



# Khóa Hội Thảo Về Phát Triển Kinh Tế

Economic Development Seminar 6-12-10-12, 1971

INVESTMENT POLICIES FOR DEVELOPMENT

by H.E. PHAM KIM NGOC  
Minister of Economy

(ENGLISH ABSTRACT)

2

Summary of the:

"INVESTMENT DEVELOPMENT POLICY"

Pham Kim Ngoc

Introduction: During the past several years while Vietnam has been suffering great destruction from the war, all efforts, policies and measures undertaken since 1966 have aimed at stabilizing the national economy and curbing inflation.

The situation is much better now and the Government has embarked on a four-year economic development plan which is of key importance to the nation.

PART I

New Industrial Policy

All the basic objectives of the four year development plan were stated by the President of the Republic in his address to both Houses of the National Assembly. The principal points are:

Encouraging the private sector to develop new ideas and capacity in all economic fields.

Undertaking all necessary measures to create an invigorating business climate and a healthy market complex.

The new industrial policy is based on three basic principles:

- a) The free enterprise principle
- b) The fair competition principle
- c) The principle of making industry healthy

As a result of the above mentioned principles, the private sector will play a vital role in industry and at the same time the expansion of government owned plants must be restricted.

PART II

Investment Encouragement Policy

Two principal points

A. Financing investment

- The existing investment demand is not financed adequately due to low national savings
- Financing institutions must expand the scope of their activities so that savings will be available for productive investment, an Economic Development Fund and a capital market must be established.

- On the other hand, in order to encourage the importation of foreign capital for investment in Vietnam, we will grant all appropriate privileges and incentives, and a new investment law will be enacted.
- Financing will be sought from friendly countries or through international financial institutions

B. Creating a favorable environment for investment

The Government must guarantee the legal security and safety of business undertakings such as:

- Administrative procedures must be simplified
- Attractive investment privileges must be created
- The Government should not interfere dictatorially with the private sector
- Appropriate measures to create a favorable climate for investment should be undertaken

Conclusion: It is sincerely hoped that the new economic measures undertaken on November 16, 1971, will bring results in the implementation of the investment policy.