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Decree No. 21/2001/NĐ-CP of May 28, 2001
detailing the implementation of the
Ordinance on Entry, Exit and Residence of
Foreigners in Vietnam

THE GOVERNMENT

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

*Pursuant to the April 28, 2000 Ordinance on
Entry, Exit and Residence of Foreigners in
Vietnam;*

*At the proposal of the Minister of Public
Security,*

DECREES:

Chapter I

GENERAL PROVISIONS

Article 1.

1. This Decree prescribes the procedures applicable to foreigners who enter, exit, transit and/or reside on Vietnam; the invitation of foreigners into Vietnam by agencies, organizations and individuals; the responsibilities of and working coordination among the State functional bodies.

2. This Decree shall also apply to Vietnamese bearing foreign passports who enter, exit, transit and/or reside in Vietnam. The application by Vietnamese bearing foreign passports for repatriation to Vietnam shall comply with the provisions of other legal documents.

Article 2.

Foreigners may travel freely on the Vietnamese territory in accordance with the already registered entry purposes, except for areas banned from travel by foreigners as prescribed in Article 12 of this Decree.

Chapter II

ENTRY, EXIT AND TRANSIT

Article 3.

1. Visas shall be granted as part of passports of foreigners. In the following cases, loose visas shall be granted in attachment to passports:

a/ No more visa-granting page is left in the passport, which has not yet been renewed;

b/ Passports issued by countries which have not yet established diplomatic or consular relations with Vietnam;

c/ For security or diplomatic reasons.

2. Validity and duration of visas:

a/ Single or multiple, which are valid for more than 12 months, shall be granted to persons entering Vietnam to execute projects under investment licenses or cooperation contracts with Vietnamese agencies and/or organizations; or persons entering Vietnam to work at Vietnam-based foreign agencies and their accompanying next of kin and dependents;

b/ Single or multiple visas, which are valid for no more than 6 months, shall be granted to persons who have been invited by agencies, organizations and individuals into Vietnam and do not fall into the cases specified at Point a of this Clause;

c/ Single visas, which are valid for 15 days, shall be granted to persons applying for entry without any invitation by agencies, organizations and individuals in Vietnam.

3. Upon the expiry of their visas, the visa bearers who wish to make other entries into and exits from Vietnam shall have to fill in the procedures for applying for new visas.

Article 4.

1. Agencies, organizations and individuals that may invite foreigners into Vietnam

according to the provisions of Article 2 of the Ordinance on Entry, Exit and Residence of Foreigners in Vietnam (hereinafter referred to as the Ordinance) include:

a/ The Party Central Committee, the National Assembly, the State President, the Government and their attached bodies;

b/ The Supreme People's Court and the Supreme People's Procuracy;

c/ The ministries, the ministerial-level agencies, the agencies attached to the Government, the People's Committees of the provinces and centrally-run cities and their attached bodies;

d/ The central agencies of the mass organizations;

e/ Enterprises established under the Vietnamese law;

f/ Foreign diplomatic missions and consular offices, representative offices of the United Nations' international organizations and inter-governmental organizations based in Vietnam;

g/ Branches of foreign companies; representative offices of foreign economic, cultural and other professional organizations based in Vietnam;

h/ Other agencies and organizations lawfully established and operating in Vietnam;

i/ Vietnamese citizens residing in the country; overseas Vietnamese citizens currently on temporary residence in Vietnam;

j/ Foreigners permanently residing in Vietnam and those temporarily residing in Vietnam for 6 months or more.

2. The invitation of foreigners by agencies and organizations must conform to their functions or operation licenses granted by the competent Vietnamese agencies. Vietnamese citizens residing in the country, overseas Vietnamese citizens currently on temporary residence in Vietnam, foreigners permanently

residing in Vietnam and those temporarily residing in Vietnam for 6 months or more shall be entitled to invite foreigners into Vietnam for visits.

Article 5.

1. Agencies assigned to assume the prime responsibility for receiving foreign guests into Vietnam at the invitation of the Party Central Committee, the National Assembly, the State President or the Government and guests of the equivalent level of ministers, vice ministers, presidents or vice presidents of the People's Committees of the provinces and centrally-run cities, shall send written notices on the invitation and reception of foreign guests to the Consular Department of the Ministry for Foreign Affairs. The Consular Department of the Ministry for Foreign Affairs shall notify the Vietnamese diplomatic missions or consular offices in foreign countries thereof, so that the latter grant visas to the above-said invited guests, and at the same time notify such to the Exit and Entry Management Department of the Ministry of Public Security.

For foreigners entering to work at the foreign diplomatic missions or consular offices, representative offices of the United Nations' international organizations, the inter-governmental organizations based in Vietnam and their accompanying next of kin and servants, the above-said agencies shall have to send written notices on the invitation and reception of foreign guests to the Consular Department of the Ministry for Foreign Affairs shall notify such in writing to the Exit and Entry Management Department of the Ministry of Public Security before notifying and requesting the Vietnamese diplomatic missions or consular offices in foreign countries to grant visas.

Within 02 (two) working days after receiving the written notices, if it detects that the invited foreigners fall into cases not yet permitted for entry, the Exit and Entry Management Department of the Ministry of

Public Security shall inform such to the Consular Department of the Ministry for Foreign Affairs.

2. Agencies, organizations and individuals that invite foreigners into Vietnam who are not specified in Clause 1 of this Article shall send written notices or requests to the Exit and Entry Management Department of the Ministry of Public Security.

The Exit and Entry Management Department of the Ministry of Public Security shall notify its approval to the Vietnamese diplomatic mission or consular offices in foreign countries so that the latter grant visas to invited foreigners within 5 working days after the written notices or requests are received. If it detects that the invited foreigners fall into cases not yet permitted for entry, the Exit and Entry Management Department of the Ministry of Public Security shall inform the inviting agencies, organizations and/or individuals thereof.

3. Agencies, organizations and/or individuals that wish to have visas granted at Vietnam's international border-gates to foreigners falling into cases specified in Article 6 of the Ordinance shall send written requests to the Exit and Entry Management Department of the Ministry of Public Security. In cases of application for visa granting at border-gates for urgent reasons, the written requests therefor must be filed at least 12 hours before the invited foreigners arrive at the border-gates.

Article 6.

1. In the following cases, the invitation of foreigners into Vietnam by agencies and organizations not specified in Clause 1, Article 5 of this Decree must be agreed upon by the Government's functional bodies:

a/ Those entering Vietnam for religious activities must be agreed upon by the Government's Religion Commission; and entering for activities related to ethnic issues

must be consented by the Commission for Ethnic Minorities and Mountainous Areas;

b/ Those entering Vietnam for information and press activities must be agreed upon by the Ministry for Foreign Affairs and the Ministry of Culture and Information.

2. When sending their written requests to the Exit and Entry Management Department of the Ministry of Public Security, agencies and organizations must enclose the consents of the functional bodies defined at Points a and b, Clause 1 of this Article.

Article 7.

1. After receiving written replies from the Exit and Entry Management Department of the Ministry of Public Security or the Consular Department of the Ministry for Foreign Affairs, the agencies, organizations and individuals that have invited foreigners into Vietnam shall notify such foreigners to file their applications and photos and receive visas at the Vietnamese diplomatic missions and consular offices in foreign countries. For foreigners to be granted visas at Vietnam's international border-gates, the inviting agencies, organizations and individuals shall notify such foreigners to file their applications and photos and receive visas at the exit and management bodies at such border-gates.

The Vietnamese diplomatic missions or consular offices in foreign countries shall base themselves on notices of the Exit and Entry Management Department of the Ministry of Public Security or the Consular Department of the Ministry for Foreign Affairs to grant visas to foreigners upon receiving the latter's visa applications and photos.

2. Foreigners applying for visas for entry into Vietnam without invitation and reception by any Vietnamese agency, organization or individual shall file their visa applications and photos to the Vietnamese diplomatic missions or consular offices in foreign countries for

consideration and granting of visas which shall be valid for 15 days.

The consideration and granting of visas shall be carried out within no more than 03 (three) working days after the applications and photos are received.

Article 8.

1. The Vietnamese diplomatic missions and consular offices in foreign countries shall refuse to grant visas to persons falling into cases prescribed at Points a, b and d, Clause 1, Article 8 of the Ordinance.

For cases prescribed at Point e, Clause 1, Article 8 of the Ordinance, the Vietnamese diplomatic missions or consular offices in foreign countries shall refuse to grant visas according to notices of the Exit and Entry Management Department of the Ministry of Public Security.

2. The Exit and Entry Management Department of the Ministry of Public Security shall not permit the entry for cases prescribed at Points a, b, d and e, Clause 1, Article 8 of the Ordinance.

3. In cases where the entries are not permitted for reason of epidemic and disease prevention and combat as prescribed at Point c, Clause 1, Article 8 of the Ordinance, the Vietnamese diplomatic missions or consular offices in foreign countries and the Exit and Entry Management Department of the Ministry of Public Security shall abide by the Ministry of Health's notices.

Article 9.

1. Court and judgement executing bodies of the provincial/municipal or higher level shall decide to permit the exit for cases prescribed at Point a, Clause 1, Article 9 of the Ordinance, provided that there are monetary or property bails or other measures to secure the performance of the obligation to execute civil, economic or labour judgements.

2. The Minister of Public Security shall decide to permit the exit for cases prescribed at Point d, Clause 1, Article 9 of the Ordinance with monetary or property bails or other measures to secure the performance of the obligation to abide by decisions on sanctions against administrative violations, tax obligations and other financial obligations.

Article 10. Foreigners on transit who wish to enter Vietnam for sightseeing or tourist purposes shall be permitted by the Exit and Entry Management Department according to the Regulation of the Ministry of Public Security. The Ministry of Public Security shall prescribe the scope of transit area and forms of papers to be granted to transiting foreigners for entering Vietnam for sightseeing or tourist purposes.

Chapter III RESIDENCE

Article 11.

1. Foreigners entering Vietnam at the invitation of agencies, organizations or individuals at home shall, through the inviters, register their residence purposes, durations and addresses in Vietnam with the Exit and Entry Management Department of the Ministry of Public Security or the Consular Department of the Ministry for Foreign Affairs in the written requests upon carrying out the procedures prescribed in Article 5 of this Decree.

2. Foreigners not invited by any Vietnamese agency, organization or individual shall state for registration their residence purposes, durations and addresses in Vietnam in their visa application.

3. For foreigners who are exempt from visas under international treaties which Vietnam has signed or acceded to, the purposes and durations of their residence in Vietnam

must be compliant with such international treaties. Such persons shall have to register their residence addresses upon carrying out the procedures for temporary residence declaration according to the provisions of Article 15 of this Decree.

Article 12.

1. Foreigners are not allowed to reside in the border areas under the provisions of Vietnamese laws (except otherwise provided for by international treaties signed by the Socialist Republic of Vietnam).

Foreigners who wish to enter the border areas shall have to carry out the procedures to apply for permission therefor at the exit and entry management bodies under the police offices of the provinces and centrally-run cities that have such border areas.

2. Foreigners are not allowed to enter areas where no-pass signboards are put up according to the regulations of Vietnamese competent agencies.

Foreigners who wish to enter areas where no-pass signboards are put up shall have to carry out procedures to apply for permission therefor at the bodies directly managing such areas.

Article 13.

1. Foreigners applying for permanent residence permission under cases specified at Points a and b, Clause 1, Article 13 of the Ordinance shall file their dossiers to the Exit and Entry Management Department of the Ministry of Public Security. Such a dossier comprises:

a/ The applicant's photo and application for permanent residence permission made according to the form set by the Ministry of Public Security;

b/ His/her curriculum vitae made by the applicant himself/herself;

c/ Copy of his/her passport (if any).

The Ministry of Public Security shall report to the Prime Minister for decision for foreigners' application for permanent residence mentioned in this Clause.

2. Foreigners applying for permanent residence under the cases specified at Point c, Clause 1, Article 3 of the Ordinance shall submit their dossiers to the Exit and Entry Management Department of the Ministry of Public Security or the exit and entry management bodies under the police offices of the provinces and centrally-run cities. Such a dossier comprises:

a/ The applicant's photo and application for permanent residence made according to the form set by the Ministry of Public Security;

b/ His/her judicial records certified by the competent agency of the country, of which he/she is a citizen;

c/ Official note of the competent agency of the country, of which he/she is a citizen, requesting the Vietnamese authorities to permit him/her to permanently reside in Vietnam;

d/ Papers evidencing that the permanent residence applicant falls under the cases specified at Point c, Clause 1, Article 13 of the Ordinance;

e/ Copy of the applicant's passport.

The Minister of Public Security shall decide the permanent residence application by foreigners mentioned in this Clause.

3. Foreigners who are permitted for permanent residence shall be granted permanent residence cards by the exit and entry management body(ies). In cases where the permanent residence is not permitted, the exit and entry management body(ies) shall notify such in writing to the permanent residence applicants.

4. Once every three years, foreigners on permanent residence shall have to present themselves at the exit and entry management

bodies under the police offices of the provinces or centrally-run cities. Upon presenting themselves, they shall have to produce their permanent residence cards and submit their photos for renewal of such cards. The exit and entry management body(ies) shall immediately carry out the granting of new cards free of charge.

Article 14.

1. The exit and entry management body of the Ministry of Public Security shall grant temporary residence certificates at the international border-gates to foreigners on entry as follows:

a/ For persons who carry visas, the temporary residence certificates shall be granted in conformity with the valid duration of their visas.

b/ For persons who are exempt from visas under international treaties which Vietnam has signed or acceded to, the temporary residence certificates shall be granted according to the durations prescribed in such international treaties;

c/ For officials and employees of the ASEAN Secretariat, the 30-day temporary residence certificates shall be granted.

2. Persons who carry permanent residence cards or temporary residence cards, which remain valid, shall not be granted temporary residence certificates.

Article 15.

1. Foreigners who stay overnight at hotels or residential quarters reserved for foreigners (including residential quarters of the diplomatic corps) shall have to make temporary residence declaration through the hotel owners or residential quarters' managers. The hotel owners or residential quarters' managers shall have to transfer contents of temporary residence declaration by foreigners to the exit and entry management bodies under the police offices of the provinces and centrally-run cities.

2. Foreigners who stay overnight at private houses of citizens shall have to personally or through house owners make temporary residence declaration with the police offices of wards or communes where they temporarily reside. The ward or commune police offices shall have to transfer contents of temporary residence declaration by foreigners to the exit and entry management bodies under the police offices of the provinces and centrally-run cities.

Article 16.

1. Regarding the granting of temporary residence cards; extension of temporary residence duration; granting, supplement and amendment of visas for foreigners.

a/ For foreigners entering Vietnam at the invitation of the Party Central Committee, the National Assembly, the State President or the Government or as guests of the equivalent level of ministers, vice ministers, presidents or vice presidents of the People's Committees of the provinces and centrally-run cities; persons enjoying the diplomatic or consular privileges and immunities and entering to work at Vietnam-based foreign diplomatic missions or consular offices, representative offices of the United Nations' international organizations and their accompanying next of kin and servants, the agencies where such foreigners work shall send written requests therefor to the Ministry for Foreign Affairs. In case of application for temporary residence cards, the applicants' photos must be enclosed therewith.

b/ For persons not falling under the cases specified at Point a of this Clause, the agencies, organizations and individuals that invite foreigners into Vietnam shall send written requests to the Exit and Entry Management Department of the Ministry of Public Security or the exit and entry management bodies under the police offices of the provinces and centrally-run cities. In case of application for temporary residence cards, the applicants' photos must be enclosed therewith.

2. Foreigners who wish to change their temporary residence purposes shall, through

agencies, organizations and individuals in Vietnam, have to carry out the procedures for requesting the permission of the Exit and Entry Management Department of the Ministry of Public Security. The agencies, organizations and individuals that request permission for the foreigners to change their temporary residence purposes shall have to comply with the provisions of Article 27 of this Decree. For those permitted to change their temporary residence purposes, the Exit and Entry Management Department of the Ministry of Public Security shall grant new visas in conformity with the changed purposes.

Foreigners who apply for the change of their temporary residence purposes in order to work officially at Vietnam-based foreign diplomatic missions or consular offices, representative offices of the United Nations' international organizations or inter-governmental organizations shall carry out the procedures therefor at the Ministry for Foreign Affairs.

3. Foreigners entering Vietnam, under the cases of visa exemption according to international treaties which Vietnam has signed or acceded to and wishing to stay beyond the time limits prescribed in such international treaties shall have to carry out the procedures to apply for visas according to the provisions of Clause 1 of this Article. In cases where their temporary residence duration must be prolonged due to *force majeure* circumstances, they shall be given temporary residence extension with appropriate duration by the competent body and exempt from the visa application procedures.

Chapter IV

EXPULSION

Article 17.

The Minister of Public Security is competent to issue decisions to expel foreigners in the following cases:

1. They seriously violate the Vietnamese law and are administratively sanctioned;
2. They commit offenses but are exempt from penal liability examination;
3. For reasons of safeguarding the national security and the social order and safety.

Article 18.

Basing itself on the specific conditions and circumstances for the enforcement of expulsion decisions of the Minister of Public Security, the exit and entry management body of the Ministry of Public Security shall decide on:

1. The application of measures of management, superintendence and administrative custody against expelled persons pending the enforcement of expulsion decisions according to the provisions of law;
2. Methods and places to effect the expulsion;
3. Other matters related to the enforcement of expulsion decisions according to the provisions of law.

Article 19.

The Head of the Exit and Entry Management Department of the Ministry of Public Security may temporarily postpone the expulsion of foreigners within 24 hours according to the time limit prescribed in expulsion decisions of the Minister of Public Security in the following cases where:

1. There are decisions of the investigation body, procuracy or court of the provincial or higher level not to permit the expelled persons to exit yet;
2. The expelled persons are under critical health conditions, being unable to exit;
3. The expulsion cannot be effected due to bad weather, natural calamities or other *force majeure* circumstances.

If the expulsion postponement lasts for more than 24 hours, the exit and management

body shall have to report thereon to the Minister of Public Security for decision.

Article 20. Expelled persons have the following responsibilities:

1. To abide strictly by the expulsion decisions; to be subject to the management and superintendence by the Exit and Entry Management Department of the Ministry of Public Security pending the enforcement of the expulsion decisions;

2. To complete quickly the necessary procedures for their exits from Vietnam within the prescribed time limit;

3. To bear all expenses for their exits.

Article 21. The expulsion of foreigners under the court's judgements shall be effected according to other provisions of the legislation on execution of the expulsion penalty.

Chapter V

RESPONSIBILITIES OF AND THE WORKING COORDINATION AMONG THE STATE'S FUNCTIONAL BODIES AND RESPONSIBILITIES OF AGENCIES, ORGANIZATIONS AND INDIVIDUALS INVITING FOREIGNERS INTO VIETNAM

Article 22. *The Ministry of Public Security has the responsibilities:*

1. To assume the prime responsibility and coordinate with the concerned ministries and branches in drafting for submission to the Government laws, ordinances and the Government's documents on entry, exit and residence of foreigners in Vietnam;

2. To guide agencies, organizations and individuals in implementing the law provisions on entry, exit and residence of foreigners in Vietnam;

3. To assume the prime responsibility and coordinate with the ministries, branches and the People's Committees of the provinces and centrally-run cities in conducting the supervision, inspection, examination and handling of law violations in the field of entry, exit and residence of foreigners in Vietnam;

4. To undertake international cooperation in the management of entry, exit and residence of foreigners in Vietnam;

5. To make statistics on entry, exit and residence of foreigners in Vietnam;

6. To grant, amend, supplement and/or revoke visas; to grant, extend, amend and/or revoke the temporary residence certificates, temporary residence cards and permanent residence cards for foreigners in Vietnam (except for cases where the Ministry for Foreign Affairs conduct such activities according to the provisions in Clause 6, Article 23 of this Decree);

7. To assume the prime responsibility and coordinate with the Ministry for Foreign Affairs in promulgating the forms of applications and papers to be issued to foreigners on entry, exit and residence in Vietnam; to manage uniformly such application and paper forms.

Article 23. *The Ministry for Foreign Affairs has the responsibilities:*

1. To guide foreign diplomatic missions and consular offices, representative offices of the United Nations' international organizations and inter-governmental organizations based in Vietnam in matters related to the procedures for entry, exit and residence of foreigners in Vietnam;

2. To direct and guide the Vietnamese diplomatic and consular offices abroad in

observing the regulations on entry, exit and residence of foreigners in Vietnam;

3. To assume the prime responsibility and coordinate with the Ministry of Public Security in handling law violations committed by foreigners who enjoy the diplomatic or consular privileges and immunities;

4. To assume the prime responsibility and coordinate with the Ministry of Public Security in negotiating and signing international treaties on visa exemption with foreign countries, or acceding to other international treaties concerning foreigners' entry, exit and residence;

5. To coordinate with the Ministry of Public Security in undertaking international cooperation in the management of entry, exit and residence of foreigners in Vietnam;

6. To grant, amend, supplement and/or revoke visas; to grant, extend, amend and/or revoke the temporary residence certificates, temporary residence cards to foreigners entering Vietnam at the invitation of the Party Central Committee, the National Assembly, the State President, the Government and guests of the equivalent level of the ministers, vice ministers, presidents or vice presidents of the People's Committees of the provinces and centrally-run cities; persons enjoying the diplomatic or consular offices, representative offices of the United Nations' international organizations or inter-governmental organizations based in Vietnam, and their accompanying next of kin and servants.

Article 24. The Ministry of Defense (the Border Guards) has the responsibilities:

1. To control and check the entries and exits of foreigners at the international border-gates managed by the Ministry of Defense (the Border Guards);

2. To grant visas to temporary residence certificates at the international border-gates

managed by the Ministry of Defense (the Border Guards) under the authorization and guidance of the exit and entry management body of the Ministry of Public Security.

Article 25. The Vietnamese diplomatic missions and consular offices abroad have the responsibilities:

1. To provide guidance on the regulations on entry, exit and residence of foreigners in Vietnam to foreigners who apply for entry into Vietnam;

2. To coordinate with the Ministry of Public Security and the Ministry for Foreign Affairs in handling law violations committed by foreigners;

3. To undertake international cooperation in the management of entry, exit and residence of foreigners in Vietnam according to the provisions of law;

4. To grant, amend, supplement and/or revoke visas of various kinds in foreign countries according to the provisions of law.

Article 26.

1. The People's Committees of the provinces and centrally-run cities shall have to promulgate regulations on the working coordination between the police offices and other State bodies in their respective localities in the management of entry, exit and residence of foreigners in accordance with the provisions of law; to conduct the supervision, inspection, examination and handling of law violations in the field of entry, exit and residence of foreigners in their respective localities.

2. The police offices of the provinces and centrally-run cities shall assume the prime responsibilities and assist the provincial/municipal People's Committees in performing the State management function in the field of entry, exit and residence of foreigners in their respective localities.

Article 27. Agencies, organizations and individuals that invite foreigners into Vietnam have the responsibilities:

1. To ensure the entry purposes unchanged, by:

a/ Registering with the functional body(ies) the contents and programs of planned activities of the invitees before their entry;

b/ Managing activities of the invitees, ensuring that the registered contents and programs are strictly adhered to;

c/ Carrying out the procedures related to the invitees' activities in Vietnam according to the provisions of law.

2. To collaborate with the competent State body(ies) in settling unexpected incidents occurring to invited foreigners, by:

a/ Taking part in handling law-breaking acts, accidents or other troubles committed by or related to the invitees and overcoming their consequences at the request of functional body(ies);

b/ Promptly reporting to the police offices on the invitees' activities related to the political security as well as social order and safety.

3. To ensure financial matters, by:

a/ Paying expenses or providing financial guarantees in cases where the invitees have no financial source available on the spot to settle expenses prescribed by the Vietnamese law;

b/ Paying to the Exit and Entry Management Department of the Ministry of Public Security and/or the Consular Department of the Ministry for Foreign Affairs facsimile or telegraph charges for communicating with the Vietnamese diplomatic missions and consular offices abroad, for the granting of visas to foreigners.

Chapter VI

IMPLEMENTATION PROVISIONS

Article 28.

1. This Decree takes effect 30 days after its signing and replaces the following regulations:

- The Government's Decree No. 04/CP of January 18, 1993 detailing the implementation of the Ordinance on Entry, Exit, Residence and Travel of Foreigners in Vietnam;

- The Government's Decree No. 17/CP of March 30, 1993 amending a number of articles and clauses of Decree No. 04/CP of January 18, 1993 detailing the implementation of the Ordinance on Entry, Exit, Residence and Travel of Foreigners in Vietnam;

- The provisions on entry, exit, residence and travel of foreigners in Vietnam in the Regulation on management of Vietnamese delegations going abroad and foreign delegations entering Vietnam promulgated together with the Government's Decree No. 12/CP of December 1, 1992; Decree No. 24/CP of March 24, 1995 on the exit and entry procedures; and Decree No. 76/CP of November 6, 1995 amending and supplementing a number of articles of Decree No. 24/CP of March 24, 1995 on the exit and entry procedures.

2. The previous stipulations that are contrary to this Decree are now all annulled.

Article 29. The Ministry of Public Security shall assume the prime responsibility and coordinate with the Ministry for Foreign Affairs in issuing a circular guiding the implementation of this Decree.

Article 30. The Finance Ministry shall assume the prime responsibility and coordi-

nate with the Ministry of Public Security and the Ministry for Foreign Affairs in promulgating a circular guiding the fees for granting, extension, supplement and amendment of papers and certificates to foreigners prescribed in this Decree and guiding the deduction of a proportion of fines for administrative violations in the field of exit and entry to cover expenses for the handling of foreigners who commit violations of the legislation on entry, exit, residence and travel in case of necessity.

Article 31. The ministers, the heads of the ministerial-level agencies, the heads of the agencies attached to the Government and the presidents of the People's Committees of the provinces and centrally-run cities shall have to implement this Decree.

On behalf of the Government
Prime Minister
Phan Văn Khải

THE LAW ON ENTERPRISES: ONE YEAR AFTER ENACTMENT

(The Government's Press Release, 3 April 2001)

I- Accomplishments

Over the past year, the Government, concerned ministries, branches and localities, have been implementing the Law on Enterprises, and they have achieved some remarkable results.

1. Regarding documents guiding the implementation of the Law

After the Law on Enterprises was passed, the Government and the Prime Minister issued

some documents guiding the implementation of the Law such as Decree No. 02/2000/NĐ-CP, Decree No. 03/2000/NĐ-CP, Decree No. 30/2000/NĐ-CP and Decision No. 19/2000/QĐ-TTg. By the end of the year 2000, about 30 documents guiding the implementation of the Law were issued.

Basically, the concretization of the Law and the guiding of its implementation were carried out in a timely and more concerted manner than other laws. Therefore, there was no interruption in the transition from the Law on Companies and the Law on Private Enterprises (1990) to the Law on Enterprises (1999).

2. The effects of the Law on Enterprises

The Law has exerted positive influence on the economy, administrative reform and external economic ties, thus drawing the attention of investors and public support.

a. Regarding the considerable improvement of the investment and business environment

- The Constitution's stipulation "Citizens have the freedom to do business in accordance with the law" has been institutionalized.

- More equality has been ensured in business opportunities.

- The Law on Enterprises has become a breakthrough in administrative reform. It has helped to reduce the time required for establishment of an enterprise from three months to 7 days. In HCM City, the one-hour business registration system has been put on trial, helping to reduce establishment cost from VND 10 million to VND 500,000. About 150 business licenses have been revoked.

b. The number of newly established enterprises and individual household enterprises has been redoubled

Over 14,400 enterprises were set up in 2000, a 2.5-fold increase against the previous year. Among them were 50 one-member limited liabilities companies, 726 joint-stock

companies (more than in the previous 9 years), and two partnerships. The trend is continuing. In the first three months of 2001, another 4,000 enterprises were registered with a total capital of VND 4,400 billion, a 1.5-fold increase in the number of enterprises and a 2-fold increase in the amount of registered capital against the same period of 2000.

In 2000, over 5,000 branches and representative offices were set up, more than 4,000 enterprises added capital to their registered amount, and about 8,000 enterprises registered additional lines of business. This is unprecedented.

About 150,000 family businesses were established the same year.

c. Further mobilization of society's capital

The total registered capital of the enterprises and household businesses set up in 2000 amounted to VND 24,000 billion, of which VND 17,000 billion were registered as new capital and VND 7,000 billion as supplemental one, a 5-fold increase compared with that of 1999.

d. More than 500,000 jobs were created in 2000, and employees' income was raised

e. The economic structure has undergone a positive shift

According to statistics, the number of enterprises registered in production fields is increasing, accounting for 32% of the total registered enterprises, against 26% recorded in previous years.

f. The implementation of the Law on Enterprises has had considerable influence on foreign-oriented activities

The international community highly appreciates the Law as well as the Government's efforts in carrying out the *doi moi* policy.

3. Determinants of the accomplishments:

1. The Law based on the requirements of reality conforms to the *doi moi* policy introduced by the Party and the State.

2. The stipulations of the Law and the Decrees guiding its implementation are clear-cut and detailed.

3. The Law is carried out in parallel with the renewal of the economic policy and administrative reform.

4. The Prime Minister has provided regular and intensive guidance on the implementation of the Law, and

5. Business circles and the mass media are in favour of the Law.

II - Failures and problems in the implementation

Experience shows that there remain quite a few obstacles to the development of enterprises, as listed below:

1. Regarding documents guiding the implementation

a) There are some vague or unsuitable stipulations, especially those concerning household businesses and punishment of breaches of business registration regulations.

b) Some regulations guiding the implementation have not been issued, such as

- A decree on the procedures for transforming State-owned enterprises or enterprises of political organizations and socio-political organizations into one-member limited liability companies.

- A list of trades and businesses where foreigners have the right to contribute up to 30% to the statutory capital of enterprises engaging in such trades and businesses.

The Ministry of Planning and Investment has submitted the two above-mentioned draft documents to the Government for approval.

- Regulations on granting licenses to law consultancy, veterinarian and vet medical services.

- A circular letter defining the agencies authorized to approve registration of gold production and processing establishments, and procedures for certifying statutory capital for such registration.

2. Slow implementation or disobedience to regulations

There are still common negative phenomena: demand for presentation of unnecessary papers; refusal to grant licenses to trades and businesses that do not belong to the list of prohibition (for example, the People's Committee of Quảng Ninh Province decided to ban guest-houses with under 12 rooms from lodging Chinese tourists); granting of licenses that were already abolished or invalid, such as the certificate of slaughter hygiene, or the decision on holding a fair or an exhibition, to name a couple.

3. Regarding trades and businesses subject to required conditions

Despite the fact that, for a number of fields, lists of their trades and businesses subject to conditions have been introduced, some regulations on business conditions lack clarity. Therefore, there are cases where State agencies fail to grant licenses or certificates on schedule.

4. The existing list of trades and businesses subject to registration is no longer suitable.

(The list, enclosed with Decision No. 143/TCTK-PPCĐ, was issued on 22 December 1993 by the General Department of Statistics).

5. The post-registration management of enterprises remains perplexing and inefficient, which can be seen in the following aspects:

a. Perplexities in introducing post-registration management methods

b. Worries about failure to check out the identity of persons establishing enterprises

There are common worries that people who are banned from setting up enterprises attempt to register a business with a view to swindling others. In fact, some authorities, especially those at district level, often ask for the enclosure of a certification of identity by residential quarters or ward people's committees in the application for family business registration.

c. Difficulties in handling violations by enterprises

As shown by experience, a lot of minor violations have been uncovered, for instance, no hanging of signboards, or wrong lettering of signboards and names. Yet, there are no regulations on the competent agencies, echelons of authority, forms, or procedures for dealing with such violations.

d. Inspection of enterprises is inefficient, costly and troublesome for inspected enterprises

e. Tardiness in launching the networked enterprise information system

6. Some investors and managers of enterprises are not fully aware of their rights and responsibilities, and lack the sense of law-abiding

The sense of abiding by the Law on Enterprises among some investors and managers of enterprises remains weak. Apart from the violations mentioned in Point d of Paragraph 5, there are some other violations, such as when majority members and shareholders set out regulations on limiting the rights of minority members and shareholders or do not conform to the regulations on the competence of the Council of Members, the Great Council of Shareholders, and the Management Board in decision making and the procedures thereof.

In short, the deficiencies in implementing the Law are not few and minor. Some of the deficiencies lie in the unsuitability of the guiding documents. But most of them lie in the irrationality of related legal documents, and in the mode of thinking, working style, and sense of responsibility of some concerned civil servants. These deficiencies are hindering enterprises in their development, and reducing the competitiveness of the national economy. To overcome these deficiencies, more efforts and greater patience are needed.

7. Factors conditioning the deficiencies

Objectively speaking, the Law has some new, complicated articles, and this makes its implementation difficult. Most civil servants are not prepared to work with the new Law and failed to adapt themselves to the new mode of thinking, new working style and new management methods. Besides, the legal system is not uniform or concerted.

Subjective factors are as follows:

- First of all, civil servants, especially leaders of ministries and provincial people's committees, are not fully aware of the fundamental changes in the Law, thus failing to visualize the effects of such changes on the fulfillment of their functions and tasks in the concerned fields.

- Some ministries and localities have failed to ensure proper instructions. They are not proactive in detecting and eliminating difficulties or obstacles to enterprises.

- A large number of civil servants do not want to change. They deliberately attempt to prolong the old mechanism or maintain it in a different form.

- In many cases administrative punishment has not been strict enough. The Prime Minister has failed to take bold steps in dealing

with violations of the stipulations of the Law and the Government's Decree.

- As for enterprises, they are not fully aware of the significance of the expansion of their rights as well as their responsibilities and duties in organizing their business activities and in defending their legitimate interests.

III – Suggested solutions to further implementation of the Law on Enterprises with a view to creating favorable conditions for enterprises

1. To complete preparations for the implementation of the Law on Enterprises

- a. Regarding trades and businesses subject to conditions and those subject to certificates of practice, in 2001:

- To continue collecting and publicizing all the necessary licenses and trades and businesses subject to conditions in accordance with Decree No. 30/2000/NĐ-CP of 11 August 2000. Those ministries and agencies that have collected and publicized lists of licenses and lists of trades and businesses subject to conditions should carry out a review of the implementation of the Law, and of the procedures, conditions, and the system of licensing. They should also revise or supplement, within their competence, the Law, or petition for revision and amendment of the Law so as to create favorable conditions for enterprises.

- The Ministry of Justice should introduce a regulation on granting certificates of practice to law services; the Ministry of Agriculture and Rural Development should issue a regulation on granting certificates of practice to veterinarian services and vet medical trading.

- b. The State Bank of Vietnam should identify competent agencies in charge of certifying statutory capital for gold producing and processing establishments, and suggest ways to do so.

c. The Ministry of Planning and Investment and the working party on implementing the Law on Enterprises should

- collaborate with the Ministry of Justice and the Government's Office to find vague and inappropriate stipulations of the Decree on guiding the implementation of the Law and suggest revisions and amendments;

- request the abolishment of unnecessary licenses;

- coordinate with relevant agencies to design a list of all registered trades and businesses of the economy;

- consolidate the system of business registration; make it a well organized, well staffed and fully equipped system; complete the building of the nationwide enterprise information system;

- continue the dissemination of the Law on Enterprises and documents guiding the implementation of the Law especially towards business circles.

d. The Ministry of Justice should collaborate with the concerned agencies to work out a system for updating and storing citizens' dossiers which can be supplied to business registration agencies when necessary.

2. To strengthen discipline and order in the implementation of the Law

The Ministry of Planning and Investment should cooperate with the Ministry of Justice, Government's Office and concerned agencies to prepare a decree on administrative fining for violations in business registration.

In the immediate future, it is necessary to take the following measures:

- Provincial People's Committees will instruct and help Departments of Planning and Investment to require enterprises to hand in annual financial statements according to regulations. Enterprises that deliberately refuse to

do so will be punished: their business registration certificates will be revoked in accordance with Point c, Clause 3, Article 121 of the Law on Enterprises.

- Departments of Planning and Investment will publicize in the mass media the names of enterprises that refuse to correct wrong information in their applications for business registration; request the police to check the honesty of business registration contents in accordance with Clause 4, Article 116 of the Law on Enterprises; and revoke certificates of business registration in accordance with Article 16 of the Government's Decree No. 02/2000/NĐ-CP of 3rd February 2000.

- Enterprises that apply to add to, or change the contents of their business registration are obliged to present copies of the meeting minutes and decisions by the Great Council of Shareholders, Council of Members, or Management Council.

- Departments of Planning and Investment will instruct and help business registry offices to supervise enterprises' observance of the stipulations of the Law on Enterprises; upon detecting any violations, they should in a timely way ask such enterprises to correct themselves according to the law; in cases where enterprises deliberately commit violations, the Departments will publicize such violations in the mass media or on the enterprise information network; and/or punish such violations within their competence as prescribed by law.

- Working parties should be set up to handle common deliberate violations or acts that hinder enterprises' operation.

3. To eliminate overlaps in the inspection of enterprises; and improve the efficiency of State management

The State Inspectorate will

- a. in the short term, instruct the implementation of Decree No. 61/1998/NĐ-CP on enterprise inspection, and enhance the coordi-

nation among the competent State agencies so as to minimize overlaps in the inspection of enterprises.

b. collaborate with the Ministry of Planning and Investment, Ministry of Justice, Government's Office, Government's Board of Personnel-Organization, and concerned bodies, to put forth recommendations to amend and supplement the regulations on inspection of enterprises, with special attention to be paid to the following tasks:

- To make a clear distinction between "inspection," "examination," and "investigation."

- To identify "the competent State bodies" in charge of inspecting and examining enterprises so as to focus their inspections and examinations in fields where the interests of the State and society need to be defended.

- To define the content and scope of each kind of inspection and examination.

- To set criteria for appraising the findings of inspections and examinations and for drawing final conclusions from such findings.

PEOPLE'S COMPLAINTS AND DENUNCIATIONS OVERVIEW, 2ND QUARTER 2001

State Inspection Agency
(Press Release, 2nd August 2001)

I- The handling of complaints and denunciations in the 2nd quarter of 2001

Implementing the Resolution of the Government's April 2001 Meeting, the State

Inspectorate, in the second quarter of 2001, instructed inspection agencies at various levels and branches to focus on the handling of complaints, and request relevant agencies to settle expeditiously complaints and denunciations, especially severe cases and those involving a large number of people.

In the second quarter of 2001, 58,732 people lodged complaints at State agencies, mainly about land disputes, and compensations for site clearance, in Hanoi, Hải Phòng, Hải Dương, Hà Tây, Ninh Bình, Bến Tre, Bà Rịa-Vũng Tàu, An Giang, Sóc Trăng, to name but a few. Inspection agencies received and handled 45,228 cases. The number of people going to departments dealing with complaints increased by 49.7%, and the number of complaints and denunciations increased by 17.1% against the first quarter.

Many complaints became more complicated because complainants were not satisfied with authorities' rulings; some complainants maliciously made a fuss about their complaints; some local authorities made mistakes such as selling land not within their purview; and some people who occupied land illegally before site clearance lodged complaints to ask for compensation. In a number of Southern provinces, some farmers asked to reclaim their land that had been contributed to local production groups or coops, which have been disbanded. Others asked for compensation for farmland that had been confiscated for other purposes.

On 30 March 2001 the PM issued Directive No. 05 CT/TTg which asked the agencies of government to expedite the handling of complaints in anticipation of the 9th Party Congress and the 9th Session of the National Assembly (Tenure 10). The PM and Deputy PM suggested solutions to some complicated complaints. The PM personally approved a plan for settling complaints and land disputes of some farmers in Bến Tre province by issuing Decision No. 815/TTg on

4 April 2001. Deputy PM Nguyễn Công Tân also listened to some complicated complaints concerning land disputes and compensation for confiscated land, and recommended solutions to them.

Following the PM's instructions specified in Circular No. 5033/VPCP-VII, the State Inspectorate, on 20 November 2000, set up four working parties to supervise the observance of decisions and petitions by inter-branch working groups in 24 cities and provinces. The parties found that the cities and provinces had made serious efforts in overseeing decisions and petitions coming from inter-branch groups. Such localities as Hồ Chí Minh City, Sóc Trăng, Bà Rịa-Vũng Tàu, Long An, Kiên Giang, and Đồng Nai provinces achieved visible successes in dealing with complaints the inter-branch groups had considered. As a result, the number of complaints declined.

Most localities strictly followed the PM's instructions and the State Inspectorate's guidance and set up local inter-branch working groups drawn from local inspection agencies. Such groups apply the State Inspectorate's regulations to their handling of complicated, prolonged complaints. They carried out reviews of 706 State agency heads' handling of complaints and denunciations. They helped to solve many complicated cases. They also cooperated with mass organizations to settle disputes among people or newly emerging complaints, and managed to settle many of them.

According to reports of 25 cities and provinces, inter-branch groups in late 2000 considered 1,745 complicated complaints involving a good number of people. They managed to settle 930 cases and are now working on 521 cases.

In the second quarter, solutions were recommended for 21,234 complaints and 2,180 denunciations. One hundred and ninety-five investigations were carried out into investments for building rural infrastructure in order to handle complaints against cadres managing

such investments. The State Inspectorate in collaboration with the authorities of Nam Định province focused on settling complaints of locals by making inspections in 14 communes of Giao Thủy district. They have finished their work in 11 communes and achieved consensus by a majority of local people. They are working towards final conclusions in the three remaining communes. The PM and Deputy PM listened to the State Inspectorate's conclusions, and made decisions that settled complaints which had lasted for decades.

A noteworthy point of the second quarter's complaint handling is that Party cells and authorities at various levels strictly observed the PM's Directive No. 05CT/TTg by working out proper measures for implementing it. Inspection agencies managed to promote their advisory role, and were proactive in cooperating with relevant bodies to review and settle complaints and suggest solutions to complicated ones. They enhanced their supervision and helped local authorities settle complaints. They selected severe cases and focused energy on solving them. Therefore, they helped to ensure social order during the 9th Party Congress and the 9th Session of the National Assembly (Tenure 10). Although many complaints were lodged at the Central echelon, most of them were from the past which had not been settled yet. The number of complaints involving lots of people did not show a noticeable increase because such complaints were handled by relevant authorities. In fact, it is very difficult to settle some cases as complainants deliberately put pressure on authorities so as to get their complaints settled the way they want.

Thanks to the above-mentioned efforts, there was a rise in the number of settled complaints, especially those involving a lot of people and complicated ones. Most decisions on, and suggested solutions to complaints ensured the principle of accuracy and objectiveness, conformed to the law and policies. In short, complicated complaints were held in check,

and complaints that involved a lot of people or were lodged at the wrong authority reduced, helping to keep social order in the localities from which such complaints were sent.

However, there are still some weaknesses in the system for complaint settling, as follows:

Law breaking in some localities was not noticeably reduced, and even worsened in some others. Some civil servants and Party members, faced with moral degeneration and corruption, lacked a sense of fairness, which stirred up public discontent and more complaints. The corrections of mistakes carried out after the Party Central Committee launched the criticism and self-criticism drive in some localities took too long. Some Party cells and authorities, not feeling the urgency of the situation, failed to settle complaints in a timely way, even those already worked on by an inspection agency. Worse still, they deliberately avoided handling some complaints, causing discontent in some of the population and among some civil servants.

The settling of complaints in some localities was not adequately overseen by local Party cells and authorities, and even not carried out in conformity with the law. Conclusions in some cases lacked accuracy and objectiveness. The punishment of law-breaking acts and administrative disciplining happened slowly, or even showed signs of favouritism, thus eroding trust in the local population and among civil servants.

Awareness and knowledge of the law by people, including by those in authority and in State agencies remained limited. The dissemination of the State's policies and laws was inadequate. Therefore, the number of complainants who lacked knowledge of the laws and made complaints wrongly accounted for a high proportion, from 30-40 %. Some people, despite being explained to about wrong complaints,

deliberately disobeyed the ruling of the competent authorities and continued to lodge their complaints with higher-level authorities. Also, some people, taking advantage of democracy and the right to complain and denounce, incited others to make complaints or went to extremes in putting pressure on authorities, thus making the situation more complicated and badly affecting social order and security.

The settlement of some cases met with difficulties related to illegal land sales and allocation, compensation for crop failures, or wrongly used land, which were very perplexing.

II- The handling of complaints and denunciations is expected to focus on the following points:

- 1- Inspection agencies of provinces and cities will supervise the handling of complaints, consulting with Party cells and authorities in organizing and maintaining local inter-branch working groups which are supposed to work in accordance with the procedures set up for Central inter-branch working groups. They will also try to settle complicated complaints and those that involve a lot of people so as to make a real difference in the handling of complaints in their localities. Hanoi, Hà Tây, Nam Định, An Giang, Bà Rịa-Vũng Tàu, and Bến Tre need to strengthen their guidance over the settling of complaints, complicated or involving a lot of people.
- 2- The State Inspectorate and inspection agencies of concerned provinces, cities, ministries and branches will have to organize groups to supervise regularly the observance of conclusions and petitions by the Central inter-branch working parties in 21 provinces and cities, and those by local working groups. It is expected that by the end of 2001, all complaints, complicated or involv-

ing a lot of people, will have been settled so as to maintain social order in the localities.

- 3- Inspection agencies of the Ministry of Finance, Ministry of Construction, General Department of Land Administration and the banking system will join hands with concerned branches and localities in handling complicated complaints about housing, land, finance and credit.
- 4- Following the instructions in Prime Minister's Telegram No. 554/CP of 20 May 2001, inspection agencies of all ministries, branches and localities will collaborate with the Inspectorate of the General Department of Land Administration to supervise the management and use of land, and control illegal land sales in various forms so as to strengthen land administration and reduce potential complaints.
- 5- Inspection will be carried out intensively into investment projects for rural socio-economic development, hunger alleviation and poverty reduction, and Program 135 to ensure effective use of the investment capital, proper realization of the projects' targets, and to fight against wastefulness and reduce complaints.

III- Inspection of enterprises in recent years

Following the PM's instructions, the State Inspectorate in collaboration with the Vietnam Chamber of Commerce and Industry, the Office of the Government, and the Board for Enterprise Renovation and Development, conducted in 2000 review of the inspections of 1,284 enterprises, and directly inspected 49 enterprises. A review of the survey coupons handed in by enterprises shows that the concerned branches and echelons in 2000 introduced various measures to implement the Government's Decree No. 61/CP on the inspection of enterprises. Therefore, the num-

ber of inspections markedly declined. On average, each enterprise was subject to 2.6 inspections a year. Yet, 145 enterprises accounting for 26.6% of the total were not inspected. About 19% of such inspections were done by Central inspection agencies, and 81% by local ones. Inspections of financial records accounted for 40%, and those of labour, environment, health care and trade unions over 50% of the total inspections. The time for an inspection has been shortened: 6.1 days/per inspection on average. Most of the inspections were done in accordance with the regulations stipulated in the Government's Decree No. 61ND/CP issued in 1998. Decisions were made on 67.4% of the inspections. Conclusions were drawn for 93.2% of the inspections. About 87.6% of such conclusions were made in consultation with the enterprises. The carrying out of inspections has been noticeably improved. A large number of the conclusions have been observed by the enterprises. The inspected enterprises agreed that most of the inspections had been done in a methodical manner and their conclusions were fair, which helped them tackle many difficulties. However, nearly 30% of the inspections overlapped in such fields as auditing, finance and tax. There were cases where an inspectorate following another one would not use the conclusion of its predecessor on the grounds that it could reach higher objectivity and was on a higher echelon. Such situations caused real trouble for enterprises. Some branches have too many inspection agencies, and each of them has its own authority of inspection and settlement as prescribed by the law.

In order to overcome these problems, we think that in time to come it is necessary to coordinate the work of inspectorates and reduce the number of inspection agencies. Inspectorates of ministries and branches at central level do not need to go to local enterprises for inspection. Instead, they should collaborate with local People's Committees and inspectorates when necessary. Inspectorates of the Party, State Auditing, and People's Procuracy, at various levels, and

public security forces, will also have to obey the above-mentioned principle and the regulations specified in the Government's Decree No. 61ND/CP so as to better their performance, minimize overlaps and eliminate trouble for enterprises.

EMPLOYMENT: ACTUAL STATE AND POSSIBLE SOLUTIONS

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Job creation is a pressing problem for Vietnam at present and in the coming years. The State has initiated a national policy for job generation, involving investment and development, expansion of production and services, and diversification of jobs. The State seeks out equal opportunities for generating employment and for job seekers and issues policies on developing domestic and overseas labour markets. Its great efforts plus those of all economic sectors raised the number of jobs from 30.2 million in 1990 up to 40.6 million in 2000, an annual increase of one million jobs (in the 1996-2000 period alone, the figure was 1.2 million).

The rate of unemployment, however, shows an upward tendency again in both urban and rural areas. According to the General Bureau of Statistics, the labour force of Vietnam will grow by one million each year, even 1.2 million a year in the next decade. The agricultural sector has been attracting over 600,000 labourers each year, but the figure is on the decline. The number of

labourers in industrial and construction fields have not shown any visible rise since 1995, and these sectors can only attract less than 2% of the increase in labourers. In the service sector, job creation is in decline, only 200,000 jobs generated in 1999 and 2000 each while the number was 500,000 a year in the 1995-1997 period. Big companies of the industrial sector can hardly have the capacity to increase their workforce without carrying out great changes in the level and forms of industrial investment. The above tendencies obviously forecast difficulties and complications in future job availability.

It is obvious that the change of labour force structure has moved at a snail's pace even though output and the economic structure have improved considerably. The proportion of agriculture, regarding the gross output, has decreased while that of industry has risen, and that of services has stayed virtually unchanged. In 1993, agriculture accounted for 28.9%; industry 25.3%; services 43.4%. In 1999, the figure was 23.5%; 33.5% and 42.5% respectively. The labour force proportion of these segments in 1993 was 71.7%; 11.3% and 17% respectively. In 1999, the figure was 69%; 12.1% and 18.9% respectively. This fact reflects the very different rates of growth in output and in labour force of these three sectors. In the 1993-1999 period, the growth rate of output in agriculture was 4.2%; industry, 12.7%; and services, 8.2% while the growth rate of labour force in agriculture during the period was 1.7%; industry, 4.1%; and services, 4.8%. That is to say, every 2.5% of output growth resulted in 1% of labour growth. In the service sector, the figure was only 1.7% per 1%, but the figure was 3% per 1% in industry.

Agriculture is still the sector that can create the most jobs, followed by the service sector and then industry. The issue for concern is that the proportion of industrial output has risen from 1/4 to 1/3 of the gross output, but the proportion of this sector's labour accounts

for only about 1/9 or 1/10 of the total labour force. The fact that the agricultural sector has difficulty generating employment is understandable, because agricultural labourers' income is much lower than in other sectors. And this difference is probably increasing more and more. The growth rate of job creation in the agricultural sector will slow down as the growth rate of this sector can hardly exceed 4%, while the increase in the number of unemployed labourers in this sector is too high. Therefore, how many labourers the agricultural sector can attract from the yearly addition to the labour force in the future is a very important issue to be discussed.

At present, about 70% of the total labour force is involved in agricultural production. Over the past few years, 600,000 labourers have been attracted to this sector a year. However, this figure will probably be much lower in the future due to the following causes: First, the growth rate of the agricultural sector will see a downward tendency in quantity but an upward tendency in value in the years to come. This stems from the fact that the markets of some goods have been saturated, such as rice, coffee and rubber; farmers will focus on producing higher quality and value products instead of merely raising the quantity of their products. Raising the value may not need such big additions to the labour force as raising the quantity has done in the past. Second, the income per labourer in the agricultural sector is considerably lower than those in other sectors – hence the weak capacity for attracting labourers into the sector. Third, the modern labour force is often better educated and is qualified to work in non-agricultural sectors. This group tends to seek jobs in cities or at least non-agricultural jobs. Given such causes, the agricultural sector will be able to attract only about 250,000 labourers a year in the coming years, that is 20% of the annual addition to the labour force. It means that other sectors will be required to create one million

jobs yearly.

At present, salaried labourers account for only 11% of the total labour force. Of this salaried labour force, about 22% are working for State and Party agencies (including the army); 14% are in State-owned enterprises; 8% are working for joint-ventures and foreign companies; over 41% are staff of private enterprises (including business households); 14% are involved in other forms of labour; and only 1% belong to non-agricultural cooperatives. In the future, due to state administrative reforms, the number of salaried workers in State and Party agencies will be reduced both absolutely and relatively. The number of workers in State-owned enterprises will not rise in the coming years because their current workforce is so abundant that they can expand their production without any additional recruitment.

The number of jobs in State-owned enterprises of all sectors (such as industry, agriculture, commercial services) rose from 2.1 million in 1995 to 2.3 million in 1999. The plans to rearrange these enterprises in the coming years will make the job development of this sector unable to maintain even their "already-low" rate recorded in the past years. It is estimated that in the next five years, the State-owned enterprises will be able to attract only 3% of the additional labourers, thus contributing only a very small part to job creation.

The foreign direct investment sector including both services and industry, employed 300,000 more workers in the 1993-1998 period. However, the FDI attracted in the past few years has been in decline, slowing down the growth rate of job creation. The Government is planning to raise the annually-attracted FDI up to US\$2 billion, a figure equivalent to that in the previous period. The value of investment per job may decrease from US\$30,000 to US\$20,000 if more export-oriented projects and fewer capital-intensive ones are carried out. Given such calculations, the

FDI sector will generate employment for 100,000 labourers each year, equivalent to 8-9% of the annual addition to the labour force.

The official (licensed) domestic private sector employed 11% of the salaried labour force in 1999, that is nearly 450,000 labourers (in 1993, the number was 182,000). To double the number of jobs for this sector requires a yearly output increase of 20%. This is a quite a high rate, but it will probably become feasible for this sector in the years to come. If such a rate is reached, there will be 7-8% of the additional labour force accepted into this small-scale but dynamic private sector.

Export of labour and specialists is also a solution to the problem of job creation. That is why the Party and State have issued guidelines for the export of labour. Along with diversifying the labour market and diversifying the occupations of exported labourers, it is necessary to diversify the ways and means of labour export, such as supply of labour and specialists, establishment of joint-ventures, construction contracts, letting some non-state enterprises try labour export activities as a test. These ideas aim at exporting 50,000 labourers and specialists in 2001, and up to 100,000 or 150,000 annually in the following years.

The total above-mentioned job sources show that the maximum additional number of jobs created per year is about over half a million in agriculture, State sectors, the FDI sector, and the official domestic private sector. Thus, there are more than 600,000 jobs that need to be created each year for the annual addition to the labour force and also some other jobs for the currently unemployed. This depends mostly on the ability to attract labour into the non-agricultural sector in rural areas and into the non-official sector in urban areas.

Family-scale enterprises (mostly in rural areas) account for 10-11 million labourers. To draw the above-mentioned idle labour force, job creation in these family enterprises is

required to grow at 7% yearly. This rate can only be reached if the overall growth of rural areas obtains 8-10%, and there should be incentive policies. A big obstacle to the development of jobs in this sector is that most of these family enterprises are small-scale with only about 3-4 labourers, and 90% of them do not hire outside labourers. Therefore, along with promoting the expansion of the scale of production scale of these enterprises, it is necessary to boost the development of non-agricultural jobs in rural areas in order to attract more labour. Non-official enterprises in urban areas are often small-scale production establishments of urban households, which run business in an unstable way and tend to employ or dismiss labourers unpredictably. If planned and rearranged into a stable long-term orientation and strategy, this sector will be able to create tens of thousands of jobs yearly. It can be said the sector that can create the most jobs and has the most potential is the non-agricultural one in rural areas. In 1999, household enterprises created most of the jobs in production and processing fields (two thirds of the total new jobs in the year).

According to a survey carried out by the General Bureau of Statistics, each specialized business establishment can generate 27 stable jobs, and each business household can create 4-6 jobs. Beside these stable jobs, each of these establishments or households can attract on average 8-10 or 2-5 idle labourers from rural areas respectively. Craft and manufacturing villages can attract over 60% of labourers. At the same time, the development of these villages brings forth many other services, creating more jobs. Therefore, promoting crafts and manufacturing in rural areas is considered a direct motive force for solving employment problems in these areas.

The State's goal to shift the structure of the rural economy is meant to gradually raise the proportion of industry, handicraft and service in GDP of the rural economy. And the proportion is expected to reach 70% in 2010.

As a result, 400,000-500,000 labourers in rural areas will be involved into activities related to craft industry. This is why it is vital to place emphasis on promoting rural medium- and small-size enterprises that are labour-intensive but require less capital, and can draw advanced technologies from other countries. The potential to develop medium- and small-size enterprises of Vietnam's rural areas is estimated to be great. However, the following measures should be taken:

- To create favourable conditions for rural handicraft households to register their business and production; to support them to develop into private enterprises, limited liabilities companies or to join cooperatives.
- To bring forth a really equal environment for enterprises of all sectors, in such fields as land leasing, allocations for production and business, credit loans and credit guarantee, direct export, support in training, retraining, technological transfer, and technical services.
- To encourage all forms of cooperation, production assignment, and establishment of a system of specialized groups among rural handicraft households, for example: some households specialized in materials supply, others in product consumption, some in production, and so on.
- To encourage the establishment of craft and trade associations for mutual assistance in production, product consumption, and for avoiding unhealthy competition.
- To restore and promote traditional craft villages along with solving problems related to the environment, technological renovation, training new young craftsmen, and retraining artisans.
- To build and develop new craft villages in a planned way and in accordance with rural planning. For the villages that have not developed crafts, it is necessary to train and support some young and dynamic profit-making enterprises to act as the core

to draw households and individuals to join in the development of crafts. This aims at gradually establishing groups and centers of handicrafts in each commune so that each of these communes has a typical product.

- To assist handicraft households in accessing the domestic and foreign markets by prioritizing such activities as advertisement and exhibition; providing information about the markets; giving permits for direct export.
- To encourage investment in rural crafts by offering tax exemptions for 3-5 initial years (depending on the specific craft and product), and giving a 50% tax-cut for the following two or three years.
- To establish funds for rural craft development, and funds for credit guarantee in order to create good conditions for craft households and establishments to borrow capital to develop their production; to develop rural credit funds to mobilize idle capital for development of crafts; to increase investment from the budget in the agricultural-forestry product processing industry, and the development of crafts in rural areas.

The above solutions can boost the development of crafts and manufacturing in rural areas, attract more labourers and contribute to the creation of jobs. This is the most important way to solve employment problems in the coming years. Because even if the whole industrial sector can somehow double its labour force in five years, the number of jobs created would be lower than the additional number of labourers in one year. Therefore, the prospect of creating jobs in the years to come depends mostly on the development of non-agricultural sectors in rural areas, and certainly on the condition that other sectors contribute an active part. Job creation is a pressing problem for the whole society, which needs to be solved by an overall concerted national program and is the responsibility of the whole society as well as of every organization and citizen.

RESPONSIBILITIES TO BE LINKED WITH RIGHTS

Tuyết Lan
(Quốc Tế Review, 9 May 2001)

Since receiving 2 ha of forest from the Vietnam-Germany Afforestation Project, Mr. Dương and his family have always regarded it as their precious property. He said, "When the project was started, local people did not believe in its success. But later on, they found it having many advantages: good management and guaranty for foresters' rights."

Financed by the German government, the project has been implemented in Hà Tĩnh, Lạng Sơn, Bắc Giang, Quảng Ninh, Quảng Bình and Quảng Trị provinces. The target of growing 21,000 ha of forest has been achieved in Quảng Bình, Quảng Trị and Hà Tĩnh provinces. The project has not only brought about ecological benefits but also generated income for the participants. It has given local authorities technical and financial management lessons.

Mr. Hoàng Văn Khẩn, Chairman of the Quảng Bình People's Committee, said, "The project has given our province a chance to push forward our afforestation and greening of waste land and bare hills."

It takes foresters 10-15 years and hard labor to exploit resin from pine trees. In Thái Thủy commune, Quảng Bình province, hundreds of families have taken part in the project. It is difficult to imagine that the commune used to be wasteland and the local population was very poor. They could not find work, and the natural conditions were always harsh. Now, they are very happy to have been allocated forestland and enjoy the fruits of their labor.

To date, nearly 3,000 households of three districts of Quảng Bình province have joined the project. These households have the right to choose among the plants provided by the proj-

ect, apart from acacia, pine, anise, and canarium trees. Forestland has been carefully planned and allotted to locals for a 50-year duration. The project has also provided the participants with instructions, fertilizers, and other necessary materials. It always stresses voluntary participation by the locals, who are supposed to think carefully about their rights and obligations in growing, caring and managing the forest in accordance with prescribed procedures. As soon as they receive the forestland, participants are given certificates of land use. On average, each household is allocated two ha of forest.

Whoever has forest is given a savings account worth VND four million at an agricultural bank and has the right to withdraw the money in three installments.

Mr. Võ Minh Doang, Vice Chairman of the People's Committee of Lệ Thủy district, Quảng Bình province, said, "This is a great environmental project. The financing, technical performance and organization of the project have been carried out very well." Vĩnh Linh district, one of the project participants in Quảng Bình province, has grown 1,400 ha of forest, higher than the target set for it. The income of those engaged in the project has become 1.5 times higher than before.

According to Mr. Nguyễn Ngọc Bình, Head of the Department of Agricultural Development, the project is one of the best attempts to grow and protect forest in Vietnam.

WHY DOES VIETNAM SERIOUSLY LACK SKILLED WORKERS?

Hoàng Anh
(Thanh Niên Newspaper, 13 June 2001)

Demand

At an educational seminar, Prof. Nguyễn Minh Đường, former head of the General

Department of Vocational Training, showed concrete evidence of an imbalance in labour supply-demand in Đồng Nai Province. He revealed that the province's two industrial zones were employing nearly 40,000 workers of whom 2.9% had finished university, 4.4% vocational high schools, 82% were technical workers and 10% unskilled workers. In the future, recruitments in the zones should conform to the following ratios: 1 university graduate/1.47 high school graduates/27 skilled workers/3.3 unskilled workers.

Yet, due to the unreasonable structure of education, technical workers only account for 42%, and engineers 58%, of the total graduates. Respective figures recorded in developed countries are 82% and 18%. Laborers that have undergone formal training only account for 12% of the total labor force. There remains a serious imbalance in university students' choice of majors: those majoring in economics make up 38.25%; in social sciences and humanities, 32.29%; in technical subjects, only 14.33% (1999 statistics). Obviously, it is necessary to expand the training system and improve its quality so as to meet the requirements of national industrialization and modernization.

Vocational training is yet to live up to expectations

The socio-economic strategy for the 2001-2010 period passed by the 9th Party Congress specified the target of the 5-year plan: "By 2005, agriculture-forestry-fishery will account for 20-21% of GDP; industry-construction, 38-39%; and services, 40-41%." The strategy for vocational training in this decade is aimed at assisting economic restructuring and achieving the above-mentioned target. Can the vocational training system find solutions to the posed question?

We only have 157 vocational schools, with 400-500 students each, and 178 universities with 5,000 students each on average.

There remains imbalance within the vocational training system. Some jobs are being trained by too many establishments, while others are ignored. Is it appropriate that most vocational schools focus on a limited number of professions such as metal working, turning, tailoring, or electrical engineering, whereas only 0.5% of them engage in mechanical repair, and 1% of them in farm produce processing, computer repair, and industrial crops processing?

VIETNAM'S SOCIO - ECONOMIC SITUATION IN JULY AND THE FIRST SEVEN MONTHS OF 2001

*(Government Office's Press Release,
2 August 2001)*

In general terms, the socio - economic situation in July continues to record positive developments. Quite a few important set targets have been successfully reached, compared with the same period and with what has been planned.

Export earnings growth rate, however, has slowed down and developments in disbursement of investment capital for basic construction rendered inadequate.

1. Production of Agriculture, Forestry and Fisheries:

The outstanding feature over the past 7 months lies in the structural shift in agricultural production which has begun to take shape in localities. Apart from reclaiming areas of low - yield rice in coastal and Mekong Delta provinces for aquaculture, such localities as Lâm Đồng, Đắk Lắk, and Ninh Thuận, have considered the possibility to take back more

than 60 thousand hectares of ineffective coffee planting for other crops (cotton, sugar-cane, papaya, mulberry, and Japanese sweet potato). Đắk Lắk province is carrying out a pilot scheme to plant papaya to get gum for export.

Aquaculture has strongly developed with an estimated farming area of 800 thousand hectares, surpassing the target by 100 thousands hectares (14%). Exploitation of aquatic products in 7 months is estimated to be over 1.3 million tons, 61% of the annual target, thus recording an increase of 13% over the same period. The export of aquatic products in 7 months has been up by 45.5%.

Natural disasters and flood have swept through various northern mountainous provinces, causing losses to human lives and properties. The localities have overcome the severe consequences; timely relief measures have been taken by ministries and branches.

The task of dyke maintenance for protection against natural disasters has been rapidly carried out.

2. Industrial Production and Service

Industrial production has adequately developed with an increase of 14.2% in value in the 7 months compared with the same period, of which State-owned enterprises are up by 11.5% (12% is registered for central and 10.3% for local enterprises); the non-State industrial sector 18.3% and foreign-invested sector 15%, oil industry alone 14.6%.

The number of some industrial products which show high output and account for a large proportion in production and consumption remarkably increased. For example, electricity is up by 14%, crude oil 14.6%, processed aquatic products 21%, laminated steel 23%, civil electric fans 33.6%, assembled cars of all kinds 44.6%, etc.

However, several industrial products face a harsher condition such as garments, textiles, leather, footwear, etc.

The Law on Enterprises continues to exert its positive effects as demonstrated in the continuously increased number of enterprises and their registered business capital, creating an opportunity for high development in most localities. Between early in the year and the end of June, roughly 9,100 enterprises registered their business operations with total capital of VND 11,167 billion.

The service sector keeps its good performance. Total retail sales of and revenue from social commodity services are up by 7.8% from the same period of the year 2000. Goods and passenger transportation, telecommunications, tourism, etc have recorded high speeds of development.

3. Capital construction:

The realization of investment capital rose by 4% over the same period. Nonetheless, investment credit capital and disbursement of concentrated capital for basic construction stay low.

The realization of investment capital from the concentrated State budget is estimated to reach 55% of the annual target, of which 58.7% is registered for central agencies, 48.2% for localities.

Estimated capital allocation in the 7-month period accounts for 59.3% of the realized amount and 32.7% of the annual target.

Regarding credit investment, disbursement remains slow with the estimated amount in 7 months making up 28.3% of the plan, of which domestic capital accounts for 23.5% and foreign capital 35.7% of the set target. Mobilization of domestic capital from the borrowings by the Development Support Fund (DSP) stays low, 21.4% of the yearly plan.

Foreign direct investment (FDI) has substantially increased in terms of capital attraction and project implementation. In the first 7 months of the year 2001, 247 projects were licensed with a total capital of over US 1 billion, registering an increase by 37.2% in the

number of projects and by 119.4% in the amount of capital against the same period of the year 2000. Estimated realized foreign investment capital in 7 months reached roughly US\$ 1 billion, up 30% from the same period.

ODA disbursement in 7 months reached US\$ 854 million which is estimated to be 52% of what was planned.

4. Import - Export

Export falls behind expectation with total export earnings increasing by 2.5% in July over the previous month, which lags behind the target to meet the yearly plan; by 13% in 7 months over the same period to reach 53.8% of the yearly plan. Several products of export value are on the rise, for example vegetable and fruits are up by 94.5%, aquatic products 45.5%, garments and textiles 11.5%.

Export is still facing a lot of difficulties, especially the low price of some major exported items (the price of rice decreased by 17.4%, coffee 43.2%, rubber 6.5%, cashew nuts 26.4%, pepper 60.1% from the previous year...) and a narrowing export market for many items.

It is noteworthy that exports of some other labour-intensive items are also on the decline: footwear 0.6%, handicrafts 14.6%, electronic appliances, computers and computer parts 16%.

Total value of import in 7 months rose by 7.9% to meet 52% of the annual target. Import of ready-made cars and parts for assembling cars and motorcycles in July has sharply dropped compared with the previous month. Imported quantity in 7 months, though, still exceeds the same period.

The trade deficit is only 2.1% of total export earnings.

5. Finance, Currency and Market Prices:

* Budget revenue collection climbed high with the total estimated amount until mid-July

2001 making up 60.4% of the yearly anticipation. Total budget expenditure by mid-July is estimated to mount to 50% of the yearly anticipation. Over-expenditure of the State budget by that time accounts for 20% of the allowable amount.

* By 31st July, the total means of payment was estimated to be up by 10.3% against 31st December 2000, a rather lower growth rate compared with 12.7% of the same period last year; mobilized capital rose by 12.8%; the estimated debit balance of the whole economy was up by 11.8%. Bad debts per total debts decreased to 9.6%.

* Consumer price index in July 2001 fell by 0.2% against June 2001. Calculation of the year 2001's first 7 months demonstrates the consumer price index dropped by 0.9% against December 2000, of which the price of cereals was down by 6.3%, foodstuff by 0.2%. Calculation of the 12 - month period (July 2001 against July 2000) shows the price index was up by 0.5%, of which the price of cereals declined by 3.6%.

Gold price decreased by 1.6% while the US dollar went up by 5.1%.

6. Culture - Society

***Cultural and Social Activities**

- The Education and Training branch has guided and held relatively successful entrance examinations into universities and colleges for the academic year 2001 - 2002.

- State-level key programs on science and technology have been actively carried out. Environmental pollution in regions struck by natural disasters and flood has been dealt with concentrated efforts. However, pollution caused by solid and water waste in urban and inhabited areas remains severe.

- During the 7 months, jobs have been created and provided for roughly 800,000 people, up by 10% from the same period in 2000.

More than 170,000 laborers have been sent abroad to work, up by 2,000 people

against the same period last year. Labor and jobs, however, are still a difficult issue.

- *Regarding medicine and health care*, what became distinguished in June and July was the emergence of epidemic encephalitis and the explosion of petechial fever in provinces in the central part of the country. The health care branch has organized activities aimed at preventing epidemic diseases. Up to now, however, only the development pace of the epidemics has been held in check. The danger of their re-emergence remains high.

- The Culture and Communication branch has done positive work. The State management of cultural activities has been continually reinforced.

PRELIMINARY ASSESSMENT OF PERFORMANCE BY GOVERNMENTAL WORKING GROUPS, SEVERAL BRANCHES AND LOCALITIES - EMERGING PROBLEMS

In July, the government sent working groups to various towns and cities in an effort to solve difficulties, in order to fulfil the year 2001's plan. Preliminary assessments of the results of work by the governmental groups brought up the following problems:

a. Achievements and efforts to overcome difficulties of branches and localities:

Cities, provinces and branches have fulfilled tasks for the year 2001, especially the Government's Decree No. 5. Such localities as Hồ Chí Minh City, Bình Dương, Bà Rịa - Vũng Tàu, Đà Nẵng, Khánh Hòa, Hà Nội, and Quảng Ninh, have brought the Government's Decree into concrete actions in conformity with their specific conditions and provided guidance for execution to the grassroots. Socio - economic situations in a number of cities and provinces have recorded lots of progress, targets have been substantially increased compared with the same period last year and higher than the overall growth rate for the whole country.

In the domain of agriculture, a large number of localities have actively re-arranged their production and exercised a shift in the crop structure. Industrial production in various localities has been substantially developed. Most industrial centers still maintain their high growth rate, for example, Hồ Chí Minh City 19.4%, Bình Dương 38.9%, Bà Rịa - Vũng Tàu 19.1%, Hải Phòng 19.3%, Quảng Ninh 17.6%, Đà Nẵng 19.4%, Khánh Hòa 20.8%, and Phú Thọ 20%.

Several localities took initiative to improve implementation of business registration as prescribed by the Law on Enterprises, thus achieving satisfactory results. Many localities concentrated on strengthening service activities aimed at improvement of their economic structure and boosting economic growth.

The State budget revenue collection in a large number of localities is fairly high compared with the target, for example in Hồ Chí Minh City, Đồng Nai, Bình Dương, Bà Rịa - Vũng Tàu, Hà Nội, Quảng Ninh, Thừa Thiên - Huế, Quảng Nam, Đà Nẵng, Bình Định, and Phú Yên.

b. Emerging problems:

Apart from achievements, obstacles still exist, exerting great harmful effects on implementation of the yearly plan. Solutions and petitions as submitted by a number of cities and provinces have focused inadequate attention on hurdles to be overcome. Several cities and provinces have not yet assessed properly the difficulties in the last months of the year, for instance, goods consumption, especially consumption of agricultural products.

(1) Regarding production and business operations:

The biggest difficulty in production and business operations both during the past 7 months and in the future as anticipated lies in goods consumption. The prices of almost agricultural products have sharply dropped to a very

low level. Industrial consumer goods such as garments, textile and footwear face a narrowing consumer market and decreased manufacturing prices averaged at between 20% and 30%.

Localities have not yet adequately anticipated the harmful impacts caused by the above-mentioned situation, hence their solutions being submitted are general without taking initiatives to cope with the situation.

(2) Regarding investment in capital construction:

Investment, in general, is still spreading too thin, and this accounts for its low efficiency.

- Investment from the State budget:

The realized investments from the budgets of ministries, branches, cities and provinces remain at a low level, and in many agencies, well below 40% of the plan. Besides, disbursement is also going at a snail's pace. Measures to accelerate the tempo of capital construction as per the target set early in the year are not clearly defined; there are few attempts to mobilize capital from other sources to carry out the program of investment from all possible sources.

- For the State's credit capital:

The disbursement of credit investment capital keeps running slowly; the solution to credit loans for investment in production projects is hardly mentioned. The same situation holds for enterprises affiliated to central agencies. It is quite unhealthy. On the other side, in several provinces where credit loans for investment are provided, the investment pours mainly into infrastructure projects, thus being non-refundable. The provinces mainly want to use credit investment capital as an investment channel from the second budget. Such practices have to be stopped.

(3) Regarding foreign direct investment (FDI)

A number of localities have put forward the idea to decentralize the granting of licenses

to foreign direct investment projects in order to move the project's capital scale to a higher level than the current regulations. On this matter, the government will soon consider, adopt and promulgate a decree on boosting investment attraction and increasing the effects of foreign investment in the 2001 - 2005 period.

FUTURE TASKS IN THE PERIOD TO COME

To ensure fulfillment of the year 2001 plan and reaching the GDP growth target of 7.5%, and paving the way for implementation of the 2001-2005 5-year plan, ministries, branches and localities are to strongly carry out measures worked out early in the year, especially those mentioned in the Government's Decree No. 5. It is necessary to re-check arrangements in production and business operation plans of every item, and hammer out measures to increase the output of products such as crude oil, cement, steel, paper, several industrial consumer items, and exported seafood that have available outlets. There should be ways to add values to service operations, especially tourism, telecommunications, air and sea-freight.

Regarding export:

It is a necessity to implement rapidly the export bonuses regime as stipulated in Decision No. 65/200/QĐ-BTC by the Ministry of Finance; consider further expansion of the regime for such items as garments, textiles, footwear, etc. At the same time, policies on boosting trade promotion and expenses for intermediary activities should be made. The Ministry of Trade, in addition, is going to promulgate suitable mechanisms aimed at facilitating Vietnamese enterprises' contact with their Russian counterparts and enabling Vietnamese-made goods to get easier access to the Russian market, further boosting settlement of debt with the State by export.

Regarding capital construction:

Ministries, branches, cities and provinces are to put into practice measures to boost

investment for capital construction from the budget. Project duration should not be lengthened in the year 2001 plan. They should also examine procedures of investment in capital construction for the purpose of appropriate improvement.

Investors are to complete their files and procedures to disburse the pledged capital in order not to let the project's progress be hindered by any delay. The Ministry of Finance is to provide guidance for the State Treasury to improve fund consideration and supply procedures to make sure that capital supply is rapid, timely and accurate.

In the July regular session of the government, the Prime Minister drew the attention of the government's members to three major issues of socio - economic situation in the last few months. Namely, execution of measures to overcome the current slowing pace of export; boosting the disbursement of capital construction investment and development of production and business operations; execution of measures for the prevention of natural disasters. The Prime Minister is going to make decisions to solve difficulties, creating conditions for socio - economic development in the last few months of the year 2001.

FORUM ON VIETNAM-US ECONOMIC TIES

Nguyễn Như Dũng
(Quốc Tế Review, 9 May 2001)

The Vietnam-US Economic Forum was held on July 12th -16th 2001 in Hồ Chí Minh City under the aegis of the Vietnamese Government (Ministry of Foreign Affairs, Ministry of Trade, Ministry of Planning and Investment), US Embassy's Commercial

Affairs Section, and Vietnam Chamber of Commerce and Industry. The forum, which took place one year after the signing of the Vietnam-US Trade Bill, was composed of an exhibition, a fair and a seminar. It was designed to facilitate bilateral trade, investment and partnering among Vietnamese and US enterprises. It was a forum in which the two countries' enterprises and economic and commercial organizations could share their experiences, and discuss the potential for import-export, investment, and technological transfer; and explore ways for educational cooperation.

The seminar focused on major means for development of Vietnam-US social, cultural and economic ties; the setting up of a legal framework for promotion of such ties on the basis of legal documents signed by both countries; opportunities for the two countries' enterprises when the Trade Agreement takes effect; possibilities for tapping the two markets; entanglements in taxation and import-export policies of the two countries; scientific and technological projects and their application to production and livelihood; and environmental issues.

The organizing board invited over 300 enterprises and economic, trade promotion, investment, science-technology, and culture organizations from both countries to take part. Priority was given to those Vietnamese enterprises who intended to penetrate into the US and North American markets and expand their business there. The forum drew the participation of enterprises in coffee, aquaproducts, handicrafts, garments, printing, packaging, finance and banking, construction materials, internal decoration, tourism, and processing of farm produce; and consumer goods industries, investment consultancy agencies, projects needing investment, and industrial and processing zones.

At the moment, Vietnam's exports to the US increase by 12-15% a year on average. The US is also exporting to Vietnam a good amount of machinery, equipment and materials. In 2000, the bilateral import-export turnover reached over US\$ 980 million.

THE CHRONOLOGY FOR AUGUST 2001

July 31st - August 6th: Vice Chairman of Vietnam's National Assembly Mai Thúc Lân heads an NA delegation to pay a visit to China. He is received by the Chairman of China's National People's Congress Li Peng.

August 5th - 8th: Mr. Anand Panyarachun, former Prime Minister of Thailand and special envoy of the Thai Government, pays an official visit to Vietnam. He attends the celebration of the 25th anniversary of the establishment of the Vietnam-Thailand diplomatic relationship (August 6th 1976 - August 6th 2001). He meets with the President of State Trần Đức Lương, talks with Deputy Prime Minister Nguyễn Mạnh Cẩm and visits Hạ Long Bay and a number of economic and educational establishments in Hanoi.

August 6th - 8th: Mr. Sisavat Keobunphan, member of the Party Politburo and Chairman of the Lao Committee for National Construction, pays an official visit to Vietnam. He has talks with Mr. Phạm Thế Duyệt, Chairman of the Vietnam Fatherland Front. He is received by the Vietnam Communist Party Secretary General Nông Đức Mạnh and President of State Trần Đức Lương.

August 9th - 10th: Swedish Foreign Minister Anna Lindh pays an official visit to Vietnam. She has talks with Vietnamese Foreign Minister Nguyễn Dy Niên. She is received by the Vietnam Communist Party Secretary General Nông Đức Mạnh and President of State Trần Đức Lương.

August 8th - 16th: the 15th World Festival of Youths and Students under the theme "Globalizing Struggle for Peace, Solidarity, Development and Fighting

Imperialism" takes place in Algeria. The Vietnamese delegation to the Festival comprises 136 members.

August 13th - 22nd: the 3rd Plenum of the Central Committee of the Communist Party of Vietnam (Tenure 9) is held in Hanoi. The Plenum discusses and approves the working regulations of the Central Committee, the Politburo, the Secretariat, the Central Committee of Inspection, and the working program of the Party Central Committee. The meeting also discusses and decides on further re-organization and renovation of State-owned enterprises and improvement of their performance.

August 22nd: President of the Republic of Indonesia Megawati Sukarnoputri pays an official visit to Vietnam. She has talks with President of State Trần Đức Lương and PM Phan Văn Khải.

August 22nd - 25th: President of State Trần Đức Lương pays an official visit to the Republic of Korea. He talks with his Korean counterpart Kim Tae Chung, meets with high-ranking Korean leaders and visits some chaebols and localities. The two sides sign the joint Vietnam-Korea Declaration and documents on bilateral cooperation.

August 24th: Palestinian President Y. Arafat visits Vietnam. He has talks with PM Phan Văn Khải.

THE CHRONOLOGY FOR SEPTEMBER 2001

September 3rd - 5th: the 22nd General Assembly Meeting of the ASEAN Inter-parliamentary Organization (AIPO) takes place in

Bangkok, Thailand. The Meeting announces a common declaration. Chairman of the Vietnam National Assembly Nguyễn Văn An takes over the 23rd AIPO presidency.

September 7th – 10th: Mr. Li Peng, chief member of the Standing Committee of Chinese National People's Congress, pays an official visit to Vietnam. He has talks with Chairman of the Vietnam National Assembly Nguyễn Văn An and Prime Minister Phan Văn Khải. He is received by Party Secretary General Nông Đức Mạnh, President of State Trần Đức Lương, and former Party Secretary Generals Đỗ Mười and Lê Khả Phiêu. He also visits Quảng Ninh Province.

September 10th – 11th: the 3rd Meeting of Asian-European Economic Ministers is held in Hanoi with the participation of economic, trade, and industrial ministers from 10 Asian countries and 15 EU countries.

September 15th: the 33rd Meeting of ASEAN Economic Ministers convenes in Hanoi.

September 12th – 16th: Vietnamese Foreign Minister Nguyễn Dy Niên pays an official visit to the Republic of India. He holds talks with Indian Foreign Minister and Defense Minister J.F.Singht. He is received by Deputy President C.Kan and Prime Minister A.B.Vajpayee.

September 17th – 18th: Vietnamese Foreign Minister Nguyễn Dy Niên pays an official visit

to the Republic of France. He has talks with Minister for Cooperation and Francophony Charles Josselin, meets with Chairman of the French Upper House Christian Poncelet and Vice Chairman of the Foreign Affairs Committee of the French Parliament Jean Bernard Raymond. He also visits the headquarters of the French Enterprises Movement.

September 19th – 20th: Vietnamese Foreign Minister Nguyễn Dy Niên pays an official visit to the United Kingdom. He talks with British Foreign Secretary Jack Straw, pays a courtesy visit to Deputy Prime Minister John Prescott, and meets with big British entrepreneurs and some overseas Vietnamese business people in Britain.

September 21st – 22nd: Vietnamese Foreign Minister Nguyễn Dy Niên pays an official visit to Cuba. He has talks with Cuban Foreign Minister Felipe Perez Roque and is received by President Fidel Castro.

September 29th - October 1st: President of the Republic of Zimbabwe R. Mugabe pays an official visit to Vietnam. He has talks with his Vietnamese counterpart Trần Đức Lương, meets with PM Phan Văn Khải and Party Secretary General Nông Đức Mạnh. The two sides sign the Agreement on Economic, Cultural, Scientific-Technological, and Commercial Cooperation, and the Trade Agreement between the two governments.

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