

21.000Đ

Files on Vietnam



THẾ GIỚI PUBLISHERS

9-10/2000

CONTENTS

Speech by H.E. Mr. Lê Khả Phiêu, Secretary General of the Communist Party of Vietnam at the Meeting with Foreign Participants in the International Conference "Vietnam in the 20th century" (Hanoi, 21 September 2000)	2
The Socio-economic Situation in the First Six Months of 2000	7
The Government's Resolution No. 11/20 NQ-CP on Measures to Promote Socio-economic Development of the Second Half of 2000	15
The Government's Decree No 06/2000/NĐ-CP of 6th March 2000 Stipulating the Cooperation with Foreign Investors in the Fields of Medical Examination and Treatment, Education and Training, and Scientific Research	23
Decree No 07/2000/NĐ-CP of March 9, 2000 by the Government on the Policy of Social Relief	29

PUBLISHER'S NOTE

As Vietnam proceeds with *doi moi* (renovation) and continues its open-door policy, there is an increasing need for current and relevant information about Vietnam in an easily accessible format. This new publication, *Files on Vietnam*, seeks to meet this need.

The number of foreigners who are interested in Vietnam as a promising land for doing business and as an attractive tourist destination is increasing daily. As Vietnam reaches out to befriend other nations for independent and peaceful co-existence and development, precise and accurate information will help to cement the bonds of friendship and cooperation between Vietnam and the rest of the world.

This bi-monthly series *Files on Vietnam* is meant by Thế Giới Publishers to furnish interested readers with open and up-to-date material about all aspects of this country. Each issue is in fact a collection of translations of overviews, reports, statistical data from various branches and industries, and legal documents relevant to foreign residents in Vietnam.

It is hoped that the *Files on Vietnam* will be a help to foreign policy makers, businessmen, researchers, tourists and students. Any comments or suggestions for improving the series will be highly appreciated.

Thế Giới Publishers

**SPEECH BY
H.E. MR. LÊ KHẢ PHIÊU,
SECRETARY GENERAL OF
THE COMMUNIST PARTY
OF VIETNAM AT THE
MEETING WITH FOREIGN
PARTICIPANTS IN THE
INTERNATIONAL
CONFERENCE "VIETNAM IN
THE 20TH CENTURY"
(HANOI, 21 SEPTEMBER
2000)**

(Nhân Dân Daily, 22 September 2000)

*Distinguished guests,
Comrades and friends,*

In these fine autumn days we are very delighted to welcome you representative of various continents to the International Conference "Vietnam in the 20th Century". Your presence is a great encouragement to us.

Having read your papers at the plenary and panel sessions, I am deeply moved by the kind words you have reserved for our people, Party and President Hồ Chí Minh. Mr. Romesh Chandra, Honorary President of the World Peace Council, the oldest participant, in his paper says that in the second half of the 20th century, there appeared a word that had so many meanings: "struggle", "courage" "heroism"; it also meant "victory", "independence" and "freedom". That word was *Việt Nam*.

"Vietnam is a bright example in the 20th century," stated Mr. Phanduonchit Vongsa, President of the Lao National Administrative and Political Academy. "What has remained in the heart of the Cambodian people concerning Vietnam in the 20th century? It is our gratitude; it is friendships; it is the image of Buddhist soldiers coming from the remote realm of the Good to save the Cambodian people," praised Mr. Chay Yiheng, Advisor to the Royal Cambodian Government. "I have witnessed your legendary heroism which once shook the whole world, brought about pride for your friends. It is no surprise that, when someone has attacked – or is going to do so – another person, he would be reminded: "Be cautious. Don't forget the Vietnamese syndrome." "On the strategic plane, **the victory of your reforms will restore to a great extent the strategic significance of socialism in world development.**" added Prof. Dr. Alexander Lilov, from Bulgaria. Meanwhile, Professor Charles Fourniau of France argued that "Only by connecting national struggle to the claims of peasants, the main pillar, could Nguyễn Ái Quốc organize, on the basis of Marxism and

the Communist Party, a link between the national liberation movement and social revolution, which was just the August revolution." Chinese Ambassador to Vietnam Qi Jianguo holds that: "The prominence of Vietnam's renovation exerts an influence beyond its national borders, impressing the whole world." Prof. Furuta Moto, Japan National University said: "Vietnam will invent something for mankind's civilization. I hope that Vietnam will continue to play an active role in its endeavor to fulfill the global task of mankind in the 21st century."

Ladies and gentlemen,

I have very fond memories of the noble support extended by friends the world over to our past struggle for national independence and reunification and the current cause of building socialism and *Doi moi* process. Beloved lawyer Looseby and his wife, other heroes that made sacrifice for Viet Nam such as Henry Martin, Ray Mondiene from France, Morrison, a great son of the United States who on 21 November 1965 afternoon burned himself in protest against the US war of aggression against Vietnam, Bertrand Russell, Paul Sartre, peoples and governments, known and unknown heroes, Communist and Workers' Parties, peace-loving forces and Non-Aligned Movement, sailors in Marseilles and Paris, people in Laos, Cambodia, Africa, America, Germany, Italy, the Soviet Union, Finland, China from Shenchon to Quangzhou, Japan, Thailand, India, Algeria, Madagascar, Hong Kong and many others that I cannot mention all; to you we are grateful for your quiet and constant assistance to President Hồ Chí Minh and the Vietnamese Revolution since it was "a baby lying on grass"¹.

We always keep in our heart the statement made by President Fidel Castro at the height of our struggle: "For Vietnam, Cuba is ready to sacrifice her own blood", and the fact that

Latin America's hero Hoze Marti wrote about Vietnam and its people as early as 1895.

Vietnam is grateful to you all for your support and contributions and will forever remember the services you have rendered for Vietnam, even though we have not been able to get to know and meet you all. On this occasion, I would like to request you, when you return home or when you travel to any country that had supported Vietnam, to convey the Vietnamese people's heartiest thanks to their friends.

The strength from international solidarity is one of the decisive factors for the success of our revolution. Fully aware of this, we will at present and in the future, in any circumstance, continue to consolidate and make the best use of that strength.

Your valued activities and praise for Viet Nam encourage our people and Party to multiple efforts and not to flinch from any difficulties. The strength and determination of a nation and a revolutionary Party is demonstrated in their capability of recognizing their own weaknesses and shortcomings. We are resolved to overcome those weaknesses and shortcomings and bring into play our achievements to live up to the expectations of our international friends.

Distinguished guests,

Comrades and friends,

In the late 19th century, capitalism changed itself into imperialism. President Hồ Chí Minh observed that "By 1906, imperialist countries had completed the division of colonies and markets in the world."

As capitalism transformed itself into imperialism, fundamental contradictions emerged not only between capitalism and proletarianism, but also between colonies and imperialism, and between imperialist countries themselves. Lenin put forward the well-grounded slogan "Let the proletarian class and oppressed nation all over the world unite."

Just 8 years after the division of colonies , imperialism waged the World War I (1914-1918) in order to seize and re-divide markets.

Taking advantage of the contradiction among imperialist countries, the Russian proletarian class carried out the Great October Revolution, establishing the Soviet regime, *ushering in a new era: the era of transition from capitalism to socialism, marking a turning point of human society.*

Despite the shortcomings and defects which were difficult to avoid during its maturation, the socialist regime in the land equal to one sixth of the globe eradicated in principle exploitation and relations of large nations oppressing small ones; production materials for creating social wealth to feed men were no longer in the hands of the exploiting class; instead they belonged to the working people.

This had not existed for millennia since mankind's society was divided into classes. This was the newest, greatest thing of the 20th century, which had been only the dream in the previous centuries. It was this event that determined the evolutionary trend of history.

Imperialism did not resign itself to regression and defeat, and neither could it reconcile the contradictions within itself. German fascism, the counter-revolutionary centre at the time, launched the World War II in an attempt to annihilate the Soviet regime and dominate the world. The tragedy and final fate of fascism proceeded from that cruel and greedy desire.

Bringing into play the superiority of the socialist regime, skillfully exploiting the contradictions between imperialist countries, closely uniting with oppressed nations and progressive mankind, the Soviet Union together with its allies played a decisive role in crushing fascism, putting an end to the most devastating war of aggression waged by imperialism in history, liberating a part of

mankind from the cruel fascist yoke. Thus the socialist system was born.

Besides turning the USSR into a powerful country, the glorious victory over fascism, freeing humankind from the fascist disaster was another extremely great contribution of the Soviet Union to mankind. That demonstrated not only the vigorous strength but also the fine nature and superiority of socialism. Today, although socialism in the Soviet Union and Eastern Europe has collapsed, the working class, peoples and the entire humanity will forever bear in mind, and feel grateful for, the historic contributions of the Communist Party, State and Red Army of the Soviet Union. Let's ask ourselves what sort of suffering and tragedy humanity would have had to endure if fascism had not been defeated?

Based on the success of the October Revolution, the victory over fascism and the establishment of the socialist system, oppressed nations stood up to throw down colonialism and neo-colonialism, radically destroying the colonial system, freeing billions of people and hundreds of enslaved nations from imperialism's yoke. The national liberation and workers' movement and the movement of struggling for peace, democracy and social progress all combined into a revolutionary high tide, which had never been seen in world history, against imperialism, gradually foiling its schemes and forcing it to adjust its strategies and tactics.

At the end of this century, humankind had to witness a painful event, the disintegration of the Soviet Union and the socialist system in East European countries. As Professor Doctor Alexander Lilov said "societies were not born to perfection. Socialism is not an exception of this historical logic." ~~Our Party is fully aware that socialism, though having to travel along a meandering path fraught with complexities, will surely perfect itself and become a triumph.~~

*Ladies and gentlemen,
Comrades and friends,*

Ninety years have elapsed since the day President Hồ Chí Minh started his travel in search of ways to save our country. He spent more than half of his life travelling across three oceans and 28 countries on four continents, covering an estimated distance of 200,000 km, from the world's most civilized centers to its poorest and most miserable corners. Along each leg he made, always intertwined were his love for the nation and people, which was nurtured since his early childhood, the pain he felt for suppressed nations' destitution, his burning desire to liberate his Homeland as soon as possible, and his dream of a beautiful, civilized and happy society for the working class. Crystallized with the nation's civilization and humanity's advanced knowledge, he deeply interpreted the suffering of his nation, class and humanity, realized the correct way to eradicate that suffering and build up the will and fortitude of a hero who "builds a nation with two empty hands".

He not only read Lenin's Thesis on Nationalities and Colonies. But also, the ten years he spent on a wide range of practical activities helped him strongly absorb the quintessence of that Thesis. That quintessence is *"In the present time, the national liberation revolution must be closely linked with the proletarian revolution, and national independence with socialism."*

He then focused on diffusing that truth and applying it to Việt Nam's reality in a consistent effort to turn that truth into the invincible strength of our people and Party.

That truth found expressions in the 1930 and 1991 Party Platforms and is translated into Party lines and policies, thanks to which the Vietnamese people under the leadership of the Vietnam Communist Party has:

- Successfully carried out the August Revolution, established the first people's

democratic state in Southeast Asia and ushered in the Hồ Chí Minh era in the nation's history.

- Won the wars for national liberation and defense in spite of extremely difficult circumstances, defeated big and powerful enemies with the best material and technological strengths in the world, completed the people's national democratic revolution all over Vietnam and brought it on the path of socialism without going through the stage of capitalist development.

- ~~Implemented the cause of renovation,~~ **closely combined two strategic tasks, gained major and significant victories, consolidated national independence and making firm steps along the path of socialism in spite of complexities and dangers.**

- Fulfilled noble international responsibilities, saving the Cambodian people from genocide. King Norodom Shihanouk once said: "Without Vietnamese soldiers' help to save Cambodians from genocide, the King's children and grandchildren would have been killed all."

Prime Minister Hun Sen said: "The demand that the Khmer Rouge be put on trial is a political and justice compensation for all those who contributed to saving the Cambodian nation from the genocidal Pol Pot regime. Therefore, they have to acknowledge the truth that as long as the demand for the Khmer Rouge's top leaders to be put on trial exists, the heroism of Viet Nam's volunteer soldiers who sacrificed their lives for the Cambodian people should be praised." Our crystal internationalism was formed and has been unceasingly fostered since the birth of the Vietnamese working class, manifested in Hồ Chí Minh's thoughts: "Helping friends is to help ourselves." **That thinking coincides with the noble thoughts of heroic Saints Gandhi and Nehru:** India's independence can never be complete as long as other nations are yet to be freed from colonists' yoke.

Comrades and friends,

Five days ago, on September 15th, the Vietnamese people celebrated the 700th death anniversary of General Trần Quốc Tuấn at Kiếp Bạc.

To be honest, today I still fondly recall that morning. Almost all representatives of the whole nation came to pay tribute to Him, watching the re-enactment of the fighting in the Thương River. Witnessing that magnificent scene and people's tribute to him, I recalled his teaching: *it is necessary to nurture the strength of the people as the roots; superiors and subordinates should be of one mind, brothers should live in concord, and the entire country should join forces.*

I have, on many occasions, paid tribute to Nguyễn Trãi, a national hero and a cultural celebrity, at Côn Sơn some kilometers from Kiếp Bạc. Nguyễn Trãi returned to Côn Sơn at the age of 50 and he wrote: "*Days and nights my concern for the people never ceases.*" Crystallizing Viet Nam's morality, he passed down to the next generations immortal thoughts: Our only need is territorial integrity, security, peace, friendship, and eternal cessation of war.

Our people fully understand that we are a poor country developing from a very low level.

Following our forefathers' teachings, Viet Nam only desires peace, and stability for national building and the pursuit of happiness in order to realize the goal "Everyone can be well fed, clothed and educated". We realise the gap between our economy and developed ones in the world. We also realize that there will be enormous advances of science and technology in the 21st century. Acting upon Hồ Chí Minh's great thoughts "Use our own force to liberate ourselves", we continue to intellectualize our Party, our nation, our workers and farmers. The whole country will be a learning society, relying on the tradition started from the early days of our

independence in 1945: "the whole country learns to eradicate the enemy of illiteracy; the whole country combats the enemy of hunger". We should hold high the banner of science in much the same way as we have held the national banner; an illiterate and poor nation is a weak nation. There is a popular saying among the Vietnamese: "Once you know how to use chopsticks, you will know how to sharpen bamboo stakes", and once you know how to sharpen bamboo stakes, you will know how to learn and operate computers, and to gain access to information technology, a door to the knowledge-based economy.

The encouragement Mr. Lend Aldis has given to us is very sincere and profound: "Having gained independence in the struggle for many years and suffered great sacrifices, Viet Nam will not surrender on the economic front."

We will materialize that determination. During the 20th century, the Vietnamese nation has struggled for national independence and reunification. ~~The country has been in transition towards socialism.~~ In the 21st century, we are determined to defend our Homeland's independence and unity, to pursue happiness for the people and continue to follow the path of our own choice. Even though it requires 50 years, 100 years, even more, we will never be shaken and socialism will definitely triumph.

Once again, I would like to thank you and wish you good health and happiness ■

1. From a poem by Tố Hữu, Văn Học (Literature) Publishing House, 1983.

THE SOCIO-ECONOMIC SITUATION IN THE FIRST SIX MONTHS OF 2000

(Ministry of Planning and Investment)

After six months of implementing the 2000 plan, Vietnam's socio-economic situation has been improved. Many key norms have been broken in comparison with the same period last year and the set plan.

Many components of production and business grew considerably, some industries started to regain their growth rate

(1) Industrial production growth rate was relatively high and synchronised within industries and geographical areas.

Industrial production value in the first six months of 2000 increased by 14.7% over the same period last year, being the highest figure since 1997. The growth rate in industrial production value in state, non-state and foreign-invested sectors was 12.2%, 18.5% and 15.7% respectively.

The growth rate in targeted industrial zones and big cities was gradually recovered: Hanoi up by 15.6%, Hải Phòng 23.8%, Quảng Ninh 20.3%, Hồ Chí Minh City 14%, Đồng Nai 18.4%, Đà Nẵng 14.2%, Cần Thơ 18.7%, etc.

Some key industrial products increased relatively fast, among which: electricity grew by 11.5%, cement 27.9%, plate steel 19.1%, sanitary china products 36%, diesel engines (centrally controlled) 78.3%, electric engines 28.4%, transformers 53.2%, televisions 37%, processed aquatic products 22.9%, ready-made garments 17.3%, paper 14.2%, etc.

Industrial product consumption in the first six months of the year rose remarkably: cement and other constructional materials grew by 15-20% over the same period last year, steel by 34%, coal by 8%, other consumer products by 9-10%. The consumer market of industrial exports have shown promising signs.

~~However, the domestic market of industrial products was not really animated due to the low purchasing power. The product~~

quality remained low and the costs high, while competition from other regional countries, especially China and Thailand, was harsh.

(2) Besides the bumper winter-spring crop and development of the exploiting and planting of aquatic products, there still remained many difficulties in finding consumers for agricultural products.

The country had a bumper winter-spring crop this year. The cultivating area of winter-spring rice in the South was 1.8 million hectares, increasing by 80,000 hectares over the same period last year. The productivity of the fields was 50.5 tons per hectare, the output was over 9.3 million tons, increasing by more than 740,000 tons over the same period last year. The cultivating area of winter-spring rice in the North was nearly 1.2 million hectares, the productivity of the fields was over 51.7 tons per hectare; the output was 6 million tons, increasing by 470,000 tons over the same period last year. In general, in the 2000 winter-spring crop, the output of food converted to paddy was 16.7 million tons, increasing by approximately 1.1 million tons.

The output of industrial crops was relatively high. The output of rubber latex rose by 13.6%, tea rose by 11.1%, cashew nuts by 71.4%. The output of coffee came up to as much as over 500,000 tons. Animal raising continued to develop. The number of cows grew by 8%, the output of milk increased by 10%. The output of aquatic products rose by 6% over the same period last year.

~~The major difficulty at the moment is the slow sales and low price of some products, particularly food and sugar (from sugarcane).~~ The government has focused on steering the implementation of measures to help peasants sell their rice (so far 840,000 tons of rice have been purchased for the temporary reserve stock), improve the product quality, switch plantation breeds, plan appropriate areas for

each species of plantation, and develop the processing industry, etc. Besides, ~~measures to push up the sales of sugar, including lending contractors VND 200,000 million without charging interest to help them buy 50,000 tons of sugar to export, have been undergone.~~

(3) Some service activities have made progress, the domestic market has indicated recovery. However, the service business growth rate was still low.

The flow of retail social products in the first six months of the year rose by approximately 7.6% over the same period last year. The market has resumed its animation, especially in big cities. There have been more lively tourist and cultural activities than the last year. The procedures for entry and exit of the country have been simplified. The number of international visitors increased by 18%, domestic travellers by 20%. The room occupancy in hotels grew by 15%. The turnover of tourism went up by 9%, the foreign exchange obtained from this industry increased by 6.5%.

An increase was also seen in transportation service: the flow of goods rose by 10.3%, its turnover grew up by 7.5%. ~~However, traffic accidents have still remained a serious problem: over 10,000 accidents occurred in the first 5 months of the year, increasing by 7.6%, in which 3,249 people died, increasing by 7.7%; and nearly 11,000 people were injured, increasing by 5.6%.~~

The turnover of aviation came up to 52% of the plan, in which the transportation of passengers rose by 6.6%, the transportation of goods rose by 9.6%. However, ~~the quality of service tended to decline: 799 flights were cancelled and 2,761 flights delayed in the first six months of the year, due to the mismanagement of Vietnam Airlines.~~

Communication service was improved. Its turnover increased by 15%, and the number of

telephone subscribers went up by 89% over the same period last year.

(4) The growth of exports was well-maintained.

The export turnover amounted to as much as US\$ 6,430 million, increasing by 26.7%, to which foreign-invested enterprises contributed US\$ 3,000 million, increasing by 56.8%, and domestic-invested enterprises contributed nearly US\$ 3,400 million, increasing by 7.5%.

Some exports which obtained a remarkable year-on-year increase in the first 6 months of 2000 are: coffee, which increased by 71.6% in volume but levelled off in turnover due to its sharp fall in price; rubber 7.1%; cashew nuts 57%; pepper 28.4% in volume and 35.5% in turnover; aquatic products 28% in turnover; garments 3.9%; footwear 9.5%; and electronic products and components 28.1%. Particularly, arts and crafts exports soared up by 88.2%.

However, rice exports in the past six months reached only 1,440 thousand tons, decreasing by 40% in volume and accounting for 48% in turnover over the same period last year. Crude oil exports reached 7,143 thousand tons, increasing by 1.4% in volume but 88.6% in turnover thanks to the surge in price.

The import turnover came up to over US\$ 7,140 million, increasing by 33.8% over the same period last year, to which foreign-invested enterprises contributed a 28.8% increase and domestic-invested enterprises a 35.8% increase. Imports soared up thanks to two key reasons: (1) the surge in demand for importing materials, machinery and equipment for production (rough steel increased by 14%, finished steel 36%, machinery and equipment 37.5%, paper 44%, cotton 31.7%, fibres increased 34.8%); (2) the surge in import price (the price of petrol imports soared up by 100%, the price of paper and paper powder imports soared up by US\$ 100/ ton, the price of

chemicals soared up by 10% over the same period last year).

The import surplus in the first six months of 2000 was approximately US\$ 727 million, accounting for 11.3% the total export turnover, higher than that over the same period last year but yet to be alarming.

2. Implemented investment by society, especially investment by non-state sectors, rose considerably, while investment from the State credit capital and foreign direct investment fell

According to estimation, the total amount of social investment implemented in the first six months of the year, including the supplemented budget capital carried over from 1999, accounted for 43.7% of the plan, increasing by 27.8% over the same period last year. Investment in capital construction derived from the State budget for the year 2000 accounted for 43% of the annual plan.

Many great works have been finished during the first six months of the year, such as the construction of Station 1 of Yaly Hydro-electric Plant, Station 1 of Hinh River Hydro-electric Plant, Mỹ Thuận Bridge, Bình Điền 2 Bridge, Hàn River Bridge (in Đà Nẵng), etc. At the beginning of July 2000, the Mã River Bridge was inaugurated and the upgrading of Cần Thơ airport was completed. Construction units of Hồ Chí Minh Route started out at the same time at the end of May and beginning of June 2000.

In terms of investment credit

According to estimation, by the end of June 2000, contracts on investment credit were signed and disbursement made at the Development Assistance Fund and other lending clues at commercial banks accounted for 50.4% of the plan. However, domestic disbursement was made mostly on the basis of the credit capital carried over from 1999. The planned lending of the year was realised very

little, due to the slow capital allocation and embarrassment in implementing the new policy on investment credit. Besides, the interest rate has yet to draw the attention of investors although it has been lowered to 7% per year.

Investment by non-state sectors grew up relatively. After 5 months of implementing the Law on Enterprises, over 5,000 new enterprises were established, 2.5 times as much as that over the same period in 1999. Among them were 300 stock companies, equivalent to the total amount of stock companies set up in the last 9 years. The proportion of investment into manufacturing and processing industries (especially agricultural product processing) rose while the proportion of investment into hotel and restaurant business went down considerably.

Foreign direct investment continued to decline In the first six months of 2000, establishment permits were granted to 140 projects, increasing by nearly 20% over the same period last year. However, due to the small and medium scale of those projects, the registered capital amounted to only US\$ 390 million. Fifty five projects were given a total additional capital of US\$ 130 million. In general, the aggregate capital granted to newly-established and supplementary-invested projects in the first six months accounted for only 65% over the same period last year. The working capital in the first six months of 2000 accounted for 93% over the same period last year.

Progress was also seen in the absorption and disbursement of the Official Development Assistance (ODA). By the beginning of June 2000, the amount of ODA signed under agreements had reached US\$ 1,060 million, of which Japan's ODA accounted for 73%, the World Bank's ODA accounted for 13%. Projects assisted by Japan and the World Bank focused on constructing infrastructure and developing agriculture and rural areas.

During the past six months, approximately US\$ 785 million of ODA was disbursed, accounting for 46.3% of the annual plan and increasing by 13.3% over the same period last year. Projects with heavy disbursement focused on energy industry (the Phú Mỹ I Thermol-power plant project, the Phả Lại II Thermol-power plant project, the Hàm Thuận - Đa Mi Hydro-electric plant project). ~~Due to difficulties in site clearance,~~ the disbursement of some large-scale transportation projects was low (Project of restoring the Hanoi - Lang Son section on the National Highway 1A (assisted by ADB), Project of restoring the bridges on the National Highway 1A (assisted by JBIC).

3. Finance and currency

(1) The State budget income was relatively high, the budget expenditure was lower than planned despite some increases over the same period last year.

The total State budget income in the first six months of 2000 reached 50.9% of the annual plan, increasing by 3.7% over the same period last year, in which income from tax and fees accounted for 50.9% of the annual plan, increasing by 4.3%. Income from foreign-invested enterprises rose by 62.8%, in which income from petroleum went up by 90%.

The State budget expenditure in the first six months of 2000 was approximately 43.7% of the annual plan, in which expenditure on development investment accounted for 36.6% of the annual plan. Because income exceeded expenditure, budget overspending fell to only 2% of GDP and accounted for 19.5% of the annual plan.

(2) Monetary activities have indicated good changes.

By the end of June 2000, capital mobilisation rose by 12.3% compared with

December 31, 1999, in which VND mobilisation increased by 7.8%. Credit debits of the whole economy in the first six months of 2000 increased by 10.1% compared with December 1999, in which VND lending increased by 13.1%. The pace of capital mobilisation and lending was higher over the same period last year. Particularly, the growth rate of investment credit into developing agriculture and rural areas was higher than the average rate of the whole economy.

In terms of interest rate control: In the first six months, the State Bank of Vietnam has adjusted the offered ceiling interest rate by the People's credit funds from 1.5%/month to 1.35%/ month and maintained the rate of 0.85%/ month in urban areas and 1%/ month in rural areas. Indeed, the offered rate in the urban market was commonly lower than the ceiling rate (0.6 - 0.75%/ month) and the offered rate by rural credit funds usually adhered to the ceiling rate (1%/ month).

The interest rate for mobilising foreign currency savings offered by credit funds has shot up since the end of April 2000 (from 0.35% to 0.5%/ year depending on the mobilising term) due to the consecutive increases of US\$ interest rate offered by the US Central Bank. However, offered rate didn't fluctuate considerably, just between 6.3%-7.5%/ year.

In terms of foreign exchange rate control: Exchange rate continued to be stabilised. The average increase in transactional exchange rate in the inter-bank foreign currency market remained at only 0.4%; the exchange rate in the free market was a little bit higher, approximately 1%. The major cause of this fact was the change in foreign exchange rate between VND and US\$, which led to the switch from VND capital inflow to US\$ capital inflow, affecting the demand for foreign currency. The turnover derived from foreign currency transactions between banks and their

customers in the first six months of 2000 grew by 12.7% over the same period in 1999, with commercial banks' foreign currency sales outweighing foreign currency purchase.

4. One of the most concerning problems in the past months was the declining consumer price, mostly due to the declining food price

Consumer price index in the first six months decreased by 0.5% compared with May 2000. The price of all the 10 categories of goods and services rose except for that of food and foodstuffs (declining by 1.1%) and that of cultural and sports products (declining by 0.7%).

The price index went down by 1% compared with December 1999. The price of 3 out of 10 categories of goods and services fell: the price of food and foodstuffs fell by 2.3% (food down by 7.6%, foodstuffs down by 0.3%), drinks and tobacco down by 0.4%, garments and footwear down by 0.1%. The prices of the other 7 categories went up. So, within 12 months (since June 1999), only the price of food and foodstuffs decreased (by 5.2% - food down by 10.6%, foodstuffs down by 4%), the price of the other 9 categories of goods and services all went up, especially accommodation and construction materials up by 4.8%.

The key cause of the decrease in consumer price was the fall in international price of food and some agricultural products, which resulted in the decrease in domestic price of these products. If the price of food and foodstuffs doesn't change compared with the same period over the past years, the consumer price index may increase by 3-4%. Besides, there are some other causes such as the slowly offered State credit capital and slowly disbursed State budget capital, etc., which contributed to reducing the society's purchasing power, reducing the market price.

5. Educational, scientific and technological activities

In terms of education, 3 more provinces were recognised as having completed the education universalisation and illiteracy elimination in the first six months, which raised the total number of recognised cities and provinces to 60 out of 61 cities and provinces throughout the country. Graduation examinations at junior and senior secondary school-level were held relatively successful without any big problems.

The Ministry of Education and Training has co-operated with local authorities to impose many measures on preventing massive overtime classes, especially in the summer time. The *"Regulation on easing the curriculum load on primary school pupils"* was promulgated, requiring and guiding schools to reduce the curriculum by 15-20%. Meanwhile, programmes on training teachers have been executed and text books of junior secondary school pupils recompiled. In the 2000-2001 school-year, a new set of text books will be introduced into the sixth form at 11 cities and provinces as part of the pilot scheme.

The Ministry of Education and Training has also set up the Steering and Implementing Committee for evaluating the diplomas and certificates granted to people at 60/61 cities and provinces and 130 universities, colleges and vocational schools. Two hundred and eighty seven cases of State's employees displaying illegal diplomas and certificates and thousands of cases of students displaying illegal high-school graduation certificates were exposed and pending for settlement. Besides, cases of students granted certificates without class attendance or with negligent attendance are also pending for settlement.

In terms of science and technology, the Law on Science and Technology was set up and adopted at the National Assembly (10th

tenure) in its 7th session. A test research programme on raising different breeds of plantations and animals and processing agricultural products and foodstuffs and a programme on constructing models of introducing scientific and technological advances to developing rural and mountainous areas and preventing natural catastrophes have been underway. The project on reforming policies on science and technology management has been established. Decision 54/TTg regarding the management and control of technical and economic programmes promulgated by the Prime Minister has been amended and supplemented. A Resolution on developing software technology in Vietnam has also been passed by the Government.

6. Cultural and social activities made some progress

In terms of labour and employment, in the first six months of 2000, 550,000 people were employed, accounting for 45.8% of the plan. According to forecasts, in 2000 approximate 1.3 million people will be given employment, increasing by 8% compared with the annual plan. In the first six months, the national programme on assisting employment settlement has approved 6,000 projects, disbursed VND 280,000 million and offered jobs to 150,000 people. Approximate 250,000 people will have been given jobs by the end of 2000 thanks to this programme. By the end of June, 10,000 labourers were exported, increasing by 25% over the same period last year.

The elimination of hunger and reduction of poverty have continued to prove efficacious. In 2000, over VND 1,000,000 million from the budget is to be set aside for direct investment into the programme of elimination of hunger and reduction of poverty, increasing by over 42% compared with 1999. In the first six months of 2000, ministries and industries

financed an additional VND 28,000 million for this programme.

In general, the living standard has been improved. The minimum salary was raised from VND 144,000 to VND 180,000 (increasing by 25%) while the price didn't go up, which raised the living standard of State's employees. Thanks to the improvement in production, the income of employees working in this business also rose. Although more than 900,000 peasants in central regions encountered difficulties due to the flood, their lives have been gradually stabilised thanks to the assistance of all industries, different branches and all people in society, and the efforts of these peasants themselves.

In terms of culture, sport, radios and televisions: During the major ceremonies, many activities in these lines have been held to serve well the population. Radio and television waves, and cultural and informative activities have been expanded to remote, border and offshore areas.

In terms of healthcare, plans to prevent infectious diseases have been carried out since early this year, therefore cases of infectious diseases in the first six months reduced considerably with no serious epidemic. Norms set for examining and curing diseases were realised better than the same period in 1999.

~~Besides~~ those achievements, there still remain some burning problems in the society. The amount of unemployment remain great. The environment in some urban and rural areas has still been seriously polluted. Cases of food poisonings in the first six months were alarming: 3,000 cases in 32 cities and provinces were found in the first 4 months, of whom 27 died. The cases of HIV/AIDS-stricken, drug trafficking and addicting, and prostitution continued to rise despite many prevention measures.

In brief, the socio-economic situation in the first six months of the year has changed

positively: *the growth rate was relatively high, the recession was prevented.* The second quarter grew faster than the first one, with GDP growth rate increasing by 6.8% over the same period last year (while the growth rate in the first quarter only increased by 5.6% over the same period last year. The increase in industrial production value was notable and synchronised among the State and non-State sectors. Products in stock no longer remained. Agricultural production grew up diversely with the bumper winter-spring crop. Business was livened up. Budget income may exceed the annual plan. Some social activities have shown good changes.

The implementation of some major norms in the first six months of 2000 can be recorded as follows (*see table next page*).

The achievements and weaknesses of the socio-economic situation in the first six months of 2000:

The above-mentioned achievements were made thanks to the implementation of a variety of policies assisting production and business industries, such as policies assisting them on the basis of tax and capital, giving investment priority to exports manufacturing enterprises, offering favourable policies on real estates, farm economy development, and agricultural products consumption for peasants, etc. Domestic and foreign markets have shown positive changes. Demands for goods in the international and regional markets have gone up, creating favourable conditions for accelerating exportation. The management of the government and authorities of all levels has been improved with policies to settle difficulties in production and business in close relation with the practical experience.

~~However, some weaknesses were unveiled~~ in the past six months, such as the slow consumption of some major agricultural products; low rate of offered and disbursed investment from the budget capital (43% and

	In the first six months of 1999	In the first six months of 2000
GDP growth rate (%)	4.3	6.2
In which: Agriculture, fishery and aquaculture growth (%)	2.7	4.0
Industrial and constructional growth rate (%)	7.5	8.8
Service growth rate (%)	2.8	5.3
Industrial production value growth rate (%)	10.3	14.7
Food output in winter-spring crop (million tons)	15.6	16.7
Export turnover (million US\$)	5,093	6,427
Export growth rate (%)	9.7	26.2
Import turnover (million US\$)	5,345	7,151
Import growth rate (%)	-10	33.8
Import surplus/ Export turnover rate (%)	5.0	11.3
Implemented investment into capital construction/ annual plan (%)	40.4	43.7
Working FDI (million US\$)	650	600
Budget income/ annual plan (%)	46.4	50.9
Inflation (%)	1.6	-1.0

37% of the annual plan respectively); scattered allocation of investment from the budget, increase of group-C projects; low investment from State credit capital; decline of foreign direct investment; low growth rate of services, especially in aviation, despite some little

improvement; reduction of consumer price index; occurrence of serious traffic accidents with no solution so far; existence of contraband and commercial frauds; and other social problems ■

**THE GOVERNMENT'S
RESOLUTION
NO 11/20 NQ-CP
ON MEASURES TO
PROMOTE SOCIO-
ECONOMIC
DEVELOPMENT OF THE
SECOND HALF OF 2000**

(Nhân Dân Daily, 8 August 2000)

I/ Measures to promote production

1. The Ministry of Agriculture and Rural Development in collaboration with relevant ministries, agencies and local authorities shall quickly implement Resolution No. 03/ 2000/ NQ-CP on the farm economy issued by the Vietnamese Government on February 2, 2000 and Resolution No 09/2000/NQ-CP issued on June 15, 2000 on restructuring the agricultural economy and promoting sales of agricultural products. Special attention must be paid to the supervision of rice exportation. It is necessary to continue stockpiling 1 million tonnes of rice for exportation and to buy another 40,000 tonnes of rice for storage. The interest rate for this total quantity of rice shall be compensated toward the end of October 2000.

Relevant agencies and local authorities must carry out prompt examination of dykes, embankments and drainage channels and maintenance of critical spots; make detailed plans for flood and storm control and for ensuring the safety of the dykes, embankments, population and production; plans to evacuate people living in those areas prone to heavy natural calamities to minimize damage in the event of any incident.

Efforts should be focused on controlling early floods in Mekong River Delta provinces and on assisting disadvantaged areas. In the last six months of 2000, the Ministry of Agriculture and Rural Development (MARD) in cooperation with the Ministry of Fishery (MF) and the Ministry of Planning and Investment (MPI) shall submit to the Government their plans which are aimed at developing the agricultural sector in the direction toward making use of its comparative advantages and meeting the demand of the domestic market and export markets.

2. The Ministry of Trade (MOT) shall introduce its measures to give concerned ministries, agencies and enterprises guidance

on how to win new markets for food exports, including exports under deferred payment methods, on how to increase export of marine products, textiles and garments, handicrafts and other consumer goods in such overseas markets as the European Union, Middle East, North Africa and Cuba in accordance with the Government's commitments; **quickly prepare necessary conditions and plans for tapping the U.S. market.**

3. The Ministry of Foreign Affairs (MFA) along with the MOT shall issue foreign-based Vietnamese diplomatic and trade representative offices with guidelines for surveying and looking for new markets, making prompt provision of information concerning local business circles and market demands, which will serve more effectively the import-export of Vietnamese enterprises.

4. The State Bank of Viet Nam shall direct commercial banks to stick to rural markets, to clear up existing difficulties and obstacles and to continue granting loans to farmers for investment in raising marine products (especially shrimps for exportation), rearing livestock and poultry, developing the farm economy, cultivating industrial crops and fruit trees, expanding traditional craft villages, and strengthening medium- and small- sized enterprises. In the event of disastrous natural calamities, the State Bank of Viet Nam should apply measures to reschedule debts and continue its lending.

5. The Ministry of Industry (MOI) and other ministries and agencies concerned shall appraise the implementation of mechanical engineering – assisting programmes in recent years and propose measures on organizational issues and on mechanisms for capital disbursement in order to push up mechanical engineering production in the coming years. Mechanical engineering enterprises should be granted credits from the Fund for Development Assistance at a preferential

interest rate of 3.5% (half of State credits' interest rate). The term of such loans is 12 years of which the first two years are interest-free. Enterprises shall begin to pay their debts from the 5th year. A list of those mechanical engineering items enjoying the privilege mentioned above shall be issued by the MOI, MPI, Ministry of Finance (MOF) and Fund for Development Assistance.

Relevant ministries, agencies and local authorities shall promptly draw up measures to expand the turning out of those products having competitive advantages and conditions for further growth, such as cement, steel, construction materials, footwear, garments, small power-driven machinery, machine tools for daily use and civil electronic appliances, etc. They should also look for solutions to the acceleration of oil and natural gas exploitation to meet the target set at the beginning of the year.

6. The General Department of Customs in collaboration with the MOT, Ministry of Public Security (MPC), agencies concerned and People's Committees of centrally-governed cities and provinces shall build up effective measures against smuggling and trade fraudulence, and enhance the inspection of the quality of imported items; make clear assignment of the inspection of border-gates, on land and on the sea. The General Department of Customs shall submit the above-mentioned measures to the Prime Minister for consideration in the 3rd quarter of 2000.

7. In August 2000, the MOI, Ministry of Science, Technology and Environment (MSTE); MPC, Ministry of Culture and Information (MCI); MARD; and Ministry of Education and Training (MET) shall submit a detailed list of crafts and industries which are banned from operation to the Prime Minister for promulgation; the Ministry of Justice (MOJ); Ministry of Public Health (MPH).

MARD, Ministry of Construction (MOC), MOF, and State Committee of Securities shall issue regulations governing the granting of business permits for the enforcement of the Law on Enterprises.

Prior to October 1st, 2000 the above ministries and agencies shall issue a list of crafts and industries which must satisfy the relevant conditions of operation stipulated by laws, ordinances and decrees; meanwhile they shall issue regulations on application files, procedures, issuing bodies, terms, duration, validity and fees for each particular kind of permits.

In the 3rd quarter of 2000, the State Inspection Agency in collaboration with ministries and bodies concerned shall revise and supplement the existing regulations on the inspection of specialized fields so as to make them accord with the Law on Enterprises, as well as carry out frequent inspections of enterprises even after they have registered their business, ensuring close supervision of their implementation of the terms on operation without causing them trouble.

8. Those ministries, agencies and local authorities who have not finished their plans for re-organizing State-run enterprises should quickly accomplish them for submission to the Prime Minister.

~~It is~~ necessary to speed up the equitization of small-sized or loss-making state-run enterprises or to apply to them various forms of assignment, sale, contracting and lease.

9. The MOC in cooperation with the State Bank of Viet Nam and relevant agencies shall build up mechanisms for installment sales of flats which will be submitted to the Prime Minister.

10. The Vietnam's General Department of Civil Aviation shall direct its efforts towards upgrading its service quality and checking delays and cancellations.

IV Measures to accelerate development investment

1. Heads of relevant ministries, Heads of Governmental bodies, and chair-people of People's Committees of centrally-governed cities and provinces should promptly implement the allocation of additional capital under Decision 568/QĐ-TTg issued by the Prime Minister on June 23, 2000 and Notice 77BKH/TH by the MPI on June 30th, 2000 and send the MPI their plans on which capital allocation is based.

The above-mentioned officials should also be responsible for complete realization of investment capital (both available from the early year's plan and the addition). If they find it impossible to completely realize the allocated investment capital, they have to propose to transfer it to other projects rather than to transfer it over to 2001. The Minister of Planning and Investment is supposed to decide on the transfer of capital at the request of relevant ministries, agencies and local authorities.

2. Efforts shall be directed towards the management, sufficient provision of capital, and acceleration of construction in order to complete in 2000 and in early 2001 the following important projects: National Highway No1 (sections Hanoi - Vinh - Hồ Chí Minh City - Nha Trang, Hồ Chí Minh City - Cần Thơ, Hanoi - Lạng Sơn sections), Nội Bài Airport Terminal T1, Đà Nẵng Airport, Hải Phòng Port (1st stage), Sài Gòn Port, LPG pipe-storehouse-port (belonging to Bạch Hổ gas system), restoration of irrigation and flood control systems (in Chu river system, Northern Nghệ An province, Hanoi's dykes), restoration of Red River Delta irrigation systems (ADB2). A Dun Hạ irrigation, Mekong River Delta sea dykes, Sông Tiêm Lake, Truồi Lake, An Mã Lake, Cam Ranh lake, Cà Giây lake, Việt An Lake, upgrade of Phú Ninh Lake (1st stage),

Long Xuyên Quadrangle, flood drainage and salt prevention works (Lung Lớn canal 2, Cầu canal 9, T3-Ba Hòn, West Sea irrigation systems, Yaly Hydropower Plant, Nghi Sơn Cement Plant, Hoàng Mai Cement Plant, Bạch Mai Hospital, Thống Nhất Hospital, Huế Central Hospital, Thái Nguyên Polyclinic, Hanoi National University (1st stage), Institute of National Defense, schemes for training scientists and technologists at overseas institutes using State budget, etc.

All necessary conditions must be created for the construction or preparation of several important projects in 2000 and in early 2001; namely Hải Vân Pass tunnel, Cần Thơ bridge, Thanh Trì bridge, Bãi Cháy bridge, Bính bridge, Rào Quán works, Tả Trách works, Định Bình lake, drainage and barrages in Ba Lai, Thảo Long and Cửa Đạt, Mekong River Delta irrigation (WB2), upgrade of Bim Sơn Cement Plant, construction of Hải Phòng Cement Plant (new one), National Sports Complex, Centre for Television Programmes Production, Centre for Satellite Television Reception and Transmission, agricultural varieties system, Cần Đơn power plant, Na Dương power plant, Southern Côn Sơn natural gas exploitation, etc.

3. The MOF and local authorities shall make advance payment of 60%-70% of the remaining capital for construction projects under the 2000's plan to those projects subject to the State budget's capital (also capital from national programmes). Investors must promptly carry out acceptance check with regard to the volume of work that has been done, and prepare for the payment. On receiving project manager's quotation, the agency in charge of capital provision must promptly prepare procedures for payment. In case of hitches, capital should be granted to 70% or 80% of the volume completed under the plan. The remaining volume will be paid after hitches are solved.

4. In the 3rd quarter of 2000 the MPI along with the MOF shall find other sources for additional capital for a number of important projects. They shall also make preparations to invest in major projects of coming years.

5. The MARD, Ministry of Transport (MOT), MOI and the General Cooperation of Electricity in collaboration with local authorities shall design plans for site clearing. Chairmen of People's Committees of provinces and cities concerned are responsible for quick displacement and re-housing of the population and for settlement of hitches occurring in site clearing in order to facilitate the execution of projects, especially that of the following ODA projects, irrigation restoration and flood control, Red River Delta irrigation, irrigation restoration in the Central part of Vietnam, Hóc Môn - Northern Bình Chánh works (Đông Hưng pumping station, Thọ Sơn canal, Nghi Phú canal, Nghi Đức canal); improvement and development of power grids of Hà Nội-Hải Phòng- Nam Định, and other cities and towns; National Highway N01 (sections Hà Nội-Pháp Vân and Pháp Vân-Vân Điển), Hà Nội's urban traffic, Hà Nội wastewater drainage, the 1st stage of Hà Nội's urban infrastructure, restoration of bridges on National Highway 1A (Bắc Giang bridge, Tân Thịnh bridge, Đáp Cầu bridge, Đuống bridge).

6. The General Department of Land Management shall streamline procedures for granting, allocating or leasing land, and create favorable conditions for those enterprises in need of using land for the execution of their investment projects.

7. The Fund for Development Assistance shall promptly implement borrowing guaranty and post-investment interest-rate assistance. The Fund's Management Council shall co-ordinate with relevant banks to design, promulgate and guide the implementation of co-ordination regulations between the Fund and those banks in co-lending a project. They

shall also make procedures for guaranty and methods of setting post-investment interest rate assistance levels regarding those projects subject to Decree 43 CP/1999/NĐ-CP issued by the Vietnamese Government on 29th June, 1999, including those projects with loans in foreign currencies.

The MPI in collaboration with the State Bank of Vietnam and other ministries and agencies concerned shall identify important projects which expect to borrow about US\$ 200 million from commercial banks under the mechanism defined in the Decision 118/1999/QĐ-TTg issued by the Prime Minister on 4th May, 1999. The money shall be spent on importing materials and modern equipment for such industries as power, oil and gas, aviation, cement, etc. Lenders shall be responsible for verifying and proportioning capital to each project. The State Bank of Vietnam shall report to the Prime Minister for consideration and approval of each project in need of borrowing capital. Consideration should be taken into lending the General Cooperation of Oil and Gas which will make overseas investment.

8. In the 3rd quarter of 2000, the MPI and other ministries and agencies concerned shall issue documents guiding the implementation of the Law on Amending and Supplementing a number of Articles of the Foreign Investment Law.

III/ Measures on finance and credit

1. The MOF in collaboration with the MPI and other agencies concerned shall check over all State budget revenues and actively fight against loss of revenues. They shall strive to increase State revenues from VND 3,000 billion to VND 4,000 billion against the early year's plan. The increased amount shall be spent on raising investment capital, lump sums for those people who have rendered meritorious services

for the country's revolutions, and on providing accommodation for the revolutionaries of the pre-1945 period. It shall be also used for making up for losses from fuel import, providing further capital for enterprises, increasing financial reserves and for expenditures decided on by the Prime Minister.

2. From 15th August, 2000 no taxes shall be levied on wholesale trading of agricultural products in order to promote the circulation of goods and sales of agricultural products.

3. The People's Committees of provinces and centrally-governed cities shall make adjustments to paddy prices and calculate taxes on agricultural land use in accordance with market prices.

4. The MOF in collaboration with the MPI shall work to submit to the Prime Minister a ~~bonus mechanism~~ which is aimed at legally encouraging profit-making enterprises with year-on-year increases in corporate income tax paying.

5. It is necessary to closely monitor expenditures from the State budget and to practice thrift. Supervision over capital construction projects must be enhanced in order to ensure their quality and to avoid wastefulness and intransparency. It is also necessary to promulgate mechanisms on experimental contracting of administrative expenditure and on budgetary assisting to such income-earning non-business organizations as hospitals, universities, or research institutes, etc.

6. With regard to the borrowing guaranty mechanism, the State Bank of Vietnam in collaboration with ministries and agencies concerned, while awaiting the guidance on its implementation from relevant ministries and agencies, shall direct credit bodies to realize a number of regulations stipulated in Decree 178/1999/NĐ-CP issued by the Government on 29th December, 1999. The regulations, which concern the guaranty of borrowings from credit bodies, are as follows:

a) The registration of secured transactions concerning agreements of mortgage and guaranty is delayed until relevant ministries and agencies set up a registry body and issue detailed guidance on procedures for the registration of secured transactions.

b) Corporate borrowers, who mortgage their production lines, machinery and equipment the certificate on ownership over which is not as yet or not required by law at all, shall only present any document certifying their legal ownership and assure the credit body that such property belongs to them, or to their use right and is subject to no dispute

c) Providing they receive such documents as land allotment decisions, land lease contracts and land use receipts, credit bodies are allowed to lend those enterprises with land allotment and land lease contracts and with necessary conditions to mortgage their property for bank loans as stipulated by the Law on Land, regardless of land use certificates.

d) Credit bodies are allowed to provide unsecured loans in terms of assets for those State-run enterprises who fail to meet the condition of "having been profit-making in two successive years", provided they are not considered poor-performing under the Government's re-organization plans. Such loans may also be granted to those ministries and local industries that have their investment projects and effective business plans, or manage to reduce their losses in a certain period or win lenders' accreditation. Foreign-invested enterprises who suffer planned losses due to their operation in Vietnam of less than 3 years are also entitled to such loans.

e) A minimum 30% of the total investment capital of a project can be brought in with the enterprise's available capital and its property to be mortgaged for bank loans in accordance with Decree No 178/1999/ND-CP issued by the Government on 29th December, 1999.

7. The State Bank of Vietnam shall guide commercial banks on considering to raise the existing unsecured loan in terms of assets over the level of VND 10 million for those households living on agricultural production, marine product raising and farm economy having the character of commodity production, providing that the borrowers have effective production plans and can pay off their debts.

8. It is necessary to increase the number of beneficiaries to foreign currency lending previously stipulated in Decree No 63/1998/NĐ-CP on foreign exchange control issued by the Government on August 17, 1998. In doing so, further foreign currency lending can be made to such objects as import-export enterprises, profit-making enterprises which are able to re-generate foreign currencies, or individuals who need loans to work overseas.

9. The State Bank of Vietnam shall guide the Bank for the Poor to revise the lending mechanisms and to organise well the lending to poor households. The People's Committee of various levels shall not charge any fees for the certifying of all kinds of poor households' documents applying for the Bank for the Poor's loans.

10. In the 3rd quarter of 2000, the MOF shall accelerate the formation of, and perfect operational mechanisms for such funds as the Fund for Insuring Export Lines and Fund for Credit Guaranty. The ministry shall also supplement the Fund for Export Assistance with further functions in order to promote investment, to accelerate production and export and to defense producers' rights. The Prime Minister shall issue a decision on settling debts of those State-run enterprises whose ownership has been changed. Financial companies shall be set up for the settlement of outstanding debts. Appropriate measures shall be taken to accelerate the formation and development of real estate markets. The State Bank of Vietnam shall submit to the

Government its plan for the establishment of the Bank's outstanding debt trading company. It shall also promulgate mechanisms for the organisation and operation of financial companies, financial leasing companies and policies for facilitating lending aimed at developing production and business, maintaining financial transparency and stabilizing banking systems' activities.

IV/ Measures on social affairs

1. The MSTE and other agencies concerned shall promptly issue guidance on the implementation of the Law on Science and Technology. Appropriate measures shall be taken to renew the existing mechanisms for scientific and technological management. Important laboratories shall be built. The MSTE and agencies shall also complete their plan for software technology development for submission to the Prime Minister in the 3rd quarter of 2000. At the same time they shall start designing strategies for information technology development in the 2001-2005 period.

2. The MET in collaboration with other ministries and agencies concerned shall complete the planning of college and university networks which will be submitted to the Prime Minister in the 3rd quarter of 2000. They shall quickly implement their plans to train scientific and technical personnel overseas with State budget. They shall also collaborate with the People's Committees of centrally-governed cities and provinces in finding ways to overcome rampant private tutoring.

3. The MCI shall guide the implementation of the approved journalism planning. They shall also review publishing and journalism management performance and implement measures to enhance State management of this field. They shall continue to examine cultural service activities and publication business on a national scale.

Relevant agencies should strengthen their management performance and promote external information tasks under Decree No 10/2000/CT-TTg issued by the Prime Minister on April 26, 2000.

4. The Ministry of Labour, Invalids and Social Affairs (MOLISA) and relevant ministries and agencies shall revise procedures for lending from the National Fund for Employment Assistance and establish job generation funds at various localities under the direction of expanding the scope of borrowers, streamlining the lending procedures and accelerating the rate of disbursing capital from the National Programme on Job Generation. They shall also realize their measures to promote the export of labour and expertise. They shall introduce appropriate measures to consolidate the management and to increase the responsibility of relevant ministries, industries, local authorities and enterprises in their labour export. A State management mechanism for training the labour force for export should be set up. Vocational training quality should be increased. A network of local and central vocational training institutions should be established. The MOLISA should design policies on settling employment redundancy caused by the re-organization of State-run enterprises. They should collaborate with the Vietnam Father Front's Central Committee and other ministries and agencies concerned in ~~holding the annual~~ "Working Day for the Poor" on October 17th. The programmes for hunger alleviation and poverty reduction should be continued. The application of the existing poverty criteria should be continued in the 2001-2005 period. Research should be made into revising a number of policies on labour and social insurance so as to make them suitable with the current situation.

5. The Ministry of Public Health (MOH) and other ministries and agencies concerned shall complete their plans for the Action

Programme on Food Security and for medical insurance which will be submitted to the Prime Minister for approval in the 3rd quarter of 2000.

6. Lump sum payment shall be made to those with recognized services to the country's revolutions under Ordinance No 19/2000/PL-UBTVQH10 issued by the Standing Committee of the National Assembly on February 4, 2000. Housing allowances shall be provided for those engaged in pre-1945 revolutionary activities under Decision No 20/2000/QĐ-TTg issued by the Prime Minister on February 3, 2000.

7. Chairmen of the People's Committees of centrally-governed cities and provinces shall be responsible for the integration and completion of investment procedures and for complete realization of the capital invested in national programmes in their localities under the set targets and tasks. If no amount of capital is realized by the end of the 3rd quarter (due to the absence of feasibility projects), the capital shall be transferred to other projects of the assigned programmes. Relevant ministries and agencies shall enhance the examination of the implementation of such programmes in various localities.

8. Campaigns for preventing and fighting against HIV/AIDS, drugs abuse and prostitution should be continued. Special attention should be paid to designing action programmes on preventing and fighting drug abuse and prostitution in the 2001-2005 period. Subsequent to the National Assembly's Standing Committee's decision on amending the Ordinance on Administrative Sanction, it is necessary to amend and supplement Decree No 20/1996/NĐ-CP issued by the Government on April 13, 1996 under the direction of streamlining procedures for sending drug addicts to rehabilitation centers, for reducing the age at which drug addicts are compelled to give up using drugs, for extending the time of

treatment and for creating favourable conditions for better treatment of drug addicts. Rehabilitation centers for drug addicts should be well-organized and upgraded. Beside being treated at such centers, drug addicts should be given in-community treatment. They should also be provided with education, vocational training and job opportunities.

Any agency or enterprise which find some of their staff and employees to be drug addicts need to be determined to encourage them to give up using drugs and to facilitate their treatment. If failing to give up using drugs in a certain period of time, these employees will be fired.

9. The Ministry of Transport (MOT), MPC and local authorities at various levels need to introduce effective measures to reduce traffic accidents.

10. Local authorities at various levels should concentrate on settling people's complaints. The State Inspection Agency and the Office of the Government shall make a review of complaints in two recent years in order to identify reasons and put forward solutions. Regarding those cases already provided with the Prime Minister's decision on settlement, the State Inspection Agency and the Office of the Government shall examine their enforcement, appraise the execution of administrative bodies at all levels. They shall also request the Prime Minister to apply appropriate punishment to those officials whose failures in fulfilling their responsibility are the cause for prolonged unsolved complaint.

With regard to collective, complicated and prolonged complaints, the State Inspection Agency shall petition the Prime Minister for the establishment of inter-ministerial working parties who will examine, settle and classify all complaints for appropriate solutions.

Local authorities at all levels must strictly comply with the Laws and guidelines by authorities of higher level and with the Regulations on Democracy ■

**THE GOVERNMENT'S
DECREE NO 06/2000/ND-CP
OF 6TH MARCH 2000
STIPULATING THE
COOPERATION WITH
FOREIGN INVESTORS IN
THE FIELDS OF MEDICAL
EXAMINATION AND
TREATMENT, EDUCATION
AND TRAINING, AND
SCIENTIFIC RESEARCH**

The Government

Pursuant to the Law on Government organization of 30th September 1992;

Pursuant to the Law on Foreign Investment in Vietnam of 12th November 1996;

To expand the investment to operation with foreigners in the fields of medical examination and treatment, education and training, and scientific research;

At the request of the Minister of Planning and Investment,

Decrees:

Chapter I

GENERAL PROVISIONS

Article 1

1. This Decree defines the investment cooperation with foreigners to establishments engaged in medical examination and treatment, education and training, scientific and technological activities.

2. Not-for-profit cooperation with foreign partners as prescribed in clause 1 of this Article shall not be subject to the regulating scope of this Decree.

Article 2

The content of Foreign Investment Cooperation in accordance with the regulations of this Decree covers the following aspects:

1. Medical examination and treatment:

a/ To provide the service of medical examination and treatment for both foreign and Vietnamese inpatients and outpatients.

b/ To provide the service of testing, pictorial diagnosis, functional exploration, etc. which are commonly known as para-clinical services relating to medical examination and treatment.

2. Education and training:

a/ To provide education at all levels for foreigners who are living and working within a time limit in Vietnam.

b/ To provide secondary education for foreigners and Vietnamese persons.

c/ To provide secondary vocational, foreign language, technical education for foreigners and Vietnamese persons.

d/ To provide tertiary education and postgraduate education in the fields of technical sciences, technology, natural sciences, economic management sciences, and languages for foreigners and Vietnamese persons.

3. Scientific research:

To do scientific research or provide the services relating to scientific research in the fields of technical sciences, technology, natural sciences, economic management sciences, and languages.

Article 3

The investment cooperation with foreign partners shall be implemented under the following forms:

1. In the field of medical examination and treatment:

a/ To set up hospitals, surgeries, paraclinical establishments under the forms of joint ventures or 100% foreign-invested units.

b/ To enter into business cooperation contracts so as to provide medical examination and treatment and paraclinical services.

(Hereinafter called foreign-invested units of medical examination and treatment)

2. In the field of education and training:

a/ To set up education and training units under the form of joint ventures to carry out the activities prescribed in points a, c and d of Clause 2 of Article 2 of this Decree;

b/ To enter into business cooperation contracts in order to carry out the education and training activities prescribed in points a, c and d of Clause 2 of Article 2 of this Decree;

c/ To set up education and training units under the form of 100% foreign-invested establishments to carry out the activities prescribed in points a, c and d of Clause 2 of Article 2 of this Decree.

d/ To implement the pilot project of establishing education and training units under the form of joint ventures or business cooperation contracts in Hanoi and Hồ Chí Minh City in order to carry out the activities prescribed in point b of Clause 2 of Article 2 of this Decree.

(Hereinafter called foreign-invested units of education)

3. In the field of scientific research:

a/ To set up institutes and centers for scientific

research or for providing services relating to the researches on the fields of technical sciences, technology, natural sciences, economic management sciences, and languages under the form of joint ventures or pilot establishment of 100% foreign-invested units.

(Hereinafter called foreign-invested units of scientific research)

b/ To enter into business cooperation contracts in order to carry out the scientific research activities prescribed in point a of this clause.

(Hereinafter called foreign-invested units of scientific research)

Article 4

The authority for approving the investment project, the appraisal of the project and the issuance of the investment license shall be implemented in accordance with regulations as prescribed in Clauses 1 and 2 of Article 93 and Clauses 1, 2 and 3 of Article 94 of Decree No 12/CP of 18th February 1997 by the Government detailedly stipulating the implementation of the Law on Foreign Investment in Vietnam.

(Hereinafter called Decree No 12/CP)

Chapter II

**FOREIGN-INVESTED UNITS
OF MEDICAL EXAMINATION
AND TREATMENT**

Article 5

The Vietnamese institutions which are authorized to enter into investment cooperation with foreign partners to set up foreign-invested units of medical examination and treatment in accordance with the provisions of this Decree include:

1. Hospitals, polyclinics, specialized surgeries, units of medical examination and treatment which are Vietnam's non-business institutions allowed to collect charges;

2. Hospitals, polyclinics, specialized surgeries, units of medical examination and treatment of every economic sector;

3. The objects stipulated in Clauses 1, 3, 4 and 5 of Article 2 of Decree No 12/CP.

Article 6

1. Conditions for the establishment and

operation of foreign-invested units of medical examination and treatment.

a/ The establishment of units of medical examination and treatment must be decided on the demand which is based upon the scheme of organizing a network of medical examination and treatment and the objects to be served in the locality defined by the Ministry of Public Health.

b/ Having qualified managers and qualified doctors and medical workers as prescribed by the Vietnamese Law.

c/ The methods applied in diagnosis, treatment and caring for patients must be modern, high quality measures which ensure their effectiveness and the safety of patients.

d/ Having the infrastructure, equipment, medical instruments which meet the requirements and ensure the environmental safety and hygiene.

e/ Having plans to cooperate in technology transfer and training of Vietnamese staff.

2. The rights and obligations of foreign-invested units of medical examination and treatment as prescribed by Law on Private Medical and Pharmaceutical Practice, Law on Foreign Investment in Vietnam and other related existing regulations of the Vietnamese Law.

Article 7

Directors, doctors and medical workers working for foreign-invested units of medical examination and treatment shall meet the requirements as prescribed by the law on private medical and pharmaceutical practice. In circumstances where the doctors and medical workers have qualifications which are granted abroad, they shall register for private medical practice in Vietnam under the guidance of the Ministry of Public Health.

Article 8

File on application for Investment License must include the documents prescribed in Articles 10, 13, 27 of Decree No 12/CP of which the following points should be stipulated:

1. Scope of operation
2. The estimated number and structure of key doctors and medical workers.
3. The infrastructure equipment.

Article 9

Prior to their operation, the foreign-invested units of medical examination and treatment shall

register to the Ministry of Public Health to be granted the certificate in compliance with requirements for medical practice.

Chapter III

FOREIGN-INVESTED UNITS OF EDUCATION

Article 10

The Vietnamese institutions which are authorized to enter into investment cooperation with foreign partners to set up foreign-invested units of education include:

1. Schools and units of education in the national education system.
2. The objects prescribed in Clause 1, 3, 4, 5 of Article 2 of Decree No 12/CP.

Article 11

1. Conditions for the establishment and operation of foreign-invested units of education.

a/ Being suitable to the planning scheme for the education and training system which is approved by the competent state agencies.

b/ Having teachers and lecturers whose qualifications meet the requirements as prescribed by the Vietnamese Law.

c/ The infrastructure and equipment suitable to the level and scope of education and training.

d/ The curriculum must be in conformity with the provisions of the Law on Education and other relating regulations.

In the circumstances where the foreign-invested units of education only train foreigners, they shall register their curriculum to the competent State agencies

2. The rights and obligations of foreign-invested units of education are in accordance with the Law on Education and Law on Foreign Investment in Vietnam.

Article 12

File on application for the investment license of the foreign-invested unit of education must include the documents prescribed in Articles 10, 13, 27 of Decree No 12/CP of which the following points should be stipulated:

a/ The target, scope, curriculum and time of training.

b/ The regime of enrolment, textbooks, course books, reporting on the infrastructure and other equipment for education and training.

c/ The estimated number and structure of key teachers and lecturers.

d/ Regulation on fee and other contributions.

e/ Registration of diplomas and certificates which are issued by the units of education.

Article 13

1. The foreign-invested units of education must comply with the scope, curriculum, objects and time of education as prescribed in the investment license.

2. The foreign-invested units of education established and operating in Vietnam must strictly comply with the regulations prescribed by the Law on Education, Law on Foreign Investment in Vietnam and other relating regulations of the Vietnamese Law.

Chapter IV

FOREIGN-INVESTED UNITS OF SCIENTIFIC RESEARCH

Article 14

The Vietnamese organizations which are authorized to enter into investment cooperation with foreign partners to set up foreign-invested units of scientific research as prescribed by this Decree include:

1. Research institutes, research centers and research units of technological sciences, technologies, natural sciences, economic management sciences, languages which are administrative and non-business institutions.

2. Research institutes, research centers and research units of technological sciences; technologies natural sciences, economic management sciences, languages which belong to every economic sector.

3. The objects prescribed in clauses 1, 3, 4, 5 of Article 2 of Decree No 12/CP.

Article 15

1. Conditions for the establishment and operation of foreign-invested units of scientific research.

a/ Being suitable to the planning scheme

which is approved by the competent State agencies.

b/ Having researchers whose qualifications meet the requirements as prescribed by the Vietnamese Law.

c/ The infrastructure and equipment are suitable to the type and scope of scientific research.

2. The rights and obligations of foreign-invested units of scientific research are in accordance with the Law on Foreign Investment in Vietnam and other relating regulations of the Vietnamese Law.

Article 16

File on application for the investment license of the foreign-invested units of scientific research must include the documents prescribed in Articles 10, 13, 27 of Decree No 12/CP, of which the following points should be stipulated.

1. The target, scope, field and type of scientific research.

2. The estimated number and structure of key researchers.

3. The infrastructure and equipment for scientific research.

Article 17

In the course of operation, the scientific units which cooperate with foreign partners and those who work for the scientific units must comply with the regulations of the Vietnamese law.

Chapter V

INVESTMENT ENCOURAGEMENT AND PREFERENCE

Article 18

The units of medical examination and treatment, education, and scientific research which are established and operate under the provisions of this Decree shall have the legal status in accordance with the Law on Foreign Investment in Vietnam, the right to self-control over finance and be responsible for their activities before law.

Article 19

1. The foreign-invested units of medical examination and treatment, education, and scientific research must comply with the tax and

finance obligations like foreign-invested enterprises and enjoy the investment encouragement and preference in accordance with the Law on Foreign Investment in Vietnam and other relating regulations of the Vietnamese Law;

2. The foreign-invested units of medical examination and treatment, education, and scientific research shall enjoy the 10% income tax during the course of operation, and be exempted from the income tax within a time limit of four years as from the date which the institution begins to gain benefits, and enjoy a 50% reduction of income tax in the following 4 years.

3. The foreign-invested units of medical examination and treatment, education, and scientific research shall be exempted from the income tax within a time limit of eight years as from the date when the institutions begin to gain benefits if the following criteria are met.

a/ Investment in the targeted areas as prescribed in Decree No 10/1998/NĐ-CP of January 23, 1998 by the Government.

b/ The foreign investors shall make commitment to transfer non-repay fixed asset to the Vietnamese Government upon the termination of operation.

Article 20

The foreign investors shall be refunded 100% of the amount of the income tax already paid for the benefit from expanded reinvestment, intensive reinvestment in the existing establishments, or new investment as stipulated in Article 2 of this Decree.

Article 21

The foreign-invested units of medical examination and treatment, education, and scientific research shall enjoy a 5% tax of remittance of profit to foreign countries.

Article 22

Projects of investment in the fields of medical examination and treatment, education and training, and scientific research in accordance with the provisions of this Decree shall enjoy the lowest level of rent of land in accordance with the existing regulations

Article 23

The foreign-invested units of medical examination and treatment, education, and

scientific research shall have the right to balance foreign currencies during the course of operation in accordance with the regulations of the State Bank of Vietnam.

Chapter VI

INVESTMENT COOPERATION BETWEEN FOREIGN PARTNERS AND THE VIETNAMESE INSTITUTIONS WHICH ARE NON-BUSINESS UNITS AND ALLOWED TO COLLECT CHARGES

Article 24

The Vietnamese non-business institution allowed to collect charges shall have the right to use their assigned assets as capital contribution in investment cooperation with foreign partners as prescribed in the Law on Foreign Investment in Vietnam. The assets used in investment cooperation with foreign partners shall be subject to the system of business accounting in accordance with the guidance of the Ministry of Finance.

Article 25

The Vietnamese non-business institution allowed to collect charges shall be responsible for the assets which are permitted in investment cooperation with foreign partners.

Article 26

The recruitment of State's employees to the foreign-invested units of medical examination and treatment, education, and scientific research and the labourer policies shall comply with the regulations of the Labour Code.

Chapter VII

STATE MANAGEMENT

Article 27

The Ministry of Planning and Investment, relating Ministries and branches, People's Committees of provinces and centrally-governed cities within their functions and duties shall exercise the State management of the foreign-invested units

of medical examination and treatment, education and training, and scientific research in accordance with the provisions in Articles 95, 96, 97, and 98 of Decree No 12.CP.

Article 28

The Ministry of Public Health, Ministry of Education and Training, Ministry of Science, Technology and Environment, Ministry of Labour, Invalids and Social Affairs and relating Ministries and branches shall exercise State management in specialized fields with regard to the foreign-invested units of medical examination and treatment, education and training, and scientific research; issue and guide the implementation of policies and regulations on medical examination and treatment, education and training, and scientific research.

Article 29

1. The Ministry of Public Health, Ministry of Education and Training, Ministry of Science, Technology and Environment, Ministry of Labour, Invalids and Social Affairs and relating Ministries and branches shall inspect and examine foreign-invested units of medical examination and treatment, education, and scientific research in terms of specialized fields.

During the inspection and examination regarding specialized fields, the Ministry of Public Health, Ministry of Education and Training, Ministry of Science, Technology and Environment, Ministry of Labour, Invalids and Social Affairs and Relating Ministries and branches shall have the following rights:

a/ To request the inspected unit for necessary documents and favourable conditions for the

inspection and examination regarding specialized fields.

b/ To deal with within their authority or to made petition to the competent State agencies to deal with violations in accordance with the regulations of law.

2. The foreign-invested units of medical examination and treatment, education, and scientific research must comply with the results of inspection and examination regarding specialized fields; they shall have the right to make complaints in accordance with the regulations of the Vietnamese Law on Complaints and Denunciations.

Chapter VIII

IMPLEMENTATION TERMS

Article 30

1. This Decree shall come into effect after 15 days as from the date of signing.

2. Ministers, Heads of Ministry-level agencies, Heads of Government bodies, Chairmen of People's Committees of provinces and centrally-governed cities shall be responsible for the implementation of this Decree.

For and on behalf of the Government
Prime Minister
PHAN VĂN KHẢI

DECREE NO 07/2000/ND-CP OF MARCH 9, 2000 BY THE GOVERNMENT ON THE POLICY OF SOCIAL RELIEF

**(Official Gazette,
Issue No. 13, 8 April 2000)**

The Government

Pursuant to the Law on Government organization of September 30, 1992;

Pursuant to the Law on State Budget of March 20, 1996;

Pursuant to the Ordinance on Flood and Storm Control of March 8, 1993;

Pursuant to the Ordinance on the Disabled of July 30, 1998;

At the request of the Minister of Labour, Invalids and Social Affairs.

Decrees:

Chapter I

GENERAL PROVISIONS

Article 1

This Decree defines some policies and regulations on social relief to provide moral and material assistance for the elderly persons who live in loneliness, orphan children, disabled persons, and those who face risks of natural calamities and other force majeure which they themselves and their relatives cannot overcome (hereinafter called the persons subject to social relief).

Article 2

The State encourages and creates favourable conditions for domestic socio-political organizations, economic institutions, social institutions and individuals, foreign organizations and individuals as well as the overseas Vietnamese to help voluntarily the persons subject to social relief.

Article 3

The social relief activities shall be carried out mainly in families and communities where the persons subject to social relief reside. The support of provision at social patronage institutions shall be applied to those who live alone or the extremely needy persons.

Article 4

The individuals and organizations that meet the requirements for infrastructure and financial source to support provision for the orphan children, the

disabled and the elderly who live alone in a long term scale at least at the minimum level as prescribed by law and in accordance with the State's plan, and require no financial help from the State shall be allowed to establish social patronage institutions.

The Ministry of Labour, Invalids and Social Affairs shall submit the Regulation on the establishment and operation of social patronage institutions to the Government for promulgation.

Article 5

The People's Committees in provinces and centrally-governed cities must base on the real condition of the persons subject to social relief and the local sources to decide the level of social relief which cannot be less than the level stipulated in Article 10 of this Decree.

Chapter II

REGULAR SOCIAL RELIEF REGIME

Article 6

Persons subject to regular social relief under the management of communes and wards include:

1. Orphan children are those under 16 years of age, who have lost both their parents, are abandoned, lost their support in feeding and have no relatives to live on; children who have lost either fathers or mothers but the mother (father) left is missing as prescribed in clause 88 of the Civil Code or has insufficient capacity to support the children as prescribed by law.

2. The persons who are over 60 years of age and single are called the supportless, alone elderly. The elderly who have wife or husband but they are old and have no income or support from their descendants or relatives. In cases that the alone, supportless women who have no income and are over 55 years of age and are benefiting from social relief allowances, they shall continue to be the beneficiaries.

3. The disabled who are supportless and have no income; the disabled who have relatives but they are old or poor and have no economic sources to support them.

4. The persons who are mentally ill are those who are suffering from mental diseases of schizophrenia, mental disorder which are

concluded as chronic diseases by medical centers specializing in mental illness after many treatments without the disease going into remission, single, supportless or whose families are poor.

Article 7

The persons subject to social relief prescribed in Article 6 of this Decree who are in extremely difficult situations and cannot support their lives shall be considered to take in social patronage institutions.

Article 8

The persons who have the same circumstances as those subject to social relief and still have the support from their families but their families make application for voluntarily putting them in social patronage institutions, and their application are approved by the competent authority, their families shall be responsible for paying all the costs as prescribed by law.

The State budget shall grant no support for the objects referred to in this Article.

Article 9

1. Children who are living in social patronage institutions, over 13 years of age and currently cease going to school shall be recommended for vocational training centers to learn a trade in accordance with the State's existing regulations.

2. Children who have developed into adults, the disabled who have recovered their functional activities, the persons suffering from mental illnesses who have been treated, shall be taken back to their localities from social patronage institutions. The ~~People's Committee~~ of communes, wards and families shall be responsible for receiving and creating favourable conditions for their employment and integration into the community.

Article 10

1. The level of minimum allowances of regular social relief under the management of communes and wards shall be VND 45,000/person/month.

2. The level of minimum subsistence allowances in the state's social patronage institutions shall be VND 100,000/person/month; for children who are under 18 months of age and need extra milk, this level shall be VND 150,000/person/month.

Article 11

Beside the subsistence allowances prescribed in clause 2 of Article 10 of this Decree, the objects living in the social patronage institutions under the State management shall benefit the following extra allowances

1. Allowances for the purchase of the necessities in daily use
2. Allowances for the purchase of popular medicine
3. Allowances for the purchase of textbooks and school utensils for the children attending secondary school, continuation school.
4. Monthly allowances for ensuring individual hygiene of women in bearing age.
5. Allowances for burial fee.

Chairmen of People's Committees of provinces and centrally-governed cities shall decide the level of allowance which is suitable to specific conditions of each locality.

Article 12

The social patronage institutions shall receive, utilize and manage the source of donations in money and kind (if any) contributed by individuals and organizations for charity help, ensure the proper utilization of these sources to the right persons and make balance check in accordance with the existing financial regulations.

Article 13

The source of money for support, apparatus operation, investment in construction of social patronage institutions under the management of the authority at a certain level shall be ensured by this authority's budget in accordance with the existing regulations of the Law on State Budget.

Chapter III

EMERGENCY SOCIAL RELIEF REGIME

Article 14

The objects who benefit from the emergency social relief regime (a lump sum allowance) are the persons or households who are in difficult situations caused by natural calamities or other force majeure reasons, namely:

1. Households whose members are dead or missing;

2. Households whose houses are collapsed, drifted, burnt down or suffered big damage;

3. Households whose production tools are lost and are in suffering hunger and poverty;

4. Persons who are badly injured;

5. Persons who suffer hunger in the period between crops;

6. Persons who face dangers outside his/her residence which lead to their death or severe injury without their families knowledge to look after or bury them;

7. ~~Street beggars who are waiting to be taken back to their residence.~~

Article 15

The level of allowances of emergency social relief for each group of objects prescribed in clauses 1, 2, 3, 4, 5 and 6 of Article 14 of this Decree shall be decided by the Chairmen of People's Committees of provinces and centrally-governed cities basing upon the level of damage and the possibility of mobilizing sources.

~~The street beggars who are waiting to be taken back to their residence shall receive an allowance of VND 5,000/person/day, but not over 15 days.~~

Article 16

The source of money for emergency social relief includes.

1. The State Budget which is balanced yearly; the self-balanced budgets of provinces, districts and communes;

2. The source contributed by individuals and organizations inside and outside Vietnam.

3. Direct support from international organizations, foreign countries to the localities or via the Government and social associations.

In cases the above-mentioned sources are insufficient for emergency social relief, Chairmen of People's Committees of provinces and centrally-governed cities shall report to the Prime Minister for consideration and decision.

Chapter IV

IMPLEMENTATION PROVISIONS

Article 17

The Ministry of Labour, Invalids and Social Affairs shall help the Government perform State management of social relief activities; preside and

coordinate with relating Ministries and branches to instruct the implementation of this Decree.

Article 18

1. The Ministry of Finance shall be responsible for ensuring the source of money for social relief activities in accordance with the existing regulations and the Law on State Budget.

2. The Ministry of Public Health shall be responsible for guiding the performance of preventive medicine, medical examination and treatment for the persons subject to social relief and examine the condition of the disease of the disabled and those who are mentally ill.

3. The Ministry of Education and Training shall be responsible for guiding the activities of generating assess to educational training, exempting or reducing tuition fee and other contributions for students who are benefiting social relief in accordance with the existing regulations.

4. The Ministry of Agriculture and Rural Development shall be responsible for coordinating with the Ministry of Labour, Invalids and Social Affairs to determine the level of damage caused by natural calamities, crop failures, and famine in the period between crops in order to work out measures to instruct the performance of emergency social relief.

Article 19

The People's Committees of provinces and centrally-governed cities shall be responsible for:

1. Supervising the persons subject to social relief and social patronage institutions in the localities.

2. Implementing the activity of social relief to each group of objects subject to social relief as prescribed in this Decree.

3. Directing the construction and management of social patronage institutions in the localities.

4. Directing the Departments of Labour, Invalids and Social Affairs and relevant branches to guide individuals and organizations in supporting the persons subject to social relief.

5. Every year, estimation of expenditure on regular and emergency social relief in accordance with the Law on State Budget and existing guidance documents; instructing the People's Committees of

lower levels, Departments of Labour, Invalids and Social Affairs and relevant branches to make up plans for regular and emergency social relief.

Chapter V

COMMENDATION AND DEALING WITH VIOLATIONS

Article 20

The persons who have a great deal of contribution and service to the charity activities for those subject to social relief shall be considered to commend in accordance with the State's commendation regime.

Article 21

Persons who violate the provisions of this Decree shall be subjected to such penalties as discipline or administrative fine. In cases they cause material damage, compensation shall be required from them as prescribed by law or they shall be prosecuted for penal liability.

Chapter VI

IMPLEMENTATION TERMS

Article 22

This Decree shall come into effect in 15 days as from the date of signing.

The previous regulations contrary to this Decree shall be repealed.

Article 23

Ministers, Heads of Ministry-level agencies, Heads of the Government's bodies and chairmen of People's Committees of provinces and centrally-governed cities shall be responsible for the implementation of this Decree.

For and on behalf of the Government
For and on behalf of the Prime Minister

Deputy Prime Minister
NGUYỄN TẤN DŨNG

