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THE 5-YEAR PLAN FOR SOCIO-ECONOMIC DEVELOPMENT
(2001-2005)

This 5-year plan for socio-economic development of Vietnam is the institutionalization and concretization of the direction and duty of 5-year socio-economic development (2001-2005) which was approved at the IX Party's Congress.

PART I

EVALUATION OF THE IMPLEMENTATION OF THE PREVIOUS 5-YEAR PLAN
FOR SOCIO-ECONOMIC DEVELOPMENT (1996-2000)

The previous 5-year plan for socio-economic development (from 1996 to 2000) was passed by the IX National Assembly at the 10th meeting session in October 1996, with the objectives and duties as follows: "... to concentrate all resources, to seize the opportunity, to overcome the challenge, to promote the renovation comprehensively and synchronously, to continue the development of multi-sector economy operated by market mechanism with the State's regulation under the socialist orientation, to strive for the completion and excess of the objectives specified in the Strategy for socio-economic stabilization and development up to 2000: the speedy, efficient and sustainable economic development, together with the settlement for the social urgent matters, the guarantee of the national defend and security, the improvement of living standard for people, the increase of investment with internal resources, the making of solid precondition for a further development at the beginning of the next century".

During past 5 years, our Party, our people did exert all strength to overcome difficulties and challenges, to surmount internal economic weakness and shortcoming, to limit negatives affects of subjective factors (the regional economic-financial crisis, the natural calamity such as storms, floods, and droughts, etc.), to maintain the annual GDP growth rate at 7%; the process of socio-economic development continued to gain important achievements.

In compliance with objectives and duties specified for the period 1996-2000, the evaluation of the implementation of the 5-year plan is as follows:

1. Goals achieved in high, sustainable and efficient growth:

The VIII Party's Congress defined that the period of 1996-2000 was a very important period of new era of development, with the following development targets: the annual GDP growth rate is of 9-10%, GDP per capita of 2000 is doubled of that of 1990, the industrial production increases by 14-15% annually, while that figures of the agricultural production and services sector are 4.5-5% and 12-13%, respectively.

During the implementation, we promoted our advantages, overcoming difficulties and challenges, maintaining the development of every branches and sector as well as of the whole economy.

In 1996, based on the gained achievement, the socio-economic situation had a positive improvement with a rather high GDP growth rate of 9.3%. However, from mid of 1997 until 1999, our economy had to face with fierce difficulties arose from the external negative affects, continuous natural calamities, and revealed economic weakness. The business and production of some areas were sluggish, the export market were narrowed, the growth rate of foreign investment were slowed down.

With this situation, the stabilization and sustainable development were the foundation for the construction and execution of the development plan. Many measures were carried out to solve difficulties, to limit the decline, to stabilize and maintain the economic growth rate. While most economies within the region were seriously damaged, our economy still grew at a comparatively high rate, with a decrease at each year however. (The GDP grew at 8.2%, 5.8% and 4.8% in 1997, 1998 and 1999, respectively).

In 2000, with a huge effort in direction, execution and implementation of the specified measures, the socio-economic situation had achieved a more stable development with the GDP growth rate of 6.7%. The decrease momentum of growth rate was stopped, the objectives of 1996-2000 5-year plan was facilitated to be completed.

The average annual economic growth rate of 7% is of high level in comparison with other economies in the region. Of this growth rate, the agriculture, forestry and fishery increased by 4.3%, industries and construction increased by 5.75%. The GDP per capita of 2000 was over 1.8 times higher than that of 1990.

The achievement could be showed as follows:

Firstly, the agriculture grew comprehensively at high rate in every areas. The production of whole agriculture, forestry and fishery increased by 5.8% per year, exceeding the specified plan, of which agriculture increased by 5.6% annually, fishery by 8.4%, and forestry by 2.3%.

On average, the paddy-conversed food grain production increased by 1.6 million of tones annually, reached 35.7 million of tones in 2000, met the demand for domestic consumption, reserve and export at a large volume. The planted surface of some industrial crops increased remarkably on average per year, for example, rubber by 7.9%, tea by 6.1%, coffee by 22.6%, pepper by 28.5%, sugarcane by 6.1%, fruit-tree by 10.3%.

The livestock breeding developed continuously, pork production in 2000 was estimated at 1.4 million of tones, or 1.4 times higher than the production in 1995.

The seafood rearing and catching grew at rather high speed. The seafood production accounted for 15% of total agricultural, forestry and fishery production, increased on average by 6.3 per year, of which rearing production increased by 13.3% annually. Monetary value of seafood export increased by 18.9% per year on average, accounted for 34% of agricultural export or 10% of national export.

In last 5 year, the forestry planted approximately 1.1 million hectare of new forest, protected the 10 million hectare of existing forest, regenerated 550,000 hectare of exploited forest. The forest-covered area increased from 27.3% in 1995 to 33.7% in 2000. Activities of settled agriculture and residence brought a good result, some 700,000 minority people were settled down and more than 1.2 million people are now enjoying the benefit from settlement projects.

Many large scale areas for commercial agricultural production, which were connected closely with foodstuff processing industry, were taking shape. Rural trade villages were recovered, household businesses were developed. Farmhouses production appeared and grew quickly. The state-run farms and plantations were re-organized, land were hired by piece to worker families for more efficient usage.

The physical and technical infrastructure were improved, many scientific and technical achievements were applied to develop the rural and agricultural areas. Up to 2000, more than 70 new varieties of rice were used in more than 90% plantation area, hybrid corn area accounted for 56% of plantation area, hybrid cotton's figure was 80%, and a high productivity new species of sugarcane was planted on 16% of plantation area. 12% of cows and bulls was Cross-breed Sind species, 20% of pigs was high-lean species (45-50% is lean meat). There were more than 30 research institutes and many plant and animal seed production facilities established. Just in fishery, there were 3,350 seed-making facilities, of which 2,950 facilities for production of 25 billion of seed-prawn and 400 facilities with 15 billion of seed-fish.

The number of machines used in agriculture increased by 1.25 times, 5,800 off-shore fishing boats were in operation, many heavy workload were mechanized, lead to the improvement of productivity and the freedom of human labor.

The monetary value of all agricultural, forestry and fishery export increased from USD 2.5 billion in 1995 to USD 4.3 billion in 2000, accounted for 30% of national export.

The living standard of many rural areas were gradually improved. The socio-economic situation were remarkably enhanced.

Secondly, industries and construction overcame difficulties and challenges, achieved many progress.

Although the industrial production were not as high as targeted, it grew by 13.5% annually on average, of which state-run sector increased by 10%, non-state sector by 11.5%, foreign investment enterprises by 21.8%. In 2000, the state-run industries accounted for 42% of total industrial production, while that figure of non-state and foreign investment sector were 24.2% and 35.6%, respectively.

The re-organizing and re-structuring were continued in some industries. Priority were given to advantaged and demanded products, in the form of in-depth investment, technology renovation to enhance products' quality. There were more strategic products, which affect many economic branches, to meet the domestic demand, to replace the import and to increase the export considerably (crude oil production increased by 16%, gas exploitation by 43%, electricity by 14%, steel production by 30%, etc.). The industrial structure were noticeably improved, some key products were taken shape, some industrial parks and EPZs with modern production facilities were established. Up to 2000, gas and oil exploitation accounted for 11.2% of total industrial production, proportion of foodstuff processing was 20%, proportion of production and distribution of electricity, gas and water was approximately 5.4%.

The 5-year industrial export valued over USD 34 billion, increased from USD 3 billion in 1995 to USD 10.1 billion in 2000, accounting for 66% of national export.

The construction industry received new technologies and modern machinery, met the demand of civil and industrial construction, was able to construct modern and large-scale projects, had a better bidding capacity in domestic and international project. The demand on cement, roofing material were fully met, while that on iron and steel for ordinary construction was basically satisfied. Some of high quality home made construction material were good enough to meet the regional and international standards.

Thirdly, service providing industries were able to maintain their operation in a very difficult situation, the service quality were enhanced to meet the requirement of economic growth and residence demand.

The value of provided services increased by more than 6.7% per year.

The trading developed well for a better provision with many kind of necessary goods such as petrol, iron and steel, cement, fertilizer, food grain, sugar, etc. The market was liberated with participation of different economic sectors. The trading methods were diversified with many formulations such as agent trading, proxy trading, on-credit purchase, installment payment, etc. State-run commercial service were re-organized toward the creation of wholesale trading, expansion of trading network to rural, mountainous and metropolitan markets, participation in retail trading of essential products such as petrol, iron and steel, cement, fertilizer, paper, and chemicals. Total value of annual national retail increased by 12.7% on average.

Tourism stepped into a new stage of development: many tourism centers were upgraded and renovated, forms of tourism were diversified, new tours were exploited; tourism

products were more attractive to tourists. Accommodation facilities for tourists developed rapidly. Total tourism revenue increased by 9.7% per year.

Transportation basically could meet the demand of goods shipping and passengers traveling. The transport infrastructure developed considerably. Goods shipping volume increased by 12% and passengers traveling volume increased by 5.5% annually.

Post and telecommunication developed quickly with the fundamental modernization of the telecom network. Many internationally standardized method of communications took shape, initially meet the commercial and civil demand of society. Large cities such as Hanoi, HoChiMinh city had a rate of 20 telephones per 100 capita, over 85% communes throughout country were connected by telephones. Postal network consisted of 2,900 post offices. 100% of inter-provincial and 70% of provincial post transportation were mechanized. Postal transaction, exploitation and transportation were gradually modernized and automated. Over 80% of communes received daily newspapers, 61.5% of communes had post offices and cultural product stands. Total annual revenue increased by 15% on average, contribution to the State budget increased by 16% per year.

Financial, auditing, banking and insurance services were expended. Insurance market took shape with the participation of different sector businesses from home and abroad. Currently, there are 17 insurance companies on the market (4 state-run, 4 joint-stock, 4 100% foreign investment capital and 5 joint-venture companies), providing more than 40 kind of insurance products. The insurance industry attracted a large amount of capital as a potential investment for the economy. Financial and banking industry made a lot of important progress. Other services such as legal or technological consultant begun to develop.

However, the quality and efficiency of all economic industries is of low level; many production and business areas are not strong in term of competing capacity, while underdeveloped service area negatively affected to the efficiency of national development.

In agriculture, the modern farming technology on large scale is applied very slowly; the productivity of farming and the quality of produce is of low status, while some produce had a very narrow market. Only a limited progress was made for the rural and agricultural economic restructuring. Agriculture still hold a large proportion of 70% of rural economy. Plant growing accounted for 80% of agricultural production, while livestock breeding portion was only 20%. Only 74% of working time in rural area was utilized at a very low productivity.

Industrial production was unstable; productivity, quality and efficiency were of low level. Industrial factories were not active in renovation, mainly depended on the state subsidy. Besides, backward technology and machinery contributed to high production cost; the technological renovation, manufacturing re-organization, and enterprises transformation and equalization were of very slow pace.

Services quality and efficiency were under expectation. Trading network and market of rural, mountainous and remote areas were underdeveloped; business of state-run trading firms was not efficient, despite the quick growth in term of quantity, non-state businesses' scale, scope and market were limited. The low quality of transportation was revealed through severe accidents; public transportation in metropolitan area such as Hanoi, HoChiMinh city developed at a snail's pace; transport to mountainous and remote areas did not meet the demand. The weaknesses of tourism in infrastructure, business condition and manner were not solved. Touring programme were not diversified, while were still costly. Other important services such as financial, banking, consultant, insurance, etc. developed slowly. The monetary value of total service industries was reached at only 50% of planned target. Since these industries hold a large proportion of GDP, the economic development and efficiency was limited.

2. Goals achieved in economic transforms:

(1) The economic sectoral structure was transformed with the reform and re-organization of state sector and the development of non-state sector.

State sector has continuously been reformed and re-arranged, operated more effectively for the first steps affirming its active and principal roles in socio-economic activities; it contributed approximately 39% in GDP in the year of 2000.

Collective sector was re-arranged according to the new Co-operative Law, under which many co-operatives operated more effectively. Several associate models between agricultural co-operatives and processing enterprises has been developed mobilizing remarkable number of labor both in rural and urban areas; it contributed almost 8.5% in GDP in the year of 2000.

State capitalist sector which includes co-operation or joint-venture forms between state sector and domestic private sector has been developing in some economic activities; it contributed approximately 3.9% in GDP in the year of 2000.

Individual sector in agriculture, fishery, forestry, industry and small scale industry, trade and services developed faster, contributing importantly in socio-economic achievements in the year of 2000 and contributed approximately 32% in GDP.

Domestic private sector had taken shape and more and more expanded its activities in many socio-economic fields; in the years of 2000 it contributes 3.3% in GDP.

Economic sector with foreign direct investment has rather good development, which promotes some new products, explored new markets, creating compete capacity of its products. In 2000, this sector contributed approximately 13.3% in GDP.

The proportion of state-run sector contribution in different economic sector as follows: Sector I (Agriculture, forestry and fishery) accounting for 3%, approximately 97% occupied by non-state sector. Sector II (Industry and construction) occupied 2/3 and the

other 1/3 occupied by non-state. Sector III (Services) both state and non-state sector occupied equal portion. Important activities that state sector holds key position are finance, banking, electricity, oil exploitation, transportation and communication, etc.

(2) Economic structure has step by step transformed in accordance with the industrialization and modernization, maximizing competitive edge of each sector.

Ratio of agriculture, forestry and fishery in GDP decreased from 27.2% in 1995 to 19.9% in 2000, of which agriculture decreased from 22.4% to 19.9%. There is a transformation in agricultural production tending to increase the ratio of high economic effective and productive products of crop plants and domestic animals. Forestry remains its extent of 1.3% of GDP and fishery accounts for 3% of GDP in 2000.

Ratio of industry and construction in GDP increased from 28.8% in 1995 to 36.6% in 2000, of which mining increased from 4.8% to 9.5%, manufacturing increased from 15% to 18.7%, electricity, gas and water supply account for 2.9% in GDP in 2000.

Ratio of services in GDP decreased from 44.1% in 1995 to 39.1% in 2000, of which domestic trade occupied 14.5% GDP, hotels and restaurants occupied 3.2% GDP, transportation and communication occupied 4%, real-estate and consultation services occupied 4.3%, finance and banking occupied 1.9% and state administration occupied 2.7% GDP.

(3) Economic structure attached with socio-economic development planning of territories, especially in key economic areas, has been taken shape and developed tending to maximize the advantages of areas, improving positively the social and economic status of provinces and regions.

By 2000, the Northern Mountainous provinces contributed approximately 9% in total GDP, while Hong River delta about 19%, Northern Central and Central Coastal areas about 15%, Central Highland 3%, Eastern South about 35% and Mekong River delta about 19%.

The three key economic zones contributed about 50% of total GDP, 75%-80% of added value in industry and 60%-65% added value in services. Growth rate of these zones all achieved over the average level. These zones initially created the development momentum for the national economy.

However, the economic structure has a slow transform movement; it has not maximized the competitive edge of each branch, area and not created momentum to push up the development of economic sectors.

State economic sectors are accounting for majority in all key branches and keeping the advantage position in business and production and entitled many priorities from the State, however the business effectiveness is not high, most of State enterprises are with losses or had not yet got the profits. Besides, the investment and business environment

are slowly improved, and other policies for encouraging the economic sectors development are slowly brought to life. It is still maintaining the different behavior with other non-state enterprises. So, it makes these enterprises hesitated to invest into business and manufacturing.

Economic structure in branches moved rather slowly, it cannot meet the given targets. The reasons are due to the limited resources for development, therefore the economic branches cannot be re-constructed properly on one side. On the other side, the policies are inconsistent in defining the priority areas to bring about not only under-utilizing of advantages of economic branches but also not connecting closely with market demands.

Economic zones had not strengthened their advantages, puzzled in defining their own effective economic structure and linkage among areas are changing slowly. Although motive force zones developed faster, they have not played adequate their locomotive roles in tugging other areas to develop. Mountainous and natural disaster hazard areas are still in difficulty.

3. Goals achieved in maintaining stable macro economy

(1) Accumulation-consumption balance has been improved tending to increase accumulation for development.

Total accumulation increased approximately 9.5% per annum. The ratio total asset accumulation over GDP is increased from 27.1% in 1995 to 29.5% in 2000 (approximately 28.4% average in 1996-2000 period). The ratio domestic saving over GDP increased from 18.2% in 1995 to 27% in 2000, four times increased in comparisons with 1990.

Although economic growth rate is lower than planned, total consumption still increased nearly 5% per annum and consumption per capita increased about 3.3% per annum due to sharp reduction in population growth rate. Consumption per capita in 2000 is about VND 4.2 million (current price). Proportion of accumulation in total accumulation-consumption makes 28.7%, average for 5 years is 26.8%. Proportion of consumption correspondently makes 71.3%, average for 5 year is 73.2%.

(2) Finance and monetary has important renovation and progress, participating to push up economic development, to maintain stable macro economy, especially in the period of area financial and economic crisis.

State budget has been re-constructed more active and effective. Sorts of taxes are initially completed and State Budget Law is brought into implementation to contribute in pushing up business and production and budget revenue is increased. Total state budget revenue increased 9.4% per annum, of which collection from taxes and fees occupied 96% of total, the annual average mobilization rate is 20.7% of GDP.

Budget spending concentrated more in targets of development investment, hunger eradication and poverty reduction, training and education, science and technology, people health protection, etc.; meanwhile private resources also are drawn through the socialization of several aspects of socio-economic activities so that many expenditure demands are met better. Total annual state budget spending is equal to 24.2% GDP, of which capital expenditure increased approximately by 14.6% per annum, proportion in total spending is raised gradually from 23% in 1996 to about 30% in 2000, average for 5 year it occupied 26.6% in total spending and about 33% in total collection from taxes and fees. Current expenditure increased 6% in average, occupied 59% of total spending and about 74% of total collection from taxes and fees. Debt and aid spending occupied approximately 14% of total spending. Over-spending rate (budget deficit rate) on average for 5 year is 3.87% GDP, lower than allowed level which is 4%-5% GDP.

Monetary and credit policies had been continuously renovated. The monitoring monetary balances in light with market signals initially achieved active results. Interest and exchange rate managing and monitoring mechanism has been renovated step by step under market principles. Banking system has been renovated under the Law on the State Bank and the Law on Credit Institutions. Inspection and examination of commercial bank and non-banking institution activities has been strengthened. System of credit organizations has been expanded; monetary services are more and more diversified. State commercial banks play the core role among credit organizations, joint-stock banks, joint-venture banks, foreign bank branches and people credit funds and make a remarkable contribution in the common development of banking system.

Total payment increased approximately 27.4% per annum, credit outstanding increased 28.1% per annum, mobilized capital increased 31% per annum and all contribute to meet socio-economic development demands. Balance of payment has changed from deficit to initial benefit of more than USD 1 billion per annum.

(3) Many efforts have been made to mobilize different sorts of capital resources for investment, particularly domestic resources. Number of completed projects to be put into operation is more than any period before, productivity of almost production sector, services and economic infrastructure is evidently increased.

Total social investment capital resources for the last five year equivalents to VND 440 thousand billion, nearly USD 40 billion (in 1995 price), average growth rate is about 8.6% per annum, of which: investment capital from state budget occupied 22.3%, state credits 14.9%, state-owned enterprises 16.9%, private and households 21.9%, FDI 24.7%.

The domestic capital resources have been exploited more effectively, which occupied over 60% of total investment, overcome the estimated plan level (51%) and facilitated investments in agriculture and rural development, hunger eradication and poverty reduction, increasing quality of human resource, developing science and technology, especially infrastructure construction.

Investment capital for agriculture increased 26.1% per annum, occupied 11.4% total social investment capital; investment capital for industries increased in average 14.5%, occupied 43.7%, of which processing and consuming product industries occupied 30% (in total resource for industries); capital for transportation and communication increased in average 12.2%, occupied 15.7%; capital for science and technology, training and education, health and culture increased on average 12%, occupied 6.7%; other 22.5%.

Due to adjustment of investment structure and policies, size and scale of investment in areas have been improved. In comparisons with the previous 5 years, capital for Northern mountainous areas increase over 1.8 times; Red River delta increased 1.3 times; Northern Central increased 1.5 times; Central Coastal areas increase 1.7 times; Central Highland increased 1.9 times; Eastern South increased 1.7 times and Mekong River delta increased 2 times.

Accounting for the investment capital from state budget separately, estimated number for 5 year 1996-2000 is over VND 113 thousand billion (in 1995 price) where socio-economic infrastructure was concentrated: investment for agriculture occupied 22.5%; industry 9.5%; transportation and communication 29.8%; science and technology, training and education; health, culture and sport activities 18.7%; others 19.5%.

By increasing investment, number of completed projects to be put into operation and productivity of almost economic branches increased remarkably:

In industry, electricity supply capacity increased for 5 year period approximately MW 1,470, oil exploitation capacity increased approximately 9.4 million tons, coal exploitation capacity increased 2.6 million tons, steel production capacity increased 1.4 million tons, cement production capacity increased 9.8 million tons and paper production capacity increased 60 thousand tons etc. By 2000, the capacity of sugar processing is about 82,000 tons of sugarcane/day; fishery is over 1,000 tons/day; rubber processing is nearly 290,000 tons wet latex; tea processing is 90,000 tons dry of tender tea leaf, cashew nut processing is over 220,000 tons and timber processing is 2 million m³ (convert to round timber) per annum. 67 of industrial zones, export processing zone and high-tech zones are established at present attracting many enterprises to invest.

In agriculture, many targets have been concentrated to invest as follows: irrigation system, plant breed, animal breed, fishery, forest protection and afforestation. About 200 irrigation projects have been completed and put into operation for 5 year. Water irrigate capacity increased by 100,000 ha, water source creation increased by 200,000 hectare and water drainage capacity increased by 200,000 hectare.

In transportation, main routes and important roads which are routes from Hanoi and Hochiminh city to industrial zones, to other economic zones, routes to Central Highland, mountainous areas, roads within the key economic zones etc., have been invested and upgraded ensuring the fluent transportation in the country. For 5 years, over 5,100 km national road have been built and upgraded; 200 km railroad have been upgraded; almost weak bridges on main roads and North-South railroad have re-built and repaired; some

important sea ports have been expanded and modernized raising the total cargo passing capacity up to 45 million tons per annum; Noi Bai, Tan Son Nhat and Da Nang international airports and several domestic airports have been upgraded, raising the total passenger passing capacity up to 6.5 million passengers per annum.

System of post and telecommunication has made a great development step, basically modernized. All cities, provinces and districts are equipped electronic switchboards and digital transfer system; nearly 4 million telephone numbers have been installed ensuring fluent communication from central level to commune level in any cases. International communication net has been built with modern technology and will be more strengthened both in scale and capacity, which has 7 ground satellite stations, 3 gateway switchboards and international optical cables both in land and off-shore. Today, over 5,000 international connection channels have been set up, it is possible to connect directly to nearly 40 countries and cross-connect to the rest countries.

Infrastructure in many cities and rural areas have been invested and upgraded. By 2000, 42% of rural population can use clean water, 100% of districts and 88% of communes are supplied with electricity, and 95.2% of communes have motor-way.

Material facilities of training and education, science and technology, health, culture, tourism, sports and other sectors all have make considerable achievements.

However, macro economic balances still are limited and unstable.

Budget revenue from import tax and natural resource exploitation tax occupied larger portion (over 51% of total revenue, of which import tax occupied 25%, revenue from oil occupied 26.2%); meanwhile, state-owned enterprises only contributed 22% in total despite of it advantages in many aspects and lager investment; revenue from private industry and commerce only occupied 6.7%. National assets, public finance and state-owned enterprise finance are not managed tightly, there has still misspending. Dragging-on and overdue debts situations are not clear-cut treated. National financial resources have not been sufficient mobilized or effectively used for economic development targets.

System of policies and legal regulations on taxes has not been completed yet, has not covered every revenue resources, had many tax rates, causing difficulty for implementation. The policy of tax reduction and exemption has not played its active role in production and business since it is applied in too broad area. Budget decentralization and regulating mechanism between central budget and local budget is still irrational.

There is still weakness in commercial bank activities both in mobilization and lending to economy. Credit quality is not high, bad debts are still popular, some commercial banks meets financial difficulty, market has slow development in term of scale, types and technology.

The ratio of saving and investment over GDP is low, of which domestic saving only reached 21.5% over GDP for the past 5 years; potential resource from people remained

high but the mobilization for investment is not high correlatively, causing impacts on the economic growth rate.

There is a limitation on state budget for investment and lack of that is external mobilized resource so that it still has constraint in investment structure arrangement, which is often contrived with little due to many pressing and urgent demands. Meanwhile, line ministries and provinces do not pay sufficient attention to mobilizing other capital resources to improve their poor investment, they still expect and rely on state budget. Encourage policies and capital mobilizing types are not implemented properly, making investors hesitate to invest.

4. Goals achieved in foreign economic development

(1) Import and export activities made rather good achievement. Total export value has reached USD 51.8 billion for 5 year 1996-2000, increased 21.5% per annum and increased 3 times in comparisons with the previous 5 years 1991-1995. Though the export value portion of agricultural, forestry and fishery product group still hold important part, it fell from 42.3% in 1996 to 30% in 2000; while portion of light and handicraft industries increased from 29% to 34.3% and heavy industry and mining increased from 28.7% to 35.7% correlatively.

There have been 13 product with export value over USD 50 million, occupied 76% of total export value. Accounting for fishery product separately, it achieved nearly USD 1.5 billion in 2000 (while planned target is USD 1 to 1.1 billion). Several garment enterprises used domestic produced cloth to produce export garment and initially attained effectiveness.

Foreign currency services such as overseas remittance, abroad constructions (contract wins), labor export, specialist exchange service... all have made fast development currently though their value was not calculated in annual balance.

In 2000, total export value per capita reached more than USD 186, which ranked Vietnam among the trade developed countries.

Export markets are more and more strengthened and expanded. Vietnam has signed bilateral trade agreements with 76 countries and negotiated the most favor status with 72 countries and territories. Asian market-share occupied nearly 58% of total export value and 80% of total import value. Accounting for ASEAN market-share separately occupied 18% and 29% correlatively. Vietnam export products has entered and increased in volume in some other market like EU, America, Middle-East, and etc.

Total import value for 5 years is about USD 61 billion, increased in average 13.3% per annum. The portion of consuming goods in total import value fell down considerably, it fell from 12.6% in 1996 to 4.1% in 2000, while portion of machinery, equipment and spare-parts increased from 27.6% to 31% and portion of fuel and materials increased from 60% to 65%.

Trade deficit over total export value has felt down from 49.6% in 1995 to 6.3% in 2000.

(2) Foreign direct investment (FDI) mobilization achieved remarkable results, annual invested capital occupied approximately 24% of total social investment. Investment-share of EU countries increased from 16.2% (for the previous 5 year 1991-1995) up to 22% (1996-2000); investment-share of EU, American countries and Japan occupied 43% and ASEAN New industrial countries (NICs) occupied nearly 26% of registered capital.

Invested capital for 5 years (excluding the domestic partnership contribution) has reached USD 10 billion (in 1995 price); FDI structure are changing more and more but corresponded to development demands and country economic structure transform process. Investment in production sector are increasingly high, it currently occupied two third of total investment, of which more than 60% of projects are for exploiting and upgrading current economic organizations.

In 2000, enterprises with FDI created 35.6% value of total industry production, 23% value of total export (excluding oil) and made contribution of 13.3% GDP, actively impacted on major macro economic balances, expanding export markets, strengthening competitiveness of made in Vietnam products. FDI also helps to create better condition for more new product and business, of which some key economic branches are oil, communication, electronic and information, chemicals... FDI economic sector attracted more than 350,000 labors working directly with enterprises and hundred thousands of labor working indirectly.

In addition, Vietnamese enterprises have step by step invested overseas. There have been more than 40 projects in 12 countries and territories recently, mainly in construction, food processing, trading and service, etc. Despite of small scale of investment, Vietnamese enterprises had opportunities to increase their effectiveness, extend good and service products, and labor export activities.

(3) Official Development Assistance (ODA) resource disbursement and management are increasingly improved. Accounting for 5 years (1996-2000) implemented ODA reached nearly USD 6.2 billion, which concentrated in supporting infrastructure; agriculture and rural development, hunger eradication and poverty reduction; developing health service, training and education; strengthening capacity and institution in public administration reform, legal reform and economic management reform; supporting with basic methodology some production areas such as fishery and agricultural product processing, etc. Many projects are funded with ODA, such as some sections on National road No.1A; Road No.5; Phu My 2-1 hydroelectric plant; Cho Ray general hospital in HCM city; Bach Mai hospital in Hanoi; Agriculture faculty in Can Tho University; Cat Lo fishery commercial port, small bridges in Northern mountainous areas; My Thuan suspension bridge; 9 bridges on Thong Nhat railways and mass important projects have been put into operation, taking part in general economic growth and improving people lives.

However, foreign economic still meets difficulties.

Export have not overcome severe challenges of market competition; market information is still weak, giving constraints to opening new markets or expanding current markets; market structure is slowly improved. Constraints in product resource creation stage and processing stage made Vietnamese products weak in competitiveness. Export of crude agricultural products and materials with lower value still occupied large portion; furthermore, many Vietnamese products have to export through intermediary so that it can not be effective. On the other hand, some agricultural export product prices have disadvantageous happenings, many agricultural product have not had stable markets.

Foreign investment mobilization still meet difficulties, moreover there is reduction in mobilization growth rate recently. Investment in agriculture, forestry and fishery and investment in difficult areas are still weak, there are still many foreign investment projects tending to domestic consumption demands.

ODA disbursement had been done slower than committed level of donors, impediments in ODA disbursement have not been timely solved, causing certain impacts on ODA mobilization and effectively uses.

5. Goals achieved in training and education development.

Training and education cause has good development steps. Number of children going to school increased at all levels, types of training, meeting increasing education demands of people. Children going to kindergartens increased in average 3.1% per annum. Ratio of children going to primary schools at right age in 2000 is 95%, number of secondary schoolchildren increased over 7.5% per annum; High schoolchildren increased 16.6% per annum. Training program at secondary and high school level are being changed. Currently, training program and primary school books are being piloted at 400 schools in all areas; new school books of grade 6 are being taught in experiment at 149 secondary schools.

By the end of 2000, 100% of provinces and cities achieved primary education universalization and illiterate eradication goals, some provinces and cities are beginning to implement program of secondary education generalization.

Scale of vocational and professional training in 2000 increased 2 times in comparisons with 1995. Number of university students increased in average 11% per annum. Post graduate education are concerned, number of Master students achieved more than 5,000 and PhD students 1,000 per annum; more than 3,000 government officials and local staff are trained on public management knowledge.

Cultural, technology, public management and foreign languages studying movement fast developed. Number of years attending school of people is 7.3. The ratio of number of students over 100,000 populations in 2000 reached 118. Number of trained labors occupied 22% total labors.

Material facilities of schools are upgraded and improved evidently. Primary and secondary schools have been re-arranged relatively stable. Every year approximately 15,000 classrooms are built and other 16,000 rooms are upgraded. There are currently approximately 21,000 primary and secondary schools; almost communes have their own primary schools; most of communes in river delta areas have secondary schools. Non-public schools are established and fast developing. System of ethnic boarding schools at provincial and district level are strengthened; there are currently 350 ethnic boarding schools, ensuring studying and accommodation condition for more than 50,000 pupils who are children of people in minority ethnic areas.

System of colleges, universities and post graduate training centers are step by step organized and re-arranged. There are currently 206 post graduate training centers in the whole country, of which 16 centers are people-founded, 2 Open University institutes. System of teacher training and educating are improved, more than 80% of teachers are further trained and standardized per annum.

However, training and education sector still has weakness, remaining, and does not meet the requirements of socio-economic reform tasks.

Though quality of teaching and learning has progress, in general knowledge, practical capacity and morality are still low. Physical health of children is weak in general, and slowly develops. Contribution Regulations for children going to school is not clear or reasonable that is big constraint to poor children. Giving private tuition and tuition attending are spread out and not solved sufficiently. Fake mark and certificate selling and buying are stinging phenomenon but it has not been absolutely solved.

Scale and growth rate of university and post graduate training increased too fast while teaching and learning conditions do not satisfy requirements, the ratio of number of students over number of teachers is overloaded (26.5 students/1 teacher) that is one of the reasons of the downgrading quality of education. Training and education in remote areas develops too slowly. Training and education structure are imbalanced on training level, training professions and training localities. There has not been proper management mechanism or right direction for establishing and developing people-founded universities.

Though material facilities of training and education sector has been concerned but in comparisons with heightening quality requirements it is still at low degree and does not satisfy high growth of education, especially facilities and equipment for teaching and studying are insufficient, libraries are poor, dormitories for students are lacked. Training and education in remote areas still face with difficulty.

6. Goals achieved in science and technology development

Science and technology activities have new step of changing, providing realistic and meaningful contribution to the reform cause of the country.

In the field of humanity and social science, there is concentration on investigation, research providing materials and science basis meaningfully for requirements of direction strategy determining, socio-economic development planning and socio-economic management policies in the reform process.

In technology and natural science, there is concentration on research and development of themes satisfying requirements of enhancing technology degree, increasing product quality. A lot of research have been put in practice and production in order to improve and enhance operation quality of current production lines; mobilizing and effectively using domestic material resource; improving business and production effectiveness and increasing competitiveness of Vietnam-made products; importing selected technology and making the best use of that.

Technology and technology content of manufacturing industries, infrastructure and services have been improved and renovated, providing contribution in production development, economic structure re-balance, increasing quality and effectiveness of business and production.

In agriculture, bio-technology has been applied, in which technical progress on cross-bred advantage, some new plant breeds and animal breeds are being mass produced through this application, selecting and cross-breeding can be done through applying new and high technology.

In industry, many research in the field of basic technology for processing, machinery manufacturing; designing technology, mining, processing and using technology of natural resources, food and agricultural produce processing technology; biology technology, information technology, material technology, automatic technology, and etc. have been initially applied in production.

In health care service, research on immunology, technique in diagnosis, precaution and treatment of contagious diseases such as hepatitis, encephalitis, other serious bacterium contagious diseases have been applied. There is achievement in research and mass production of several vaccines such as B hepatitis vaccine, encephalitis vaccine, cholera vaccine and so on, satisfying requirements of people health care.

Material and technical facilities of institutes and science and technology centers have been strengthened. Some key research institutes have been well-equipped relatively. Science research fellows have actively made a great of contribution to the national technology renovation, participating in the technique hand-over process and currently being the main force that manage, operate and make use of imported technique.

The organization of environmental management is initially established and draw concerning from all economic sectors, management levels and communities. The legal framework and different policies for environment management have been promulgated. Over 20 national reserves, prohibited forests and natural preserved areas are founded and fortified; 18 general environmental supervising stations and nearly 150 professional

environmental stations specialized on water and atmosphere are built. Environment protection for the first step became public movement, being generalized and concerned by all levels and organizations.

Nevertheless, science and technology level of Vietnam is still lower than neighbor countries, insufficient to meet the requirements of country industrialization and modernization task, separated from demands and activities of society and economy. Research is not brought to practice timely. Technology renovation in all economic sectors is slowly implemented, unsatisfying planned targets.

The research personnel are numerous, but not strong enough to carry out large research workload. Most of the advanced and modern technologies are imported; the domestic ability to invent new technologies is limited.

Investment for science and technology development increased but relied mainly on state budget, there have not been effective manners to mobilize social resource for science and technology development.

Environment protection is concerned by society more than ever, particularly after the Environment Protection Law has been ratified. However, situation of burning and deforesting, illegal lumbering and hunting are still going on seriously. Upper-of-the-river forests are exploited excessively, surface of primitive forests and coastal mangrove forests are destroyed severely. Air pollution in metropolitan areas, particularly in big cities and central industrial zones are remaining bad. Waste water treatment in those areas and high density population areas, in production enterprises, hospitals and health clinics are still insolvable problems.

7. Goals achieved in economic development together with solving urgent social issues policy.

To face with difficult economy and limited resources, Vietnamese Communist Party and Government have made great efforts and concentration in development of cultural and social aspects. Some initial satisfactory fruits have been achieved, creating stable politic and social situation, impulse the development of economy.

(1) Together with the socio-economic reform process, employment and creating new jobs have been carried out successfully with the participation of mass sectors, levels, localities and civil communities.

The Government has promulgated many mechanisms and policies pushing up investment development, production and service expansion, business and professional diversification, etc., creating great deal of new jobs, attracting more labors. System of job promotion centers, vocational training centers of mass organizations at all levels including civil communities have made active contributions in creating opportunities for people to assess jobs or self-employment under support of Government and communities.

For the last 5 years, approximately 6.1 million people have been employed in social and economic branches, of which 1.5 million in industry and construction sector, 2.5 million in agriculture, forestry and fishery sector and 2 million in services sector; about 100 thousand labors are employed abroad, increased by 3.8 times in comparisons to the previous 5 years; number of external labor market has been expanded from 15 countries in 1995 to 38 countries in 2000.

Urban unemployment rate has felt down by the end of 2000, to 6.4% and rate of time consumption for working in rural areas equal to nearly 74%.

(2) Hunger eradication and poverty reduction work has been done widely and become wide and deep movement in public communities with many good achievements.

Since the hunger eradication and poverty reduction task was made in 1992, Government has invested approximately VND 21,000 billion in poor communes, poor areas through infrastructure construction program, of which VND 15,000 billion for five year 1996-2000; more than 5,200 projects have invested in extremely difficult communes, initially improving living condition in that areas. Besides, mass organizations at all levels and communities have done many specific activities helping poor households to reduce difficulty, to self-develop to a stable life. By the end of 2000, the poverty rate has felt down to approximately 10% (based on the previous Vietnamese poverty line), equivalent to 1.7 billion households, 2% of poor households in average decreased per annum, equivalent to 300,000 households. Accounting for chronic hungry households separately, it felt down from 450,000 households in 1995 to 150,000 households in 2000 (approximately 1%). People living condition is improved in many regions, consumption per capita in current price increased from VND 2.6 million in 1995 to VND 4.3 million in 2000.

(3) Cultural and information achievements have great contributions into getting people involved in socio-economic development, serving effectively the industrialization and modernization task and the national politic, economic and social tasks. Information disseminating organizations and other public. Medias actively propagated the reform policies of the Party, stimulated and get active factors involved, struggled with negative aspects and social evils, developed and brought into play the humane tradition and mutual helping in case of natural disasters.

By the end of 2000, 85% country areas are covered with television wave, 90% covered with radio wave; amount of broadcasting time of all types and television in ethnic group languages increased. Over 70 countries in the world can assess Vietnamese radio, some countries in Europe, America,... also can see Vietnamese television.

Cultural and spirit life of people have been improved. In particular, the most evident improvement is seen in mountainous, remote and island areas. By 2000, more than 1,000 extreme difficult communes have been provided information dissemination facilities; 45% of households are achieved exemplary status and 45% of communes, villages and

population communities achieved exemplary standard. Cultural exchange among areas, ethnic groups, between interior and exterior is expanded.

(4) Population and family planning task achieved many positive results. Average birth rate reduced fast, felt from 30.1‰ in 1990 to 19.34‰ in 2000, annual average reduction is 0.78‰, number of births over one woman felt down from 3.8 children to 2.1 children. 21 cities and provinces achieved or lowered than the substitution birth rate which is 2.1 children/1 woman. Population growth rate in 1995 was 1.7‰ that further down to 1.4‰ in 2000, better than targeted. Total population in 2000 is 77.7 billion people, lower than estimated by 4 million people.

Material facilities for population and family planning task have been strengthened; on average there are 2 family planning service centers in one district, ensuring 100% provincial and district level health clinics and 70% commune level health clinics with proper equipment. With those progress, Vietnam was given award of population achievement by United Nations in 1998.

The children care, education and protection movement are developed through out country; goals and targets of action plan for children are implemented; 51% of districts have cultural and play grounds for children; 70% of orphan and homeless children are cared. In comparisons with 1998, the rate of death at birth felt down from 44.2‰ to 35‰ in 2000, death rate of children less than 5 years of age also felt from 48.5‰ to 42‰. The rate of maternity death maintained at 0.9 cases over 1,000 successful birth cases. The malnourished rate of children decreased from 38% in 1995 to 31.1% in 2000 (1.5%-2% per annum in average). The rate of children at birth weighted less than 2,500 grams decreased from 16% in 1990 to 8% in 2000.

(5) People health care task have considerable progress, particularly in preventive health care service. Many community health indicators have been improved. Average life expectation increased from 64 years in 1990 to 68 years in 2000. Many epidemic diseases such as cholera, bubonic plague, malaria, etc. have been driven back and put under control. Polio, symptom of vitamin A deficiency, tetanus at birth basically has been wiped out. Quality of health examination and treatment also has some progress.

Material facilities of health care sector have been improved. Basically there are no longer communes without clinics; most of district health clinics and preventive health centers are strengthened. Many provincial hospitals and system of central health care centers are upgraded and supplemented equipment. Professional health centers in Hanoi and HCM city are initiated. Private health clinics are developed. Policies of hospital fees, health insurance together with support from state budget ensured a better health protection for people over past years.

Health care policies for poor people, families of merit to nation are implemented well in many areas.

(6) Activities of social affairs, caring people of merit, repaying people sacrifice for nation, being grateful to veteran people, are enlarged with participation of mass people, agencies, civil organizations and a lot of noticeable achievements were made.

In the difficult settings of economy and even in the period of economic recession, Vietnam has more strongly focused on social safety policies (raising minimum limit of salary, increasing allowance for the retired and people of merit), living standard of government officials, retired people, families of merit to nation are improved.

More than VND 100 billion is mobilized every year for repayment in charity fund. Many local authorities have given support to families that subject to support policy of Government, raising their living condition to the same rank of other local families; 100% of Vietnamese heroic Mothers are looked after and fostered for the rest time of life by business or civil organizations; Thousands of relatives of martyrs are sponsored. Movement of building free houses for vulnerable people, offering deposit certificates to difficult families that subject to be under support policy spread out the country. By 2000, there have been 156 social sponsoring centers, 22% of social policy beneficiaries have received recurrent social support with 31.5 thousand people are fostered at centers and 150 thousand people are fostered in communities. 8 caring centers for severe invalid and 6 orthopedics and rehabilitation centers were built and put into operation.

Large cemeteries in cities and provinces has been built and spaciouly improved. The work of finding martyrs' remains has been taken care and got many considerable results, satisfying the sacred affection of people to those died for the motherland and nation' victory.

The charity activities for helping disable people, war victims, childless old people, orphan and homeless children has brought many realistic results. The assistance to people suffered from natural calamities has drawn concerned and been implemented timely and effectively. Beside state budget, VND 150 billion per year has been mobilized from people for helping those suffered from natural calamities, floods and storms over the past 5 years, reflecting the tradition for helping people in the difficulty.

(7) Public sports and physical exercises have got much progress. The number of people participating in frequent exercises increased. Over 60% of schools at all levels have applied health education into the main subjects. The trend for body exercises in the army forces has been disciplines with 85% of soldiers reached the standard for body exercises.

High achievement sports have got fast progress; the position of Vietnamese sport in the international arena is increasingly high, from the position of 7th in 9 ASEAN countries now it ranks at 4th. The number of medals in the international and regional competition also increased.

However, there are still many urgent social matters remaining:

The labor forces increase naturally 1.2 million people every year, whereas the unemployment rate in the cities in the year 2000 stands at 6.4% and working time in the rural areas reaches only 74% of total available time, lower than the planned target of 75%. Consequently, unemployment became the biggest and most concerned problems now. On the other side, the production capacity, especially in agriculture, is too low with poor skills, number of untrained laborers is remaining high.

Poverty rate decreased sharply in recent years but is not durably. If natural calamities or bad crops happened, many households would become hungry or poor again. Life in remote and frequent natural calamities areas is still much difficult.

The material facilities of health services have been improved but there are still remaining difficulties, especially at provincial and communal level. Health clinics in mountainous, remote or border areas are equipped improperly or backwardly. Epidemics still happen partially in some areas, the number of HIV infected people increased. Health examination and treatment for the poor people are big problems.

Smuggling, illegal business and corruption are not reduced. Social evils including prostitution, gamble, drug smuggle and addiction are stinging problems, causing bad impacts on social order and security. Traffic accidents still happen very seriously. The fight against the bad habits, cultural venoms, superstitions, depraved customs, and moral degeneracy are slow to bring about realistic results. The problems regarding to civil disputes, complain and sue, and the problems of ethnic races and religions are happening complicatedly.

The State management for social development is weak and has no progress, sectoral development planning and legal documents drafting are inconsistent; inspection and control tasks are loosened and out of supervising.

8. Goals achieved in economic development together with national defense and security tasks

The combination between economic development with national defense and security is much more concentrated in the planning work, forming project and investment programs.

Several socio-economic development programs which are economic-defense development programs in central highland areas, program of building transportation routs among islands, transportation routes along the in land border, program of shifting people to settle in far off-shore islands, in near border areas and remote areas, of far off-shore fishing program... are all good sample models of economic development and national defense and security combination.

Border defensive routes, key areas of economic, national defense and security, particularly territorial waters and islands are much strengthened. The formation of People's defense and security increasingly fortified and developed; social order and security are maintained. Army and police forces, which are volunteer and important

forces in natural disaster relief task, timely prevented, coped with and broke through many sabotagious intrigues of enemies, protected the Communist Party and authorities, kept securely politic and social order as well as security and national sovereignty and entire territory.

Essential needs of military supplies of defense and security are more and more sufficiently ensured together with re-organization and adjustment of defense and security strategy in combination with economic development. Living condition of soldiers and policemen have an important improvement; nutritious rations that satisfy the requirement of drilling and combat are ensured; uniforms are substantive and unified; needs for barrack, electricity, water and other spirit needs are met step by step. Military techniques are more concentrated in order to maintain and keep weapons, ammuniton, and military equipment in good condition. However, it still does not meet increasing requirement.

9. Goals achieved in legal institutional development targets

Over the past 5 years, many social and economic laws have been promulgated, institutionalizing and concretizing directions of the Party and polices of Government, basically forming the legal framework for the socialism orientation market economy. Economic management mechanism, system of laws and policies that have active impacts to economic management and social life are synchronous and completed gradually. In the implementation of Laws, Decrees, Instructions and Decisions, necessary adjustments and amendments have been made correspondingly to development process, creating a better macro economic environment to mobilize resources for socio-economic development.

Market of commodities and services as well as financial and monetary market and real-estate market are being formed together with corresponding management mechanism that all created momentum for development, turning up the activeness of economy.

However, system of economic laws is still insufficient up to present, many important laws have not been promulgated, and many by-law documents have not been issued timely or consistently making obstacles, more or less, to the implementation. Policies for economic development not only are not strong enough to create new motive force to come over difficulties but also are inconsistent and late concretized hence difficulties and obstacles still remained. Some polices tended to previous subsidizing mechanism such as: debts freezing and writing-off, tax reduction and exemption, interest subsidy, price subsidy and many excessive protective policies of the Government to some extent harmed enterprises, made them rely on state and lose their dynamics and creativeness.

Quality of some economic laws and under law legal documents is still poor that have to be amended or adjusted right after issuances. Authorized agencies tend to lighten their responsibility in issuing documents.

Policies in social and cultural field are not fully respected in practice; most of them are still not institutionalized; reform in economic policies does not match reform in social policies.

The thing that is worth being concerned is that the propagating to implement laws is not broad or frequent; laws are not fully respected and not coming to people life. It is time to organize a general inventory of current institutional system in order to systemize and unify our institutional system corresponding with reform process and to avoid overlapping or even contradiction.

Administration reform is conducted slowly and less determined; administration system is not much changed, and is ineffective in steering and management; large number of government personnel evinced weakness, insufficient professional degree and working ability and inadequate to current assignments. All of that become big challenges in bringing policies to lower level.

Many officials have degenerate virtue, run after mediocre seduction, live pragmatically, are authoritarian, corrupt, harass for bribe... causing bad effects to the Party's and State's prestige, being criticized by people, obstructing the development task.

For conclusions, in the difficult and challenging circumstance over the last 5 years, we are trying to keep the economic development speed with the average rate per annum is 7%, for stabilizing socio-economic and going on to develop the culture, education, and health, to stabilize the life for people, and sustain the politic securities. To reach such result is due to the cooperation of all people, our Party, all branches and the correct guidance from the Party Politburo, the new change in the Government management mechanism. Party Congress Resolutions are confirmed corrected, particularly Congress Resolution No.4 and No.6 (first round of gathering) as well as other policies or mechanisms, creating new strength to overcome all difficulties and implement the socio-economic targets approved by the Eighth Party Congress.

However, in comparisons with planned targets, the economy has remain many obstacles, the quality and effectiveness of economy is low, many production and business fields has no competitive abilities, mechanism and policies are un-united, so it can not make the new momentum fro development. There are many shortcomings in education and training, science and technology, other social and environment matters are very urgent.

The reasons for above mentioned remaining and weaknesses has been deeply analyzed in the Party Congress IX, of which the objective reasons are mainly emphasized.

On the base of general evaluation for the goals achieved and remaining during the past 5 years, we can draw some comments on construction and management the implementation of socio-economic development plan as follows:

1. In the filed of forecast and set up development targets systems:

5 year plan 1996 - 2000 was built up in the circumstance of favorable development. The development targets and ratio for the 5 year plan 1996 - 2000 has set up at the high level in the growth speed and socio - economic targets. We has not valued the remaining and

weakness of the economy and management in the high demand and request of economic reform so as to push up the industrialization and modernization in the 5 - year plan 1996 - 2000. On the other hand we do not forecast and value the right situation of the region and international in the condition of globalization, especially the financial - economic crisis has negative effects to our country. So, we are in a passive position in the setting up and managing the implementation of the annual plan, because there is a year we have to adjust the plan target, so it limits the results and development effectiveness.

2. In the planning and changing the plan.

The general plan for socio - economic of branches , territories and local areas has been started , it has good effects in development orientation and create the firmly base for setting up 5- year plan of all branches, locals and country wide. The work of plan has many changes, moving from state law plan to oriented plan, put emphasize on forecast and set up long term plan, medium plan and short-term plan., keep going to research the mechanism , policy and resolution to implement the plan and widen the development plan follow by the program and projects, pay attention much on the value targets, social development targets, take care much on system construction of policy and mechanism.

However, the collaboration in the setting up the plan between Central and other locals , between locals are loose, the quality is not high, so it has not yet meet the demand for the base to set up the plan for socio - economic development. Plan are still emphasizing on state economic plan, the role on the orientation of development for all the national economy is limited. The entire basement for guarantee the quality of plan, especially the statistics, social research, economic statistics forecast.

(3). In the capital mobilization for socio - economic development.

In the circumstance of inside and outside economy has many difficulties; several macro balance of the economy seems to be unstable. We pay attention into maximize our inside strength and conjunctions with mobilization the capital sources from outside to raise the development source.

Many mechanism for exploit the domestic capital source for investment and cover for the shortage from outside has implemented effectively. The issuance of Enterprise Law has opened the new ability for attract more investment capital in all economic sectors. On the other hand, we has many efforts in promulgation the mechanism, policies, measures, open wide reform in procedures... to minimize the obstacles and to increase mobilization of external resources which is considered as an important source.

However, the effective uses and exploitation of different types of capital resource (including domestic and external) are still weak and limited stage due to reasons:

- Domestic markets are less developed and not completed, citizens income and demands are too low so as enterprises have less opportunities to invest.

- State-owned enterprises equitization process is conducted too slowly, causing limitations in capital mobilization for development.

- Policies for resource mobilization from all types of economics, on one hand, are not attractive enough, on the other hand the implementation is not carried out properly at all level; the unfair treatment to different types of economic sector is still severe.

- Investment environment is still risky and costly lessening the attractiveness for business and investment. Situation of criminalizing economic relationships is still severe.

(4) Issue of combination between economic development and social development

In the limited resource circumstance, government has spared considerable portion of state budget and mobilized other resources to invest in science and technology, training and education, health care, culture, social affairs, hunger eradication and poverty reduction. Important achievements in social field have created stability in politics, sociality and become solid platform for stable economic development.

However, there still is big gap between economic reform policies and social reform policies. We often pay much concern in quantity ratios but less concern in quality ratios as well as social ratios and environment protection. Many agglomerate social issues are simplified but not completely solved. On the other hand, Acknowledgement in some aspects of universalization in education, health, culture and sports is not consistent; certain policies are late issued to get people involved.

(5) Issues of management and effectiveness of management.

In many years, high level management bodies have achieved big progress and become effective in socio-economic target management.

- Major economic balances are concentrated, the most important economic issues and urgent social issues are solved, obstacles are lessened in business and life; adjustments are timely made for economic balances corresponding with negative situation of the world and regional economy in order to achieve the most fundamental targets, to maintain stability for development

- The objective of improving and stabilizing macro economic environment has been focused in to create new motives and an effective utilization the resources for development. A lot of laws relating to the certain fields of economy have been issued to institutionalize and bring into practice the directions and policies of the Communist Party. This has created the fundamental factors and a framework for a multi-sector commodity based economy, operating under the market mechanism and regulated by the State. Every category of issues raised from the mechanism for policy making and legal framework has been synchronized, eliminating the inapplicable policies. The macroeconomic environment was stabilized gradually and brought out many incentives for attracting resources for development.

- While carrying out the tasks of socio-economic development, there has been much renovation in the Government, ministries and locals as well. The process is directed to the locals and focused into dealing with the problems arise from the locals, rapidly identifying difficulties and concentrating in the most severe problems. There is much progression in the concrete guidance made by every level of management and industries. The state administration officials have made certain progression, contributing into building up and defending the country.

However, the concrete guidance of the Government, ministries and industries as well as the municipalities still remain inadequate, lacking of fiduciary, relevant supervision, and the regular and simultaneous coordination between authorities so the effectiveness and efficiency of the state administration is limited. Renovation by the management of the industries and at all levels is slow.

The resolutions are usually carried out much too late so that the ad-hoc measures do not work in practice. Some of the Party's Resolutions are not aware adequately and complied with seriously by the industries and levels of management. Concretization and clarification of the important policies such as SOEs restructure and reform the development of collective and private economic sectors were delayed. Some of the mechanisms and policies seems to be subsidies such as debt freezing and writing off, tax exempt and reduction, reimbursement of interest, subsidies through price, and other kinds of over protection by the State have made the businesses become less dynamic, creative and passively rely on the State.

Part II

Overall Objective, tasks and major targets for socio-economic development in the five-year period from 2001 to 2005

I. Opportunities and challenges faced by the economy at the edge of new evolution

Entering the first five-year plan of the new century, there are many big opportunities and challenges in the domestic and international situation.

(1) The remarkable achievements over 10 years of renovation have created a momentum for development in the initial period of the 21st century.

Socio- political stability is the steady fundament, bringing about the favorable conditions for economic development of the country. This is an advantage to be relied on at the present time. The relations of productions have been renovated in compliance with the practical situation and the development of the productive forces. Institution of market economy has been initiated and operated in an effective manner. The system of policies and legal framework is workable in the socio-economic life.

The economic structure is taking the first step of transforming. The production capacity and socio-economic infrastructure have been improved considerably, creating a better

possibility for activating the resources of labor, land and technical infrastructure for development. The political, economic and diplomatic relations have been much enlarged in the international community.

However, the level of economic development of the country is rather low in term of quality and efficiency; the competitive power is still limited; size of production is rather low; the ratio of GDP per capita in the year of 2000 was about USD 400 that is under the world's level of poverty; income and expenditure of the population are not much enough to make a momentum for production and market development; the financial and monetary system remains weak and inadequate.

The transformation of the economic structure has been initiated but is rather slow. The comparative advantages of each areas and industries have not been activated yet. The socio-economic infrastructure could not meet the requirement of development. Generally, the standard of technology is backward in comparison to the rest of the region. The targets of quality and efficiency of the macro and microeconomics are worrying, causing the challenges in regional and international integration.

In term of society, there are many problems that would limit the momentum of development unless they are eliminated in time. The ratio of unemployment in the cities as well as in the country is rather high. The quality of labor force does not meet the requirement of development in the coming time. The children malnutrition caused bad effects on the quality of labor force in near future. The disputes and legal actions in the country, criminals in the cities, and the problems arise from religion and ethnic minority all cause difficulties for development. The reform of administration is delayed and the effectiveness of the State administration is limited.

(2) The revolution of science of technology in the world

The revolution of science and technology in the world, especially the IT and biotechnology would create huge and active effects on the implementation of the country's strategy of industrialization and modernization. The matter is how to take advantages of transferring of modern technologies, to enhance the capacity and favorable conditions for receiving and operating the new technologies, and to link closely science and technology to the business operation, activity of management to all other related activities.

The tendency of globalization would lead to restructuring of the world economy as a whole and make the fight for a New World economic structure to become more severe. However, the late starters would be able to limit the potential risks and to take advantage of opportunities for a fast growth if they are active in the process of integration. We should try our best to utilize the advantages and opportunities of the globalization and integration, and at the same time to avoid the potential risks and negative effects that may arise from this process.

In this international situation, the relevant policies may facilitate our country to enlarge the international cooperation, to explore the comparative advantages, and to mobilize the external resources while activating the internal resources in order to create a combined power for development.

Nevertheless, the international situation in the coming years would have the complicated developments. The attack on America, and the current war against Afghanistan run by the United States and its alliance would give bad effects on the world's politics, economy and security. The events have taken place in the situation of sluggish economy over the world, hindering the large economies and the regional economies from covering the speed of growth as before. The situation cause negative effects on our country's growth, especially in term of exports, external fund mobilization, international tourism and insurance.

Besides, the competitiveness of many countries in the region would be improved. China has entered the WTO and the other countries have overcome the financial crisis, their potential of growth has been covered. This situation may cause a pressure on our country's economy, which is less competitive than the rest of the region. This would be a huge challenge that we have to come over, especially in term of exports and foreign investment.

To do this, we shall have to activate the combined power of the nation, especially the intellectual and working skill of Vietnamese people, financial resources from every economic sector, overwhelming all difficulties and weaknesses to make the best use of advantages and opportunities for a steady and stable socio-economic under the socialism orientation. The fast growth of the Chinese economy may give the positive effects if we can take certain advantages for development, especially in term of foreign trade and tourism between two countries.

(3) The first year of the five-year plan has been accomplished

Generally, the socio-economic situation in the year 2001 is showing positive evolutions. The growth of GDP is more than 7%, which is lower than planned but would be considered to be positive in the context of difficult situation in the country and throughout the world in this year. This growth is higher than the one in 2000 and in comparison to the other countries in the region. In the agriculture, improvements have been seen in the efficient structure of planting, breeding and crops in very area. Especially, fishery production accounts for 17% value of agriculture and this ratio is 15% higher than the one in 2000. Industrial production has achieved a higher level of growth in compare to specified target, especially in term of non-state industry. Services industry is operating more actively than in last year with the strong development of tourism, transportation service, post and communications, technology transfer as well as banking and finance. The State Budget Revenue is 13% higher than projected.

These encouraging achievements would be made the best use and facilitate the successful attaining the specified targets in the next 04 years.

Beside above-mentioned achievements, there are difficulties and weaknesses, which are exposing clearly in the socio-economic situation and may cause the obstacles for the development in near future, however. The State Budget revenue and expenditure remain a lot of problems that should be taken in consideration; the banking reform is delayed; the exports are facing many difficulties; the investments for construction, especially the ones from the government lending are conducted slowly. Though the improvements are seen in every field of the society, there still be concerning problems. High rate of unemployment is still one of the obstacles for development. The disputes and legal actions, and the problems arise from religion and ethnic groups all have very complicated evolutions.

The situation has set forth very strong requirements for the next years of this plan in order to achieve the targets specified by the IXst Conference of Communist Party.

First of all, the targets of improving the living standard, renovation and transformation of economic structure should be focused on, while building the plan of development for every industry, province and geographical area. The improvements in term efficiency should be made in the process of restructuring in every industry and geographical area. The production should be linked to the effective process of consumption. Fulfilling the task of economic development, the attention should be given to efficiency, competitiveness and high quality. In term of developing the industries, the agency costs should be reduced to gain the growth of GDP of 7.5% per year.

Simultaneously, all the financial resources should be mobilized in the most effective way to increase the investment for development. The structure of investment should be established in the rational manner. Meanwhile, the investments from the State Budget should play an important role in crowding out other resources of investment for socio-economic development. The investment should enhance the transformation of economic structure in term of efficiency, facilitating the sovereignty and independence in socio-economic development and national defense. An adequate priority for investment should be given to certain products so the economic sectors would have a right investment direction.

Furthermore, remarkable improvements should be made in term of science, technology, training and education, the fields of society and culture, especially the public health care services. The living quality should be enhanced in tandem with protection the children from malnutrition, poverty alleviation, provision of fresh water, and solutions for environmental problems as well as social evils. The financial resources should be concentrated into these fields and be used in an effective manner.

II. The overall objective and main tasks

The IXst Communist Party Conference's resolution have determined the overall objective for the five year plan from 2001 to 2005 as follows: "*Sustainable economic growth shall be maintained at high rate; transformation of economic and labor structure shall be*

enhanced towards industrialization and modernization. The efficiency and competitiveness of the economy shall be strengthened in tandem with extension of external economic relations. The positive developments shall be achieved in term of training and education, science and technology simultaneously with activation of the strength of human factor. The main targets are job creation, poverty alleviation and elimination of social evils. Socio-economic infrastructure shall be strengthened continuously, setting up an important fundamental of socialism oriented market economy. The preservation of political stability, social safety and discipline, independence, sovereign and national security as well as territorial integrity shall be maintained”.

The above mentioned overall objective is broken down in to the major following tasks and orientations:

- Striving to achieve the higher rate of annual economic growth than in five previous years, creating the fundamental for the next five year plan;
- Developing the multi-sector economy, meanwhile the State sector will play the dominant role, supporting the collective economic sector, facilitating the institution of socialism oriented market economy; Transforming economic and labor structure towards enhancement of industry and service, focusing the technology in production;
- Increasing the investments for socio-economic development; establishing an efficient economic structure and enhancing the competitiveness. The structural transformation will be carried out towards enhancing the competitive power, increasing the added value and economic efficiency; basically perfecting the infrastructure system, providing sufficient investment for the leading economic areas and enhancing the investment for the areas facing difficulties;
- Enhancing the efficiency of the external economic relations, strengthening the current markets and widening new markets; making the best use of favorable conditions to facilitate the enhancement of exports, attracting external resources and technology; taking the initiative of efficient integration to fulfill the bilateral and multilateral commitments at all levels of government, locals and enterprises;
- Continuing the financial and monetary reform and rehabilitation, strengthening the capacity of the national financial system in tandem with enhancing savings, increasing state budget investment for development, maintaining the macro-economic balance, and developing the capital market to meet the requirements of socio-economic development;
- Continuing the renovation, facilitating the major improvements in developing training and education, science and technology. The quality of the human resource should be enhanced with rational structure; Generalizing lower secondary education, employing modern and advanced technology, and gradually developing an economy of knowledge;
- Dealing with the severe social problems efficiently, focusing on job creation, unemployment reduction in both cities and in the country, and reform of wages and

salary system; Enhancing the poverty alleviation, good care and treatment to the people credited with service to the Revolution; Strengthening the social safety, protection of social evils; Developing the system of information, culture, health-care and sports in order to improve the national standard of living in term of material and spiritual life;

- Enhancing the reform of administration management to rehabilitate and improve the effectiveness of State Organs; enhancing application of the information technology ; improving the transparency and publicity in the relationship with enterprises and the public; eliminating the bureaucracy and corruption; accelerating democracy, especially in the basic levels such as counties, districts and villages.
- Carrying out the task of enhancement of the national security and defense, ensuring the disciplines in all socio-economic activities.

III. The major targets for socio-economic development

The economic targets:

- Total GDP by 2005 will be twice as much as in the year 1995. The annual rate of GDP growth in the five-year plan from 2001 to 2005 will be 7.5%. This objective will include the increase of 4% in agriculture, fishery and forestry; growth of 10.4% in industry and construction; growth of 6.8% in service.

Growth of agricultural, silvicultural and fishery production	4.8% per annum
Growth of industrial production	13.1% per annum
Growth of service production	7.5% per annum
Growth of total exports	14-16% per annum

The economic structure in GDP as of 2005 is expected to be as follows:

- Agriculture, forestry and fishery account for 20-21%
- Construction and industry account for about 38-39%
- Industry of services account for 41-42%

The social targets:

- The rate of lower secondary enrollment at right school age will be 80% and the rate of upper secondary enrollment at right school age will account for 45% by 2005;
- The number of 30 provinces and cities will achieve the standard of lower secondary generalization by 2005;
- Reduce the annual birth rate to 0.5 % 0 and the rate of population growth will 1.16% by 2005;
- Jobs will be created for about 7.5 million people, that means the average of 1.5 million employees per year. The rate of the employees experienced training courses will be 30% by 2005;

- Poverty alleviation will be accelerated, reducing the rate of poor households to 10% (according to the new standard) by 2005;
- The rate of undernourishment children will be reduced to 22-25% by 2005;
- 40% demand for treatment medicines will be met by the year 2005;
- The life expectancy will be increased to 70 years
- Fresh water will be provided to 60% population in the country.

IV. The objective and tasks of developing the industries, sectors and geographic areas

1. Developing the economic activities in order to achieve the higher economic growth than previous five years

The resources will be mobilized to create a sudden change in transformation of economic structure and the structure of production in every industries and sectors towards enhancing the efficiency and linkage of production and markets for consumption, meeting the demand for food, accommodation, transportation and education of the people while maintaining the principle of independence and sovereignty in socio-economic development.

(1) As for agricultural production and development of the agricultural economy

The agricultural structure and economy will be rapidly transformed, developing the specializing areas of agricultural production in conformity with the potential and advantages of each area, seeking for a high value of production in a certain square of agricultural soil.

The science and technology will be applied in agricultural production, combining the agriculture with the processing industry, the production and markets, developing the combination of industry and agriculture exactly in the rural areas. Structure of agricultural occupations and infrastructure will be enhanced, improving the living standard.

The annual growth of agricultural, fishery and forestry will be 4.8% , the growth of GDP in agriculture will achieve the rate 4.0%. The structure of GDP in the agriculture will include 75-76% of agriculture, 5-6% of forestry and 19-20% of fishery.

Production of food grains will be enhanced towards intensive farming, increasing productivity, high quality and special spices of rice. The output of cereals is expected to be 37 million tons by 2005, among this there will be 34 million tons of rice , 3 million tons of corn and the exports of rice will be 3.5 million tons per year.

The square of land used for rice planting will be maintained at 4 million hectares in the acreage, where there is an actively operated irrigation system. As for the inefficient rice planting acreage, other productive crops will be planted instead of rice. Particularly in the Mekong River's Delta, about 400-500 thousand hectares of acreage growing low-yielding rice will be used for fishery and growing of corn, cotton and soya beans. High

quality and high yielding strains will be brought in use. The growing of cross breed rice will be supported continuously to rise the domestic production from current ratio of 20% to 40-50% by 2005, simultaneously focusing on production of high quality spices of rice to meet the requirements of exports and domestic demand.

The acreage used for growing corn will be increased to 1 million hectares by 2005, the productivity is expected to be 30 quintal/hectare. The high quality cross breed spices of corn will be used. The acreage of corn will be enlarged in the areas, where there is only one crop of rice every year and where there is favorable conditions.

The *leading industrial crops* that have the competitiveness and market for consumption:

The intensive farming of current 400 thousand rubber trees will be focused. A new acreage of 50 thousand hectares of rubber trees will be developed mainly in the Central and West Highland. An output of 440 thousand tons of dried latex and productivity of 13.5 quintal/hectare are expected to achieve.

The acreage for growing Arabica coffee will be widened, increasing the current acreage of 17 thousand hectares to 40-50 thousand hectares at the end of 2005. At the same time, the acreage for growing Robusta coffee will be reduced from 500 thousand hectares to 400 thousand hectares. The output of coffee is expected to achieve the number of 600-650 thousand tons by 2005.

A new acreage of 15 thousand hectares is expected to be used for growing tea, achieving the number of 105 thousand of hectares by 2005. The current low yielding spices of tea that have been planted for long time will be substituted by new, high quality and high yielding ones. New method of growing tea, which uses a little of harmful chemicals will be applied. The processing procedure will be improved to enhance the value of exports .

The acreage used for growing cashew tree will be increase from the current 235 thousand hectares to 300 thousand hectares by 2005. The productivity of this crop will be increased from 6.8 quintas/ hectare to 9.8 quintas/hectare. The output of cashew fruit is expected to achieve the number of 240 thousands tons, equivalent to 50 thousand tons of cashew seeds.

The current acreage of pepper will be put into intensive farming, increasing the productivity and output to the numbers of 22 quintas/ hectare and 55 thousand tons, respectively by 2005.

A scheme for synchronous development of sugar manufacturing industry will be continued in term of material area and processing site. Per capita output of sugar in all categories is expected to be 14.4 kg by 2005. The current acreage of 330 thousand hectares will be maintained. Good spices of sugar-cane will be used to raise the productivity to about 56-57 quintas /hectare. Investment should be enhanced in this field to raise the production capacity of current sugar manufacturing plants. The management in this field will be improved to develop a close relationship of benefit distribution

between these plants and the farmers in order to maintain the efficient operation of the processing sites.

Growing of cotton plant will be developed in the projected lands. The acreage for this crop is expected to reach the number of about 60-80 thousand hectares by 2005. New breed of cotton will be used to get the output of 2.5-3.5 ten thousand tons, meeting 30% domestic demand.

The production of high quality tobacco materials will be focused to meet the domestic demand and to substitute a part of imported materials and to enhance the exports. The yield of tobacco by 2005 is estimated at 59,000 tons. Technology and capacity of material processing will be enhanced, increasing the domestic processed materials of tobacco to 31,000 tons by 2005 to meet full demand of the domestic demand and the requirement of exports (about 14,000 tons).

Besides, development of other short term industrial crops, which have already got the market for consumption such as peanuts, beans, vegetable, fruit, and flower will be strengthened where there is favorable conditions. To meet the requirement of exports, there should be investment for science and technology, breed improvement, and increase of quality .

Animal husbandry will be developed, maintaining the increase of production at about 6.5-7.5% per year and gross output of meat of 2.5 million tons by 2005. The herds of milky cows will be developed heavily to ensure the provision of 20% milk material for the processing sites. The main orientation is reorganizing the production, accelerating the households or farms taking animal husbandry in large scale. The investment should increased to improve the quality of breeders at the same time with enhancement of veterinary works, food processing in order to improve the quality of meat, meeting the increasingly high requirements of domestic market and exports. Additionally, new markets should be approached to enhance the exports capacity.

As for the protection and development of forest, the Project of planting 5 million hectares of forest will be continued. New areas for growing forest will be increased simultaneously with maintaining the current and regenerated areas in order to increase the rate of forest coverage to 38-39% by 2005. The plan for settling of agriculture and residence, and stabilizing the life of people in mountainous areas will be accomplished basically. The transfer of forest management to the residents will be continued to connect the residents with the forest, facilitate them to earn a living by the forest..

Offshore fishing will be developed simultaneously with rational adjustment of sustainable coastal fishing. Investments should be provided sufficiently to develop the industry of water products raising heavily. The number of 6 national centers of breeding and the centers of environment forecast where there are the big farms of fish and water products in the North, Central and Mekong River's Delta. The acreage of water products raising will be increased to 1.3-1.4 million hectares by 2005. The industry will be diversified, forming the special farms of prawns, fish or a combined ones for rice and fish or rice and

prawns where suitable. Raising prawns for exports should be focused, increasing the output of reared prawns from the current number 100 thousand tons to 300 thousand tons by 2005. The output of water products by 2005 is expected to be 2.4-2.5 million tons, including 50% from rearing. Exports of water products is expected to be USD 2.4-2.5 billion by 2005.

The system of irrigation will be developed, facilitating soil improvement, intensive cultivation, multiplication of crop and exploration of new lands. Building of water conservancy and freshet protection projects such as Chu River Irrigation System, Bang Irrigation System (Quang binh), Rao Quan Hydroelectricity and Irrigation System (Quang tri), Ta Trach Lake (Thua Thien –Hue), and Dinh Binh Lake (Binh Dinh) will be accomplished. The construction of Ba Ha River Hydroelectricity and Tuy Hoa (Phu Yen) Delta Freshet Protection Project will be initiated. The system of sea dykes and the projects of salt water prevention will be built. Investments will be enhanced for the system of irrigation used for water products raising in certain areas, especially in the Mekong Delta River. The important system of dykes and channels will be concretized. One of the main objective is striving to increase the capacity of irrigation to 6.5 million hectares of rice and 1.5 million hectares of vegetable and industrial crops (increase of 60 ten thousand hectares).

The infrastructure of traffic in the country will be developed intensively, further investments will be put into the system of roads for over 500 villages that have no intercountry highways. The electricity providing network will be enlarged simultaneously with the national program of fresh water, the program of hygienic rural environment. It is strived to achieve to target of 60% population in the rural areas using hygienic water. The small wooden bridges in the Mekong River Delta will be eliminated basically. The Program of three-shift class-room removal in the rural and remote areas will be continued effectively. One of the main tasks is carrying out the Program of building the lines and clusters of residents and accommodation for the people in the Mekong River Delta and the areas affected by natural disasters such as typhoons and flood.

The traditional craft villages will be developed, establishing the industrial and minor handicrafts sites producing handicraft products. The semi- processing and processing industry will be developed in the material areas of the country. The industrial complexes of traditional craft villages will be established. The main tasks that should be completed are training enhancement, transfer of technology, marketing, protection of pollution, development of the services of equipments and techniques, enhancement of exchange of farming products. Jobs should be created for the non-agricultural sectors, facilitating the transformation of labor structure in the rural areas and reducing the number of agricultural labor from the current rate of 63% to 56-57% by 2005. The program of poverty alleviation will be continued, focusing in developing the small towns, the sites of post and culture or cultural centers in every village. The security and democracy should be enhanced in the rural areas.

The target is increase of income and living standard of the community of residents in the rural areas, striving to achieve the average income of the farmers at 1.7 times as much as the current level to reduce the income difference between the urban and rural areas.

(2)Development of industry

The target is the rapid development with efficiency, competitiveness to meet the requirement of markets. In this field, consideration should be given to capital expenditure, renovation of equipments, application of advanced technology and modernization of a part of industries.

The industries having competitive advantages will be developed, focusing in the processing industry, exports producing industry, and the industries related to development of agriculture and economy in rural areas.

Some selected industrial units manufacturing means of production, petrol and gas, metals such as steel, aluminum, precious metals, mechanical products, electronics and basic chemicals will be built in consideration of capital, technology, market and efficiency.

High technologies, especially the IT, technology of communication and electronics will be heavily developed. Some necessary defensive industrial units are also enhanced.

The development of industry will be carried out in harmony with the requirements of domestic market and exports. The relevant measures of protection should be taken to ensure the development of domestic industry with strong competitiveness, facilitating industrialization and modernization. All economic sectors will be encouraged to invest for development of industry in all ranges of scale and level. Attention shall be paid to the small and medium enterprises in accordance with the general orientation and advantages of each local and area.

One of the targets is the average increase of 13.1% of the industrial production.

Developments of the specific industries:

The industry of agricultural, forest and water products will be developed towards enhancement of investments for advanced technology, manufacturing of the products that have strong competitiveness in both domestic and international markets, focusing in the products such as food-grains, meat, milk, sugar, vegetable oil, and soft drink.

Production of milk using the domestic materials will be enhanced. The target is to achieve the number of 8-10 liter of milk per capita annually and to make the production of milk products by 2005 be twice as much as the level of 2000. Investments will be enhanced for developing the domestic milk producing factories, increasing the rate of using domestic materials to 20%.

The factories producing vegetable oil will be developed or newly opened. The output of vegetable oil by 2005 is expected to be 41 ten thousand tons.

Quality of the production of beer, wine and soft drinks will be enhanced to increase capacity of the exports, focusing in the regional markets.

The current paper producing mills will be widened while investing to build some more paper and paper powder producing mills in order to increase the capacity by 20 ten thousand tons (the paper powder factory in KonTum will have the capacity of 13 ten thousand tons/year), making the total capacity and the output of the industry be 64 ten thousand tons and 50 ten thousand tons, respectively by 2005. Investments will be increased to build some paper and paper powder mills for preparation for the next five year plan of 2006-2010.

Certain lines of production in the garment, shoes and leather products manufacturing factories will be modernized, paying attention to development of cotton resources and exploitation of leather resources in all categories increasing the domestic production of materials and accessories in order to raise the added value of the exported products. The target is to achieve the output of 750 million meters of cloth, 410 million pair of shoes and sandals, striving to identify and access new domestic and international markets .

The electronic industry and information technology will be developed heavily, enhancing capital expenditure, renovating technology, modernizing the current electronics producing units, establishing new ones to meet the domestic demand. The imports will be decreased in tandem with increase of exports. The domestication of products and application of technology will be developed rapidly. Investments in electronically products will be encouraged through attracting foreign financial resources for production of electronically components, IT and communication equipments, and electronic-industrial equipments. The industry of software will be developed, increasing the production of software to over USD 500 million by 2005, including USD 200 million of exports.

Capital expenditure will be enhanced simultaneously with renovation of technology and equipments, modernization of important segments in the mechanical industry. A certain number of the mordent industries such as electronic mechanics, manufacturing mechanics will be developed, making the mechanics become a strong industry step by step to meet about 25% demand for equipments manufacturing of the economy. About 70-80% motorbike accessories and 40-60% auto accessories will be produced domestically. Investment for production of auto engines is enhanced simultaneously with striving to have the products of cars and motorbikes (firstly buses and trucks) sold with trade mark of Vietnam. Capacity of producing the mechanical products used for agriculture, forestry and fishery is strengthened to meet the demand for the categories of bulldozers with two wheels and four wheels that have the capacity of 20cv and the accompanied accessories. Manufacturing of the lines of equipments for processing industry both in package and sparsely is enhanced also.

The manufacturing mechanics that serve the construction is developed to ensure the provision of alternative accessories for the industry of cement production, the lines of brick production by tuynen furnace as well as other equipments for construction. The mechanics manufacturing the electrical materials and equipments is developed to meet about 50% demand for low, medium and high voltage (500 kv) equipments used for development of electrical industry. Besides, exports is one of the needed target. The industry of ship building is enhanced to achieve the ability of building the 100-thousand-tons ships and repairing the 400-thousand-tons ones by 2005. The number of 40% ship equipments and accessories is expected to be produced domestically, meeting 40-45% domestic demand. The technology of manufacturing the tool-machines is renovated to meet most of the domestic demand and enhance exports.

Capacity of exploring oil and gas is increased by seeking the partners and joint capital to sound and explore oil and gas. By 2005. The output of 22-24 million tons of converted oil. An important task is striving to produce the oil products and chemical-oil materials domestically, meeting the demand for natural gas. The possibility of importing and exporting gas through the ASEAN pipeline should be considered to achieve this target. Development of mines and building of South Con Son pipeline are needed to carry out to put into operation by the end 2002. Focus is given to establishment of the industrial areas using gas under the South Con Son and Western South program of development of gas. The progress of building the oil refinery No. 1 is needed to be enhanced to put into operation by 2004 in order to achieve the output of 6 million tons petrol, oil and oil products by 2005. Preparation is needed for the oil refinery No. 2 in tandem with sounding oil and gas in the North Sea, Red River Delta and the shelf of ocean bed to prepare for the coming years. All the advantages should be made the full use for oversea investment to develop the industry in long term.

The industry of electricity is developed to meet the stable demand in production and consumption. The output of electricity is estimated at 49 billion kwh by 2005, increased 13% per year. Total capacity of electricity is expected to be about 11,063 MW by 2005, including 37.9% form hydroelectricity, over 41% from thermoelectricity using oil and gas, 16.4% from thermoelectricity using coals, meeting the demand in this plan and preparing for the coming one. A synchronous investment should be given to the system of electricity transporting lines to achieve the target of reducing the lost electricity while transporting and distributing to 13.5% by 2005, and connecting the electrical lines of 8,200 villages to the national network.

Son La hydroelectricity Project is needed to be prepared actively, facilitating the necessary conditions for building in this plan.

Coal mining industry is enhanced and developed, meeting the demand of domestic consumption and strengthening the exports. Coal mining should be carry out in an effective manner, ensuring the balance between supply and demand. The investment in coal mining should be concentrated, focusing in renovation of technology, enhancement of working safety and improvement of working conditions for the miners. The output of coal mining is expected to be about 15-16 million tons by 2005.

The process of current building the concretion factories should be accelerated in order to be put into operation in next 5 years. Total capacity by 2005 is expected to be over 24.5 million tons. One of the important targets is to develop the production of different construction materials such as proofing materials, bricks, tiles, granite stone and equipments of furniture to meet the demand of domestic consumption and exports.

Capacity of fertilizer production is needed to be enhanced by studying the conditions for early initiating of the DAP production factory with the capacity of 33 ten thousand diamond phosphates, increasing the capacity of apatit exploration to 76 ten thousand tons per year. The current phosphates production factories are improved and extended to reach the output of 2.2 million tons by 2005. Two Projects of nitrate production using gas (Phu My and Ca Mau in the Program of Gas-Electricity-Nitrate) are carried out with the capacity of 800,000 tons /years each. The production lines of the Bac Giang nitrate production factory should be improved by technical equipments to reach the capacity of 150,00 tons per year. New nitrate production factories using coal energy with capacity of 600,000 tons will be invested. The output of nitrates by 2008 is expected to be about 80-90 ten thousand tons.

The capacity of production of major chemicals such as soda and detergent, the rubber products should be enhanced, striving to reach the output of wheels using for cars and tractors at of 1.2 million set per year.

Capital expenditure should be enhanced for the current steel laminating and refining mills. Investment will be made to build from 1-2 new embryonic steel production mills, enhancing the capacity form 40 ten thousand tons in 2000 to 1-1.4 million tons by 2005. The mills for steel heating and non-heating laminating should be built to diversify the materials for production. The project of steel production using domestic materials is studied, setting up the feasible study for the project of large scale metallurgy union at Thach Khe, Ha Tinh). Total output of illuminated steel in all categories is about 2.7 million tons by 2005.

The industry of exploiting and processing mineral resources is developed, focusing in exploiting bauxite ores, refining alumni ores and processing aluminum by either of the projects as follows: Produce 300 thousand tons of alumni ores to have 75 thousand of aluminum by electrolysis to meet the domestic demand or produce 1 million tons of alumni for exports and then increase the capacity to 3 million tons. Investment will be made to exploiting copper ores, imenhit stone, precious metal, gold and rare soil. The project of copper ores exploiting and eluminating in Sing Quyen (Lao Cai) with the capacity of 10,000 tons opper /year and the Project of building the Thai Nguyen zinc electrolysis with the capacity of 10,000 tons/year will be initiated.

(3) Development of services

The services will be diversified, extending the market for services to meet the requirements of socio-economic development.

The commerce will be developed in term of both domestic and foreign trade, ensure the smooth circulation of commodities in the domestic and foreign market. Attention is paid to marketing and extending the market in the rural and mountainous areas, create the connections between the areas in the country. State run commerce should be enhanced with the State's role of regulation. Total value of commodities retailed expected to increase 12.8% per year.

Purchasing power of all class of people, especially the ones in the rural and mountainous areas should be accelerated by the measures of development of rural industry, enhancing the value of commodities and creating income. Different types of relevant retails such as sale on credit, installment, provision of goods and materials, and purchasing of agricultural products.

Attention should be paid to quality of goods in circulation, protection of false goods, smuggle, commercial fraud to maintain the confidence of customers at domestic goods. Favorable conditions should be created for all commercial sectors to do business in rural and remote areas by the policies encouraging them to buy and consumpt the agricultural products from the farmers.

In term of tourism, the quality, efficiency and scale of tourism activities will be enhanced. Focus is given to the domestic tourism, striving to receive 15-16 million turns of domestic tourists. International cooperation is needed to be enhanced in order to develop international tourism rapidly, connecting the market for tourism in Viet Nam with the ones in the region and over the world. One of the targets is to receive about 3-3.5 million turns of international tourists. The program of development of infrastructure for tourism will be carried out, firstly building 4 national comprehensive tourism areas related to the three leading economic areas and 16 special tourism areas. The improvement will be made in national and international as well as the local tourism lines and sites . The target is to increase the added value of tourism by 2005 to about 4.3 % GDP. Social tourism revenue is estimated to achieve the increase of 15.5% per year.

The service of passengers and goods transportation is developed towards enhancing the quality, increasing the quantity and safety in all kinds of transportation. The quantity of goods transported is expected to increase by 9-10%/year, the number is 5-6% for passenger transportation. As for maritime transportation, the quantity of goods transported through the ports is expected to increase by 21% compared to the level in 2000. The market share of aviation transportation will be increased to the rate of 40% and the number is 20% for maritime transportation. Transportation of the normal goods for remote and mountainous areas should be ensured effectively.

The service of post and communication should be enhanced in term of quality improvement and reduce of charges and fees. In the period of 2001-2005, 3 million new telephones will be developed, increasing the number of telephones in the network to 6.1-6.3 million and the density of 7-8 telephones/100 people by 2005. Generalization of telephone will be carried out through out 100% villages over the country. Internet service will be developed simultaneously with development and modernization of international

information network and diversified services. Total turnover of the industry is expected to increase by 12.5% per year.

The services such as banking and finance, auditing, legal consultancy, intellectual service, IT, technical service, health care, training and education, and sports should be developed rapidly to reach the growth of value of services of 7.5% per year.

(4) Development of exports and imports:

Total exports revenue expected to increase rapidly, while ensuring the imports of basic goods and materials actively affecting to business operation. The stable markets should be created for certain types of agricultural products and industrial products that have competitiveness. The market share in the traditional market should be strengthened in tandem with access and enter new market, especially the America and Australia.

Investment is made for enhancing the quality to increase the revenue of exporting the leading goods such as oil, rice, coffee, rubber, aquarium products, garments, leather and shoes, electronics and electronic components. At the same time, the relevant measures should be taken to accelerate exporting of new potential products such as machines, small mechanical equipment, agricultural products processors, software while exports of labor is also enhanced.

Total export turnover within 5 years will reach about USD 109-114 billion, increased by 14-16% per year. Heavy industry, minerals industry, and small-scale industry make up 70% of the total export turnover with the annual growth rate of nearly 16%, in which consumption industrial products and home craft products account for 43% of the total export turnover, increased by over 18% annually. Agricultural, forest and aquatic products make up 30% of the total export turnover with the annual increase of nearly 14%.

In addition, on-the-spot export, labor and intelligence exchange, and other services export have brought up a great potential to be exploited, contributing to the expansion of the export turnover.

The orientation to develop several major exports.

Aquatic products have a great market volume with rapid growth rate. It is needed to focus on specimen selecting, breeding and growing, exploiting, processing, and quality improving. Aquatic export turnover in 5 years is expected to be USD 11.8 billion with the growth rate of over 15% per year. The major markets for aquatic products are Japan, EU, the USA, China and South Korea.

The export turnover of *fruit and vegetable products*, both raw and processed, is anticipated to be upper USD 2.1 billion with the growth rate of 18.5% per year. The major markets for these products are Japan, Russia, China, and Europe.

The export volume of rice is steadily about 3.5 million tones. The exports of high quality rice and special precious rice are speeded up. The tasks should be done: Seeking for new markets, strengthening the market shares of the existing markets, emphasizing on Africa and Mid- Eastern markets, cooperating and co- processing, and competing with Thailand to gain a stable export market for rice.

About 3.9 million tones of coffee is expected to be exported in 5 years, 750, 000 of which to be exported in 2005. The export volume of coffee and tea should be increased, especially the density of coffee powder and instant coffee. In addition to strengthening the existing markets of coffee like Japan, EU, Asia, Mid-Eastern, we should speed up the export of coffee to the USA and Russia.

The export volume of dry latex rubber in 5 years is anticipated to be 1.7 million tones, of which 400,000 tones to be exported in 2005. The current market for rubber is China but it is not a stable market and mostly for crude rubber. We should extend the markets for rubber export to the countries in Europe, SNG, North America and Canada.

The estimated export turnover of peanuts is over USD 900 million in 5 years, in 2005 it is USD 220 million, aiming at the markets in China, North America, Europe and Australia.

The *textile and garment* export turnover in 5 years is expected to be over USD 15 billion with the annual growth rate of 16%, *foot- wear* products account for about USD 11.4 billion with USD 3.0 billion in 2005, annually increased by 15.4%. Besides EU and Japan that are the traditional markets for these products, it will be able to speed up export to the US market.

Handicraft wares is a potential industry with the great market volume in the world. The export turnover in 5 years is estimated to be USD 1.8 billion with USD 500 million in 2005, in which the handicraft ceramic and pottery products make up about 60%. The markets are EU, Japan, the USA, Mid- Eastern, Australia...

Electronics and electronic components turnover is expected to reach USD 5.5 billion with USD 1.5 billion in 2005.

Crude oil volume, after Dzung Quat Oil Refining Factory is put in to running, will be reduced. The exported crude oil volume will be down to 12 million tones in 2005. The reduction of crude oil will be accompanied by the restriction in importing gasoline and petrol. The average density of crude oil export in 5 years will make up 15% of the total export turnover of the whole country.

The export turnover of consumption chemical merchandise like washing powder, cleansing matter, cosmetics, etc., in 2005 is expected to be USD 200 million. The major markets for these products are China, Cambodia, ASEAN countries and some developing countries.

Although the turnover of labor export, on-the-spot goods and services export is not yet calculated, the foreign currencies obtained are very bulky. In the next 5 years the exports of these categories of goods and services should be improved.

The total import turnover in 5 years is about USD 114 billion, to be increased by 13.5% yearly, in which machinery, equipment and spare parts make up about 30% of the total import turnover with the annual growth rate of over 13%. Raw and working materials account for more than 65%, to be increased by 14% per year. Consumption goods account for 33.5% (equivalent to that of the last 5 years).

The import surplus of goods in 2005 is about USD 1,700 million, accounting for about 6% of the export turnover.

2. Improve the abilities to mobilize different resources, ensuring the stability of macroeconomic balances for further social-economic development:

(1) Efficiently exploit and utilize the different resources to make investment for social-economic development

- *Increase the ability of mobilizing domestic funds*, renovate the balance between accumulation and consumption following the direction of increasing internal accumulation inside the economy to mobilize further domestic capital resources for development investment.

According to preliminary calculation, the aggregate GDP produced in the next 5 years is about VND 2,770 billion (at the rate of exchange of the year 2000), equivalent to USD 191 billion. Total consumption fund is expected to be increased by 5.5% per year, the rate of domestic accumulation will be up to 28-30% of GDP, in which the accumulation from budget sector will be about 6% of GDP; 22-24% from the enterprise sector and residents. The ability to mobilize capital for investment is about 80% of the total domestic accumulation in the year that is not yet included with the capital resources accumulated in the past periods of time.

- *Strengthen the mobilization and effectively utilization of the external capital resources:*

It is expected in the next 5 years, the total registered capital of foreign direct investment (FDI) projects that are licensed, and that of capital increasing projects are calculated to be about over USD 15 billion. The registered capital of new licensed projects is USD 12 billion while that of capital increasing projects is USD 3.0 billion. The capital to be put into action is about USD 12 billion. The total funds by official development aids (ODA) to be put into action in the next 5 years is about USD 9 billion (borrowed capital is about USD 7.5 billion, non-reimbursement aids capital is about USD 1.5 billion). The ODA projects that will be continued account for USD 4.7 billion. The ODA projects to be initiated in the next 5 years with the capital release agreements signed in 2000 and 2001 account for USD 2.2 billion. The new capital release agreements, which are expected to be signed to put into working, will be USD 2.1 billion.

- Additionally, it is capable of mobilizing other foreign investment capital resources of about USD 1-2 billion through issuing stock and bonds to abroad, opening the securities market and seeking for other borrowed capital resources for long and mid term investment.

Thus, according to the preliminary calculation and anticipation, the capital resources that can be mobilized within the next 5 years is VND 840,000 billion (at the rate of exchange in 2000), equivalent to USD 60 billion, increased by 11-12% per year. In which the domestic capital accounts for about 2/3. The proportion of investment against GDP account for about 31-32% that can ensure that the economic growth rate is 7.7% per year and there will be further projects to be continued in the next 5 years.

Development investment from the State Budget in 5 years (2001-2005) is about more than 176,000 billion dong, accounting for 21%. The investment by State credit is about 134,000 billion dong, accounting for 16%. That of the State owned enterprise sector will be nearly VND 168,000 billion dong, making up over 20%. The direct investment by residents and private sector will be about 210,000 billion dong, equivalent to 25%. FDI will be 152,000 billion dong, accounting for about 18%.

The development investment program will be aimed at the following targets:

- First, make investment in changing economic structure of the industries, the economic sectors, preliminary that of agriculture and rural economy, manufacturing and services industry.
- Second, invest in developing the industries of manufacturing consumption goods and exports to meet the increasing requirements of foods, clothes, houses, traffic, education of the residents.
- Third, make selective investment in civil construction and prepare for building infrastructure of several industries that make working instruments and materials like manufacturing engineering, petroleum, metallurgy (steel, aluminum, aluminum foil, precious metals...), electronics, basic chemicals, etc.
- Fourth, make investment in the construction and accomplishment of infrastructure; create the ability to develop in the next phase.
- Fifth, make investment in developing human resources and social culture; make intensive investment in science and technology development, education and training; create and standardize jobs; develop public health care; invest in ecological environment protection; and keep a stable growth rate.
- Sixth, efficiently finance the program “hunger elimination, poverty reduction”; continue building infrastructure for poor villages and far-reached areas; provide supporting funds to mountainous communities and other poor areas.

It is essential to use a proper mechanism of stimulation policies to attract the capital resources invested into agriculture to be 13% of the total investment funds of the whole economy. It can help in changing rapidly the productive structure of agricultural and rural production. The investment funds for other industries account for about 44% in order to improve the working capacities and competitiveness of several commercial merchandises. The investment into transportation and post- telecommunication account for 15%. The development of science and technology, fundamental inspection, environment take the part of 0.6%; 3.7% for education and training. Another 3.7% is for public health care, social culture, communication, sports; about 14% for public services, houses, water supply; and the other industries make up about 6%.

The investment from the State Budget and credit that the Government can allocate directly and actively following the investment structure will annually be about 35-39% of the total capital resources (about more than 10% of GDP).

64% of the investment from the State Budget will be focused on the investment into several social economic fields of infrastructure. The investment into agriculture, forestry, fishery is 25% of the total funds from the Budget; 29.5% for transportation and postal services; 9.5% for the industry and civil construction; 2% for science and technology; 7.8% for education and training; about 10% for public health care, social culture, communication, sports...

The investment for improving the production capacity and competitiveness of the major products will be mobilized from borrowed capital resources in many forms and the self-obtained capital of the different economic sectors, both domestic and international. That requires to extremely reform the policies and regimes for mobilizing capital, facilitate high domestic accumulation for investment, and attract capital resources from the outside. Besides, several businesses, especially public enterprises, will be invested by the

State Budget capital, totally or partly, through compensation of the credit interest, tax preference for re- investment into the enterprises...

Regarding foreign direct investment (FDI), it is needed to attract the investment into industrial zones, export processing zones (EPZs), high- tech zones, and the other areas with many advantages that can be utilized for being the leverage regions. It should be encouraged to make investment in the following sectors: exports production, processing industry, industries that support the development of agriculture and rural economy, hi-tech projects, new materials creation, electronics, telecommunication, development of the social economic infrastructure, and the industries in which Vietnam has absolute and comparative advantages. These should be linked with developing modern technologies, creating new jobs, and giving top priority to making investment in poor and far- accessed regions.

The official development aids (ODA), on one hand, is necessary to be normalized by capital release agreements for the committed ODA projects. On the other hand, it is needed to attract more ODA capital to meet the capital demand for implementing the current schemes, and continue that of the coming years. In the direction for the next 5 years, about 15% of the ODA capital will be put into investment stimulation program for the fields of agriculture, rural production, hunger elimination and poverty reduction. About 25% will be for energy and manufacturing industries; about 25% for transportation and postal services; about 35% for the development of society, education and training, science and technology, environment protection, water supply, and urbanization.

(2) Further renovate and purify monetary, financial system; increase the financial potential and ability of the nation; develop the capital market to meet the requirements of social economic development.

In the State Budget balance, it is needed to follow several basic principles: the rate of contribution from GDP to the State Budget is 20-21% per year, in which tax and fees collection make up about 18-19% of GDP. Budget over expenditure and the inflation rate is controlled at a proper level.

On that basis, the estimated aggregate collection for the Budget in 5 years (at the price of 2000) will be about VND 534-577 thousand billion.

In the collection structure of the State Budget, about 25% will be from import, export tax, special consumption tax, and value added tax (VAT) on imported products. Another 25% is from exploiting and exporting crude oil, and the left 50% is from the other collection resources inside the country. It is estimated that until 2005 the domestic collection (including that of crude oil) will be increased to 85%, while the collection from import, export tax will be cut down from 25% to 15% (thanks to the tax reduction policy that Vietnam have committed in the integration program).

The total expenditure from the State Budget in 5 years (at the price of 2000) is expected to be VND 698-715,000 billion, in which the estimated investment for development is 30%, common expenditure is 53%, and foreign capital return is about 17% of the total budget expenditure. The over expenditure will be at 5% of GDP.

(5) Increase the ability to attract capital resources from the public; extend long and mid term capital; improve the basic indicators of monetary and balance of payment to meet the requirements of economic development.

The annual aggregate tools of payment will be 22%, and the proportion of that against GDP will be increased from 40% in the year 2000 to 50% in 2005. The average rate of capital mobilization is increased by 20-25% per year. The credit surplus of the whole economy is expected to increase about 22% yearly, and reach VND 450,000 billion in 2005.

The preliminary calculation on the capacities of import and export, foreign exchange services, FDI, ODA, and the estimation of loan reimbursement as scheduled show that the international balance of payment in the coming 5 years will be much improved compared with that of the past 5 years. The international balance of payment during 2001-2005 will keep surplus of about USD 2 billion per year.

3. Further develop infrastructure; create more advantages for social economic development.

The traffic lines from the North to the South (including the tunnel through Hai Van hill), from Hanoi, Hochiminh City to industrial zones, to important economic regions should be upgraded. The other tasks to be done: upgrade the national road 1A; build more parallel traffic lines to settle the traffic congestion; improve the traffic lines cross provinces in the Southern delta; upgrade the lines to the Western High Land and other mountainous areas. The first part of Hochiminh Road will be put into working. Huge bridges will be constructed: Thanhtri, Cantho, Binh, Baichay. The weak and narrow bridges in several national roads will be rebuilt.

Thongnhat, Hanoi- Laocai, Hanoi- Langson railway lines work safely. The sea ports Cailan, Haiphong, Nghison, Cualo, Tiensa, Dzungquat, Lienchieu, Chanmay, Quynhon, Nhatrang, Thivai, Cantho will be rebuilt, upgraded or newly constructed as being planned.

Build more runways for air taking off and landing, put in to working the station of Noibai airport, build International Station and extend Tansonnhat and Danang airports, upgrade the domestic airports.

Upgrade several river waterways and the system of main river ports. Complete the construction of Southern waterway. Develop the plan for construction of waterway from Hanoi to the northern mountainous areas.

Develop the infrastructure for modern communication with great capacity, high quality, which is consistent, steady and common. Improve the consistent legal environment, facilitating Vietnam post and telecommunication industry to grow and keep pace with the growth rate of other countries in the condition of international integration expansion.

Double the capabilities of water supplying for industry and urban areas. Aim at providing pure water to 80% of urban residents and 60% of rural residents. Clear out the situations of flood in rainy season and ensure water irrigation in cities. Increasingly dispose the solid and liquid waste in the cities, industrial centers, hospitals, etc.

Develop housing funds in different forms and resources, especially in large urban areas and centralized industrial zones, aiming at the target of 10 meters square per head. Clear out the situations of lacking houses for living. Improve the reconstruction and renewal of bad hovels. Satisfy the demand of charitable houses, re-settlement, partly satisfy the demand for houses of university students and people with low income.

4. Develop and improve the quality of human resource; meet the requirement of industrialization and modernization of the nation.

(1) Grasp thoroughly the standpoint that education is the primary national policy. Create basic and full changes in education and training development. Adjust the educational structure, especially the education levels, jobs and regional structure that should suit the demand for human developing for social economic growth. Improve the knowledge and qualification of teachers in both education and training; create the basic advance in educating and training talents in science, technology, and social, economic management for the countries.

Improve and save the fruits of compulsory primary education and anti-illiteracy campaign. Up to 2005, all villages can meet the standards of the compulsory primary education (currently 233 villages haven't got yet compulsory primary education program). Implement compulsory education to people with the consideration of right ages; increase the rate of children who can go to school on age to over 97%. Complete the changes of new text- books for primary schools. Organize 2 studying sessions per day and semi-boarding school for primary pupils in the areas that have enough conditions.

The compulsory elementary secondary education program will be undertaken, striving for 30 provinces in 2005 to be standardized in terms of the compulsory elementary secondary education. Increase the number of the on age elementary secondary students to 80%. Complete the changing in text- books of elementary secondary level. Implement educational subdivision, vocational guidance and students quantitative analysis. The development of the elementary secondary education is connected with the demand for human development.

Renovate the training program, content, pedagogic methodology and training procedure for high quality labor forces, especially in the industries of economics, key techniques and high technologies. Establishing industrial zones, high- tech zones is connected with the system of professional training schools. Speed up the development and allocation of the vocational training schools all over the country. Organize and extend the various, dynamic forms of training. The enrollment rate of vocational secondary students will be increased by 6-7% per year. Improve and develop the system of technician training schools, regular courses. The number of students enrolled to the regular courses of training schools increase by 7-8% yearly. Encourage and extend vocational training in various forms. Improve the quality of short time vocational training system.

The scale of university education is extended sensibly. The new university enrollment rate is increased by 5% per year, contributing to the increase of the number of university students among 10,000 residents from 118 students in 2000 to 140 students in 2005. The new post- graduate enrollment rate is increased by 5% per year.

Strive for 30% of the total labor force to be trained. Prepare conditions needed for making compulsory vocational training for working people.

(2) Create more advances in studying and researching; apply science, technology achievements into production and business operation; increase the density of science and technology in each industry, product, and economic sector and field.

In the field of social science and humanities, it is needed to focus on studying scientific methodology for planning and stipulating policies, directions, and guidelines of the Party and the Government. Develop strategies, plans and schemes for stable social economic

development following the directions of strengthening industrialization and modernization of the country. Continue studying and researching for further development of the scientific socialism; predict the international, regional and national developing tendency in order to develop and accomplish the socialistic theory and the way toward the socialism of Vietnam. Follow up changes in the structure of the society and social stratum; launch out the methodology and policies for social economic management; develop the organization and working procedure of the politic mechanism; build up the legislation- based State...

Natural sciences emphasize on studying the scientific basis for developing core technological sectors; exploiting natural resources; protecting environment; forecasting, preventing and softening the damages and harms of natural calamity...

Renewal in the fields of technology will aim at technologies exchanging; accepting and mastering new technologies; selecting the basic technologies with decisive roles in improving the technical qualification of many industries; creating leaps and bounds in quality and efficiency of the economic development.

Improve the technological qualification of the major production and service industries in order to increase the efficiency and competitiveness of the economy; apply and develop the high- tech industries, the achievements in informatic, biological, material, and the automatic technologies.

In agriculture, emphasize the applicable researches for sudden achievements in seeds and specimens with high productivity and much profitable; research and apply bio-technology, post- harvest- preservation technology, farm- products processing technology.

In industry and construction, focus on quick researches and applications of modern technologies with high brain content for strengthening the competitiveness of the merchandises. Build up and develop the infrastructure for informatic technology, establish the informatic technology industry and software industry.

Emphasize basic research and inspection of natural resources, conditions and rules, etc. to satisfy the demands of reasonable exploitation and utilization of the natural resources. Improve the quality of hydrometeorology and calamity forecasting system; build up plans for preventing and surmounting the harms and damages of natural calamity; protect ecology and environment, improve living- standard of the residents.

Emphasize the construction and development of the science and technology potential of the nation; promote the abilities in accepting, mastering, adopting and improving modern technologies imported from oversea in production, services, infrastructure sectors; shorten the time of technology exchanging in order to apply these technologies into production soon.

Establish high- tech zones in Hoalac and Hochiminh City; develop Internet ports in several large cities; build up and put into operation 16 important national laboratories. Extend science researches, and training high- qualified research workers in cooperation with developed countries.

5. Develop social culture; find out active solutions for urgent social matters; improve living- standards of the citizens both physical and mental.

(1) Develop culture, communication; build up an advanced rich national characterized culture; preserve and embellish the national cultural heritages both object and on- object

to be the foundation for the cultural exchange among different communities, areas in the country, and cultural exchange with the outside.

Improve the movements “The whole people combine to develop the social cultural life”; “Establishing new way of life and cultural families”; “Good people, good actions”. Well implement the patriotic emulative movement to encourage the whole people to participate in the social economic development, fostering talents and creative ability in working for a new wealthy happy life, escaping from the poverty and backward. Multiply the good mirrors in the fields of production, business and social activities. Resolutely fight with and eliminate the negative phenomena and social evils.

Continue passing the cultural, communicational activities to different localities, remote and far- reached regions, ethnic minority areas, creating cultural families, mountainous communities and villages. Aiming at fully building up a system of cultural institutions with the State resources; extend socialization, let the culture be absorbed by each residential community, any family and every person.

Strive for 80% of the families to meet the requirements of cultural families; 50% of the villages, quarters can meet the national cultural standards; 78% of communes and precincts have cultural palaces; 4 books published for every head per year.

Make due investment in training talents, artists; have policies encouraging creative ability of the authors in literature and arts; support great valuable works and projects in art and culture.

Continue the accomplishment of radio, television waves scattering all over the country; strive for over 90% families can watch Vietnam Television and 95% can pick up the Voice of Vietnam waves in 2005. Develop and modernize public communication network.

Exploit and preserve traditional sports. Promote cultural sports activities for all. Promote training for young gifted sportsmen; well prepare for hosting and joining SEAGAMES 2003 in Vietnam; socialize the professional sports activities.

(2) Focus on finding solutions for labor and jobs matters.

The tasks of creating jobs, stabilizing occupation, reducing the rate of unemployment and limiting the lack of works should be connected with changing in labor structure, and suitable with the development and movement of the economic structure, creating opportunities in reallocating labor force and residents in each region, industry and field.

During 2001-2005, the number of people who need jobs is about 15.5 million people, including new added workers of about 1.12 million per year, and the remaining unemployed workers in the past 5 years of 12 million people. Among that, 9.5 million people are in the rural areas (according to converted working days) and 2.5 million people in the urban areas.

With the implementation of social economic development programs in the coming 5 years, many jobs will be created and over 7.5 million workers can be employed.

In rural areas, together with changing movement of production, harvests, crop plants and breeding animals, the development of jobs in the industries of manufacture, handicraft artistic wares, services and labor export, etc., expect to create more jobs for about 4.5-4.8 million workers (calculated by converted working days), raising the number of rural employment to 30 million in 2005.

In the urban areas, it is expected in the next 5 years to create more works for about 2.5-2.7 million workers in the industries of production, construction, services and labor export, raising the urban employment to 13 million.

Create an active changing movement in labor structure, aiming at increasing labor for manufacturing industry and construction from 16% in 2000 to 20-21% in 2005, the labor in service industries from 21% in 2000 to 22-23% in 2005. Reduce the labor in agriculture, forestry and fishery both in number and rate from 63% in 2000 down to 56-57% in 2005. Accelerate technical employment from 20% in 2000 to 30% in 2005.

Until 2005, the rate of labor using time in rural areas is about 80%. The urban unemployment rate accounts for about 5.4% of the people in the working age.

(3) Continue active implementation of the program "hunger elimination, poverty reduction; construct infrastructure for poor villages and areas; upgrade and rebuild the transportation lines connecting poor areas to centers of the other regions for facilitating the development of the poor areas. In parallel with the construction of infrastructure, it is essential to give much importance to creating the necessary leverages like to improve the poor people's ability to access credit funds, to provide loans to households for further production, to develop new jobs and works, to increase income.

Strive to clear out hungry households in 2005, also there will be only 10% poor households (according to the new standards). Basically, there will be not any poor households in the Northern Delta provinces, the Mid Delta districts and the Southern Delta provinces. Improve the living- standards of the households who have escaped from the poverty. Avoid the situation of again falling into hungry and poverty.

(4) Implement actively the population and family- planning program, especially in the localities with high population growth rate. Create methods for obstetric health protecting and family planning for some specific objects and areas (the by sea areas, the emigration communities, the under age groups, etc.)

Reduce the annual birth rate by 0.5‰; the population growth rate in 2005 is about 1.16‰; the population scale until 2005 is about 82.5 million people, in which rural population accounts for over 61 million, urban population makes up 21.5 million. Keep rational allocation of population among areas. Step by step improve quality of the population and living- standards of the residential stratum in order to limit the expansion of the disparity in living- standards among different residential and social stratum. Add the positive aspects of the population to the development schemes.

Connect population to the development of sound and solid families; build "the families of few children, good health, much wealth, enough equality, fast progress and great happiness", contributing to improve the life quality of Vietnamese people.

(5) Develop preventive public health care services; improve the health indicators for people; enhance the habitues and stature of Vietnamese people; lengthen the average longevity to 70 years in 2005.

Emphasize the programs of obstetric health care, children's health care; prevent and limit non- infectious disease like heart disease, cancer, injury, diabetes, occupational disease, schizophrenia, poison, the diseases by bohemian lifestyle like opium addiction, HIV, etc. Improve the equality in accessing and using health care services, especially diagnosing and healing sickness.

Develop pharmaceutical industry; improve the quality of medicine production; meet 40% of the demands for medicine with in the country produced products with high quality.

6. Development of the territory on the basis of making use of advantage in each territory and fast economic transition.

(1) Midland and Northern mountainous area

Activating the strong points on land and forest, transition of the plant structure, increasing land for industrial trees, fruit trees, animal growing along with processing industry; developing the farming economy. For the area where the food plants can be grown, small hydraulic should be invested in, new plants should be introduced to grow the on-site food production, trying to reach the target of 300 kg food/person by the year 2005.

Re-growing forest along with developing industrial material forest for woods. Growing trees to cover the bare hills and mountains, especially the upstream of the Da river. Developing the industrial plants, producing big volume of products such as tea, fruits, etc.

Effectively implementing life and agriculture settlement for 1.4 million people in 1000 villages under the agriculture settlement and 1.2 million people in 822 villages that have not settled life and agriculture; coordinating with the assistant program for difficult villages and the national poverty and hunger elimination program in the region to settle the life for minorities. Stopping the forestry cutting for farm and cultivation.

Developing the forestry processing industry; construction material industry; mineral resources exploitation and processing; building large hydroelectricity station for electronic provision nationwide and small hydroelectricity station for remote areas, etc. developing the consumption production and small business in cities and countryside.

Besides, some projects investing in mineral resources exploitation and metallurgy, construction material production and hydroelectricity station building, milk production, etc. are carried out in the region; especially, the building of SonLa hydroelectricity station, Na Hang hydroelectricity station will create some infrastructures, industrial units, etc., promoting the social-economic development in the whole area. Along with improving and expanding the current centralized industry area, there will be an industrial corridor along the Road No18 linking with the economic important area in the North.

Focusing on investment to upgrade the major national road and unchoke the belt-road N1; continuing improving 2 others: N2, N3. Repairing and improving the railways; improving waterway; improving water-ports such as Van Yen, Ta Hoc, Son La.

Developing the border corridor on the basis of building up cities and towns linked with border-gate economy, rearranging population, step by step strengthening the border area, ensuring the national protection and security.

Developing kinds of services, first priority is given to trades, then developing post-telecommunication network, electric and water provision, focusing on industrial zone-linked cities and towns, promoting tourism; improving the historical and cultural sites in the area.

(2) Red river delta and major economic areas in the North

Making use of the strong points of human resources, relatively unified infrastructure, convenient domestic and international exchange for strong transition of economic and labor structure with effective labor forces.

Developing industry with the high-tech skills, giving priority to export-oriented production such as electronic, software industries; high quality consuming products; agriculture, fishery and forestry processing, etc. Attracting domestic and foreign enterprises to invest in to 9 licensed industrial zones: HoaLac High-tech zone, small size industrial zones in Hung Yen, Hanam, Ninh Binh, Nam Dinh, Thai Binh, Bac Ninh, Hai Duong; step by step forming new industrial zones along the No.5 Road, 18 Road, 10 Road, and other provinces near the north and northwest of Hanoi. Investing in the development of handicraft villages, small business for exporting and creating more jobs.

Developing agriculture infrastructure, improving internal blood ways of the area and open links to others. Improving and expanding the seaports in Haiphong, QuangNinh; building bridges such as Thanh Tri, Binh, BaiChay bridges; improving Noibai international airport, CatBi airport. Improving transportation system in Hanoi, HaiPhong, etc.

Modernizing the post-telecommunication system; improving the water sewage in Hanoi, Haiphong, Halong, etc. Building up the waste treatment stations in cities and towns. Dredging up mud from river gates in the north of Red river delta.

Bringing into play the central role of the nation in terms of health care, education and training, science and technology, information, sport and other social activities. Focusing on the development of services; building up complex resort in Halong, Haiphong, etc. Developing banking, commercial and post-telecommunication services, etc.

(3) North and Central Costal area, including the Central economic key area

Building up the oil refinery and forming the Dung Quat - Chu Lai economic zone; attracting domestic and foreign enterprises of production and business invest into licensed industrial zones. Developing construction material production, etc. Forming the costal industrial zones.

Grow price trees in the costal land. Developing raising farms, concentrating on specialties of the region such as goats, etc. Developing seafood farming along with seafood processing for export.

Re-growing forest along with rowing industrial trees to cover the bare hills and mountains. Growing industrial trees such as peanuts, sugar canes, coffee, rubber, etc. Growing costal trees to prevent wind and sand, forming the green belt around cities and towns.

Building up infrastructure to implement the program of east-west corridor in the Mekong sub-region; improving seaports and airports; exploiting the advantage of the Ho Chi Minh highway to develop the west land of the area. Building the hydraulics stations and some constructions to prevent flooding and reducing the damage that may be caused by the natural disaster.

Developing training and education; building strong and durable schools in the flooding regions; rearranging the system of schools, universities and vocational schools. Preparing for the establishment of the hi-tech healthcare center in the central of Vietnam; improving the provincial hospitals and clinics.

Exploiting the strong points of tourism; developing the attractive resorts in the region. Bringing into play the role of a economic and cultural center of DaNang-Hue cities.

(4) Central Highland

Making use the strategic location and land, natural resources to make central highland wealthy in economic, strong in security.

Focusing on developing the export industrial trees and other high demand industrial trees such as cotton tree, etc. Expanding the land for maize cultivation; developing the short term industrial trees, minimizing activities of cutting trees for cultivation.

Along with growing new trees, forest and environment need to be preserved and maintained; Protecting 3 million hectares forest; growing new trees in 50,000 hectares, etc.

Concentrating on processing industry, selecting and installing some modern processing lines for high quality products from industrial trees, forestry, etc. besides, there are also some big projects on developing hydroelectricity stations, NPK production, etc. in the way of researching and preparing for investment. Step by step forming some centralized industrial zones.

Developing the internal roads of the region, transportation road to Laos and Cambodia. Improving major national roads and provincial roads to 12 other villages.

Effectively exploiting the hydraulic stations to meet the demand of production and living. Completing the water provision system in the town. Expanding safely the post-telecommunication system in the region.

Expanding the commercial systems in remote areas; building up trade center in cities and towns, creating product exchange with other regions. Promoting the trade and services

through border-gate with Laos and Cambodia. Setting up inter- regional tour. Building up new border-gates.

Building schools, improving the Dalat and TayNguyen Universities; building the TayNguyen Culture University, high schools and vocational schools. Consolidating basic clinics to meet the common demand of people. Upgrading the district hospitals to the general hospital in the region. Maintaining the moving medical groups along with coordination with army medical corps and other medical units of industries to improve the quality of healthcare for people in the region.

Building cultural bases in tribe villages; developing the voice and television networks, increasing the broadcasting time by the languages of minorities, setting up the broadcasting network for villages and group of villages.

(5) Southern east region, including the southern economic key area

Bring into play the role as the motivation region of the country, focusing on the main and strong industries, producing high-tech products; speeding up oil and gas exploitation, energy industry, fertilizer, oil-derived chemicals; developing steel production, electronic-informatics, textiles and garment, paper, plastic, ceramic and glass, food processing; completing and making use of the efficiency of 35 industrial and export processing zones; building up high-tech zone in HoChiMinh city; investing in infrastructure outside the industrial parks to better the operations of these parks.

Developing infrastructure in the region, focusing on the construction of major transportation system, water provision and sewage system, urban planning. Speeding up the construction of new towns around industrial parks near Ho Chi Minh city.

Developing forestry covering bare hills and mountains (mainly located in Baria-Vungtau-Dongnai); growing and stabilizing the coastal protection forest, especially maintaining the salty forest of Baria-Vungtau, focusing on paper material forest, national forest and Tri An upstream forest.

Taking the advantage of strong points in land to develop industrial trees (coffee, sugar canes, etc.), fruit trees, paper material trees; exploiting, growing and processing seafood; promoting the processing of sea products; upgrading and modernizing the seafood processing for export in HoChiMinh city, Baria- Vung tau, DongNai.

Setting up trade center system, having the same standards as other systems in the Asian region. Beside the big tourism and service center in HochiMinh city, there should be a focus on developing tourism and sea services in Vung Tau, Con Dao, Mui Ne.

Developing social-cultural activities, creating more jobs for 1.5 million workers in 5 years, reducing the unemployment rate to only 3.5% by the year 2005, reaching the target of trained workers from 35% to 50% by the year 2005; rearranging training center,

especially university education and vocational training; Consolidating hospital network in the whole region.

Bringing into play the roles of industrial, science, cultural, service centers (trade, export, telecommunication, finance, banking) of Ho Chi Minh city and neighboring areas, towards the level of Southeast Asia.

(6) Cuu Long river delta

Taking the region's advantage of food, fruit processing, fishery products in the country; changing the crop structures, large size and high quality production; striving for the goal of 15 million tones of food by the year 2005, transferring un-stable rice growing land to growing fishery. Completing the plantation of coastal protection forest. Building and consolidating East and West coastal dykes, salty prevention construction for fishery cultivation.

Strengthening transportation infrastructure; improving national highway No1A and building the Can Tho Bridge, opening more highways, N2 & N1, to relieve the problems of traffic-jams and to protect the borders. Building and improving some river ports; improving airports in the region.

Improving national and provincial roads, opening more roads along the North-West borders; building transportation roads in the countryside; setting up measures to prevent the damage caused by flooding every year, protecting natural and living environment, speeding up the construction of houses for people living in flooding areas.

Improving the old and building new water provision and sewage systems for cities, towns and industrial parks; Carrying out fresh water program and settling environment pollution in concentrated population area.

Developing food processing industry; textiles and garment, shoe production, chemicals, etc. Setting up 6 concentrated industrial parks, and step by step setting up small and medium size industrial parks in Can Tho, Bac Lieu, An Giang and Ben Tree.

Bringing into play the economic strong points of Phu Quoc and Tho Chu islands; investing transportation roads, bridges and ports to ensure the security protection and social- economic development. Bringing into play the role as a economic-cultural center of Can Tho city.

6. Development of the territory on the basis of making use of advantage in each territory and fast economic transition.

(1) Midland and Northern mountainous area

Activating the strong points on land and forest, transition of the plant structure, increasing land for industrial trees, fruit trees, animal growing along with processing industry; developing the farming economy. For the area where the food plants can be grown, small hydraulic should be invested in, new plants should be introduced to grow the on-site food production, trying to reach the target of 300 kg food/person by the year 2005.

Re-growing forest along with developing industrial material forest for woods. Growing trees to cover the bare hills and mountains, especially the upstream of the Da river. Developing the industrial plants, producing big volume of products such as tea, fruits, etc.

Effectively implementing life and agriculture settlement for 1.4 million people in 1000 villages under the agriculture settlement and 1.2 million people in 822 villages that have not settled life and agriculture; coordinating with the assistant program for difficult villages and the national poverty and hunger elimination program in the region to settle the life for minorities. Stopping the forestry cutting for farm and cultivation.

Developing the forestry processing industry; construction material industry; mineral resources exploitation and processing; building large hydroelectricity station for electronic provision nationwide and small hydroelectricity station for remote areas, etc. developing the consumption production and small business in cities and countryside.

Besides, some projects investing in mineral resources exploitation and metallurgy, construction material production and hydroelectricity station building, milk production, etc. are carried out in the region; especially, the building of SonLa hydroelectricity station, Na Hang hydroelectricity station will create some infrastructures, industrial units, etc., promoting the social-economic development in the whole area. Along with improving and expanding the current centralized industry area, there will be an industrial corridor along the Road No18 linking with the economic important area in the North.

Focusing on investment to upgrade the major national road and unchoke the belt-road N1; continuing improving 2 others: N2, N3. Repairing and improving the railways; improving waterway; improving water-ports such as Van Yen, Ta Hoc, Son La.

Developing the border corridor on the basis of building up cities and towns linked with border-gate economy, rearranging population, step by step strengthening the border area, ensuring the national protection and security.

Developing kinds of services, first priority is given to trades, then developing post-telecommunication network, electric and water provision, focusing on industrial zone-linked cities and towns, promoting tourism; improving the historical and cultural sites in the area.

(2) Red river delta and major economic areas in the North

Making use of the strong points of human resources, relatively unified infrastructure, convenient domestic and international exchange for strong transition of economic and labor structure with effective labor forces.

Developing industry with the high-tech skills, giving priority to export-oriented production such as electronic, software industries; high quality consuming products; agriculture, fishery and forestry processing, etc. Attracting domestic and foreign enterprises to invest in to 9 licensed industrial zones: HoaLac High-tech zone, small size industrial zones in Hung Yen, Hanam, Ninh Binh, Nam Dinh, Thai Binh, Bac Ninh, Hai Duong; step by step forming new industrial zones along the No.5 Road, 18 Road, 10 Road, and other provinces near the north and northwest of Hanoi. Investing in the development of handicraft villages, small business for exporting and creating more jobs.

Developing agriculture infrastructure, improving internal road ways of the area and open links to others. Improving and expanding the seaports in Haiphong, QuangNinh; building bridges such as Thanh Tri, Binh, BaiChay bridges; improving Noibai international airport, CatBi airport. Improving transportation system in Hanoi, HaiPhong, etc.

Modernizing the post-telecommunication system; improving the water sewage in Hanoi, Haiphong, Halong, etc. Building up the waste treatment stations in cities and towns. Dredging up mud from river gates in the north of Red river delta.

Bringing into play the central role of the nation in terms of health care, education and training, science and technology, information, sport and other social activities. Focusing on the development of services; building up complex resort in Halong, Haiphong, etc. Developing banking, commercial and post-telecommunication services, etc.

(3) North and Central Coastal area, including the Central economic key area

Building up the oil refinery and forming the Dung Quat - Chu Lai economic zone; attracting domestic and foreign enterprises of production and business invest into licensed industrial zones. Developing construction material production, etc. Forming the coastal industrial zones.

Grow price trees in the coastal land. Developing raising farms, concentrating on specialties of the region such as goats, etc. Developing seafood farming along with seafood processing for export.

Re-growing forest along with rowing industrial trees to cover the bare hills and mountains. Growing industrial trees such as peanuts, sugar canes, coffee, rubber, etc. Growing coastal trees to prevent wind and sand, forming the green belt around cities and towns.

Building up infrastructure to implement the program of east-west corridor in the Mekong sub-region; improving seaports and airports; exploiting the advantage of the Ho Chi Minh

highway to develop the west land of the area. Building the hydraulics stations and some constructions to prevent flooding and reducing the damage that may be caused by the natural disaster.

Developing training and education; building strong and durable schools in the flooding regions; rearranging the system of schools, universities and vocational schools. Preparing for the establishment of the hi-tech healthcare center in the central of Vietnam; improving the provincial hospitals and clinics.

Exploiting the strong points of tourism; developing the attractive resorts in the region. Bringing into play the role of a economic and cultural center of DaNang-Hue cities.

(4) Central Highland

Making use the strategic location and land, natural resources to make central highland wealthy in economic, strong in security.

Focusing on developing the export industrial trees and other high demand industrial trees such as cotton tree, etc. Expanding the land for maize cultivation; developing the short term industrial trees, minimizing activities of cutting trees for cultivation.

Along with growing new trees, forest and environment need to be preserved and maintained; Protecting 3 million hectares forest; growing new trees in 50,000 hectares, etc.

Concentrating on processing industry, selecting and installing some modern processing lines for high quality products from industrial trees, forestry, etc. besides, there are also some big projects on developing hydroelectricity stations, NPK production, etc. in the way of researching and preparing for investment. Step by step forming some centralized industrial zones.

Developing the internal roads of the region, transportation road to Laos and Cambodia. Improving major national roads and provincial roads to 12 other villages.

Effectively exploiting the hydraulic stations to meet the demand of production and living. Completing the water provision system in the town. Expanding safely the post-telecommunication system in the region.

Expanding the commercial systems in remote areas; building up trade center in cities and towns, creating product exchange with other regions. Promoting the trade and services through border-gate with Laos and Cambodia. Setting up inter- regional tour. Building up new border-gates.

Building schools, improving the Dalat and TayNguyen Universities; building the TayNguyen Culture University, high schools and vocational schools. Consolidating basic clinics to meet the common demand of people. Upgrading the district hospitals to the general hospital in the region. Maintaining the moving medical groups along with

coordination with army medical corps and other medical units of industries to improve the quality of healthcare for people in the region.

Building cultural bases in tribe villages; developing the voice and television networks, increasing the broadcasting time by the languages of minorities, setting up the broadcasting network for villages and group of villages.

(5) Southern east region, including the southern economic key area

Bring into play the role as the motivation region of the country, focusing on the main and strong industries, producing high-tech products; speeding up oil and gas exploitation, energy industry, fertilizer, oil-derived chemicals; developing steel production, electronic-informatics, textiles and garment, paper, plastic, ceramic and glass, food processing; completing and making use of the efficiency of 35 industrial and export processing zones; building up high-tech zone in HoChiMinh city; investing in infrastructure outside the industrial parks to better the operations of these parks.

Developing infrastructure in the region, focusing on the construction of major transportation system, water provision and sewage system, urban planning. Speeding up the construction of new towns around industrial parks near Ho Chi Minh city.

Developing forestry covering bare hills and mountains (mainly located in Baria-Vungtau-Dongnai); growing and stabilizing the coastal protection forest, especially maintaining the salty forest of Baria-Vungtau, focusing on paper material forest, national forest and Tri An upstream forest.

Taking the advantage of strong points in land to develop industrial trees (coffee, sugar canes, etc.), fruit trees, paper material trees; exploiting, growing and processing seafood; promoting the processing of sea products; upgrading and modernizing the seafood processing for export in HoChiMinh city, Baria- Vung tau, DongNai.

Setting up trade center system, having the same standards as other systems in the Asian region. Beside the big tourism and service center in HochiMinh city, there should be a focus on developing tourism and sea services in Vung Tau, Con Dao, Mui Ne.

Developing social-cultural activities, creating more jobs for 1.5 million workers in 5 years, reducing the unemployment rate to only 3.5% by the year 2005, reaching the target of trained workers from 35% to 50% by the year 2005; rearranging training center, especially university education and vocational training; Consolidating hospital network in the whole region.

Bringing into play the roles of industrial, science, cultural, service centers (trade, export, telecommunication, finance, banking) of Ho Chi Minh city and neighboring areas, towards the level of Southeast Asia.

(6) Cuu Long river delta

Taking the region's advantage of food, fruit processing, fishery products in the country; changing the crop structures, large size and high quality production; striving for the goal of 15 million tones of food by the year 2005, transferring un-stable rice growing land to growing fishery. Completing the plantation of coastal protection forest. Building and consolidating East and West coastal dykes, salty prevention construction for fishery cultivation.

Strengthening transportation infrastructure; improving national highway No1A and building the Can Tho Bridge, opening more highways, N2 & N1, to relieve the problems of traffic-jams and to protect the borders. Building and improving some river ports; improving airports in the region.

Improving national and provincial roads, opening more roads along the North-West borders; building transportation roads in the countryside; setting up measures to prevent the damage caused by flooding every year, protecting natural and living environment, speeding up the construction of houses for people living in flooding areas.

Improving the old and building new water provision and sewage systems for cities, towns and industrial parks; Carrying out fresh water program and settling environment pollution in concentrated population area.

Developing food processing industry; textiles and garment, shoe production, chemicals, etc. Setting up 6 concentrated industrial parks, and step by step setting up small and medium size industrial parks in Can Tho, Bac Lieu, An Giang and Ben Tree.

Bringing into play the economic strong points of Phu Quos and Tho Chu islands; investing transportation roads, bridges and ports to ensure the security protection and social- economic development. Bringing into play the role as a economic-cultural center of Can Tho city.

(6)Activating the movement on children care and education by society.

Maintaining all the achievements made in children care, protection and education, keeping on concentrating on good implementation of the targets which are aiming at nutrition and reducing the death-rate of the mothers. Settling the social problems such as wondering children, abused children, drug- edicted children, HIV/AIDS- suffered children, etc. Implementing the aims for children, reducing the death-rate of children who are under 1 year to 3%, that of children under 5 years to 35%, expanding the vaccination of 8- 10 kinds of vaccines for children, reducing the death-rate of malnutrition children under 5 years to 22-25%; reaching the target of no children at the age 15 who have no education by the year 2005; 70% of children will be educated at the level of secondary school; 50% units having playing and entertainment fields and places for children; 80% of children who are in difficult conditions will be protected and taken care, recovering ability for about 590 thousands disable children.

(7) Better care for policy families and people who made good contribution to the success of our revolution; ensuring that all policy families enjoy the equal of better life than the average living standards of other local people on the basis of the combination of 3 resources: State, community and individuals who are the policy people. Finding good solutions for the remaining matters of tombs, heroes cemetery; creating mechanism and policy on visiting, worship and moving these remains to their mother villages at the request of their family; pronouncing the list and tombs of war martyr for the acknowledgement of their relatives, creating stability among people for this issue.

Increasing social subsidies and number of people who fall into the case of enjoying social subsidies by concentrated care. Speeding up the research on building up strategy of protection against natural disaster, organizing the natural disaster protection day every year. Taking care, helping the elderly people who have no supporting, who are disable and war invalid.

Carrying out the basic reform on salary and wage mechanism on the basis of ensuring that it is enough for employee's life in line with working capacity and development level of the economy.

(8) Harmonizing the relations between the social-economic development and environment protection and improvement at the direction of stable development; ensuring that all people can enjoy good environment in terms of air, soil, water, landscape and other environment factors meeting the minimum standards set out by the State. In the near future, concentrating on the solution for the environment recession in the industrial areas, high-density population areas in big cities and several localities. Monitoring the pollution and settling the environment problems caused by natural disaster and flooding; having plans to improve and settle the environment pollution in rivers, ponds and pools, etc. Implementing the projects on improving and protecting the environment; developing the national forest, prohibited forest, planting green trees, maintaining the biology diversification, building up the construction to clean the environment.

Ensuring the reasonable use of natural resources, making good contribution to the process of modernization and industrialization; saving the un-recyclable natural resources. Strengthening the monitoring and supervision of the environment in each project, development plan of industries and localities. Applying technology to production procedures that make less waste and pollution for environment.

Promoting state regulation system of environment protection from central to local level. Strengthening the international cooperation in the field of environment protection, especially cooperation with neighboring countries and other countries in the region to prevent environment pollution, transferring the pollution treated technology and building up the waste treatment model, etc.

7. Combine socio-economic development with national defense and security.

The combination of socio-economic development with national defense and security has been undertaken regularly in the process of defining plans and schemes for socio-economic development of the nation. In the direction of 5-year-plan implementation, many advantages and stable conditions have been given to the socio-economic development. The ability to actively deal with all problems to protect national sovereignty, entire territory and national security has been strengthened.

The construction in different industrial areas and zones, especially in core areas, coastal areas and territorial waters, frontier areas and other special economic zones should be suitable for the plans in economic development in every industry and zone and for the nation protection when necessary.

Researching on building up essential army protection industry; rearranging army enterprises to assist the social-economic development; Improving the living and standards and spirit of army and police soldiers

V. Policy mechanism and major solutions for implementation of the 5-year plan 2001-2005

1. Continuing the consistent implementation of multi-sector economic policy at the orientation of socialism, creating favorable conditions for enterprises and citizens to invest in business and production development.

For the state enterprise sector:

Fast implementing the third central party resolution, IX session on continuing the arrangement, renovation, development and improvement of the state enterprise efficiency, focusing on the following goals:

Basically completing the re-arrangement and adjustment of existing SOEs structure, equitizing enterprises that the State no longer needs to hold 100% of capital; merging, dissolving, liquidating loss making enterprises; selling, signing business contracts to, leasing small enterprises that could not be equitized and the State no longer needs to hold ownership.

Transferring to the Ltd.Companies status mechanism for 100% state owned enterprises. Building up the unified legal framework to ensure the self-determination and responsibility of SOEs in their business and production.

Renewing and cleaning up the enterprise finance, basically solving the bad debt, redundant workers and finding solutions for preventing these matters from re-occurring.

Renewing and improving the operational efficiency of State general corporations organized in the form of mother-subsidary companies to create several strong economic groups.

Renewing and modernizing technology and management of SOEs; Development investment and new establishment of SOEs should meet full and complete conditions of each industry, key sector, and important area.

Some *key solutions* for rearrangement, renovation, development and improvement of the efficiency of SOEs:

The State should hold 100% shares of enterprises that are operating in state monopoly areas, including: explosives, poisonous chemicals, radioactive materials, national electronic transmission, national and international information network, and cigarette production. The State should hold controlling shares or 100% shares in SOEs that are operating in key industries, areas and sectors of the economy and hold special shares in case of needs. On the basis of general orientation, the Government will guide, review and categorize the existing SOEs for concrete implementation. For the public benefit enterprises, in each period, the State will guide and categorize, adjust the SOEs in which the State shall hold 100% shares or controlling shares in line with the social-economic development demand.

Issuing Competition Law to encourage enterprises' business and equal competition within the general legal framework. For SOEs operating in the monopoly areas, the State will have rules on price control and profit regulation; avoiding moving from state monopoly to enterprise's monopoly.

For public interest enterprises, changing from capital provision and duty assignment to offering bid for products, public interest services. Carrying out the mechanism controlling workers, salary and income on the basis of volume, quality of products and services assigned or ordered by the State. The State provides public interest SOEs with enough chartered capital. These SOEs shall have to make their business accounting.

Completing the re-arrangement of existing general corporations; improving the organization, promoting operational efficiency of these corporations, changing the relations between general corporations and member enterprises into the relations between mother companies and their subsidiaries, moving from capital provision to capital investment. In each stage, upon the development demand of the economy, there will be suitable modification.

Forming some strong economic groups on the basis of general corporations participated by multi-industry business and economic sectors, including the major and highly professionalized businesses that play a controlling role in the national economy. In the near future, making pilot establishment of economic groups in some areas that have good conditions, strong points, being potential to grow for effective competition and international economic integration such as oil and gas, telecommunication, construction, etc.

Renew, particularize the relations between the State and enterprises at the direction of expanding rights for enterprises; promoting rights and assigning more responsibilities for

SOEs in making investment decision on the basis of approved strategy and development plan; strengthening, promoting the effectiveness of monitoring and supervising of the State as the owner of the SOE.

Setting up State Financial Investment Company to implement the owner's rights in the SOEs. Reforming the accounting and auditing, financial statement mechanism, making the business and enterprise finance clear and transparent. Applying the compulsory auditing mechanism to SOEs in accordance with the accounting standards applied to all enterprises in all economic sectors.

Basically completing the equitization process of existing SOEs that the State no longer needs to hold 100% ownership under the forms: maintaining the enterprise value, issuing shares to mobilize more capital; selling out part of the existing value of the enterprise to its shareholders; equitizing its subsidiaries; transferring the enterprise into joint-stock company. Determination of the enterprise value shall be carried out with the link to market price, step by step including the value of rights to use land into the enterprise value.

The State shall have policy to reduce the imbalance of preferred shares for employees among equitized enterprises. Making amendment and supplement to the incentive mechanism for selling shares to internal employees; keeping suitable proportion of shares for selling to the public; Carrying out research on using part of enterprise's paid-up capital to form the equity for employees. The people can enjoy the interest but not withdraw their shares out of the enterprise. Expanding the sale of shares of industrial enterprise operating in the field of agriculture, forestry and fishery production to the producers and material suppliers. Issuing policy to encourage equitized enterprises to use more labor forces and allow transfer the debt to equity.

Speeding up assigning, signing contracts, selling and leasing the small SOEs, including part of SOEs that have particular production line, part of their independent member companies of general corporations.

Renewing and promoting the efficiency of State management and the owners of these enterprises; Clarifying and separating the state ownership and economic, administrative management right from the state control of enterprise's business and production. Ending up the direct interference of the state regulators into enterprise's business and production. Building up program and plan to implement the education and training for the management board of the enterprises; the appointed (or hired) director shall have to be trained.

For the collective economic sector:

Evaluating the implementation of Law on Cooperative to revise the unreasonable points, encouraging the strong development of the collective economic sector; by this doing, speeding up the implementation of the Law on Cooperatives; Finishing the transfer of old

cooperative to the operation under the Law on Cooperatives; dissolving the un-transferable cooperatives.

Having policy on tax exemption or reduction for cooperatives in some areas, especially the service cooperatives in countryside. Making supplement and adjustment to incentive policy on land, credit and members of the cooperatives.

Building the suitable teaching program and making 100 expense assistance for training and education of cooperative officers, especially for head of cooperatives.

For individual, private and small business economic sector:

Reviewing and lifting barriers for the business of the private enterprises in the spirit of ensuring their freedom in doing business as provided by law; issuing Decree on the announcement of the list of valid licenses to ensure that enterprises do not have to apply for any other licenses. The administrative procedure reform relating to enterprises business, reform of supervising and checking, accounting and auditing mechanism of enterprises shall be at the direction of facilitating enterprises and increasing the efficiency of post inspection operation.

Removing the discrimination of treatment behavior for private economic sector in the social and economic life.

Completing the process of granting license of land use and ensuring other rights relating to lands for investors. Making amendment to Decree No.43 on investment credit at the direction of expanding the beneficiary people, assigning the provincial people's committees to decide the maximum level of capital of a project and minimizing the disbursement procedures.

Continuing to issue policies encouraging the development of farm, evaluating and multiplying the model of farm economy.

Building up and consolidating the enterprise information system of all economic sectors, supporting enterprises business, assisting state regulators in term of enterprise control. The Central and local governments periodically organize meetings with enterprises to find solutions for enterprises' problems.

Issuing and carrying out the Decree on supporting the development of small and medium size enterprises; building up model of handicraft villages to create more jobs and develop the non-agricultural profession in the countryside.

For the economic sector with foreign investment:

Diversifying the ways of investment, expanding areas that could attract foreign capital. Encouraging foreign institutions, individuals and Vietnamese overseas to invest in export

production and hi-tech products, to develop the market for service of science, technology, intellectual products and other advisory services for business.

Creating a legal background applied to foreign and domestic investment to create a stable, fair environment in business and incentives that are suitable for each subject.

Continuing the implementation of itinerary for reduction of cost and service price, product prices to reach the unified fee and price ground for domestic and foreign investment. Reviewing and revaluating the land hire cost, exempting the land hire cost for some first years. Step by step expanding the real estate market for Vietnamese people in foreign countries and foreigners in investing in Vietnam.

Reforming the administrative procedures relating to foreign investment at the direction of simplifying the investment licensing, widening the scope of investment license registration; reviewing and removing licenses that are the obstacles for foreign investment; completing the procedures of issuing legal documents to prevent the issuance of the documents that are against the law or not subject to the government decision on foreign investment. Clearly and transparently providing the administrative procedures. Building up the one-stop mechanism for foreign investment from central to local governments.

Renewing the contents and methods of investment promotion and providing budget for this activity. Strengthening more visits and meetings with business community to find solutions for problems preventing foreign investment to Vietnam. Focusing on officers and skillful workers education for foreign invested areas.

3. Combining the market components

Capital market development

Promoting the reform of Central Bank, increasing the ability of monitoring the financial-monetary system, state commercial banks, focusing on methods such as: improving transparency to well evaluate the overdue debt through auditing and classifying debt in conformity with international standards; making frequent capital addition for each state commercial bank after this bank finishes its implementation of the major reforms and achieves its specific financial targets; settling the overdue debt for SOEs within the restructuring plan approved by the Government.

Separating policy lending from normal operation of state commercial banks, step by step removing the policy lending and lending that is not subject to commercial rules, excluding special cases publicly guaranteed by the Government. Restructuring joint-stock commercial banks on the basis of valuating the financial health of all these banks. Withdrawing license of banks who have low safety rate; merging some small size banks.

Renewing the criteria for categorizing debt, extracting and setting up hedge fund in line with international standards; strengthening the effectiveness of regulations on mortgage,

collateral, guarantee, facilitating the creditors in foreclosing and liquidating assets; setting up and putting into operation the debt buying and selling company and for enterprises' assets. Strengthening on-site inspection, using the method of evaluating bank on the basis of evaluating its credit risks.

Establishing securities market in Hanoi, widening the market participants, step by step improving the role of the securities market for the economy. Expanding the foreign banks participation and participation of international financial institutions, foreign investors in the securities market in Vietnam, and issuing the effective control measures.

Labor market development

Making amendment and supplement to the Law on labor, balancing the interest of employees and employers, encouraging the employers to create more jobs, facilitating labor transfers, finding jobs in domestic and foreign countries; ensuring the flexible transfer of workers among economic sectors.

Encouraging all economic sectors to participate the job training and job promotion services and labor export.

Revising the rules governing the business of job promotion and labor export at the direction of facilitating all economic sectors in providing services, and strengthening the monitoring ability of the State.

Reforming the social insurance systems, especially the unemployment insurance, job-loss insurance, creating an equal and fair opportunity of social insurance for workers in all economic sectors; solving the disputes of interest between employees and employers.

Real estate market development

Real estate market development, including market for rights to use land and house ownership; expanding opportunities for citizens and enterprises in all economic sectors to have land and use land for long-term production, business and life.

Checking the current land fund, withdrawing in-effective land used by SOEs, social organizations, armed forces; planning the land use in cities, towns and making it clear and transparent for enterprises and people's implementation. Settling disputes of the cultivating land, living land and houses.

Expanding rules of land use for Vietnamese living in foreign countries and foreign investors in Vietnam. Mobilizing more financial sources for house construction, meeting the people demand, especially houses and flats in cities. Issuing policies on houses for policy families, awarded people and low- income people.

Technology market development

Improving the legal framework relating to intellectual ownership, technology transfer, tech-science contracts to ensure the intellectual ownership, rights to pronounce, exchange, transfer the results of researches. Simplifying administrative procedures, reducing tax (especially income tax for high skill experts of Vietnam and foreign countries), reducing the transaction fees for technology transfers.

Forming the domestic and foreign science-technology information system, creating favorable conditions for individuals, organizations and enterprises to access. Speeding up the process of forming and developing the post-telecommunication & IT market. Making public propaganda of information and basic knowledge of intellectual property, copyright registration and encouraging individuals, organizations who have technology-science products to register their copyright and industrial ownership at relevant authorities.

Creating favorable conditions to setup advisory, technology service organizations in all economic sectors. Periodically organizing “technology” exhibition, workshop to introduce Vietnam’s and foreign technology achievements to customers.

4. Strengthening the effectiveness of macro-economic management tools and policy, continuing construction and improvement of the legal system.

Improving economic legal framework

Improving the construction and improvement of the legal framework to govern the socialism-oriented market economy. Renovating and improving law-making procedures, legal issuance and enforcement procedures, focusing on propaganda, education law and strictly implementing laws.

Carrying out researches on the amendment & supplement to the existing laws in conformity with the requirement of the social-economic strategy implementation and international integration, especially: commercial law, law on bankruptcy of enterprises, labor law; law on credit organizations; state budget law, land law.

Building up new laws: law applying to all types of enterprises in consistence with current law on SOEs and Enterprises law; Law on investment in consistence with foreign investment law and Law on encouraging domestic investment; Law on Competition and monopoly control in business, etc.

Renewing the planning activities

Continuing the renewal of planning activities at the direction of upgrading the orientation and forecast, upgrading the quality of planning, linking the planning with market. Issuing the Ordinance on planning. Expanding the decentralized administration and planning that is relevant to the ability and situation of each industry, local level, followed by a unified mechanism of checking, monitoring to make high efficiency in planning. Strengthening the inter-area and inter-provincial cooperation in planning.

Building up planning procedures involved by people and social economic organizations located in the area.

Setting up and improving the information system, upgrading forecasting ability in planning, renewing planning forms and reporting system at all levels.

Moving toward area planning and planning for infrastructure industries that have inter-area or national network. Publicly pronouncing master plan, strategy and national planning for economic development to lay ground for the planning of each industry, each level and business, production plan of enterprises.

Promoting the effectiveness and renovating control mechanism of state budget:

Revising law on State budget; upgrading the responsibilities and power of the National Assembly, people's council at all levels in making decisions and implementing budget plan, expanding the implementation of principles on publicizing the budget.

Keeping on reforming the tax policy system at the direction of making the tax more open and transparent, harmonizing the beneficial relations among State, enterprises and people; encouraging production and ensuring social equality. Step by step unifying the tax policies between foreign investment enterprises and domestic ones, including import tax, enterprise revenue tax, land rental cost, etc; step by step reducing the import tax as committed within ASEAN and in other bilateral, multi-lateral commitments.

Carrying out third phase tax reform at the direction of narrowing the tax rates, reducing the proportion of indirect tax, applying new rules of tax such as individual income tax, real estate tax.

Reviewing and consolidating the current tax exemption and reduction mechanism researching and adjusting the policy on reducing and exempting taxes, narrowing the current level of tax reduction and exemption. Researching and removing the capital subsidy mechanism to help enterprises themselves to reform, restructuring their production, business, improving the business efficiency, reducing their dependence on the State.

Restructuring the expenditures of State budget, focusing on the construction of social-economic infrastructure, ensuring the operation of state machines. Renovating the budget payment for the administrative agencies. The financial support policy of the state should be made on the basis of efficiency and no influence on business environment. Carrying out fundamental reforms on regulations, policies governing the technology-science systems.

Strengthening the debt control, especially foreign debt, settling the SOEs debt. Reorganizing the operational structure of the state business support funds at the direction of moving from pre-incentives- to post-incentives. Building up the law on controlling state capital and assets.

Expanding auditing activities, creating good conditions for the improvement of the transparency and business efficiency of enterprises. Encouraging the establishment and development of private and foreign auditing firms. Improving ability and independence of the State Auditing Agency. Renewing rules and regulations on accounting documents and books at the direction of creating more favorable conditions for enterprises and making prerequisite base for the supervision of state regulators.

Establishment the supervising mechanism for finance and monetary aiming at ensuring the national financial security, controlling capital flow, loans, debt payment. Setting up and carrying out debt settlement for SOE sector, including debts of state commercial banks, especially the debt of 200 big SOEs identified by the Government. Issuing Decree on foreign debt control.

Continuing the monetary policy and interest rate reform

Building up and carrying out monetary policy and stabilize the macro-economy, controlling the inflation, assisting production and consumption, encouraging development investment, ensuring the high and solid growth of the economy. Reviewing monetary policy at the direction of using indirect policy tools. Carrying out the exchange rate and interest rate policy, open market operations based on market supply and demand, step by step improving the converting possibility of Vietnamese Dong, at first for current accounts.

Modernizing the clearing/settlement and information systems, creating convenience for cash payment, provision, withdrawal. Improving the role of State Bank of Vietnam (SBV) in terms of controlling and managing monetary activities, supervising credit operations; improving the organizational, personnel structures of the SBV.

5. International economic integration, expanding external economic activities.

Continuing the open-door policy and international economic integration policy for development, increasing meetings and negotiations for WTO entry.

Implementing commitments with bilateral and multilateral cooperation structures, especially commitments within the framework of ASEAN (such as AFTA, AICO, AIA, etc.), APEC, ASEM; Vietnam-US Trade Agreement and other international financial institutions. Step by step, lifting the non-tariff barriers, finalizing the list of products and items that will enjoy tax cut by 2003, removing the non-tariff limits in the temporary excluding list as soon as the tariff rate applied to these products reduces to 20%. Closely supervising to find in-time settlement solution in case where disadvantage occurs during implementing international commitments. Implementing targeted protection policy in conformity with the integration progress.

Supporting enterprises in building up business plans in line with integration progress, improving competition ability of enterprises in domestic and international markets, expanding market share in the traditional markets, finding and expanding new markets.

Strictly implementing the 2001-2005 export and import control mechanism. Operating the export credit support funds, guaranteeing the export credit, supporting enterprises with information and measures to participate in exhibitions and fairs. Reducing the price for export supporting services (transportation, stores, etc.) in which the state still control prices. Simplifying administrative procedures, especially custom procedures. Building up insurance mechanism for exports, especially agriculture products and export bonus mechanism basing on export increasing rate and value.

Well implementing the Resolution No. 09/2001/ND-CP of the government dated 22 August, 2001 on attracting and improving foreign direct investment (FDI) efficiency for the period of 2001-2005n and the Directive No. 19/2001 CT-TTg of the Prime Minister dated 28 August, 2001 on implementing the Resolution in industries and levels.

Building up strategy to attract foreign direct investment; assisting localities, especially difficult areas, in building up projects to attract foreign investment.

Building up strategy to attract and make use of the ODA capital in line with the development demand of the country. Well preparing conditions for ODA implementation, especially ground clearing and corresponding capital.

Encouraging and assisting Vietnamese enterprises and individuals in investing into foreign countries. The State negotiates and signs Agreement on encouraging and protecting investment into foreign countries for Vietnamese investors in foreign countries.

6. Policy on developing human resources, training and education, science and technology.

(1) Policy on developing human resources, training and education.

Completing mechanism, policy and law to ensure stable, quality and effective development of the education to meet the demand on human resources for the fast and stable development of the nation.

Building up the education system to create good conditions for people to learn at the direction of modernization and social demand.

Renewing the teaching programs, especially renewing the textbooks at the primary and secondary levels. Improving the teaching method and promoting the quality of training and education. Investing in the laboratory, visible and teaching equipment, improving level-divided teaching; encouraging the setup of learning incentive fund financed by society, enterprises, and others in the community, expanding the learning credit support, creating favorable conditions for students further study.

Reorganizing the enrolment rules (especially for open courses), examination rules and certificate granting in high schools and universities. The State issues standards on quality, programs, teaching and learning contents, teaching and learning infrastructure; renewing the supervising and inspecting mechanism for the teaching and learning quality; punishing the violations.

Promoting the international relations of training and education development; diversifying the types of cooperation in training and education; increasing number of students studying in developed countries.

Developing the type of vocational training to meet the people demand; issuing the mechanism for supporting private or public-private cooperation training centers, especially for new workers; engaging the social development program with vocational training, meeting the demand of the human resources.

Renewing the financial policy and improving the investment environment in training and education. State provide necessary budget for training and education. The State budget will focus on popularizing education and training in remote and high areas; encouraging all economic sectors, (domestic and foreign) investors to participate in the development of training and education at all levels.

Renovating the training management and organization; Preventing and detecting the bad activities and events in education, building up the transparent education background.

(2) Science and technology development policy

Strengthening the resources and science and technology contribution to the social and economic development. Renewing the investment and science management mechanism, mobilizing all resources and capital from domestic and international to make use of and expand the efficiency of the science and technology. Supporting new technology import, make us of and exploit this technology.

promoting investment form the State Budget, activate the resources in science and new technology researches such as IT, biology, new material technology, etc. creating favorable conditions for internet access, especially its price, to help individuals and enterprises exploit the technology and market information in the world.

Setting up development funds for national science and technology with the assistance from state budget, credit and financial institutions, domestic and foreign individuals to apply the technology to life; encouraging to set up the venture fund to attract and activate the application of these above researches to life.

Renewing the science and technology management. Issuing policy to support enterprise to encourage enterprise to research and apply the science and technology development to business and operation. Restructuring of the research and development system (F&D) of

the state. Improving the dependence from budget use, encouraging the dynamic and fair competition among researchers and institutional workers at all sectors. Encouraging these enterprises to step by step integrate in the region and the world;

(3) Policy on renewing cultural activities, physical education and sport.

Renewing the contents and control mechanism of the State in the cultural operation sector to ensure the freedom of writers, artist and composers in composing and presenting, minimizing the negative effects on cultural sector.

Carrying out the Law on Cultural Heritage, preserving national culture and learning positive things from world culture.

Making best use of the investment and support from state budget and social contribution for the development of Vietnam's national culture identity; maintaining and displaying tribe and village tradition of minority nationalities.

Renewing the organizational structure in the physical education and sport sector; separating the functions as a state regulator of the National physical education and sport Committee and the functions to develop the sport movement of sport associations.

Setting up mechanism to encourage enterprises and social organizations to make contribution to the common sport movement; Issuing rules on sponsoring in transparent and open manner.

7. Continuing reforms on social policy and environment protection policy.

Reforming the labor and job policy mechanism, creating equal legal opportunities for all citizens, enterprises and investors in economic production and business, access to market economic information, etc.

Building up the policy systems relating to labor structure transfer, completing the direct incentive policy in recruiting labor forces of enterprises (including foreign investment enterprises); researching on building up vocational training for youth in the country side.

Carrying out soon the policy on job losing and redundant workers subsidies in state sector, providing jobs and retraining redundant workers and employees in state sector after rearrangement.

Implementing the Ordinance on public benefit labor and issuing circulars on mobilizing resources among people, on building the provinces and villages infrastructure. Completing the operating mechanism for national programs, particularly the program on hunger elimination and poverty reduction, program on jobs to create more jobs for workers.

Researching and issuing incentive policy such as bonus and awards for enterprises which creates big number of new jobs, particularly in the countryside. Completing the policy on sending newly-graduated students to country, remote areas for helping farmers in the process of economic and social development.

Particularize the policy on searching and expanding labor export markets; issuing soon the policy on protection of rights and interest of people working in foreign countries and that of labor provision service organizations; giving clear guidelines on credit policy for export workers.

Reforming the social insurance, creating equal opportunities for workers in all economic sectors, solving reasonably all interest of the employees and employers.

Reforming the policy mechanism of people healthcare; setting up policy for healthcare of poor people, policy people, minorities, elderly people without supporting , etc. Reforming the administrative procedures in healthcare and hospital treatment to create good and equal conditions for patients.

Allowing eligible organizations to open private clinic and hospitals the reasonable and simple procedures. Ministry of health issues specific standards for healthcare practitioners; building up the rules to supervise and monitor these activities.

Completing the network for controlling quality and food security. Improving the industrial inspection system. Standardizing healthcare employees for each line, restructuring all universities and training standards, improving the quality of health staff in terms of professional skill and morality.

Reforming the mechanism of health insurance at the direction of diversifying insurance services and supervising abuses that may occur during collecting fees for these services.

Expanding the family planning education, strengthening the knowledge of the relations between population and development; researching and applying the model and advanced technology achievements, improving population quality. Promoting propaganda on family planning and crusades in favor of birth-control, especially for distance and remote areas.

Well carrying out the social policy. Implementing all the social policies, priority policy of the state for awarded people. Continuing the movement on repayment in kind and rendering thanks under many forms. Expanding the repayment in kind funds.

Issuing effective measures against social problems, drug, prostitutes and traffic accidents. Strictly punishing the violations.

Linking the economic policy with environment policy; revising rules on environment protection relating to investment at the direction of ensuring the freedom in investment of citizens and no possibility of polluted environment.

Issuing suitable policy on environment, particularly environment tax and fee policy, environment funds.

Improving the consciousness of protecting environment through environment education in many kinds, especially in schools. Calling for and encouraging the participation of all people, enterprises, social organizations in protecting environment.

8. Promoting administrative reforms, building up a strong and transparent state apparatus

Speeding up the master program for state administrative reforms in the period of 2001-2010 approved by the Prime Minister at the Decision No 136/2001 QD-TTg dated 17 September, 2001 with the following contents:

(1) Status reform:

Setting up and completing the status, firstly for socialism-oriented market economy status, status of organization and operation of state administration. In 5 years, focusing on building up the market status (capital, labor, real estate, science and technology, service market); status of organization and operation of the administrative levels; status of relations between State and people; status of state authority over enterprises.

Renewing the procedures of making legal documents, improving ability of state agencies from central to local governments in building up legal documents; issuing rules to ensure the effective participation of people in making legal documents.

Ensuring the strict implementation of laws and regulations of state agencies, state officials and people; providing full and complete information on policy and laws of the State for all people; improving the inspection, examination and jurisdiction to ensure the effectiveness of the state regulation; expanding the legal advisory services for people.

Keeping on administrative reforms; removing un-necessary and overlap procedures. Implementing the “one stop” mechanism; providing clearly the personnel responsibilities when doing jobs.

(2) Administrative apparatus reform:

Adjusting the functions and duties of the government, ministries, ministry-level agencies, agencies under the government to meet the requirements of the new conditions. In the near future, overcoming the overlap of functions and duties between some ministries. Issuing and applying new rules on classifying central-local governments, improving the rights and duties of local governments. Liking the classification of work with that of finance and personnel organization.

Identifying the role of the State in the market economy, creating ground for the administrative reform program. Upon the amendment to Constitution, carrying out researching and fixing clue agency of the government; adjusting the organizational internal structures of ministries, ministry-level agency, agency directly under the Government.; reforming the local government machinery; reforming the management, working rules of administration at all levels; Modernizing disclosure systems, management tools; applying new and advanced information technology to state regulation.

(3) Renovation, improvement of state official quality:

Renovating the staff control to meet the social and economic development and administrative reforms; completing the standards of official titles; making amendment and supplement to salary system; identifying the suitable structures of state staff linking with the functions and duties of each state agency; streamlining the personnel in the administrative agencies from central to local governments. Completing the recruiting mechanism for staff, having new regulations on evaluating the state officials for bonus or punishment.

Reforming the salary and incentive policies for state staff, increasing the minimum level of salary for state staff to support life; making amendment and supplement to rules on allowances beside salary; Issuing the bonus and reward mechanism for the best success of staff. Reforming the salary system on the basis of the character and work of all kinds of staff.

Retraining state officials, reorganizing the training units for the staff; combining the official training and unofficial training, domestic and foreign training; encouraging officials and staff to self study.

Improving the responsibilities and morality of the state officials and staff; Issuing government service regulations, state staff mechanism, ensuring the good implementation of State regulation. Carrying out the term appointment mechanism for officials; issuing the regulations on state staff circulation within the agency and among agencies, administration levels, ensuring that state staff have enough experience to complete the assigned work.

(4) Public financial reform

Renewing the classification mechanism for finance and budget control, ensuring the integrity and unification of the national financial system for public expenditures.

Implementing the mechanism of reporting the income, including salary and all incomes beside salary applied to state officials and staff. Improving the effectiveness and efficiency of the claim settlement, strictly punishing empowered officials who do not settle the people claims or do it wrong; continuing the movement against corruption.

Building up the bid mechanism for public administration, allowing social organizations to provide this service under the supervision of the community. Supporting and encouraging organizations to operate not for profit but for demand and benefit of people. These organizations may be authorized by the State to do some duties, providing several public services under the supervision of the community./
