

Files on Vietnam

- Resolutions of the Government and the National Assembly
- Periodical and overall reports of different branches
- Foreigner-related normative acts of the Government and ministries, which may be made good references for research



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PUBLISHER'S NOTE

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

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

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

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

Thế Giới Publishers

**VIETNAM IN NEED
OF LITERARY
AND ARTISTIC WORKS
THAT CAN STIR
READERS' HEARTS
AND RECORD
THE INDELIBLE MEMORIES
OF OUR VICTORIOUS
PATHS PAST
AND PRESENT**

**Speech by
Party Secretary General Lê Khả Phiêu
at the 6th Congress of the Union of
Literature and Art Associations,
31 January 2000**

Distinguished guests,

Dear comrades and friends,

On behalf of the Central Committee of the Communist Party of Vietnam, I would like to warmly welcome all the guests, writers and artists representing Central Specialized and Local Associations of Literature and Art to participate in the 6th Congress of the Vietnam Union of Literature and Arts Associations.

This Congress is held at the time when the Vietnamese people and humankind are taking the last steps towards the end of the 20th century and preparing for the 21st century. Therefore, I think that the Congress is aimed at not only looking back at the 1996-2000 period but also reviewing a period of nearly one century, the 20th century, which is our people's greatest and most glorious one under the leadership of the Communist Party of Vietnam and Uncle Hồ. This century has inherited the nation's traditional cultural values in general, and literary and artistic achievements in particular and elevated them to a new height. This process has been promoted with the extremely vigorous vitality from our people's persevering revolutions.

The Vietnamese are a cultured and civilized people. Culture, along with other struggling activities, has secured the formation, existence and growth of our nation with a sustained cultural identity, strength, love for and confidence in itself.

The Vietnamese revolution and our beloved Communist Party represent morality and civilization. Culture, morality and civilization serve as the constituents of our Party's revolutionary and scientific nature.

Previously, some patriots were engaged both in revolutionary activities and poem writing to encourage patriotism and to express their whole-hearted affection for the people and the Fatherland.

Inheriting those traditions, Vietnamese Communist Party members under the

leadership of President Hồ Chí Minh, through their heartfelt affection, used literary and artistic works as weapons to condemn hostile forces and opportunists, diffuse their ideologies and unite miserable people. They kept singing and composing moving poems and prose even when in prison, on the way to the front, and when facing guillotines or firing squads.

Revolutionary literature and art serve as an integral part of Vietnamese revolutions. Over nearly a century, our country's literary and artistic circles, nurtured and supported by the people's revolution, have bequeathed us invaluable masterpieces.

Literary and artistic circles breathe the same air of the revolution and approached the people, history makers, like they did to their parents and siblings. They shared all the hardships and sufferings with the people in underground tunnels, trenches, life and death battles, bombardments, floods and droughts. Despite illness, cold weather or lack of food and clothing, they tried their best to write, paint, photograph, film, sculpt, collect, study, and create artistic images from real people and life to whom they paid their deep gratitude and respect. They regarded lack of poetry recitals, singing or dance performances for the people as their fault. During the resistance war, there was a case when almost all members of a singing and dancing group were killed by the enemy's bombardment. In some battlefields, nearly half of the composers and artists died.

We are proud that there is no stage of this one-century revolution, even the most severe, when our writers-cum-soldiers would fail to record and reflect timely the people's heroic lives in their works.

Our people and Party are proud of those artists-soldiers on the literary and artistic front who have bequeathed their works which help to nurture the soul and ideals of millions of the Vietnamese. Those works will live forever

with the people, although some of them have not lived up to our expectation.

Apart from creation, we have also trained an ever-bigger number of successive generations of writers and artists in all localities of the country.

Looking back at those achievements, we, first of all, should pay our boundless gratitude to our 54 brotherly ethnic groups, Heroic Mothers of Vietnam, soldiers of the Armed Forces, voluntary youth forces and anonymous heroes whose infinite humanity and nobility have served as a great inspiration to our patriotic literature and art and revolutions.

We are most grateful to President Hồ Chí Minh who gave birth to our country's revolutionary literature and who represented the ideals of life, artistic labour and heights of creation.

Comrades and friends,

You have reviewed your shortcomings and pointed out your problems in the report by the Central Committee of the Vietnam Union Literature and Arts Associations.

I would like to suggest that the Union Committees of specialized Associations and local Associations, along with ideological and cultural departments, should, during and after this Congress, re-study the Resolution of the Party Central Committee (5th Plenum of the 8th tenure) on culture, and review the shortcomings and problems in order to find out solutions. It is very difficult to have a proper viewpoint on one's shortcomings and problems. But it is impossible for us to advance to a new path if we avoid them.

National industrialization and modernization is an extremely great revolution, though difficult and complicated. Culture, literature and art serve as the constituents of that revolution and as part of the cause of building and defending the Socialist Republic of Vietnam.

Preserving the national identity means defending the Fatherland and exponentially

multiplying the strength of the country, socialism and the Vietnamese people. Therefore, what worries us the most, regarding culture, literature and art, is unreasonable imitation of foreign cultures, loss of our national identity, pursuit of mediocre tastes and exploitation of bad aspects of the psychology of society, which undermine our ideological orientation and the chastity in the minds of the Vietnamese people and youth.

Culture, literature and art have been part of the cause of international solidarity of our Party and people. Uncle Hồ is the first Vietnamese revolutionary writer to have written about the world's oppressed people. Nowadays, our country's culture, literature and art should keep that cause going. The economy as well as culture, literature and art must have a good grasp of our people's cultural identity and nature if they are to do exchanges with the outside world and absorb selectively humankind's cultural quintessence. It is our people's culture, literature and art that make considerable contributions to the cultural quintessence of humankind.

Human beings are the finest creation of nature. Culture is the finest creation of human beings. That fine and noble creation, in our country, always needs the contribution of talented and far-sighted artists and writers who love their Fatherland, ancestry, labour and the Vietnamese, and who devote themselves whole-heartedly to that love. Science and technology can make a lot of miracles. However, nothing can replace literature and art with regard to the people's spiritual and sentimental life. As a product of each individual, an artistic work bears the imprint of his talent and spirit. On the other hand, an individual's cause lies in the common cause and spirit of the nation. The Party is attentive to each artist and writer while trying to build up a strong team of revolutionary artists and writers. Therefore, the Party always attaches attention to the various associ-

ations and the National Committee of the Vietnam Union of Literature and Art Associations. Local Literature and Art Associations of all levels must be consolidated. These associations must bring into play their members' intellectual calibre and democracy, introduce more effective working methods and facilitate their members' artistic creation.

Any work must originate from the people's effervescent life and the proper viewpoints of artists and writers. Awareness, discovery and creation are the functions of literature and art. To have a good work, an author must have rich life experiences and throw himself into the realities and the people's movements. He should go on field trips held by associations or by himself. By doing so, he can make a lot of discoveries from the daily life of the people and every locality across the country. Such discoveries are likely to serve as invaluable materials for them to create works that can be widely acknowledged. Literature and art belong to the emotional domain. Writers and artists must devote themselves to each page of their work, easel, musical instrument, stage, etc. through their insight into reality and things. Literature and Art Associations of all levels are supposed to discover and nurture talents. Attention should be paid to elderly writers and artists who used to stand by the revolution and resistance wars. Meanwhile, training courses should be offered to young writers and artists so that they can acquire enough political stance, virtue and knowledge to continue their forerunners' cause of elevating our literature and art to new heights.

~~I do like to mention~~ an issue that the Associations have so far made light of, or failed to make solutions to. That is the issue of criticism of which poor performance will badly affect the development of our literature and art.

Our country is in need of literary and artistic works, which can stir readers' hearts

and record the indelible memories of the victorious paths, past and present. Various Vietnamese generations can raise their self-awareness and live a life worthy of the nation's new cause through enjoying such works. Nothing can replace such works in the future, just like nothing can replace the bronze drums, *Bình Ngô Đại Cáo* (*Proclamation of victory over the Wu*), *the Tale of Kiều*, *Đam San*, *Birth of Land and Water* (*Đẻ đất đẻ*

nước), *Sống Chụ xôn xao*, etc when we speak of the thousands of years of our country's civilization.

On this occasion, I'd like to convey my regards to the entire literary and artistic circle. I wish you further achievements in carrying out the noble mission of building an advanced Vietnamese culture imbued with national identity.

Thank you.

RELEASE OF SURVEY OF LABOUR AND EMPLOYMENT

(Nhân Dân Daily, 28 October 2000)

The total labour force of Vietnam was 38,643,123 by 1 July 2000, of which those in labour age accounted for 95.04%, or 36,725,277. According to Vietnam News Agency, on 27 October 2000, the Ministry of Labour, Invalids and Social Affairs in cooperation with the General Statistics Office held a conference in Hanoi to announce the results of the survey of labour and employment.

The results show that the country's total labour force by 1 July 2000 was 38,643,123, of which those in labour age accounted for 95.04%, or 36,725,277. The labour force in labour age increased by 2.55%, or 912,143 people. The proportion of the labour force to the total population in urban areas was on the rise, while the figure recorded in rural areas was on the decline. Young labour force still made up 50% of the total labour force. It was going up in quantity but going down in proportion to the total labour force. Middle-age labour force increased both in quantity and in proportion. Elderly labour force declined both in quantity and in proportion to the total labour force. Training given labour force saw a 1.65% increase. ~~The unemployment rate~~ recorded in urban areas nationwide was 6.37% among those above 15 engaged in economic activities and 6.44% among those in labour age engaged in economic activities. Hanoi saw the highest unemployment rate of 7.95%, Hải Phòng 7.76%, Cần Thơ 7.15%, and Hồ Chí Minh City 6.48%. The rate of time utilization recorded in rural areas was 73.86%.

The unemployment rate among urban labour force in labour age went down by 0.3% against that of 1999. Yet, it remains an urgent issue. The rate of time utilization recorded in rural areas kept growing, though at a slow pace.

**PRIME MINISTER'S
INSTRUCTION
ON STRATEGIES
TO PROMOTE
EXPORTATION
AND IMPORTATION
IN 2001-2010**

(Nhân Dân Daily, 31 October 2000)

On 27th October 2000, the Vietnamese Prime Minister issued Instruction N^o 22/2000/CT-TTg on strategies to promote importation and exportation of commodities and services in 2001-2010. He requested ministries, branches, people's committees of provinces and centrally-run cities and enterprises involved in imports and exports production and trading to follow up and fulfil the tasks stated in the Instruction:

1. The strategy to develop the importation and exportation of services and commodities should be cast as an all-around acceleration one that requires breakthroughs with firm strides in all fields. The objectives set for this period are: to continue giving top priority to exportation; to produce value-added highly competitive commodities for export; to create employment for society; to generate foreign currencies reserve; to speedily narrow the economic development gap between Vietnam and other countries in the region. All these objectives are set to serve the main cause of industrialization and modernization of the country.

2. The exportation of commodities and services in 2001-2010 should reach an average annual growth rate of 15% and upward and should meet the following requirements:

The export structure should be strongly reshaped towards the increase in processed and manufactured products, highly technological and grey matter-intensive products; the exploitation of primary labour-intensive products which use domestic materials and are in high demand at home and abroad should be boosted; products of great export potential should be fully tapped; the trade balance should be achieved by 2009-2010 and export surplus from 2010 onwards.

Programs of trade promotion and market expansion should be concretized and linked with external affairs; the signing of big, long-term framework, agreements and contracts

with other countries, international organizations and big markets should be pushed up so that stable outlets can be opened, providing a foundation for the investment in renovating technology, raising the localization value and increasing value-added value of exports.

3. Importation should be thoroughly oriented: the annual growth rate of import should be maintained at 14% in the period 2001-2010; focus should be made on the importation of high technology for the industries of agricultural, forestry and sea products processing and light industry; and importation should be linked with the development and use of locally-developed technology, plant breeding and materials.

4. At present, the role and capacity of the export services and other services drawing foreign currencies have not been given fair attention. These industries should be treated as export potential to be boosted in 2001-2010. Especially such industries as tourism, labour export, post-telecommunications, finance-banking-insurance, cargo transportation by air, by sea and by railway should be tapped strongly. Development orientations for these areas should be concretized in practical programmes with priority given to tourism to make it a spearhead economic sector.

5. To gain the aforesaid objectives and to meet the posed requirements, the concerned ministries and branches and people's committees of provinces and centrally-run cities should collaborate with the Ministry of Trade and Ministry of Planning and Investment to determine the structure of goods and services for export in each branch and locality as demanded by the market. And on this basis, they should work out target export programmes and projects, in which production capacity, policies, goods items, growth rate and markets for export should be determined so that in the shortest time, we can produce exports of high competitiveness.

6. The Ministry of Trade taking the main responsibility, and in coordination with the Ministry of Planning and Investment, the Ministry of Science, Technology and Environment and the State Bank of Vietnam, shall thoroughly check and finalize the existing policies and mechanisms and put forward specific measures with a view to meeting the requirements for creating export sources and promoting export.

In the year 2000 and early 2001, it is necessary to focus on addressing the difficulties and troubles faced by enterprises in such areas as customs, services, tax (especially value-added tax).

The Ministry of Trade and the concerned ministries and branches shall report to the Prime Minister specific programs on export and complete these aforesaid policies in late first quarter of 2001.

RESOLUTION OF THE GOVERNMENT'S REGULAR MEETING IN OCTOBER 2000

(Hà Nội Mới Daily, 8 November 2000)

On 30th and 31st October 2000, the Government held its two-day regular meeting to consider and approve the following issues:

1. The Government heard the report of the Minister of Planning and Investment on "The implementation of the Law on Enterprises in the first ten months of 2000."

The Government started organizing the implementation of the Law upon the Law's coming into effect because it considers this as the vital task for the year 2000. According to the Government, the implementation of the Law is of great economic significance and is a breakthrough in the country's administrative reform programme. By now the implementation of the Law has gained important initial achievements, one of which is the positive changes in the production and business of the nation.

The process of carrying out the Law, however, faces many troubles and obstacles: the system of the laws on business is not concerted, administrative sanctions against violations are loose, the administrative machinery at various echelons and a part of State officials and servants are inertial, troublesome and so far have failed to make necessary changes in line with the administrative reform.

At the meeting, the Government approved the report, and requested ministries, branches and localities to thoroughly grasp the necessity to renovate their mode of thinking and guide the proper implementation of the Law.

The Government entrusted the Ministry of Planning and Investment (MPI), in collaboration with the Ministry of Justice and the Governmental Office, with the charge of submitting to the Prime Minister in November 2000 an Instruction on the implementation of the five groups of tasks designed in the report.

To promote the implementation of the Law, MPI prepared contents for a preliminary meeting to be held by the Government to review the one-year enforcement of the Law.

2. The Government heard the plan of the Governor of the State Bank of Vietnam on "Handling outstanding debts and assets of credit organizations."

The Government came to the conclusion that in the system of Vietnamese banks overdue, outstanding and bad debts are still numerous. This situation hampers the efficiency of the economy. One of the many causes of this situation is that in the operation of the banks there is a great deal of weaknesses. To put an end to the situation, to make the banks transparent and to contribute to the stable growth of the economy, we should have a firm determination, specific solutions and sound steps.

The State-Bank of Vietnam was assigned, in collaboration with the Ministry of Finance, MPI, the Ministry of Justice and the Governmental Office, the following responsibilities: to take into consideration opinions of the Government members and other representatives at this meeting; to classify debts and propose solutions thereto; to rearrange State-owned enterprises and restructure the finance system; to assist debt-laden enterprises with management and operational orientations so that they can pay back debts to banks; and to amend and finalize the plan of establishing an organization in charge of managing assets (or trading in outstanding debts). The plan should be submitted to the Prime Minister for consideration and put into practice in the first quarter of 2001.

3. The Government heard Minister, Head of the Organization-Personnel Committee of the Government, Standing Member of the Government Steering Board of Administrative Reform reporting the implementation of the National Assembly Resolution on administrative reform.

Over the past years, the Government has paid a great attention to instructing this work: focusing on the institutional reform; issuing normative acts in order to raise the effective-

ness of its management and conduct of business; discovering overlapped and irrational functions of administrative agencies; and dissolving and restructuring many inter-branch consultation organizations.

However, the Government's leadership in the administrative reform has not been strong enough to meet the demand of the renovation cause. Moreover, the people's awareness of the reform and determination to carry it out is not yet adequate, and thus so far achievements have still been humble.

The tasks set for the administrative reform in 2001 are centred on the compilation and issuing of legal documents within the competence of the Government and ministries.

In the short term, it is necessary to remove the overlapped functions between ministries and branches, and to check them thoroughly to give an early decision as to which functions should be assigned to ministries and which functions to people's committees at provincial level.

The Government should fix attention to implementing effectively the National Assembly program on building law and other regulations, especially those institutions in service of developing the production forces, those for the sake of the people and enterprises and those aimed at realizing the strategy for socio-economic development in 2001-2010. At the same time, it is necessary to prepare for the draft Law on amendments and supplements to the Law on Government organization and the Law on people's councils and people's committees organization so that a new step can be made into the re-assignment of responsibilities to local authorities.

Other necessary things to be done are as follows: the reform of administrative procedures should be further promoted; troubles should be removed; internal strength should be brought into full play; and the people and enterprises should be given every favourable

condition possible for their livelihood and production. Besides, it is necessary to do researches on and make adjustments to the mechanisms of organization and staff management and financial management; to carry out on the trial basis the policy of self-governing over the number of staff and financial expenses; to build and strengthen the contingent of cadres and State officials; to improve the regime of working conditions, meetings and administrative paperwork; and to strictly follow the principle of democracy and financial transparency.

The Government Steering Board for Administrative Reform was assigned the task of making preparations for the administrative reform program of 2001 to be submitted to the Government by late 2000.

4. The Government heard the State General Inspector reporting the settlement of complaints and denunciations of the masses in the third quarter of 2000 and initial results of the five inter-branch working missions of the Government.

In the third quarter of 2000, complaints and denunciations were on the rise. The Government had held a meeting with 18 people's committees in the South to review individual responsibilities, to appraise the situation and results of the settlement of complaints and denunciations over the past years, and discussed guidelines and measures to be taken in the time to come. After that, the Government set up six inter-branch working missions under the charge of ministers and heads of general departments. These missions are responsible for investigating, supervising and solving complaints, especially those which involve a great number of people, are complicated or delayed for a long time in 21 provinces and cities. ~~Given great efforts made~~ by different levels of government bodies and branches, many complaints and denunciations involving a great number of people have been settled. That success has helped reduce the

tension in localities, ensured social order and gained the public's support. Moreover, the awareness and sense of responsibility of local authorities have been raised towards the settlement of complaints and denunciations, therefore they have strengthened the confidence of the people in the Party and the Government agencies at various levels.

In the time to come, the inspection and handling of complaints and denunciations in provinces and cities should be pushed up on a case-to-case basis and conducted by officials and agencies within their competence. Irresponsible cadres or those violating the democratic rights of the people or abusing their position to go against the law should be subject to sanctions. The State General Inspector was entrusted with the task of organizing a staff of specialists responsible for examining the implementation of conclusions and proposals of the central inter-branch missions and completing a report on the operation of the working missions in 21 provinces and cities to be submitted to the Politbureau. People's committees in provinces and centrally-run cities were assigned the task of setting up local inter-branch working missions to work with authorities at grassroots level in handling complaints and denunciations in order to stabilize the situation in these localities.

5. The Government considered the report on the socio-economic situation in October and in the first ten months of 2000 prepared by the Ministry of Planning and Investment.

Over the past ten months, the socio-economic situation of the country has shown positive signs. Industrial production, export, services and budget collection maintained a high growth rate. Prolonged floods in the Mekong River Delta and natural disasters in other parts of the country, however, have done a lot of harm to the economy and the livelihood of the people. Yet, people in the whole country have

upheld the tradition of mutual assistance and unity and helped one another overcome difficulties to return to normal production and life.

Industrial production, marine products export and services again recorded a high growth rate: In the first ten months of 2000, export turnover increased by 26.4% as compared to that of the same period of 1999; the realization of the investment capital from the State budget reached 78% of the year's plan. Meanwhile, the realization of credit loans for investment projects recorded low, only 55% of the year's plan; the implemented foreign direct investment was US\$ 150 million or 88% of the same period of 1999.

By 15 October 2000, the total budget collection was estimated at 88.5% of the year's plan and the total budget expenditure was 76.9% of the year's plan. The price of consumer goods and services in October rose by 0.1% as compared with the previous month.

With regard to social issues, the programme of disease prevention and public health care recorded good results, especially in flood-stricken areas. The education and training branch is focusing on addressing pressing issues like part-time tutoring and extra time teaching, examining degrees and certificates, streamlining the curricula, working out a master plan for restructuring the system of universities and colleges and adjusting the syllabus for pupils in flood-stricken areas. According to the Government, the implementation of Resolution No 11/2000/ ND-CP on a number of solutions to the management of the plan of socio-economic development in the last six months of 2000 has achieved initial results though the implementation rate remained slow. Therefore, in the time to come, the Government should lay a stress on: scrutinizing its assigned tasks and pushing up the pace of fulfilling such tasks; realizing quickly the conclusions by the Prime Minister at the conference on capital construction investment in

2000; overcoming expeditiously the impacts of the recent natural disasters to stabilize the production and livelihood of the people, and continuing with the measures against the drop in the price of commodities.

6. The Government heard Minister, Head of the National Committee for Population and Family Planning presenting "The strategy for Vietnamese population in 2001-2010".

In recent years, population and family planning have gained remarkable results, contributing to the socio-economic development of the country. However, ~~many problems~~ remain unsolved: low quality of the population, high birth rate in poor families and disadvantaged regions, the disproportionate population structure, etc.

The Government approved unanimously the strategy and assigned the Minister, Head of the Committee for Population and Family Planning, in coordination with the Governmental Office and the bodies concerned, the leadership role in considering opinions of the Government members and participants in the meeting; in making supplements to perfect the strategy, especially proposing solutions to enhancing population quality; and submitting the project to the Prime Minister for approval before implementation.

OVERVIEW OF VIETNAM'S ECONOMY IN 1999

Dr. Lê Văn Toàn
Head of General Department
of Statistics

(Con số & Sự kiện Magazine, April 2000)

The 1999 socio-economic situation of Vietnam was relatively complicated. Growth and achievements were accompanied with difficulties and shortcomings. However, with its spirit of self-reliance, Vietnam managed to overcome many difficulties and achieved most of the 1999 main socio-economic targets set by the National Assembly.

According to the rough statistics, Vietnam's GDP (excluding the heavy losses caused for production by floods in Central Vietnam) still went up by 4.8% against 1998. The agricultural, forestry and fishery sector increased by 5.2%, industry and construction by 7.7%, and services by 2.3%. Compared with the growth rate of 5.8% in 1998, the GDP growth rate in 1999 reduced by 1%. The growth rate of 4.8% is the lowest figure ever recorded since 1990. However, the growth of the Vietnamese economy tends to recover its previous pace. Moreover, compared to the growth rate of approximately 3% of Southeast Asian countries, this rate is relatively high. (According to the estimation of the Far Eastern Economic Review of 23 December 1999, Malaysia's GDP increased by 5.2%, Thailand's by 3.7%, the Philippines' by 3.2%, Indonesia's reduced by 0.4% in 1999).

An outstanding achievement in 1999 was that Vietnam's agricultural production saw a high rate of growth in all aspects. Vietnam's food output reached 34.3 million tonnes (converted to paddy), increasing by 2.5 million tonnes against that in 1998.

The export turnover went up slowly in the early months of 1999 but strongly by the end of the year; it is estimated to reach over US\$ 11.5 billion, an increase of 23.1% against that of 1998 and exceeding the target of US\$ 10 billion. This was the first year Vietnam could earn over US\$ 10 billion from its exports. ~~Many factors contributed to this success.~~ For example, ~~the price of several exports had been~~ on the rise, especially that of crude oil.

However, the most important reason is that Vietnam managed to avail itself of the gradual stability, of regional markets to push up its export. Consequently, in 1999, most of Vietnam's main export items increased both in value and in volume with a relatively high growth rate: tea increased by 13%, coffee by 27.6%, rubber by 37.7%, ~~rice~~ by 21.4%, pepper by 2.3 times and crude oil by 21.4%. Obviously, the export growth rate increasing by 3 times against the target (7%) is the second biggest achievement of 1999. The experience drawn from some countries in their heyday shows that economic growth has a close relation with export growth. For instance, the average annual economic growth rate of China between 1991 and 1995 was 11.5% while its export (growth rate) reached 19.1%. The respective figures were 8.7% and 20.3% for Malaysia and 8.5% and 19.6% for Thailand.

The 1999 import turnover was estimated to reach over US\$ 11.6 billion, an increase of 0.9% against that of 1998. It is remarkable that several main imports did not increase strongly in their value but increased in their volume compared with that in 1998 such as cotton by 15.9%, cotton fiber by 25.1%, fertilizers by 10.6%, plastics by 13%, steel and steel billets by 30.6%, petrol and oil by 6.1%. The 1999 trade deficit was only US\$ 113 million (equal to 5.2% of that in 1998). Accordingly, the 1999 international balance of payments was improved considerably.

The total State Budget's revenue and expenditure achieved the targets set forth in early 1999 and the budget overspending was kept under 5% of GDP as set by the National Assembly. In order to obtain these results, the Government had to implement several appropriate financial measures, including a rise in capital investment from the 1999 State Budget. According to the statistics of the Ministry of Finance, by 15 December 1999, the State Budget spending on development investment was 4.7% higher than the estimation for the whole year 1999.

Thanks to the continuous development of business and production and the closer supervision of the Government, the consumer price index of 1999 increased by only 0.1% against that of December, 1998. The price of food decreased by 1.9%, foodstuff by 7.8%. If the price of food and foodstuff was excluded, the price of the remaining goods would increase by 3%, which was common among many regional and world economies. However, the 1999 consumer price index showed the lowest increase ever recorded since 1990.

The 1.1%-increase in the price of US dollar in 1999 is ~~an success in keeping the exchange rate stable~~, given the lingering bad effects of the regional financial monetary crisis on the local currencies. The exchange rate does not only reflect the relation between currencies but also show the relation between economies. No economy can develop normally amid constant changes of exchange rates. Therefore, keeping the exchange rate stable and increasing the foreign exchange reserves and balance of payment surplus is Vietnam's third important achievement which serves as an impetus to the country's sustainable economic development.

Thanks to the implementation of the line on mobilizing the internal strength and stimulating consumers' demand, the total accumulation of assets at the current price was valued at over VND 109,000 billion (an increase of 3.9% against that in 1998), although the foreign direct investment was estimated to reach VND 18.9 thousand billion (equal to 77.8% of that of 1998). However, the 1999 rate of accumulation of assets went down to 27.2% of GDP from 29% of 1998. ~~The slowdown is likely to exert negative influences on economic growth and handling of social problems in the coming years.~~

Another important target is job-creation. According to the statistics of the Ministry of Labour, Invalids and Social Affairs, in 1999, we created jobs for 1.2 million labourers. However, the number of people facing unem-

ployment and underemployment both in urban and rural areas tends to be on the rise due to several reasons. Firstly, the economic growth has seen a slow-down. Secondly, lots of loss-making enterprises, and others which cannot sell their products or services have to limit their production scope while the number of people entering labour age is increasing. The surveys conducted by the Ministry of Labour, Invalids and Social Affairs show that the unemployment rate among the labour force in labour age increased from 5.88% in 1996 to 6.01% in 1997 and from 6.85% in 1998 to 7.40% in 1999. The figure reported by Hanoi in 1999 was 10.31%, an increase of 1.22% against that of 1998. Hồ Chí Minh City's figure was 7.04%, an increase of 0.28% over that of 1998.

The standard of living of the people both in urban and rural areas has been improved except in the flood-stricken provinces of the Central littoral of Vietnam. The recent survey of people's standard of living shows that in 1998, the number of rural households using electric fans accounted for 58.98% and the figure recorded in urban areas was 93.33%. Those using colour television sets were 28.51% in rural areas and 74.17% in urban areas while those having motorbikes were 16.41% and 43.88% respectively. Up to 82.85% of the total 8,883 communes in rural areas have access to the national grid; 91.61% have built roads leading to their centre; 98.95% have built primary schools; 80.56% have junior schools; 97.74% have clinics; and 89.25% can watch national television programmes. By the end of 1999, 58 out of 61 provinces and centrally-governed cities had achieved the targets of illiteracy elimination and of primary education universalization. The number of poverty-stricken households, whose income can only ensure a diet of 2100 calorie/day, fell from 3.8 million (or 30% of the total) in 1992 to 2.4 million (or 15.7%) in 1998. The number of hunger-stricken households

dropped from 20 million in 1992 to 12.5 million in 1998. In early 1999, the hunger and poverty rate recorded in 15 provinces and centrally-governed cities was under 10%, and that in 21 other localities was between 11% and 19%.

The above figures show that in general, the socio-economic situation of Vietnam in 1999 continued to develop positively, which helps to assert the success of the *doi moi* process while exposing its strengths and weaknesses. Accordingly, these weaknesses should be further overcome so as to achieve the set targets and plans, particularly the 2000 socio-economic development plan recently approved by the National Assembly. In the future, we should take a series of concerted measures, especially as follows:

1. It is necessary to promote our internal strength and to focus on export. Our population is 77 million which ranks 13th in the world. However, the purchasing power is not strong because the labour productivity and people's income are low. Especially, 75% of the population live in rural areas and their income is generated mainly by agricultural production. If we do not focus on export, our production and business will be limited due to lack of markets for our goods and services.

2. It is necessary to restructure the economy, and to adjust the structure of its sectors, components and zones. Focus should be placed on the structure of lines and types of enterprises, essentially the goods and services which have large markets both inside and outside Vietnam. At the same time, attention should be paid to profit-making enterprises, which generate jobs for labourers, and can acquire the necessary conditions for their expansion and development.

3. It is necessary to have uniform and consistent policies on investment encouragement for all economic sectors and for foreign investment attraction so as to increase investment efficiency to realize industrialization and mod-

ernization, and to create jobs for labourers. ~~Given the weak state~~ of our economy and low domestic accumulation, attracting foreign direct and indirect investment is a significant question. Absorbing foreign investments is by nature taking advantages of international resources.

1999 GDP			
	Current price (VND billion)	Comparative price in 1994 (VND billion)	1999 over 1998 (%)
Total	399,942	256,269	104.8
Agriculture, Forestry and Fishery	101,724	60,893	105.2
Agriculture	83,336	52,370	105.5
Forestry	5,737	2,536	103.1
Fishery	12,651	5,987	103.8
Industry and construction	137,959	88,047	107.7
Industry	116,195	68,836	109.3
Exploiting Industry	34,194	17,450	115.0
Processing Industry	70,346	45,888	107.5
Utilities Industry	11,655	5,498	107.0
Construction	21,764	19,211	102.4
Services	160,260	107,329	102.3
Trade and Import-Export	59,322	41,953	101.9
Hotels and Restaurants	13,246	8,457	101.8
Transportation, post-offices, tourism	15,305	9,976	104.6
Finance, credit, insurance	6,768	5,006	103.4
Science and Technology	2,169	1,428	102.6
Real estate business	17,872	11,644	99.7
State management	12,561	8,303	101.6
Training and Education	14,257	8,916	103.5
Health Care	5,401	3,707	104.0
Culture	2,224	1,455	103.0
Associations	633	312	105.1
Individuals serving community	9,595	5,618	103.4
Labour hiring service	907	554	102.2

4. It is necessary to focus on the promotion of investment demand. However, we should not only push up infrastructural development but also pay attention to developing human resources (especially more vocational courses should be provided for labourers). It takes us several months, even several years, to construct an enterprise. However, it will take dozens of years to train the staff and the workers to run the enterprise effectively.

5. We must cope with immediate difficulties in order to create favourable conditions for long-term and comprehensive development.

Moreover, we should struggle against all manifestations of volunteerism, as well as accept the losses when carrying out our renovation cause and eliminating backwardness. In the spirit of the renovation, the re-organisation of State-owned enterprises should be facilitated so that they can make profit. At the same time, we have to increase resources for profit-making enterprises and take bold measures to help loss-making ones. ~~It is necessary to translate into practice the proposals made by Prime Minister Phan Văn Khải in his speech at the 6th session of (the 10th legislature) the National Assembly:~~ "We cannot further use the State Budget and the revenues from taxes paid by people to maintain those enterprises which have become a burden on our economy".

Some key products of Vietnam's industry

	Unit	Estimated in 1999	1999 over 1998 (%)
Clean coal	Thousand tonnes	9,097.4	77.9
Crude oil	thous. tonnes	15,000	119.0
Processed marine products	tonnes	106,057	111.2
Monosodium glutamate	tonnes	109,490	105.8
Milk	Million cans	201.3	108.8
Sugar	tonnes	932,212	128.0
Beer	Million litres	648.3	101.5
Cigarette	Million packets	2,129.1	97.8
Silk	million metres	317.0	100.5
Knitwear	thousand	29,641	100.8
Ready-made clothes	thousand	304,939	111.8
Cardboard paper	thousand tonnes	338.2	108.8
Sodium hydrate (NaOH)	tonnes	12,972	124.2
Insecticide	tonnes	18,846	93.2
Chemical fertilizer	Thous. Tonnes	1,119.7	114.1
Fluid medicine	Million	450.0	101.6
Tablet Medicine	Million	18,796	103.0
Detergent	tonnes	231,164.8	101.1
Sanitary ceramic	Thousand	1,319	152.9
Cement	Thousand tonnes	10,380.7	109.2
Brick	Million	8,030.2	104.7
Ashlar paving stone	Thousand m ²	34,187.6	125.0
Laminated steel	Thousand tonnes	1,223.8	112.9
Tool-machines	units	544	71.1
Diesel engines	units	15,553	244.1
Electric engines	units	38,269	94.1
Transformer	units	8,276	123.4
Battery	Thousand kw hour	636.8	104.8
Electric fans	units	306,501	85.4
Television set	units	662,310	71.9
Car	units	5,459.8	110.3
Motorbike	units	237,982	95.0
Bike	units	111,583	99.9
Electricity	Million kw hour	23,805.5	109.7

THE SOCIO-ECONOMIC SITUATION OF VIETNAM IN OCTOBER 2000 AND IN THE LAST TEN MONTHS OF 2000

**Ministry of Planning and Investment
(The Government's
press release
on 2 November 2000)**

The socio-economic situation of Vietnam in October 2000 and in the last ten months of 2000 was considered by the Government's regular meeting on October 30th and 31st, 2000.

In general, the socio-economic situation in October and in the last ten months of 2000 showed positive signs of development. Industrial production, export and tax collection to the State's budget remained on the rise. However, the last months also witnessed torrential rain and large-scale floods which caused heavy losses. The whole country is trying to stabilize the production and life of the people in the calamity-stricken areas as soon as possible.

The main aspects referred to at this press conference are as follows:

1. Regarding production and business activities

The production and business activities of the whole country continued with its positive growth rate:

1. *Industrial production continued its high growth rate*

The value of industrial production of October increased by 15.7%. Meanwhile, that of the last ten months of 2000 augmented by 15.5% compared with 10.7% over the same period last year. Of this value, the State sector saw an increase of 12.5%, 2.7 times higher than that of the same period last year; the non-State sector rose by 18.3%, a twofold increase over the same period last year; and the foreign-invested sector up by 17.5%.

The industrial production in major localities rose rapidly, namely Hanoi by 16.8%, Hải Phòng 22.6%, Hải Dương 30%, Quảng Ninh 12.2%, Thanh Hoá 57.2%, Hồ Chí Minh 15.2%, Bình Dương 33.8%, Đồng Nai 19.6 %, and Cần Thơ 21.3%.

The output of some key industrial products kept their relatively high growth rate, for example electricity went up by 11.1%, pure

coal 15.7%, molasses of all kinds 18.2%, cardboard paper 13.3%, cement 26.5%, rolled steel 13.4%, sanitary porcelain 25.1%, stone, sand and gravel for construction over 10%, diesel-fuelled engines and electrical engineering products 10-20%.

2. Agricultural production

The persistent rain in most of the localities slowed the progress of sowing the winter crop and harvesting the spring crop. By mid-October, over 40% of the area under the spring crop had been harvested in the North, of which the Red River Delta accounted for 38% of the total area. Coupled with the harvest of the spring crop, the localities also sowed the winter crop.

Meanwhile the provinces in the South basically finished the harvest of the summer-autumn crop. By October 15, nearly all the area under this crop had been harvested. The Mekong River Delta represented 95% of the total area.

Because of the lingering heavy flood, only 83.5% of the area has been sown so far compared with that of the same period last year, in which the Mekong River Delta reached 78% as against that of the same period last year.

The industrial crops whose outputs recorded a good growth rate over the same period last year included coffee (up by 6%), and tea (12.7%).

The output of aqua products in the last ten months reached 1.73 million tons, an increase of 12.6% over the same period last year, of which marine products represented 1.15 million tons, a 14.5% increase.

3. The service sector retained its relatively high growth rate

In the last ten months of 2000, the total level of commodity retail selling and income of the service sector increased by 12.3% over the same period last year, of which the domestic economic sector and foreign-invested sector saw a 12.1% and 12.2% increase respectively.

The growth rate of transportation remained high, meeting the demand for commodity and passenger transportation. The transportation of commodity raised by 6.2% regarding the amount of tons of goods transported and 6.3% regarding the total number of kilometers. The transportation of passengers increased by 4.6% regarding the volume of passengers and 5.3% of passenger circulation. ~~Traffic accidents tended to decline thanks to~~ the enforcement of traffic safety rules.

Tourism was estimated to reach a 20% increase in terms of foreign tourists over the same period last year during the last ten months of 2000. Meanwhile, the number of domestic tourists increased by 6%. The turnover of the whole tourist branch went up by 15%.

4. Import-export activities continued to develop

The export turnover of October was estimated to reach over US\$ 1.2 billion and that of the last ten months came up to nearly US\$ 11.6 billion, a 24.6% increase over the same period last year. The turnover of foreign-invested enterprises (excluding crude oil-exploiting enterprises) amounted to over US\$ 2.7 billion, a 29.7% increase over the same period last year.

The key export products gained a relatively high growth rate, namely peanuts increased by 47%, rubber 18%, coffee 65% in volume (98% in terms of value), tea 36%, cashew nuts 18%, pepper 6.4%, vegetable and fruit 77%, aqua-products 51%, garments 4.4%, footwear 6.1%, crude oil 3.8% in volume (72% in terms of value), etc.

~~Nevertheless, due to the sharp plunge of the world price, the export volume of rice, one of the key exports of Vietnam remained low, approximately 3.1 million tons, reaching 72% of the year's plan and 77% in volume. Coal export reached 2.4 million tons, representing 70% of the year's plan and 90% over the same period last year.~~

The import turnover of October was estimated at US\$ 1.3 billion, representing 93% the year's plan, thus a 32.2% increase over the same period last year, of which foreign-invested enterprises imported over US\$ 3.4 billion, expanding by 26.5% over the same period last year.

The structure of the imported goods in October was as follows: import of machines, equipment and accessories accounted for US\$ 3.68 billion, a 27% increase over the same period last year; import of raw material, fuel reached over US\$ 8 billion, a 31% increase over the same period last year, of which petroleum import swelled by nearly 98% due to the increase of petroleum price; import of consumer goods came up to US\$ 540 million, representing only 86.4% as against that of the same period last year.

2. Development investment saw a positive trend

1. The source of the State's concentrated budget

During the last 10 months of 2000, it was estimated that VND 15 thousand billion from the capital investment of the State's concentrated budget was put into use, accounting for 78% of the year's plan and an 8% increase over the same period last year. Some Ministries showed good performances, namely the Ministry of Transport achieved 83% of the year's plan; the Ministry of Agriculture and Rural Development 81%; and the Ministry of Construction 93%. Nevertheless, the implementation by some other Ministries stayed low, such as the Ministry of Culture and Information reached 48%, and the Ministry of Public Health 52%.

By the end of October, the realization of the above capital source was estimated at VND 10 thousand billion, representing 68.6% of the disbursed amount and 53% of the year's plan.

2. The State's credit capital for development investment, especially the credit capital from domestic sources, was low

During the last 10 months of 2000, the provision of loans for investment projects was estimated to represent 55% of the year's plan, of which the domestically-mobilized capital source was estimated to reach 42%, and the external capital source, i.e. re-lent ODA, 71%.

Regarding the projects on domestic loans, the number of new projects remained far and few between. Most of them had entered into credit contract from 1999 backwards.

The slow and inefficient processing of investment procedures, concerning project building, project appraisal, and decision on the investment caused the slowness in signing lending contracts and disbursing the capital at the lending clues. On the other hand, the effectiveness of the projects remained low, which failed to ensure their possibility of paying debts. Therefore, they were disqualified from the lending capital as regulated.

The measures of interest assistance after investment and investment credit guarantee were implemented inadequately. On the one hand, investors have not been accustomed to this mode. On the other, the interest regime was not transparent and attractive enough to the investors' interest.

3. In the last ten months, the realization of foreign direct investment reached US\$ 1,084 million, representing 88% over the same period last year

3. Finance, currency, and price

1. The collection and expenditure of the State's budget

The total collection of the State's budget was relatively high, reaching up to 88.5% of the year's estimate by October 15. Tax and fee collection came up to 94%, and collection from import-export goods reached 74% of the year's estimate. The collection from crude oil

remained high. The price of crude oil is still high and on the rise, increasing US\$ 23.4/ton in October compared with that of September.

The total expenditure of the State's budget was estimated to reach 77% of the year's plan. The expenditure on development investment accounted for 78% and usual expenditure represented 81% of the year's plan.

2. Monetary activities

The total payment instruments are estimated to increase by 16.5% by the end of October over the same period last year. The rate of capital mobilization rose by 23%, of which the ratio of deposit of foreign currencies still exceeded that of domestic currency. The balance of the national economy saw a 19.3% increase. The credit growth rate experienced a faster increase during the last months of 2000 compared with that of the earlier months. The stagnant capital of VND in Commercial Banks was reduced.

3. Prices of consumer goods and services

The prices of consumer goods and services in October increased by 0.1% over that of the previous month. The price of food continued to decline, a 0.1% decrease in October. The price of foodstuff reduced by 0.4%. Houses, construction materials, household equipment and devices, pharmaceuticals, education, transport vehicles, post offices, and other commodities and services saw a slight increase of 0.2-0.8%. The gold index price reduced slightly by 0.2%. Meanwhile, the price of the US dollar went up by 0.9%.

In some flood-stricken localities in the Mekong River Delta, the price of consumer goods continued to decline. In October, in An Giang province, the consumer goods price reduced by 0.4%, meanwhile that of Đồng Tháp, Tiền Giang, Bến Tre declined by 0.7%, 0.9% and 0.5% respectively over that of September.

In general, the consumer goods price during the last ten months reduced by 1.6% over

that of December 1999, of which the price of food declined by 10.6%, foodstuff 3.4%, houses, constructional materials, transport vehicles and schooling rose by 2-5%.

In comparison with the same period last year (average estimation for the twelve months), the consumer price index reduced by 0.7%.

4. Social problems

In the last ten months of 2000, apart from epidemic prevention and health care for people, the healthcare branch tried its best to overcome the aftermath of the flood in the provinces in the Mekong River Delta, the Central Coast and the Central Highlands. The Ministry of Public Health submitted to the Government for approval of an addition amount of VND 36 billion to buy 15,000 household medicine kits, 250 medicine sets, 5 million tablets of Cloramin (water antiseptic), and malaria vaccination for the flood-stricken areas, to repair and build new hospitals and health centers in districts and communes.

In the last ten months, nearly one million people were employed, a 10,000-strong increase over the same period last year. The National Fund for Job Generation provided VND 550 billion, creating jobs for 250,000 people. The labor market was adjusted and seen a wholesome development, which was evident from the Employment Fairs in Đồng Nai province, Đà Nẵng, Hồ Chí Minh City, and Hà Nội. Nearly 22,000 laborers were exported during the ten months of 2000. The figure in October only reached 2,000 laborers. In 2000, about 30,000 laborers were exported.

The education and training branch is working out possible solutions to some of its urgent problems. They include part-time tutoring, extra-school learning, inspecting graduation diplomas and certificates, organizing and restructuring the network of universities, colleges, dormitories and streamlining the cur-

riculum of general education at all levels. The Ministry of Education and Training carried out many surveys, seminars, training courses and refresher courses for teachers to deal gradually with the aforesaid problems.

The Culture and Information, the radio, and television broadcasting branches fulfilled the task of dissemination and education. These branches also organized successfully the celebrations of the nation's anniversaries, especially the 990th anniversary of Thăng Long – Hà Nội. ~~Attention was paid~~ to developing wholesome wards and communes in most of the cities and provinces nationwide with a view to creating bases for effective prevention of social evils.

5. The flooding and measures to overcome its consequences

In 2000, large-scale floods and rain caused great losses for the population. The whole country did its best to deal with the situation. Up to October 26, 2000, the situation in some areas was as follows:

In the Mekong River Delta, flood was the worst in the last 70 years. This year, flood came one month earlier than usual, lasting from mid-July until the moment, claiming the death of 417 people, of whom 296 were children. The total damage came up to VND 3,680 billion. Over VND 175 billion and many other necessities were sent to the flood-stricken areas. Various ministries, branches, socio-political organizations and localities are still donating money and goods to support our fellow countrymen in the Mekong River Delta.

In the Southeastern provinces and provinces in the southern part of the Central Coast, tropical low pressure causing heavy rain, high tide water coupled with the amount of water released downstream from big lakes in the area led to heavy floods in Hồ Chí Minh City, Bình Dương, Đồng Nai, Ninh Thuận, Bình Phước, and Tây Ninh. The flood caused grave

material damage and high death tolls. The local authorities have actively provided relief for flood victims, estimating the damage, and dealing with the floods' consequences.

In the Central Coast and the Central Highlands, torrential rains poured down in mid-October over the area from Quảng Bình to Quảng Nam and three provinces of Đắk Lắk, Gia Lai, and Lâm Đồng. The water level of the rivers from Huế to Quảng Bình climbed up to the alarming level 2. Numerous districts in the locality suffered from flooding. The total damage was estimated to reach VND 110 billion. Because of cold atmosphere and tropical convergence, rain and flood saw a new rise in late October. The water level of the rivers might go up, especially in Thừa Thiên-Huế province.

In the Northern mountain provinces, due to sudden torrential rain, sweeping flood and mud flood took place in some places of Lai Châu, Tuyên Quang and Bắc Cạn provinces. Nậm Cống hamlet (Sìn Hồ district, Lai Châu) suffered the most from this natural calamity.

At present, the provinces are providing relief for flood victims, dealing with the consequences of the flood, mobilizing forces and means of transport to evacuate the people and their possessions from the flood-stricken areas. The provincial authorities are also helping the people find food and shelter, repairing and strengthening the traffic routes and dykes surrounding residential areas to stabilize the life of the people and their production.

In brief, the socio-economic situation in the last ten months showed the positive trend of development. The ministries, and different branches are carrying out the Government's Resolution N^o 11/2000/NQ-CP on some measures to manage the plan of socio-economic development in the last six months of 2000. Up to now, four groups of measures including 38 specific solutions have been implemented. Seven out of ten solutions to promoting pro-

duction, 7 out of 8 solutions to boosting development investment, 8 out of 10 solutions to developing finance and credit and most of the social solutions have yielded initial fruits.

However, some important solutions were neither slow to be put into practice or neglected at all. Therefore, emphasis should be put on the proper fulfillment of the following tasks in the coming period:

1. To continue the enforcement of the Government's Resolution N^o 11; Ministries and branches should make a review of their assigned tasks to speed up the pace of implementation;

2. To materialize the Prime Minister's conclusions at the symposium on capital construction investment of 2000;

3. Ministries and branches should take all necessary measures to deal with the calamity's consequences so as to stabilize the people's life and their production;

4. To continue the implementation of the solutions to reducing the price of consumer goods;

5. Ministries and branches should finish all the necessary work within their competence to prepare for the coming eighth session of the National Assembly (the 10th legislation).

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THE 1999 GDP OF HỒ CHÍ MINH CITY

(Con số & Sự kiện Magazine, April 2000)

The 1999 GDP of Hồ Chí Minh City was VND 70,208 billion, increasing by 6.18% against that in 1998. The domestic-invested economic sector gained VND 57,482 billion, increasing by 5.12% (the State sector: VND 31,837 billion, growing by 4.06%, the non-State sector: 25,644 billion, increasing by 5.78%); the foreign-invested sector obtained VND 12,726 billion, growing by 11.12%.

The GDP structure has been changed with the proportion of the foreign-invested sector increasing from 11.1% in 1995 to 18.1% in 1999, while that of the domestic-invested economic sector went from 88.9% down to 81.9%. The proportion of agriculture, forestry, fishery decreased from 2.9% to 2.2%, services from 55.9% to 53.4%, however, that of industry and construction increased to 44.4% from 41.2% in 1995 and 1999 respectively.

THE IMPLEMENTATION OF THE LAW ON ENTERPRISES IN THE PAST TEN MONTHS OF 2000

**Ministry of Planning
and Investment
(Document for press conference
on November 2, 2000)**

1. Some features of the implementation of the Law on Enterprises

During the last ten months, the Government and relevant agencies have fulfilled many tasks, namely:

1. To promulgate in time the documents guiding the implementation of the Law;
2. To abrogate nearly 150 kinds of unnecessary licences hindering the business activities of enterprises;
3. To start to implement the Law and to deal with any emerging obstacles under the timely instruction of the Government's Prime Minister and relevant bodies;
4. To attract interest, concurrence, and support of the public opinion, especially the mass media with regard to the materialization of the Law;
5. To disseminate the content and fundamental spirit of the Law, to send the guiding documents to a numerous number of enterprise owners, supervisors and relevant State managers.

The bodies of the National Assembly also paid attention and actively contributed to the realization of the Law on Enterprises (LOE).

Therefore, there was no interruption in the shifting from the application of the Law on Companies and the Law on Private Enterprises (1990) to the LOE. The simplification of administrative procedures of establishing enterprises and business registration coupled with the removal of nearly 150 licenses of all kinds have become a breakthrough in the process of reform of national administration. They have promoted the renovation with regard to the mode of thinking and working style of the administrative apparatus. Thanks to concerted and timely implementation, the Law and guiding documents have proved their effectiveness. Moreover, they have brought forth important initial results, winning the confidence of investors.

2. Some initial results of the implementation of the LOE

In general, the results of the implementation of the LOE are satisfactory with regard to the economy, socio-politics, foreign affairs, and administrative reform.

1. *The number of newly-established enterprises grew fast*

In the first nine months of 2000, the number of newly-established enterprises saw a three-fold increase; the newly-registered capital witnessed a two-fold increase over the same period of 1999.

According to a rough estimate (by the end of September, reports were received only from 42 provinces and cities), 9,863 enterprises were established with the registered capital of VND 9,397 billion (excluding the additional capital registered by the existing enterprises). This figure shows a three-fold increase in the number of enterprises and a two-fold increase in the registered capital over the same period last year. In the same period of 1999, there were 2,706 newly-established enterprises with the registered capital of VND 4,381 billion. It is noteworthy that the figure of 440 newly-established joint stock companies in the last nine months is higher than that of all the previous nine years. Besides, two joint companies were established. They have become the first two companies of this kind to operate in Vietnam. The 10,000th enterprise was given the business licence on October 10th, 2000 by the Hồ Chí Minh City Planning and Investment Department under the LOE.

2. *The cost and time for business startups plunged sharply*

According to a survey of nearly 800 enterprises nationwide conducted by Vietnam's Chamber of Commerce and Industry, the average time needed for establishing an enterprise dropped to 7 days from 98 days prior to 2000, a 14-time decrease. In some localities, the figure even plummeted to two days compared

with 15 days as stipulated by law. The average cost for this also saw a 15-time decrease, diving from over VND 8,000,000 to VND 550,000.

~~The greatest~~ advantage is that the right to freedom of doing business as stipulated by law has been institutionalized. As a result, the request of any organization or individual for permission to establish an enterprise will be satisfied in an expeditious and timely way. Reality shows that many a person intended to set up an enterprise of his own two or three years ago but have failed to do so. The reasons were that they could obtain no licence to establish an enterprise, or on receiving such a licence, they had to face obstacles in asking for other necessary licences.

3. *The enterprise owner is allowed to take initiative in doing business, and take advantage of any available business opportunity. Creativity and dynamism in business transactions of the enterprise are encouraged.*

Almost all enterprises now can come into operation after a few weeks' preparation, as from the date of their receiving business licences. The right to decide on the moment of starting operation helps enterprises make full use of every business opportunity. The owners of enterprises no longer have to see business chances slip out of their hands. In the legal aspect, the enterprise's business becomes more stable and ensured. Thanks to this, more favorable conditions are available for creative and dynamic business activities of the enterprise.

Besides, the enterprise also enjoys the right to take initiative in expanding the scale and the location of their business, and diversifying the scope of their business transaction. According to the reports of 35 provinces and cities, in the first nine months of 2000, nearly 2,500 new branch offices were set up. Some 4,400 enterprises expanded their scope of business. Up to 2,000 enterprises enlarged their

capital sources with the total amount of approximate VND 3,000 billion.

4. The fee for business transaction reduced

The removal of 84 kinds of licences under the Premier's Decision N^o 19/2000/QĐ-TTg can save, on average, VND 4.5 million for each enterprise and 21 working days for each enterprise owner annually, according to a survey by Vietnam's Chamber of Commerce and Industry.

5. More jobs have been created, which ensures stable incomes for laborers, and contributes to solve considerably urgent social problems

From the reports by over 30 Departments of Planning and Investment, each newly-established enterprise has recruited 22 laborers on average. The laborer's average income reaches some VND 300,000 – 400,000 per month in rural areas. The figure in urban areas is VND 500,000 – 700,000. Over 200,000 laborers have been employed by the newly-established enterprises during the first nine months of this year. Given those employed in the household economic sector, the real figure may be much higher.

In short, the LOE has contributed considerably to the improvement of Vietnam's business environment. The Law is supported widely and expeditiously by the public, especially the business circle. Thanks to this, business and production activities nationwide have seen a positive development, helping to stop the decline in the economic growth rate. However, in the course of its enforcement, there remain problems and obstacles which need to be solved early to ensure the effectiveness of the Law.

3. Some problems have emerged in the course of implementing the Law on Enterprises

1. A majority of the State's employees still remain slack

The slackness of many State employees and officials is demonstrated in their wait-and-

see attitude towards the realization of State policies, leading to unsatisfactory results as against the set targets. They haven't taken initiative in changing the mode of State management to harmonize better with the process of administrative reform.

By the end of October 2000, the relevant ministries failed to promulgate regulations on the issuance of licences in the following forms of business: law, medical check-up and treatment, trading in pharmaceuticals, veterinary treatment and trading in veterinary medicines, construction design, auditing, stock intermediary, according to the Ministry of Planning and Investment (MPI). Therefore, business registration in these fields either has not been done or has been done in conformity with out-of-date regulations. It is noteworthy that the tardy issuance of business licences happens at a time when people are in urgent need of this kind of licences to complete their application for business registration and business transaction. Moreover, public opinion often voices about the hindrance in business registration with regard to those fields of service.

That the list of trades and industries where foreign investors can buy shares or contribute up to 30% of the registered capital hasn't been worked out shows the slowness in the implementation of the Law.

By 1 October 2000, the Ministry of Planning and Investment (MPI) revealed that only the Ministry of Trade and the General Department of Post announced the list of conditional trades, conditions for doing business, and licences to be maintained according to Clause 1 of Article 2 of Decree N^o 30/2000/NĐ-CP. The Ministry of Culture and Information, Ministry of Transport, General Department of Land Management publicized the list of licences to be retained and their validity.

Given the slow implementation of the aforesaid Decree N^o 30, the persistent problems

related to conditional trades and conditions for doing business have seen no solution. These problems include the following aspects: both businesspeople and State management officials get confused as to whether a certain trade belongs to the field of conditional business; the content of conditions for doing business is unclear and unspecific, even overlapped and not in conformity with reality; the mode of applying business conditions shows no consistency, sometimes it runs counter to reality.

The majority of State's employees and officials haven't taken initiative in dealing with problems within their competence and capacity. They wait passively for guidance from their higher competent bodies. Moreover, they have, so far, put forth no suggestion or proposal for a new mode of management. Some officials put it that the removal of many licences would result in the impossibility of supervising the enterprise for lack of human resources, equipment, funds and so on.

The mode of State management, in general, tends to wait passively for the people and enterprises to come to State management agencies rather than do research on enterprises' demand and difficulties. Necessary policies and guidance, therefore, cannot be set forth to help enterprises develop their business in conformity with the market demand and stipulations of law.

2. Administrative sanctions are not strictly enforced

Part of civil servants has, deliberately or unintentionally, interpreted wrongly the regulations of the LOE and its guidance documents. The main forms of these wrongdoing are as follows:

- To continue to apply the administrative decisions and regulations not in conformity with the LOE and its guidance documents. Noteworthy is that the former has become invalid as of 1 January 2000;

- The applicant for business registration is required to submit documents other than those

required by the LOE in some localities. The People's Committees and competent officials in some provinces have introduced unwritten regulations under which business registration of such trades as hotel or restaurant business and the like should be refused, according to some business registrars.

- To use a narrower interpretation of the scope of Decision N^o 19/2000/QĐ-TTg of the Prime Minister, which has caused negative effects for business activities of State-owned enterprises and cooperatives.

3. The inconcerted legal system has led to the limited effect of the Law on Enterprises

Reality shows that the effectiveness of the Law on Enterprises has been reduced due to inconcerted and untimely changes in the related regulations. Let's take some cases as examples:

- Unexpected slowness still looms large in post-business registration procedures such as registration of tax code; import-export code, seal making and so on.

- Procedures for lending or allotting land to enterprises to be used as premises have showed no changes. This constitutes one of the biggest obstacles at the moment.

Under the LOE, the enterprise shall have the right to take part in business activity with regard to any trade, which is not prohibited by law. The Decree N^o 52/1999/NĐ-CP and Decree N^o 12/2000/NĐ-CP on investment and construction management has lifted up the mechanism of giving investment licences to investment projects not benefiting from the State's budget, preferential loans or State-guaranteed loans.

However, to carry out its investment, the enterprise must hire land from a competent State authority. Clause 1 of Article 22b of supplemented and amended law on some articles of the Land Law stipulates that the State shall have the right to lend land to an economic institution for business transaction or production according to the project approved by the

competent State authority. This obstacle is to be removed by supplementing and amending the related regulations of the Land Law.

-Equality and autonomy in doing business are being limited due to the method and mode of realizing the development plan of trades in some localities.

Some localities still apply unsuitable and out-of-date development plans of trades to business registration. These include the plans on arranging the network of coach stations, photocopying stalls, petrol stations, cloth shops, wood processing establishments, medical examination and treatment institutions, construction material retail shops, marine products-raising units, salt-producing units, to name but a few. Some of the above-mentioned schemes may be necessary for environmental protection and urban development assurance. However, the limitation on business activity through the aforesaid methods will (i) neglect equality in business opportunities; (ii) discourage qualified persons to make full use of their capacity in doing business; (iii) reduce the competitiveness in the market; (iv) bring about a new kind of licence fraught with unnecessary procedures and negative effects.

-The "request-subsidy" mechanism still remains

Apart from the regulations on land already mentioned, the content and mode of implementation of the legal regulations directly relating to enterprises and business transactions such as laborers, tax, bank credit, foreign exchange management, customs, import, inspection and examination of enterprises, and so on still overlap and favour the "request-subsidy" mechanism. This will reduce the creativity and autonomy of enterprises in doing business.

4. The post-inspection activity still faces difficulties

In the course of realizing the LOE, both the enterprise and State bodies concerned pay

attention to post-inspection activity. The problem of concern to State bodies is how they can inspect and supervise an increasing number of enterprises once all the licences are removed. Enterprises themselves are worried about being shifted to the mechanism "permission followed by troublemaking" from "troublemaking followed by permission". The relevant State bodies cannot yet find out a suitable method for shifting to a new mechanism for management of the enterprise. The controversial points here are as follows:

The enterprise often makes complaints about being subjected to excessive or overlapped inspections and examinations by such a large number of competent State agencies. This will bring about losses and obstacles in their business. According to a survey of 700 enterprises conducted by Vietnam's Chamber of Commerce and Industry, in three consecutive years (1998-2000), each enterprise was subjected to over 14 inspections and examinations by dozens of State agencies at different levels. On average five inspections were done a year, or an inspection/examination every 2.4 months. The State inspection agencies and inspection bodies supervising specific fields at different levels consists of those from the following branches: medicine, auditing, business registration, finance, tax, labour, invalids and social affairs, environment, public security, culture and information, hygiene and epidemic prevention, standard criteria for measure and quality, traffic police, fire prevention and fire-fighting, statistics, and so on.

~~On the part of~~ State bodies, they claim that lack of officials, means, and time leads to the ineffective management of the enterprise.

Given the increasing number of enterprises, the initiative of these enterprises in doing business in an unlimited scale and area and a diversified, complex business environment, the content of State management in inspection activity in general, and of enterprise examina-

tion in particular must have corresponding adjustments. At the same time, self-examination and supervision among the enterprises must be highlighted for their own sake.

5. The enterprise's awareness of complying with law and defending their legitimate rights remain low

Reality shows that a rather large section of investors and enterprise managers have paid much attention to the simplification of procedures and removal of business licenses, which helps to create a more transparent and favourable business environment. They have shown insufficient concern for the realization of the regulations regarding enterprises' right, namely: initial information on the enterprise should be publicized; reasonable structure of internal management be established; the operation mechanism and decision-making process of enterprises' management bodies be complied with the regulations of the LOE; the enterprise establishment be announced in the press; placards bearing the enterprise's name be hung at its head office; the enterprise's name be written in the placard as stipulated by regulations and so on.

Therefore, the mechanism of internal supervision within an enterprise is not yet strictly enforced as stipulated by the Law. Given such a supervision mechanism, investors having large capital contributions or shares may abuse their power and position for their own sake or may make subjective, risky, or hasty decisions. These two aforesaid after-effects can push the enterprise on the edge of collapse, thus threatening the interest of the investors and people concerned.

Besides, quite a few enterprises have mistaken the removal of some licences for the entire removal of regulations on conditions for doing business applied to some conditional industries and trades. It is still common that enterprises do not comply fully with or re-violate the regulations on ensuring technical safe-

ty of traffic vehicles. They also continued to take in drivers who are either under-qualified and have little experience in passenger transportation.

4. Measures to push up the enforcement of the Law on Enterprises

In the time to come, the Government will focus on the following tasks to enforce better the LOE.

1. To continue to direct the thorough implementation of the LOE and its guidance documents already issued; to deal with the slowness in implementation or wrong interpretation of the Law and its guidance documents within the scope of branches and localities;

2. To promulgate documents guiding the implementation of the Law, especially the regulations on granting business licences and resolutions on the procedure for restructuring a State-owned, Party-run, or socio-political-run enterprise into a one-member limited company;

3. To deal in time with some obstacles after business registration such as tax code registration, import-export code registration, procedures for investment, land hiring and assignment, and so on;

4. To renovate step by step the examination and inspection of enterprises, especially the coordination among State agencies in such activities to reduce problems for the enterprises and improve the effectiveness of State management; to supplement and amend the regulations relating to the examination and inspection in conformity with the LOE and reality;

5. To review the removal of licences so as to eradicate those which prove unsuitable in present circumstances; to push up effectively the revision of legal business documents to check their validity, to remove overlapped even contradictory documents, and to supplement necessary documents to better meet enterprises' demand.

PANORAMA OF VIETNAM'S SOCIO-ECONOMIC SITUATION IN 2000

**Minh Hoài
(Nhân Dân Daily,
12 December 2000)**

The background

In 2000, the process of socio-economic development of Vietnam has faced a great deal of difficulties and challenges. Successive natural disasters have befallen the whole country. Most serious were the historic flood in the Mekong River Delta lasting from July to November, the ever-biggest floods in Southern Central provinces in the last two months and the destructive flood sweeping through Lai Châu. These catastrophes have caused a great loss of human lives, property and crops. The country has not yet recovered from the aftermath of the 1999 flood in the Central part, then it immediately had to confront the consequences of the floods in the Mekong River Delta and other areas. The State and people are mobilizing capital and forces to combat natural calamities over a wide area and in the long term. Since 1996, the economic growth rate has been on the decline. The lowest was recorded in 1999 when GDP growth reduced to 4.8% from 5.8% in 1998.

Though the increase in the price of crude oil in the world market has contributed to the country's export value and budget collection, it has also brought about difficulties to many industries and the service sector due to the State's readjusting the price of oil and gas. Notably, ~~the prices of rice, coffee, rubber and farm produce continue to fall.~~ This trend has lowered the income of farmers who make up for 76% of the population, badly affected their accumulation capability, reduced their purchasing power, instigated the trend of supply-surpassing-demand in industrial, agricultural, and service products and caused difficulties to production and business of various branches and sectors.

However, besides difficulties and challenges, the year 2000 also has exposed many advantages. The world and the region have undergone developments that are favourable

to our country. Some regional countries have made a quick recovery from the financial-monetary crisis and enjoyed a fabulous growth, which provide Vietnam with new markets for its products. Many key projects of priority for investment years earlier including foreign-invested ones have borne fruits. The campaign of building and rectifying the Party and practising democracy at grassroots level has helped regain the trust of the people in the Party and authorities of various echelons, creating a new strength and momentum for the development of the economy.

In short, the year 2000 offers us more difficulties than advantages. Facing this situation, the Party and the State have made appropriate and timely decisions and policies to make use of the advantages and overcome all disadvantages in driving the country towards further renovation. These efforts have been paid off by important socio-economic achievements.

The economy has won back a high growth rate

By the end of 2000, Vietnam's GDP has increased by 6.7%, higher than 5.8% and 4.8% of 1998 and 1999 respectively. This promising sign has put an end to the slowdown the economy experienced in two consecutive years and brought about prospects of development for the years ahead. The trend of growth also shows positive signs: the 1st quarter: 5.6%, the second quarter: 6.7%, the third: 6.8% and the last: 7.4%. All the three economic sectors have enjoyed high growth rates: agriculture: 4%, industry: 9.9% and services: 5.5%. Vietnam's growth rate of GDP is rather high in comparison with that of other countries in the region: China: 7.5%, Malaysia: 7.4%, Singapore: 6.5%, the Philippines: 3.4%, Thailand: 5.3% and Indonesia: 3.8%.

The economic structure is moving in the right direction. In the three respective years of 1998, 1999 and 2000, the proportion of agri-

culture in our GDP decreased from 25.7% to 25.45% and 24.2%, that of industry from 32.4% to 34.49% and 36.9% and that of the service sector from 41.73% to 40.05% and 38.9%. The pace of restructuring the economy based on agriculture and services in comparison to the one based on industry and construction has gone up from 2% previously to 2.5%. The contribution of industry and construction to GDP has increased from 2.6% to 3.4%, that of agriculture reduced from 1.2% to 1.0% and that of services has been brought up to 2.3% from 1% in 1999 and 2000 respectively. The economic structure of our country in 2000 has been shifted towards industrialization and modernization. The objectives set by the Party at its 8th Congress in 1996 have been achieved.

The above achievements and advances have affirmed that our country is making a quick recovery and is on the way to stability. That does not mean we are blowing our own trumpet. The fact has been recognized by many international organizations. "After two years of decline in 1998 and 1999, Vietnam's economy has shown signs of recovery due to the increase in export and higher domestic demand," said the report of the Representative Office of Vietnam-based Asian Development Bank. The World Bank and The United Nations Development Programme in Hanoi shared the same view and projected that Vietnam's GDP growth rate may reach up to 7-8% in the years ahead.

The upsurge of economic development has given us a new strength to boost up the accumulation level and development investment. Although the year 2000 has seen a decline in foreign investment, the total investment has gone up by 20% against 1999, contributed largely by domestic economic sectors. A number of new projects like Hồ Chí Minh Highway, Hải Vân Pass Tunnel, the upgrading of National Highway No.1, etc. have got started.

The economy has been strengthened with numerous infrastructure and improved production capability. Market prices have been kept stable. The exchange rate has been linked with the supply-demand relationship but remained under State control. Budget collection is higher than planned; overspending has been kept within the permissible limit; the international balance of payments has been improved; public security and national defence have been upheld. Social programmes are given adequate attention by the State and have yielded fruits. ~~Illiteracy eradication~~ and the universalization of primary education have been completed nationwide. One out of every three people has got access to education. Progress has been made in public health care, especially in rural areas where 40% of the communes have had their own doctors. The natural birth rate has been lower than previous years, reaching the target set by the National Assembly. Notably, the programmes of hunger eradication and poverty reduction, socio-economic development in mountainous, poor and natural disasters-prone areas have gained encouraging results which are highly appreciated by the international community. The overcoming of the aftermath of the floods in the Central, the Mekong River Delta and other areas has been accelerated and gained achievements, contributing to stabilizing the people's production and life. Thus, the trust of people in the Party and authorities of various echelons has been consolidated.

Notable weaknesses

The economy in 2000, however, still has three prominent drawbacks.

The pace of capital construction has advanced slowly; the disbursement of the State investment capital is estimated at VND 19,391.5 billion, or 100.7% of the year's plan. Most remarkably, the pace of construction of key projects in 2000 has been slow-moving,

with only 68.3% of the plan getting started in the first nine months. Many projects have been scheduled for completion by the end of the year, so their quality has not been guaranteed.

The market and prices have not been warmed up; the price of products has fallen, the purchasing power has risen slowly; commercial activities and services have remained inanimate; the total retail sales of goods and services for the whole year are estimated to rise by 7.9% against 1999.

The consumption price index of the whole year drops slightly as compared with December 1999. Biggest price drops can be found in food and foodstuff items. All the other items enjoy slight increases. The index of the US dollar was up by 3% and that of gold was down by 1.1%.

The economic growth rate has been high but unsustainable. Some sectors have witnessed a high growth rate due to the positive effects of the international market, for example, changes in the price of crude oil. In other sectors, however, the quality of goods and services has failed to meet the demand for competitiveness in domestic and international markets, namely rice, coffee, tea, marine products, and the industries of agricultural, forestry and aquaculture products processing have not come up to the market's demand.

Prospect and solutions for the year 2001

The Resolution of the 8th Session of the 10th National Assembly set the fundamental objectives for the year 2001 as follows: to push up the economic growth pace at a higher and more stable speed than that of 2000, and to simultaneously develop cultural and social fields and raise the material and spiritual life of the people to a new height.

The tasks and goals set for the year 2001 are ambitious but feasible because they are in line with the requirements of developing the country towards industrialization and modern-

ization and in line with the potential and capabilities of our economy. The latest report by ADB commented that with the achievements gained in 2000, the projected 7.8% growth rate of GDP in the first years of the 21st century would be feasible. We all know that the goals set for 2001 could have been reached in 2000 but for the historic flood sweeping through the Mekong River Delta causing damage worth as much as VND 3,800 billion. Therefore, the prospect of reaching or surpassing the goals of economic development for 2001 is within our reach, provided that we follow up the below solutions:

Firstly, to shift the focus of investments, macro policies and mechanisms and the regulations of the Government and branches at various levels from quantity-oriented to quality- and efficiency-oriented economic development with a view to raising the competitiveness of Vietnamese goods and services in domestic and world markets.

Secondly, to bring into full play the combined strength of all economic sectors and zones, to liberate the production capacity; to tap the potentialities regarding capital, labour and material and technical bases for production and services development parallel with picking up the quality of products and cutting down production costs.

Thirdly, to widely apply scientific and technological advances to agricultural and industrial production; to create a breakthrough in pivotal sectors and branches; to strongly develop bio-technology, automatic technology, new technology, new material technology, processing technology, etc.

Fourthly, to stabilize the financial and monetary environment in the direction of further finalizing policies and mechanisms on State credit investment, on credit insurance, on the development of a capital market, on renovating the banking system, on making transparent the national finance and enterprises'

finance in the principles of self-financing and steadily removing the State subsidy for enterprises.

Fifthly, to practise thrift in all fields and sectors, especially in capital construction enterprises, in national and international programmes and in administrative agencies. Fighting wastefulness and practising thrift should be treated as a national policy of 2001 and the following years. Thrift is a momentum and a material requisite to make sure that our country can make a rapid and sustainable development, the path that our Party and people have opted for.

THE IMPLEMENTATION OF THE SOCIO-ECONOMIC TARGETS IN 2000

Major indicators	Unit	Projected targets	Estimated outcomes
1. GDP growth rate	%	5.5- 6	6.7
2. Growth rate of the agricultural, forestry and fishery production value	%	3.5 - 4%	4.9
3. Food output (converted to paddy)	Millions of tonnes	33.5 - 34.0	35.7
4. Growth rate of industrial production value	%	10.5 - 11.0	15.5
5. Growth rate of production value of service sectors	%	5.0 - 5.5	6.0
6. Growth rate of export turnover	%	11- 12	21.3
7. Growth rate of consumer goods price	%	6	1.0
8. Budget deficit in proportion with GDP	%	<5.0	4.9
9. Jobs creation	Million	1.2 - 1.3	1.3
10. Vocational training	Ten of thousand	78	79.2
11. Birth rate decrease	%	0.05	0.05
12. Poverty-stricken household rate	%	10 - 11	11

THE OBJECTIVES OF SOCIO-ECONOMIC DEVELOPMENT IN 2001

1. Economic objectives:

- GDP growth rate at 7.5-8%
 - The production value of agriculture, forestry and fishery grows by 4.5-5%.
 - The production value of the industrial sector grows by 14-14.5%.
 - The service sector grows by 7-7.5%.
 - The total export turnover grows by 15-16%.
 - The total import turnover grows by 14%.
 - The total development investment capital rises by over 20%.
 - Inflation kept below 5%.
 - Budget deficit kept below 6% of GDP.
- The GDP structure of economic branches in 2001 is expected to be as follows:
- Agriculture, forestry and fishery account for 23%.
 - Industry and construction account for 37.5%.
 - Services account for 39.5%.

2. Social objectives:

- The secondary enrolment rate rises by 4.6%; 10 provinces and cities are qualified for the standard of universalization of secondary education; the high school enrolment rate rises by 6%, university and college enrolment rate by 5%, professional secondary school enrolment rate by 8.7% and vocational training enrolment rate by 6.7%.
- To cut the birth rate by 0.05%; to keep the population growth rate at 1.48%.
- To create about 1.4 million more jobs.
- To provide vocational training for about 840,000 labourers.
- To reduce the percentage of poverty-stricken households (by current standards) to 9-10% (equivalent to 15-16% by the new standards).
- To reduce the child malnutrition rate to 32%.
- To supply safe water for 50% of rural inhabitants.

VIETNAM'S INDUSTRIAL ACHIEVEMENTS

(Nhân Dân Daily, 2 September 2000)

Natural Gas and Oil: In 1986, the exploitation of crude oil started: we exploited 2.7 million tons in 1990 and over 17 million tons this year (2000). By the end of this year, the output of exploited crude oil has come up to 100 million tons. In the field of natural gas exploitation, we have been realizing a series of projects to increase the daily capacity of transporting gas ashore from 4.5 million to 5 million cubic meters in order to serve electric power generation. We have built a factory of liquefied gas and are implementing some projects on exploiting and using gas in South Côn Sơn and Southwest seas. In the beginning years of the 21st century, the Dung Quất Oil Refinery No1 with the annual capacity of 6.5 million tons will be put into operation.

Iron and Steel Production: The productivity of laminated steel reached 62,000 tons in 1985, 101,000 tons in 1990 and 1.224 million tons in 2000. It has met the need of domestic construction.

Cement: Prior to the August 1945 Revolution, there were the Haiphong Cement Factory and some cement producers who supplied over 300,000 tons of cement annually. This productivity was increased to 536,000 tons in 1975, 1.503 million tons in 1985 and 10.381 million tons in 2000.

Chemicals and Fertilizers: The former productivity was over 6,000 tons of ground phosphoric fertilizers in 1955. At present, the Vietnam's Chemical Industry produces over 2 million tons of phosphate fertilizers of all kinds (increasing 330 times), satisfying 75% of the need for phosphate fertilizers.

Mechanical Engineering: The key-note force of the production engineering industry concentrates in State-run enterprises. The current products of the branch are machine-tools, electricity-powered engines, big transformers, and 11,500-ton ships.

Electricity: Before 1945, there were only some power-stations throughout the country, producing 86 million kWh. The yield was increased to 2,428 million kWh in 1975, 8,790 million in 1990 and 23,806 million kWh in 2000. The electricity supplying network has reached most of the countryside and remote areas. The per capita consumed electric energy increases year after year. This number was 90 kWh/person/year in 1990, 151 in 1995 and 342 in 2000.

Clean Coal: Before 1945, the northeastern mines exploited about 2.6 million tons of coal. Since 1975, the Branch of Coal raised the exploited productivity to 5.2 million tons and over 10 million tons in 2000.

Consumer goods: Thousands of domestic-produced goods have increasingly met the demand of export. The export turnover of the branch of Textile and Garment reached US\$ 1,740 million in 1990 and US\$ 1,900 million as expected in 2000.

Khổ 19x27cm, In tại Nhà xuất bản Thế Giới.

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