries, neighboring countries and traditional friends; taken an active part in activities promoting mutually beneficial cooperation in the Association of Southeast Asian Nations (ASEAN) and the Asia-Pacific Economic Cooperation (APEC); enhanced relations with developed countries, many other nations, and regional and international organizations; maintained trade relations with over 140 countries, and investment relations with nearly 70 countries and territories, attracting considerable foreign investments.

Our Party has continued to consolidate relations of solidarity and friendship with communist and workers' parties, and national independence and progressive movements the world over; and established relations with ruling parties in a number of countries. Mass organizations, socio-political organizations, peace committees and friendship associations have expanded people's diplomatic activities, both in scope and geographical

area, making active contributions to the successes of our Party and State on the external relations front.

The achievements of the past five years have increased our aggregate strength, changed our country's physiognomy and our people's life, firmly consolidated our national independence and socialist regime, and improved the status and prestige of our country on the international arena.

The roots of the above-described achievements lie in the steadfast political willpower and judicious leadership guideline of our Party; the great efforts of our State in governance and management; and the promotion of patriotism, bravery, unity, assiduity, dynamism and creativeness by our entire people and army in the continuing process of renewal and active building and safeguarding of the socialist Vietnamese Homeland.

However, there remain the following ***weaknesses and shortcomings*** in the implementation of the 8th Congress Resolution:

Economic development is still unsteady, its efficiency and competitiveness low. The economic growth rate has dropped gradually over the past 5 years, only to see an increase recur in 2000 but not as high as in the mid-1990s. The growth rates of GDP, GDP per capita, industrial production, services, and export-import values have not achieved the targets set by the 8th Congress. In general, labour productivity has remained low, product quality substandard, and costs high. Many agricultural, industrial and handicraft products have found no outlets either at home or abroad, partly for lack of competitiveness. Considerable areas of forest and other resources have been seriously damaged. Smuggling, counterfeit goods and commercial frauds have

affected adversely the socio-economic situation. The financial-banking system has been weak and unhealthy. Economic restructuring pace has been slow. Investment structure has yet to be rational; investments have suffered from fragmentation, waste and heavy losses. Foreign direct investment has decreased, while shortcomings remain in its management and regulation. The production relations are yet to be appropriate in certain respects. The State economic sector has not been consolidated commensurate with its leading role; there have been no marked changes in the arrangement, renovation and development of State enterprises. The collective economic sector has not been strong.

Certain pressing and acute socio-cultural problems have been slowly solved. The rates of urban unemployment and rural underemployment have been high, posing to society one of the most outstanding problems. The quality of education and training has been lower than required. There have been many defects related to educational objectives, contents, curricula, teaching and learning methods, textbooks, examinations, training structures, and management standards; and worrisome negative practices in education and training. Training has not been linked to utilization, causing waste. Tuition fees have been higher than the affordability of the population, especially the poor. Education and training in mountain, remote and far-flung areas have met with numerous difficulties. Scientific and technological activities have not responded properly to the requirements of industrialization, modernization, and national construction and defense. The environment of urban areas, industrial centers and a number of rural regions have suffered from ever heavier pollution. Management in the fields of press, culture, and publication has been loose in many respects, resulting in unhealthy trends. Certain cultural values and social ethics have been on the decline; and

superstition and backward habits, on the rise. The material base of the public health service has been insufficient and outdated, especially at the district and commune level. There have remained harassment and negative practices in medical examination and treatment, especially for the poor.

The living standards of the population, especially farmers, have been too low in certain localities. There have remained many irrationalities in the policies on remuneration and social distribution. The rich-poor polarization has augmented rapidly among the various regions, between urban and rural areas, and among different sections of the population. Complaining and petitioning by the people in many localities have dragged on and become complicated, but not yet timely responded to by the authorities at various levels and in different sectors.

Traffic accidents have happened at a serious magnitude. Social vices, especially drug abuse and prostitution, have been spreading. The number of HIV carriers and AIDS patients has increased. Social order and safety have not been firmly assured.

Mechanisms and policies have not been well-coordinated and failed to generate a strong driving force for development. Certain mechanisms and policies are still lacking, inconsistent, detached from life, and unfeasible. The authorities at various echelons and in many sectors have failed to replace or revise obsolete State administration regulations; to introduce new mechanisms and policies capable of vigorously releasing productive forces and better tapping the abundant resources among the different economic sectors, enterprises, regions and society as a whole. There have been instances in which judicious policies are deformed through many bureaucratic administrative

layers. After the promulgation of laws, the issuance of their executive normatic documents has been very slow.

Corruption and degradation in political ideology, ethics and lifestyle of not a small segment of Party officials and members have been serious. Protracted corruption in the political system and many economic entities has become a major danger threatening our regime's survival. Waste and bureaucratism have been rather widespread.

The Party Central Committee wishes to proceed with a self-criticism before the Congress and the people for having been slow in overcoming the aforesaid shortcomings, without which our achievements could have been greater.

The above-mentioned state of things has both objective and subjective causes, of which the main are subjective:

The organization for implementation of Party resolutions, decisions and policies has been improper; discipline not rigorous. Arbitrariness, inadequate sense of organization, discipline and responsibility, non-observance of Party directives and resolutions and State laws and policies, dishonest reporting, and violation of the principle of democratic centralism have all made it difficult for a number of Party resolutions to enter practical life. At various levels and in different sectors, guidance and regulation have been deficient, and short of control, supervision and close coordination, leading to low effectiveness and efficiency. Many major tasks have been laid down but not properly executed, or simply stopped short at lip service. Many Party officials and members and public employees who had violated laws and Party Statutes have not been dealt with rigorously.

A number of viewpoints and decisions have yet to be clarified, and uniformly perceived and thoroughly grasped by different levels and sectors. There have been among Party officials and members differences in understanding and execution related to such issues as: shaping of a socialist-oriented market economy, promotion of the leading role of the State economic sector, renovation and development of State enterprises, equitization of State enterprises, land policy, farm economy, substance of, and sequencing in industrialization and modernization, building of an independent and autonomous economy and proactive integration into the international economy, etc.

Administrative reforms have been slow and irresolute, and results meager. The State apparatus has been organizationally cumbersome, with overlapping functions, numerous intermediaries and harassing administrative procedures; with not few cases of disharmonious actions between higher and lower levels, and central and local authorities, hindering socio-economic development and reducing development motives. Certain individuals and agencies, due to personal or local interests, have been reluctant to step up administrative reforms and reform of the State organization and apparatus. Not a small number of public officials and employees have been substandard both in ethics and integrity, and in qualifications, professional capacities and vocational skills.

Ideological work, theoretical work, and organizational and personnel work have been beset with weaknesses and inadequacies. Ideological work has lacked sharpness, high combativeness, and a flexible operational method, and failed to engender a correct perception and high unanimity regarding Party guidelines and viewpoints; political and ideological

education has been irregular; tough criticism and resolute struggle have not been mounted against individualism, opportunism, blurred and erroneous viewpoints, and such tendencies as "commercialization," xenophillic imitation, and running after vulgar tastes in the press, radio, television, culture, literature, arts and publication. Ideological work has not been linked to organizational work and the formulation of mechanisms and policies. Many Party organizations have failed to exercise actual leadership over ideological work.

Theoretical study has failed to keep abreast of the development of realities and requirements of the revolution, and to clarify many important issues in the renewal process with a view to helping elaborate Party strategies, decisions and policies, and enhancing political and ideological unanimity in society.

Organizational and personnel work has been slow in innovation, and failed to meet the requirements for strengthening the Party's leadership and the efficiency of State management and governance in the new period. In the organization of apparatuses of the political system, especially the State administrative apparatus, there have been too many "doors", collective and individual responsibilities have not been clearly delineated, and operational quality and efficiency have been low. The functions, tasks and competence of many agencies have been duplicated; the operational mechanisms and many relationships irrational. In many places, the grassroots Party organizations have been too weak, and their combativeness poor. The recruitment, training, replacement, use and evaluation of personnel have been laden with defects, and sometimes based on old approaches, prejudices and feelings; and not based on plans, realities, procedures, democracy and opinions of the masses and collectives. Supervision over Party officials and members has

been lax. Active measures have not been taken to identify, train and groom personnel with ethics and talent.

Although certain targets set forth in the five-year Plan (1996-2000) have not been attained and certain tasks laid down by the 8th Congress Resolution have not been well executed, the 10 years' implementation of the Strategy for Socio-economic Stabilization and Development (1991-2000) ***have registered great and very important achievements:***

GDP in 2000 was more than double that of 1999. The socio-economic infrastructure and productive capacity have increased enormously. Once beset with serious scarcity of goods, we have now produced enough to satisfy the essential needs of the population and the economy; the management mechanism based on bureaucratic centralism and State subsidies has been switched to a socialist-oriented market mechanism; the economy once mainly with only two sectors, State and collective, has been turned into a multisector economy, in which the State sector plays a leading role. The living conditions of the people of different strata have been improved. The country has come out of the socio-economic crisis, overcome the political shock and market contraction caused by the upheavals in the Soviet Union and Eastern Europe; broken up the state of blockage and embargo, broadened external relations, and proactively embarked on international economic integration; succeeded in avoiding submersion in the financial-economic crisis in a number of Asian countries, despite its rather heavy consequences on our country; basically maintained socio-political stability; and enhanced national defense and security. The strength in all fields of our country has grown much greater than that of ten years ago.

The fifteen years of renewal (1986-2000) have given us many valuable experiences. The lessons on renewal drawn by the 6th, 7th, and 8th Party Congresses by now still retain their great value, especially the following main lessons:

One: In the process of renewal, it is imperative to persist in the goal of national independence and socialism on the basis of Marxism-Leninism and Hồ Chí Minh Thought. Confronted with difficulties, challenges and complicated changes in the world and regional situation, our Party has always tenaciously elaborated and implemented judicious renewal decisions and policies, promoted the precious traditions of the nation and achievements of the revolution, firmly maintained national independence, and advanced steadfastly toward socialism.

Two: The renewal undertaking should rely on the people, and be in the interest of the people, conformable to reality, and always creative.

Renewal should proceed from the realities and life of the Vietnamese society, consult the world's positive experiences, and constitute no copy of any ready made model; it should be comprehensive, concerted and radical, with appropriate steps, forms and ways. There should be necessary adjustments, amendments and developments in decisions, methods and measures; to identify and select new, flexible and creative solutions, to responsively get hold of what is new, take advantage of opportunities, overcome inertia, and change the situation.

The people, actively carrying out renewal in all spheres, have produced many advanced models, successful experiences and new elements, on the basis of which the Party could sum up practical realities and develop theories to push the renewal

process further forward. Renewal is an undertaking of the people, by the people and for the people. For renewal to succeed, efforts should be made to motivate all sections of the people and all economic sectors to take part.

Three: In the renewal process, the nation's strength should be combined with that of the era. Our people's renewal undertaking is taking place at a time when the world scientific-technological revolution is developing tempestuously, economic globalization is affecting the life of nations, and the world people's struggle for peace, national independence, democracy and social progress is unfolding vigorously. Pursuing the renewal course, our people are to take maximal advantage of the positive opportunities presented by the aforesaid trends.

Four: The Party's judicious guidelines constitute the decisive factor for the success of renewal. The initiator and leader of the renewal process, the Party should sum up practical realities, conduct theoretical studies, and improve renewal guidelines; make constant efforts in Party building and rectification, and generate unanimity in approach, will and action in the entire Party; and exercise leadership over the organization for implementation, formation and improvement of a transparent and steady State apparatus.

III. THE PATH TOWARD SOCIALISM IN OUR COUNTRY

The rich realities and the achievements recorded over the 15 years of renewal have testified to the judiciousness of the Political Platform adopted by the 7th Party Congress, while helping us perceive ever more clearly the path toward socialism

in our country. Once again, we reconfirm that the Political Platform constitutes the combat banner for the successful building of Vietnam in a gradual transition to socialism, orienting all activities of the Party at present and in the coming decades. *Our Party and people are determined to build Vietnam along the path of socialism on the basis of Marxism-Leninism and Hồ Chí Minh Thought.*

Hồ Chí Minh Thought constitutes a system of comprehensive and profound theoretical and political viewpoints on the fundamental issues of the Vietnamese renovation; it results from the creative application and development of Marxism-Leninism in the specific conditions of our country, inheritance and development of the fine national traditional values, and acquirements of the quintessence of human culture. It includes ideas about national liberation, class emancipation and the liberation of man; about national independence closely linked to socialism, and the nation's strength combined with that of the times; about the strength of the people and of the great national unity bloc; about the people's right as the master and about the building of a State genuinely of the people, by the people and for the people; about the all-people national defence and the building of the people's armed forces; about economic and cultural development, and constant improvement of the people's material and spiritual life; about the revolutionary ethics, assiduity, thrift, integrity, righteousness, public-mindedness and selflessness; about grooming revolutionary generations for the future; about building a transparent and strong Party and forming Party officials and members as both leaders and really loyal servants of the people, etc.

Hồ Chí Minh Thought has been illuminating the path toward victory for our people's struggle; it represents a great spiritual heritage of our Party and nation.

That Marxism-Leninism and Hồ Chí Minh Thought are confirmed as the ideological foundation and compass for action implies a major development in the perception and theoretical thinking of our Party.

The path forward of our country involves the transitional development to socialism bypassing the capitalist regime, i.e. bypassing the establishment of the dominating position of the capitalist production relations and superstructure, but acquiring and inheriting the achievements recorded by mankind under the capitalist regime, especially in science and technology, to develop rapidly the productive forces and shape a modern economy.

To build socialism bypassing the capitalist regime, thus engendering a qualitative change in all fields of society, is a very difficult and complicated undertaking that *inevitably requires a long period of transition with many transitional stages and forms of socio-economic organization*. In various aspects of social life, the new and the old are interwoven and struggling with each other. Since the 8th Party Congress in 1996, our country has embarked on a new stage, that of stepped-up industrialization and modernization, striving to become by 2020 fundamentally an industrialized country. During the present stage, we should continue fulfilling certain tasks left over by the previous stage.

In the period of transition, there are many forms of ownership of the means of production, many different economic sectors, social classes and strata, but the structures, characters and

positions of the classes in our society have changed markedly along with the great socio-economic changes. The relationships among the social classes and strata are relations of cooperation and struggle, characterized by a long-lasting unity and cooperation in national construction and defense under the Party's leadership. The interests of the working class are identical with those of the entire nation in a common goal: *national independence closely linked to socialism, a prosperous people, a strong country, and an equitable, democratic and civilized society.* The main substance of class struggle at the present stage consists in successfully carrying out industrialization and modernization along the socialist line and overcoming poverty and underdevelopment; achieving social equity, fighting oppression and injustice; preventing and surmounting negative and erroneous ideas and actions; foiling all destructive schemes and actions of hostile forces; defending national independence, and making ours a prosperous socialist country and a happy people.

The main driving force for national development lies in the great unity of the entire people on the basis of the alliance of workers with farmers and intellectuals, combining harmoniously the interests of the individual, the collective and society, and bringing into play all potential and resources of the various economic sectors and of society as a whole.

Our Party and State stand for the consistent and long-term exercise of the policy on developing a multisector commodity economy operating under the market mechanism, with State management and along the socialist line, in short, *a socialist-orientated market economy.*

The socialist-oriented market economy is targeted at developing the productive forces and the economy, with a view

to laying the material-technical foundations of socialism and improving the people's living conditions. The development of modern productive forces is to be linked with the shaping of new and corresponding production relations in terms of ownership, management, and distribution.

The socialist-oriented market economy involves many ownership forms and economic sectors, in which the State economic sector assumes the leading role; and the State economic sector together with the collective economic sector constitute an ever more solid basis.

Public ownership of the key means of production is the outcome of a developed economy with highly socialized modern productive forces; it is to be established gradually and will hold absolute superiority once socialism has been fundamentally built. The building of such a system involves a long process of social-economic development through many steps and forms, from lower to higher levels. From realities, probes and experiments are to be conducted to form public ownership in particular and the new production relations in general with assured steps. The fundamental criteria for evaluating performances in the formation of socialist-oriented production relations reside in the development of productive forces, improvement of the people's life, and achieving of social equity.

The socialist-oriented market economy is placed under State management. Ours is a socialist State; it manages the economy by means of laws, strategies, schemes, plans and policies; it utilizes the market mechanism and applies economic forms and managerial methods of the market economy to activate production and release productive forces, promoting the positive aspects of the market mechanism while limiting and overcoming

its negative aspects, and protecting the interests of the working people and the population as a whole.

The socialist-oriented market economy affects distribution mainly according to labor outcome and economic efficiency, coupled with distribution according to contribution in capital and other resources to production and business, and through social welfare.

Economic growth should be closely associated with assured social progress and equality right in each development step.

Economic growth should go along with cultural and educational development, and shaping of the Vietnamese culture which is advanced and profoundly imbued with national identity, to ensure for Marxism-Leninism and Hồ Chí Minh Thought the leading role in the people's spiritual life, to raise the people's intellectual standards, to educate and train human beings, to foster and develop the country's human resources.

Our Party's policy to shape and develop a socialist-oriented market economy reflects its thinking and concept on the correspondence between the production relations and the character and standard of the productive forces. Such is the overall economic model of our country in the period of transition to socialism.

IV. SOCIO-ECONOMIC DEVELOPMENT POLICY AND STRATEGY

Our Party's economic policy is: To push forward industrialization and modernization, build an independence and autonomous economy, turns ours into an industrialized country;

to give priority to developing the productive forces, while shaping corresponding production relations along the socialist orientation; to promote to the utmost domestic resources, while taking advantage of external resources and proactive international economic integration with a view to a rapid, efficient and sustainable development; to combine economic growth with cultural development, gradually improve the material and spiritual wellbeing of the people, achieve social progress and equity, protect and improve the environment; and to combine socio-economic development with enhancement of national defense and security.

The ten-year Socio-Economic Development Strategy (2001-2010) is targeted at the following: To bring our country out of underdevelopment, and improve noticeably the people's material and spiritual life, to lay the foundations for making ours basically a modern-oriented industrialized country by 2020. To ensure that the human resources, scientific and technological capacity, infrastructures, and economic, defense and security potential be enhanced; the institution of a socialist-oriented market economy basically established; and the status of our country on the international arena heightened.

By 2010, GDP will have at least doubled the level of 2000; the economic and labor structures been vigorously transformed, and the ratio of agricultural labor reduced to approximately 50%.

The five-year Socio-Economic Development Plan (2001-2005) constitutes a very important phase in the implementation of the 2001-2010 ten-year Strategy, with a view to the following: To achieve a rapid and sustainable economic growth. To stabilize and improve the people's well being. To effect a vigorous

economic and labour restructuring geared toward industrialization and modernization. To improve markedly the efficiency and competitiveness of the economy. To expand foreign economic relations. To generate an upsurge in education and training, science and technology, and the promotion of the human factor. To multiply job opportunities; eradicate basically hunger, reduce the number of poor households; curb social vices; To continue enhancing the socio-economic infrastructure; take a major step in establishing the institution of a socialist-oriented market economy. To maintain political stability and social order and safety, and firmly defend national independence, sovereignty, territorial integrity and security.

In the 2001-2005 period, to strive for an average GDP growth rate of 7.5% a year.

1. To regard economic development, industrialization and modernization as the central task

The road towards industrialization and modernization of our country should and could be shortened, with both sequential steps and frogleaps. To promote the country's advantages, make full use of every opportunity to achieve advanced technological standards, especially in information and biological technologies, apply new achievements in science and technology in increasing numbers, at an ever higher level, and on an ever wider scale, gradually develop a knowledge-based economy. To promote the intellectual resources and mental strength of the Vietnamese, regarding development of education and training, and science and technology, as both the foundation and the driving force of industrialization and modernization.

National industrialization and modernization are to ensure the building of an independent and autonomous economy, meaning primarily independence and sovereignty in political guidelines and policies, coupled with sufficiently strong economic potential: a growing level of accumulation from within the economy; a rational economic structure and competitiveness; increasingly modernized infrastructure and certain key heavy industries; endogenous capacities in science and technology; macro economic-financial stability; food security, and energy, financial and environmental safety, etc. To build an independent and autonomous economy while proactively integrating into the international economy; to combine internal with external resources into an aggregate synergy for national development.

To ensure rapid, efficient and sustainable economic development, to shift the economic and labour structures toward industrialization and modernization. All economic activities are to be judged by their combined impact in economic, financial, social, environmental, defense and security terms. For the immediate future, to focus on raising the production and business efficiency of enterprises, especially State enterprises, and the efficiency of capital investment and utilization. To transform the economic and investment structures on the basis of promoting the country's strengths and comparative advantages, increasing competitiveness, and linking this to demands of domestic and external markets, of the people's livelihood, and of defense and security. To increase the purchasing power of the domestic market, expand external markets, and step up exports.

To enhance guidance over and mobilize resources needed to accelerate agricultural and rural industrialization and modernization. To continue developing agriculture, forestry and

fishery and uplift them to a new level through applying scientific and technological advances, especially biotechnology; step up water conservancy expansion, mechanization and electrification; plan for the rational use of land; restructure vegetal and animal production, increase per-acreage unit field; and solve satisfactorily the problem of outlet for agro-commodities. To increase investments in the development of rural economic and social infrastructures. To develop industries, services and diverse trades, with attention paid to agriculture-support processing and mechanical engineering industries, and craft villages; shift a major part of agricultural labour to the industrial and service sectors, multiply job opportunities; upgrade human resources, and raise the living standards of farmers and other rural inhabitants.

In industry, to develop labour-intensive industries while quickly embarking on certain branches and fields with modern and high technologies. To vigorously develop industries for the processing of farm and aquatic products, and the production of garments, leatherware, footwear, certain mechanical, electronic and software articles, etc. To selectively build a number of important heavy industry establishments producing necessary production materials to equip economic and defense branches. To efficiently exploit oil and gas, mineral and construction material resources. To attach importance to developing small and medium enterprises; establish a number of large business groups to take the lead in competition and modernization.

To forcefully develop *services* industries and improve their quality: commerce, including e-commerce, and other forms of transportation, posts and telecommunications, tourism, finance, banking, auditing, insurance, technology transfer, legal consultancy, and market information. To universalize soon the use of informatics and the Internet in the economy and social life.

To build a synchronized and gradually modernized *system of infrastructures* in the fields of communications, electricity, information, water conservancy, water supply and sewage, etc.

To develop a network of urban centers, rationally apportioned among the different regions. To gradually modernize major cities, and accelerate the process of rural urbanization. To avoid overconcentration of industries and the population in big cities. To overcome traffic congestion and environmental pollution. To enhance urban planning and management, and improve architectural aesthetics.

Concerning regional development strategy, to promote the role of key economic regions with high growth rates and large accumulation; while facilitating the development of other regions by promoting their respective advantages, and linking the latter with the former for fairly high growth rates. To pay attention to socio-economic development associated with defense and security enhancement in mountain regions, ethnic minorities' areas, borderlands and islands, attaching importance to the Central Highlands, the Northwest and the Southwest. To institutionalize more support for difficulty-ridden areas to develop infrastructures and human resources, raise the people's educational levels, eradicate hunger and alleviate poverty, thus helping those areas out of underdevelopment. To work out strategy for the development of border regions.

To strongly develop and promote the strategic role of maritime economy combined with defense of territorial waters: to expand the cultivation, exploitation and processing of marine products, promote offshore fishing; develop oil and gas exploitation and processing; develop ship building and ocean-

going transport, tourism and services; develop offshore populated areas, maintain security in our territorial waters.

To gradually modernize meteorological-hydrological and geophysical research and forecast; devise plans and take active and proactive measures against natural disasters, and for search-and-rescue operations.

To ensure rational and economical utilization of natural resources, protect and improve the natural environment, and conserve biodiversity, regarding this as an important part of socio-economic development strategies, schemes, plans, programs and projects. To enhance management in all spheres and regions; strictly abide by the Law on Environmental Protection.

2. To develop a multisector economy

To ensure the consistent implementation of the policy on developing a multisector economy. All economic sectors operating lawfully are important components of the socialist-oriented market economy, joining with each other in long-term development, cooperation and healthy competition; with the State economic sector playing the leading role, and the State and collective economic sectors gradually becoming the firm foundation of the national economy.

On the basis of the fundamental forms of ownership - *public ownership, collective ownership, and private ownership* - to shape many economic sectors with diverse, intertwined and mixed forms of business organization.

The State economic sector is to promote its leading role in the economy, as an important material force and the instrument for

State orientation and macro-regulation of the economy. State enterprises are to assume key positions; pioneer in the application of scientific and technological advances; and set examples in productivity, quality, socio-economic efficiency, and law compliance.

In the next five years, to basically complete the consolidation, rearrangement, restructuring and renewal of existing State enterprises, raise their operational efficiency, while developing in key industries and fields and important localities, enterprises where the State holds 100% of capital investments or dominant shares. To build a number of powerful economic groups on the basis of State corporations, with the participation of different economic sectors. To conduct properly the equitization and ownership diversification of enterprises where the State does not need to hold 100% of capital; to transfer, sell, contract, lease, etc. small State enterprises where the State does not need to retain its grasp; to merge, dissolve and declare bankrupt inefficient enterprises where the above-mentioned measures are inapplicable. To urgently improve the financial and labor aspects of State enterprises; consolidate and modernize to a certain extent State corporations.

To differentiate the owner's right and the right to business of the enterprise. To apply the corporate management system to enterprises operating in the forms of limited liability companies with the State as the sole proprietor and shareholding companies with the State as a share holder; assign to the boards of directors of enterprises the right as direct representatives of the owner linked with business autonomy; clearly define the authority and responsibilities of State management agencies in relation to enterprises.

To continue renewing mechanisms and policies related to State enterprises with a view to generating a motive for development and increasing efficiency along the line that State subsidies are to be eliminated, and that enterprises are to enjoy equal competition in the market, bear full responsibility in production and business, pay due taxes, and have profits. To implement properly regulations on democracy in enterprises. To enact an appropriate mechanism for State supervision and inspection over enterprises.

The collective economic sector is to develop in diverse forms of cooperation, of which cooperatives constitute the core. Based on the property of members and collectives, cooperatives incorporate extensively workhands, production and business households, small and medium enterprises, without any limitation in terms of scale, field and area. To develop integrated multitrade or specialized business cooperatives. The State is to help cooperatives train managers, conduct scientific and technological applications and information, expand markets, set up cooperatives development support funds, and deal with bad debts. To encourage the accumulation and effective development of collective capital in cooperatives. To sum up the transformation and development of cooperatives under the Law on Cooperatives.

The individual and small-owner economic sector in both rural and urban areas assumes an important and long-term position. Facilitation and assistance are to be given by the State for this sector to develop; various forms of voluntary cooperatives are to be encouraged, to serve as satellites for enterprises or to grow bigger.

To encourage the extensive development of the private capitalist economic sector in production and business trades and industries not forbidden by the law. To create an enabling policy and legal environment for the private capitalist economy to develop according to priority orientations set by the State, including making investment overseas; to encourage the enterprises to turn into shareholding ones, selling shares to employees, engage in cooperation and joint venture with each other, with collective and State economies. To establish a good relationship between employers and employees.

To develop the State capitalist economic sector in diverse forms of cooperation and joint venture between the State economic sector and local and foreign private capitalist economies, ensure practical benefit to all business investors.

To create conditions for the foreign-invested economic sector to develop smoothly, targeted at exports, and to link socio-economic infrastructure development with attracting modern technologies and multiplying job opportunities. To improve the economic and legal environment to vigorously attract foreign investment capital.

To attach importance to developing various forms of intertwined and mixed business organization with different ownership forms and economic sectors, local and foreign. To strongly develop forms of joint stock economic organization in order to extensively mobilize and utilize social investment capital. To multiply models of cooperation and integration between industry and agriculture, between State enterprises and rural household economies. To develop various categories of farms in sizes conforming to different localities.

3. To continue creating concerted elements of a market economy; renew State economic management and improve its effectiveness

To accelerate the formation, development and gradual improvement of different categories of socialist-oriented markets, with special attention paid to important yet still nonexistent or primitive markets, such as: labor market, stock market, real estate market, and science and technology market.

To develop the goods and services markets; promote the core, orientational and regulatory role of the State economic sector in the market. To meet the diverse demands and increase the purchasing power of domestic markets, both in urban and rural areas, with attention paid to markets in difficulty-ridden regions. To enter new markets abroad. To determine reasonable and effective protection durations for necessary products, make intensive preparations for broader integration into the international market. To limit and control business monopoly.

To expand the domestic labour market under State monitoring and supervision, protect the interest of both employees and employers; speed up organized and efficient manpower export. To complete the legal and policy system to create equal job opportunities for the working people, provide enabling and conducive conditions for them in self-employment, skills improvement, retraining, and new job learning.

To urgently organize a science and technology market, protect properly intellectually property ownership; boost the development of information and technology transfer services.

To develop rapidly and sustainably capital markets, especially long-term and medium-term capital markets. To establish and

operate safely and efficiently a stock market and an insurance market. To shape a dovetailed monetary market; enhance the convertibility of the Vietnamese currency.

To establish and develop a real estate market, including land use right as stipulated by the law; gradually open the real estate market to investments by overseas Vietnamese and foreigners.

In the coming five years, to set up a relatively well-coordinated management mechanism for a socialist-oriented market economy, overcome weaknesses, and dismantle bottlenecks.

To renew intensively and extensively the economic management mechanism, promote the positive aspects of the market mechanism, radically eliminate subsidies in business, enhance the role of the State in macromanagement and regulation, effectively combat corruption, waste, bureaucratism, and harassment.

The State is to create a conducive and equal legal environment for enterprises to compete and cooperate for development; to make use of strategies, schemes, plans and policies combined with the State's material forces to orientate socio-economic development, exploit rationally the country's resources, ensure the macrobalances of the economy, regulate incomes, exercise monitoring, supervision and inspection over all business activities as stipulated by the law, and combat smuggling, counterfeit products and commercial frauds.

To continue innovating the macromanagement instruments of the State toward the economy.

To further renew the planning, improve qualitatively the elaboration of socio-economic development strategies, schemes

and plans; promote domestic and foreign socio-economic information, accounting and statistical work; and apply extensively scientific and technological achievements in forecasting and in monitoring policy implementation, at the macro and enterprise level alike.

To ensure transparency and fairness in the State budget allocation. To effect vigorous decentralization while enhancing local authorities' responsibility towards local budget revenues and expenditures. To match the ratio of budget spending with economic growth rate as well as economic and financial management performance. To augment budget allocations to key social targets. To raise the efficacy of national programs, and execute fruitfully programs in support of communes beset with extreme difficulties.

The State is to make budget-sourced development investments on the basis of socio-economic efficiency. To switch from the administrative mechanism of State capital lending to a market-dictated lending mechanism, and eliminate subsidies through investment credits while expanding development support funds. To improve the capital construction investment management methods, reform procedures, effect a clear-cut and distinct division of authority and responsibility in the implementation of investment projects. To enhance government debt management; update the foreign debt management mechanism to suit the new situation.

To continue reforming the tax system to adapt to the country's situation and international commitments; to simplify taxes; apply gradually a uniform tax system without discriminating domestic from foreign investment. To foster revenue sources,

and ensure accurate and full tax collection as stipulated by the law. To modernize tax management by the State.

To develop the State commercial bank system with a view to facilitating the demand for credits and banking services in society. To perfect Commercial Banks into autonomous, self-accountable and prestigious currency trading enterprises capable of market competition. To eliminate administrative interferences by State agencies in State commercial banks' lending operations. To improve the supervisory capability of the State Bank and the internal control operations of commercial banks. To separate preferential State credits from commercial credits. To enact a flexible exchange rate policy responsive to foreign currency supplies and demands, gradually liberalize exchange rates under the State's macromanagement.

4. To properly solve social problems

To implement social policies targeting at social development and betterment, practice equity in distribution, generate a forceful motive for production development, increase social labour productivity, effect equality in social relations, and encourage the people's lawful collection of wealth.

Employment generation is a fundamental social policy. By various means, to multiply new job opportunities, increase employed labor time, especially in the agricultural and rural sector. Different economic sectors are to develop potentially labor-intensive trades, production units and service entities. To pay attention to improving working conditions, ensuring labor safety and hygiene, and protecting workers from accidents and occupational diseases. To restore and develop craft villages.

boost the self-establishment campaign of the youth, promote the training of skilled workhands. To ensure scrupulous organization and management of manpower export, and protect the workers' interest abroad. To urgently expand the social insurance and security system. To soon elaborate and translate into practice a policy on unemployment insurance.

To radically reform the salary system concerning public officials and employees in the direction of full monetarization of salaries; revision of salaries to match income increases in society; the hierarchical salary system being to ensure reasonable correlations and encourage persons with talent and good performance. To solve irrationalities in allowances to pensioners, war invalids, sick soldiers and needy persons.

Enterprises are to enjoy autonomy in wage and bonus payment on the basis of their labor productivity and efficiency. The State and society respect the lawful income of business people.

The hunger eradication and poverty alleviation programs are to be carried out with concrete measures adapted to the situation in different localities with a view to early reaching the target of no hungry households and extensively reduce the number of poor households. To continue increasing the total funds for hunger eradication and poverty alleviation, further diversify forms of credit to the poor for production and business. To enact policies subsidizing agro-product prices and developing employment and sidelines in order to increase incomes of farmer households. To effect social policies to provide security in life to all communities members, including social insurance to workhands in different economic sectors and social relief to unfortunate and helpless persons.

To implement a social preferential policy and involve the entire people in activities "paying debts of gratitude" and "remembering the source while drinking water" in relation to revolutionary veterans, persons with meritorious services to the country, Heroic Mothers, war invalids, spouses and children of fallen soldiers, and people entitled to social preferential policy.

To press ahead with the building of rural infrastructures, such as schools, dispensaries, electricity, clean water, market places, and roads. To ensure greater investments to communes beset with extreme difficulties. To effect incentives to encourage scientific and technical personnel to work in hinterland and remote areas.

The population policy is targeted at proactive control of the size of the population and gradual improvement of its quality to meet the requirements of socio-economic development. To upgrade reproductive health care and family planning services; to tackle satisfactorily the interrelations between a rational population apportionment on the one hand and population management and human resources development on the other.

To implement in an integrated manner the policy on public health protection and care, in order to reduce morbidity rates, improve physical strength, raise life expectancy, and develop our national stock. To consolidate and improve the medical network, particularly at the grassroots. To build a number of specialized medical centers. To increase the production of pharmaceuticals, and ensure essential medicaments to all populated areas. To practice social equity in healthcare; renew the mechanisms and policies on hospital fees; enact policies on health allowances and insurance for the poor, gradually advance toward universalization of health insurance. The State is to promulgate a national policy on traditional medicine. To combine closely

modern and traditional medicines, from training to examination and treatment.

To implement the policy on child care and protection, focusing on exercise of the right of the child, enabling children to live in a safe and healthy environment and to develop harmoniously in physical, mental, spiritual and ethical terms. To ensure access to education and entertainment to orphans, defective children, and children laden with difficulties.

To launch a nationwide movement for physical training and sports, augment the physical strength and stature of the Vietnamese; widely disseminate knowledge on health self-protection. To increase State investment in high-record sports.

To enhance leadership and management of the all-people campaign to combat crimes, maintain social order and discipline, and prevent and curb social vices, especially prostitution, drug abuse. To prevent and gradually check the epidemic of HIV/AIDS. To mold civilized and healthy lifestyles.

All social policies are to be implemented in the spirit of socialization, upholding the sense of responsibility of the authorities at all levels while mobilizing resources from among the people and the participation of people's and social organizations.

V. EDUCATION & TRAINING AND SCIENTIFIC & TECHNOLOGICAL DEVELOPMENT, AND BUILDING OF AN ADVANCED CULTURE IMBUED WITH NATIONAL IDENTITY

1. The development of education and training remains one of the important driving forces for industrialisation and

modernisation, a condition for the promotion of human resources - a fundamental factor for social development, fast and sustainable economic growth.

To continue renewing and improving the comprehensive quality of teaching and learning content and methodology, school systems and education management systems; to put into practice "standardisation, modernisation and socialization." To promote students' scientific and creative thinking, and self-conducted research capabilities, hold high their capability in self-study, self-completion of knowledge and skills, press ahead with the people's learning movement through regular and irregular forms of education, materialise "education for all," "turning the whole country into a learning society." To implement the motto "learning goes hand in hand with practice, education with practical production, and schools with society."

To attach importance to vocational orientation and categorisation by career inclination for secondary school students in preparation for young people's entry into professional labour in keeping with the economic structural shift at both national and local levels. To elaborate human resources training plans in such a way that combines intensive with distance and computerised education.

To take good care of pre-school education development, expand the system of kindergartens and nursery schools to all populated locations, especially in rural and difficulty-stricken areas.

To consolidate the gains in illiteracy eradication and primary education universalisation, strive to increase the number of primary schools capable of accommodating two sessions a day at school and teaching foreign languages and informatics for

students. To speed up junior secondary education universalisation, facilitate an early completion of secondary education universalisation by able localities through expansion of training scopes and diversification of forms of general secondary schools, specialised secondary schools and vocational schools.

To increase State budget allocations for education and training in correspondence with economic growth rates. To modernise a number of vocational schools, increase rapidly the ratio of trained labour to the total social labour force, encourage the development of people-established and private vocational institution systems, equip young people with knowledge of production, work skills and capacity to absorb new technologies with a view to their self-generation of employment and proactive search for self-establishment opportunities.

To broaden rationally the scope of tertiary education, create a visible improvement in training quality and efficiency. To concentrate investments on building the two national universities into high quality training centres: build a number of key teachers training institutions. To step by step connect schools to the Internet, facilitate on-line study and research.

To enhance the education of politics, ideology, morality and lifestyle for students. To revamp the teaching and learning of subjects on Marxism-Leninism and Hồ Chí Minh Thought in universities, high schools, specialised secondary schools and vocational schools.

To realize social equity in education, create conditions for the poor to realise learning opportunities, continue to build boarding schools for children of ethnic minorities, and pay attention to the right to learning of the inhabitants of more than 2,000 poorest

communes. To adopt policies on special support for gifted students in difficult living circumstances to pursue higher-level education. To elaborate plans and policies on recruiting outstanding people, special attention given to children of workers and farmers, for graduate and post-graduate education. To increase State budget allocations for sending people to countries with advanced science and technology for training. To encourage self-financed study overseas.

To realise the policy of education popularisation, diversification of various forms of training, push forward the setting-up of talent promotion funds as well as education extension and education support organisations.

In the immediate years, to solve once-and-for-all such pressing problems as streamlining of the curriculum to respond to the human resources requirements of industrialisation and modernisation; improvement of the examination system, overcoming of the education "commercialisation" tendency and prevention of negative practices in education; strict administration of the issuance of diplomas as well as recognition of titles and degrees; and redressing of the administration over the system of schools, both public and non-public.

2. *Scientific and technological development*, together with education and training development, constitutes a primary State policy, a cornerstone and driving force for the stepped-up national industrialisation and modernisation.

Social sciences and humanities are to focus on answering theoretical and practical questions, forecasting development trends, laying scientific grounds for the formulation of

guidelines and policies aimed at socio-economic development, human cultivation, promotion of the national cultural heritage, and creation of new Vietnamese cultural values.

Natural sciences are to focus on building up scientific grounds for the development of key technological fields and exploiting natural resources, protecting the environment, forecasting and controlling natural calamities.

Technological sciences are to focus on improving labor productivity, innovating products, heightening goods' competitiveness in the market, building up national technological capacity, creatively applying imported technologies, and step by step generating new technologies. To rapidly develop certain branches and sectors using modern technologies and high technologies (informatics, biotechnology, new materials, automation). To establish a market for technological advances, reform financial mechanisms in order to provide incentives for innovations and bind scientific and technological applications to production, business, management and services activities. To design policies encouraging and forcing enterprises to make investments in research for technological innovation.

To attach importance to fundamental research in sciences.

To increase State budget allocations while mobilising other resources for science and technology.

To restructure and innovate the scientific research system, coordinate closely research in natural sciences and technological sciences with that of social sciences and humanities. To complete the construction of hi-tech parks and a system of selected

national laboratories. To efficiently utilise science and technology development funds. To improve the management of sciences, exercise democracy regulations in scientific research and creation, ensure the quality of scientific research programs and projects, and overcome duplication causing waste to the State budget.

To increase international cooperation in scientific and technological research. To implement properly policies on intellectual property protection. To practice special preferential treatment for scientists with outstanding research projects; reserve incentives for scientific and technological workers operating in difficulty-ridden and rural areas; encourage scientists to keep close to production units and guide the population in their grasp and ownership of new scientific and technological knowledge.

3. *The building of an advanced culture deeply imbued with national identity* constitutes both the objective and the motive force for socio-economic development. All cultural activities are targeted at shaping the Vietnamese man who is comprehensively developed in politics, ideology, intellect, ethics, physical strength, creativity, the sense of community, benevolence, tolerance, respect for humanity, a cultured lifestyle, a harmonious relationship with the family, community and society. Culture is to become a factor stimulating human beings' efforts for personality self-perfection, inheritance of the nation's revolutionary traditions, and promotion of the will in self-reliance and self-support for national construction and defense.

To quickly increase investments by the State and society in cultural development. To provide conditions for the people to

increasingly uplift their levels of aesthetics and artistic enjoyment, thus becoming creators of culture and enjoyers of ever more cultural gains. To elevate the quality of the system of history museums and revolutionary museums; speed up the construction of libraries, cultural houses, information houses, health clubs, playgrounds, recreational centers, etc. To conserve and promote national cultural heritage, the literary and artistic values, languages, scripts, and fine customs and habits of the country's ethnicities; to renovate historical and cultural relics and scenic beauty sites; to tap traditional folklores. To acquire the cultural quintessence of, and join hands in enriching humankind's culture. To fight the intrusion of noxious cultural products.

To ensure freedom and democracy for all cultural, literary and artistic creations, provide favorable working conditions to promote the effectiveness of art labor. Writers and artists are to uphold their sense of responsibility toward the population, the Homeland and socialism, striving for many works of high ideological and artistic values, and deeply imbued with humanism, democracy and conducive to human education and formation. Literature and arts are to encourage the true and the good in relations between man and man, man and society, man and nature; criticise the wrong and the bad, and condemn the evil and the base. To heighten the role of literary and artistic criticism in works appraisal and public opinion guidance. To keep fighting against tendencies of creation contrary to the Party's cultural and artistic policy. To take a good care of the material and intellectual life of writers and artists, particularly the elderly; reserve adequate remuneration for talented writers and artists. To attend to fostering and training a generation of young writers and artists. To ensure proper protection of copyrights.

To combine development with the effective management of the mass media system. The press and publishers should function well as disseminators of Party and State guidelines, policies and decisions; identify the new, the good and the beautiful in society, publicise examples of good people, good deeds and advanced models, criticise the negative, redress the deviated and fight the erroneous; to attach importance to upholding the truthful, educational and combative nature of information. To make use of the Internet to intensify foreign-oriented information, at the same time restrain and prevent negative activities on the net. To overcome the tendency of "commercialisation" in the press and publishing activities. To improve the political and ideological willpower, the sense of responsibility, the cultural, professional and moral levels of the press and publishing staffs.

To hold aloft the sense of responsibility of the family in instilling and fostering in its members a cultured lifestyle, making the family the really sweet home for each and everyone and the healthy cell of society. To press ahead with the campaign "The entire people unite to build a cultured life"; prevent the restoration of backward habits, and overcome the potentially expanding tendency of superstition among the public.

VI. ENHANCEMENT OF NATIONAL DEFENSE AND SECURITY

The safeguarding of the socialist Homeland includes firm defense of independence, sovereignty, and territorial integrity, preservation of national security, social order and safety and the culture; defense of the Party, State, people and the socialist regime; protection of the cause of renewal as well as the interests of the country and the nation.

The strength in national defense is sourced from the aggregate strength of the entire people's great unity, the whole political system under the leadership of the Party, the combination between the national strength and the strength of the era, between the strength of the all-people national defense forces and disposition and the strength of the people's security forces and disposition. To closely link economic development with national defense and security and vice-versa in all socio-economic development strategies, schemes and plans. To combine national defense and security activity with foreign activity.

To strengthen national defense and firmly preserve national security and territorial integrity constitute a primordial and permanent task of the Party, State and the entire people, with the People's Army and the People's Public Security forces as the core.

To build the People's Army and the People's Public Security which are revolutionary, standardized, well-trained, gradually modernized, and steadfast in political will power; increasingly cultured and educated; respectful of and wholeheartedly devoted to the people; absolutely loyal to the Homeland, Party and people; qualified, virtuous, healthy and simple in lifestyle; succeeding to and promoting glorious traditions; capable of victoriously commanding and combating in whatever circumstances; enjoying increasing combat readiness and combativeness; smashing timely all schemes and acts of encroachment on the Homeland's independence, sovereignty and territorial integrity and national security; preventing and foiling dangerous crimes and social vices, and ensuring properly social order and safety.

To build socio-political bases, and an all-people national defense and people's security disposition; to attach importance

to building up the disposition in vital strategic localities; and to build up the militia, self-defense and public security forces for the safeguarding of the bases.

To further improve the legal system on the duty to defend the Homeland. To enhance State administration in the field of national defense and security nationwide as well as in individual localities and units, incorporating this duty into formal training programs for public officials and employees. To institutionalize Party guidelines and policies on building all-people national defense and people's security.

To adequately invest in building the defense industry, and equip the army and public security forces with sophisticated techniques. To make full use of civil industrial capacity in service of national defense and security. To gradually improve the material and spiritual living standards of the armed forces, implement properly policies towards families of members of the People's Army and People's Public Security forces.

To constantly strengthen the Party's absolute, direct and all-sided leadership over the People's Army and People's Public Security, and over the national defense and security.

VII. FOREIGN RELATIONS EXPANSION AND PROACTIVE INTERNATIONAL ECONOMIC INTEGRATION

To consistently implement the foreign policy of independence, sovereignty, openness, multilateralization and diversification of international relations. Vietnam is prepared to be a friend and reliable partner of all countries in the international community, striving for peace, independence, and development.

Our task in the field of foreign relations consists in the continued preservation of a peaceful environment and creation of favourable international conditions for accelerated socio-economic development, national industrialization and modernization, construction and defense of the Homeland, and ensured national independence and sovereignty, as well as active contribution to the common struggle of the world's people for peace, national independence, democracy and social progress.

To broaden the multifaceted, bilateral and multilateral relations with all countries and territories, major international political and economic centers, and international and regional organizations on the principles of respect for one another's independence, sovereignty and territorial integrity, non-interference in each other's internal affairs, non-use or threat to use of force; equality and mutual benefit; settlement of disagreements and disputes by means of peaceful negotiations; and neutralization of all attempts and acts of pressure, imposition and big-power policy.

To proactively integrate into the international and regional economies in the spirit of maximizing our internal strength, raising international cooperation efficiency, ensuring independence, autonomy and the socialist orientation, safeguarding national interests and national security, preserving national cultural identity, and protecting the environment. The Government, all the ministries, agencies and enterprises are to soon design and execute respective international economic integration plans with rational roadmaps and concrete programs of action, promoting the initiativeness of the ministries, agencies and enterprises; to press ahead with a shift in economic

structures and renewal in socio-economic management mechanisms, further complete the legal system, and improve the competitiveness of enterprises and the economy as a whole.

To set store by and develop our relations of friendship and cooperation with socialist countries and neighbouring countries. To improve the efficiency and quality of our cooperation with ASEAN members, together to build Southeast Asia into a peaceful, nuclear weapon free, stable, cooperative and mutually developing zone.

To continue expanding our relations with traditional friendly countries, national independence countries, and developing countries in Asia, Africa, the Middle East and Latin America, as well as with Non-Aligned Movement countries, support each other for shared development and coordinate with one another for the protection of each other's legitimate interests.

To push forward our diverse relations with developed countries and international institutions. To increase activity at multilateral fora.

To actively participate in the settlement of global issues. To support and join the world's people in the struggle for a total elimination of nuclear weapons, biological weapons and all other modern war facilities of mass destruction, in defense of peace, against war danger and arms races; respect national independence, sovereignty, territorial integrity and the right of each nation of the world to choose her own path of development; contribute to the establishment of a democratic and equitable international political and economic order.

To consolidate and intensify our relations of solidarity and cooperation with communist and workers' parties, left parties,

national liberation and independence movements, and revolutionary and progressive movements in the world.

To continue expanding our relations with ruling parties.

To further broaden international people-to-people relations, enhance bilateral and multilateral relations with people's organizations in other countries, improve the efficiency of our cooperation with national and international non-governmental organizations, contributing to better understanding, closer friendship and cooperation between ours and other peoples in the region and the world over.

To enhance the research-supporting information, forecast effectively the regional and world situations with a view to the timely formulation of appropriate foreign policies and guidelines in response to changes. To further enhance the foreign-orientated informational and cultural activities.

To nurture and forge political willpower, qualifications, morality and dignity for the pool of foreign relations personnel, including the foreign economic relations staff.

To ensure organic coordination among the State's diplomatic activity, the Party's external activity and the international people-to-people activity. To further improve a unified mechanism for the administration of foreign activities, thus constituting an aggregate strength to carry out fruitfully our tasks in foreign activity, helping the world better understand the land, people and renewal process of Vietnam, the guidelines and policies of our Party and State, and in turn winning over the world's ever growing sympathy, support, and cooperation.

VIII. PROMOTION OF THE GREAT NATIONAL UNITY STRENGTH

Inheriting the precious traditions of the nation, our Party has always upheld the banner of great national unity, regarding it as a strategic policy, a great source of strength and driving force for national construction and defense. The building up of the great national unity bloc is the responsibility of the whole political system and the entire society.

The great unity should embrace people of all ethnicities, religions, classes, strata, economic sectors, sexes, age groups, regions of the country, members and non-members of the Communist Party, in-service and retired, all members of the great family of the Vietnamese nation, be they residing at home and overseas. To promote the power of the whole national community, traditional patriotism and national pride, taking the goal of maintaining independence and national unity, and striving for a prosperous people, a strong country, an equitable, democratic and civilized society as the common denominator; respect those differences which are not opposed to the nation's common interests, get rid of complexes, prejudices and discriminations based on one's past, class or category, and cultivate a spirit of openness, mutual trust and future-targeted vision. The great national unity bloc in the Vietnam Fatherland Front is to be constantly consolidated and developed far and wide on the foundation of the solid alliance of the working class with the peasantry and the intelligentsia.

To build the great national unity bloc in association with the promotion of democracy in social life under the Party's leadership. To ensure democracy in the political, economic, cultural and social fields, at all levels and in all sectors.

State policies and laws exert direct influence on the implementation of the great national unity and democracy in society. To formulate in a synchronized manner sound socio-economic policies, promoting all the potential of creativity among the population. To renew and complete specific policies toward the various classes, strata, ethnicities, religions, particularly policies on socio-economic development, distribution, consumption, ensuring citizens' interests and responsibilities, etc.

Concerning the working class, to attach importance to its quantitative and qualitative development, improvement of political consciousness and willpower, educational and work qualifications, intellectualization of workers, and improvement of capacity to apply and innovate new technologies; work with increasing productivity, quality and efficiency, worthy of its being a pioneer in national industrialization and modernization and its leadership role in the revolution in the new stage. To protect the interests, improve the material and spiritual living conditions of the working class in the conditions of the market mechanism. To intensify the training of leaders and managers, and the admission of outstanding workers into the Party; increase the proportion of workers in leading positions at all levels and in all agencies.

As regards the peasantry, to nurture maximally the rural people's energy and promote its role in the process of renewal, concentrate guidance and necessary resources on agricultural industrialization and modernization and rural development; to implement properly policies on land, comprehensive agricultural development, cash crop marketing, production insurance and social insurance; promote the respective advantages of different regions, help disadvantaged regions; apportion the population in

conformity with plans, develop occupations and craft, generate employment, abolish hunger and reduce poverty, improve the livelihood, uplift the people's intellectual level, and build up a new type of countryside.

See the Constitution

Concerning the intelligentsia, to provide them with favourable conditions to acquire information, access new achievements of the world's science, technology and culture, and raise their political knowledge and professional expertise. To encourage the freedom of creation, innovation and contribution. To locate, foster, utilize properly and remunerate duly talents. To promote the capabilities of intellectuals in the implementation of the State's research programs and projects and elaboration of guidelines, decisions, policies and laws.

Regarding the young generation, to attend to their education, upgradation and training with a view to their all-sided development in political, ideological, ethical, lifestyle, cultural, physical health and professional terms; to generate employment, develop their talent and creativity, and bring into play their role as shock forces in national construction and defense.

As for women, to implement properly laws and policies on gender equality, groom and train them in terms of profession and general knowledge; elaborate mechanisms and policies for them to increasingly participate in leading and managerial structures at all levels and in all sectors; take care of and protect maternal and child health; and create conditions for women to fulfil their endowed functions as mothers; and build abundant, equal, progressive and happy families.

Concerning war veterans, to promote the nature and traditions of 'Uncle Hồ's soldiers,' actively involve in building and

safeguarding the Party, administration, and socialist regime; help each other improve living standards; contribute to educating revolutionary traditions and heroism for the younger generations.

Regarding revolutionary veterans, people with meritorious services to the country, retired employees, and the elderly, to apply the policy of paying debts of gratitude, attend to their health, and improve their spiritual and material livelihood in the new circumstances; meet their need for information, make good use of their ability to participate in the political life of the country and in social activities; set by themselves good examples, help educate the revolutionary ideals and traditions for the youth and children.

Concerning entrepreneurs, to elevate their role and responsibility toward national industrialization and modernization, and socio-economic development; encourage and create an enabling environment for them to operate and compete in line with the law; and effect commendations of various forms in recognition of the efforts of good business managers.

The ethnicity and ethnic unity issue has always been of strategic importance in the revolutionary cause. To execute properly policies on equality, unity, mutual assistance, and joint development among all ethnic groups; build up social and economic infrastructures, develop commodity production, attend to their material and spiritual livelihood, eradicate hunger and alleviate poverty, improve the people's educational levels, preserve, enrich and promote the cultural identities and fine traditions of all ethnic groups and between the highlands and the lowlands, reserve special care for difficulty-stricken areas, former revolutionary and resistance bases. To actively implement

preferential policies on the training and grooming of minority-origin personnel. To encourage and promote the role of prominent and prestigious persons among ethnic groups and in their localities. To fight ethnic discrimination and division; combat greater-nation mentality, narrowed-minded nationalism, and extremist nationalism; and overcome ethnic inferior complexes.

Beliefs and religion constitute the spiritual need of a segment of the population. To implement a consistent policy of respecting and guaranteeing the right to freedom of belief, freedom of religion and non-religion, as well as the right to normal religious practices as stipulated by the law. To rally compatriots of different religions, religious and non-religious compatriots. To attend to their economic and cultural development and living standards improvement. Religious believers and dignitaries are obliged to fulfil their duties as citizens towards the Homeland, leading "a good life in both civic and religious terms," promoting the fine cultural and ethical values of religions. To step by step complete legislation on beliefs and religions.

To strictly prohibit abuse of issues related to ethnicity, belief and religion to act against State laws and policies, provoke divisions among the population and ethnicities, cause unrest, and encroachment upon national security.

Overseas Vietnamese constitute an indispensable part of the Vietnamese national community. The Party and State are to provide them with information about the country's situation, protect their legitimate interests, help raise their patriotism and civic responsibilities, their sense of community, their spirit of national self-respect and pride, preserve the cultural identity and

fine traditions of the Vietnamese nation, respect the laws of countries of their residence, and contribute to tightening the relations of solidarity and friendship with peoples of other countries. To formulate policies facilitating their home visits and expansion of their activity in culture, education and training, science and technology, production and business, thus making practical contributions to national construction.

The Vietnamese Fatherland Front and mass organizations have a very important role to play in the great national unity for the construction and defense of the Homeland, accelerating national industrialization and modernization; to promote democracy and raise the civic responsibility of their members, maintain social order and discipline, push ahead the process of renewal, tighten the interrelationship between the people and the Party and State. The people are to exercise both direct democracy and representative democracy through State agencies, people's deputies, the Fatherland Front and mass organizations. The Party and State are to design and complete regulations so that the Fatherland Front and mass organizations can bring into play the right of the people as masters taking part in socio-economic development, translate into practice the motto "people know, discuss, execute and supervise," through which to enhance the national unity and consolidate the political and spiritual unanimity in society.

The Vietnam Fatherland Front and its affiliates constitute the political foundation for the people's power, a venue whereby to express the will, aspiration and rally of the great national unity, helping build a clean and strong State; promote its capacity in the elections of the National Assembly and People's Councils at all

levels; formulate guidelines, policies and laws, disseminate them among the population and persuade the latter to implement the Party's guidelines and State's policies and laws; take part in Party building and rectification, exercise the people's supervision over the work as well as the morality and lifestyle of Party officials and members, public employees, elected deputies and State agencies; settle disputes among the population.

To broaden and diversify the forms of involving people in mass organizations, social organizations, and professional, cultural, friendship, charity and humanitarian associations. To soon promulgate a law on associations.

To continue renewing models of operation of the Fatherland Front and mass organizations, overcoming their officialization, showiness, formalism, bureaucratism and aloofness from the population. To properly implement the Law on the Vietnam Fatherland Front. To launch people's patriotic emulation movements, unite to build a new life in residential quarters, cultivate a cultured life, ensure social order and safety, in linkage with socio-economic development programs and plans on the national, local and residential quarter scales. To vigorously turn activities to the grassroots, communities and families.

IX. ACCELERATION OF REFORM OF STATE ORGANIZATION AND OPERATION, PROMOTION OF DEMOCRACY AND ENHANCEMENT OF LEGISLATION

1. To build the law-governed socialist State under the Party's leadership. Our State is a mainstay of the political system and the main instrument to put into practice the people's right as

masters, and is a law-governed State of the people, by the people and for the people. The State power is unified, with a division of responsibilities and coordination of work among State agencies in the exercise of legislative, executive and judicial powers. The State governs society by means of laws. All agencies, organizations, public officials and employees, and citizens are obliged to abide by the Constitution and laws.

To reform the State's organization and operation in close linkage with Party building and rectification, renewal of the substance and mode of the Party's leadership over the State. To build the State apparatus refined and compact; raise the performance of Party organizations and members in State agencies.

2. To reform the State's institution and operational modes. To improve the National Assembly's organization, renew its operational modes and elevate its performance; to undertake as the key task the enhancement of law-making, design of law-making agendas, completion of the legal system as well as renewal of the processes of law enactment and executive guidance. The National Assembly is to exercise properly its functions of taking decisions on important issues of the country, deciding over and allocating the State budget, practising its authority of supreme oversight on the entire activity of the State budget, practising its authority of supreme oversight on the activity of the State, and for the time being, on such pressing issues as utilization of State funds and assets, and combat against corruption and bureaucratism.

To soon study and propose to the National Assembly the revision and amendment of certain articles of the 1992 Constitution in order to adapt to the new situation.

To build a democratic, clean, strong and gradually modernized State administration. To readjust the functions and reform the operational modes of the Government along the direction of the latter unifying the macro-administration over the implementation of tasks in the political, economic, cultural, social, defence, security and foreign relations fields all over the country through the comprehensive and synchronized system of laws and policies. To clearly define the ministries' functions, tasks and powers along the direction of ministries responsible for nationwide multisectoral and multidisciplinary administration, and for the provision of public services.

To decentralize and delegate more authority to the local administrations, raise their initiativeness, combine closely sectoral management with territorial administration, realize scrupulously the principle of democratic centralism; to rationally organize People's Councils; and to improve specialized agencies of People's Committees and administrative machineries of rural communes, urban wards, and townships.

To reform the organization, and improve the quality and performance of judicial agencies, enhance the sense of responsibility of judicial agencies and staff in investigation, arrest, imprisonment, detention, prosecution, trial, and court decision execution, avoid unjustifiable or inaccurate cases. The people's procuratorates are to effectively implement their prosecutorial and procuratorial functions over judiciary activities. To restructure the system of people's courts, rationally delineate powers of courts at all levels. To reinforce the pool of judges and people's jurors both quantitatively and qualitatively. To reorganize investigatory and enforcement agencies on the principles of "less doors". To establish judiciary police.

To streamline the staff of State agencies.

3. To promote democracy, maintain discipline and order, and enhance legislation. To raise the qualifications of deputies to the National Assembly and People's Councils, and complete rules on election and standing for election, on criteria and composition of deputies to the National Assembly and People's Councils on the basis of genuine promotion of democracy. To increase the proportion of full-time Nation Assembly deputies. To implement properly regulations on democracy at the grassroots, facilitating the people's participation in social management, discussion and decision of major issues. To overcome all manifestations of formalistic democracy. To elaborate a law on referendum.

To take good care of human beings, protect all the people's lawful rights and interests; respect and implement international conventions on human rights which Vietnam has signed or acceded to.

To renew mechanisms and define responsibilities of the various levels, agencies, public officials and employees in timely tackling complaints and denunciations lodged by citizens.

To uphold democracy in parallel with maintaining discipline and order, and enhancing legislation, governing society by means of laws, disseminating laws, and educating and raising the sense of law compliance for the entire people.

4. To foster a pool of clean and qualified public officials and employees. To complete the public service regime, regulations on public officials and employees, paying attention to both

capacity and morality; to ensure the seriousness and honesty in examinations to recruit public officials and employees. To train and groom public officials and employees, those in leading and managerial positions in the first place, in terms of Party and State decisions and policies, as well as in the State administrative managerial expertise and skills. To rearrange the corps of public officials and employees in line with nomenclature and standardization. To periodically examine and assess qualifications of public officials and employees, timely replace substandard and degenerate public officials and employees. To reinforce personnel for the grassroots. To adopt policies and regulations on the training, grooming and remuneration for the personnel in rural communes, urban wards and townships.

5. To fight corruption. To strengthen the organization and mechanism, continue intensifying the fight against corruption within the State apparatus and the whole political system, at all levels and in all sectors, from the central down to the grassroots level. The fight against corruption is to be associated with that against wastefulness, bureaucratism, smuggling, and particularly abuses of positions and powers for illegal accumulation of wealth.

To amend and complete the Party and State's mechanisms, policies, regulations and rules on economic financial management and public property administration, avoid loopholes which may be abused by ill-willed elements.

To continue abolishing troublesome administrative procedures, especially in areas and links conducive to corruption

and harassment. To conduct inspection, examination, inventory and control, and ensure transparency in the use of the State budget, public assets, and the finances of the Party, mass organizations and State enterprises, and funds contributed by the public or assisted by foreign entities.

All Party members and cells, the Fatherland Front, mass organizations, mass media and the entire society are to be responsible for overseeing and supervising public officials and employees, as well as for detecting and denouncing corrupted elements. To rigorously deal with, in accordance with State law and Party Statutes, those Party officials and members and public employees, regardless of their hierarchical positions and operational fields, who abuse positions and powers for corruption. To undertake concrete measures to protect and award those determinedly fighting corruption.

To radically reform the salary system, improve salary-earners' livelihood, and fight against privileges.

To constantly educate Party officials and members and public employees in political, ideological, and revolutionary ethical terms.

To strictly abide by the prohibitions towards public officials and employees, first of all key cadres and managers. Leaders at all levels, in all sectors, agencies, units and State enterprises are to declare their own and families' assets (real estates, business, stocks, etc.). To timely inspect, come to conclusion and apply disciplinary measures to public officials and employees with unjustifiable assets.

To consider criminal responsibility or relevant disciplinary measures applicable to leaders of agencies or units with major cases of corruption causing serious consequences.

X. BUILDING AND RECTIFICATION OF THE PARTY, IMPROVEMENT OF ITS LEADERSHIP CAPACITY AND COMBATIVENESS

All the achievements and weaknesses recorded throughout the process of renewal, and in national construction and defense, are closely linked with our Party's leadership responsibility as well as with the strengths and shortcomings in Party building.

Since the 8th National Congress, our Party has made considerable efforts in implementing the key task of Party building and rectification and the central task of economic development. The 6th Central Committee Plenum (2nd session) of the 8th Tenure approved the Resolution on some fundamental and pressing issues in Party building and launched a Party building and rectification campaign; effectuated self-criticism and criticism among all Party committees, organizations and key officials from the central down to the grassroots level. After nearly two years of its execution, initial positive results and experience have been scored, but the campaign has failed to meet the planned requirements.

In Party building, apart from strengths, there have been emerging weaknesses and shortcomings, especially shortcomings in educating and fostering Party officials and members, failure to curb and roll back their ideological, political, moral, and lifestyle degradation. A number of Party organizations at various levels have not been rectified; democracy has been violated, discipline and order loosened, internal unity fissured; and Party activity has been declined in quality. Ideological and theoretical work has maintained weak and inadequate; organizational and personnel work has shown signs of inertia. The renewal of the Party leadership mode has

revealed confusion, failing to highlight the characteristics and requirements of the Party's leadership in the conditions of a Party in power, unable to bring into full play the effectiveness of State agencies' management, dynamism, of mass organizations and the people's right to mastery. Guidance over the implementation of Party resolutions and State laws as well as its inspection has remained a weak link.

These shortcomings are due to many objective and subjective reasons, but directly and mainly due to the fact that in many Party committees and organizations, including the Central Committee and Political Bureau, despite numerous efforts in Party building and rectification, the guidance has not been focal and resolute; policies and measures not concerted; and attention not adequate in guidance over combining self-criticism and criticism with organizational improvement, policy and mechanism renewal, rectification of economic and financial management, and enhancement of education and administration of Party officials and members, etc.

In the years to come, the entire Party is to continue implementing all the Party resolutions on Party building, especially the 6th Central Committee Plenum (2nd session) Resolution (8th Tenure), *concentrating on carrying out successfully the following important tasks:*

1. *To conduct ideological and political education, forge revolutionary ethics, and combat individualism.* The entire Party is to seriously study Marxism-Leninism and Hồ Chí Minh Thought. Each Party committee and cell is to plan for periodic reviews of its implementation of Hồ Chí Minh's Testament in raising revolutionary morality, and fighting

individualism. To fight opportunistic and vulgar pragmatic ideas. Basing ourselves on the review of the two years' execution of Party building and rectification campaign, to continue to turn self-criticism and criticism in Party committees and organizations from the central to the grassroots level into regular and periodic practices rather than perfunctoriness or formality; to mobilize the population to make comments and criticisms on Party officials and members.

To strongly push ahead the fight against corruption and bureaucratism to clean the rank of Party members. Grassroots Party committees and cells are to organize, direct and examine Party members in the latter's study, constant improvement of their political awareness, general education, profession, specialization, expertise in leadership, management and mass mobilization, and promotion of their exemplary and pioneering role. Party officials and members in any position are to strictly comply with the Party's Political Platform, Statutes and resolutions as well as State laws. All violations of principles, especially those related to Party viewpoints, guidelines, policies and decisions, must be duly disciplined. In economic activity, Party members are to scrupulously abide by State laws and Party regulations.

To complete the organization and personnel in agencies and units with manifestations of improper execution of Party resolutions and State laws, inertia, arbitrariness, authoritarianism, factionalism, and internal disunity. To consolidate and uplift the operational quality of organs responsible for Party supervision, State inspection and people's inspection. To continue attaching importance to, and exercise properly the work of internal political protection.

To intensify practical experience reviews, theoretical studies, democratic discussion, soon clarify and come up with conclusions on new and urgent issues emerging from reality; step by step concretize, amend and develop the Party's guidelines and policies; and fight against erroneous ideological tendencies.

2. *To continue renewing personnel work.* To foster the contingent of personnel, leading and managerial personnel at all levels in the first place, who are steadfast politically, exemplary ethically, clean in lifestyle, intelligent, knowledgeable, capable of practical activity, and attached to the population. To effectuate mechanisms and policies to locate, recruit, train and groom the personnel; and to treasure and properly utilize the virtuous and the talented. To implement properly the principle of the Party exercising unified leadership over personnel work and administration of the contingent of personnel, coupled with upholding the responsibility of the organizations and their leaders in the political system regarding personnel work. To properly effect planning and generating sources of personnel, attention given to females and members of ethnic minorities, and specialists in different fields.

To assess and utilize properly personnel on the basis of standardization, taking their actual performance and public credibility as the main measurement; to base personnel recruitment on scientific methodologies, objectivity, public-mindedness, well-organized processes, promoted democracy, and reliance on the collective and the people. To renew and rejuvenate the pool of leading managerial personnel, incorporate

personnel of different age brackets, and ensure continuity, succession and development.

To realize the policy of rotating leading and managerial personnel as planned among agencies and localities; key personnel at district and higher levels are to hold a leading position in one unit no longer than two terms of service; to overcome the closed sectionalistic mentality in units, sectors and localities.

To build and rectify the system of political academies, schools and centers, improve their training quality and efficiency, groom personnel, first of all leading and managerial personnel at all levels; combat negative practices in teaching and learning. To strive so that by 2005 the majority of key leaders at district and higher levels will have accomplished an advanced political theoretical program and achieve university-level education on a certain specialization.

3. *To build and consolidate grassroots Party organizations.* All grassroots Party organizations and cells are to firmly grasp and properly exercise their function as the political leadership nucleus for the administration, mass organizations, economic and public service delivery entities, as well as for all aspects of activities and all strata of population at the grassroots, improving their combativeness while overcoming the state of passivity, dependence and relaxation of their leadership role. Party committees at higher levels are to concentrate their direction on consolidating weak Party organizations and cells, timely complete Party committees and reinforce personnel in places with numerous difficulties and internal disunity. To upgrade the quality of the activity of Party committees and cells. To assign tasks to Party members, guide and monitor their execution, and promote their

pioneering and exemplary role in work, study and lifestyle; to maintain connection with non-Party members at work places, and with Party cells and population at places of residence. To admit duly qualified people into the Party as required, attention given to outstanding workers, intellectuals and working people of different economic sectors, members of the Hồ Chí Minh Communist Youth Union, and places with few or without Party members. To renew the analysis and evaluation of the quality of Party organizations and members.

4. *To further complete the Party's organization and innovate its leadership modes.* To promote democracy in Party life, from Party cells and grassroots committees to the central Committee, in personnel work, and in the elaboration and completion of Party guidelines, decisions and policies. Party members are entitled to make reservations but obliged to conform to Party resolutions in their words and deeds. To fight formalistic democracy, extremist democracy or abuse of democracy in pursuit of personal, localistic and sectionalistic benefit.

Each Party organization is to preserve unity and unanimity among its collective leadership. As for Party committees and organizations encroaching upon the principle of democratic centralism and whose leaders operating arbitrarily, tyrannically, sectionalistically, and causing internal disunity, Party committees at higher levels must guide reviews as to make clear the causes, properly deal with offenders, improve the organization and personnel; wherever redress is impossible, the existing organization must be dissolved and a new organization set up as stipulated by the Party's Statutes.

To enhance the Party's leadership role and continue renewing its modes of leadership over the State. The Party's leadership

over the State is exercised through its elaboration of major development-oriented guidelines, decisions and policies as well as examination over the implementation of Party guidelines and decisions and State Constitution and laws. Major issues related to guidelines, decisions and policies, and to organizational and personnel matters are to be democratically discussed, voted on, and collectively resolved according to the majority rule by the Party Central Committee, Party committees, Party caucuses and Party designated representations. To intensify the regime of collective leadership in parallel with promoting the spirit of individual initiativeness, creativeness and accountability.

To further improve the Party's organizational system in close association with the reform and renewal of the organization and machinery of State agencies and socio-political organizations. To restructure the organization and upgrade the performance of Party commissions, Party caucuses in State agencies, Party designated representations in people's organizations, and Party committees of the central-level public agency and Party commission groupings in line with the spirit of the 7th Central Committee Plenum Resolution (8th Tenure). To bring into play the role and responsibility of Party organizations, members and Party committee members employed in State agencies in the study and formulation of Party guidelines and policies. To continue applying the policy of Party committees nominating their secretaries or deputy secretaries for election to People's Councils and to presidencies of the People's Councils at corresponding levels.

Party committee members, particularly key officials, should design plans to work at the grassroots, meet with, listen to and answer queries of Party members and the people; Party committees are to hold periodic working sessions with executive committees of mass organizations, respect and promote the right

to mastery, the initiative and creative role of the Fatherland Front and mass organizations. To attend to building the Hồ Chí Minh Communist Youth Union strong, bring into play its role as the shock force and reserves succeeding to the long-lasting revolutionary cause of the Party.

To lead the renewal of and enhance the inspection by the Government and executive bodies; promote the supervisory role of the National Assembly, People's Councils, Fatherland Front and mass organizations in accordance with their respective functions and authority. To intensify examination by Party committees and supervision commissions at various levels, concentrating on the following main contents: implementation of Party and State resolutions, guidelines and policies; execution of the principle of democratic centralism and work regulations; consolidation of internal unity, education, self-forging, and improvement of qualifications and revolutionary morality for Party officials and members.

The 9th National Congress of the Communist Party of Vietnam is a Congress of *Wisdom, Democracy, Unity and Renewal*, displaying the staunch willpower and great hope of our entire nation at this grand historical moment of entry into the new century and millennium.

Our entire Party, people and army are determined to bring into play the Party's and nation's glorious traditions and revolutionary heroism, persist in the goals of national independence and socialism, seize opportunities, surmount challenges, strive for the success of national industrialization and modernization, for a prosperous people, a strong country, an equitable, democratic and civilized society, advancing steadfastly toward the future.

FIVE-YEAR PLAN FOR SOCIO-ECONOMIC DEVELOPMENT FROM 2001 TO 2005

*(Presented by the 8th Party Central Committee
at the 9th Congress)*

The five-year (2001-2005) plan for socio-economic development is an important start in implementing the ten-year (2001-2010) strategy for socio-economic development. *This strategy is aimed at promoting industrialization and modernization in line with the socialist orientation, laying foundations for Vietnam to basically become an industrial country in 2020.*

1. SOCIO-ECONOMIC SITUATION AFTER FIVE YEARS OF THE IMPLEMENTATION OF THE 8TH CPV CONGRESS'S RESOLUTION

The five-year (1996-2000) plan was set forth in a rather favourable context. We could reach or surpass most of the major norms of the previous five-year plan (1991-1995). Vietnam *had escaped from the socio-economic crisis and entered a period of intensified industrialization and modernization.* The new plan defined three socio-economic objectives to be gained at the same time: *high, sustainable and effective growth; macroeconomic stabilization; preparation of preconditions for post-2000 further development, chiefly in regard to labour force, science and technology, infrastructure, and regime perfection.*

During the realization of the plan, especially from the mid-1997 to 1999, our economy had to face great challenges due to the negative impacts of the regional financial economic crisis and heavy natural disasters.

In such a context, the Party and the whole people have made great efforts to overcome difficulties and challenges in order to maintain the GDP growth of 7%. ***Our socio-economic development has gained more achievements.***

1. The economy has maintained its growth rate; the economic structure has been positively shifted.

1.1. Significantly, agricultural development has been uninterrupted, contributing greatly to the general growth and socio-economic stabilization.

The value of agricultural, forestry and fishery production has increased by 5.7% per year on average in comparison with the target of 4.5-5%, in which agriculture has increased by 5.6%, forestry by 0.4% and fishery by 8.4%.

The structure of crops has been shifted towards expanding the area of winter-spring and summer-autumn rice of high yield. Some new rice varieties have been grown on 87% of the cultivable lands. The annual productivity of cereal food crops has increased by over 1.6 million tonnes on average. The per capita foodstuff increased from 360 kg in 1995 to over 444kg in 2000.

Many concentrated areas of commodity production linked with processing industries have been formed. So, agricultural products have been diversified. Compared with 1995, the area of some industrial crops has risen significantly: coffee by over 2.7

times; rubber 46%; sugarcane 35%; cotton 8%; tobacco over 18%; paper material forests 66%. Some high-yield industrial crops have been cultivated extensively.

The value of agricultural production on an hectare of agricultural land increased from VND 13.5 million in 1995 to VND 17.5 million in 2000.

Animal husbandry has also been promoted. The productivity of live-pigs in 2000 was estimated at over 1.4 million tonnes, 1.4 times higher than that of 1995.

The cultivation of marine products has well developed. The productivity of marine products in 2000 reached over 2 million tonnes in comparison with the target of 1.6-1.7 million tonnes. The export of marine products earned Vietnam US\$ 1,475 million.

Afforestation and forest protection have been advanced. In the past five years, 1.1 million hectares of concentrated forests have been grown, 9.3 million ha of the existing forests have been protected, 700,000 ha have been reproduced. The area of forest cover increased from 28.2% in 1995 to 33% in 2000.

The export of agricultural, forestry and marine products in 2000 brought Vietnam in US\$ 4.3 billion, 1.7 times higher than that of 1995. On average, it has accounted for 30% of the annual export turnover of the whole country. Three key exports have been defined: rice (ranking second in the world), coffee (third), and marine products (accounting for 34% of the export turnover of the entire branch).

The above-mentioned achievements have been resulted from the realization of the renovation policies on agricultural and rural development, investment promotion, applying scientific and technical advances to production, product diversification, combination between manufacturing and market.

1.2. Industry and construction have overcome difficulties and challenges, gaining many achievements.

The average tempo of industrial growth has increased by 13.5% per year, in which State-run industry increased by 9.5%, non-State-run industry 11.5%, the foreign-invested sector 21.8%.

Some industries have continued to reorganize and rearrange their manufacture, select their priority, marketable and profitable products. They have also invested intensively, renewed their technologies in order to obtain higher quality and meet the demands of domestic consumption and export.

The productivity of major industrial goods has increased significantly: in 2000, compared with 1995, the capacity of electricity increased by 1.5 times (2,715 MW), cement 2.1 times (8.7 million tonnes), fertilizers over 3 times (1.5 million tons), steel 1.7 times (1 million tonnes), sugarcane over 5 times (over 60,000 tonnes/day).

The productivity of some important products has risen rapidly. In 2000, in comparison with 1995, the yield of crude oil increased by 2.1 times, electricity 1.8 times, clean coal over 10 million tonnes (for export over 3 million tonnes), laminated steel over 3 times, cement over 2 times, cloth of all kinds 1.5 times, paper of all kinds 1.7 times.

The export of industrial products (including handicrafts) has quickly gone up. In 2000, it gained US\$ 10 billion, 3.4 times higher than that of 1995, accounting for 70% of the total export turnover of the whole country.

The structure of industries has been shifted considerably. Some key products, industrial parks, export processing zones of

modern technologies have been established. Up to 2000, the exploitation of crude oil and natural gases and oil exploiting services accounted for 11.2% of the total production value of the entire branch. Food and beverage production accounted for 20%, the manufacture and distribution of electricity, gas and steam 5.4%.

The construction branch has exploited new technologies and modern equipment to serve the development of civil and industrial construction. It can now carry out large-scale projects of modern technologies, and its bidding ability for projects both at home and abroad has been strengthened.

The demand for cement, tile sheets, normal building steel has been generally met. Some high-quality building materials (floor tiles, wall-paving tiles) produced at home can reach the European and regional standards.

1.3. Services have developed in more difficult conditions, contributing actively to economic growth and serving daily life.

The value of services has increased by 6.8% per year.

Trade has developed significantly, ensuring the transport and distribution of materials and commodities throughout the country and within regions. State-run trade has been rearranged to hold wholesale and engage in retail of some essential goods. The network of good exchange with the countryside and mountain areas has been initially reorganized. The totality of retail commodity has increased by 6.2% on average per year (price fluctuation excluded).

Tourism has been diversified and its quality has been improved. The total revenue of tourism went up by 9.7% per year.

Transportation services have been able to meet the demand of good exchange and people's travel. The quantity of good exchange increased by 12% per year and passengers 5.5%.

Post and telecommunication services have been rapidly modernized and developed. The revenue of post increased by 11.3% per year on average.

The services of finance, auditing, bank, insurance, etc. have been broadened. The market of insurance services has been formed and involved by domestic and foreign economic sectors. The financial and bank services have had an important renovation and gone up by 7% per year on average.

Other services such as consultation on law, science and technology have started to develop.

1.4. The economic structure has positively been shifted.

The structure of economic branches has been gradually shifted toward industrialization and modernization. The proportion of agriculture, forestry and fishery in GDP has reduced from 27.2% in 1995 to 24.3% in 2000, of services from 44.1% to 39.1% while that of industries and construction has increased from 28.7% to 36.6%. However, the norms defined in the 8th Party Congress's Resolution have not been reached (the structure for 2000 was 19-20%, 34-35% and 45-46% respectively).

The structure of economic sectors has also been changed to rearrange and renovate the State-run sector and bring the non-State-run sector's potential into full play.

Up to 2000, the proportion of the State-owned economic sector in GDP was about 39%, collective sector 8.5%, private

sector 3.3%, individual sector 32%, mixed sector 3.9% and foreign-invested sector 13.3%.

Economic areas linked with socio-economic development plans of localities, urban areas, zones, particularly major economic zones have been formed throughout the country.

Up to 2000, the Northern mountainous provinces contributed about 9% GDP of the whole country, the Red River Delta 19%, the Northern part of Central Vietnam and Central coastal area nearly 15%, the Central Highlands nearly 3%, the Eastern part of South Vietnam 35% and the Mekong River Delta about 19%.

Major economic zones contributed 50% of the country's GDP, 75-80% of industrial growth and 60-65% of the service growth. The growth rate of major zones all surpassed the average of the whole country, playing an important part in attracting and promoting the development of other regions.

2. The economy's main balances have been regulated appropriately to maintain economic growth and stabilize people's life

2.1. The relation between accumulation and consumption has been improved to raise the accumulated fund for development.

The domestic saving rate compared with GDP increased from 18.2% in 1995 to 27% in 2000. The total accumulated fund has gone up by 9.5% per year on average. The total asset accumulation compared with GDP increased from 27.2% in 1995 to 29.5% in 2000 (28.5% on average within five years 1996-2000).

The total consumption fund has increased by over 5% per year on average, and the per capita consumption nearly 3.5%.

The average accumulation rate in the total accumulation-consumption for five years was 26.8% (28.7% in 2000). The equivalent consumption rate was 71.3%.

2.2. Financial and monetary balances have been improved to stabilize the micro-economy and exploit resources effectively.

The State budget has been restructured more effectively and positively.

The tax renovation of the second phase and implementation of the Law on Budget have contributed to promotion of manufacture and trade development and increasing the budget input. The State total budget input has increased by over 8.7% every year on average, much higher than the GDP increase. The input from taxes and fees has accounted for 94.2%; the annual mobilization was 20.3% of GDP.

The expenditure of the State budget has been restructured to further eradicate subsidies in budget expenditure, to raise investment in development, famine eradication and poverty reduction, education and training, scientific research, health care, etc. More labour force has been attracted by the socialization of some socio-economic activities. Therefore, the demand of expenditure has been met better. The *total annual expenditure* of State budget was 24.2% of GDP on average, in which the spending on development investment has gone up by 14.6% per year on average, accounting for 27% of the *total budget expenditure*. Regular spending has increased by 6%

(accounting for 59%), and the spending on debt payment and aids accounted for 14% of the total budget expenditure.

The annual average budget over-expenditure was 4% of GDP.

The monetary and credit policies have been further renewed. The adjustment of monetary balances in accordance with market signals has obtained positive results. The management and control mechanism of the foreign currency interest rate and exchange rate have been gradually renovated in line with market regulations. The banking system has been strengthened and renewed; credit organizations have developed; the quality and effectiveness of credit have been raised. The monetary inter-bank market has been formed, open-market instruments applied, and stock centers established.

The foreign balance has been improved; now, great deficiency no longer exists. Up to now, the current balance and the balance of international payment has had redundancy, though not yet stable.

2.3. We have made great efforts to mobilize invest capital, especially domestic sources, for development. The number of realized projects has become much ever higher. The ability of most manufacture and service branches as well as socio-economic infrastructure has been raised.

The total social investment capital realized over the past five years is about VND 440,000 billion (approximately US\$ 40 billion, according to the 1995 price), the average annual increase is 8.6%. In this sum, the State-owned invest capital accounted for 22.7%, credit capital 14.2%, the investment capital from State-run enterprises 17.8%, from the private sector and people 21.3%, and FDI 24%.

Domestic capital sources have been exploited more effectively, accounting for over 60% of the total investment capital. They were targeted at rural and agricultural development, hunger eradication and poverty reduction, promotion of labour force's quality, scientific and technological development, and especially infrastructural construction.

The investment capital of the whole society has been focused on agriculture (11.4% of the total); industrial branches (43.7%) in which the investment in processing industries and consumption goods manufacture industries accounted for 30% and transport-communication and post-telecommunication 15.7%; science and technology, education and training, health care, culture 6.7%; other branches (public, water supply and drainage, State management, trade, tourism, construction, etc.) about 22.5%.

Thanks to the readjustment of the policy on investment and the investment structure, the investment scale in all regions has increased. In comparison with the past five years, the investment capital in the Northern mountainous provinces has been 1.8 times higher, the Red River Delta 1.3 times, the Northern part of Central Vietnam 1.5 times, the Central coastal area 1.7 times, the Central Highlands 1.9 times, the Eastern part of South Vietnam 1.7 times, and the Mekong River Delta nearly 2 times.

The investment capital from the State budget was estimated to be VND 100,000 billion (the 1995 price) in five years (1996-2000). It was mainly aimed at the construction of the socio-economic infrastructure in which the investment in agriculture accounted for 22.5%, industry 9.5%, transport-communication and post-telecommunication 29.8%, science, technology, education and training, health care, culture, sports and gymnastics 18.7%, other branches 19.5%.

Thanks to the increased investment, the number of realized projects and capability of most branches have gone up. The infrastructure has developed well, meeting the immediate demand and creating potentialities for the post-2000 period.

Attention has been attached to investment in upgrading important transport works and routes, especially those from Hanoi, Hồ Chí Minh City to industrial and economic zones, those to the Central Highlands, mountain areas and those in key economic zones, ensuring smooth transportation nationwide.

Over the past five years, over 1,200 km of highway have been built and 3,790 km upgraded. Almost all weak bridges have been fortified and 11.5 km of bridge newly constructed. Some 200 km of railway have been repaired and upgraded; 8 bridges in Thống Nhất railway route have been restored with a total length of 2,600 m. Several important seaports such as Hải Phòng, Sài Gòn, Cửa Lò, Đà Nẵng, Quy Nhơn have been expanded and modernized, increasing the total capacity of our seaport system to 45 million tonnes per year. Nội Bài, Tân Sơn Nhất and Đà Nẵng international airports as well as several other domestic ones have been upgraded, thus the total capacity of the airport system has been raised to 6.5 million passengers a year.

The post and telecommunication branch has made good progress and been fundamentally modernized. Electronic switchboards have been installed in all provinces and districts, and connected with one another through an optic cable and digital microwave network. The telephone density has reached 4 sets over 100 people, a 22-time increase against that of 1991. Meanwhile big cities like Hanoi and Hồ Chí Minh City have reached an approximate rate of 20 telephones over 100 people. Over 85% of the total of communes across the country have access to telephone services; 82% can read newspapers delivered

to them daily; 61.5% have post offices and cultural establishments. The network of international telecommunications and the telecommunication industry have shown a higher pace of development toward modernity.

The irrigation network has been upgraded and further developed in different regions, especially in the Red River Delta and the Mekong River Delta. The area under irrigation or having access to water sources has increased by 820,000 ha. Another 434,000 ha have been put under a water drainage system, which helps increase the area and productivity of crops and minimize the consequences of natural calamities to ensure long-term stable production.

The infrastructure in many cities, urban and rural areas has been upgraded. The target of providing electricity to 100% districts and 80% communes and wards across the country is to be achieved by the year 2000. Presently, only 40% of the rural population have access to clean water, a percentage much lower than the set target. Over 95% communes throughout the country now have roads accessible by car.

Much progress has been noticed in improving the facilities of various branches, including education-training, science-technology, health care, culture, tourism, sports and physical training and many others.

3. The external economy continues to develop

3.1. Export-import activities continue to show a fairly high growth rate.

Over the past five years, the total export turnover has reached over US\$ 51.6 billion, with an annual growth rate of over 21% or

a three-fold increase compared with that of GDP. The volume of key exports has seen a relatively high growth rate. Much progress has been made in restructuring the exports. The export turnover share of agricultural, forestry and marine products, though still playing an important role, tended to reduce, from 42.3% in 1996 to 30% in 2000. Meanwhile, the share of light industry, small-scale industry and handicrafts, and heavy industry and minerals rose from 29% and 28.7% to 34.3% and 35.7% respectively over the same period.

In 2000, the export turnover per capita reached over US\$ 186. Though it was still at a low level, it helped Vietnam rank among the countries having developed foreign trade.

The export-import market has been strengthened and expanded. The Asian market accounts for nearly 58% of Vietnam's total export turnover and over 80% of its total import turnover. The ASEAN market alone represents over 18% and 29% respectively. Our exports have penetrated into the EU, American and Middle East markets and increasingly grown in quantity.

A rapid increase has been recorded in the services of collecting foreign currencies for example, foreign currency from overseas Vietnamese, construction of projects overseas (bid winning), labour export, services, expert exchange, etc., though these sources are yet to be included in the annual export-import balance.

The total import turnover has reached US\$ 61 billion over the past five years with an annual average growth rate of 13.3%. The share of consumer goods in the total import turnover reduced considerably from 13% in 1996 to 5.2% in 2000. At the same time, the disparity between export-import and export turnover plummeted from 49.6% in 1995 to 6.3% in 2000.

3.2. Foreign direct investment (FDI) continues to increase, contributing actively to socio-economic development.

In the period 1996-2000, the total FDI capital put in use (domestic contributions excluded) came up to US\$ 10 billion (at the 1995 price), 1.5 times higher than that of five years ago. The total newly-provided and supplemented FDI reached US\$ 24.6 billion, witnessing a 34%-increase against that of the previous period.

The FDI-attracting mechanism has been changed in conformity with the demand of our country's economic restructure; the proportion of FDI capital in the field of material production and economic infrastructure has elevated from 62% in 1995 to 85% in 2000.

The FDI from EU and ASEAN countries tended to increase compared with that of five years ago. The proportion of the registered capital from the projects of the EU and ASEAN was raised respectively from 23.2% and 17.3% in 1991-1995 to 25.8% and 29.8% in 1996-2000. Of the registered capital in Vietnam, 44% come from the EU, the US and Japan.

Foreign-invested enterprises have brought forth 34% of the whole industrial production value, about 23% of the export turnover (excluding that of oil and gas) representing over 12% of the country's GDP. The foreign-invested economic sector has generated jobs for 350,000 direct labourers and tens of thousands of indirect ones in the related branches of construction, commerce and service, thus adding an important part to our economic restructure, technological and managerial improvement and market expansion.

In addition, Vietnamese enterprises have gradually augmented their investment overseas. So far, over 40 investment

projects have been carried out in 12 foreign countries and territories, mainly in the fields of construction, food processing, commerce and service, etc.

Though still showing a small scale, these overseas investment activities provide Vietnamese enterprises with opportunities to improve production efficiency and boost the export of goods, services and labour.

3.3. The official development aid (ODA) continues to rise, contributing to infrastructural development.

The committed ODA has seen a considerable increase annually with its disbursement more and more improved. Over the past five years, the ODA put into operation has reached US\$ 6.1 billion, focused mainly on building economic infrastructure such as electricity, transportation, irrigation, water supply and drainage; agriculture and rural development, hunger eradication and poverty reduction; improving healthcare, education and training; strengthening the competence and institutionalization in administrative reforms, law, economic management; assisting some production fields for instance, the processing of agricultural and marine products.

Many ODA-funded investment projects have been put into operation, helping boost economic growth and improve the people's well-being.

4. A new step has been made in education and training with regard to the scale, quality, modes of training and facilities

The scale of education and training has developed at all educational levels and subjects, meeting the people's ever increasing demand for studying.

The number of children enrolling in nursery schools in the 1999-2000 school year was 1.2 times higher than that of the 1994-1995 school year; meanwhile the increase of pupils at junior secondary, senior secondary schools, students at universities and vocational schools was 1.6, 2.3, 3.0 and 1.8 times respectively.

By the end of 2000, 100% of provinces and cities achieved the standard of primary education universalization and illiteracy eradication. Several provinces and cities have started the program of secondary education universalization.

Rapid progress has been made in the movement to master the knowledge of science and technology, managerial skills, foreign languages, etc. In 2000, 117 out of 10,000 people were students; the average duration of school time was 7.3 years per person.

The material bases and facilities of schools have been upgraded. The network of secondary schools has been made more stable. Almost all communes have primary schools; a large number of communes in the plain have secondary schools. Non-public schools have been established and developed rapidly. The system of boarding schools for ethnic minority pupils has been strengthened and expanded at district and provincial levels.

The system of colleges, universities and specialized schools has been re-organized step by step. The system of vocational schools has developed widely.

Initial progress has been recorded in the quality of education and training. Most of pupils and students are competent to acquire knowledge quickly, especially knowledge of natural sciences, techniques, foreign languages and informatics. The

proportion of general school teachers meeting the required standard has increased. The training and fostering of teachers have been upgraded, facilitating the advanced training and standardization of over 80% of teachers. Initial steps have been made in the socialization of education and training.

5. Science and technology have shown positive progress

Social sciences and humanities have laid initial scientific foundations for the formulation of strategic plans and programmes aimed at socio-economic development and renovation of the existing mechanisms and policies.

Natural sciences and technologies have focused on the researching projects at the State, ministerial, provincial and city level. Many research results have been applied to production, business and social life. The technological knowledge has been raised and significantly renewed in some branches of production, construction and services.

In the field of industry and construction, some production lines have been improved and upgraded; domestic material sources exploited and utilized; import technologies selected and exploited with attention paid to the technologies of automatic designing, ship building, treating the foundations of high-rise buildings in complex topographical conditions, high-accuracy engineering working, and so on.

Regarding agriculture, some biotechnological achievements have been exploited and new strains put into mass production on the basis of applying the results of the research, selection, cross-breeding of plants and animals through new and high technologies.

The material-technical bases of research institutes, scientific and technological centers have been upgraded, helping to raise the quality of researches. Much attention has been paid to the intensive and concerted training of scientific and technological cadres, improving their professional qualification and enabling them to grasp and master modern technologies.

6. In the context of difficult economic conditions, far progress has been made in the socio-cultural fields, which testifies to the great efforts of our entire Party and people

6.1. Initial results have been recorded in job generation,

The Government has promulgated many policies and mechanisms aimed at boosting up investment in development; expanding production, services; diversifying trades; encouraging various economic sectors to make investment in socio-economic development programmes of our country, thus creating more jobs for labourers. The network of job-promoting centers, vocational training and vocational-guidance centers of different branches, echelons, enterprises and mass organizations has actively brought about opportunities for labourers to get access to jobs or create jobs by themselves in coordination with the support of the State and community.

Over the past five years, jobs have been generated for 6.1 million labourers in many socio-economic branches. On average, over 1.2 million jobs were created annually, of which the private and cooperative sectors contributed an important part, helping attract social labourers.

6.2. The work of hunger eradication and poverty reduction has been boisterously carried out in almost all provinces, especially

in difficulty-stricken regions and communes. Many assistance sources have been mobilized and thus fair progress has been recorded. Since the start of the policy on hunger eradication and poverty reduction in 1992 now, the Government has invested VND 21,000 billion in the national programmes targeted at hunger eradication and poverty reduction. In the last two years, apart from the additional investment in disadvantaged areas, the State has invested about VND 2,000 billion in building the infrastructure for the hunger eradication and poverty reduction program.

Various branches, echelons, mass and social organizations have fulfilled concrete tasks with a view to helping the poverty and hunger-suffering households reduce difficulties and gradually stabilize their lives by themselves. The proportion of hunger-and poverty-stricken households to the total of households across the country was reduced to 10% in 2000 from 20% in 1995 as targeted. Vietnam has been appreciated by the international community as one of the countries showing the best performances in this regard.

People's livelihood in many areas has been remarkably improved. The average consumption per capita calculated according to the current price came up to VND 4.3 million in 2000 from 2.6 million in 1995.

6.3. The cultural and information work has actively contributed to mobilizing the whole people for socio-economic development. The mass media and organizations have disseminated the renovation policy of the Party, stimulated and encouraged progressive elements, fought against social evils, stirred up and promoted the humanitarian tradition of the nation to help each other in circumstances of natural calamities.

Fair progress has been made in the programme to bring cultural activities to the grassroots, widen the coverage of radio and television waves, especially to mountain, borderland regions or islands. By the end of 2000, over 85% of the total area of the country had access to television programmes, 95% to radio broadcasts; Vietnam television and radio coverage now reaches many other regions in the world.

The mechanisms of culture-information management have been renovated in the direction toward socialization and mobilization of additional resources for this field.

6.4. *The work of population, family planning and child protection and care* has been carried out effectively, thus achieving many successes. The average birth-rate has seen a reduction of 0.78‰ per year against the target of 0.6‰. The population growth rate decreased from 1.7% in 1995 to 1.4% in 2000, surpassing the set target. The facilities for the population and family planning work have been improved considerably; on average there are two inter-commune centers for family planning services in each and every district. Suitable equipment and facilities have been supplied to 100% of provinces and districts and 70% of communes nationwide. Given these achievements, the United Nations awarded Vietnam the prize on population work in 1998.

The movement of the whole society taking care of, educating and protecting children has been launched to achieve the targets of the national action programme on children; 51% of districts have built cultural houses and playing grounds for children; 70% of supportless orphans have been attended to.

6.5. *Public health care* has achieved good progress, especially in the field of preventive health care. The indices of community health have been on the rise. The percentage of malnourished under-five-year-old children was reduced from 38% in 1995 to 33-34% in 2000; the mortality rate among under-five-year-old children plunged from 81‰ to 42‰ over the same period; polio, vitamin A deficiency, infant tetanus were fundamentally eradicated by the year 2000. In 2000, the number of malaria and goitre cases decreased by 60% against 1995.

Some hospitals have been restored, upgraded or newly constructed; almost all communes have health stations. Initial steps have been made in building specialized health care centers in Hanoi and Hồ Chí Minh City; health care facilities have been upgraded in various lines. Private establishments for medical check-up and treatment have developed. The policies on health insurance and partial collection of hospital fees have contributed to reduce the difficulties of the medical branch. The policy on medical examination and treatment for poor people and families with meritorious services rendered to the country has been implemented effectively.

6.6. *Social activities, including the care for the people with meritorious services rendered to the country, "paying debts of gratitude", "Let's remember the source while drinking water", etc.,* have been expanded, attracting the participation of different social strata, agencies and mass organizations.

Despite our economic difficulties, the policies on social insurance have been carried out ever more boldly (increasing the minimum salary, the allowances for retired people and those with meritorious services and so on) even in the years when our

economic growth rate was on the decline. The living standard of public servants, retired people and families with meritorious services has been improved.

Up to now, different units and organizations have committed to life-long care for 100% Heroic Vietnamese Mothers; patronage has been extended to ten of thousands of war martyrs' relatives. The movement of building "houses of gratitude", presenting savings books for difficulty-stricken households which are beneficiaries of the State's preferential policies has been widely spread. Eight centers for attending to seriously wounded soldiers and six orthopedic surgery and functional rehabilitation centers have been put into operation.

Major cemeteries have been constructed or upgraded, including Hàng Dương (Côn Đảo Island), Trường Sơn, Road 9 (Quảng Trị), Điện Biên Phủ (Lai Châu), Vietnam-Laos (Nghệ An), Bến Dược (Hồ Chí Minh City) as well as many others in different provinces and cities. Much attention has been paid to searching for war martyrs' remains and many results have been achieved, thus meeting the sacred sentiments of the people towards those who have sacrificed themselves for the country.

Charitable and "paying debts of gratitude" funds have been raised, mobilizing the contribution of the whole community. Good results have been brought forth in the help for supportless elderly people, handicapped, orphans and street children via philanthropic activities. The relief work toward our calamities-hit compatriots has been paid attention to and carried out timely and effectively, manifesting clearly our fine tradition of mutual assistance in difficult circumstances.

6.7. *The movement of physical training and sports* has developed extensively in various localities, schools, in the armed forces, enterprises, State agencies, etc. High-record sports activities have registered initial encouraging progress in building and fostering the contingent of athletes as well as developing new sports games with a view to improving our performances at domestic and international competitions.

7. The mechanism of economic management is being synchronized and perfected

Over the past five years, the issuance of many socio-economic laws has institutionalized and concretized the policies and guidelines of our Party and State, fundamentally forming the legal framework for our multi-sectoral commodity economy which operates in the market mechanism under State management in the socialist orientation. The mechanism of economic management as well as the legal system and related policies have been synchronized and perfected step by step, playing an important role in economic management and social life.

In the process of materializing Laws, Ordinances, Directives, Resolutions and so on, these legal documents were adjusted timely or supplemented with new contents in conformity with the course of development, creating a suitable macro-environment to attract different investment sources for socio-economic development.

The markets of commodities, services, capital and currency, real estate, etc., have been established together with relevant management mechanisms, thus constituting more stimuli for development and stirring up the dynamism of the economy.

8. National defence and security are firmly ensured

In parallel with our socio-economic development, our potential in national defence and security has been strengthened to better meet the essential demands for ensuring technologies, maintaining and gradually upgrading the available weapons and equipment; considerably improving the living conditions of the armed forces and public security forces; better meeting the demand for barracks, electricity and water supply and other spiritual needs.

The border-defending lines, key regions in terms of economy, national security and defence, especially the seas and islands have been consolidated. Much attention has been paid to the combination between socio-economic development and national security and defence in the planning work. The all-people national defence disposition and the people's security disposition have been reinforced, and social security and order ensured.

The above-mentioned socio-economic development is mainly attributed to the spirit of solidarity and endeavour of our entire people, Party, of different branches at all echelons; the soundness of the Central Party's Resolutions on concretizing the Resolution of the 8th Party Congress in conformity with the new circumstances; the direction of the Politburo and the management of the Government, especially the promulgation of appropriate policies and mechanisms, creating a new strength and position for our country to surmount difficulties and challenges to achieve the set targets.

However, the achieved results over the past five years remain low in comparison with the available potential and capacity of

development. The socio-economic situation is still beset with weaknesses and difficulties as follows:

1. *The quality and effectiveness of economic development and the competitiveness of many production and business fields remain low.*

As regard agriculture, the application of advanced farming methods and technologies have been slow; inadequate attention has been paid to the development of post-harvest technologies, processing technologies; the expansion of trades and markets in rural areas has been slow.

Some branches of industrial production have still been beset with difficulties, and the pace of technological renovation slow. A number of industrial development projects and programmes put forth in the past 5-year plan have been implemented slowly or yet to be carried out due to the objective reasons from partners and subjective reasons regarding our management and conduct of business. The reorganization, consolidation and renovation of the State-owned enterprises sector have been slow; investment in industry by different economic sectors remains hesitant. A not-so-small segment of enterprises, especially State-owned ones, remains loss-making, lacking dynamism and still looking for State protection.

A number of per capita agricultural and industrial products are low; yet they remain on the shelf due to their low quality but high costs and the low purchasing power of various social strata.

Limitations are still found in the field of export regarding the formation of goods sources and the improvement of quality and competitiveness. The export of unprocessed agricultural produce

and raw materials still occupies a large proportion. Many products are exported through intermediaries or in the form of processed products, therefore the effectiveness remains low.

The growth rate of the service branches has reached only over 50% of the plan while this field represents a large share in GDP; this situation is hindering the general growth rate of the national economy.

2. The mechanism and policy on the financial and monetary market remain ununiformed.

The tax policy has exposed some irrationalities, not covering all collection sources. Budget deficit, tax debt and dead accounts remain large. The utilization and management of national financial sources are still beset with wastefulness and inefficiency. The financial operation of State enterprises is still fraught with weaknesses. Spending has been dispersed on many targets, reducing the effectiveness of the utilization of the State budget.

The activities of Commercial Banks are still beset with weaknesses. The quality of credit is low; overdue debt large and the financial situation of some commercial banks fraught with difficulties. The capital market has developed slowly; the rate of cash circulation remains high, financial and banking services undeveloped. The stock market has been opened, however, its operation remains perplexed.

Inadequate attention has been paid to the mobilization of capital sources among the people. We still lack incentive policies to encourage the population to make investment in developing production and business. The FDI implemented over the past five years has been lower than the estimated level, the management

work in this field is still beset with difficulties and obstacles. The disbursement of a number of ODA-funded projects has been slow.

Investment remains scattered, reducing the efficacy of capital utilization, especially the capital from the State budget. Regarding agriculture, little attention has been paid to the research on, and application of high-yield strains with great commodity value. Regarding industry, inadequate attention has been paid to investment in technological modernization and the development of mechanical engineering. The investment structure according to territorial regions has failed to promote the strength of each locality, especially those with potential to be tapped.

3. The work of education and training, science and technology is still beset with irrationalities.

The progress recorded in raising the quality and efficacy of education and training is still lower than expected; the training structure is still beset with irrationalities, disproportion of educational levels, trades, territorial regions; inadequate attention has been paid to the ethical and political education in schools. The educational standard in a number of areas is too low. The education and training branch is still fraught with negative phenomena and the pace of dealing with them is slow.

Progress has been registered in the work of education in remote and far-flung areas, despite many difficulties. Educational fees remain high compared with the people's income, the regulation on people's contribution to education is neither clear nor reasonable, which brings about great obstacles for pupils, especially those from poor families.

The proportion of trained labourers represents 20% (as against 50% on in many countries and our target of 22-25%), reducing the capacity to grasp new technologies.

The scientific and technologies work has not yet to link with the demand and activities of various socio-economic branches; meanwhile the application of research results remains slow. Our technological level is much lower than that of neighbouring countries, which fails to meet the requirement of industrialization and modernization of our country. The capacity to create new technologies remains limited.

The concerted reorganization of scientific research institutes has been slow; these institutes remain scattered and lack coordination, thus achieving low results. Research institutes, enterprises and universities fail to link with each other. The investment in building infrastructure and technological facilities remains scattered and fails to concentrate on each specific goal. The number of highly-qualified scientists is far and few between; yet they are not well utilized.

4. Many social and environmental problems remain pressing.

The workforce increases naturally by 1.2 million people annually. The unemployment rate in urban areas stayed at 6.4% in 2000 and the rate of working time in rural areas reached 73.8% compared with the target of 75%, which constitutes one of the most urgent problems at present.

The rate of poverty and hunger nationwide has shown a sharp decrease in the past few years but it is still unstable. In case of natural calamities or crop failures, many households may fall into the state of poverty and hunger. The livelihood of the inhabitants

in some remote areas has still beset with many difficulties. Long-lasting complaints constitute a pressing problem.

Progress has been made in the improvement of the facilities of the medical branch; yet this branch is still beset with difficulties, especially in the district and commune lines. The material bases of medical establishments in mountain, remote and far-flung areas, borderland regions, etc., are inadequate and out-dated. Epidemics still take place in a number of localities; the number of HIV carriers continues to be on the rise. Medical examination and treatment for poor patients remain one of the most urgent problems at present.

The situation of smuggling, commercial frauds and corruption is yet to decline. Social evils such as prostitution, gambling, drug addiction are on the rise and widely spread, constituting a pressing problem which greatly affects social order and security. Traffic accidents occur seriously and tend to increase rapidly. Economic and penal crimes have decreased but the decrease is not fundamental and stable. The fight against bad practices, harmful culture, backward customs, superstition, moral degradation, etc. has been carried out perfunctorily, thus failed to quickly bring about practical results.

Environmental pollution in urban, concentrated industrial zones and rural areas is becoming more and more serious. The policy on environment lacks uniformity; the awareness of the community of environmental protection remains limited.

The outstanding problems, weaknesses and deficiencies noticed over the past years are attributed to both subjective and objective causes; the former are in the main, namely:

In the direction and management of the Government, ministries and branches at the central level and administration in localities there are still deficiencies; there is lack of regular supervision, promotion and coordination; therefore the efficiency and effectiveness remain low. The translation of the adopted solutions into practice is too slow, reducing the practicality of topical and ad-hoc solutions. The management of business and production at the grassroots level lacks dynamism and acumen.

A number of Resolutions of the Party have been not thoroughly grasped and properly complied with. Some important policies have been slowly concretized regarding the restructuring and renovation of State-owned enterprises, development of the collective economy, private economy, and attraction of foreign investments. Some mechanisms and policies tend to be returning to the subsidized regime namely "debt enclosing", tax clearance, tax reduction and exemption, interest compensation, subsidy via prices and other forms of excessive protection by the State; This has reduced the dynamism and creativeness of business and production enterprises and made them passively dependent on the State.

The administrative reform has been slow and has lacked resoluteness and concertedness, thus the results have been low; the sense of responsibility, discipline and implementation capacity of different branches and echelons remain poor; there are manifestations of localism, departmentalism, unwillingness to take responsibility, wait-and-see attitude, passing the responsibility to the higher echelon, etc. Centralization, democracy and discipline in carrying out the assigned tasks remain deficient; creativeness and readiness to overcome difficulties are low.

A not-so-small segment of State employees is still beset with weaknesses and deficiencies in regard of qualification and management ability; failing to come up to their position and responsibility; a not-so-small number of cadres show moral degradation, running after material gains, pragmatism, authoritarianism, take bribes, cause harassment for people, and engage themselves in corruption. They are harming the prestige of the Party and State, are subjects for people's complaints and hindering the development cause of the country.

Besides, our country's economy also suffered from the extreme difficulties caused by such objective calamities as the recent regional financial-economic crisis and fierce natural disasters across the country. This has caused slowdowns in economic development and obstacles to the implementation of the set targets.

II. GENERAL TARGETS, KEY TASKS AND NORMS SET FOR 2001-2005 SOCIO-ECONOMIC DEVELOPMENT

Starting the first five-year plan of the new century, we could notice that the national situation and international context exposed great advantages and big opportunities as well as many formidable hardships and challenges.

Vietnam's position and strength are now much greater than before. Political and social situation has remained stable. Production relations have been renewed to become more suitable. The institution of the market economy has initially taken shape and operated effectively. The appropriate system of laws, mechanisms and policies is being brought into play in economic development and social life.

The high production capacity and good socio-economic infrastructure have created necessary premises for further development. The economic structure has experienced a positive shift. Our economic and foreign relations have been expanded on the international arena.

In 2000, the economy began recovering with a relatively high growth rate, creating an impetus for the development in the coming years.

Nevertheless, the level of economic development of Vietnam is still low, coupled with low quality and efficiency and weak competitiveness. The production scale is small; all sources are limited; the people's income and spending capacity are very low. Therefore, Vietnam has not been strong enough to bring about a spring-board for production and market expansion. There now remain many pressing social issues, and administrative reforms show no signs of vigorous progress.

Vietnam has profited from positive factors, such as the world scientific and technological revolution, particularly in IT and biotechnology, the tendency of globalization, and the capacity to achieve stability and economic recovery of the region and the world in the coming decade. These factors will create good conditions for the country to expand economic cooperation, make use of comparative advantages, and the external resources as well as to bring into full play its internal resources, which can be gathered into a gross strength for the development of the country. However, there are also unfavorable conditions, which put pressure on the economic competitiveness of Vietnam.

A rising question now is how we should promote to a high degree the national strength, particularly the intelligence and working skills of the Vietnamese people, and forces of all

economic sectors. Further, we must overcome hardships, weaknesses and make use of all advantages and opportunities in order to develop the economy and society in a fast and sustainable way in the socialist orientation.

1. General targets and key tasks

The 2001-2005 plan sets out the standpoints and strategic targets of the next ten years with the principal contents as follows: It is necessary to develop the country to get out of the state of underdevelopment; to improve considerably the cultural, material and spiritual life of the people; to create foundations to make Vietnam become a basically industrial country by 2020. Manpower, the capacity of science and technology, infrastructure, economic potential, national defence and security should be strengthened. The institution of the market economy in the socialist orientation should be basically devised. The position of Vietnam in the international arena should be raised.

Accordingly, the general targets of the 2001-2005 plan are as follows:

To push up economic growth in a fast and sustainable manner; to stabilize and improve the people's life; to shift swiftly the economic structure, labour structure in the direction of industrialization and modernization; to raise the efficiency and competitiveness of the country's economy; to expand external trade; to bring about immense changes in education and training, science and technology, and promote the human factor; to create more jobs; to basically eradicate hunger and reduce the number of poor households; to eliminate social vices; to strengthen socio-economic infrastructure; to form the institution of the market economy in the socialist orientation; to maintain stability in politics

and social order and security; to steadily protect the independence, sovereignty, territorial integrity and national security.

The above-mentioned general targets are concretized into orientations for development and key tasks as follows:

- 1.1. To strive to achieve an annual average economic growth rate higher than that of the previous five years, and be well-prepared for the next five years.
- 1.2. To develop a multi-sector economy, in which the State-owned sector plays the key role; to consolidate the collective economy; to establish the institution of the socialist-oriented market economy; to shift the economic structure and labour structure in the direction of increasing the proportion of industry and services; to raise quickly the proportion of technological utility in production.
- 1.3. To increase rapidly the investment in social and economic development; to set up an effective economic structure and enhance its competitiveness; to basically perfect the system of infrastructure; to invest properly in key economic zones; and to accord more investments to areas in extreme difficulty.
- 1.4. To expand external trade and escalate its efficiency; to consolidate the existing market and expand new markets; to make up favourable conditions to increase export and attract external capital and technology; to integrate into the international economy effectively; and to implement bilateral and multi-lateral commitments.
- 1.5. To continue the renovation and make healthier the financial-monetary system; to promote the national financial potential and capacity; to practise thrift properly; to raise the budget allocation for investment in development; to maintain the stability of macro-balances; to enlarge the capital market to meet the needs of socio-economic development.

1.6. To continue the renovation and create a basic all-round change in the development of education and training, science and technology; to elevate the quality of human forces based on a reasonable structure; to bring into action the universalization of junior secondary education; to apply in a fast way advanced technologies and gradually develop the knowledge-based economy.

1.7. To effectively deal with pressing social problems: generating more jobs, reducing unemployment in urban areas and lack of jobs in rural areas; to reform basically the regulations on salary; to eliminate hunger and reduce poverty quickly; to take care of meritorious people; to ensure social security; to prevent social evils; to promote culture, information, healthcare and gymnastics and sports; to enhance the material and spiritual living standard of the people.

1.8. To accelerate the administrative reforms; to renew and lift the efficiency of the State machinery; to eradicate red tape and corruption; to practise well democracy, particularly in communes, wards and grassroots units.

1.9. To fulfil the task of consolidating national defence and security; and to secure order and discipline in economic and social activities.

2. Key norms on socio-economic development

2.1. Economic norms

- The GDP of 2005 is expected to double that of 1995. The average annual growth rate in the five-year period 2001-2005 will be 7.5%, of which agriculture, forestry and fisheries will rise

by 4.3%; industry and construction by 10.8% and the service sector by 6.2%.

- The value of agricultural-forestry-fisheries production will rise by 4.8% yearly.

- The value of industrial production will rise by 13% per year.

- The value of the service sector will rise by 7.5% annually.

- The gross export turnover will rise by 16%/ year.

The structure of the economic sector in GDP up to 2005 is estimated as follows:

- The proportion of agriculture-forestry-fisheries accounts for 20-21%.

- The proportion of industry and construction is 38-39%.

- The proportion of services is 41-42%.

2.2. Social norms

To ensure that 80% of junior secondary pupils within the right school age can go to school and 45% of high school students within the right age can go to school by 2005.

To continue maintaining and consolidating the universalization of primary education; and to fulfil the task of universalization of junior secondary education.

To reduce the birthrate by 0.5‰ and the population growth rate to about 1.2% in 2005.

To generate jobs for about 7.5 million laborers, i.e. 1.5 million laborers per year on average, and to put up the rate of the number of trained laborers up to 30% in 2005.

To basically eliminate hunger and reduce poor households to ten per cent in 2005.

To meet 40% of the needs for medicaments with domestically-produced medicines.

To down the rate of children suffering from malnutrition to 22-25% in 2005.

To raise the average life expectancy to 70 in 2005.

To supply clean water to 60% of the rural population.

III. ESTIMATIONS ON OVERALL BALANCES IN THE FIVE-YEAR PERIOD 2001-2005

The estimations and calculations on the overall balances in the economy are based on the following elements:

- The breakthrough of the new regulations and policies aimed at strengthening the capacity to exploit forces, particularly inland ones in order to develop the economy, such as capital sources from land; from the shift of the target of land use (wasteland reclamation, intensive cultivation, crop expansion, increase in productivity and in the value of crops and animals in each unit of area); from labor (restructuring labor sources, raising professional skills, redistributing labor and population); from investment in material, intelligence and spirit of each person; from high production capacity that every sector has striven to achieve; and from the ability to exploit natural resources and advantages of the country. At the same time, it is essential to make full use of the contributions of overseas Vietnamese communities, particularly their grey matter and finance.

- The ability to develop science and technology together with rapid application of scientific and technological advances in sectors and fields.

- The ability to establish and expand domestic markets, particularly the capital market; to develop the external economy, especially in attracting capital from abroad and developing the export market.

These forecasts will be updated and adjusted in building the annual plan and realizing this plan.

1. Forecasts on labor and employment

According to rough calculations, the number of laborers who need a job in the five years 2001-2005 is 15 million, of whom the yearly increase is about 1.2 million and the rest are unemployed laborers of the previous five years. Among this number, 12.5 million is from rural areas and the rest 2.5 million is from urban areas.

In the next five years, it is estimated that we can generate jobs for about over 7.5 million laborers in social and economic fields, an average of over 1.5 million jobs a year.

In rural areas, it is predicted that we can create jobs for over 9 million laborers by shifting swiftly the production structure, crop seasons, crops and animals, and by promoting diverse jobs in industry, handicraft and services. This will raise the number of employed laborers in rural areas to 28 million in 2005.

In urban areas, it is estimated that in the next five years we can create jobs for over 1.78 million laborers in such sectors as industry, construction and services, raising the number of employed laborers in urban areas to 11 million.

In 2005, the proportion of used labor time in rural areas will be about 80%; the rate of unemployed laborers in urban areas will account for 5.4% of the people at labor age.

2. Accumulation and consumption capabilities

The total GDP achieved in the next five years is evaluated to reach about VND 2,650,000-2,660,000 billion (according to the price in 2000), equivalent to US\$190 billion. The total budget for expenses is estimated to rise by 5.5%/year, and the rate of domestic accumulation is expected to rise up to 28-30% of GDP, of which the accumulation from the budget will be about six percent of GDP, and the accumulation of the people and enterprises is about 22-24% of GDP. It is possible that 80% of the yearly domestic accumulation will be earmarked for investment, excluding the capital reserved from the previous period.

3. Ability to utilize external capital sources

The total external capital that can be attracted for development investment is expected to about US\$18-20 billion.

For the ODA source, in the next five years this source may come up to US\$ 10-11 billion, including the projects that have ODA capital legalized by agreements on loans but not yet disbursed, and the loans which are likely to be committed in the time to come.

For foreign direct investment, it is estimated to rise to US\$ 9-10 billion in the next five years, including the capital of the previous years' projects which have been licensed but not yet implemented, and the capital of newly-licensed projects and the

supplementary capital of the projects which are being implemented.

Besides, we have possibilities to attract other foreign capital sources, about US\$ 1-2 billion by issuing bonds and shares to foreign markets, opening stock exchange markets and seeking other sources of loans to invest in mid-term and long-term projects.

4. Forecast on ability to balance the State budget

To continue implementing some basic principles in balancing the State budget as follows:

About 20-21% of GDP is to be earmarked for the State budget yearly on average, of which taxes and fees will account for 18-19% of GDP. Overspending and inflation should be controlled at a reasonable rate.

On this basis, the balance of the State budget in the five years 2001-2005 is estimated as follows:

GDP is evaluated to rise by 7.5% annually in the next five years. And with the above rate of mobilization, the total collection of the State budget in the next five years will be about VND 620,000 billion, of which the collection from taxes and fees will account for VND 560,000 billion.

The total spending from the State budget in the next five years is estimated to be VND 720,000-750,000 billion, of which the estimated investment in development will account for 25-26%, regular spending for 57-58%, and payment for loans inland and abroad will be about 17-18%.

5. Forecast on ability of international payment

Based on the initial calculations on the capacity of export, import, services of foreign exchanges, and remittance from overseas Vietnamese, profit from investment, foreign direct investment and capacity to attract ODA, and based on the estimated payment of short-term, mid-term and long-term loans, the international payment balance in the next five years will be much improved compared with the previous years.

6. Forecast on capital for development investment

6.1. According to the initial calculations and forecasts, the capacity to mobilize capital sources for development investment in the next five years will be about VND 830,000-850,000 billion (based on the price in 2000), equivalent to US\$ 59-61 billion, an increase of 11-12% per year, of which the domestic capital will account for two thirds. The proportion of investment to GDP will be about 31-32%. The economic growth rate will be maintained at 7.5%/year and there will be projects available for the next five years' plan.

Of the total investment in social development, development investment from the State budget will account for 20-21%, investment by the State credit for 17-18%, investment of State-owned enterprises for 19-20%, direct investment of people and private enterprises about 24-25%, and foreign direct investment, according to the initial estimations and calculations, for 16-17%.

6.2. *The above total investment will be directed to the following main sectors and domains:*

- Investment will be focused on agriculture and the rate of investment should be up to approximately 13% of the total investment in the whole society;

- An estimated sum of about 44% of this total investment will be invested in industrial branches, particularly key ones, in order to enhance production capacity and competitiveness of some commercialized products.

- Investment in transport and communications and post will account for around 15% of the total;

- Investment in scientific and technological branches, education and training, health care, socio-cultural activities will account for about eight percent of the total;

- Investment in other branches such as public work, water supply and drainage, State management, trade, tourism, construction and so on, will be about 20%.

6.3. *The investment from the State budget and credit* that the State can directly and actively arrange based on the structure will account for 35-39% of the total yearly capital on average (about over ten percent of GDP).

The State budget will reserve about 65-70% of the total to invest in some fields of economic infrastructure and about 30-35% in social infrastructure.

Investments intended for creating new production capacity and raising the competitiveness of products will be mobilized from loans under various forms, and from the self-accumulation sources of domestic and foreign economic branches. This requires renovation of the policies and mechanisms on capital mobilization to encourage high domestic accumulation for investment and to attract external capital.

7. Forecast on the relation between supply and demand with regard to some key materials and commodities

7.1. The relation between supply and demand with regard to food

The total output of cereal in the next five years is estimated to reach 165-170 million tonnes, an average increase of 2% a year.

Commodity food in the next five years will account for 43% of the total output, about 14 million tonnes a year on average.

The volume of commodity food to be consumed in urban markets and industrial zones in the next five years will be 38-42% of the output of commodity food. An estimated amount of around 42-45% of commodity food will be exported. The national food reserve will be reasonably supplemented in order to ensure national food security.

7.2. The relation between supply and demand with regard to power

The need for commodity power is estimated to rise up to over 37 billion kWh in 2005, a rise of 11% a year, of which the industrial sector will account for 45%, an increase of 13.2%/year; the agricultural sector for 2.5%, an increase of 5%/year; the service sector for 8%, a rise of 14%/year; and power for daily livelihood for 45%, a rise of 10.5%/year.

It is estimated that in 2005, the total power capacity will be about 11,400 MW, and the power sector can meet the requirement of additional charges of 8,000 MW, guarantee that the power output generated in 2005 will be about 44 billion kWh,

a rise of 12%/year on average, and meet the demand for 37 billion kWh of commodity power.

To sum up, based on the initial forecasts, the safety and balance of power in the next five years can be ensured.

7.3. The relation between supply and demand with regard to petrol and oil,

The consumption need for various types of petrol and oil in the next five years will be about 55 million tonnes, an average increase of 10% a year.

The output of domestic finished-product petrol and oil produced in one year (from 2004 to 2005) by Refinery No.1, which is scheduled to be put into operation in 2004, will be some 7.5 million tonnes. Therefore, in the next five years, we need to import 47.5 million tonnes of petrol and oil.

7.4. The relation between supply and demand with regard to steel

The estimated need for finished steel in the next five years will be 15-16 million tonnes, an increase of 10%/year on average. The output of domestically-manufactured laminated steel over the next five years is expected to achieve over 10 million tonnes. The quantity that we need to import will be about 5.7 million tonnes, i.e. an annual average amount of over 1.1 million tonnes of the steel that cannot be domestically produced.

7.5. The relation between supply and demand with regard to cement

The need for cement in the next five years is forecast to come to 80-85 million tonnes, a rise of 55-60% compared with the

period 1996-2000. The annual consumption will be about 16-17 million tonnes. The output of domestically-produced cement in the next five years may come to over 85 million tonnes. Therefore, domestic cement can meet the need adequately.

7.6. The relation between supply and demand with regard to fertilizers

The yearly need for fertilizers of all types is forecast to be seven million tonnes on average, of which urea will account for over 2.4 million tonnes, phosphate fertilizer of all types for 1.4 million tonnes and NPK fertilizer for about two million tonnes. It is estimated that in the next five years, the domestically-produced fertilizers can meet the need for phosphate fertilizers, NPK fertilizer, microbiological fertilizers and part of urea. During this period, we need to import over nine million tonnes of urea, about 2.5 million tonnes of DAP fertilizer and some other micro-element fertilizers.

IV. ORIENTATION FOR DEVELOPMENT OF SECTORS, FIELDS AND REGIONS

Based on the orientations of development of the strategy, the orientations of development for sectors, fields and regions in the coming five-year plan will be as follows:

1. Orientation for developing agriculture and the rural economy

To swiftly shift the structure of agricultural production and the rural economy; to establish regions specializing in producing the goods that suit the local potential, climate, soil and labor; to

apply quickly scientific and technological advances to production, especially biotechnology; to link agriculture to the processing industry; to link production to the consumption market; and to establish association among industry, agriculture and services right in rural areas.

To reclaim virgin land in order to expand the area for cultivation in the localities that have unused land; to redistribute labor and populations; and to reduce the impacts of natural disasters on production.

To develop rapidly trades and crafts and infrastructure in rural areas, and generate more jobs in order to change agricultural laborers into workers engaged in non-agricultural jobs so as to raise the living standard of the rural population. To strive to raise the average income of the farmer by 1.7 times higher than the present one by 2005; and to ensure that there will be no hunger-suffering household and to reduce considerably the number of poor households.

To continue pushing up food production in the direction of intensive cultivation, rise of productivity and rapid growth of high quality special rices. To achieve 37 million tonnes of cereal, and to guarantee national food security.

To focus on developing key industrial plants which are highly competitive such as rubber, coffee, tea, and cashew; to pay special attention to promoting other peculiar vegetables and fruits.

To promote animal husbandry and to strive to attain about 2.5 million tonnes of live-weighted animal of all kinds in 2005 as estimated. To reorganize production (this is the main direction),

to encourage households and farms to develop husbandry on a large scale; to invest in improving breeds and developing veterinary work; to process food for animals; to develop lean and milk cows and establishments to process beef and milk; and to seek for export markets.

To protect and develop forests; to continue implementing the project to afforest five million hectares of land; to expand the area of newly-grown forests in combination with creating forest regeneration-oriented protection areas. To grow 1.3 million hectares of concentrated forest, raising the rate of forest cover to about 38-39% by 2005; to complete basically the work of resettlement and stability of the mountain people's livelihood.

To develop offshore sea-product catching and regulate onshore fishing in a reasonable way; to invest in promoting aqua-product breeding and raising; to build concentrated breeding and raising areas linked to developing the high-quality processing industry; to promote shrimp raising for export in a progressive and environment-friendly way. To build a concerted sea-product catching industry, including ship teams, wharves, fishing ports, ship yards, net weaving, logistic services and sea safety; to strive to achieve an output of around 2.4 million tonnes of aquatic products and the value of aqua-product export of about US\$ 2.5 billion in 2005.

To develop the irrigation network to guarantee improvement of soil, intensive cultivation, expansion of crops and reclamation of new lands. To accomplish the construction of irrigation works in combination with prevention of floods in Central Vietnam, such as the Chu River irrigation network, Bang irrigation network (in Quảng Bình Province), Rào Quán hydroelectric and irrigation system (in Quảng Trị Province), Tả Trạch Lake (in

Thừa Thiên-Huế), Định Bình Lake (in Bình Định). To start construction of a hydroelectric plant at the Ba Hạ River in combination with prevention of floods in the Tuy Hoà plain area (in Phú Yên Province); to build and consolidate the system of sea dykes banks and the constructions used for preventing salinization, irrigation systems for aqua-product breeding and raising in the Mekong delta; to concrete weak embankments and continue with the program to concrete ditches and canals. To raise the capacity of irrigation to supply adequate water to 6.5 million hectares of rice and 1.5 million hectares of food and industrial crops (a rise of 600,000 ha) by 2005.

To quickly develop rural traffic infrastructure; to continue investment in constructing roads to over 500 communes which at present lack roads for automobiles to access their centers; to expand the power grid and implement well the national program of clean water, rural environmental hygiene; and to strive to provide clean water for 60% of the rural population by 2005.

To promote craft villages and develop more industrial and handicraft zones which produce handicraft articles and artworks; to establish preliminarily processing industry and processing industry in rural areas and the areas that supply raw materials; to develop services which supply materials and techniques, to exchange agricultural produce in rural areas, and to generate more jobs for non-agricultural sectors.

To continue the program of hunger eradication and poverty reduction, focus on developing small urban areas, post offices and cultural centers in communes and villages, and cultural centers of village clusters; to ensure social order and security and the regulations on democracy in rural areas.

The value of agricultural-forestry-fishery production is to rise by 4.8% yearly. In 2005, agriculture is expected to account for about 75-76% of the total production value of the branch; forestry will account for 5-6% and fisheries will be 19-20%.

2. Orientation for developing industry

To develop industry at a high pace and with efficiency; to focus on in-depth investment, renovation of advanced technological equipment and to modernize industrial sectors step by step.

To push up highly-competitive industries; to pay attention to the processing industry and goods production for export, and develop industries that serve agricultural development and the rural economy.

To construct some industrial establishments, which manufacture production materials, in a selective way and in accordance with the available capital, technology, markets for output and efficiency, for example, oil and gas, metallurgy (steel, aluminum, rare and precious metals), mechanics, electronics and fundamental chemistry.

To promote hi-tech industries, particularly informatics, telecommunications and electronics; to develop some essential industrial establishments for national defence.

To create a harmonious combination between the development of the industries which are intended to meet the domestic needs, and that of the industries which meet the needs of export; to take appropriate protective measures to ensure that industry will develop with high competitiveness in order to speed up national industrialization and modernization.

To encourage every economic sector to invest in developing industrial production on various scales and levels in conformity with the common orientations and advantages of each area and locality; to pay particular attention to small- and medium-scale enterprises. First of all, to concentrate in the processing industry, labor-intensive industries, industries that produce goods for export and handicrafts.

The value of industrial production is to rise by 13% yearly on average.

Orientations for developing some industrial branches:

To modernize the agricultural-forestry-fishery product processing industry, with advanced technologies in order to produce highly-competitive goods for the domestic and foreign markets; to place importance on such commodities as aquatic products, foodstuff, meat, milk, cane-sugar, beverage and cooking oil.

To strive to achieve 8-10 liters of milk/person/year in 2005 and to double the turnover of dairy product export of the year 2000; to raise the rate of using domestic materials to 20%; to continue planning the concerted development of the sugar cane branch regarding material-supplying areas and processing plants; to obtain the output of 14.4 kg of cane-sugar of all kinds per capita in 2005; to pay special attention to production of cooking oil, development of vegetable and fruit processing establishments in linkage with the material-supplying areas.

For paper branch

To expand the existing production establishments and research on construction of some paper and paper pulp plants in

order to obtain an additional output of 200,000 tonnes, of which the Paper Pulp Plant in Kom Tum is expected to have a capacity of 130,000 tonnes/year. This will raise the total capacity of paper to 600,000 tonnes and the total output of 500,000 tonnes in 2005.

Regarding textiles and garments and shoe leather

To seek for new markets and expand the present domestic and foreign markets; on the other hand, to make more investments in, and modernize some steps of production, particularly to focus investment on production of fibers, textiles and hide tanning; to develop cotton sources and exploit sources of leathers of all kinds; to raise the proportion of domestic production of materials and additional materials in the textile and garment and shoes leather branches in order to enhance the value of export products; in 2005, to achieve 250,000-300,000 tonnes of fiber cotton, 750 million meters of cloth and 410 million pairs of shoe.

Electronic, informatic and telecommunication industry

To carry out in-depth investment, renewal of technology, modernization of the existing electronic establishments, construction of some new establishments to meet the domestic needs; to reduce step by step import and increase export of products in the industry; to raise rapidly the proportion of domestic production of the products with a high content of technology; to focus on investment and issue policies to develop fast the software industry to serve the inland requirements and join export, to raise the value of software products up to over US\$ 500 million in 2005, of which the export will account for about US\$ 200 million.

Mechanical engineering: to make in-depth investments, renovate technology and equipment, modernize a number of key

chains in the production line, focus on developing the ship building and repair industry, especially with regard to high-tonnage ships. To enhance the capacity of manufacturing massive and unit production lines and equipment for the processing industry; agricultural tools and machines; equipment for small- and medium-sized industrial establishments; vessels, machine-tools, construction machines and mechanical and household machines. To develop a number of modern fields such as electronics; gradually to develop the mechanical sector into a strong industry that can meet 25% of the demand of the economy for manufacturing equipment, raise the local content of motorbike parts and automobile parts to 70-80% and 30% respectively.

Oil and gas: to continue seeking for capital to enhance our capacity in exploring and exploiting oil and gas. The output of oil and gas is to reach 27-28 million converted tonnes in 2005. To accelerate the project of building and putting into operation the Nam Côn Sơn oil field and pipeline in 2002; to put into No. 1 operation the Oil Refinery No. 1 in 2004, gaining the output of six million tonnes of petrol, oil, and oil products in 2005. To lay the groundwork for the building of the Oil Refinery No. 2, pipelines and gas processing and using establishments in the Southwestern part, and the Red River Delta. To make use of our internal strength to invest in foreign markets aimed at developing sustainably our oil and gas industry.

Electricity: the electricity output is to reach about 44 billion kWh in 2005, with the average annual growth rate of 12% meeting the demand for development of industry, agriculture, services in service of people's livelihood.

In the next five years, to increase the capacity of power sources by 5,200 MW, the total power source capacity is to reach

11,400 MW in 2005, among which, hydroelectricity will account for 40%, gas thermal electricity over 44%, coal thermal electricity over 15%, etc. To invest in building synchronously an electricity transmission system. To actively prepare and strive to create enough conditions for starting the construction of the Sơn La Hydroelectricity Project in this five-year plan.

Coal: to expand the outlets for our coal at home and abroad with a view to increasing demands for coal, to ensure a reasonable supply-demand relationship in coal production. To implement the strategy of focused investment, to renovate technology, improve safety in production and improve the working conditions of coal miners. The coal output is expected to reach 15-16 million tonnes in 2005.

To accelerate the pace of construction of *cement factories* to be put into operation in the next five years; to consider the building of several new cement factories in order to raise the output by 8-9 million tonnes. The total capacity is to reach 24.5 million tonnes in 2005. To develop the industries of producing construction materials such as roofing sheets, bricks, tiles, the industries of granite exploitation and processing, production of interior decoration equipment, etc., to meet domestic and export demands.

Chemical fertilizers: to study conditions for the construction of a DAP producing factory with designed capacity of 330,000 tonnes of phosphate fertilizers; to raise the capacity of exploiting and classifying apatite to 760,000 tonnes per annum, bringing the total output of phosphate fertilizers of all kinds to 2.2 million tonnes in 2005. To implement the project of building a gas-based nitrogenous fertilizers producing plant to mobilize part of its capacity in 2004. To actively lay the groundwork for the early start of the construction of a plant producing nitrogenous

fertilizers. The urea fertilizer output is projected to reach 80,000-90,000 tonnes in 2005.

To raise the capacity of producing fundamental chemicals such as sodium hydroxide and soda; to accelerate the production of rubber products, raising the output of tyres for automobiles and tractors to 1.2 million sets per annum.

Steel production: to further make in-depth investments in existing steel refining and lamination establishments. To invest in building one or two new establishments producing steel rough drafts, raising their capacity from 400,000 tonnes in 2000 to 1-1.4 million tonnes in 2005. To build a cold steel lamination factory and a heat-resistant steel lamination factory to produce sheet steel and band steel. To lay the groundwork for the construction of an establishment laminating conjugated steel from locally made and imported ore. The output of laminated steel of all kinds is to reach about 2.7 million tonnes in 2005.

Mineral exploration and processing: to develop the industries of bauxite exploiting, alumina refining and aluminium processing in conformity with one of the two plans: to produce 300,000 tonnes of alumina per annum for the electrolysis of 75,000 tonnes of aluminium for domestic use; to produce 1 million tonnes of alumina for export and raise the output to 3 million tonnes in the stages to follow. To invest in exploiting and classifying copper ore, exploiting ilmenite, precious stones, gold, and rare soils; to build a zinc metallurgy factory in Thái Nguyên and a copper refining factory in Lào Cai.

3. Orientation for development of services

To diversify services, expand outlets for service products, meeting the demands for economic development and social life.

To develop trade, including internal and external trade, to ensure the smooth circulation of goods on domestic markets and in trade exchanges with foreign countries. To pay attention to marketing of products and expansion of rural and mountainous markets; to form a close link among different regions in the country. To strengthen the State trade sector; enhance the regulatory role of the State. To increase the total circulation rate of retail commodities on the market by 11-14% per annum.

To raise the quality, scale and efficiency of tourism. To establish a strong tie among sectors engaged in tourism to develop a number of broad-based and key tourist attractions; turning tourism into a cutting-edge economic sector. To develop and diversify types of tourism; to pay attention to ecological, cultural, historical, sport tourist attractions appealing to tourists at home and abroad. To build and upgrade tourist infrastructure and promote cooperation with other countries in this field.

To raise the quality, quantity and safety of passenger and freight transport of all forms; to take appropriate measures to solve problems related to public transport in Hanoi and Hồ Chí Minh City; to strive to reduce traffic accidents, etc. To raise our shares in international air and sea transport markets. To raise the freight transport rate by 9-10% per annum. To lift the passenger transport rate by 5-6% per annum. To improve the quality of post-telecommunications services. To reach the target of 7-8 telephone sets/100 inhabitants in 2005. To expand the telephone coverage to 100% of communes nationwide.

To rapidly develop types of services of finance, banking, auditing, law consultancy, intellect, informatics, techniques, healthcare, education-training, sports and physical training, etc.

The added value of services is to obtain the annual growth rate of over 7.5%.

4. Orientation for external economic development

Import and export

To boost the total export turnover; to import only key materials and equipment that can have a positive impact on production and business. To form a stable market for a number of competitive agro-products, food and industrial products; to seek markets for new exports. To improve the quality of export items, raise our shares in traditional markets and vigorously expand new markets.

To continue investing in improving the quality of such major items as crude oil, rice, coffee, rubber, aqua-products, garments, leatherwear, handicrafts, electronic items and electronic parts, computer softwares, etc. and to boost the export turnover of these items. To promote labour export.

To strive for the total export turnover of US\$114 billion in five years, a 16% annual increase. Industrial and handicraft items are to account for 70% of the total export turnover, a 15.9% annual increase, of which consumer industrial goods and handicrafts are to account for 43% of the *industrial export turnover*, a 22% annual increase. Agricultural, forestry, aqua-cultural commodity groups are to account for 30% of the *total export turnover*, a 16.2% annual increase.

The total import turnover in five years is to record about US\$118 billion, a 15% *annual increase*, of which machines, equipment and spare parts will account for 32.6%, a 17.2%

annual increase; raw material and fuel 63.5%, a 13.9% annual increase; consumer goods, a 3.9% annual increase, equal to that of the previous five years.

Attraction of external investment capital

To bolster the attraction of foreign direct investment (FDI). To promote foreign investment in exports producing industries, processing industries, high-tech industries, new material industries, electronics industries, development of socio-economic infrastructures and the industries of Vietnam's advantage; at the same time to develop modern industry and create more job opportunities.

To focus FDI on industrial zones, processing zones, high-tech zones; to further study the project of building an open economic zone to be incorporated into this Strategy. To attract and use efficiently official development assistance (ODA) funds. To reserve around 15% of the total ODA funds for agriculture, irrigation, forestry, fishery and for realizing the objectives of development of agriculture and rural areas and hunger alleviation and poverty reduction; about 25% for the energy sector and industry; some 25% for transport, postal services, water supply and sewage and urban areas development. To attach importance to using ODA in the fields of human resources development, social development, education and training, science, technology and environmental protection.

Furthermore, it is necessary to increase investments overseas; develop foreign currency-earning services, tourism and other services.

5. Orientation for development of infrastructures

To focus on upgrading and completing fundamentally North-South road axes (including a tunnel through Hải Vân Pass); Hanoi-Hồ Chí Minh City connections with key industrial zones and economic regions; upgrade National Highway 1A, open a parallel axe to reduce traffic congestion, to strengthen inter-provincial routes in the Southern Delta; to upgrade roads going through the Central Highlands and mountain areas. To put into use the Hồ Chí Minh Road (first phase). To build big bridges namely the Thanh Trì, Cần Thơ, Bính, and Bãi Cháy. To continue upgrading Thống Nhất Railway, Hanoi-Lào Cai, Hanoi-Lạng Sơn Railways, ensuring railway safety. To finish the restoration, upgradation, expansion or building as planned of the ports at Cái Lân, Hải Phòng, Nghi Sơn, Cửa Lò, Tiên Sa, Dung Quất, Liên Chiểu, Chân Mây, Quy Nhơn, Nha Trang, Thị Vải, and Cần Thơ. To upgrade a number of river routes and the system of key river ports. To complete the expansion of Nội Bài International Airport, to build a station at Tân Sơn Nhất International Airport, to upgrade stations at domestic airports.

To continue with the implementation of the programme of clean water supply and rural environment hygiene, ensuring the sufficient supply of clean water to 60% of the rural populations. To complete the projects of upgrading infrastructures in Hanoi, Hồ Chí Minh City, Hải Phòng, Đà Nẵng, such as the project of water supply and drainage and waste treatment, the project of boosting the urban traffic capacity, the project of doubling water supply to industry and urban areas. To go ahead with the implementation of the programme of building rural roads.

To develop IT infrastructure and modern national communication and international telecommunications networks;

to invest in gradually raising the local content in the production and assemblage of communication equipment.

6. Orientation for development of education and training

There should be full awareness that education is the top national policy, and it is necessary to create a comprehensive and radical change in education and training development. To implement effectively the Law on Education. To shape the scale of education-training, transform the training structure, especially the structures of school grades, occupations and territory-based structure in line with the need for development of human resources in service of socio-economic development. To raise the qualification standard of teachers of all educational grades.

To promote and maintain the gains obtained in the universalization of primary education and eradication of illiteracy, especially in provinces in mountain, hinterland and remote areas; to carry out the universalization of general secondary education; to build more schools, to ensure the appropriate number of students in a class in line with the norms aimed at boosting the quality of teaching and learning. To bring the number of secondary school students up by 7% per annum.

To perfect and develop a rational network of universities and colleges with a view to establishing a number of universities having the quality of training equal to the level of reputable universities in Southeast Asia.

To raise the enrollment in universities and colleges by 5% per annum. To attach importance to high-quality training in a number of technological, economic and State management

branches to meet the demands of the country for human resources and talents.

To further renew the curriculum, contents, methods and modes of the training of a high-quality contingent of workers, especially in key economic and technical sectors and high-tech industries. To link the formation of industrial zones, high-tech zones with the system of vocational training schools. To rapidly develop and rationally distribute vocational training schools across the country; to strive for diversified, dynamic and flexible forms of vocational training.

To raise the number of students trained as technical workers by 11-12% per year.

To fundamentally renew educational management and organization; to build an educational system where all people are enabled to pursue life-long study in the direction of practicality and modernity linked with social requirements. To perfect mechanisms, policies and laws to ensure the development of the cause of education in a stable, quality-oriented, efficient manner, meeting the country's demand for human resources to develop sustainably. To prevent and push back negative phenomena in the education branch, to build a healthy education.

A rational State budget allocation is to be earmarked for education; to combine the pushing up of socialization and development of education-training. To mobilize all resources for education-training and use them effectively. To bolster international cooperation in education-training development. To proactively spend a rational State budget allocation on quickly increasing the number of pupils, students, post-graduates to be trained in developed countries.

7. Orientation for development of science and technology

In the next five years, it is necessary to create a new and efficient step in the fields of researching and applying scientific and technological advances to production and business, to raise the ratio of contributions of science and technology to development of different sectors, products, fields and economic regions.

Social sciences and humanities are to focus on studying theories for the creation of a momentum to bring into play the strength of the whole nation, continue the comprehensive renovation and accelerate industrialization and modernization of the country in order to achieve the target of a wealthy people, a powerful country, a fair, democratic, and civilized society on the path to socialism.

Natural sciences are to focus on study of scientific grounds for the development of key technological fields and tapping of natural resources, environmental protection, forecasting for prevention and mitigation of the aftermaths of natural calamities.

Technological renewal is to target on technological transfer, reception and mastering of new technologies; especially basic technologies decisive to the boost of technological level of many sectors, creating a big leap in the quality and effectiveness of economic development.

To focus on applied study in order to create a breakthrough in breeding of high-value, high-yield plants and animals; to study and put into proper use biological technologies, post-harvest storage technologies, agro-products processing technologies.

To focus on researching and rapidly applying modern technologies to raise the product competitiveness, to attach

importance to researches on development of telecommunications, automation and new material technologies.

To focus on building and promoting our strength in science and technology, raise our capacity in receiving, mastering, adapting, improving modern imported technologies in several fields of production, services, infrastructures; shorten the time of technology transfer, to apply technology to production in the shortest time.

To build high-tech zones in Hòa Lạc and Hồ Chí Minh City, to equip key national laboratories to the regional and world standards; send more and more scientific-technological cadres for training in countries possessing advanced science and technology.

8. Orientation for cultural development

To promote the movements "People unite to build a cultural life"; "Build civilized lifestyles and cultural families"; "Good people, good deeds". To well carry out the patriotic emulation movement, encourage all people to participate in socio-economic development and make use of their ability and creativeness to build a comfortable and happy life and get out of poverty and backwardness. To multiply exemplary models in the fields of production, business and social affairs; to resolutely combat negative phenomena and social vices. To promote the identity of national culture; to preserve and restore material and immaterial cultural heritages, laying foundations for cultural exchanges among communities, regions across the country and with foreign countries. To continue disseminating information related to cultural activities to remote, hinterland and ethnic

people areas; launch the movement of mobilizing all people to adopt a civilized lifestyle, build cultural families, hamlets, villages; strive to perfect the system of cultural institutions with the State funds and expand socialization of culture, infusing it with each residential quarter, family and individual. To strive for the target of 80% of families to be recognized as cultural families; 50% of villages and living quarters to meet national cultural standards; 78% of rural communes and urban wards to have cultural houses; the per capita annual number of books to be four copies.

To adequately invest in the training of talents and artisans; to work out policies on motivating literary and art forces to bring forth valuable works. To build the Village of Vietnamese Ethnic Cultures into a centre of education, culture and national art.

To continue completing the system of radio and TV broadcasting nationwide, ensuring that 90% of households can gain access to central TV and radio broadcasts. To develop and modernize the mass media network, expand the network of Internet access under the State management.

To strongly develop sport and physical training activities in both scale and quality, helping improve the physical strength and promote the national spirit of the Vietnamese people; to create conditions for Vietnam to host and join SEAGAMES 2003; to socialize professional sports activities.

9. Orientation for development of social fields

In the next five years, to focus on *generating jobs and providing stable jobs* for 7.5 million people, on average, 1.5

million per annum; to strive to reduce the urban unemployment rate to 5.4% in 2005 and raise the utilization of working time to 80% in rural areas.

To develop production, business and types of services, to well carry out socio-economic programmes; to treat boosting of labour export as an important factor in generating jobs and income for labourers.

To shift the labour structure along the line of increasing labour for industrial production and construction from 16% in 2000 to 20-21% in 2005, and from 21% to 22-23% in services. To reduce labour in agriculture, forestry, and fisheries in respect of the absolute number and ratio from 63% to 56-57%. To rapidly increase technical labour from 20% in 2000 to 30% in 2005.

To continue implementing effectively the programme of hunger alleviation and poverty reduction. To pay attention to the building of infrastructures in poor regions and poor communes; at the same time, to upgrade and restore road axes connecting poor regions and communes with the hubs of other regions, creating favourable conditions for poor regions to develop. In parallel with the construction of infrastructures, to pay attention to generating necessary resources for the inhabitants in poor regions and communes to push up production, develop business to quickly increase their income. To strive for the target of none household suffering hunger and only 10% poor households. It should be ensured that there will be basically no longer poor households in provinces in the Northern Delta, districts in Central Delta and southern provinces. To gradually improve the living standard of households that have got out of poverty; to help households avoid re-falling into poverty.

To reduce the annual average birth rate to 0.5‰; the population growth rate is to be 1.2% in 2005; the population size in 2005 should be 83 million people of whom 60 million in rural areas and 23 million in urban areas; to reach equal population distribution among regions; to gradually improve the quality of population and the living standard of social strata, check the growing gap among different social groups; to incorporate the positive demographic factors into development plans.

To launch the movement "The whole society protects, takes care of and educates children". To reduce the mortality rate among children under one year of age to 30‰, that among under-5 children to 35‰ increase the number of vaccines for children to 8-10; to bring the rate of mothers dying of pregnancy-related causes down to 0.9‰; to reduce the malnutrition rate among under-5 children to 22-25% in 2005; to strive for a zero illiteracy rate among under-15 children in 2005; 70% of children will have access to secondary education; 50% of localities will have entertainment amenities for children; 80% of children in difficulty will be protected and taken care of.

To develop preventive healthcare. To improve the health indicators and the physical strength and to lift the average life expectancy of the Vietnamese people to about 70 years in 2005. To develop the pharmaceutical industry, raise the quality of medicines; to produce high-quality medicines to meet 40% of domestic demand.

To complete the planning for the strengthening and upgrading of the grassroots medical network; to ensure that all medical stations in the communes in the lowlands and midlands and the majority of communes in mountain areas have doctors. To further consolidate and build more hospitals in some

localities, especially those in hinterland and remote areas; to reduce the shortage of hospital wards; to ensure an equal chance for strata of people to benefit from medical services. To modernize a number of leading hospitals, specialized medical centres and other hospitals in the region.

To step by step control and reduce the AIDS infection rate. To focus our strength on the prevention and eradication of social vices.

To accord better care to beneficiaries of special State policy families and meritorious people, ensuring all of them a living standard equal or better than that of local people on the basis of the assistance from the State and community and self-support.

To care for, and support helpless elderly people, the handicapped and war victims.

To radically renovate the salary policy. Salaries must be high enough to ensure the subsistence of the people and in line with economic development. On the basis of the salary renovation, to push up the restructuring and downsizing of the State staff.

10. Environmental protection and improvement

To harmoniously combine socio-economic development with improvement of the environment along the line of sustainable development; to ensure that all the people live in the environment where the quality of air, land, water, landscape and other natural environmental factors can meet the minimal norms stipulated by the State. In the short term, to focus on solving the problem of environmental degeneration in industrial zones, populated and busy residential quarters in big cities and some rural areas. To control pollution and timely deal with

environment-related incidents such as those caused by natural disasters; to devise plans on overcoming the pollution of rivers, lakes, ponds, canals, ditches, etc. To implement projects of improving and protecting the environment; to build national parks and prohibited forests, plant trees, preserve bio-diversity, preserve genetic pools, build works of environment clean-up.

To ensure the reasonable utilization of natural resources in efficient service of industrialization and modernization; to economize and restrict the use of non-recyclable resources. To intensify the inspection and monitoring of the environment in each of the investment projects and plans and development schemes of branches and territories. To apply technologies and production processes that release less waste and are environment-friendly.

11. Orientation for territorial development

11.1. The Midlands and Northern mountain areas (Northwestern and Northeastern regions).

To bring into play our strength in land and forest resources, to transform the plant structure, expand the acreage for planting of industrial crops and fruit trees and cattle breeding to be linked with the processing industry. To vigorously develop the farm economy. For regions capable of growing food crops, to invest in small-scale irrigation works, to use new breedings adapted to the ecological conditions; to develop on-site food production; to ban the practice of deforesting for cultivation and food production.

To reforest in parallel with development of industrial material forest areas and pit-props resources. To green barren hills, especially to plan protective forests in the upstream of the Đà

River while ensuring protection of the landscape. To develop areas of intensive industrial crops, to produce a big volume of goods such as tea, and fruit trees; to develop areas for the cultivation of special trees and pit-props, etc. To implement programmes of hunger alleviation, poverty reduction, sedentary cultivation and settlement in parallel with the greening of waste land and barren hills. To put an end to the practice of deforesting for cultivation of food crops and other crops.

To develop the industry of processing forestry products; the construction material industry; the industry of exploitation and processing of minerals; to build a large-scale hydropower plant capable of supplying electricity for the whole country; at the same time, to develop small-scale hydropower projects to meet the demands of hinterland and remote areas, etc. To develop industries of consumer goods and handicrafts in urban and rural areas, metallurgy, mechanical engineering, fertilizers, chemical industries, etc. To speed up the study of the possibility to build the Son La Hydropower Plant. To upgrade and expand the existing industrial concentration areas and establish industrial corridors along Highway No. 18 linking with Northern key economic zones.

To intensify investments in upgrading National Highways No. 6, 2, 3, 1, 70, 37, 4D, 279, 32, 42. To restore and upgrade beltways of National Highways No. 4, N1, N2 to create a perfect road network for the whole region. To upgrade the waterway and revamp specialized river ports such as Vạn Yên, Tà Hộc and Sơn La. To develop border-gate corridors on the basis of developing urban areas linked with the border-gate economy; to upgrade connections to key border areas. To gradually build border areas strong enough to ensure sovereignty and national defence and security.

To rapidly develop types of services, first and foremost, commercial services; to strongly develop a safe and smooth post-telecommunications network; to ensure better water and power supplies; to build commune-based centres and metropolises to be linked with industrial zones; to upgrade bordergates.

To vigorously develop tourism, pay attention to eco-tourism and tourist attractions such as Ba Bể Lake, Thác Bà Lake, Núi Cốc Lake, and Sa Pa, etc.; to restore historical and cultural sites linked with tourist development.

To devise specific plans on population stabilization, ensuring stable re-settlement, raising the educational standards of the people, especially ethnic people.

11.2. The Red River Delta and Northern key economic regions

To bring into play our advantages such as human resources, concerted infrastructures, the location convenient for domestic and international exchanges; to strongly shift the economic structure, striving to maximize the use of the labour forces (shift of segments of population included). To continue seeking investments in existing industrial zones; to build the Hòa Lạc High-tech Zone. To make preparations for the gradual formation of new industrial points along Highways No. 5, 8, 10, and in the provinces in the neighborhood of Northern and Northwestern Hanoi, etc.

To develop the labor-intensive industries requiring modern high technologies in the fields of mechanical engineering, production of exports and consumer goods, production of computer softwares, and construction materials, etc.

To continue with the construction and upgradation of National Highways No. 1, 5, 10, 18; to complete the upgradation and expansion of the Hải Phòng Port; to build the Cái Lân Deep Water Port; to build Thanh Trì, Bính, and Bãi Cháy bridges; to finish the building of Nội Bài International Airport station. To improve the public transport system in Hanoi and Hải Phòng. To modernize the post-telecommunications network; to restore, upgrade and build water supply systems in Hanoi, Hải Phòng, and Hạ Long, etc. To build the Vietnam television tower.

To develop agriculture along the line of production of commodity products; to establish high-quality rice zones in Red River Delta provinces. To further tap the advantages of winter crops, develop food crops and animal breeding linked with the multi-level technological processing industry; to establish zones specializing in production of vegetables, meat, fruits, flowers, etc. to serve the demands of urban areas, tourism and export. To tap and efficiently use coastal belts in the region; to develop the raising, cultivation and fishing of aqua-products and marine products; to gradually develop offshore fishing.

To bring into play the role of commercial, healthcare, education, and training centres across the country. To vigorously develop tourism in this region, invest in building comprehensive Hạ Long – Cát Bà tourist sites and the Đồ Sơn tourist attraction. To develop tourist sites in provinces linking with tourist centres inside and outside the region to shape intra- and inter-regional tourist routes.

To reserve a considerable portion of investment capital for improving the quality of the urban environment. To dredge and widen some estuaries in the south of the Red River Delta. To pay attention to the construction of houses in satellite cities.

11.3. The North of the Central part, Central coastal area and Central key economic zone

To build an oil refining industry and the Dung Quất-Chu Lai economic zone. To attract enterprises into licenced industrial parks. To develop the production of construction materials and cement in the provinces of Thanh Hoá, Nghệ An and Quảng Bình. To exploit tin in Quỳnh Hợp, Nghệ An province. To exploit paving stone, and develop the industries processing agricultural, forestry and fishery products. To develop the ship-building maintenance, textile, leather and garment industries. To build coastal industrial zones.

To apply intensive farming methods to rice growing in coastal plains. To develop animal husbandry. To pay special attention to the raising of deer or goats so as to bring about high economic values. To intensify aquaculture in a close link with fishery and marine product processing.

To continue afforestation in waste land and bare hills. To grow short-term crops such as peanuts, sugar-cane, cotton, mulberry, tobacco, or sedge, and long-term industrial crops which are suitable to the local ecology. To grow forests in coastal areas. To form green belts surrounding cities, towns, and industrial zones.

To complete the construction of large infrastructural works so as to link this region with neighbouring ones and help carry out the East-West corridor programme for the extended Mekong sub-region, and to fulfil the task of developing the Vietnam-Laos-Cambodia border region. To build the Hải Vân Pass tunnel and the western side-track via Huế city. To upgrade and build Nghi Sơn, Cửa Lò, Vũng Áng, Tiên Sa, Dung Quất, Liêu Chiểu, Chân Mây, Quy Nhơn, and Nha Trang sea ports as planned. To

gradually modernize important airports in the region. To upgrade National Highways No. 7, 9, 12, 19 and 24. To build a number of slip-roads to be connected to National Highway No. 1. To build border economic zones. To take advantage of Hồ Chí Minh Highway for development of the western part of the region.

To build water-supplying and drainage works in industrial zones. To upgrade infrastructure in urban areas. To complete the construction of preventing irrigation works such as the Chu River irrigation system, An Mã irrigation system (Quảng Bình province), Rào Quán irrigation system and hydropower plant (Quảng Trị province), Tả Trạch Lake irrigation system (Thừa Thiên-Huế province), and Định Bình irrigation system (Bình Định province). To consider the construction of flood-preventing works as planned for the region. To take measures to prevent floods and droughts and reduce their repercussions.

To strengthen the education and training branch; to build solid educational premises in calamity-prone areas. To consolidate the university system in the region.

To make full use of cultural and historical tourism, sea tourism and coastal tourism. To develop tourist centres in each province of the region and such tourist attractions as the former capital of Huế, Hội An, Mỹ Sơn, Phong Nha, Cảnh Dương, Lăng Cô, Non Nước, Văn Phong, and Đại Lãnh. To link the development of cities and industrial zones with that of tourism, especially sea tourism. To promote the central economic and cultural role of the Đà Nẵng-Huế urban areas.

11.4. *Central Highlands*

Occupying a strategic position and rich in land and natural resources, the Central Highlands is to be developed into a region

with a strong economy, national defense and stable security and later on with a leading economic zone.

To develop the intensive farming of industrial crops for export such as coffee, tea, rubber, cashew nuts, and pepper, and other crops such as cotton, mulberry, medicinal herbs, fruit trees, forests to be used as material for making paper, and speciality trees. To link afforestation and growing of industrial crops and fruit trees with the restoration, protection of, and care for forests. To protect the ecology and quickly increase the forest cover. To expand the areas of corn and apply intensive farming method to the crop. To develop short-term industrial crops. To minimize, then eliminate the practice of burning forests for growing rice. To develop animal husbandry and the farm economy.

To concentrate efforts on developing the industries of processing coffee, rubber and food. To equip modern technologies for producing high-quality products from industrial crops, forest, and animals.

To build the Kontum paper pulp factory in a close link with plans for material zones. To develop the maintenance engineering and building material industries. To exploit and process bauxite. To complete the construction of the Yaly Hydropower Plant.

To build a number of concentrated industrial zones. To develop intra-regional roads and those linking Vietnam with Laos and Cambodia. To pay attention to building irrigation systems, especially hydropower dams and reservoirs in connection with the system of canals of concentrated manufacturing zones. To combine road construction with completion of irrigation works, bridges, sewage works, and other

projects in service of the people's livelihood and production. To develop a safe and fast telecom network. To build commercial centres in cities and towns for exchanging goods with other regions and Laos, Cambodia and Thailand. To build tourist centres in Đan Kia, Suối Vàng (Golden Stream), Lắk Lake, and Buôn Đôn. To design tourist routes with the region and with other regions. To build border gates. To upgrade and build schools, clinics, hospitals and recreational amenities for local people.

To pay special attention to the education and training branch. To upgrade Central Highlands University and Đà Lạt University. To build more health care establishments. To start the construction of new economic zones according to planning.

To improve the people's educational standards and train local human resources. To continue mobilizing capital, distributing the population and labour force according to plans.

11.5. The Eastern part of the South and Southern key economic zone

To strengthen the oil and gas exploiting industry and energy industry. To push up the production of fertilizers and chemicals from oil and gas. To develop high-tech industries. To develop rigorously industries in provinces while avoiding overconcentration of industrial establishments in large urban centres. To encourage investments in 32 licensed IZ's and export-processing zones. To build a high-tech zone in Hồ Chí Minh City. To build complete infrastructure and help bring industrial zones into operation in an effective manner.

To continue building Hồ Chí Minh-Đồng Nai-Vũng Tàu Highway and Hồ Chí Minh City-Long Thành Highway and

upgrade Highway No 22. To complete the building of Highways No 50, No 1, and build Highway N1 linking the Eastern part of the South with the Mekong River delta. To upgrade the Saigon port, build the Thị Vải port and upgrade the existing river ports. To improve Hồ Chí Minh City's railway links and consider the building of railways from Hồ Chí Minh City to Vũng Tàu, Phnom Penh, Western part of the South and the Central Highlands. To upgrade and build water drainage systems in large cities and industrial zones. To push up the construction of satellite cities adjoining the industrial zones around Hồ Chí Minh City. To modernize Tân Sơn Nhất airport.

To develop forestry and grow forests in waste land and on bare hills, mostly in Bà Rịa-Vũng Tàu and Đồng Nai provinces. To speed up the growing of coastal protective forests. To preserve the mangrove forest of Cần Giỏi District, Hồ Chí Minh City, and that of Bà Rịa-Vũng Tàu province. To pay special attention to developing forests that provide materials for producing paper, national forests and Trị An upstream forest.

To make full use of soil for development of industrial crops such as rubber, coffee, cashew nuts, sugarcane and cotton, fruit trees, and trees that provide material for producing paper. To consolidate residential areas near the areas for intensive growing of coffee and rubber so as to attract labour force from the Mekong River Delta.

To develop aquaculture, and fishery processing and services. To establish large-scale commercial centres according to regional standards. Apart from big tourist and service centres in Hồ Chí Minh City, to develop sea tourism and services in Vũng Tàu, Côn Đảo and Mũi Né. To build satellite cities around Hồ Chí Minh City and Biên Hoà.

To promote the role of industrial, scientific, cultural and service (regarding commerce, export, telecommunications, finance and banking) centres in Hồ Chí Minh City and its vicinity. Later on, to turn such centres into ones of regional significance.

11.6. *Mekong River Delta*

To make full use of this biggest food, vegetable, fruit and marine product producing zone of the country.

To increase the areas of growing such products, their productivity and quality in pair with developing services and processing industries for agricultural, forestry and fishery products for export.

To improve the infrastructure, first of all, the road systems linking waterway traffic systems. To upgrade National Highway No 1 and build Cần Thơ bridge. To open more routes in order to reduce traffic jams.

To dredge rivers, especially the Định An, Tiền, and Trần Đề estuaries. To upgrade and build a number of river ports. To upgrade local airports.

To upgrade the highways leading to provincial towns and open more roads along the Southwestern border. To build roads in rural areas and eliminate bamboo foot-bridges. To work out measures for minimizing consequences of floods, protecting the environment and ecology, and building houses in flood-prone areas.

To upgrade and build water supply and drainage systems in the urban areas and industrial zones. To implement the programmes of supplying clean water, protecting the rural

environment, and dealing with pollution in populous areas and along canals.

To develop the food processing, garment, textile, footwear, cattle feed processing, engineering, construction material and chemical industries. To develop the existing industrial zones. To start the construction of industrial establishments using liquid gas in the southwest. To build industrial zones in suitable localities.

To keep rice-growing areas stable. To pay special attention to intensive farming. To study ways to change farming seasons of some crops so as to avoid floods or droughts. To develop the areas growing special rice strains and high-yield short-term industrial crops. To concentrate efforts on making full use of the Long Xuyên quadrangle, Đồng Tháp Mười, the Eastern part to the Hậu River, and Cà Mau peninsula.

To recover coastal protective forests. To preserve cajuput and nipa palm areas. To protect the mangrove forests and protective forests in the Bảy Núi area. To build and consolidate sea dykes in the east and the west of the delta, salinization preventing works and irrigation works in service of aquaculture. To develop the raising of high-quality marine products for export such as shrimps and crabs so as to contribute 50% to the country's export output from marine products.

To promote the economic strengths of Phú Quốc and Thổ Chu Islands. To bring into play the economic and cultural role of Cần Thơ city in the region. To build and upgrade schools, hospitals and cultural houses. To upgrade Cần Thơ University and establish universities in the provinces enjoying favourable conditions. To heighten the people's educational standard and

train local human resources so as to meet the requirements for development of the region. To start building commercial centres in the region's cities and towns. To take advantage of its geographical features for rapid development of fruit-garden tourism, eco-tourism, and sea and island tourism in a close link with Hồ Chí Minh City, the economic hub in the South, and the tourist routes to the Central Highlands and the Eastern part of the South.

12. Combining socio-economic development with consolidation of national defense and security

Combining socio-economic development with consolidation of national defense and security is an essential task as regional and global economic competition and integration are going on in the next decade.

The above-mentioned task is to be fulfilled during the planning for socio-economic development and in the implementation of 5-year and annual plans in various branches, sectors, areas and localities.

National defence and security works built for various economic sectors, economic zones, especially key zones, coastal areas, border areas and other special economic zones must conform with the plans for economic development in each branch and locality. Such works can be used to defense national sovereignty and security when necessary. To consider the building of necessary military industrial establishments which can serve both national defense and security and economic development.

To strongly encourage military industrial establishments and the armed forces to engage in socio-economic development tasks. To consolidate economic hubs and important localities in

terms of national defense and security so as to ensure rapid and sustainable development of the economy in any circumstance.

V. ORIENTATIONS FOR MECHANISMS AND POLICIES, AND MAJOR MEASURES FOR IMPLEMENTATION OF THE 2001-2005 PLAN

1. Continuing to implement the policy of a multi-sector socialist-oriented economy and create favourable conditions for enterprises and individuals to invest in, and develop production and business

In the 2001-2005 period, to revise and supplement the mechanisms, policies, laws and guidance concerning the implementation of the above-said policy for sustainable development, cooperation and healthy competition of all economic sectors, which really serves as constituents of the socialist-oriented market economy.

To complete basically the reorganization and reform of State-owned enterprises, raise their efficiency and competitiveness, and consolidate their leading role in the national economy.

To ensure SOE's self-determination in their production and business. To separate State ownership of State agencies from the rights to production and business of SOE's. To abolish the regime of management administrative agencies. To turn part of SOE's into limited liability or joint-stock companies. To make intensive investments in, and renovate technologies for enterprises of important sectors and industries such as essential means of production manufacturing industries or high-tech ones. To improve the performance of public service SOE's.

The equitization of SOE's is to be basically completed and the State will not need to hold 100% of their capital. Employees should be given the first refusal in buying shares in equitized enterprises. Share sales to domestic and overseas investors should be increased. To continue the sale, contracting and leasing of small-sized SOE's which the State does not need to own or which cannot be equitized. To merge, disintegrate or allow the bankruptcy of SOE's which are loss-making and cannot apply the above-mentioned measures. To introduce policies for settlement of outstanding debts and redundancy caused by the reorganization of SOE's.

To perfect the organization and raise the efficiency of general corporations and their affiliates which trade in one specialized item of goods and other additional ones. To mobilize capital from various sectors and establish strong groups in some important sectors and industries of the national economy such as telecommunications, aviation, and oil and gas.

The State is to enforce policies on encouraging the development of the collective economic sector. To complete the restructuring of cooperative and revise the Law on Cooperatives and make it more suitable to the new situation. To develop various forms of cooperatives.

To encourage the establishment of joint-ventures between cooperatives and SOE's or private enterprises. To work out guidelines for training cooperative personnel.

To encourage the vigorous development of *individual, small-sized and private enterprises*. To respect citizens' right to business as stipulated by the law so as to bring into full play the internal resources and develop production forces. To revise and

supplement the existing laws so as to ensure equality of opportunities for all organizations, individuals and economic sectors. To clear up all forms of discrimination and ensure equality of access to capital, land, labour and technology for various economic sectors in their production, business, import and export. To promote the positive effects of the Law on Enterprises and draft a law to be applied to all kinds of enterprises in various economic sectors. To perfect the existing mechanisms and policies for encouraging small- and medium-sized enterprises and the farm economy.

The foreign-invested sector is to be encouraged to develop and serve as a constituent of the national economy.

To encourage foreign organizations and individuals and overseas Vietnamese to invest in Vietnam, especially the country's export and high-tech product manufacturing industries. To harmonize the laws, policies and conditions applied to foreign-invested and domestic enterprises.

To create a legal framework for Vietnam's investment in other countries so as to make use of its comparative advantages.

2. Shaping market elements

To promote the uniform formation of various kinds of markets in parallel with creating a legal framework which should ensure the management and supervision of the State. To pay special attention to marketing and market organization. To create favourable conditions for enterprises and individuals to get access to markets, win contracts, self-determine and take responsibility for their business.

To minimize the administrative intervention of State agencies in enterprises' business activities. To follow the principles of publicity and transparency in business doing. To strictly abide by the Law on Enterprises. To revise and supplement the Law on Bankruptcy of Enterprises. To fight against undue privileges and market cornering. To promulgate the Law on Competition and Monopoly Control in Business in accordance with the present circumstances in Vietnam.

To develop capital and monetary markets in various suitable forms including the banking system, non-bank financial institutions, insurance companies, investment funds and investment guarantee funds so as to mobilize various sources of capital and increase long-term and medium-term ones. To reduce dramatically capital and credit subsidies. To reform the system of commercial banks. To separate the function of credit provision and policy-making of State-owned commercial banks from their business functions. To involve State-owned commercial banks in competition. To make the entire system of joint-stock and State-owned commercial banks transparent. To modernize and renovate the technologies of the banking system. To push up IT application in the financial banking system and make the system reach the average standard of the region. To start the operation of stock markets and gradually expand its scope.

To continue completing the legal framework and policies so as to *enlarge the labour market* and offer citizens equality in opportunities of and accesses to training and employment. To encourage labourers to take up more study, training and find jobs for themselves. To ensure flexible changes of jobs for labourers of the State sector. To encourage all economic sectors to engage in vocational training, job promoting and labour export. To work

out proper policies on attracting talents and qualified workers both at home and abroad. To revise and supplement the Labour Code along the direction of responding to changing realities, encouraging employers to create more jobs, facilitating the movement of labour and seeking job opportunities at home and abroad.

To boost the export of labourers, especially those who have undergone training. To mobilize all resources for strong development and modernization of the vocational training branch so as to meet market requirements and make use of scientific and technological advances.

To reform the social insurance system and offer employees equality in access to social insurance. To deal properly with claims concerning the rights of employees and employers.

To develop real estate markets, including land use rights ones. To facilitate transfer of land use rights. To provide citizens and enterprises of various economic sectors with more opportunities to acquire land easily and use it on a long-term basis for production and business. To calculate exactly the value of land, use effectively the land resources of State-owned enterprises, State agencies and armed forces. To prevent wasteful or ineffective use of land. To complete the registration and granting of certificates of land use rights and house ownership throughout the country, first of all, in big cities. To facilitate accumulation and concentration of farm land in advantaged regions. To revise the regulations concerning transfer of land use rights and house ownership. To push up sales of State-owned houses in cities and expand the modes of real estate trading. To solve disputes over the rights to use farm land, residential land and houses. To work out policies on farm land and jobs for farmers.

To open gradually real estate markets for overseas Vietnamese and foreigners. To devise plans of land use, especially in cities, in the direction of civilization and modernity; publicize such plans and help enterprises and citizens implement them.

To develop *markets of services* for science and technology, law consultancy, management consultancy, intellectual products, finance and money, and insurance. To accelerate the application of e-commerce. To encourage overseas Vietnamese to engage in the above-mentioned service markets.

3. Raising the effectiveness of macro-management tools and policies; continuing to build and complete the legal system

To *renovate the practice of planning*, strengthen the orientational and predictive capabilities of planning and attach it to the market. To better the communication and forecast system in service of planning, which is to be closely linked with mechanisms and policy. To enhance the sense of responsibility and coordination among ministries, branches and echelons in devising plans and supervising implementation thereof. To renovate the content of plans and the mode of devising and implementing them along the direction of bringing into full play internal strength and the potentialities of various sectors and localities and utilizing external resources. To publicize the socio-economic strategy, master plan and development plan which serve as the basis for drafting plans for branches, echelons, and production plans for enterprises. To figure out proper development orientations for each economic zone so as to make full use of local potentialities.

To adjust *the State's investment policy* along the direction of increasing investments in developing human resources, building

infrastructure, and facilitating economic and labour restructuring. To encourage enterprises of various economic sectors to invest in production and business so as to improve the socio-economic efficiency of State investment.

To continue eliminating State subsidies in development investment. To focus State budget allocations on socio-economic infrastructure and the projects whose capital is difficult to be recovered. To increase investments in disadvantaged areas, national target programmes and the State's key economic programmes.

To mobilize various sources of capital for projects of developing production and business in a proper manner. The State is to be responsible for financing projects in prioritized branches, fields and regions in specific periods.

To *raise the effectiveness and renovate the mechanism of State budget management* along the direction of practising thrift and increasing the responsibilities and rights of the National Assembly and the People's Councils at different levels in deciding on, and spending budget allocations in an open and transparent manner.

To continue reforming the tax system aimed at sustaining revenues. To harmonize interests of the State and enterprises with those of the population. To boost production and ensure social equality. To carry out the third-stage tax reform along the direction of reducing taxes and the proportion of indirect tax collection and applying new taxes such as those on income or real estate. To fulfil our international commitments concerning tax cuts. To renovate the mode of fee collection through the budget and that of tax collection. To streamline administrative

procedures. To ensure proper and accurate collections into the State budget. To fight against losses in tax collection and against undue collections. Tax offices are to be in charge of supervising such collections and dealing with violations thereof.

To renovate the policy and structure of spending the State budget. To eliminate the subsidies for State-owned enterprises through the State budget and other policies. To link renovation of the policy of State budget spending with socialization of education, training, health care, culture and sports. To strengthen measures for economizing State budget expenditure.

To enhance the control over debts, especially foreign ones. To deal with debts of SOE's. To renovate the organization and operating mechanism of State funds for assisting production and business along the direction of shifting from preferential advances to business. To renovate the existing regimes of accounting, auditing, financial inspection, reporting and information exchanges. To make enterprises' operation transparent with regard to their finance. To draft a law on managing the State's capital and property. To apply scientific and technological advances to financial management. To improve financial publicity and the quality of accounting and auditing practices and apply gradually international standards to these practices. To set up a mechanism for financial monetary supervision so as to ensure national financial security, control capital flows, borrowings and debt payments and improve financial publicity. To raise the legal effectiveness and quality of State auditing which serves as a strong tool of the State.

To work out a monetary policy and implement it so as to ensure macro-economic stability, check inflation, boost production and consumption, attract development investments

and ensure high growth rates and sustainable development of the national economy. To revise the monetary policy along the direction of employing indirect policies. To implement policies on exchange rates, interest rates and other relating subjects for an extended market in accordance with demand and supply. To raise gradually the convertibility of the Vietnamese currency, first of all, to be applied to current accounts. To strengthen the role of the State Bank in monetary management and supervision of credit activities. To better the Bank's organization, status and personnel.

To accelerate the designing and completion of a legal framework suitable for the socialist-oriented market economy. To revise and supplement the existing laws in accordance with the requirements for the implementation of socio-economic strategies and those for international economic integration, especially the Trade Law, Law on Bankruptcy of Enterprises, Labour Code, Law on Credit Institutions, Law on the State Budget, and the Land Law.

To draft the (revised) Law on Enterprises by integrating the Law on State-owned Enterprises and the existing Law on Enterprises and the revised Investment Law by integrating the Law on Foreign Investment in Vietnam and the Law on Encouragement to Domestic Investment. To build a law on competition encouragement and control over monopoly in doing business. To renovate and perfect the law-building process and pay special attention to disseminating laws and strictly enforcing them.

4. Proactively integrating into the international economy and expanding external economic ties

To continue the open-door policy and proactively integrate into the world economy for further development. To prepare

economic, institutional and personnel conditions for successful integration on the basis of taking advantage of internal strength, ensuring national independence, self-determination, equality and mutual benefit. To fulfil commitments during the process of integration, first of all, those of a roadmap for tariff cuts. To implement the protectionist policy with specific subjects, conditions and terms suitable for the integration process. To fulfil commitments with bilateral and multilateral cooperation mechanisms and pay special attention to commitments within the framework of ASEAN (such as AFTA, AICO and AIA), APEC and ASEM. To speed up negotiations to join WTO.

Each branch and enterprise must work out for itself plans and measures to fulfil international commitments, increase competitiveness on domestic and international markets, expand shares in traditional markets and open new markets.

The State is to encourage enterprises of all economic sectors to engage in importing and exporting the items permitted by the law, including services. The State is to encourage the export of items that enjoy comparative advantages by means of running funds for credit assistance, taking measures to ensure export credit guarantee, providing information, finding customers, and helping enterprises take part in exhibitions and fairs. To make further investments in research, production, processing, transport and marketing so as to raise product competitiveness, reduce the proportion of raw exports and increase the number of exports and export volume of processed and manufactured items of high added value. To streamline administrative procedures. To reduce transactional costs for import-export activities.

To devise a strategy for attracting foreign direct investments and utilize official development aids. To study ways for applying

a unified legal framework to domestic and foreign-invested enterprises.

To encourage and help Vietnamese enterprises and individuals to invest in foreign countries.

5. Policies on developing human resources, education and training, and science and technology

To increase investments in developing human resources through improvement of the education and training branch, and science and technology. To ensure the quality and quantity of human resources meeting the ever higher requirements of national industrialization and modernization. To help the education branch work in a healthy pedagogical environment and reach regional and international standards. To renovate the policies on training, using and treating intellectuals and honouring talented people. To pay special attention to making use of the intellectual potential of overseas Vietnamese. To facilitate expansion of exchanges and international cooperation in science and technology.

To renovate the financial mechanisms and policies designed for education and training. To mobilize domestic and overseas resources. To encourage all economic sectors to invest in developing education at all levels. The State budget is to be focused on universalized education in rural and mountainous areas. To promote vocational training at schools. To support establishment and expansion of funds for learning encouragement in various branches, localities and associations. To continue granting students credits. To boost the training of workers and technicians so that they can meet the requirements of society.

To strengthen the potentialities of science and technology and increase their contributions to socio-economic development. To renovate the mechanisms of investing in, and managing the branch. To mobilize all sources of capital at home and abroad for full utilization of the branch in service of production and people's livelihood. To assist the import of new and important technologies and the application of them. To create favourable conditions for scientific agencies, universities, enterprises of all sectors and individuals to carry out research and have the rights to intellectual property, publication, exchange and transfer of their research results in accordance with the law. To revise the regulations on technological transfer along the direction of streamlining administrative procedures, reducing taxes (especially the income tax imposed on highly-experienced Vietnamese and foreign experts), and cutting down on the transactional costs of technological transfers.

To increase properly the investment from the State budget and utilize all resources for researches into information technology, bio-technology, new material technology and selected fundamental sciences. To facilitate the use of the Internet and adjust the Internet access fees so as to help individuals and enterprises tap technological and market information across the world. To work out measures for developing e-commerce and helping enterprises, especially those in remote areas, get easier access to customers and markets, including overseas markets. To set up credit funds and investment assistance funds to be financed by the State budget and financial and credit institutions. Such funds are to help the launching of new products and services thanks to the application of scientific and technological advances.

To develop markets for science and technology. To complete the legal system for protecting intellectual property rights. To

encourage technological transfer and create markets for scientific and technological labour. To introduce policies on boosting the application of scientific and technological advances to all socio-economic fields. To renovate the management of the science and technology branch and the environment from Central to local echelons.

To introduce policies on encouraging enterprises to carry out their own research and applying research results to their production and business. To facilitate coordination between universities and institutes in doing research, transferring technologies and in training. To put on experiment new models of training with collaboration between training establishments and enterprises with finance from the State budget and enterprises. To work out policies on encouraging enterprises to apply international standards of quality control.

To renew the mechanisms and policies on culture, physical education and sports. To work out proper policies for different fields such as museums, cinemas and culture and those on effective use of State investments in, and contributions of society to promoting an advanced Vietnamese culture imbued with national identities. To advocate strongly movements of physical exercises and sports among the population and train a contingent of sports athletes who can record excellent achievements.

6. Continuing to renew social and environmental policies

To work out a proper policy on offering citizens, enterprises and investors equality in opportunities and equality before the law in their production, job creation and access to economic and market information. To honour people who enrich themselves in

a lawful way in parallel with fighting against illegal rich-making, corruption and trade fraudulence.

To change radically the salary system and institutionalize various kinds of incomes. To publicize incomes, regulate high incomes, perfect the salary and income policy. To reform the mechanism of social insurance and strengthen the quality of the social insurance branch. To provide fundamental social services for the population, especially the poor, and for disadvantaged areas. To promulgate the Law on Social Insurance.

To intensify State assistance and develop "gratitude" funds and other funds of society for taking care of people with meritorious services, beneficiaries of preferential State policies, and victims of wars and natural calamities.

To reform the State budget spending on social insurance and raise its effectiveness. To institutionalize policies on poverty reduction and hunger eradication and implement them well.

To continue the fight against social evils, especially drug-abuse and traffic accidents.

To better the environmental management in key economic zones and populous areas. To integrate plans for environmental protection with these for socio-economic development. To link the objectives of environmental protection with those of improving the living standards of the population. To intensify investments in preventing environmental incidents and dealing with pollution, first of all, waste water and solid waste from large hospitals. To study ways for recycling waste and introducing cleaner technologies into production. To strengthen the capability of forecasting weather, storms, floods, and earthquakes. To minimize repercussions of natural calamities.

To build a legal framework and policy on protection and improvement of the environment along the direction of linking economic policies with environmental ones. To draw the participation and contribution of all walks of life, enterprises and social organizations to environmental protection. To implement the environmental related regulations and policies, especially the policies on environmental taxes and fees and environmental funds.

7. Accelerating administrative reform and building a strong and transparent State machinery

State administrative reform is essential for any success of the renovation process in the 2001-2005 period. To reorganize the State machinery along the direction of streamlining it and making it transparent so as to have sufficient capabilities in service of the people, enterprises and investors. To intensify discipline and personal responsibility. To pay special attention to cadre training and fostering. To figure out measures for checking bureaucratism and insufficient democracy. To deal with civil servants who violate the Party's regulations and the State's laws. To separate the system of administrative agencies from that of non-business ones and apply proper financial mechanisms to them.

To publicize the content, mechanisms and modes of supervision by competent authorities, mass organizations and people over the observance of State laws and policies. To publicize the State's lines and regulations. To implement the regulations on democracy at the grassroots level so as to hold back bureaucratism and corruption. To abide by the regulations on receiving citizens at State agencies. To improve the legislation and effectiveness of the supervision of the National Assembly.

To carry out comprehensive decentralization among various State administrative agencies on the basis of linking responsibilities with rights, and duties with interests.

Decentralization and work delegating (assignment of responsibilities) must be linked with that of finance and policy. To intensify the coordination between planning and regulating mechanisms, policies and programmes. To modernize information systems and management methods. To strengthen the reliability and expeditiousness of reporting between agencies and echelons. To enhance supervision over the implementation of promulgated policies and mechanisms.

To push up the fight against corruption.

To reform the legal system. To ensure the democratic rights of citizens and strengthen legal supporting agencies. To facilitate citizens' supervision over State agencies' operation. To deal strictly with corrupt cadres, regardless of their status.

To devise plans for training and retraining of civil servants. To implement the policy of cadre appointment and cadre rotation. To help cadres improve their professional standards and become better aware of people's needs. To streamline the administrative machine.

To work out policies on assisting redundancies. To renovate and consolidate the agencies that help with the State's policy-making. *To encourage organizations* to work for the needs and interests of people instead of working for profits. Such organizations can be entrusted by the State with some tasks or can provide services while subjected to the community's supervision. Thereby, the State can focus on the fulfillment of more important tasks.

STRATEGY FOR SOCIO-ECONOMIC DEVELOPMENT IN THE PERIOD 2001-2010

*(Presented by the Party Central Committee, 8th
Tenure, at the 9th Party Congress)*

The 7th Party Congress endorsed the 1991-2000 Strategy for Socio-Economic Stabilization and Development. The 9th Congress is to evaluate the implementation of that Strategy and decide upon the Strategy for Socio-Economic Development during the first decade of the 21st century- *Strategy for accelerating industrialization and modernization along the socialist line, laying the foundations for ours to become by 2020 basically an industrialized country.*

I. SITUATION OF THE COUNTRY AND INTERNATIONAL CONTEXT

1. Evaluation of the implementation of the 1991-2000 Socio-Economic Strategy

The implementation of the ten-year 1991-2000 Strategy started at a time when our economy was undergoing certain positive changes, but our country had not come out of the socio-economic crisis; the socialist regime in the Soviet Union and Eastern Europe had broken down; the US continued its blockade and embargo against our country; hostile forces were trying acts

of sabotage against us in many fields; and during the last years of the 1990s, our country was adversely impacted by the regional financial-economic crisis and heavily damaged by consecutive natural calamities in many areas.

Despite numerous difficulties and acute challenges, the implementation of the 1991-2000 Strategy has in general recorded **great and very important achievements**:

- 1- After the initial years' implementation of the Strategy, the country has come out of the socio-economic crisis. After 10 years, Gross Domestic Product (GDP) has more than doubled (2.07 times). Domestic savings, once negligible, have by 2000 accounted for 27% of GDP. Once beset with a serious scarcity of goods, we can now produce enough to satisfy the essential needs of the population and the economy, increase exports, and have some reserves. The social and economic infrastructures have developed rapidly. The economic structure has made a positive shift. In GDP, the share of agriculture has dropped from 38.7% to 24.3%, that of industry and construction has risen from 22.7% to 36.6%, and that of services, from 38.6% to 39.1%.
- 2- The production relations have experienced a change, better corresponding to the development level of the productive forces and promoting the formation of a socialist-oriented market economy. The State economic sector has played a leading role in the economy; State enterprises have been partially restructured, gradually adapted to the new mechanism, with major corporations set up in many key fields. The collective economic sector has undergone change and developed diversely in new modes. The household economy has exerted a very important effect on agricultural

the individual, private and foreign-invested economic sectors have developed quickly. The management and distribution mechanisms have seen many innovations, meeting the socio-economic development needs.

- 3- Once suffering from blockade and embargo, our country has now developed economic relations with almost all countries, joined and played an increasingly active role in many international and regional economic organizations, and embarked on proactive, gradual and efficient integration into the world economy. The export value's growth rate has nearly tripled that of GDP. A fairly large amount of external capital has been attracted, plus many advanced technologies and managerial experiences.
- 4- The material and spiritual life of the population has been markedly improved. The people's educational level, the quality of human resources, and social dynamism have been raised considerably. The targets related to nationwide illiteracy eradication and primary education universalization have been fulfilled; junior secondary education universalization has started in a number of cities and lowland provinces. University and college enrolments have increased sixfold. Vocational training has been expanded. Our scientific research capacities have been enhanced, and many advanced technologies applied. Cultural and information activities have developed extensively and improved qualitatively.

Annually, over 1.2 million new job opportunities have been created. The proportion of poor households (by Vietnamese standards) has dropped from over 30% to 10%. Attention and care have been given to persons with meritorious services to the country. The yearly natural population growth rate has

decreased from 2.3% to 1.4%. The average life expectancy has increased from 65.2 to 68.3 years. Much progress has been registered in child protection and care, community health care, and epidemic prevention and control. The physical training movement has developed; and the records in sports prevention and contests at home and abroad have been improved.

Given the many difficulties facing the economy, the achievements and progress in the cultural and social fields represent a tremendous endeavor of our entire Party and people.

- 5- Together with the great efforts of the people's armed forces in national construction and defense, the achievements in socio-economic development have engendered conditions for enhancing potential, consolidating the all-people defense and people's security, firmly maintaining national independence, sovereignty, unity and territorial integrity, and ensuring political stability and social order and safety.

In general, most of the main targets set by the 1991-2000 Socio-Economic Strategy have been fulfilled. The economy has made a new step forward in terms of productive forces, production relations and international economic integration; the people's material and spiritual life has been markedly improved, constant progress has been registered in the cultural and social fields; the country's vantage position and strength are definitely better now than they were 10 years ago; its capacities for independence and autonomy have been enhanced, and more conditions have been created for accelerating industrialization and modernization.

Those achievements originate from the judicious renewal policy of the Party and the efforts and progress in State management that, together, have brought into play the decisive factor which is the steadfastness, dynamism, creativeness and endeavor of our people.

However, the recorded achievements and progress are not enough for us to rise above the state of an underdeveloped country, and are yet to match the country's potential. Our economic development level still falls far below the average world standards, and below many neighboring countries. There remain in the socio-economic realities **weaknesses and inadequacies, as follows:**

- 1- The economy's efficiency is inadequate, its competitiveness meager. Domestic savings and domestic purchasing power are low. The economic restructuring geared to industrialization, modernization and production-market linkage has been slow; there remain many irrationalities in the investment structure. State subsidy and protection are still heavy. There remain losses and waste in State investments. Foreign direct investments have dropped drastically. The economic growth rate has declined over recent years only to see a rise in 2000 but still below the 1990s average level.
- 2- The production relations are inappropriate in certain respects, restraining the release and development of productive forces. Notable changes are still lacking in the renewal and development of State enterprises. The collective economic sector has been slow to develop; the restructuring of cooperatives under the related Law has been perfunctory in many places, and its efficiency low. Other economic sectors have not fully deployed their capacities, not enjoyed genuine

equality, and not felt assured while making business investments. The management mechanisms and distribution policies in many aspects have still contained irrationalities, failing to motivate thrift, productivity increase and development investment; the rich-poor gap has widened rapidly.

- 3- There remain elements of uncertainty in the macro-economy. The financial, banking and planning systems have been slow to change, their operations limited qualitatively; the investment and business environment is still laden with obstacles, failing to enable and help the various economic sectors to develop production and business.
- 4- The quality of education and training is still poor, the training structure inappropriate, and the teaching, learning and examination processes are fraught with negative practices etc. Science and technology are yet to become an actual generator of socio-economic development. Serious insufficiencies still beset the material bases of the health, education, scientific, cultural, information and sports sectors. The renewal of the management mechanisms and the popularization of operations in these fields have been slow.
- 5- The life of a segment of the population is faced with many difficulties, especially in mountain, hinterland, and natural calamity-prone areas. Unemployment and underemployment rates remain high. Many social vices are yet to be checked. Drug abuse, prostitution and HIV/AIDS infection tend to be expanding. Traffic accidents are on the rise. The living environment is increasingly polluted.

The aforesaid weaknesses and inadequacies result partly from objective conditions, but mainly from the shortcomings in leadership, guidance and regulation, notably the following:

The organization for implementation of Party resolutions and State laws and policies has lacked rigor, effectiveness and efficiency. Leadership, guidance and regulation, somewhat lacking responsiveness, have failed to take advantage of opportunities. The Party's leadership and the State's managerial and regulatory functions at different levels have not been distinctly delineated and fully promoted. The principle of democratic centralism has not been properly observed, collective responsibility not clearly defined, the role of the in-charge individuals not upheld, and discipline not strict.

A number of viewpoint issues, such as those related to ownership and economic sectors, the role of the State and the market, the building of an independent and autonomous economy, international economic integration, etc. have not been clarified, thus failing to ensure uniform perception and thorough execution, leading to hesitation, inconsistency and delay in the designing of decisions, policies and institutions, and impairing the renewal process and the organization for implementation.

Administrative reforms have been slow and irresolute in building and perfecting institutions, enhancing apparatuses, raising the capacity of public officials and employees, as well as making this contingent wholesome.

There are many weaknesses and inadequacies in the ideological, theoretical, organizational and personnel work. Practical reviews and theoretical studies have failed to keep abreast of requirements. The organizational apparatuses are cumbersome, overlapping and short of effectiveness and efficiency. Not a small segment of public officials and employees has been degenerate and incapable. Undemocratic practices, bureaucratism, authoritarianism, corruption,

harassment at the expense of the people, and waste, are still grave, obstructing development and causing resentment among the population.

2. International context

The international context in the coming time will feature major opportunities intertwined with major challenges. The possibility of maintaining peace and stability in the world and the region allows us to focus efforts on the central task of economic development while requiring us to heighten vigilance and proactively cope with uncertain and complex eventualities. Directly affecting our country's socio-economic development in the 10 years to come are the following trends:

Science and technology, especially information and biological technologies, will continue their frog leaps, increasingly becoming direct productive forces, driving the development of the knowledge-based economy, accelerating economic restructuring, and causing profound changes in the various fields of social life. Knowledge and intellectual property ownership will play an ever more important role. Mastery of information and knowledge is decisive to development. Ever shorter cycles of capital flow and of technology and product innovation, and ever changing business conditions in the world market require from nations and enterprises a high degree of sensitivity and adaptability. Developing countries, ours included, have opportunities to narrow the gap with developed countries and raise their status; at the same time, they are faced with the danger of falling further behind unless they can seize opportunities, surmount weaknesses and surge ahead.

Economic globalization is an objective trend, involving different countries and almost all fields, promoting cooperation while increasing competition pressure and interdependence among various economies. Bilateral and multilateral relations among nations become increasingly intensive and extensive in economy, culture, environmental protection, and control of crimes, natural disasters and epidemics alike. Transnational corporations continue their restructuring, establishing giant groups dominating many economic domains. The rich-poor gap among nations is widening.

Economic globalization and international economic integration constitute a process of cooperation for development on the one hand, and complicated struggle on the other, especially the struggle of developing countries in defense of their interests, for an equitable international economic order, against unreasonable impositions by economic powers and transnational corporations. For our country, the process of international economic integration in the coming period is to make a new step forward associated with the discharge of our international commitments, requiring of us efforts to raise the efficiency, competitiveness and capacity for independence and economic autonomy, and participate effectively in the international division of labor.

The Asia-Pacific region remains the one of dynamic development, where China plays a growing role. After the financial-economic crisis, many ASEAN and East Asian countries are regaining their development momentum with new competitive capacities. This creates for us enabling conditions in economic development cooperation, while increasing competition pressure in and outside the region alike.

II. STRATEGIC GOALS AND DEVELOPMENT APPROACHES

The country's situation and the international context require that our entire Party and people bring into full play the spirit of revolutionary attack, continue accelerating the renewal process, promote the aggregate strength of the entire nation, and advance the country rapidly and firmly along the socialist line. Otherwise, we would fall further behind neighboring countries in economic development, thus directly affecting the people's trust, socio-political stability and national security.

1. Strategic goals

The overall goals of the ten-year 2001-2010 Strategy are:

To bring our country out of underdevelopment; improve noticeably the people's material, cultural and spiritual life; and lay the foundations for making ours basically a modern-oriented industrialized country by 2020. To ensure that the human resources, scientific and technological capacities, infrastructures, and economic, defense and security potential be enhanced; the institutions of a socialist-oriented market economy be basically established; and the standing of our country on the international arena be heightened.

The specific goals of the Strategy are:

- To ensure that by 2010, GDP will have at least doubled the 2000 level. To increase visibly the efficiency and competitiveness of products, enterprises and the economy; to better meet essential consumption demands, and a considerable part of production and export demands. To ensure macro-economic stability, a sound international payment balance and growing foreign exchange reserves; to keep budget deficits,

inflation and foreign debts within safe limits to effect positively economic growth. Domestic savings are to amount to over 30% of GDP. Exports growth rate is to be more than double that of GDP. Agriculture is to account for 16-17% of GDP, industry 40-41%, and services 42-43%. Agriculture labor is to drop to around 50% of the workforce.

- To raise substantially our country's Human Development Index (HDI). The population growth rate is to have dropped to around 1.1% by 2010. To eliminate the category of hungry households, and reduce quickly the number of poor households. To solve the employment issue in both urban and rural areas (to reduce urban unemployment rate to below 5% and increase utilized worktime in rural areas to about 80-85%); to raise the trained labor ratio to around 40%. To ensure schooling to all school-age children; to accomplish junior secondary education universalization nationwide. To provide medical treatment to patients; to reduce (under-five) child malnutrition to around 20%; to increase the average life expectancy to 71 years. To raise noticeably the quality of life in material, cultural and spiritual terms alike, in a safe and healthy social environment; to protect and improve the natural environment.

- To ensure our endogenous scientific and technological capacities in the application of modern technologies, in approaching to world standards, and developing on our own in a number of fields, particularly information, biological, new materials and automation technologies.

- The infrastructures are to meet demands of socio-economic development, national defense and security, and to make a step forward. The communications system is to be smooth and safe all the year round, and partially modernized. The rural

communications network is to be expanded and upgraded. The crucial dyke systems are to be fortified, the water conservancy systems developed and most of them solidified. Electricity, telephone, other basic postal and telecommunication services, dispensaries, solidly built schools, cultural and sports facilities are to be available to most communes. To ensure basically the physical conditions for primary and secondary schoolchildren to learn all-day at school. To provide enough hospital beds to patients.

- The leading role of the State economic sector is to be enhanced, governing key domains of the economy; State enterprises are to be renewed and developed, ensuring production and business efficiency. The collective economic sector, the individual and small-owner economic sector, the private capitalist economic sector, the State capitalist economic sector, and the foreign invested economic sector are all to develop vigorously and durably. The institutions of a socialist-oriented market economy are to be basically established and to operate smoothly and efficiently.

2. Development approaches

- To ensure rapid, efficient and sustainable development, economic growth is to go along with social progress and equity, and environmental protection.

To promote all resources for the rapid and efficient development of products, industries, and fields where our country possesses advantages, to meet domestic and export demands, to constantly raise competitiveness in domestic and foreign markets. To quickly increase social labor productivity

and improve growth quality. To rigorously practice thrift, combat waste, and raise savings for development investment.

The focal economic zones are to ensure higher than average growth rates, make major contributions to the growth of the entire country, and motivate and help other regions, especially those laden with difficulties, for common development.

To increase rapidly endogenous capacities in science and technology, to improve the quality and efficiency of education and training to meet the requirements of industrialization and modernization. To promote the efficient application of imported technologies. To embark promptly on modern technologies in key industries and fields to engender technological and economic leaps, and outstanding growth rates in main products and services. Industrialization is to be linked with modernization right from the beginning of the development process and in all of its stages. To augment the knowledge content in socio-economic development factors, gradually develop a knowledge-based economy.

To enhance the capacity of all individuals and enable them to exploit all their abilities, participate in the development process and enjoy the achievements it brings while upholding everyone's responsibility to help materialize the target of *a prosperous people, a forceful country, and an equitable, democratic and civilized society*, preserving and developing national culture, and checking social vices. To improve the quality of the people's life in terms of food, clothing, housing, travel, disease prevention and treatment, education, employment, information access, and cultural activities. To encourage the lawful collection of wealth while striving to eradicate hunger and alleviate poverty, create conditions in infrastructures and production capacities for

various regions and communities to develop on their own and eventually narrow the gap in economic, cultural and social development levels. To take practical care of gender equality and women's advancement, and particularly care of child development and advancement.

Socio-economic development is to be closely associated with environmental protection and improvement, to ensure harmony between man-made and natural environment, to conserve biodiversity. To proactively prevent and mitigate the negative impact of natural calamities and adverse climatic changes, and continue solving the remaining war consequences to the environment. Environmental protection and transformation are the responsibility of the whole society; enhancement of State management is to go along with raising of all citizens' sense of responsibility. To proactively incorporate environment improvement into every socio-economic development scheme, plan, program and project, regarding environment-related requirements as a major criterion for evaluating development solutions.

-To consider economic development as the central task, and the synchronized laying of foundations for an industrialized country as an urgent requirement.

By mobilizing the country's aggregate strength and combining internal resources with external ones, to focus on economic development to lay harmoniously foundations for a modern-oriented industrialized country in the following main lines:

To build the economic potential and material-technical bases responsive to the industrialization and modernization requirements, namely: socio-economic infrastructures; industries, high-tech industries, including major production means

industries, high-tech industries defense industries; a large-scale cash agriculture; basic services; scientific and technological potential. On the basis of combined socio-economic efficiency, for the immediate as well as long-term future, to implement essential infrastructure projects and build selectively a number of important and urgent heavy industrial establishments, eligible in terms of capital, technology and market, and likely to rapidly bear effect, meeting the requirements of economic development, defense and security.

To develop vigorously the Vietnamese human resources with increasing requirements.

To shape basically and operate smoothly and effectively the institutions of a socialist-oriented market economy with the State economic sector playing the leading role.

-To step up the renewal process, generate a driving force for releasing and promoting all resources.

To continue intensively, extensively and harmoniously with socio-economic and State apparatus renewal, geared towards the establishment and improvement of the institutions of a socialist-oriented market economy, in order to release and forcefully develop production forces, bring into play the material, intellectual and spiritual strength of the entire nation, and generate a driving force and resources for a rapid and sustainable development.

Industrialization and modernization represent an undertaking of the entire people, of all economic sectors among which the State economic sector plays the leading role. To focus efforts on lifting barriers and dismantling bottlenecks in order to awaken

the great potential among the population, stimulate entrepreneurs and all citizens to generate wealth for themselves and for the country. To continue improving the investment environment to better attract and efficiently utilize external resources. Internal resources are decisive, external resources are important, to be combined with each other into an aggregate synergy for national development.

- To closely link building of an independent and autonomous economy with proactive international economic integration.

Economic independence and autonomy provide the basis for efficient international economic integration. Efficient international economic integration creates the necessary conditions for building an independent and autonomous economy.

To build an independent and autonomous economy, meaning primarily independence and autonomy in the socialist-oriented development policy; step up industrialization and modernization, create sufficiently strong economic, scientific and technological potential and material-technical bases; ensure a rational, efficient and competitive economic structure; establish the institutions of a socialist-oriented market economy; maintain macro-economic stability; and ensure that the economy could stand firm and cope with complicated eventualities, facilitating the effective realization of international integration commitments.

To proactively integrate into the international economy, to seize all opportunities for development on the principles of firmly preserving independence, autonomy and the socialist orientation, national sovereignty and the national cultural

identity; equality and mutual benefit, cooperation in parallel with struggle; multilateralization and diversification of foreign economic relations; high vigilance at all maneuvers of sabotage by hostile forces.

In the process of proactive international economic integration, to pay attention to bringing into play advantages, improving quality and efficiency, constantly raising competitiveness and lowering protective barriers. To increase the efficiency of external cooperation; to enhance the role and influence of our country in the regional and international economies.

- To closely combine socio-economic development with defense and security.

To closely combine socio-economic development with the building of the potential and disposition of all-people defense and the people's security, to be reflected in socio-economic development strategies, schemes and plans of the whole country, different sectors and localities, and major investment projects. The building of material-technical bases is to be rationally apportioned among different regions of the country, promoting their socio-economic efficiency while serving national defense and security when necessary. To invest in socio-economic development and population settlement in crucial regions, frontier areas, border gates and islands in conformity with national defense and national security strategies. To complete the national defense and security strategies to suit the new situation, and to benefit socio-economic development and foreign economic relations expansion. To develop the defense industry and utilize its capacity for participation in socio-economic development. To attach importance to producing a number of goods for both economic and defense and security purposes.

III. SECTORAL AND REGIONAL ECONOMIC DEVELOPMENT ORIENTATIONS

A. SECTORAL DEVELOPMENT ORIENTATIONS

1. Agriculture, forestry, fishery and rural economy

1- To speed up agricultural and rural industrialization and modernization geared toward forming a large-scale commodity agriculture relevant to market demands and ecological conditions of individual regions; to transform the sectoral, occupational and labour structures, and generate labour-intensive jobs in rural areas. To rapidly apply scientific and technological advances to agricultural production, to attain advanced regional standards in technology and income per acreage unit; to raise labour productivity, product quality and competitiveness of products. To expand outlets for agro-products at home and abroad, increase considerably the world market shares of our main agro-products.

To attach importance to electrification and mechanization in rural areas. To vigorously develop processing industries linked to raw materials supply zones, agriculture-support mechanical engineering industries, subcontract goods and services industries; to integrate agriculture, industry and services in each locality and nationwide.

To invest more in building rural socio-economic infrastructures. To effect rational planning and raise the efficiency of the utilization of land, water and forest resources utilization in combination with environmental protection. To conduct planning of populated areas, and develop district towns

townships and cultural centers in communes and villages; improve the material, cultural and spiritual living standards, and shape a democratic, equitable and civilized life in rural areas.

2- To design a rational agricultural production structure

To readjust food production planning to conform to demands and consumption possibilities, raise productivity coupled with upgrading quality. To ensure food security in all eventualities. To form zones specialized cash rice-paddy production and production of maize for animal feed; to make full use of suitable conditions in other localities for efficient food production. To enact policies assuring the interests of food producers.

To ensure planned development, with attention paid to intensive-farming investment in areas under industrial crops, such as coffee, rubber, tea, cashewnut, pepper, coconut, mulberry, cotton, sugar cane, peanut, tobacco, etc., to set up areas specialized in high-value vegetables, flowers and fruits production, associated with developing storage and processing facilities.

To develop and improve the quality and efficiency of cattle and poultry raising; to expand industrial breeding technologies in combination with product processing; to increase the share of animal husbandry in agriculture.

To promote the advantages in aquaculture, making it an economic thrust rising to a leading position in the region. To vigorously develop cultivation of fresh water, brackish water and marine products, shrimps in particular, with advanced, efficient and sustainable methods. To raise the capacity and efficiency of high sea fishing; transform occupational structures and stabilize coastal fishing; to raise the capacity in storing and processing

products to meet international and domestic market demands. To expand and improve fishery infrastructures and services. To preserve the sea, river and water environments, ensuring the reproductive capacity and development of aquatic resources.

To protect and develop forest resources, to increase the forest coverage ratio to 43%. To complete the stable and long-term assignment of forest and land geared towards social mobilization for forestry development and adoption of policies ensuring the forest-based livelihood of forest workers. To combine forestry with agriculture and enact policies benefiting sedentary cultivation and settlement to help stabilize and improve the life of mountain inhabitants. To prevent forest burning and destruction. To speed up commercial afforestation, to provide pit props for mines, and raw materials for the pulp and wood processing industries and production of fine arts articles for export; to augment forest product value.

3- To enhance the scientific and technological potential in agriculture, particularly bio-technology combined with information technology. To pay attention to creating and using vegetal and animal strains with high yield, quality and value. To rapidly apply new technologies to the production, harvesting, storage, processing, transportation and marketing of agro products. To apply clean technologies to the cultivation and processing of vegetables, fruits and foodstuffs. To limit the use of hazardous chemicals in agriculture. To establish a number of high-tech agricultural zones. To reinforce the contingent of agricultural, forestry and fishery extension workers, raise their capacity, and promote their role.

4- To continue developing and basically complete the water conservancy system for protection from salinization, for fresh

water conservation and for flood control, ensuring safe and proactive irrigation and drainage for agricultural production (including industrial crops and aquaculture) and the livelihood of farmers. As for areas often struck by storms and floods, together with natural disaster damage mitigation measures, the production and population apportionment is to be restructured to adapt to natural conditions. To raise the capacity for weather forecasting and proactive control of natural disasters to limit damage.

5- To vigorously develop industry and services in rural areas. To set up industrial clusters and spots in rural areas, and craft villages linked to domestic and export markets. To shift to rural areas part of the city-based subcontracting (garment, leatherware, footwear, etc.) and agro-product processing enterprises. To enact preferential policies to channel investments from all economic sectors into the development of industries and services in rural areas.

On the basis of shifting part of agricultural labour forces to other industries and trades, to gradually augment the arable land acreage per capita for the agricultural workforce, expand the production scale, and increase job opportunities and income for the rural population.

To ensure an average annual growth rate of 4.0-4.5% for agricultural added value (including aquaculture and forestry). In 2010, the total grain food output is to reach about 40 million tonnes. The share of agriculture in GDP is to amount to around 16-17%; and that of animal husbandry in the total agricultural output approximately 25%. Aquatic production is to reach 3.0-3.5 million tonnes (about one third of which comes from cultivated sources). Ten million hectares of natural forest are to be placed under protection, and a 5 million-hectare

afforestation program is to be accomplished. The export turnover of agricultural, forest and aquatic products is to attain US\$ 9-10 billion, with aquatic products worth US\$ 3.5 billion.

2. Industry and construction

2.1. Industrial development

To rapidly develop industries capable of promoting their competitive advantages, taking hold of domestic markets and pushing ahead exports, such as agricultural, forest and aquatic product processing, garment, leatherware and footwear, electronics and informatics, certain mechanical products and consumer goods, etc.

To selectively build a number of heavy industry establishments: petroleum, metallurgy, mechanical engineering, basic chemicals, fertilizers, and building materials, etc. in rational sequences conformable with the capital, technology and market conditions, and capable of promoting efficiency.

To vigorously develop high-tech industries, especially information, telecommunications, electronic and automation technologies. To give priority to turning the informatic software industry into an economic sector with an outstanding growth rate.

To develop necessary defense industry units, combining defense with civil industries.

To plan for a rational industrial apportionment nationwide. To efficiently develop industrial parks and export processing zones, set up a number of high-tech zones, and form major industrial clusters and open economic zones.

To extensively develop small and medium industrial establishments with diverse trades and crafts. To renovate and upgrade the technology in existing establishments with a view to promoting productivity, quality and efficiency. To appropriately apply potentially labour-intensive technologies. To develop various forms of integration among small, medium and large enterprises, among raw materials production and product processing and marketing on the basis of ensuring harmony of interests. To increase the local contents in subcontracting and assembling industries. To enhance operations for product quality control, industrial property ownership protection and environmental protection.

2.2. To develop construction to regional advanced standards, to meet domestic construction demands and be able to join overseas construction projects bidding. To apply modern technologies, raise planning quality and effectiveness, designing and building capacity and architectural aesthetics. To develop consulting activities and construction enterprises, with attention given to strong enterprises in respective fields, such as hydroelectricity, water conservancy, ports, roads, bridges, etc. To enhance the State administration over planning, architecture and construction.

The average growth rate of value-added industry (including construction) for the upcoming 10 years is to reach 10-10.5% per year. In 2010, industry and construction are to account for 40-41% of GDP and employ 23-24% of the labour force. Industrial exports are to amount to 70-75% of the total export value. To ensure sufficient and safe supply of energy (electricity, oil and gas, coal); to meet adequately the demands in construction steel and phosphate, and partly the demands in

urea; mechanical engineering is to satisfy 40% of the domestic needs, with local content accounting for 60-70% of the motor vehicle, machinery and equipment production; electronic and informatic industries are to become cutting-edge sectors; most of export agro-products are to have been processed; and consumer goods industries are to satisfy demands at home and rapidly increase exports.

3. Infrastructures

The energy sector is to be developed one step ahead to meet the requirements of socio-economic development, and ensure national energy safety. To make proper use of water sources (in combination with water conservancy), gas and coal for a balanced development of electricity sources. To build up gas-electricity-urea clusters in Phú Mỹ and the Southwest. To accelerate the study and construction of the Sơn La hydropower plant. To study the option of atomic power utilization. To synchronize and modernize the national electric transmission grid. To diversify the electricity investing and trading modes; enact appropriate policies on power utilization in rural and mountain areas. To raise the competitiveness of electricity tariffs in the region.

To develop a modern communication network and boost the application of information technology in different fields of social life, particularly in the leadership and management systems and financial, commercial, educational, healthcare and consultancy services, etc. To expand the telecommunications roaming capacities with internationally competitive costs; furnish radio and television coverage to communes and villages throughout

the country, and expand coverage to numerous places in the world with ever increasing quality.

As for roads, to complete the upgrading of National Highway No.1 and building of the Hồ Chí Minh Highway. To upgrade and build other national highways, with attention given to border roads, beltways and roads connecting various regions with major development centres, major river bridges, and roads connecting with countries of the Greater Sub-Mekong Region. To develop and upgrade the transport system in individual regions, including rural transport, with smooth traffic ensured all the year round. To upgrade the existing railway network, open new railways leading to economic centres. To complete the national seaport system and the local port network as planned. To develop waterway transport and increase the maritime transportation capacities linked with ship building and repair industries. To modernize international airports and upgrade domestic ones.

To provide sufficient clean water to urban areas, industrial parks and more than 90% of the rural inhabitants. To basically solve the problems of sewage and waste treatment in urban areas.

4. Services

To vigorously develop *commerce*, raise the capacity and quality of its performance with a view to domestic market expansion and efficient international integration. To establish major trade centres, rural marketplaces, particularly in mountain areas, thus ensuring supplies of certain essential products to hinterland and remote areas and islands; and facilitate the marketing of agro-products. To develop e-commerce. The State,

associations and enterprises are to coordinate in searching and expanding outlets for Vietnamese products.

To develop and raise the quality of cargo and passenger *transportation* services, making them increasingly modern, safe, competitive, and swiftly reaching out to regional and international markets. To reserve a large market share for domestic enterprises in the transportation of Vietnamese goods by international sea and airways. To forcefully develop the public passenger transport in big cities.

To continue developing rapidly and modernizing the *postal and telecommunications* services; popularize the use of the Internet. To readjust tariffs to encourage extensive utilization. By 2010, to have reached the regional average in numbers of telephone lines and Internet users per 100 inhabitants.

To develop *tourism* into an actual cutting-edge economic sector; improve its operational quality and efficiency by taking advantage of natural and ecological conditions, cultural and historical traditions, to meet domestic tourist demands and speedily develop international tourism, and achieve soon the regional level of tourism development. To build and upgrade material bases, form key tourist sites, and boost cooperation and integration with other countries.

To expand *financial-monetary services* such as credit, insurance, auditing, securities, etc., move directly to modern technology and apply international norms. To progressively establish a major regional financial service center.

To vigorously develop *technical, consultancy, and other life-targeted services*, to meet diverse needs in production, business and social life.

All the service activities on the value-added basis are to register an average growth rate of 7-8% per year, and account for 42-43% of GDP and 26-27% of the total labour force in 2010.

B. REGIONAL DEVELOPMENT ORIENTATIONS

All regions and zones are to promote their respective advantages for development, creating their own strengths along with the open economic structure and linked with domestic and external market demands. The State is to continue urging key economic zones to bring into play their "locomotive" role for a rapid growth, while enabling and investing more adequately in difficulty-laden regions. To effectuate uniform development planning nationwide, among regions, provinces and cities, forging direct integration in production, commerce, investment, technical assistance and human resources. To raise the population's educational standards and train human resources to meet the socio-economic development needs of the different regions and zones. To closely combine socio-economic development with environmental protection and improvement as well as defense and security. To attach importance to the strategy of development of borderland areas.

Urban regions: To promote the role of administrative, economic and cultural centers in each region and locality and advance them rapidly in the industrialization and modernization process, strongly develop industry and services into pioneers in developing a knowledge-based economy. To establish modern agro-belts in big cities.

To plan the urban network with a few large cities, many medium cities and a system of small towns reasonably apportioned in various regions; pay attention to urban

development in mountain areas. To build and upgrade synchronous infrastructures as planned. To make urban planning and management a routinized practice, and urban centers increasingly green, clean and civilized. To complete the long-term and rational planning of transportation in all urban areas; overcome traffic congestion in big cities. To ensure sufficient clean water supply, sewage and waste treatment; eliminate makeshift shelters. To push back social vices, and cultivate a healthy cultural and spiritual life.

Lowland rural regions: To develop diverse ecological agriculture on the basis of rice-paddy, vegetables, fruits, animal husbandry, aquaculture and extensive application of scientific and technological advances in the making, processing, storage and marketing of products. To complete electrification and effect mechanization in necessary links. To rapidly raise income per agricultural acreage unit. To shift large numbers of workhands to the industrial and service sectors. To forcefully develop small industries, handicrafts, craft villages, and networks of agricultural forest and aquatic product processing industries and services.

Midland and mountain rural regions: To energetically develop long-term crops, cattle husbandry and processing industries. To preserve and develop forest resources. To accomplish and stabilize assuredly sedentary cultivation and settlement. To relocate the population, labour force, and land according to plans, coupled with building socio-economic infrastructures, with a view to efficient exploitation of resources. To develop the farm economy. To narrow the development gap between these regions and lowland rural areas. To enact preferential policies for the socio-economic development in hinterland and remote areas, borderlands and border gates.

Offshore and island regions: To formulate a sea and island economic development strategy, promoting the particular strengths of the more than 1 million square kilometres of continental shelf. To intensify basic surveys as a foundation for schemes and plans on marine economic development. To boost the cultivation, exploitation and processing of marine products; conduct oil and gas exploration, extraction and processing; develop shipbuilding and maritime transportation; expand tourism; protect the environment; move actively toward the sea and control the territorial seas. To develop comprehensively marine and coastal economies, take full advantage of estuaries and seaports to turn them into highly developed areas, thus motivating other regions. To build logistic bases in a number of islands for forward movement onto open seas. To closely combine economic development with maritime security protection.

In the next ten years, to develop major regions focusing on the following important orientations:

1. The Red River Delta and Northern key economic region

To transform forcefully the economic and labour structures, to move large numbers of agricultural workhands to industries, services, and resettlements elsewhere.

To develop a diverse cash crop agriculture. Together with staple food, to make the winter crop an advantage, forming areas specialized in vegetables, fruit trees, meat, flowers; to expand aquaculture. To develop vigorously processing and agro-mechanical industries, and industrial and service clusters and centers, and craft villages in the countryside.

In the key economic region, to develop industrial parks, high-tech zones, export-oriented, electronic and informatic industries,

a number of mechanical establishments for shipbuilding, metallurgy, fertilizers; knowledge-intensive services; and major local and national training, scientific, technological, commercial, health, cultural and tourist centers.

To complete and upgrade the infrastructures, first of all national highway axes, sea ports in the Hải Phòng and Cái Lân areas, and airports.

2. The Southeastern and Southern key economic regions

To establish centers of commerce, exports, telecommunications, tourism, finance, banking, science, technology, culture and training in the South, and promote their role in this region and the entire country as well. To push ahead industries of oil and gas exploitation; and the production of electricity, fertilizers and chemicals therefrom. To accomplish and upgrade industrial parks, export processing zones, and high-tech zones. To develop industries in provinces, avoiding over-concentration in large cities.

To develop vigorously industrial crops (rubber, coffee, cashew nut, sugar-cane, cotton, etc.), fruit trees, industrialized animal husbandry, cattle breeding; to form specialized farming areas linked to processing industries, to attract more labour from the Mekong River Delta.

To upgrade national highways with regional and international connections; to upgrade and build a number of seaports and airports. To effect urbanization along development axes attached to industrial parks. To tackle satisfactorily problems related to the systems of urban communications, water supply and sewage, and to overcome environmental pollution.

3. The Northern Central area, Central coastal area and Central key economic regions

To promote the advantages in sea and coastal regions, efficiently exploit North-South communications axes, crossing and trans-Asia roads, and seaports. To establish coastal industrial zones, integrated industrial-commercial zones and economic development zones at border gates and along traffic corridors. To develop oil refining, petro-chemical, building materials, processing and manufacturing industries, and diverse services. To build a number of deep sea ports as planned, at a reasonable schedule. To accelerate the building of the Dung Quất- Chu Lai economic zone. To promote strongly sea and coastal tourism, associated with historical sites and scenic spots in the entire region, particularly along the Huế-Đà Nẵng-Hội An-Nha Trang line.

To develop agriculture adaptive to the harsh natural conditions, rapidly develop industrial crops, fruit trees and cattle breeding, combined with processing industries, and push ahead afforestation. To take measures to mitigate losses caused by natural calamities, such as heavy floods and droughts, coupled with production and population reapportionment. To associate socio-economic development with environmental protection and improvement along the entire sea coast. To ensure efficient exploitation of the western lands, paying attention to building water reservoirs against flash floods and for hydropower production.

To gradually create conditions for the Northern Central region and the Central coastal areas, particularly border provinces, to link with the Central Highlands to join in efficient economic cooperation with Laos and Cambodia.

4. Northern Midlands and mountain areas (Northwest and Northeast)

To vigorously develop industrial crops, fruit trees, medicinal plants, special trees, cattle husbandry in association with processing industries. To create Đà (Black) River upstream protective forest areas and forests for industrial raw materials and pit-props.

To speed up the study and construction of the Sơn La hydropower plant. To develop exploitative and processing industries for minerals, agro- and forest products, with attention given to export-oriented processing. To establish a number of major industrial bases along Highway No 18 in linkage with the Northern key economic region. To quickly develop different types of service, particularly commerce. To upgrade axes linking Hanoi and border provinces, complete border belt ways and feeder roads. To develop small-scale water conservancy projects in association with small-scale hydropower projects, and realize the supply of clean water and electricity for the upland population. To develop central metropolises and metropolises connected with industrial parks. To upgrade border gates and develop the border-gate economy.

To implement properly policies on ethnicity, sustainable sedentary cultivation and life settlement, as well as improvement of living standards for ethnic minority people.

5. Central Highlands

The Central Highlands represents an important strategic location of the whole country in both socio-economic and

defense-security terms, with advantages for developing large-scale agricultural and forest goods production in combination with processing industries, and developing the energy industry and mining industry. To elaborate strategies and plans for building the Central Highlands wealthy economically, strong in national defense and security, eventually becoming an engine economic region.

To develop quickly, along the direction of intensive farming, industrial crops in linkage with export markets (coffee, rubber, tea, cotton, etc.), cattle husbandry, forest planting and protection, medicinal plants, special trees, and agro- and forest product processing industries. To develop large- and medium-scale hydropower plants as well as reservoirs for water conservancy. To exploit and process bauxite. To develop the paper industry. To upgrade and efficiently operate axes and crossroads linking to coastal areas. To develop economic-commercial-service cooperation with neighboring Laos and Cambodia. To adopt policies to attract investment, apportion the population labor force and land in keeping with plans, raise the people's educational and technological levels. To realize properly the ethnicity policy, actually improve the material and cultural living standards of ethnic minority people.

6. Mekong River Delta

To continue promoting its role as the country's largest rice and agro product exporter; to strongly increase the production and raise the quality of cash food, vegetables, fruit, animal husbandry and aquaculture. To develop farm-support processing and engineering industries, small-scale and handicraft industries, as well as services. To build up the southwestern gas-based industrial clusters. To forcefully shift the economic

structures, raise the proportions of labor employed in industry and services.

To complete the road network and waterway transport network. To upgrade and widen National Highway No 1A, build a number of new axes so as to develop the transport system in the southwest. To upgrade national highways reaching provincial towns. To build a bridge across the Hậu River and ensure sufficient bridges along this route. To develop interdistrict road and rural transport networks, build fortified bridges to replace "monkey bridges". To complete river ports, and upgrade airports. To plan and construct residential quarters and infrastructures adaptable to annual flood control and counter-salinization abilities.

IV. SYNCHRONIZED FORMATION OF INSTITUTIONS OF THE SOCIALIST-ORIENTED MARKET ECONOMY

1. Development of a multi-sector economy with many ownership forms

To renew and complete the legal framework, dismantle all obstacles in terms of mechanism, policy and administrative procedure with a view to maximizing all resources, generating a new impetus for the development of production and business by all economic sectors with different forms of ownership. All enterprises and citizens are entitled to invest in businesses in the forms stipulated by laws and to be protected by the law. All business organizations in different or mixed forms of ownership are encouraged to develop on a long-term basis, cooperate and compete equally, and constitute an important integral part of the socialist-oriented market economy. To develop vigorously small

and medium enterprises; step by step set up a number of powerful economic groups.

To continue innovating and developing the State economic sector so as to make it properly play its leading role in the economy. The State economic sector is an important material force and the instrument for the State's orientation and macro-regulation toward the economy; it is to focus investments on socio-economic infrastructure and a number of important industrial establishments. State enterprises assume key positions in the economy; pioneer in the application of scientific and technological advances; and set examples in productivity, quality and socio-economic efficiency and law compliance.

To develop State enterprises in important fields of production and service; to build State corporations sufficiently strong to operate as the core of major economic groups, competitive in both domestic and international markets, such as in petroleum, electricity, coal, aviation, railways, high-sea transport, telecommunications, mechanical engineering, metallurgy, chemistry, building materials, import-export, banking, insurance, auditing, etc.

To innovate management mechanisms, separating the owner's right from the enterprise's right of business. To transform State-run enterprises into operations in the forms of limited liability or joint stock companies. To ensure full autonomy and accountability of enterprises in production and business, and equal competition before the law; to abolish the State mechanism of subsidizing enterprises.

To translate into practice the policy of equitizing State enterprises which the State does not need to hold 100% capital in

order to raise more funds, generate motivation and a dynamic management mechanism for the enterprises' efficiency. To give priority to workers in purchasing shares, and gradually give access to shares to domestic and foreign investors. To well carry out the transfer, sale, contract and lease of small enterprises which the State does not need to retain. To merge, dissolve and declare bankrupt enterprises which are inefficient or incapable of applying the aforesaid measures.

To strive for the fundamental accomplishment in about 5 years of State enterprises' restructuring, innovation and performance improvement; to consolidate and partly modernize State corporations.

To develop the *collective economic sector* in diverse forms of cooperation. To transform old-type cooperatives in line with the Law on Cooperatives with a view to achieving practical efficiency. To develop multidisciplinary or specialized business cooperatives in order to engage in either production or service activities, facilitate their expanded production and business scope corresponding to the process of industrialization and modernization. In agriculture, on the basis of promoting households' autonomy, to pay attention to developing the various forms of cooperation and cooperatives supplying services and inputs and marketing outputs for household and farm economies. To widely apply economic forms of mixture, integration and joint venture between cooperatives and enterprises of all economic sectors. The State is to help cooperatives train and retrain technical and managerial staff, expand markets, apply new technologies, develop their collective capitals, and liquidate outstanding debts of their predecessors.

The individual and small owner economic sector in rural and urban areas are entitled to State facilitation for development.

The private capitalist economic sector is encouraged to develop without limit in terms of scale in sectors, trades, fields and locations unprohibited by laws; enterprises in this sector are encouraged to enter into cooperation and joint venture with each other and with State enterprises, to change into joint stock enterprises and to sell shares to workers.

The State capitalist economic sector in the forms of joint venture and cooperation between the State economic sector and domestic and foreign private economic sectors is to increasingly develop in different forms.

The foreign invested economic sector as a component of the Vietnamese economy is encouraged to develop, directing strongly toward production of and trading in export goods and services, hi-tech goods and services, and infrastructural construction.

2. Synchronized establishment of market factors, renewal and improvement of State administration effectiveness

To establish in a synchronized manner and continue developing and completing different kinds of market in parallel with the formation of a legal and institutional framework, for the market to operate dynamically, efficiently and orderly in a healthy, open and transparent environment, to restrict and control over business monopoly. To adopt effective measures to fight smuggling and trade fraud.

To develop capital and money markets, particularly medium- and long-term capital markets. To organize and operate safely

and efficiently the stock market and insurance market, step by step expand their operational scale and scope, including the attraction of foreign funds. To set up and develop the real estate market, to cover the land use right as stipulated by the law; gradually extend the real estate market to involve overseas Vietnamese and foreigners' investment. To develop the labor market; workers are entitled to look for and be generated with employment everywhere in the country; to strongly push ahead labor export with the participation of various economic sectors. To develop different kinds of market for scientific and technological services, intellectual outputs, insurance services, consulting and production-business support services, etc.

The State is to respect the objective principles and operational mechanism of the market, creating conditions to promote its positive aspects while overcoming and restraining its negative effects. The State is to focus on properly executing its functions in making development orientational strategies, schemes and plans, implementing key projects financed by concentrated resources; innovating management institutions, improving the investment and business environment; rationally regulating incomes; elaborating laws and overseeing their observance; radically reducing its direct interference by administrative measures in production and business activities. To simplify administrative procedures; disclose and properly realize the State agencies' responsibility and authority in their relationship with entrepreneurs and the population; resolutely eliminate regulations and procedures heavily characterized by bureaucratic administrative and subsidizing system which hinder the development of productive forces, and cause troubles and harassment to entrepreneurs and the population.

3. Renewal of policies and completion of the financial monetary system

To actively renew and complete the system of *national financial monetary policies*, mobilize rationally and distribute efficiently all resources in order to bring the Socio-Economic Development Strategy to fruition. To apply the principle of equity and efficiency in the policy on distribution and redistribution of incomes in society. To establish a healthy and conducive financial environment so as to release and develop the financial resources and productive potential available among enterprises and population strata; to nurture and increase sources of revenues for the State budget, attract foreign sources of capital; to diversify instruments and forms of non-bank financial and monetary institutions as well as investment funds with a view to mobilizing the various resources for social and economic development. To combine closely planning with economic and financial policies to direct and encourage the population and enterprises to practise thrift in their investment and business.

To ensure safe and healthy development of the financial monetary market in the whole economy.

To continue reforming the tax system to adapt to the country's situation and international commitments. To amend, complete and simplify types of tax, step by step apply a uniform tax system, non-discriminatory of an enterprise's economic sector, be it Vietnamese or foreign invested. To apply a uniform and convenient individual income tax system to all taxable subjects, ensuring social equity and motivation for development. To modernize the State's tax collection and enhance its tax administration.

To continue restructuring the State budget, gradually increase the saving ratio for development investment, clearly differentiate public service delivery activities from those of public administration so as to introduce appropriate financial policies; to conduct salary reform in association with streamlining staff and reforming administrative procedures; to strongly reduce and ultimately abolish expenditures of subsidizing nature in the State budget. To be proactive and efficient in using the State budget, enhance control over expenditures, resolutely fight waste and losses. To improve efficiency of State-budget-sourced investments starting from policy decision, project design and approval, to project implementation. To ensure finances for the prioritized tasks set in the Strategy. To realize policies encouraging development of key economic areas while reserving more investments for difficulty-stricken areas. To continue-innovating policies subsidizing for generation of employment, restructuring of State enterprises, and helping to develop small and medium enterprises; to press ahead with popularization of the public service delivery sector, at the same time ensuring for the poor access to basic social benefits.

To renew and complete mechanisms in decentralizing State financial and budgetary management, ensuring the uniformity of the national financial system and the leading role of the central government budget; at the same time promote the proactiveness and creativeness of the local government and different branches in the administration of their financial and budget allocations.

To materialize the financial autonomy and accountability of enterprises; separate State finances from corporate finances. To disclose corporate finances and public finances. The State is to supervise and regulate corporate finances through accounting

and auditing regimes and tax system, protect lawfully earned incomes, and encourage all population strata and economic sectors to work industriously and economically to invest in business and become legitimately rich.

To maintain a positive balance of the State budget, gradually increase reserves, keep overexpenditures at a justifiable level, and ensure macroeconomic stability. To tightly control foreign debt borrowing and repayment, maintain national debt level within safe limits; strictly ensure efficiency of borrowed funds utilization; and clearly define and duly fulfil repayment obligations.

To implement *monetary policies* ensuring macroeconomic stability, controlling inflation, promoting production and consumption, and stimulating development investments. To apply flexibly and effectively such monetary policies as exchange rates, interest rates and open market operations in accordance with market principles. To gradually improve and ultimately realize fully the convertibility of the Vietnamese currency.

To establish a transparent, healthy and equal environment for monetary-banking activities. To apply widely information technology, spread out quickly forms of non-cash payment and payment through banks. To diversify forms of raising and lending funds, providing convenient and easy banking services and utilities to all enterprises and people, meeting timely the need for credit for production, business and livelihood, with special attention given to agriculture and rural areas.

To establish a comprehensive legal framework, apply more adequately international institutions and norms on safety in monetary and banking businesses. To solve the problem of

outstanding debts in parallel with enhancing legal, economic and administrative sanctions regarding borrowers' liabilities and protection of creditors' lawful rights to debt recovery. To strengthen the internal supervision of credit institutions as well as inspection and oversight of functional agencies to avoid credit breakdowns.

To restructure the banking system. To separate the functions of the State Bank from those of State commercial banks, and functions of policy banks from the monetary business functions of commercial banks. To ensure commercial banks' autonomy and accountability in their businesses. To help and press domestic credit institutions to elevate their management capacity and professional level, as well as their competitiveness against foreign bank branches. To ensure the right of business of foreign banks and financial institutions in conformity with our country's international commitments. To link the banking reform with the State enterprise reform. To restructure joint stock banks and apply solutions to weak banks. To direct people's credit funds to right-track and safe operations.

4. Expansion of foreign economic relations and improvement of their performance

To continue expanding foreign economic relations along the line of multilateralization and diversification of relations; to proactively engage in international economic integration following a roadmap corresponding to our country's conditions, and ensuring the realization of bilateral and multilateral commitments, such as AFTA, APEC, Vietnam-US Trade Agreement, eventually admission to WTO, etc.

The State is to adopt policies vigorously encouraging all economic sectors to engage in the production and business and import and export of goods and services. To raise competitiveness, strongly develop goods and services competitive in international markets; radically reduce the export of primary and semi-processed goods, rapidly increase the ratio of processed goods and the local content in products; gradually raise the ratio of products with intellectual content and high-tech content. To establish export support funds, particularly for farm products. To encourage the use of domestically made equipment and goods. To quickly increase export turnover to ultimately achieve trade balance. To implement selected and time-limited protectionist policies regarding domestically made goods.

To push ahead such foreign exchange earning services as tourism, labour export, transport, post and telecommunications, financial and monetary, technical and consulting services, attraction of foreign exchange from overseas Vietnamese, etc.

To proactively and actively penetrate international markets, particularly markets in world economic centers, maintain and expand shares in familiar markets, and take up all opportunities to enter new markets. To gradually modernize business modes responsive to new trends in world trade. To strongly accelerate activities in marketing, trade promotion and market information by many appropriate means and organizations, including through overseas diplomatic representations. To encourage local and foreign organizations and individuals to participate in brokerage and tapping of international markets.

To continue improving the investment environment, completing the varied forms of investment, to heighten competitiveness in attracting foreign direct investments. To

forcefully reduce then phase out the differentiation in policy and laws between domestic and foreign investments. To rapidly reform administrative procedures to simplify investment licensing, step by step realize the investment registration mechanism. To pay attention to attracting investments by companies holding source technologies and major shares in the world market. To enhance post-licensing support and monitoring, to facilitate effective implementation of licensed projects. To raise the State administration's effectiveness and efficiency over industrial parks, export processing zones and foreign invested enterprises. To equitize eligible enterprises. To gradually and steadily realize forms of foreign indirect investment in our country.

To encourage overseas Vietnamese to come back to invest in business, and Vietnamese entrepreneurs to invest overseas, and to adopt policies supporting Vietnamese citizens in their overseas lawful business.

To continue mobilizing financial assistance from other governments, international financial institutions and non-governmental organizations. To speed up the rate of disbursement of funds, improve fund utilization efficiency, and closely link loan utilization with repayment responsibility.

V. DEVELOPMENT OF EDUCATION AND TRAINING AND SCIENCE AND TECHNOLOGY

1. On education and training

In order to meet the requirements in human beings and human resources which represent the decisive factor for national

development in the period of industrialization and modernization, it is imperative to create a fundamental and comprehensive change in education and training.

To instill in the younger generation a spirit of love for the country, homeland and family, of national self-respect, socialist ideals, benevolence, a sense of law compliance, eagerness to learn, willpower to achieve self-establishment and freedom from poverty. To train a batch of workers who are possessive of basic knowledge, graspful of professional skills, attentive to practical efficiency, responsive to the new, and conscious of the need to rise up in science and technology. To shape a contingent of skilled workers, specialists, scientists, culturists, entrepreneurs and managers. The policy on labour and talent utilization is to make full use of all capabilities and promote all potentialities of collectives and individuals in service of national construction and defense.

To that end, in the upcoming 10 years, it is necessary to:

- Develop pre-school education. To consolidate solidly gains in illiteracy elimination and primary education universalization, launch junior secondary education universalization throughout the country; and ensure that the majority of youth and children within schooling age in urban and delta rural areas finish general secondary education, specialized secondary education or vocational training. To create conditions for all people in all age brackets to engage in continuous and lifelong study.

- Rationalize schooling hierarchical structures, occupational composition and regional structures in the education and training system in response to learning requirements of the population, socio-economic development needs, and objectives of this

Strategy. To pay attention to practical vocational orientation education in general schools. To expand the multigrade training of workers, technicians and professional staff. To develop and improve the quality of graduate and post-graduate training; focus investments on building up a number of key national universities comparable to the regional standards, and ultimately achieving international standards. To develop continuous education and distance education. The State is to reserve funds to send out excellent people to developed countries for training; encourage and facilitate overseas study and research. To attach importance to training a pool of highly skilled workers, good practical engineers and business people. To give priority to training human resources for the development of agriculture, rural and mountain areas, labor export, and a number of cutting-edge industries. To develop and improve performance of ethnic minority boarding schools; increase training and grooming of personnel of ethnic minorities.

- Rapidly compile and put into stable use nationwide the set of general education curriculum and textbooks suitable to the new requirements of development. Apart from the official national language, ethnicities with their own scripts are encouraged to learn them. To renew the curricula at universities, specialized secondary and vocational schools along the practical and modernized line. To attach importance to equipping and upgrading students' knowledge in informatics and foreign languages.

- Renew teaching and learning methodologies; to promote the learner's creative thinking and self-training capacity, attach importance to practice, experimentation, extra-curriculum study,

ownership of knowledge rather than stuffing, parrot-like study or study without aids. To innovate and scrupulously organize the examination regime. To uphold the autonomy of universities.

- Develop the teaching staff, emphasize their qualifications and pedagogic ethics, improve the remuneration system. To ensure that teachers in the main meet the national standards and the teacher to student ratios as required at different schooling levels. To effectuate mechanisms and policies allocating sufficient teachers to mountain and island areas.

- Intensify the material conditions and step by step modernize schools (classrooms, playgrounds, physical training fields, labs, Internet-connected computers, modern teaching and learning aids, libraries, dormitories, etc.). To strive so that by 2010 the majority of general education schools will be able to accommodate students' whole-day study and activity at school.

- Increase State budget allocations for education and strongly accelerate popularization of education and training. To vigorously encourage investments by all economic sectors in developing education at all schooling levels to meet the diverse needs of the public. To concentrate more State funds on universalized education levels, on rural and mountain areas, on high-level training, and on disciplines which are difficult to raise funds from non-State sources; to ensure schooling for children of persons with meritorious services and children of poor families. To enhance the State administration, particularly the education inspection system, establish law and order, push back negative practices. To intensify management over and assistance to people going abroad for study and research.

2. On science and technology

To strengthen the potential and renew the management mechanisms so that science and technology can really become a driving force for national development.

Social sciences and humanities are to focus on review of realities, in-depth study of major issues of the country, region and world, solutions to theoretical and practical issues related to building socialism and safeguarding the Homeland, provision of grounds for the formulation of socio-economic development guidelines, strategies and policies, and promotion of the Vietnamese human and cultural factors. *Natural sciences* are to attend to dealing with the problems posed by realities researching scientific grounds for developing key technological fields and exploiting natural resources, protecting the environment, forecasting natural disasters, and preventing and mitigating their consequences. *Technological sciences* are to concentrate on responding to the demands of raising productivity and quality of product, business competitiveness and efficiency, environmental protection, and ensuring national defense and security; to attach importance to the development and application of information technology, biotechnology, new materials technology, and automation technology.

To forcefully renovate technologies in production, business and other fields, narrow the technological gap with advanced countries in the region. To apply straightly modern technologies in cutting-edge industries, at the same time select technologies which are appropriate, non-polluting and exploitative of our advantage in labor. To pay attention to importing new and modern technologies, adapt imported technologies, partially

improve and ultimately create specifically Vietnamese technologies. To modernize managerial technologies. To accomplish the construction of two high-tech centres in the neighborhood of Hanoi and Hồ Chí Minh City, and set up a number of key laboratories of the region's advanced standard.

To put into effect a mechanism of organic combination between social and humanity sciences on the one hand and natural sciences, technological sciences on the other, between scientific research on the one hand and training, production and business on the other; to rapidly apply research results. To urgently innovate organizationally and restructure rationally research institutes, centres and units throughout the country. To elevate the performance of national research institutes, associations and unions of scientific and technical associations.

To push forward the popularization and diversification of the various sources of investment for scientific and technological development. To reserve adequate investments for basic research in different sciences. To create an enabling environment for scientific institutions, enterprises and individuals to conduct scientific activities as stipulated by laws. To develop a science and technology market, create a competitive environment, protect intellectual property ownership and copyrights. To adopt mechanism stimulating enterprises to increase investment in scientific and technological development, promote innovations, improve techniques, rationalize production, and place orders with research institutions.

To promote creativity and democracy in scientific and technological activities. To renew policies on training, using and remunerating intellectuals, properly using and honoring talents, including overseas Vietnamese. To encourage and facilitate the

expansion of international scientific and technological exchange and cooperation, involve the world's qualified experts in contributing to our country's development in appropriate forms.

VI. CULTURAL AND SOCIAL DEVELOPMENT

1. Development of culture, arts, information, sports and physical training

To spread out and upgrade the efficiency of the campaigns *"All people unite to build a cultural life"*, *"Realization of a civilized lifestyle and well-cultured families"*, and *"Good people and good deeds"*, to help culture infuse deeply into each and every community, family and individual, further complete the new set of values of the Vietnamese man, inherit the nation's traditional cultural values while acquiring humankind's cultural quintessence, increase resistance against pornographic and noxious cultures. To heighten culturality in all economic, political, social and day-to-day life of the people.

To pay attention to preserving and developing intangible cultural heritage, renovate and properly administer tangible cultural heritage and historical relics, and upgrade museums. To develop the network of libraries, modernize the library and archival work. To construct public cultural and recreation facilities.

To encourage the creation of valuable literary and art works under major themes such as wars and revolutions, process of renovation, national industrialization and modernization, and the Vietnamese society and people. To heighten the quality of the

Vietnamese cinematography, striving to make many interesting and good movies. To attach importance to depicting the Vietnamese cultural identity in newly constructed buildings and architectural works.

To develop and modernize the mass media network, and improve the quality of radio, television, press and publishing products and services. To strive for the basic popularization of radio and television receivers to all families by 2010. To develop cultural centres along with the postal service system in all communes throughout the country. To use the spoken languages and scripts of ethnic minorities, if available, in the mass media in their respective localities.

To enact and implement policies demonstrating clearly the attention and care reserved for writers, artists and activists in different fields of the arts, particularly traditional arts.

To strongly increase sports and physical training activities targeted at improving the Vietnamese people's physical status and stature. To develop a popular sports and physical training movement through a widespread network. To train and foster a pool of high-record athletes, elevate the Vietnamese sports to the common level of Southeast Asia and to high positions in many sports.

To accelerate popularization and encourage the population and organizations to participate practically and efficiently in cultural and sports activities. To encourage enterprises to invest in and sponsor cultural and sports activities. To develop diverse and healthy markets for cultural and sports products and services.

To increase State budget allocations for culture in keeping with economic growth, concentrating on building certain major centers integrating culture, sports and tourism such as the

Vietnam Village of Ethnicities' Cultures, National Sports Center, and cultural and sports training centers of regional standards.

To expand international cultural and sports exchanges. To make adequate investments in disseminating humankind's cultural values in the country and introduce the Vietnamese land, culture and people to the world.

2. Population and employment

To further reduce the population growth rate, soon stabilize the population at a reasonable size (some 88-89 million in 2010); to apply concerted, gradual and focal solutions to improving the quality, composition and apportionment of the population.

Employment generation represents a decisive factor for human factor promotion, economic stabilization and development, achievement of a healthy society, and response to the public's legitimate aspirations and urgent demands. It is estimated that by 2010 our country will have 56.8 million people of working age, nearly 11 million up from 2000. To solve the employment problem for the working people, it is imperative to create a favourable environment and conditions for all economic sectors to invest in developing far and wide production and business establishments, generating job opportunities and developing the labor market. To push forward the transformation of our labor structures to correspond to economic structures. To pay attention to ensuring labor safety.

To vigorously increase labor export. To design and implement synchronously and strictly mechanisms and policies on training workers, sending workers overseas, protecting the interests and raising the creditability of Vietnamese guest workers overseas.

3. Hunger eradication and poverty alleviation

By mobilizing resources from the State and the whole society, to increase investments in building infrastructures, providing loans, financing vocational training, supplying information, transferring technology and helping with the marketing of products, etc. for poor areas, communes and population groups. To take proactive measures to reallocate a segment of population without arable land and productive conditions to resettle in potential areas. The State is to create an enabling environment for all people to strive for legitimate wealth and help the poor. To provide social benefits to people under special circumstances, unable to work by themselves and without any support.

To strive so that by 2010 there will fundamentally be no longer poor households. To constantly consolidate the gains in hunger eradication and poverty alleviation.

4. Salary and income

All enterprises, including State ones, are entitled to autonomy in paying the salary, wage and bonus on the basis of their performance and individual workers' productivity. The State and society are to respect lawful income of business people. To determine reasonably the personal income tax.

To radically reform the salary system for public officials and employees. To fully monetarize the salary, readjusting a life-ensuring salary in correspondence with the pace of income rise in society. The system of salary scales and hierarchies should be rationally proportionate, constituting incentives for talented and highly productive people. To change the financial mechanisms

applicable to the public service delivery sector, helping reform the salary regime in this sector. To undertake the salary reform as a means to accelerate the streamlining of the public authority staff.

To gradually and steadfastly expand the system of social insurance and safety net. To move toward application of the insurance system for all workers and populations strata. To combine State assistance with the development of humanitarian funds, social funds and funds to help "pay debts of gratitude" so as to effectively assist social policy beneficiaries, war and natural calamity victims, children with special difficulties, the disabled, and the supportless elderly. To make sure that people with meritorious services to the country can enjoy a living standard which is equal to or higher than the average of the population in their rural communes or urban wards.

5. Development of health care and protection for the people

To upgrade equity and efficiency in access to and use of health care and protection services for the people.

To continue implementing national health target programs. To improve healthcare service quality at all levels. To pay special attention to enhancing healthcare services for children, war-affected people, poor people, ethnic minority groups, former revolutionary bases, and remote and hinterlands areas. To bring down the rates of child malnutrition, under-5 mortality, and pregnancy-related maternal mortality. To reduce the morbidity and mortality rates due to contagious diseases, and prevent major epidemics. To actively control non-infectious diseases, overcome

accident consequences and injuries. To ensure food hygiene and safety and blood transfusion safety.

To complete the planning, consolidation and upgradation of the grassroots healthcare network, to ensure that dispensaries of all lowland and midland communes and most mountain communes will have medical doctors. To upgrade district and provincial hospitals; develop regional (interdistrict) polyclinics in areas far from provincial centres. To complete the two highly specialized medical centres in Hanoi and Hồ Chí Minh City, build a highly-specialized medical centre in the central part while developing region-based medical centres. To step by step modernize medical equipment, apply advanced scientific and technological achievements. To combine modern medicine with traditional national medicine, and military medicine with civil medicine; to strive to make Vietnam a centre of certain cutting-edge medical and pharmaceutical fields in Southeast Asia. To standardize and increase the training of medical staff, with attention given to ethnic minority personnel; to allocate medical personnel to different regions in line with requirements. To encourage all economic sectors to participate in developing health check, treatment and care facilities in response to the diverse demands of society. To uphold medical ethics in association with design and execution of medical practice regulations to abolish negative phenomena.

To implement a national policy on medicament, intensify the medicine manufacturing and supplying capacity to meet domestic and export demands.

To renew mechanisms and policies on hospital fees; expand voluntary health insurance, and ultimately achieve all-people

health insurance. To adopt policies to help the poor get access to health check and treatment.

6. Fight against social vices and AIDS

To control and roll back social vices, particularly drug abuse. To realize concerted mechanisms and measures in information dissemination, education, medical treatment, job training, and employment generation. To scrupulously punish according to the law the acts causing social vices.

To cultivate a healthy way of life in the whole society, and prevent HIV-AIDS infection. To organize the treatment for AIDS victims and drug addicts, helping them lead a meaningful life and work in their communities.

To effectuate concerted measures to curb traffic accidents.

To hold high the accountability of Party committees at various echelons, administrations, Fatherland Front, and mass organizations in regard to social vices in locations of their jurisdictions. To promote the role of individuals and communities in fighting, preventing and rolling back these vices.

VII. ACCELERATION OF ADMINISTRATIVE REFORM AND BUILDING OF A CLEAN AND STRONG STATE APPARATUS

1. Institutional renewal

To fundamentally establish and smoothly and effectively operate a socialist-oriented market economic institution. To

reform administrative institutions and procedures, focusing first of all on abolishing administrative regulations which are heavily bureaucratic, subsidized, troublesome and harassing to enterprises and people, suppressing productive forces' development. To design and implement annual institutional renewal programs. To ensure sound, consistent and feasible content for normative documents. To provide a close guidance over the whole process, from drafting, approval to promulgation, execution and review.

To renew the modes and processes of institutional formulation, improve the coordination among related sectors and levels, treasure the use of cross-sectoral specialists and reserve a very important role for the voice of the people and enterprises. To specially intensify the direction, monitoring, and enhancement of discipline and law enforcement in the State apparatus and in society as a whole.

2. Rational completion of the State apparatus organization

On the basis of separation between the State administration function and the business operation, to reform the State agencies' machinery organizations, operational mechanisms and work regulations. To strongly decentralize powers within the administrative system coupled with raising the centrality and uniformity in promulgating institutions. To clearly define responsibilities and powers of each level, organization and individual. To hold high personal accountability and strictly apply rewards and discipline. To overcome duplication and evasion of responsibilities which cause difficulty and delay in work performance and settlement of public complaints. To uplift

the role of administrative courts in tackling administrative litigation.

To separate public authority administrative agencies from public service delivery organizations. To encourage and support organizations which are non-profit and working for the people's needs and benefits; facilitate organizations carrying out a number of public services under communities' oversight such as environmental sanitation, maintenance of local order and security, etc.

To rapidly and efficiently modernize administrative work, especially in the application of information technology. To radically streamline the machinery and revamp the staff. To design policies on treating adequately redundancies.

3. Improvement of the moral and professional qualifications of public officials and employees

To strongly push ahead the training and grooming of public officials and employees with relevant syllabuses and content; attention paid to those in rural communes and urban wards. To renew and routinize the implementation of regulations on recruitment, promotion, reward, discipline and retirement. To effectuate the principle that the officer-in-charge is authorized and responsible for his/her subordinates' recruitment and use. To purify the corrupted and the irresponsible; and transfer the unqualified.

To properly implement regulations on democracy, expand direct democracy at the grassroots, ensure for the population an easy access to public authority agencies and conditions to

monitor public officials and employees, especially those in their direct contact.

4. Prevention and repulse of corruption and bureaucratism

To scrupulously punish the corrupted and irresponsible elements causing serious effects; chiefs of agencies with corruption must also be dealt with for related responsibility. To protect those resolutely fighting corruption; commend and reward accurate detectors of corruption cases. To apply the following measures for the prevention of corruption and bureaucratism:

- Reform and completion of administrative institutions and procedures, resolute opposition to such behaviours as authoritarianism, harassment, "beg-and-grant" practice, perfectoriness and indiscipline at work. Strict compliance with the prohibitions for public officials and employees as stipulated by laws.

- Enhanced administration, control and prevention of wastefulness, embezzlement of public money and assets, particularly in the State enterprise sector.

- Implementation of regulations on democracy and financial disclosure at the grassroots and at all levels of administration; application of asset declaration to leaders at all levels and in all sectors.

- Reform of the salary system in parallel with enhanced education and examination of public officials and employees in their execution of public services tasks.

VIII. ORGANIZATION OF THE STRATEGY IMPLEMENTATION

1. Breakthroughs in key fields

To concentrate on introducing breakthroughs in key fields in order to bring about an overall change in the socio-economic situation:

- To establish in a concerted manner the socialist-oriented market economic institution whose focus is to renew mechanisms and policies so as to release radically productive forces, expand domestic and foreign markets.

- To create a vigorous change in the development of the human resources whose focus lies in education and training, and science and technology.

- To renew the organization and operational modes of the political system with a focus on administrative reforms, and formation of a clean and strong State machinery.

2. Reform of executive measures

To heighten the level of policy making to implement Party resolutions; attention to be paid to peculiarities of branches and regions.

To renew basically the planning along the line of forecast enhancement, improvement of indicative planning quality, maintenance of macro balances, in close combination with the use of economic and legal policy instruments, facilitating the market to operate efficiently with a view to fulfillment of the Strategy's objectives.

To improve quality of plans. To design five-year plans into the main planning tool, adjusted and amended annually in keeping with plan execution schedule and new situations both at home and abroad. The ideas and contents of the Strategy are to permeate the designing and execution of schemes and plans.

To increase monitoring and examination of Strategy's implementation by Party committees of various echelons and State agencies. At the same time, to promote the role of the people's oversight and comments, involving the population's wisdom in the implementation of the Strategy.

3. Enhancement of the Party's leadership

The implementation of this Socio-Economic Development Strategy is the central task of the entire Party, people, sectors and mass organizations, from the center to the grassroots. Party committees at all levels must instill profoundly the Strategy content throughout the Party and people, achieve unanimity of will and action, concretize and organize its effective implementation in all fields of work at all levels, linking it closely with Party building and rectification. This is an issue of decisive significance for success of the Strategy's implementation.

RESOLUTION OF THE 9TH PARTY CONGRESS

The 9th National Congress of the Communist Party of Vietnam, which took place from 19th April 2001 to 22nd April 2001 in Hanoi,

HAS DECIDED:

1. To approve the Political Report, the Socio-Economic Development Strategy for 10 years 2001-2010 and the Tasks for Socio-Economic Development for 5 years 2001-2005 presented by the Party Central Committee (8th tenure); to assign the Party Central Committee (9th tenure) to complete and officially promulgate these documents on the basis of the result of the vote and the conclusions of the Congress.

2. To approve all the supplemented and amended Statutes of the Party.

3. To assign the 9th Party Central Committee and Party Committees at all levels to map out detailed plans and action programs in order to carry out successfully the guidelines and policies laid down in the documents of the Congress.

The 9th Congress of the Communist Party of Vietnam calls upon all the Party, people and army to highlight revolutionary heroism, to bring into play the glorious tradition and the

solidarity strength of all the nation, the Party, to stick firmly to the goal of national independence and socialism, to grasp opportunities, to overcome challenges, to further the renovation cause, to push up industrialization and modernization, to build and defend the socialist Motherland of Vietnam, to strive for making the people wealthy, the country strong, society equitable, democratic and civilized, and to firmly step forward in the 21st century.

**SPEECH OF PARTY GENERAL SECRETARY
ÔNG ĐỨC MẠNH TO CLOSE THE 9TH PARTY
CONGRESS ON 22 APRIL 2001**

Distinguished Presidium,

Dear Delegates,

Distinguished guests,

After hard and intensive working days, with a sense of full responsibility before the entire Party and nation, we have finished the agenda of the 9th Party Congress.

The Congress has discussed and unanimously adopted important documents including the Political Report, the Strategy for Socio-economic Development for the 2001-2010 period, the Orientations and Tasks for the 2001-2005 Socio-economic Development Plan, and the amended Party Statutes.

The approved documents are the manifestations of the crystallized intellect of the entire Party and people, showing the latter's will and determination. They also reflect the development and creative application of Marxism-Leninism and Hồ Chí Minh Thought as well as the values of mankind to the present period of our revolution. The line charted by the 9th Party Congress is the development and concretization of the 1991 Political Platform, and the further development of the lines of the 6th, 7th and 8th Party Congresses. Through the important

political decisions of the Congress presented in the documents, we can affirm that the Congress marks a new step of the Party toward maturity, responding to the will and aspirations of the entire Party and people.

The Congress has elected a new Party Central Committee composed of qualified, virtuous and competent people representing more than two million Party members. The Committee reflects the spirit of continuity, succession and renovation. The Congress wishes and believes that each member and the whole Party Central Committee of the 9th Tenure will be worthy of the trust of the entire Party. With the assigned tasks, they are required to make every effort to perfect themselves in all aspects and strive to become loyal leaders and servants of the people in accordance with President Hồ Chí Minh's teaching, and make positive contributions to turn the Party Central Committee – the highest political think-tank of our Party - into a really qualified, virtuous and intellectual leadership which has firm mettle in leading the entire Party and people to successfully carry out the line charted by the Congress.

Given the above-mentioned results, we can report to the entire Party and people that the 9th Congress of the Communist Party of Vietnam has ended in success.

Dear Comrades,

The results of the 9th Congress are of great significance, ushering in a new stage of development of our country in the first decades of the 21st century.

Our nation faces a very bright future but the path to get there is full of difficulties and trials. The success of the renovation

cause in the new period depends on how well we can perceive and how proactively we can seize opportunities and cope with the challenges faced by the country in general and each branch, sector and locality in particular. Therefore, in their awareness and action, each person, each cadre and Party member should thoroughly grasp the line, standpoints and policies laid out by the 9th Party Congress, highlight the patriotism and the spirit of self-support and self-reliance of the nation while expanding relations with our friends around the world. They should forge their mettle, take advantage of opportunities, cope with dangers, and ensure national stability and development. So, Party committees and organizations of various echelons should focus on providing guidance for the thorough study and grasping of the Resolutions adopted by the 9th Congress, and should be determined to translate them into reality.

To fulfill the tasks entrusted by the nation in the new stage, there is an essential and urgent requirement for the Party to step up the drive of Party building and rectification in order to make the Party always transparent and strong in political, ideological and organizational aspects as well as in its morality, intellect and capability of leadership and fighting. We should bring into play our good points, new positive factors while resolutely rectifying our errors, especially bureaucracy, corruption, and waste; we should build our Party transparent and strong from the grassroots Party cell upwards. This is a decisive factor for the successful implementation of the Resolutions of the 9th Party Congress and a vital factor for the Party's fate.

The Congress calls on all Party members in whatever position they may hold to make every effort to train and perfect their morality, intellect and capability of leadership and practical

activity so that they can be worthy of the title "members of the Communist Party of Vietnam" founded and drilled by President Hồ Chí Minh. They should be good examples in implementing successfully the line and policies of the Party and the laws of the State as well as in encouraging the people to do so. The entire Party, people and army should further strengthen our solidarity, uphold our traditional patriotism in the new stage, be dynamic and creative, strive for the fulfillment of the tasks set forth by the 9th Party Congress so as to enable our country to get out of poverty and underdevelopment soon, and become a basically industrialized nation in conformity with the goals designed by the 9th Party Congress, firmly maintain national independence and build successfully socialism.

Dear Comrades,

The Congress highly appreciates the contributions of the 8th Party Central Committee and Politburo and was moved at the proposal of many members of these organs not to stand for election into the 9th Party Central Committee in order to pave the way for rejuvenating the leadership of the Party in the new tenure. We would like to wish them good health and that they will continue devoting their ability and experience to the revolution in the new stage.

Dear Comrades,

Since they undertook the office of advisor to the Party Central Committee, comrades Đỗ Mười, Lê Đức Anh, and Võ Văn Kiệt have made great contributions to the revolutionary cause of the Party and the nation. They have contributed many valuable ideas to the leadership of the Party Central Committee and Politburo and made all efforts to successfully fulfill all the tasks set forth by the 8th Party Congress. From the bottom of our heart, we wish

the Advisors good health and happiness and to continue making contributions to the revolutionary cause of the Party and nation.

The Congress respectfully acknowledges the important contributions made by comrade Lê Khả Phiêu during his term of office as Party General Secretary to further enhancing the leadership of the Party Central Committee and the Politburo, to ensuring national stability and development, expanding external relations, and raising the standing of the country in the region and the world as well. Comrade Lê Khả Phiêu has made important contributions to direct the implementation of the Resolution of the 6th Plenum (2nd Session) on Party building and rectification, as well as the promotion of internal unity and of democracy in the activities of the Party Central Committee and Politburo. He has also taken drastic measures against corruption. He always perseveres with the revolutionary stand and follows a modest life-style. He is always close to the people and listens to their opinions. We would like to wish him health and happiness and to continue making precious contributions to the Party and nation.

The Congress warmly welcomes and expresses the deepest thanks to the veteran revolutionaries, heroic mothers of Vietnam, patriotic personalities, intellectuals, religious dignitaries, fellow-countrymen, soldiers all over the country and the community of overseas Vietnamese for their intellectual contributions to drafting the documents of the Congress and for their achievements, telegrams and letters as congratulations addressed to the Congress.

The Congress sincerely thanks the delegations of communist and workers' Parties and ruling Parties for their frank friendship accorded to the Congress, the Party and people of Vietnam. Their

participation has made precious contributions to the success of the Congress.

The Congress also sincerely thanks the diplomatic corps and representatives of the international organizations in Vietnam for their attendance at this event, and domestic and foreign news agencies, press, radio and television agencies for timely coverage of the Congress.

From this solemn forum, we convey our profound gratitude to the communist and workers' Parties, all friends across the world for their whole-hearted support to the revolutionary struggle of our people over the past seven decades and the present cause of national renovation, and express our profound solidarity with them.

The Congress praises and thanks the Sub-organizing Board, all cadres, experts, soldiers, workers, and people for their whole-hearted services rendered to the Congress. They have made positive contributions to the success of the Congress.

Dear Comrades,

The success of the Congress constitutes a new great source of power for us to strengthen further the unity within the Party and the great block of people unity. The forthcoming time has new advantages and opportunities and is, at the same time, full of new difficulties and challenges. This requires the entire Party and people to be in oneness and strive to overcome them.

In the immediate future, we should strictly implement the Resolutions of the Congress, translate them into activities of the masses and bring about new advances in the organization of this implementation.

Fully aware of the heavy responsibilities before the Party and nation, which have been entrusted by the Congress, the 9th Party Central Committee and I myself pledge that we will work devotedly, be in oneness, set good examples in life and work, unceasingly raise our mettle and intellect and act in accordance with our words. Together with the entire Party, people and army, we will strive to successfully implement the Resolutions of the Congress.

Dear Comrades,

The 9th Party Congress is a congress of intellect, democracy, solidarity and renovation. It expresses the strong will and great aspirations of the whole nation in the critical moment when we are entering the new century and new millenium.

The entire Party, people and army are determined to promote the glorious tradition of the Party and the nation and revolutionary heroism, to persevere with the targets of national independence and socialism, to make use of opportunities, overcome all challenges, and to endeavor to implement successfully the cause of national industrialization and modernization for the sake of a wealthy people, a strong country and an equitable, democratic and civilized society.

With enthusiasm and belief in the brilliant future of the nation and the country in the 21st century, I hereby solemnly declare the closing of the 9th Party Congress of the Communist Party of Vietnam.

Long live the glorious Communist Party of Vietnam!

Great President Hồ Chí Minh will forever live in our cause!

POLITBURO



Mr. NÔNG ĐỨC MẠNH
GENERAL SECRETARY OF THE CENTRAL
COMMITTEE OF THE CPV



Mr. TRẦN ĐỨC LƯƠNG



Mr. PHAN VĂN KHẢI



Mr. NGUYỄN MINH TRIẾT



Mr. NGUYỄN TẤN DŨNG



Mr. LÊ MINH HƯỜNG



Mr. NGUYỄN PHÚ TRỌNG



Mr. PHAN DIỄN



Mr. LÊ HỒNG ANH



Mr. TRƯƠNG TẤN SANG



Mr. PHẠM VĂN TRÀ



Mr. NGUYỄN VĂN AN



Mr. TRƯƠNG QUANG ĐƯỢC



Mr. TRẦN ĐÌNH HOAN



Mr. NGUYỄN KHOA ĐIỀM

SECRETARIAT

1. Mr. Nông Đức Mạnh
2. Mr. Lê Hồng Anh
3. Mr. Nguyễn Văn An
4. Mr. Trần Đình Hoan
5. Mr. Nguyễn Khoa Điềm
6. Mr. Lê Văn Dũng
7. Mme Tòng Thị Phóng
8. Mr. Trương Vĩnh Trọng
9. Mr. Vũ Khoan

CENTRAL CONTROL COMMITTEE

1. Mr. Lê Hồng Anh
2. Mme Nguyễn Thị Doan
3. Mr. Mai Văn Năm
4. Mme Phạm Thị Hải Chuyền
5. Mr. Hoàng Kim Sơn
6. Mr. Đặng Ngọc Thanh
7. Mr. Vũ Quốc Hùng
8. Mr. Phạm Chí Hòa
9. Mr. Nguyễn Văn Thám

BIOGRAPHY OF CPV GENERAL SECRETARY NÔNG ĐỨC MẠNH

Nông Đức Mạnh was born on September 11, 1940 to an ethnic Tày farming family in Cường Lợi Commune, Na Rì District, Bắc Cạn Province. Formerly, he was a forestry worker.

He participated in the Vietnamese revolution in 1958.

He joined the Communist Party of Việt Nam on July 5, 1963 (officially on July 10, 1964).

CAREER HISTORY

1958-1961: Student of Middle-level Agriculture-Forestry College, Hanoi.

1962-1963: Forestry worker, forestry supervision technician at Bắc Cạn Forestry Service.

1963-1965: Deputy Chief of Bạch Thông wood exploiting team

1965-1966: Student of Hanoi Foreign Languages College, majoring in Russian.

1966-1971: Studied at the Forestry Institute, Leningrad, the Soviet Union.

1972-1973: Deputy Head of the Inspection Board of the provincial Forestry Service of (former) Bắc Thái Province.

1973-1974: Director of the Phú Lương State Forestry Camp in (former) Bắc Thái Province.

1974-1976: Studied at Nguyễn Ái Quốc Party High-level School.

1976-1980: Member of (former) Bắc Thái Province's Party Committee, Deputy director of the Provincial Forestry Service and Director of the Construction Company of the Forestry Service of (former) Bắc Thái Province, and Director of this service.

1980-1983: Member of the Provincial Party Committee, and Deputy Chairman of the People's Committee of (former) Bắc Thái Province.

1984-October 1986: Deputy Secretary of the Provincial Party Committee, and Chairman of the People's Committee of (former) Bắc Thái Province.

November 1986-February 1989: Secretary of (former) Bắc Thái Province's Party Committee; at the Sixth Party Congress, elected as alternate member of the Central Committee of the CPV.

March 1989: At the Sixth Plenum (Sixth Party Central Committee), elected as full member of the Central Committee.

August 1989: Chairman of the Central Nationalities Commission.

November 1989: Deputy to the Eighth National Assembly, and Vice Chairman of the National Assembly's Council of Nationalities.

June 1991: Member of the Politburo of the Party Central Committee (Seventh Party Congress).

September 1992-September 1997: Chairman of the Ninth National Assembly.

June 1996: Member of the Politburo of the Party Central Committee (Eighth Congress).

From September 1997: Chairman of the Tenth National Assembly.

January 1998: Member of the Standing Board of the Politburo.

April 2001: Elected General Secretary of the Central Committee of the CPV (Ninth Congress).

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**VĂN KIẾN ĐẠI HỘI
ĐẢNG CỘNG SẢN VIỆT NAM LẦN THỨ 9**

**Chịu trách nhiệm xuất bản
MAI LÝ QUẢNG**

Biên tập: ĐOÀN LÂM
Bìa: NGÔ XUÂN KHÔI
Sửa bản in: PHAN QUANG TRUNG
Kỹ thuật vi tính: ĐỖ MAI ANH

In 1000 bản, khổ 13x19 cm, tại Xưởng in Nhà xuất bản Thế Giới.
Giấy chấp nhận đăng ký kế hoạch xuất bản số 17-86/XB-QLXB,
cấp ngày 16/1/2001. In xong và nộp lưu chiểu tháng 4 năm 2001.

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