

Vietnam keep improving business environment, ODA effectiveness and active Regional intergration.

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1. Torward a sound legal foundation for Private sector and Foreign Direct Investment.

1.1. Issue a Unified Enterprise Law 2005:

- Private Enterprise Law (1990) & Company Law (1990);
- Revised Private Enterprise and Company Law (1994).



- State Owned Enterprise Law;
- Enterprise Law (1999).



Unified Enterprise Law 2005

1. Torward a sound legal foundation for Foreign Direct Investment and Private sector (cont,...).

- **Unified Enterprise Law 2005: a better business environment and legal foundation**
 - Apply to all kind of firms
 - Brings Equal treatment for firms regardness of ownership;
 - Simplify procedure, unify the registration and licensing procedure;
 - More flexible for firm owner in setting up business
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1. Torward a sound legal foundation for Private sector and Foreign Direct Investment (cont,...)

1.2. Investment Law 2005: a legal investment foundation for all

Foreign Investment plays a very important role for the socio-economic development of Vietnam, since 1987:

- + Vietnam has attracted total USD 35 billion FDI
 - + FDI count for 20-25% of total socio-economic investment, predicted 35% in period 2006-2010
 - + 4000 Foreign firms currently operating in Vietnam
 - + FDI helps restructuring the Vietnam economic structure, brings advance technology to the economy
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1. Torward a sound legal foundation for Private sector and Foreign Direct Investment (cont,...)

□ Investment Law 2005: a legal investment foundation for all

Investment Law first issued in 1987, through 4 amendment, in 2005 the Government had issue the new Investment Law brings more favorable conditions to investors:

- Brings equal treatment to foreign and domestic investors;
 - Decentralize the power to lower government agencies and provinces;
 - Broadning the freedom in making investment;
 - Going in line with international commitments;
 - Improving the capacity of state management on investment.
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2. Moving to a market economy: Transforming the SOEs and Foster Private sector development

- Transforming the State owned enterprises:
 - Fostering the equitilazation and transformation of almost SOEs, including some major Banks, Insurance enterprises, and big coporation... (950 SOEs transformed in 2006)
 - Transforming 100% SOEs to the form of Limited or Joint stock companies with many members or single state member by the mid of 2010
 - Minimizing state monopolize, clearly identifying enterprise's rights of assets, self -control and responsibility in their doing business,...
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2. Moving to a market economy: Transforming the SOEs and Foster Private sector development (cont...)

□ Foster Private sector development

- Since 1996, Private sector has dramatically developed:
 - + Contribute to 27,2% total social-economic investment,
 - + Labor in private sector increase by 24,15%/year;
 - + The speed of private sector development is 12,6%/year
 - + In 2005: Private sector contributes more than 1/3 GDP,
 - New enterprise law gives equal treatment to all stake holders, including private sector;
 - Establishment of Stock Market and issuance of Law on stock market has attract huge investment from private sectors
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3. ODA assistance to Vietnam

ODA assistance to Vietnam in the past 5 years:

- ODA commitment for Vietnam has continuously increased (table 1)
- Total ODA signed Agreement accounted USD 11,2 billion;
- Vietnam has put all effort to improve the ODA disbursement, use ODA effectively to reduce poverty as well as economic development.

Table 1

Year	ODA committed (USD bill)
2001	2,4
2002	2,6
2003	2,83
2004	3,4
2005	3,75

4. The ADB assistance to Vietnam

- Since 1993, ADB had provided 55 loan for public sector (USD 3,5 bil), 178 TAs (USD 120 mil), and other 7 private sector projects (USD 337 mil) as well as many other regional project (GMS)
 - + ADB assistance mainly concentrate to Energy (21,3%), Transport and Telecommunication (21,1%), agriculture and nature resources (17,7%).
 - + almost projects are clasified success in the time of implementation aspect
 - + Since ADB assist direct to the development programe of the Government, the impact of ADB assistance to the socio-economic development of Vietnam is remarkable
 - + ADB is an active partner, among other 4 Banks AFD, KfW, JBIC, WB, cooperate with the Government procedure harmonization for better manage the ODA resource
 - ADB will provide USD 599 million ODA for Vietnam in 2007-2008;
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4. The ADB assistance to Vietnam

- GMS was initiated in 1992 with the support of ADB to 6 GMS countries (Cambodia, China, Myanmar, Lao PDR, Thailand, Vietnam) to:
 - + Promote economic & social development by strengthening economic linkages among GMS countries;
 - + Enhance connectivity, competitiveness and a greater sense of community;
 - Vietnam involve in 9 sectors in GMS cooperation: transport, energy, telecommunications, environment, agriculture, human resource, trade, investment and tourism.
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5. Effort to better manage the ODA resources

- Issue & revised regulations relating ODA resource management:
 - Decree 131/2006/ND-CP dated 09/11/2006 replaces Decree 17/2001/ND-CP dated 04/5/2001 regulate the ODA assistance to Vietnam.
 - Law on Procurement 2005
 - Decree 112/2006/NĐ-CP dated 29/9/2006 replace Decree 16/2005/ND-CP dated 07/02/2005 regulate the construction investment project.
 - Establish ODA taskforce leaded by Deputy Prime Minister to review and tackle issues emerged in managing ODA resources.
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5. Effort to better manage the ODA resources

- New regulations aim to better manage the ODA resources:
 - + In line with international practices and commitment;
 - + Intensively decentralize to agencies and local level;
 - + Simplify the procedure
- Improving the legal environment for ODA management to ensure clear, streamlined and consistent procedures
- Improve the ownership and quality of ODA projects, programs.
- Encourage public participation in project design, implementation and oversight.
- Promote harmonization of ODA procedures between the Government and donors and among donors in line with the activities outlined in Hanoi Core Statement

6. Preventing and fighting against corruption

Vietnam fully realize and aware of risk and challenges of corruption to the socio-economic development course, the following actions are to be taken by the Government:

- Promote administrative reforms, perfect institutions and legislations to reduce loopholes for corruption;
 - Strengthen inspection, examination and investigation works to detect and strictly handle with corrupt people;
 - Continue to perfect institution and anti-corruption apparatus
 - Enhance the progandizing and disseminating of the Law on Prevention and Fight against Corruption among public agencies and the citizens to raise the awareness of responsibility and promote their active participations in preventing and combating corruption
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Thank you
